

KEI INDUSTRIES

Robust growth despite GST headwind; bright prospects

India Equity Research | Consumer Durables

KEI Industries' (KEI) revenue grew 20% (in line), while EBITDA/PAT missed estimates 7%/10%, respectively. The miss was due to postponement of INR1bn billing of high margin turnkey orders to Q3FY18. Key highlights: a) 20% revenue surge led by strong execution in turnkey projects (up 15% YoY); b) moderate growth in cables segment due to normalisation of sales post aggressive pre-buying in Q1FY18; and c) 16% YoY fall in interest cost given KEI's sustained focus long-term debt reduction & WC management. Our conviction on KEI is driven by: i) underleveraged brand with growth potential as KEI increases ad spends to expand B2C business; ii) focus on profitability with target to prune long-term debt gradually; and iii) re-rating potential as it expands consumer business. Maintain 'BUY' with revised TP of INR435 (vs INR322) as we prune interest cost given better debt management and raise our PE given improved growth visibility post GST changes (assigning target multiple of 20x versus 17x earlier).

Q2FY18: Key highlights

a) 20% YoY revenue growth was led by execution of turnkey projects (up 15% YoY) despite moderate growth in cables segment (up 7% YoY) due to normalisation of sales in Q2FY18 (in line with our channel checks); b) EBITDA margin fell 50bps YoY to 10.2% due to postponement in billing of INR1bn high margin turnkey orders to Q3FY18; c) PAT jumped 33% YoY with reduction in interest cost to 3.7% (versus 5.2% YoY) of sales driven by long-term debt reduction and better WC management.

What we expect going forward?

We estimate KEI to post 21% revenue CAGR (FY17-19) led by: a) ramp up in retail business as KEI focuses on improving brand image; b) strong execution in turnkey business along with higher billing in H2FY18 (62% YoY expected growth); and c) cut in GST rate to 18% from 28% to revive demand in cables & wires. These we perceive will increase the scope to generate cash over the next 12-24 months, which could help KEI prune long-term debt further and thus post earnings CAGR of 30% over FY17-19E.

Outlook and valuations: Robust visibility; maintain 'BUY'

We expect KEI to post profitable growth going forward on account of improving market share in cables & wires riding robust branding, focus on profitability and GST rate cut benefitting the cables & wires segment. We maintain 'BUY/SO'.

Financials (Standalone)

(INR mn)

Year to March	Q2FY18	Q2FY17	% change	Q1FY18	% change	FY17	FY18E	FY19E
Net rev.	7,488	6,242.7	20.0	7,909	(5.3)	26,312	32,091	38,375
EBITDA	763	666.0	14.5	768	(0.7)	2,743	3,410	4,128
Adjusted profit	285	214.0	33.2	275	3.7	986	1,263	1,671
Diluted EPS (INR)	3.7	2.8	32.2	3.5	3.7	12.7	16.2	21.5
Diluted P/E (x)						25.8	20.1	15.2
ROAE (%)						23.5	23.7	24.9

EDELWEISS 4D RATINGS

Absolute Rating	BUY
Rating Relative to Sector	Outperform
Risk Rating Relative to Sector	Low
Sector Relative to Market	Overweight

MARKET DATA (R: KEIN.BO, B: KEII IN)

CMP	: INR 329
Target Price	: INR 435
52-week range (INR)	: 372 / 108
Share in issue (mn)	: 78.4
M cap (INR bn/USD mn)	: 26 / 394
Avg. Daily Vol.BSE/NSE('000)	: 487.1

SHARE HOLDING PATTERN (%)

	Current	Q1FY18	Q4FY17
Promoters *	46.3	46.6	46.6
MF's, FI's & BK's	13.8	18.6	18.7
FII's	5.5	4.0	4.3
Others	34.4	30.8	30.4
* Promoters pledged shares (% of share in issue)	:		NIL

PRICE PERFORMANCE (%)

	Stock	Nifty	EW Capital Goods Index
1 month	(2.2)	0.6	6.0
3 months	52.6	4.4	6.8
12 months	157.0	23.2	30.2

Amit Mahawar

+91 22 4040 7451
amit.mahawar@edelweissfin.com

Darshika Khemka

+91 22 4063 5544
darshika.khemka@edelweissfin.com

Ashutosh Mehta

+91 22 2286 2748
ashutosh.mehta@edelweissfin.com

November 14, 2017

KEI Q2FY18 conference call: Key highlights

Overall performance

- Cables & wires sales grew 15% in volume terms during the quarter.
- Export sales jumped 33% (INR1.37bn in Q2FY18 versus INR1.03bn in Q2FY17) during the quarter and by 31% in H1FY18 (revenue of INR2.47bn in H1FY18 versus INR0.88bn in H1FY17).
- **Retail business:** KEI has been able to expand sales through the dealer network by 25% in value terms to INR4.78bn from INR3.81bn in Q2FY17 and by 21% in volume terms in H1FY18. Dealers have grown 25% to 1,274 YTD. The company is targeting 30% growth in dealer network in FY18.
- **Turnkey division:** Revenues were at INR3.07bn (INR1.79bn in Q2FY17), 72% growth apart from cables sales.
- **EHV:** The company posted sales of INR0.78bn versus INR0.33bn in EHV cables segment.
- **Order book:** KEI's order book stands at INR23.47bn, of which EPC is INR16.17bn, which includes substation orders; balance is cables at INR7.3bn, which includes INR0.94bn of EHV cables. The company's focus is on executing all orders in hand and not on booking more orders. Management believes it will have enough orders to generate revenue of INR10bn; however, it will start bidding for new orders by FY18 end.
- Metal prices have been increasing and KEI has been passing them on in the form of price hikes, especially in the projects segment.

Guidance and outlook

- Expects overall revenue growth of 15-20% in volume terms and 20% plus growth in value terms in FY18.
- Management believes with current capacity expansion it will be able to grow revenue minimum 20% YoY in FY19E.
- KEI is growing higher than the industry average and business outlook remains positive in the retail network where it has been able to expand dealer network in untapped areas, exports and the EPC division as well.
- Management stated KEI will clock at least 12% plus EBITDA margin in the EPC business.
- It is targeting INR1.75bn revenue in the EHV segment. Management stated there is a lot of demand and orders are in pipeline, but utilities are delaying orders. However, growth will be robust once orders from utilities pick up.

Expansion plan: KEI has an expansion plan in place to increase capacity of LT power and control cables. The company already has land near its Chopanki factory in Rajasthan where it is investing INR550mn for plant and machinery for manufacture of LT cables worth INR3bn. It may also add one manufacturing line for HT cables. This facility is expected to be ready by April FY18.

Capacity utilisation: Overall capacity utilisation of 82% versus 77% in Q2FY17. However, LT power cables have 90% capacity utilisation and are thus expanding their LT cables production capacity in Bhiwadi.

JV with Brugg Kabel: JV is going good where it has already manufactured 400kV cables and has sent them to labs outside India for testing.

Overall comments

- Planned ad expenses of INR150mn for FY18, of which INR90mn has been spent in H1FY18.
- Discounts and commission on sales in H1FY18 were INR64.5mn versus INR115mn in FY17.
- Planned capex for FY18 is INR500mn, of which INR200mn has been spent in H1FY18. The company has not planned any capex yet for FY19.
- Inventory days stand at 3 months for raw material/ semi-finished goods and finished goods.
- Debtors and debt have increased by INR80mn and INR800mn, respectively, due to GST, but is likely to fall by Q3/Q4FY18.
- **Industry:**
 - The EHV cables industry has a market size of INR15bn. EHV cables are used by transmission utilities for converting tower cables to underground cables for carrying bulk power with mainly SEB's investing in this space.
 - The LT & HT cable orders issued by IPDS and Deendayal Upadhyaya Gram Jyoti Yojana are used for distribution strengthening. This is a market only for organized players as unbilled amounts cannot go into this.

Product Wise Revenue breakup

- LT - INR3.15bn vs INR2.93bn in Q2FY17.
- HT - INR1.16bn vs INR1.03bn in Q2FY17.
- EHV - INR0.19bn vs INR0.16bn in Q2FY17.
- HW - INR1.31bn vs INR1.03bn in Q2FY17.
- SSW - INR0.3bn vs INR0.25bn in Q2FY17.
- EPC - INR1.37bn vs INR0.95bn in Q2FY17.

Breakup of Interest

- Term Loan Interest – INR31mn for Q2FY18 and INR76.4mn for H1FY18
- Working Capital Interest – INR130mn for Q2FY18 and INR290mn for H1FY18
- LC – INR52mn for Q2FY18 and INR9.4mn for H1FY18
- Charges on LC – INR17mn for Q2FY18 and INR38mn for H1FY18
- Charges on Bank Guarantee – INR11.6mn for Q2FY18 and INR34mn for H1FY18
- Others – INR27.8mn for Q2FY18 and INR42.8mn for H1FY18

Table 1: Segmental performance

Year to March	Q2FY18	Q2FY17	% change	Q1FY18	% change
Revenue (INR mn)					
Cables	5,967	5,555	7	6,170	-3
Stainless Steel Wires	302	271	11	290	4
Turnkey Projects	1,671	1,450	15	2,952	-43
Inter segment revenue	401	519	-23	1,177	-66
Total revenue	7,538	6,756	12	8,235	-8
Segment revenue mix (%)					
Cables	79	82		75	
Stainless Steel Wires	4	4		4	
Turnkey Projects	22	21		36	
EBIT (INR mn)					
Cables	770	642	20	689	12
Stainless Steel Wires	26	17	58	1	1,816
Turnkey Projects	306	210	46	314	-2
Total EBIT	1,024	821	25	959	7
EBIT margin (%)					
Cables	12.9	11.6		11.2	
Stainless Steel Wires	8.6	6.1		0.5	
Turnkey Projects	18.3	14.5		10.6	
Total EBIT Margin	14	12		12	

Source: Company, Edelweiss research

Financial snapshot

(INR mn)

Year to March	Q2FY18	Q2FY17	% change	Q1FY18	% change	YTD18	FY18E	FY19E
Net revenues	7,488	6,243	20.0	7,909	(5.3)	15,397	32,091	38,375
Staff costs	345	260	32.9	345	0.1	690	1,305	1,550
Direct costs	5,242	4,336	20.9	5,500	(4.7)	10,742	22,786	27,171
Other operating expenses	1,139	981	16.1	1,296	(12.1)	2,435	4,589	5,526
Total expenditure	6,726	5,577	20.6	7,141	(5.8)	13,867	28,681	34,247
EBITDA	763	666	14.5	768	(0.7)	1,531	3,410	4,128
Depreciation	81	69	16.7	80	1.1	160	343	371
EBIT	682	597	14.2	688	(0.9)	1,370	3,067	3,757
Other income	10	19	(45.6)	16	(34.0)	26	61	75
Interest	274	325	(15.8)	299	(8.6)	573	1,257	1,319
Profit before tax	418	291	43.9	404	3.5	823	1,871	2,513
Tax	133	77	73.8	130	2.9	263	608	842
Core profit	285	214	33.2	275	3.7	560	1,263	1,671
Extraordinary items								
Adjusted Profit	285	214	33.2	275	3.7	560	1,263	1,671
Equity capital(FV INR 2)	156	154		156		156	156	156
No. of shares (mn)	78	77		78		78	78	78
Diluted EPS (INR)	3.7	2.8	32.2	3.5	3.7	7.2	16.2	21.5
As % of net revenues								
Direct costs	70.0	69.5		69.5		69.8	71.0	70.8
Employee cost	4.6	4.2		4.4		4.5	4.1	4.0
Other operating expenses	15.2	15.7		16.4		15.8	14.3	14.4
EBITDA	10.2	10.7		9.7		9.9	10.6	10.8
Adjusted net profit	3.8	3.4		3.5		3.6	3.9	4.4
Tax rate	31.9	26.4		32.1		32.0	32.5	33.5

Change in Estimates

	FY18E			FY19E			Comments
	New	Old	% change	New	Old	% change	
Net Revenue	32,091	31,352	2.4	38,375	37,536	2.2	
EBITDA	3,410	3,337	2.2	4,128	4,043	2.1	
EBITDA Margin	10.6	10.6		10.8	10.8		
Adjusted Profit After Tax	1,263	1,110	13.7	1,671	1,464	14.2	Building in lower interest cost
Net Profit Margin	3.9	3.5		4.4	3.9		
Capex	650	650	0.0	400	400	0.0	

Company Description

KEI was established in 1968 as a partnership firm Krishna Electrical Industries with prime business of manufacturing house wiring rubber cables. It was converted into a public limited company with the corporate name KEI Industries in December 1992. In 1996, KEI acquired Matchless, a company under same management, which manufactured stainless steel wires. KEI has, over the years, invested in building flexible manufacturing facilities and expanded capacities. The company manufactures and supplies power and other industrial cables. The company operates through 3 segments—cables, stainless steel wires and turnkey projects. It also focuses on EPC business.

Investment Theme

Government's infra push: Potent demand catalyst - Housing For All & improving power availability, in our view, will be key drivers of the domestic cables & wires industry. With the government sharpening focus on power generation, transmission and distribution, demand for cables as part of T&D equipment is expected to expand significantly. KEI's expertise in EPC projects and excellent track record has rendered it the preferred candidate for such projects.

Huge scope to leverage cables business with forward integration in EPC - In EPC, KEI has the advantage of manufacturing (in house) EHV, HV and LT cables, which account for product pull through of 30%, leading to superior margin. Also, technological collaboration with Switzerland-based Brugg Kabel AG has helped the company gain faster entry in the EHV cable market with designs and process back up—services sought by end users.

Key Risks

Cyclical nature of business - KEI's products is used primarily by power utilities, infrastructure, real estate and industrial segments. Any slowdown in these sectors can significantly impact demand for KEI's products.

High competition - A majority of KEI's products are highly competitive in nature and face strong threat from other players.

Raw material price fluctuation - Excessive volatility in prices of key raw materials—copper and aluminium—can severely impact profitability. Although KEI tries to recover rise in raw material prices either through hike in selling price of products or via hedging, there is no assurance that it can do so successfully or at all in the future.

Currency fluctuation - With exports being a key contributor to the company's revenue, excessive volatility in currency rates can significantly impact profitability. KEI also imports raw material and extreme currency fluctuations can adversely affect costs of the same, in turn denting profitability.

Financial Statements

Key Assumptions

Year to March	FY16	FY17	FY18E	FY19E
Macro				
GDP(Y-o-Y %)	7.9	6.6	6.8	7.4
Inflation (Avg)	4.9	4.5	4.0	4.5
Repo rate (exit rate)	6.8	6.3	5.8	5.8
USD/INR (Avg)	65.5	67.1	65.0	66.0
Company				
Cables	75.0	77.0	82.0	85.5
Stainless steel wires	90.0	84.0	87.0	89.7
Winding Housing & Flexible Wires	79.0	50.0	58.0	64.5
Cables (INR mn/km)	33.3	25.1	28.1	32.0
Stainless steel wires (INR '000/kg)	23.7	20.6	23.7	26.8
Winding Hsg & Flex. Wires (INR mn/km)	1.3	1.3	1.4	1.5
Order Intake for Turnkey Projects (INR bn)	6.5	17.0	15.0	14.0
Depreciation	5.4	5.1	5.1	5.2
Tax rate (%)	34.8	26.3	32.5	33.5

Income statement

(INR mn)

Year to March	FY16	FY17	FY18E	FY19E
Income from operations	22,929	26,312	32,091	38,375
Materials costs	16,743	18,855	22,786	27,171
Employee costs	828	1,109	1,305	1,550
Other mfg expenses	2,935	3,604	4,589	5,526
Total operating expenses	20,506	23,569	28,681	34,247
EBITDA	2,423	2,743	3,410	4,128
Depreciation	253	280	343	371
EBIT	2,170	2,463	3,067	3,757
Add: Other income	53	104	61	76
Less: Interest Expense	1,270	1,229	1,257	1,319
Profit Before Tax	953	1,338	1,871	2,513
Less: Provision for Tax	331	351	608	842
Reported Profit	622	986	1,263	1,671
Adjusted Profit	622	986	1,263	1,671
Shares o /s (mn)	77	77	77	77
Diluted shares o/s (mn)	77	77	77	77
Adjusted Diluted EPS	8.1	12.8	16.3	21.6
Adjusted Cash EPS	11.3	16.4	20.8	26.4
Dividend per share (DPS)	0.5	0.6	0.8	1.1
Dividend Payout Ratio(%)	6.2	4.7	5.0	5.0

Common size metrics

Year to March	FY16	FY17	FY18E	FY19E
Operating expenses	89.4	89.6	89.4	89.2
EBITDA margins	10.6	10.4	10.6	10.8
Net Profit margins	2.7	3.7	3.9	4.4

Growth ratios (%)

Year to March	FY16	FY17	FY18E	FY19E
Revenues	13.6	14.8	22.0	19.6
EBITDA	34.7	13.2	24.3	21.0
Adjusted Profit	96.6	58.6	28.1	32.3

Consumer Durables

Balance sheet		(INR mn)			
As on 31st March	FY16	FY17	FY18E	FY19E	
Share capital	154	156	156	156	
Shareholders' funds	3,666	4,735	5,922	7,493	
Short term borrowings	2,490	4,898	5,048	5,198	
Long term borrowings	1,881	1,641	1,641	1,641	
Total Borrowings	4,371	6,540	6,690	6,840	
Long Term Liabilities	40	51	51	51	
Sources of funds	8,440	11,752	13,089	14,810	
Gross Block	4,995	6,082	6,732	7,132	
Net Block	3,279	4,086	4,392	4,421	
Capital work in progress	293	-	-	-	
Non current investments	31	31	31	31	
Cash and Equivalents	59	369	436	719	
Inventories	4,225	4,990	5,780	6,914	
Sundry Debtors	5,674	7,392	8,880	10,619	
Loans & Advances	865	945	992	1,042	
Other Current Assets	744	297	297	297	
Current Assets (ex cash)	11,508	13,624	15,949	18,872	
Sundry creditors	6,319	6,305	7,666	9,180	
Provisions	411	53	53	53	
Total Current Liab	6,730	6,358	7,719	9,233	
Net Curr Assets-ex cash	4,777	7,266	8,230	9,639	
Net Deferred tax	362	427	427	427	
Uses of funds	8,440	11,752	13,089	14,810	
BVPS (INR)	47.4	61.3	76.6	97.0	

Free cash flow		(INR mn)			
Year to March	FY16	FY17	FY18E	FY19E	
Reported Profit	622	986	1,263	1,671	
Add: Depreciation	253	280	343	371	
Interest (Net of Tax)	828	906	848	877	
Others	656	453	347	366	
Less: Changes in WC	509	2,588	964	1,409	
Operating cash flow	1,850	38	1,838	1,877	
Less: Capex	977	624	650	400	
Free Cash Flow	873	(585)	1,188	1,477	

Cash flow metrics		FY16	FY17	FY18E	FY19E
Year to March					
Operating cash flow		1,850	38	1,838	1,877
Investing cash flow		(975)	(617)	(589)	(325)
Financing cash flow		(866)	890	(1,182)	(1,269)
Net cash Flow		9	311	66	283
Capex		(977)	(624)	(650)	(400)
Dividend paid		-	56	76	101

Profitability and efficiency ratios		FY16	FY17	FY18E	FY19E
Year to March					
ROAE (%)		18.6	23.5	23.7	24.9
ROACE (%)		28.1	24.5	24.8	27.0
Inventory Days		94	89	86	85
Debtors Days		83	91	93	93
Payable Days		137	122	112	113
Cash Conversion Cycle		40	58	67	65
Current Ratio		1.7	2.1	2.1	2.0
Gross Debt/EBITDA		1.8	2.4	2.0	1.7
Gross Debt/Equity		1.2	1.4	1.1	0.9
Adjusted Debt/Equity		1.2	1.4	1.1	0.9

Operating ratios		FY16	FY17	FY18E	FY19E
Year to March					
Total Asset Turnover		3.0	2.6	2.6	2.8
Fixed Asset Turnover		7.3	7.1	7.6	8.7
Equity Turnover		6.3	5.6	5.4	5.1

Valuation parameters		FY16	FY17	FY18E	FY19E
Year to March					
Adj. Diluted EPS (INR)		8.1	12.8	16.3	21.6
Y-o-Y growth (%)		96.7	58.6	28.1	32.3
Adjusted Cash EPS (INR)		11.3	16.4	20.8	26.4
Diluted P/E (x)		40.8	25.8	20.1	15.2
P/B (x)		6.9	5.4	4.3	3.4
EV / Sales (x)		1.3	1.2	1.0	0.8
EV / EBITDA (x)		12.3	11.5	9.3	7.6

Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		P/B (X)		ROAE (%)	
		FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
KEI Industries	394	20.1	15.2	4.3	3.4	23.7	24.9
Finolex Cables	1,480	26.5	21.9	4.4	3.8	18.0	18.7
Havells India	4,879	45.7	34.5	8.7	7.7	20.0	23.6
Median	-	26.5	21.9	4.4	3.8	20.0	23.6
AVERAGE	-	30.8	23.9	5.8	4.9	20.6	22.4

Source: Edelweiss research

Additional Data

Directors Data

Mr. Anil Gupta	Chairman & Managing Director	Mr. Rajeev Gupta	Executive Director (Finance) & CFO
Mr. K.G. Somani	Non-Executive & Independent Director	Mr. Pawan Bholusaria	Non-Executive & Independent Director
Mr. Vijay Bhushan	Non-Executive & Independent Director	Mr. Vikram Bhartia	Non-Executive & Independent Director
Mrs. Archana Gupta	Non-Executive Director	Mr. Akshit Diviaj Gupta	Mr. Akshit Diviaj Gupta

Auditors - M/s. Pawan Shubham & Co. Chartered Accountants

**as per last annual report*

Holding – Top10

	Perc. Holding		Perc. Holding
Gupta anil rai	23.39	Projection fin & mgm	10.08
Templeton asset mgmt	6.57	Subhlaxmi motels & i	4.44
Soubhgaya agency lt	3.99	Hsbc global inv maur	3.37
Mirae asset global i	2.81	Hsbc	2.36
L&t investment manag	2.08	Kei cables pvt ltd	2.01

**in last one year*

Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
17 Feb 2017	Anil Gupta	Sell	1900000	172.34
16 Dec 2016	Hsbc Global Investment Fundsasia Ex Japan Equity Smallercompanies	Buy	3451330	120.35
16 Dec 2016	Cophall Mauritius Investment Ltd	Sell	3451330	120.35

**in last one year*

Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
02 Mar 2017	PAWAN KUMAR AGGARWAL	Sell	80000.00
02 Mar 2017	LALIT SHARMA	Sell	30000.00
20 Feb 2017	ANIL GUPTA	Sell	1900000.00

**in last one year*

Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
Bajaj Electricals	HOLD	SP	M	Crompton Greaves Consumer Electrical	BUY	SO	L
Finolex Cables	BUY	SO	L	Havells India	BUY	SO	L
KEI Industries	BUY	SO	L	Symphony	BUY	SO	L
V Guard Industries	HOLD	SP	L	Voltas	BUY	SO	L
Whirlpool of India	BUY	SO	M				

ABSOLUTE RATING

Ratings	Expected absolute returns over 12 months
Buy	More than 15%
Hold	Between 15% and - 5%
Reduce	Less than -5%

RELATIVE RETURNS RATING

Ratings	Criteria
Sector Outperformer (SO)	Stock return > 1.25 x Sector return
Sector Performer (SP)	Stock return > 0.75 x Sector return
	Stock return < 1.25 x Sector return
Sector Underperformer (SU)	Stock return < 0.75 x Sector return

Sector return is market cap weighted average return for the coverage universe within the sector

RELATIVE RISK RATING

Ratings	Criteria
Low (L)	Bottom 1/3rd percentile in the sector
Medium (M)	Middle 1/3rd percentile in the sector
High (H)	Top 1/3rd percentile in the sector

Risk ratings are based on Edelweiss risk model

SECTOR RATING

Ratings	Criteria
Overweight (OW)	Sector return > 1.25 x Nifty return
Equalweight (EW)	Sector return > 0.75 x Nifty return
	Sector return < 1.25 x Nifty return
Underweight (UW)	Sector return < 0.75 x Nifty return



Edelweiss Securities Limited, Edelweiss House, off C.S.T. Road, Kalina, Mumbai – 400 098.

Board: (91-22) 4009 4400, Email: research@edelweissfin.com

Aditya Narain

Head of Research

aditya.narain@edelweissfin.com

Coverage group(s) of stocks by primary analyst(s): Consumer Durables

Bajaj Electricals, Crompton Greaves Consumer Electrical, Finolex Cables, Havells India, KEI Industries, Symphony, V Guard Industries, Voltas, Whirlpool of India

Recent Research

Date	Company	Title	Price (INR)	Recos
09-Nov-17	Bajaj Electricals	RREP focus dents revenue; BS improvement positive; <i>Result Update</i>	384	Hold
07-Nov-17	Finolex Cables	Outperformance amid challenges; <i>Result Update</i>	617	Buy
31-Oct-17	Symphony	Growth back on sustainable track; <i>Result Update</i>	1,460	Buy

1 Distribution of Ratings / Market Cap

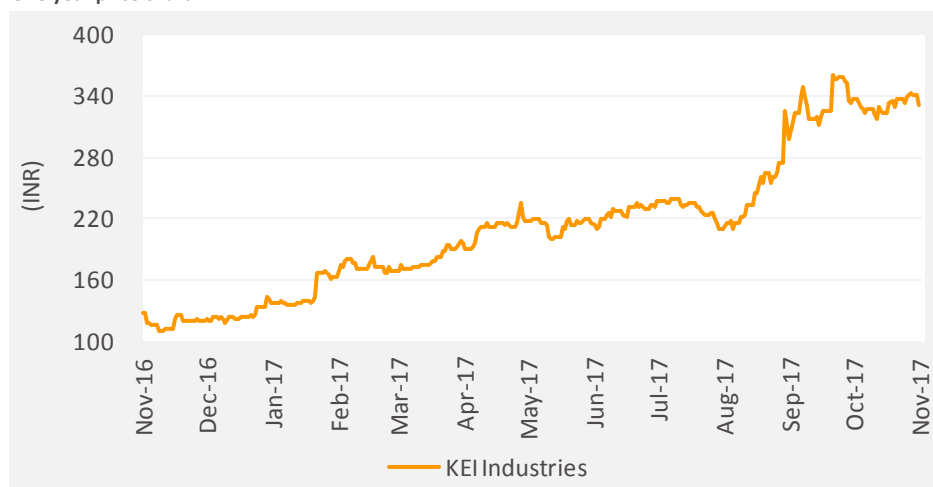
Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	229
* 1stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	156	62	11	

Rating Interpretation

Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate up to 15% over a 12-month period
Reduce	depreciate more than 5% over a 12-month period

One year price chart



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