

India Ceramics

Momentary weakness; revival in 2HFY24

Our channel checks suggest that a weak demand scenario for tiles could drive softer volume growth for leading tile companies in 2QFY24, though volume will increase 5-6% QoQ. We believe tile volume growth will pick up from 3QFY24 as leading construction-related categories (wires, plumbing pipes, etc.) indicate reasonable strength in construction activity, and tile demand comes with a lag of 1-2 quarters. Gas prices, on the other hand, remain steady ((Asia LNG spot/ Gujarat Gas up 8% QoQ/ -3% QoQ and -37% YoY/-73% YoY respectively in 2QFY24), leading to stable/marginal increase in gas cost QoQ for Kajaria/Somany, though it will decline substantially YoY (-41% YoY/-38% YoY respectively). While the tile pricing scenario remains competitive given weak demand, we have not seen any major change in prices. Exports have picked up substantially in Apr-Aug'23 (INR 88bn, +37% YoY), especially in Aug (estimated to be at a record INR 21.2bn, +57% YoY) on the back of increasing cost competitiveness as European exporters face cost inflation and gas availability issues. While the near-term remains challenging, we are still optimistic on demand recovery in 2HFY24. We marginally tweak our estimates but maintain BUY on Kajaria (KJC) and Somany Ceramics (SOMC) and maintain HOLD on Cera Sanitaryware.

- **Weak demand in 2QFY24, optimistic on demand recovery in 2HFY24:** A strong show in Jun'23 helped tile companies post reasonable tile volume performance (7-8% YoY; +6%/+7%, 4-year CAGR) in 1QFY24 as demand was weak during Apr-May'23. Our recent channel checks suggest that the demand scenario weakened again in Jul-Aug'23, though channel partners and companies are hopeful of demand recovering from Oct'23 given seasonality as well as healthy demand for plastic pipe/electric wire. Given the weak demand environment in 2QFY24, we trim our volume estimates by 1-2% for FY24 for our coverage companies.
- **Fuel prices (constitute 25-35% of tile realisation) in favourable zone:** Fuel prices are in a favourable zone as there wasn't any significant movement in prices during 2QFY24. We estimate that RasGas/Guj Gas cost will decline 2%/3% QoQ to INR 45.6/scm and INR 40.4/scm respectively in 2Q24. Asia Spot LNG prices increased 8% QoQ to INR 39.8/scm (-73% YoY). Further, leading tile manufacturers have switched their consumption partly to alternative fuels such as biofuel, LPG and propane, which are 10-20% cheaper than gas. As a result, we estimate Kajaria / Somany to post flat to 2-3% increase in gas cost QoQ (-40%/-36% YoY) respectively.
- **Strong momentum in tile exports:** Monthly tile exports remained robust with a monthly average of INR 17.6bn during Apr-Aug'23 (vs. INR 13bn during Apr-Aug'22). During FY24TD (Apr-Aug'23), exports has grown 37% YoY to INR 88bn. In Aug'23, tile exports registered another record of INR 21.2bn (+8% MoM; +57%YoY). The industry expects tile exports to grow by 25% YoY in FY24 to a record INR 200bn-210bn. The leading exporting destinations from India are US, Russia and UK, overtaking the Middle East countries. Exports momentum remains robust on the back of increased competitiveness due to a) higher electricity cost and gas cost in other exporting countries – Italy, Spain and China – Morbi continues to be highly competitive in export markets, and b) lower ADD on Indian tile manufacturers (c.7% on India vs. 40% on Turkey) by Europe. Moreover, industry expects removal of ADD on Indian tiles manufacturers, which will further boost export momentum.
- **Maintain BUY on Kajaria and Somany; HOLD on Cera:** We tweak our FY24 estimates by 0-3% to reflect 2QFY24 weakness while broadly maintaining our FY25-26 estimates. We maintain **BUY** on KJC/ SOMC with a revised Sep'24 TP of INR 1,500/ INR 880 (valuing it at 35x / 22x Sept'25 EPS) respectively and maintain **HOLD** on Cera with a Sep'24 TP of INR 7,850 (valuing it at 30x Sept'25 EPS).



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Exhibit 1. Ceramics valuation snapshot

Company	Reco	M/Cap (INR bn)	CMP (INR/sh)	June'24TP (INR/sh)	Upside	Share O/s mn	Target P/E (x)	CAGR (FY23-26E)			CAGR (FY19-26E)		
								Revenue	EBITDA	EPS	Revenue	EBITDA	EPS
Kajaria	BUY	217	1,364	1,500	10%	159	35.0	14%	26%	30%	12%	15%	19%
Somany	BUY	29	694	880	27%	42	22.0	9%	22%	49%	9%	11%	19%
Cera	HOLD	112	8,580	7,850	-9%	13	30.0	17%	24%	24%	11%	16%	20%

Company	PE (x)				EV/EBITDA (x)				P/BV (x)			
	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E
Kajaria	61.3	41.8	33.3	28.0	36.2	26.6	21.1	17.8	9.3	8.3	7.3	6.4
Somany	50.2	24.6	17.6	15.1	17.3	13.1	10.1	8.7	3.6	3.3	2.9	2.6
Cera	53.1	42.9	36.6	28.0	39.7	32.3	26.8	20.4	9.7	8.4	7.3	6.3

Company	Revenue (INR bn)				EBITDA (INR bn)				EPS (INR)			
	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E
Kajaria	43.8	48.2	56.3	64.1	5.9	8.1	10.1	11.8	22.2	32.5	40.8	48.5
Somany	24.8	26.5	29.4	32.4	1.9	2.5	3.1	3.4	13.4	27.3	38.3	44.5
Cera	18.0	20.7	23.8	28.5	2.9	3.5	4.1	5.4	164.1	203.0	238.2	311.0

Company	EBITDA (%)				RoE (%)				RoCE (%)			
	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E
Kajaria	13.5%	16.8%	17.9%	18.4%	15.8%	20.9%	23.2%	24.3%	15.1%	19.5%	21.8%	22.8%
Somany	7.6%	9.4%	10.6%	10.5%	7.5%	14.0%	17.6%	18.0%	6.3%	10.0%	12.9%	13.9%
Cera	15.9%	16.9%	17.4%	18.9%	19.3%	21.0%	21.4%	24.2%	19.8%	21.2%	21.7%	24.4%

Company	RoIC (%)				FCFE (INR bn)				Net-debt/Equity (x)			
	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E
Kajaria	16.8%	21.1%	23.9%	26.3%	0.8	1.6	3.9	5.3	-0.1	-0.1	-0.1	-0.2
Somany	6.6%	10.3%	12.9%	14.4%	-0.3	-0.7	0.6	0.9	0.5	0.5	0.3	0.1
Cera	40.7%	43.0%	44.5%	52.3%	1.3	1.1	2.2	2.5	0.0	-0.1	-0.1	-0.2

Source: Company, JM Financial

Stable Gas prices

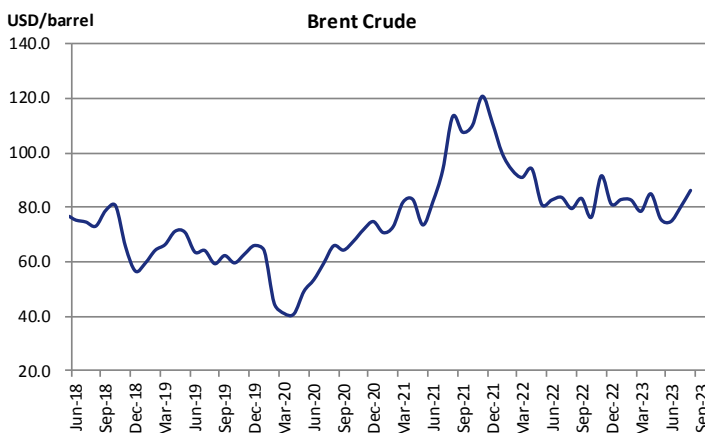
- Singapore LNG spot and Brent crude prices have been less volatile in the last few quarters. Brent crude price during 2QFY24 has ranged around USD 86/ bbl (+10% QoQ, +5% YoY). Given the volatility in crude prices and its direct link (3-month slope), we estimate RasGas price to decline 2% QoQ to INR 49/scm in 2QFY24 and increase 14% QoQ in 2QFY24 (INR52.1/scm).
- Singapore spot gas price has increased 8% QoQ during 2QFY24 to INR 39.8/scm; however, it has corrected significantly from INR 153/scm in 2QFY23.
- Gujarat Gas recently announced a price hike of INR 2.5/scm w.e.f. 1st Sept 23 to INR 43.3/scm (excluding taxes). This is the 2nd price increase, as the last price hike was on 20th Aug'23, of INR 2.4. Post the increase of INR 4.9/scm, average Gujarat Gas price for 2QFY24 is estimated at INR 40.4/scm (-3% QoQ, -37% YoY).

Exhibit 2. Gas cost working for leading ceramic companies

Fuel	Unit	2Q23	3Q23	4Q23	1Q24	2Q24E
Ras Gas (Excl taxes)	INR/scm	59.8	53.3	47.9	46.5	45.6
QoQ	%	9%	-11%	-10%	-3%	-2%
Gujarat Gas (Excl taxes)	INR/scm	64.0	62.1	48.2	41.7	40.4
QoQ	%	-2%	-3%	-22%	-13%	-3%
Spot (Excl taxes)	INR/scm	148.0	105.3	60.3	36.8	39.8
QoQ	%	72%	-29%	-43%	-39%	8%

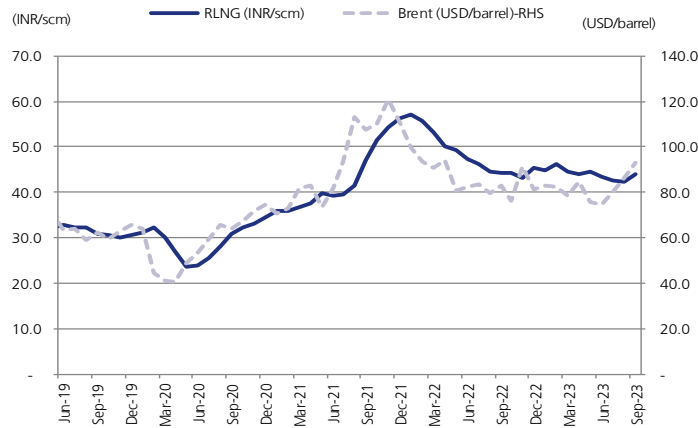
Source: Company, JM Financial, Bloomberg

Exhibit 3. Crude down 35% from its recent high (USD 127/bbl)



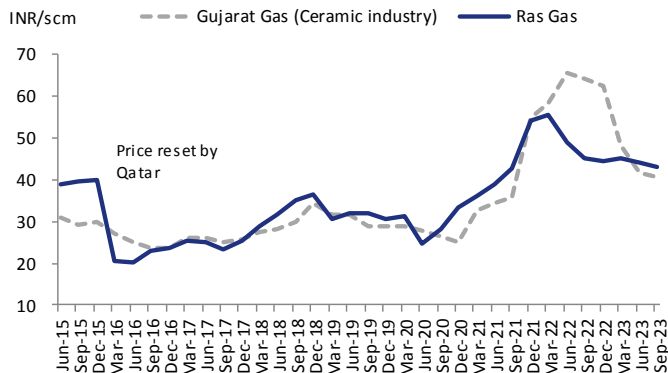
Source: Company, JM Financial

Exhibit 4. Brent and RasGas price trend



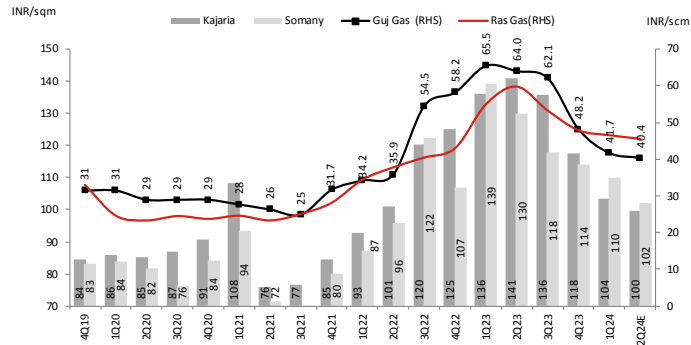
Source: Company, JM Financial

Exhibit 5. RasGas vs. Gujarat Gas prices



Source: Company, JM Financial

Exhibit 6. Lower gas prices for Kajaria/ Somany since 1QFY23



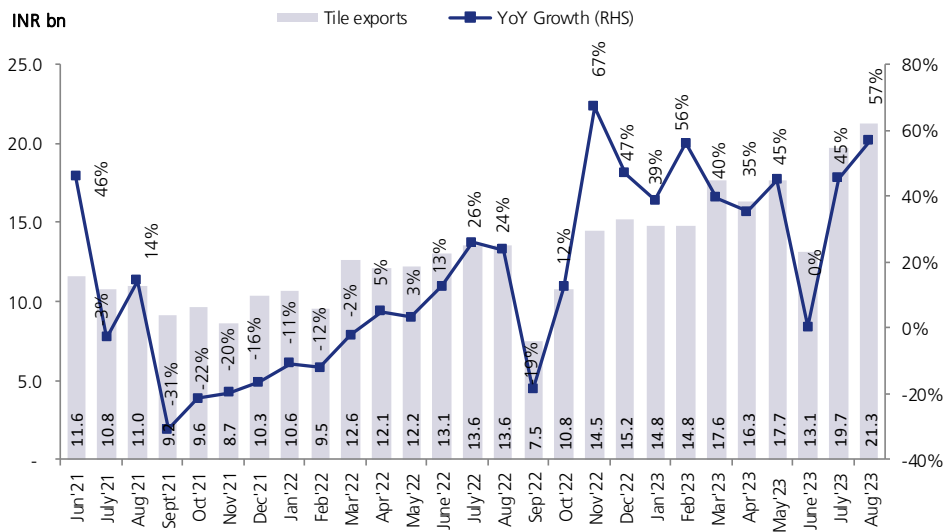
Source: Company, JM Financial; Consolidated P&F cost based on production; Gujarat gas/Ras gas prices are including transport cost but excluding taxes

Strong momentum in tile exports

For tile manufacturers, export sentiment continues to be optimistic on account of factors such as a) Imposition of anti-dumping duty by various countries on Chinese tiles (anti-China sentiment supports Indian tile exporters in Morbi, which constitutes 60-70% of the country's tile manufacturing capacity), and b) anti-dumping duty imposed by Europe on tile manufacturers (lower ADD on Indian exporters). Moreover, industry expects removal of ADD by Saudi Arabia (UAE has already removed ADD), which will further boost exports momentum.

In Aug'23, tile exports is estimated to have grown 57% YoY to a record level of INR 21.25bn, 8% above the Jul'23 record of INR 19.7bn. Tile exports momentum continues to be robust with a monthly run rate of INR 17.6bn during Apr-Aug'23. During 1Q24, tile exports have grown 26% YoY/ flat QoQ to INR 47.1bn. In FY24TD, tile exports have grown 37% YoY to INR 88bn, well in line with the industry estimate of INR 200bn-210bn for FY24.

Exhibit 7. Pick-up in tile export momentum



Source: Industry, JM Financial

Exhibit 8. Tiles segment 1QFY24 performance

Y/E March	1Q20	1Q22	1Q23	2Q23	3Q23	4Q23	1Q24	YoY	QoQ	4yr CAGR
Volume (msm)										
Kajaria	19.64	15.26	23.33	24.91	25.45	28.02	25.02	7%	-11%	6%
Somany	11.88	10.01	14.25	15.89	16.15	17.60	15.41	8%	-12%	7%
Orient Bell	5.10	3.48	5.31	5.95	6.18	6.99	5.00	-6%	-28%	0%
<u>YoY</u>										
Kajaria	10%	99%	53%	0%	-1%	8%	7%			
Somany	8%	94%	42%	-2%	4%	9%	8%			
Orient Bell		90%	53%	-10%	-7%	-10%	-6%			
Realisation (INR/sqm)										
Kajaria	331	340	390	391	387	387	382	-2%	-1%	4%
Somany	288	292	337	341	336	332	329	-2%	-1%	3%
Orient Bell	239	235	278	291	291	287	287	3%	0%	5%
<u>YoY</u>										
Kajaria	-4%	1%	14%	10%	3%	0%	-2%			
Somany	-1%	2%	15%	11%	2%	0%	-2%			
Orient Bell	-13%	0%	19%	17%	14%	3%	3%			
Tile Revenue (INR mn)										
Kajaria	6,508	5,193	9,089	9,743	9,839	10,841	9,566	5%	-12%	10%
Somany	3,425	2,920	4,799	5,418	5,431	5,835	5,075	6%	-13%	10%
Cera	524	373	406	388	547	583	449	11%	-23%	-4%
Asian Granito	3,120	2,730	3,100	3,978	3,992	4,558	3,348	8%	-27%	2%
Orient Bell	1,207	867	1,545	1,730	1,773	2,003	1,441	-7%	-28%	5%
Nitco Tiles	1,391	794	906	737	1,123	1,051	919	1%	-13%	-10%
Murudeshwar	255	171	316	398	439	572	379	20%	-34%	10%
<u>YoY</u>										
Kajaria	5%	102%	75%	10%	2%	8%	5%			
Somany	7%	98%	64%	9%	6%	9%	6%			
Asian Granito	31%	111%	14%	6%	-9%	-5%	8%			
Orient Bell	0%	103%	78%	3%	-4%	-7%	-7%			
Nitco Tiles	13%	244%	14%	-18%	-7%	-12%	1%			
Murudeshwar	3%	94%	84%	30%	16%	53%	20%			

Source: Company, JM Financial

Exhibit 9. Bathware performance across coverage companies

Y/E March	1Q20	1Q22	1Q23	2Q23	3Q23	4Q23	1Q24	YoY	QoQ	4yr CAGR
Bathware Revenue										
Cera	2,150	1,809	3,505	3,676	3,965	4,667	3,759	7%	-19%	15%
Kajaria	412	370	714	744	795	904	837	17%	-7%	19%
Somany	395	291	540	545	580	742	582	8%	-22%	10%
YoY										
Cera	-7%	59%	94%	9%	17%	22%	7%			
Kajaria	4%	113%	93%	0%	-3%	9%	17%			
Somany	3%	51%	85%	3%	1%	20%	8%			

Source: Company, JM Financial

Exhibit 10. Ceramic companies 1Q24 performance

Y/E March	1Q20	1Q22	1Q23	2Q23	3Q23	4Q23	1Q24	YoY	QoQ
Total Revenue									
Kajaria	7,000	5,617	10,082	10,778	10,911	12,048	10,642	6%	-12%
Somany	3,955	3,299	5,591	6,178	6,224	6,792	5,865	5%	-14%
Cera	2,674	2,228	3,958	4,143	4,558	5,304	4,272	8%	-19%
Asian Granito	3,120	2,730	3,100	3,978	3,992	4,558	3,348	8%	-27%
Orient Bell	1,207	867	1,545	1,730	1,773	2,003	1,441	-7%	-28%
Prism Cement (HRJ)	4,675	3,527	5,934	5,587	5,893	6,576	6,528	10%	-1%
Nitco Tiles	1,391	794	906	737	1,123	1,051	919	1%	-13%
Murudeshwar Ceramics	255	171	316	398	439	572	379	20%	-34%
YoY									
Kajaria	7%	102%	80%	11%	2%	9%	6%		
Somany	4%	95%	69%	10%	6%	10%	5%		
Cera	-5%	56%	78%	5%	18%	21%	8%		
Asian Granito	31%	111%	14%	6%	-9%	-5%	8%		
Orient Bell	0%	103%	78%	3%	-4%	-7%	-7%		
Prism Cement (HRJ)	17%	89%	68%	1%	-7%	-4%	10%		
Nitco Tiles	13%	244%	14%	-18%	-7%	-12%	1%		
Murudeshwar Ceramics	3%	94%	84%	30%	16%	53%	20%		
EBITDA									
Kajaria	1,060	804	1,536	1,294	1,331	1,759	1,692	10%	-4%
Somany	325	231	449	422	406	610	506	13%	-17%
Cera	352	199	612	660	729	851	685	12%	-20%
Asian Granito	343	249	54	(9)	(286)	(440)	96	79%	-122%
Orient Bell	60	(44)	125	119	98	132	29	-76%	-78%
Nitco Tiles	(36)	(95)	(73)	(115)	(23)	(162)	(50)	NM	-69%
Murudeshwar Ceramics	63	35	64	77	72	95	75	17%	-21%
YoY									
Kajaria	NM	-1162%	91%	-28%	-28%	6%	10%		
Somany	NM	-299%	95%	-38%	-35%	20%	13%		
Cera	0%	199%	208%	14%	19%	3%	12%		
Asian Granito	68%	563%	-78%	-103%	-177%	-251%	79%		
Orient Bell	NM	-63%	-383%	-22%	-49%	-49%	-76%		
Nitco Tiles	NM	-37%	NM	NM	NM	NM	NM		
Murudeshwar Ceramics	NM	NM	84%	1%	12%	14%	17%		
EBITDA Margin									
Kajaria	15.1%	14.3%	15.2%	12.0%	12.2%	14.6%	15.9%	70 bps	130 bps
Somany	8.2%	7.0%	8.0%	6.8%	6.5%	9.0%	8.6%	60 bps	-40 bps
Cera	13.2%	8.9%	15.5%	15.9%	16.0%	16.0%	16.0%	60 bps	0 bps
Asian Granito	11.0%	9.1%	1.7%	-0.2%	-7.2%	-9.7%	2.9%	110 bps	1250 bps
Orient Bell	4.9%	-5.1%	8.1%	6.9%	5.5%	6.6%	2.0%	-600 bps	-450 bps
Nitco Tiles	-2.6%	-12.0%	-8.1%	-15.6%	-2.1%	-15.4%	-5.4%	270 bps	1000 bps
Murudeshwar Ceramics	24.8%	20.4%	20.4%	19.3%	16.4%	16.7%	19.8%	-60 bps	320 bps

Source: Company, JM Financial

Exhibit 11. Net working capital days and operating cash flow trend of ceramic companies

	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Debtor days							
Kajaria	49	61	59	52	49	51	50
Somany	97	107	89	63	97	41	40
Cera	80	83	81	67	80	42	38
Asian Granito	107	126	123	121	119	109	98
Orient Bell	58	71	74	64	67	58	58
Nitco Tiles	77	121	128	115	112	86	71
Murudeshwar	107	100	133	145	144	66	35
Median	80	100	89	67	97	58	50
Inventory days							
Kajaria	53	51	50	67	53	46	47
Somany	50	55	54	74	50	48	58
Cera	47	50	49	62	47	73	76
Asian Granito	94	87	94	88	90	77	60
Orient Bell	43	50	55	60	44	38	45
Nitco Tiles	102	99	92	74	88	57	65
Murudeshwar Ceramics	359	342	293	353	474	333	250
Median	53	55	55	74	53	57	60
Trade Payable days							
Kajaria	42	35	38	31	27	29	26
Somany	37	50	43	39	42	39	56
Cera	28	24	26	25	43	35	43
Asian Granito	79	94	103	95	85	66	81
Orient Bell	41	44	45	57	71	56	60
Nitco Tiles	85	99	127	132	142	128	152
Murudeshwar Ceramics		60	43	81	85	59	58
Median	41	50	43	57	71	56	58
Net WC days							
Kajaria	60	77	71	87	75	67	71
Somany	110	113	100	99	106	50	42
Cera	99	108	104	103	83	80	72
Asian Granito	122	120	114	114	124	121	76
Orient Bell		77	84	67	40	40	42
Nitco Tiles	94	121	93	58	58	16	(17)
Murudeshwar Ceramics		382	384	418	532	340	226
Median	99	113	100	99	83	67	71
Operating Cash flow							
Kajaria	3,377	2,383	3,174	2,244	5,088	4,255	2,955
Somany	1,172	1,109	859	1,528	3,565	1,566	1,646
Cera	1,123	715	1,145	1,232	2,620	980	1,565
Asian Granito	661	1,349	988	560	849	(2)	(488)
Orient Bell	(83)	273	410	645	186	562	344
Nitco Tiles	289	(505)	905	502	1,498	3,145	(5,814)
Murudeshwar Ceramics	127	58	379	374	94	258	383

Source: Company, JM Financial

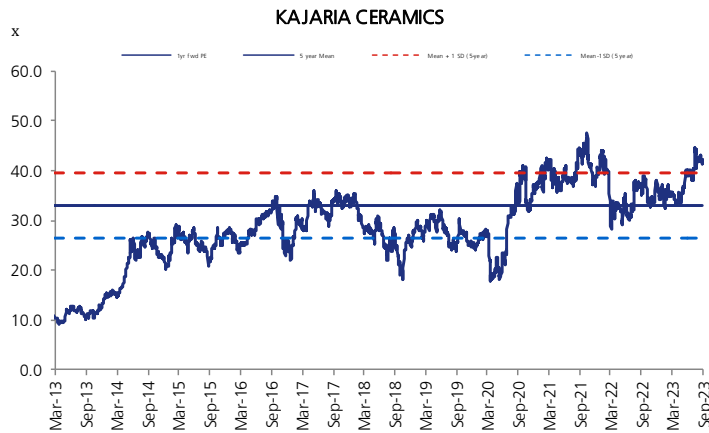
Exhibit 12. Return ratios and leverage trend for ceramic companies

	FY17	FY18	FY19	FY20	FY21	FY22	FY23
RoIC							
Kajaria	19.5%	16.2%	15.4%	15.7%	19.5%	21.4%	16.8%
Somany	14.9%	9.6%	7.6%	8.0%	14.9%	10.2%	6.6%
Cera	28.0%	22.3%	22.2%	20.9%	28.0%	35.1%	40.7%
Asian Granito	9.6%	10.5%	5.2%	8.8%	9.5%	8.1%	-6.9%
Orient Bell	6.9%	8.3%	4.4%	4.9%	2.6%	13.9%	7.2%
Murudeshwar	2.4%	4.1%	4.2%	1.4%	-0.2%	2.2%	4.1%
Median	12.2%	10.1%	6.4%	8.4%	12.2%	12.1%	6.9%
RoE							
Kajaria	23.6%	18.6%	15.8%	15.5%	23.6%	18.9%	15.8%
Somany	20.9%	13.3%	9.2%	5.7%	20.9%	12.8%	7.5%
Cera	22.0%	17.8%	17.6%	15.7%	22.0%	15.9%	19.3%
Asian Granito	10.2%	13.7%	5.2%	9.7%	10.2%	11.8%	-8.0%
Orient Bell	7.4%	19.9%	3.9%	2.9%	1.8%	11.7%	7.4%
Murudeshwar	0.4%	1.2%	1.4%	0.5%	-3.6%	0.6%	1.9%
Median	15.6%	15.7%	7.2%	7.7%	15.5%	12.3%	7.4%
Net debt/Equity							
Kajaria	0.1	0.1	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)
Somany	0.7	0.7	0.8	0.7	0.3	0.4	0.5
Cera	(0.2)	(0.2)	(0.2)	(0.2)	(0.5)	(0.5)	(0.5)
Asian Granito	0.8	0.7	0.7	0.6	0.4	0.2	0.0
Orient Bell	0.6	0.4	0.4	0.2	(0.1)	(0.1)	(0.0)
Median	0.6	0.4	0.4	0.2	(0.1)	(0.1)	(0.0)

Source: Company, JM Financial

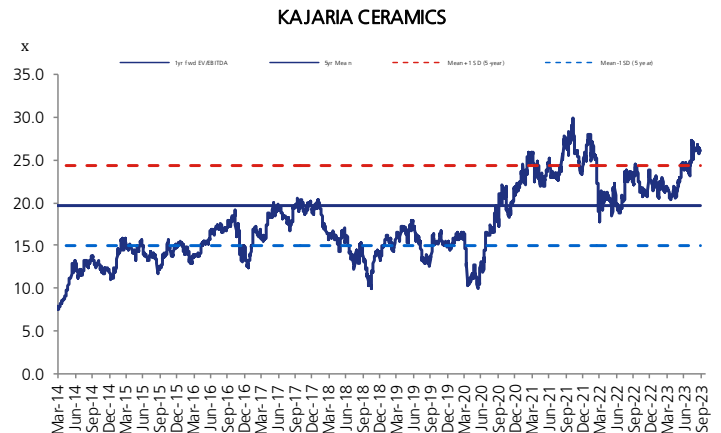
Kajaria Ceramics - Valuation charts

Exhibit 13. PE chart (1-yr forward)



Source: Bloomberg, JM Financial

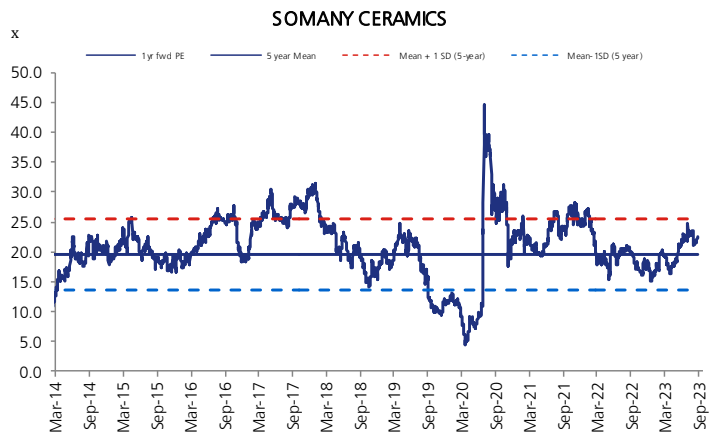
Exhibit 14. EV EBITDA chart (1-yr forward)



Source: Bloomberg, JM Financial

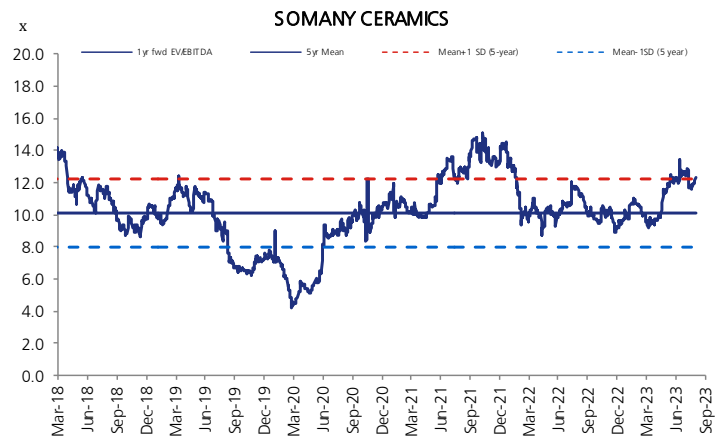
Somany Ceramics - Valuation charts

Exhibit 15. PE chart (1-yr forward)



Source: Bloomberg, JM Financial

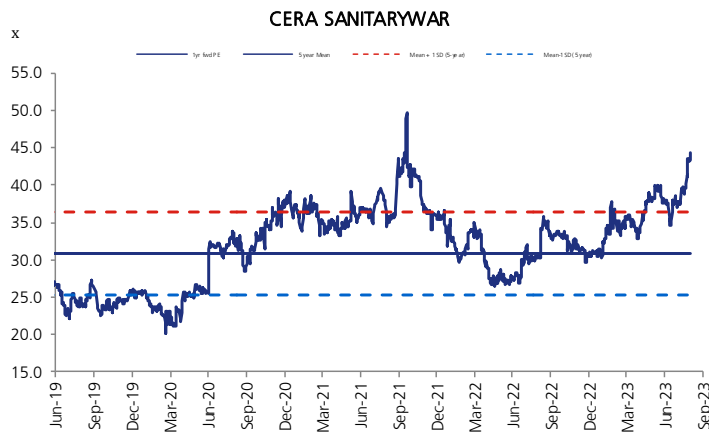
Exhibit 16. EV EBITDA chart (1-yr forward)



Source: Bloomberg, JM Financial

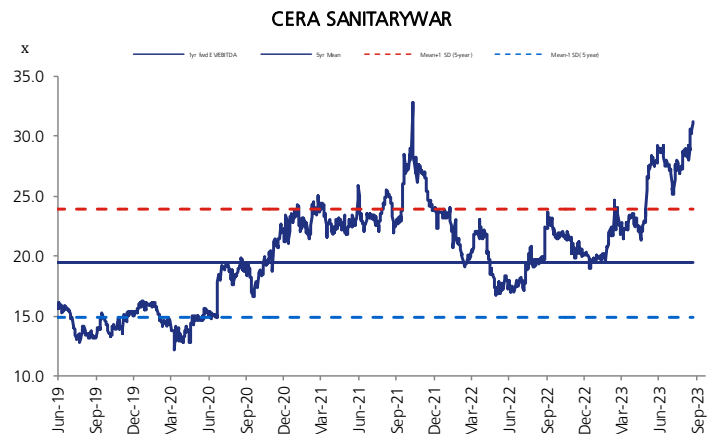
Cera Sanitaryware - Valuation charts

Exhibit 17. PE chart (1-yr forward)



Source: Bloomberg, JM Financial

Exhibit 18. EV EBITDA chart (1-yr forward)



Source: Bloomberg, JM Financial

Exhibit 19. Building materials valuation snapshot

INR mn	Mkt. Cap. (INR bn)	CMP	TP	Upside	Target P/E	Rating	P/E(x)				ROE(%)				FY23-26E CAGR			FY25 PEG	5yr Median	
							FY23	FY24E	FY25E	FY26E	FY22	FY23	FY24E	FY25E	FY26E	Rev	EBITDA			EPS
Ceramics																				
Kajaria Ceramics	216	1,354	1,500	11%	35	BUY	61.1	41.7	33.2	27.9	19%	16%	16%	21%	23%	14%	26%	30%	1.1	33.3
Somany Ceramics	29	692	880	27%	22	BUY	51.6	25.3	18.1	15.5	13%	8%	8%	14%	18%	9%	22%	49%	0.4	19.8
Cera Sanitaryware	113	8,722	7,850	-10%	30	HOLD	53.2	43.0	36.6	28.0	16%	19%	19%	21%	21%	17%	24%	24%	1.5	31.0
Median							53.2	41.7	33.2	27.9	16%	16%	16%	21%	21%	14%	24%	30%	1.1	31.0
Wood Panel																				
Century Plyboard	145	653	710	9%	32	BUY	36.7	39.7	31.5	23.9	22%	23%	23%	18%	19%	15%	16%	15%	2.0	25.0
Greenply Industries	20	161	250	55%	22	BUY	19.1	46.1	16.1	11.0	19%	18%	18%	6%	17%	16%	26%	20%	0.8	17.2
Greenlam Industries	54	428	430	0%	28	HOLD	45.3	37.2	30.8	21.1	16%	14%	14%	14%	15%	21%	28%	29%	1.1	25.3
Greenpanel Industries	46	376	430	14%	22	BUY	18.6	22.2	20.2	17.2	27%	23%	23%	16%	16%	7%	-2%	3%	7.6	17.4
Median							27.9	38.4	25.5	19.1	21%	20%	20%	15%	16%	15%	21%	18%	1.4	21.2
Plastics																				
Prince Pipes	77	695	770	11%	30	BUY	63.0	40.0	28.2	24.2	21%	16%	16%	14%	17%	10%	27%	38%	0.7	29.3
Astral Ltd (NR)	509	1,893		NR	NA	NA	102.9	83.6	64.5	52.6	22%	17%	17%	21%	22%	17%	22%	25%	2.6	61.2
Supreme Industries (NR)	518	4,077		NR	NA	NA	67.0	51.9	46.4	41.5	28%	19%	19%	22%	23%	13%	17%	17%	2.7	30.7
Finolex Industries (NR)	137	221		NR	NA	NA	57.9	24.7	21.3	18.9	22%	22%	11%	11%	12%	12%	17%	45%	0.5	18.2
Median							65.0	45.9	37.3	32.9	22%	18%	16%	18%	20%	12%	20%	31%	1.2	30.0

Source: Company, Bloomberg

APPENDIX I

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Rating	Meaning
Buy	Total expected returns of more than 10% stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REIT refers to Real Estate Investment Trusts.

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