

Asian Markets Rating **ACCUMULATE**

CMP (Rs)	2,000
Target (Rs)	2,300
Upside (%)	14%

Nifty: 17103 Sensex: 57061

Key Stock Data

Bloomberg	SI IN
Shares O/s Mn (FV INR10)	127
Mkt Cap (USD Bn/INR Bn)	3.2/247.3
52-week high/low	2694/1856
6m daily avg vol(INR Mn)	244
Free Float %	51

Price Performance

(%)	3m	1yr	3yr
SI	(7.3)	(4.0)	20.8
Nifty	(1.2)	18.3	14.9
NSE500	(0.7)	21.0	16.7
BSE Midcap	(0.7)	21.0	19.3

Shareholding Pattern

(%)	Sep-21	Dec-21	Mar-22
Promoter	48.9	48.9	48.9
FII	10.4	16.2	16.2
DII	19.2	19.4	19.4
Others	21.6	15.6	15.6

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FY22-24E Earnings CAGR	CF & Return Profile	Valuations
6%	Strong	In-line

Tepid performance continues

- Supreme Industries Ltd (SIL) reported a decent 16% plastic processing volume growth (~1.3lakh MT) and a better pricing (+6% to ~Rs2lakh/MT) across the board yoy, however gross (-11% to 27.9%) and EBITDA Margins (-9% to 15.3%) came in lower than expected on the back of change in product mix and inventory loss in the core piping division. Adjusting for inventory (heavy gains/losses in the base/gone by quarter), EBITDAM is down ~4%.
- While Plastic piping volumes almost touched ~1lakh MT in the 4Q, an all-time high number (up 27/70% yoy/qoq), surprising estimates by large, EBIT/MT tumbled 43/20% yoy/qoq to ~Rs27K. This was on the back of higher Agri sales as demand picked up after a long haul as well as minor inventory losses with PVC prices correcting in the 1st half of 4QFY22. Also, the company continued to incentivize channel partners as seen in 3Q.
- Packaging performance hasn't fared well (-16% volumes yoy) owing to fierce competition from lookalike products and higher lag in pass on of cost inflation. Industrial volumes were flat yoy because of supply chain issues, shortage of containers & semiconductors. PAT came in at Rs3.2bn, down 28% yoy yielding an EPS of Rs 25.5.

SIL's Management hopeful of 15% volume growth in plastic pipe & company level :

- Higher PVC imports from China to the domestic market has resulted in a Southward trend in PVC lately (Rs6/kg dip on 19th April & further expected dip of Rs4 in the first half of May), which shall translate into a better demand scenario. Hence SIL's Management is hopeful of a 15%+ volume growth in the plastic pipes. CPVC is on a strong footing and Agri is expected to be much better after a dull offtake in recent quarters.
- In Cross Laminated films, the company shall be focussing on Non tarpaulin products, find newer applications & markets and further penetration in the existing market.
- Value added portfolio (EBITDAM of 17%+) formed 37/38% for FY22/4Q to get further boost with 280 SKU's to be launched in the medium term. Also, the company to add 10% capacities across the product basket.

SIL's to incur Rs7bn capex across verticals :

- SIL has committed to incur a capex of Rs7bn for FY23 which will be towards competition of Assam plant (PVC, Roto & Blow moulded products), setting up a plastic product complex in Cuttack (Odisha) & Erode (TM), doubling composite LPG cylinder capacity to 1mn in Halol, increasing fittings capacity & setup PEX piping system in Jadcherla, adding new models of injection moulding furniture, crates, pallets etc. All of this to be funded from internal accruals.

Raw material inventory to normalize going ahead:

- Inventories were higher by 15days in FY22 owing to heavy stocking of PVC resin amid supply side uncertainties. However, with higher supplies from China, SIL shall keep a relatively lower stock now. Inventory for the packaging segment is high as we approach the peak season. Controlled inventories and higher volumes led to strong CFO going ahead

Maintain ACCUMULATE on SIL. Await stronger growth in core categories

- While the stock has corrected 20% in last few months, we shall re-rate once we see stronger volume growth in pipes, a sustainable EBIT/MT profile after a very bloated number in the last few quarters & a comeback performance for packaging. We build in a 11% volume and 6% EPS CAGR impacting from cost inflation. Assigning 27x on FY24EEPS, we have an ACCUMULATE rating with TP of 2,300.

Exhibit 1: Key Financials

Y/E Mar (Rsmn)	FY20	FY21	FY22E	FY23E	FY24E
Sales	54,859	63,571	77,728	81,872	92,107
yoy (%)	-0.8	15.9	22.3	5.3	12.5
EBITDA	8,296	12,843	12,421	13,295	15,044
yoy (%)	13.4	54.8	-3.3	7.0	13.2
Reported PAT	4,674	9,781	9,684	9,733	10,873
yoy (%)	4.2	109.3	-1.0	0.5	11.7
EBITDAM(%)	15.1	20.2	16.0	16.2	16.3
NPM (%)	8.5	15.4	12.5	11.9	11.8
EPS	36.5	77.0	76.2	76.6	85.6

Exhibit 2: Key Indicators

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
RoE (%)	21.2	36.0	27.6	23.4	22.7
RoCE (%)	23.5	35.3	28.3	25.1	24.9
RoIC (%)	25.6	39.9	31.0	28.1	29.7
D:E (x)	0.1	-0.2	-0.1	-0.2	-0.2
PER (x)	54.4	26.0	26.2	26.1	23.4
P/BV (x)	11.2	8.0	6.6	5.7	5.0
EV/Sales (x)	4.7	3.9	3.2	3.0	2.6
EV/ EBITDA (x)	30.8	19.2	20.0	18.5	16.1
Dividend yield (%)	0.7	1.1	1.2	1.8	2.0

Source: Company, AMSEC Research



Exhibit 3: 4QFY22 Performance (Consolidated)

Particulars (Rs m)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	YoY(%)	QoQ(%)	FY21	FY22	YoY(%)
Net sales	20,846	13,421	19,285	19,451	25,571	22.7%	31.5%	63,571	77,728	22.3%
Other Operating Income	0	0	0	0	0			0	0	-
Consumption of raw materials	12,099	9,974	13,264	13,175	17,876	47.8%	35.7%	37,644	54,289	44.2%
Purchase of finished goods	272	292	308	388	377	38.6%	-2.9%	1,236	1,365	10.5%
Stock adjustment	373	-1,604	-365	-339	186	-50.3%	-154.7%	1,505	-2,123	-241.0%
Employee cost	931	803	866	880	904	-2.9%	2.7%	3,104	3,453	11.3%
Power & Fuel	548	444	566	510	615	12.2%	20.5%	1,986	2,134	7.5%
Other expenditure	1,526	1,292	1,539	1,658	1,699	11.4%	2.5%	5,254	6,188	17.8%
Total expenditure	15,749	11,201	16,178	16,272	21,657	37.5%	33.1%	50,728	65,307	28.7%
Ebitda	5,097	2,220	3,108	3,179	3,914	-23.2%	23.1%	12,843	12,421	-3.3%
Other income	82	43	41	29	86	4.4%	192.5%	105	199.5	89.3%
Depreciation	548	561	571	575	588	7.3%	2.3%	2,128	2,295	7.9%
Interest	50	21	7	5	19	-62.7%	308.7%	158	52	-67.3%
Exceptional Items	0	0	0	0	0			0	0	-
Profit before tax	4,581	1,681	2,571	2,629	3,393	-25.9%	29.1%	10,662	10,274	-3.6%
Provision for taxation	781	430	675	678	851	8.9%	25.4%	2,341	2,633.3	12.5%
Income from Associate	703	450	391	507	696	-1.0%	37.4%	1,460	2,044	40.0%
Income from Real estate	0	0	0	0	0			0	0	
Reported PAT	4,504	1,702	2,287	2,457	3,239	-28.1%	31.8%	9,781	9,685	-1.0%
Adj PAT	4,504	1,702	2,287	2,457	3,239	-28.1%	31.8%	9,781	9,685	-1.0%
Equity Capital (FV=Rs2)	254	254	254	254	254			254	254	
O/S Shares	127	127	127	127	127			127	127	
Adj. EPS	35.5	13.4	18.0	19.3	25.5	-21.3%	7.4%	77.0	76.2	-1.0%

Source: Company, AMSEC Research

Exhibit 4: Common Size (% of Revenue)

Particulars	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	FY21	FY22
COGS	61.1%	64.5%	68.5%	68.0%	72.1%	63.5%	68.9%
Gross margins	38.9%	35.5%	31.5%	32.0%	27.9%	36.5%	31.1%
Employee expenses	4.5%	6.0%	4.5%	4.5%	3.5%	4.9%	4.4%
Power & Fuel expense	2.6%	3.3%	2.9%	2.6%	2.4%	3.1%	2.7%
Other expenses	7.3%	9.6%	8.0%	8.5%	6.6%	8.3%	8.0%
EBIDTA margins	24.5%	16.5%	16.1%	16.3%	15.3%	20.2%	16.0%
Other income	0.4%	0.3%	0.2%	0.2%	0.3%	0.2%	0.3%
Depreciation	2.6%	4.2%	3.0%	3.0%	2.3%	3.3%	3.0%
Finance costs	0.2%	0.2%	0.0%	0.0%	0.1%	0.2%	0.1%
PBT	22.0%	12.5%	13.3%	13.5%	13.3%	16.8%	13.2%
Tax expenses (% of PBT)	17.0%	25.6%	26.2%	25.8%	25.1%	22.0%	25.6%
PAT margins	21.6%	12.7%	11.9%	12.6%	12.7%	15.4%	12.5%

Source: Company, AMSEC Research



4QFY22 Concall Highlights

- **Plastic Pipes** –Management believes the demand for plastic pipes is likely to be strong in FY23 owing to pick-up in various government projects such as Swachh Bharat Abhiyan, Jal Jeevan Mission, coupled with expected healthy growth in the housing segment. Also, the downward trend in PVC prices is likely to boost demand for plastic pipes. The contribution from newer capacities and incremental demand from newer geographies will enable the company to deliver strong growth in coming years. Expect 15% volume growth % EBITDAM for PP. Bullish on covering the lost Agri market in FY23.

 - EBIT/MT was lower because of product mix change. Agri forms 25/30% of the total plastic pipe segment. CPVC segment grew in the 4Q and FY22. CPVC PVC price delta is 30-35%.
 - With higher supplies of PVC resin from China, PVC prices are expected to move southwards. After a Rs6/kg dip in mid April, we expect more corrections till June/July. Channel inventory is light as of now. No more challenges in sourcing CPVC RM as of now.
 - Majority of the planned capex shall be in the plastic pipe division. Capex at Assam, Odisha & TM to take capacities from 5.25lakh MT to ~5.9lakh in the medium term
- **Packaging** - Competition from lookalike products and higher lag in pass of the cost inflation impacted performance. In Cross Laminated Film products, the company will be focusing on non- Tarpaulin products, deepening penetration in existing markets, finding newer applications, & foraying into the newer markets. SIL has expanded their capacities in this segment to 30K.

 - Non tarpaulin products garner better margins vis-à-vis tarpaulin. Inventory levels are high as we enter the peak season.
 - Performance packaging has done well in oil & dairy. Good enquiries from Middle east, Africa, Europe.
- **Industrial** - Supply chain issues, non-availability of containers & semi-conductor shortage impacted the performance of this vertical. Business environment have started to look good within sectors like AC, refrigerator, coolers where the company has good presence
- **Composite LPG cylinder** - SIL has participated and received Letter of Intent (LOI) for supply of 7,35lakh of 10 Kg. capacity Composite LPG Cylinders valuing about Rs.1.7bn from (IOCL). Company is doubling their capacity to 1mn units by spending Rs0.5-0.6Bn & can do Rs2-2.5Bn topline at peak utilizations.
- **Capacity & Capex** – Total capacity stands at 7.25Lakh MT (5.25 for pipes, 0.9 for Packaging, 0.8 for industrial, 0.3 for consumer). Incurring a capex of ~7bn, the same will inch up to ~8lakh MT in total with bulk of the additions in the Plastic piping segment.
- **Outlook – SIL Management confident of 15% volume growth at the company level for FY23 on the back of a good demand environment & company focus on capacity expansion, newer geographies and roll out of SKU's**



Exhibit 5: Segment-wise trend

Volume (in MT)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	FY21	FY22
Plastic Pipes	66,609	76,759	75,997	48,111	72,480	57,197	96,507	2,94,357	2,74,295
yoy%	-1.8%	9.0%	-1.7%	-35.8%	8.8%	-25.5%	27.0%		-6.8%
Packaging	12,239	16,785	15,627	11,532	12,905	16,594	13,131	54,833	54,162
yoy%	10.6%	2.4%	40.2%	13.3%	5.4%	-1.1%	-16.0%		-1.2%
Industrial	11,285	11,652	13,744	9,512	12,390	12,365	13,763	41,451	48,030
yoy%	13.4%	32.4%	44.8%	99.4%	9.8%	6.1%	0.1%		15.9%
Consumer Products	4,703	6,388	5,870	2,109	4,898	5,207	5,206	18,468	17,420
yoy%	0.6%	10.9%	11.9%	39.9%	4.1%	-18.5%	-11.3%		-5.7%
Total	94,836	1,11,584	1,11,238	71,264	1,02,673	91,363	1,28,607	4,09,109	3,93,907
yoy%	1.4%	10.1%	7.8%	-22.1%	8.3%	-18.1%	15.6%		-3.7%

Revenue (Rs mn)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	FY21	FY22
Plastic Pipes	8,473	11,402	13,468	8,311	12,673	11,479	17,997	40,988	50,460
yoy%	4.4%	42.8%	43.7%	8.7%	49.6%	0.7%	33.6%		23.1%
Packaging	2,198	3,179	3,097	2,441	2,773	3,697	3,190	10,351	12,101
yoy%	11.1%	3.0%	49.2%	30.2%	26.1%	16.3%	3.0%		16.9%
Industrial	1,815	2,161	2,931	1,989	2,530	2,715	3,003	7,611	10,237
yoy%	7.3%	38.0%	84.0%	182.2%	39.4%	25.6%	2.5%		34.5%
Consumer Products	855	1,167	1,240	485	1,112	1,275	1,180	3,542	4,051
yoy%	-1.0%	11.7%	30.6%	73.1%	30.1%	9.2%	-4.8%		14.4%
Total	13,748	18,438	20,846	13,421	19,285	19,451	25,571	63,571	77,728
yoy%	8.2%	34.3%	45.7%	27.3%	40.3%	5.5%	22.7%		22.3%

Realisation (Rs / MT)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	FY21	FY22
Plastic Pipes	1,27,198	1,48,543	1,77,211	1,72,736	1,74,845	2,00,698	1,86,487	1,39,246	1,83,962
yoy%	6.3%	31.0%	46.2%	69.4%	37.5%	35.1%	5.2%		32.1%
Packaging	1,79,623	1,89,407	1,98,202	2,11,698	2,14,862	2,22,809	2,42,914	1,88,766	2,23,424
yoy%	0.4%	0.6%	6.4%	14.9%	19.6%	17.6%	22.6%		18.4%
Industrial	1,60,789	1,85,462	2,13,249	2,09,125	2,04,157	2,19,588	2,18,179	1,83,619	2,13,131
yoy%	-5.4%	4.3%	27.1%	41.5%	27.0%	18.4%	2.3%		16.1%
Consumer Products	1,81,735	1,82,749	2,11,244	2,29,777	2,26,970	2,44,786	2,26,662	1,91,797	2,32,543
yoy%	-1.6%	0.7%	16.6%	23.7%	24.9%	33.9%	7.3%		21.2%
Total	1,44,964	1,65,239	1,87,399	1,88,325	1,87,833	2,12,899	1,98,830	1,55,388	1,97,326
yoy%	6.6%	22.0%	35.2%	63.4%	29.6%	28.8%	6.1%		27.0%

EBIT Margin (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	FY21	FY22
Plastic Pipes	17.4%	21.9%	26.5%	17.0%	15.3%	16.5%	14.4%	20.0%	15.5%
Packaging	11.6%	12.5%	13.2%	7.0%	9.2%	6.7%	10.6%	12.0%	8.3%
Industrial	6.6%	9.3%	13.3%	6.1%	7.6%	8.3%	10.5%	8.3%	8.3%
Consumer Products	14.8%	19.6%	23.1%	1.3%	15.7%	16.8%	12.3%	16.8%	13.3%
Total	15.1%	18.8%	22.3%	12.7%	13.4%	13.6%	13.3%	17.2%	13.3%

Source: Company, AMSEC Research



Exhibit 6: Sales mix (%)

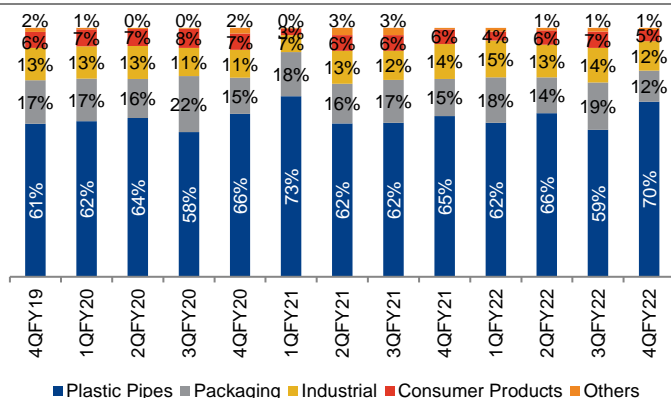


Exhibit 7: Overall volume trend

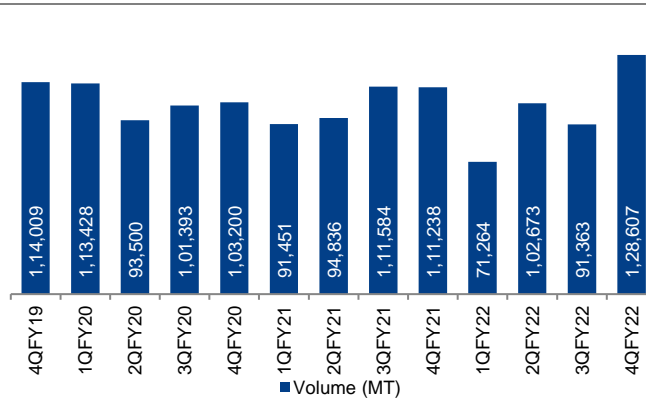


Exhibit 8: Realization trend

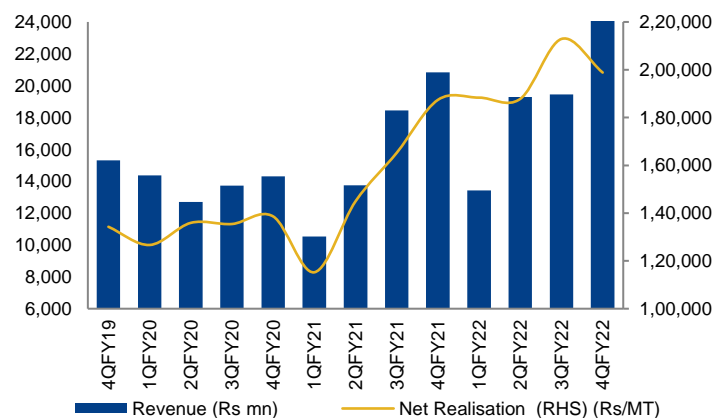


Exhibit 9: GM & EBITDAM trend

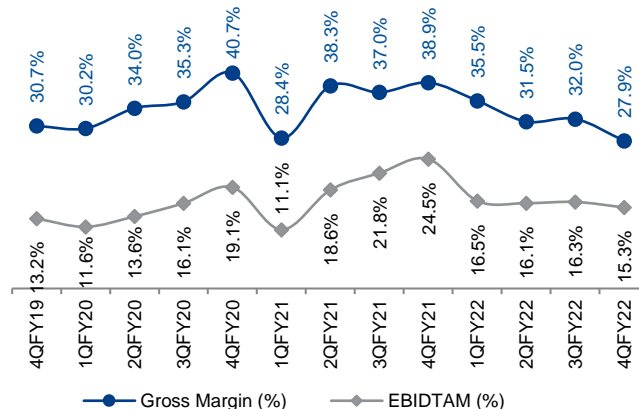
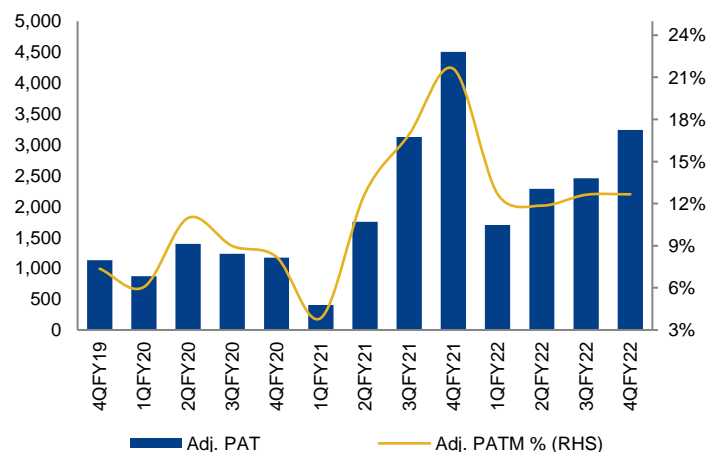


Exhibit 10: Adj. Net profit trend



Source: Company, AMSEC Research



Financials

(Rs mn)

Profit and Loss Statement

Y/E (Mar)	FY20	FY21	FY22E	FY23E	FY24E
Net sales	54,859	63,571	77,728	81,872	92,107
Raw material cost	35,716	40,385	53,532	56,492	63,370
Staff Expenses	2,791	3,104	3,453	3,684	4,145
Other Operating expenses	8,058	7,240	8,323	8,401	9,549
Total expenditure	46,564	50,728	65,307	68,577	77,064
EBITDA	8,296	12,843	12,421	13,295	15,044
Depreciation	2,057	2,128	2,295	2,779	3,104
Operating Profit	6,239	10,715	10,126	10,516	11,940
Other income	14	169	200	275	375
EBIT	6,253	10,884	10,325	10,791	12,315
Interest	202	221	52	52	52
Exceptional income/(expense)	0	0	0	0	0
Profit Before Tax	6,051	10,662	10,274	10,739	12,263
Tax	1,722	2,341	2,633	2,706	3,090
Net Profit	4,329	8,322	7,641	8,033	9,173
Profit from Associate	312	1,460	2,044	1,700	1,700
Profit from real estate	33	0	0	0	0
Reported Net Profit	4,674	9,781	9,684	9,733	10,873
EPS	36.5	77.0	76.2	76.6	85.6

Cash Flow Statement

Y/E (Mar)	FY20	FY21	FY22E	FY23E	FY24E
PBT	6,413	12,122	10,274	10,739	12,263
Other Finan. adjustments	2,286	2,342	4,391	4,531	4,856
Changes in working capital	-1,647	1,955	-4,947	652	-1,168
Other operating activities	-37	-1,634	-2,143	15	37
Tax paid	1,621	2,322	2,870	2,706	3,090
Cashflow from operations	5,393	12,464	4,704	13,230	12,898
Capital expenditure	-2,397	-2,210	-4,700	-6,000	-5,000
Change in investments	243	0	0	0	0
Other investing activity	195	204	665	-209	-277
Cashflow from investing	-1,959	-2,006	-4,035	-6,209	-5,277
Issue/repay debt	-4	-4	-6	0	0
Interest Paid	-271	-166	-52	-52	-52
Dividends paid	-3,522	-635	-2,922	-3,557	-4,192
Other financing cashflow	2,242	-4,251	-124	0	0
Cashflow from financing	-1,555	-5,055	-3,103	-3,608	-4,243
Change in cash & cash eq	1,879	5,403	-2,434	3,413	3,377
Opening cash & cash eq	320	2,213	7,615	5,190	8,603
Closing cash & cash eq	2,199	7,615	5,190	8,603	11,980
Free Cash Flow to firm	2,997	10,254	4	7,230	7,898

Balance Sheet

Y/E (Mar)	FY20	FY21	FY22E	FY23E	FY24E
SOURCES OF FUNDS					
Share Capital	254	254	254	254	254
Reserves Total	22,358	31,438	38,190	44,366	51,047
Total Shareholders' Funds	22,612	31,692	38,444	44,620	51,301
Minority Interest	0	0	0	0	0
Non-Current Liabilities	1858	1449	1512	1526	1563
Long term borrowings	9	6	0	0	0
Deferred tax liability	1,326	919	904	904	904
Lease liabilities	295	257	323	323	323
Other long term liabilities	229	267	284	299	336
Current Liabilities	11,716	9,682	10,004	10,428	11,732
Short term borrowings	4,104	0	0	0	0
Trade payables	5,475	6,462	7,940	8,299	9,337
Other current liabilities	2,024	3,146	1,988	2,047	2,303
Short term provisions	113	74	76	82	92
Total Equity & Liabilities	36,185	42,823	49,959	56,574	64,596
APPLICATION OF FUNDS					
Non Current Assets	20,108	22,164	25,206	28,635	30,809
Fixed Assets					
Gross Block	29,610	32,455	35,210	42,755	47,755
Less : Accumulated Depreciation	14,278	16,093	18,388	21,168	24,272
Net block	15,331	16,362	16,821	21,588	23,484
Capital Work in Progress	929	508	1,546	0	0
Intangible assets	160	112	76	76	76
Right to use - Lease	586	672	787	787	787
Non current Investment	2,020	3,312	4,702	4,702	4,702
Long term loan and advances	8	11	12	8	9
Other non-current assets	1,073	1,188	1,261	1,474	1,750
Current Assets	16,077	20,659	24,753	27,938	33,787
Inventories	8,906	7,608	12,602	11,888	13,375
Sundry Debtors	3,128	3,898	4,668	4,935	5,552
Cash and Equivalent	2,199	7,615	5,190	8,603	11,980
Other bank balance	115	69	74	74	74
Others Current Assets	1,729	1,469	2,220	2,439	2,808
Total Assets	36,185	42,823	49,959	56,574	64,596
Net working capital	8,465	10,978	14,749	17,510	22,056
Total Gross Debt	4,113	6	0	0	0
Total Net debt	1,799	-7,678	-5,264	-8,676	-12,053
Total Capital Employed	28,050	32,618	39,348	45,524	52,205

Ratios

Y/E (Mar)	FY20	FY21	FY22E	FY23E	FY24E
PER SHARE					
EPS	36.8	77.0	76.2	76.6	85.6
CEPS	53.0	93.8	94.3	98.5	110.0
BV	178.0	249.5	302.6	351.3	403.9
VALUATION					
EV/SALES	4.7	3.9	3.2	3.0	2.6
EV/EBIDTA	30.8	19.2	20.0	18.5	16.1
P/E RATIO	54.4	26.0	26.2	26.1	23.4
P/BV RATIO	11.2	8.0	6.6	5.7	5.0
FCF Yield (%)	1.2	4.0	0.0	2.8	3.1
GROWTH YOY%					
Sales Growth	-0.8	15.9	22.3	5.3	12.5
EBITDA Growth	13.4	54.8	-3.3	7.0	13.2
Net Profit Growth	4.2	109.3	-1.0	0.5	11.7
Gross Fixed Asset Growth	7.0	9.6	8.5	21.4	11.7
PROFITABILITY					
Gross Profit/ Net sales (%)	34.9	36.5	31.1	31.0	31.2
EBITDA / Net Sales (%)	15.1	20.2	16.0	16.2	16.3
EBIT/ Net Sales (%)	11.4	17.1	13.3	13.2	13.4
NPM / Total income (%)	8.5	15.4	12.5	11.9	11.8
OCF (Pre-tax) / EBITDA (%)	84.6	115.1	61.0	119.9	106.3
OCF / PAT (%)	116.2	127.4	48.6	135.9	118.6
ROE (%)	21.2	36.0	27.6	23.4	22.7
ROCE (%)	23.9	35.9	28.7	25.4	25.2
ROIC (%)	25.6	39.9	31.0	28.1	29.7
Tax / PBT (%)	28.5	22.0	25.6	25.2	25.2
TURNOVER					
Net Working Cycle	44	29	44	38	38
Debtors Velocity	21	22	22	22	22
Inventory	59	44	59	53	53
Creditors Velocity	36	37	37	37	37
Gross Asset Ratio	1.9	2.0	2.3	2.1	2.0
Total Asset Ratio	1.6	1.6	1.7	1.5	1.5
LIQUIDITY (x)					
Net Debt-Equity Ratio	0.1	-0.2	-0.1	-0.2	-0.2
Interest Coverage	31.0	49.2	-	-	-
Current Ratio (x)	1.4	2.1	2.5	2.7	2.9
Quick Ratio (x)	0.6	1.3	1.2	1.5	1.7
PAYOUT					
Payout (%)	45.7	28.6	31.5	45.7	45.6
DPS (Rs)	14.0	22.0	24.0	35.0	39.0
Yield (%)	0.7	1.1	1.2	1.8	2.0



Recommendation rationale

Buy: Potential upside of	>+15% (absolute returns)
Accumulate:	>+5 to +15%
Hold/Reduce:	+5 to -5%
Sell:	< -5%
Not Rated (NR):	No investment opinion on the stock

Sector rating

Overweight:	The sector is expected to outperform relative to the Sensex.
Underweight:	The sector is expected to underperform relative to the Sensex.
Neutral:	The sector is expected to perform in line with the Sensex.

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