

KAJARIA CERAMICS

Limited demonetisation dent; long-term prospects intact

India Equity Research | Tiles

Kajaria Ceramics' (KJC) Q3FY17 consolidated numbers surpassed our and consensus estimates, despite demonetisation impact. Volume growth of 0.5% YoY versus our 6% dip estimate supported top line. However, EBITDA margin fell by 55bps YoY to 18.6% due to muted top-line growth and higher outsourcing. We upgrade to 'BUY' as: (1) KJC is anticipated to be major beneficiary of accelerated shift in market share from unorganised to organised players spurred by GST and demonetisation (refer to our report: THE SHIFT); (2) government's thrust on housing is envisaged to boost overall demand in tiles industry; and (3) we roll over to FY19E. We now value KJC at 28x (earlier 25x) due to long term opportunity from shift to organised players and estimate 15.1% and 24.6% sales and earnings CAGR, respectively, with 372bps RoCE expansion over FY17-19. Our revised TP is INR708 (INR585 earlier).

Q3FY17 result: Key highlights

(1) key positive was the 1.1% revenue growth on 0.5% YoY volume spurt, despite demonetisation; (2) 365bps fall in power & fuel cost due to lower gas prices; (3) muted top-line growth & fixed costs and higher outsourcing marred margin, leading to 2% YoY EBITDA fall; (4) performance of joint ventures (JVs) remained soft.

Limited demonetisation impact

KJC's sales grew 1.1% YoY led by the 0.5% YoY volume spurt with 0.9% realisation growth amidst tepid demand. On account of poor demand, the company focused on in-house manufacturing, while a JV (Taurus) plant was shut down. Management anticipates demand to pick up and pegs Q4FY17 growth at 4-5%. Tax rate stood at 36% during the quarter versus 35% in Q3FY16. PAT declined 3.7% YoY to INR551mn.

Outlook and valuations: Long-term play; upgrade to 'BUY'

Owing to subdued industry conditions and demonetization in the current year, we have pruned FY17/18E EPS by 7%/13%. However, continued market share gains aided by strong industry drivers, GST implementation, the structural shift from unorganised to organised players over long term and healthy profitability will bolster KJC's long-term growth. Hence, we upgrade to 'BUY' from 'HOLD' with a revised TP of INR708 (INR585 earlier) based on 28x FY19E EPS (25x earlier). The stock is currently trading at 28.8x/23.2x FY18/19E EPS.

Financials (Consolidated)

(INR mn)

	Q3FY17	Q3FY16	% change	Q2FY17	% change	FY16	FY17E	FY18E
Net rev. (INR mn)	6,067	6,002	1.1	6,301	(3.7)	24,088	25,253	28,616
EBITDA (INR mn)	1,126	1,148	(1.9)	1,267	(11.1)	4,537	5,093	5,982
Adj. PAT (INR mn)	551	572	(3.7)	636	(13.4)	2,282	2,589	3,229
Adj. Dil. EPS (INR)	6.9	7.2	(3.7)	8.0	(13.4)	14.4	16.3	20.3
Diluted P/E (x)						40.8	35.9	28.8
EV/EBITDA (x)						21.3	18.6	15.6
ROAE (%)						25.8	24.0	24.6

EDELWEISS RATINGS

Absolute Rating	BUY
Investment Characteristics	Growth

MARKET DATA (R: KAJR.BO, B: KJC IN)

CMP	: INR 585
Target Price	: INR 708
52-week range (INR)	: 742 / 423
Share in issue (mn)	: 158.9
M cap (INR bn/USD mn)	: 93 / 1,365
Avg. Daily Vol. BSE/NSE ('000)	: 181.3

SHARE HOLDING PATTERN (%)

	Current	Q2FY17	Q1FY17
Promoters *	47.4	47.3	47.2
MF's, FI's & BKs	3.2	4.7	4.7
FII's	27.2	27.2	27.2
Others	22.2	20.8	20.9
* Promoters pledged shares (% of share in issue)	:		NIL

PRICE PERFORMANCE (%)

	BSE Midcap Index	Stock	Stock over Index
1 month	32.7	12.0	20.7
3 months	(0.3)	(4.0)	3.7
12 months	22.6	26.1	(3.5)

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Table 1: Consolidated gross sales

(INR mn)

	Q2FY15	Q3FY15	Q4FY15	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17
Manufactured	2,803	2,694	2,758	2,570	2,908	2,969	3,372	3,173	3,439	3,251
JV	1,386	1,805	2,212	2,107	2,404	2,464	2,640	2,313	2,236	2,131
Others	1,167	1,038	882	782	763	533	538	432	612	673
Total	5,355	5,536	5,853	5,459	6,075	5,966	6,551	5,918	6,287	6,055

Table 2: Consolidated YoY sales growth

(%)

	Q2FY15	Q3FY15	Q4FY15	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17
Manufactured	16.7	15.2	1.9	1.1	3.7	10.5	22.3	23.5	18.2	9.5
JV	10.8	67.9	52.8	53.2	61.7	30.8	19.4	9.8	(7.0)	(13.5)
Others	19.0	23.0	(16.5)	(28.0)	(34.6)	(39.4)	(39.0)	(44.8)	(19.8)	26.4
Total	15.6	30.1	12.3	9.1	13.4	7.8	11.9	8.4	3.5	1.5

Table 3: Consolidated sales volumes (tiles)

(in msm)

	Q2FY15	Q3FY15	Q4FY15	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17
Manufactured	7.54	7.17	7.40	7.04	7.92	8.25	9.49	8.74	9.39	8.71
JV	3.85	4.94	5.87	5.56	6.00	6.01	6.50	5.81	5.41	4.99
Others	3.02	2.61	2.24	2.32	2.21	1.60	1.43	1.29	1.84	2.24
Total	14.4	14.7	15.5	14.9	16.1	15.9	17.4	15.8	16.6	15.9

Table 4: Consolidated sales volume growth YoY

(%)

	Q2FY15	Q3FY15	Q4FY15	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17
Manufactured	6.5	9.1	(4.9)	(1.4)	5.0	15.1	28.2	24.1	18.6	5.6
JV	4.3	59.9	43.2	43.3	55.8	21.7	10.7	4.5	(9.8)	(17.0)
Others	17.1	19.7	(20.0)	(22.9)	(26.8)	(38.7)	(36.2)	(44.4)	(16.7)	40.0
Total	7.9	24.3	5.7	6.3	11.9	7.7	12.3	6.2	3.2	0.5

Table 5: Realisation

(INR/sqm)

	Q2FY15	Q3FY15	Q4FY15	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17
Manufactured	372	376	373	365	367	361	355	363	366	373
JV	360	365	377	379	373	393	406	398	413	427
Others	386	398	394	337	345	393	377	335	333	300
Total	372	376	377	366	377	376	376	374	378	380

Table 6: Realisation growth (YoY)

(%)

	Q2FY15	Q3FY15	Q4FY15	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17
Manufactured	9.6	5.6	7.1	2.6	(1.2)	(3.9)	(4.6)	(0.5)	(0.3)	3.4
JV	6.2	5.0	6.7	6.9	3.8	7.5	7.8	5.1	10.7	8.7
Others	1.6	2.7	4.3	(6.6)	(10.6)	(1.1)	(4.4)	(0.8)	(3.6)	(23.6)
Total	7.1	4.6	6.3	2.6	1.3	0.0	(0.3)	2.1	0.3	1.0

Source: Company, Edelweiss research

Chart 1: Revenue growth

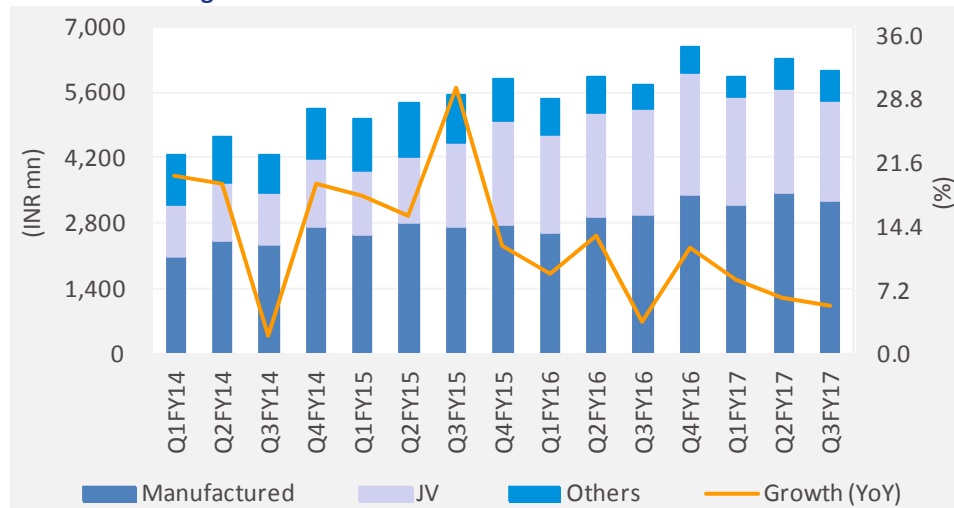


Chart 2: Volume growth(YoY)

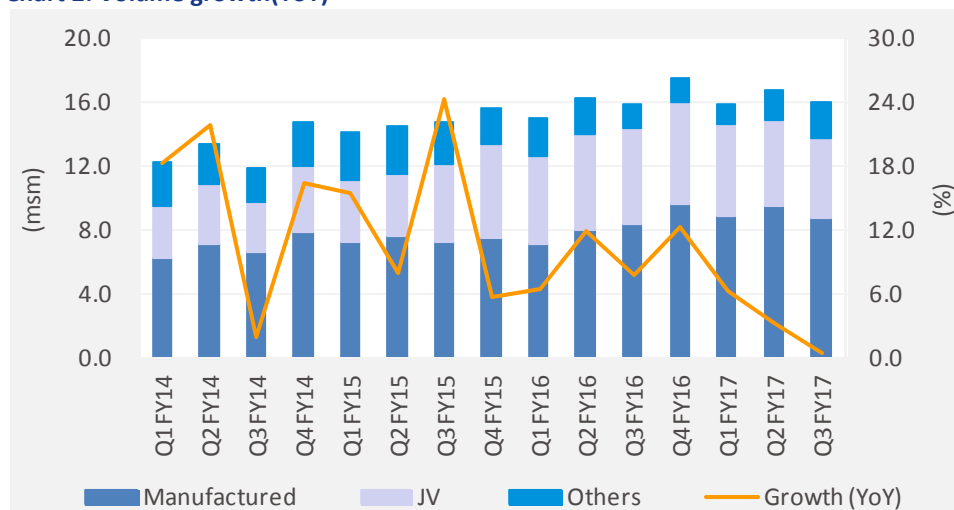
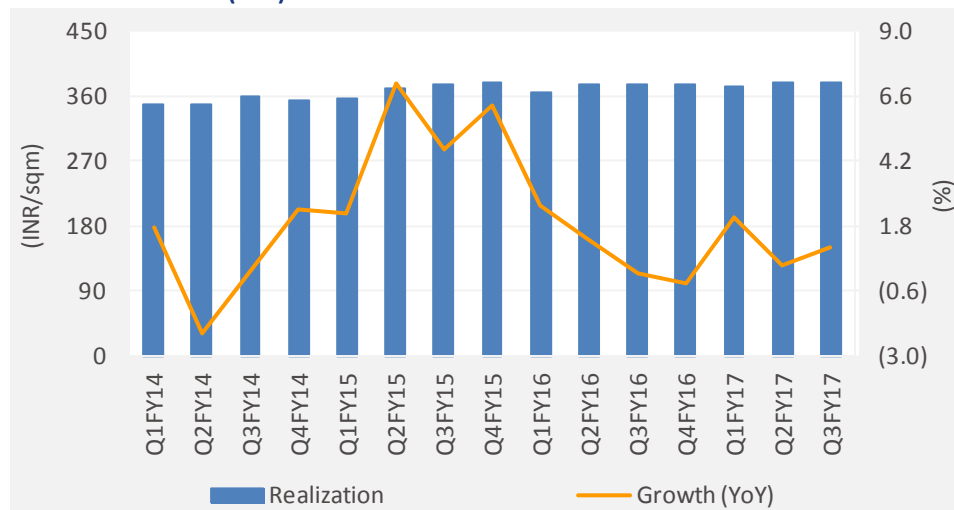
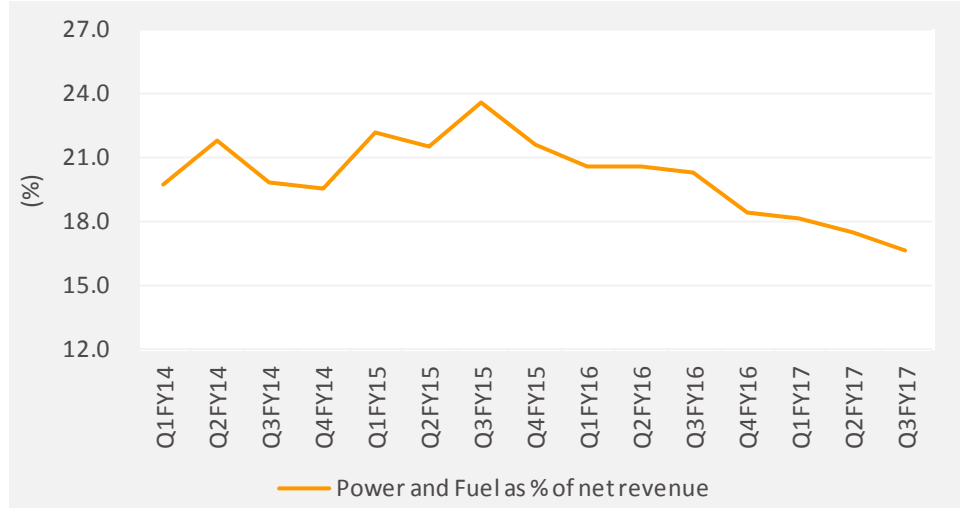


Chart 3: Realisation (YoY)



Source: Company, Edelweiss research

Chart 4: Declining power and fuel cost



Source: Company, Edelweiss research

Financial snapshot

(INR mn)

Year to March	Q3FY17	Q3FY16	% change	Q2FY17	% change	YTD17	FY17E	FY18E
Net revenues	6,067	6,002	1.1	6,301	(3.7)	18,298	25,253	28,616
Raw material	2,261	1,933	17.0	2,269	(0.3)	6,433	7,508	8,440
Staff costs	720	649	10.9	748	(3.8)	2,180	2,601	2,947
Other expenses	1,959	2,272	(13.8)	2,017	(2.9)	6,021	10,051	11,246
Total expenditure	4,940	4,854	1.8	5,034	(1.9)	14,634	20,160	22,634
EBITDA	1,126	1,148	(1.9)	1,267	(11.1)	3,664	5,093	5,982
Depreciation	206	184	12.0	204	1.3	609	850	911
EBIT	920	964	(4.5)	1,064	(13.5)	3,055	4,243	5,071
Other income	21	16	32.1	21	0.0	59	121	139
Interest	83	90	(7.6)	79	4.9	254	324	176
Add: Prior period items								
Add: Exceptional items								
Profit before tax	858	890	(3.5)	1,006	(14.7)	2,861	4,040	5,035
Provision for taxes	309	311	(0.7)	385	(19.7)	1,044	1,394	1,737
Minority interest	(2)	7	NA	(15)	NA	(5)	57	69
Associate profit share								
Reported net profit	551	572	(3.7)	636	(13.4)	1,821	2,589	3,229
Adjusted Profit	551	572	(3.7)	636	(13.4)	1,821	2,589	3,229
Diluted shares (mn)	79	79		79		79	159	159
Adjusted Diluted EPS	6.9	7.2	(3.7)	8.0	(13.4)	22.9	16.3	20.3
Diluted P/E (x)	-	-		-		-	35.9	28.8
EV/EBITDA (x)	-	-		-		-	18.6	15.6
ROAE (%)	-	-		-		-	24.0	24.6
As % of net revenues								
Raw material	37.3	32.2		36.0		35.2	29.7	29.5
Employee cost	11.9	10.8		11.9		11.9	10.3	10.3
Other expenses	32.3	37.9		32.0		32.9	39.8	39.3
EBITDA	18.6	19.1		20.1		20.0	20.2	20.9
Reported net profit	9.1	9.5		10.1		10.0	10.3	11.3

Change in Estimates

	FY17E			FY18E			Comments
	New	Old	% change	New	Old	% change	
Net Revenue	25,253	26,150	(3.4)	28,616	30,561	(6.4)	On account of subdued industry condition and demonetization impact
EBITDA	5,093	5,322	(4.3)	5,982	6,670	(10.3)	On account of lower topline.
EBITDA Margin	20.2	20.4		20.9	21.8		
Adjusted Profit After Tax	2,589	2,786	(7.1)	3,229	3,706	(12.9)	On account of lower topline and margins.
Net Profit Margin	10.5	10.9		11.5	12.4		
Capex	1,772	1,772	0.0	1,750	1,750	0.0	

Company Description

Kajaria is India's leading manufacturer of ceramic and vitrified tiles. Currently, the company has aggregate manufacturing capacity of 68.60msm distributed across 9 plants. It has 10.6% share in overall tiles market and 20.8% in the organised tile sector in FY15. The company has an in-house research and development facility that focuses on developing new designs and creating cost-effective products. Kajaria is present across a wide range of sizes and price value chain, ranging from affordable tiles to high-end designer products catering to needs of different segments. Ceramic, GVT and PVT contributed 41%, 20% and 37% to net sales, respectively in FY15. Retail and institutional businesses contribute 70% and 30% to total revenues.

Investment Theme

Kajaria has, over the years, developed a comprehensive range of products. A vibrant product range, aggressive brand spending, extensive distribution network of 1,100 dealers and 4,000 associate dealers, sustained capacity expansion have and will continue to anchor Kajaria's outperformance versus peers. Unwavering focus on brands (33.5% ad spend CAGR versus peers' 12-13%; 2.5-3% of sales) and strengthening of the value chain are bound to catapult market share to 12.0% by FY19E from 10.9% in FY16, driving up share in organised market to 21.1% from 20.5% over same period. Ergo, we estimate the company to clock revenue and PAT CAGR of 15.1% and 24.6% over FY16-18, respectively, with strong RoE/pre-tax RoCE of >25%. Further, we estimate Kajaria to generate FCF of INR5.0bn during the same period.

Key Risks

Slowdown in real estate sector

Any slowdown in real estate sector will dampen Kajaria's growth prospects.

Intensifying competition

Any competitive moves by players such as Somany Ceramics, HR Johnson, Orient, Asian Granito, etc., and the unorganised segment may have detrimental effects on the company's revenue.

Volatility in fuel prices

Availability and pricing of natural gas remains a concern as increase in gas price could increase operating costs and adversely impact margins.

Threat of Chinese imports

China is the largest producer of tiles globally. Import of cheap Chinese tiles poses a threat to the company. However, the government has imposed anti-dumping duty of USD1.37 per sq mtr recently on import of vitrified tiles from China.

Financial Statements

Key Assumptions

Year to March	FY16	FY17E	FY18E	FY19E
Macro				
GDP(Y-o-Y %)	7.2	6.5	7.1	7.7
Inflation (Avg)	4.9	4.8	5.0	5.2
Repo rate (exit rate)	6.8	6.0	5.8	5.8
USD/INR (Avg)	65.0	67.5	69.0	69.0
Sector				
Volume wise growth(%)	3.0	7.0	6.0	6.0
Org. Sector Share Vol. wise (%)	41.0	42.0	43.0	44.0
Unorg. Sector Share Vol. wise(%)	59.0	58.0	57.0	56.0
Value wise growth (%)	5.0	6.5	10.0	12.0
Org. Sector Share Value wise(%)	52.0	53.0	54.0	55.0
Unorg. Sector Share Value wise(%)	48.0	47.0	46.0	45.0
Company				
Own	40.8	40.8	40.8	40.8
Glazed Vertified Tiles	9.3	9.3	9.3	9.3
Ceramic Tile	28.9	28.9	28.9	28.9
JV	27.8	33.5	33.5	33.5
Capacity (in msm)				
Product wise capacity (in msm)				
Polished Vertified Tiles	30.4	36.1	36.1	36.1
Sales growth assumptions				
Volume wise Growth (%)				
Own	11.8	5.9	10.1	5.9
JV	30.4	6.7	12.1	12.4
Outsourced	(31.0)	(10.0)	10.0	35.0
Realization per sqm (INR)				
Manufactured	412	412	420	441
JV	414	414	422	441
Others	373	373	381	398
Product Value Growth(%)				
Ceramic	1.8	5.0	5.0	6.0
PVT	26.4	(22.7)	13.2	28.0
GVT	6.9	20.0	20.0	20.0
Cost assumptions				
Excise duty as % of rev	10.7	10.7	10.7	10.7
Pack mat as % of sales	4.4	4.6	4.6	4.6
Tax rate as % of PBT	34.6	34.5	34.5	34.5
Employee (% of net rev)	10.5	10.3	10.3	9.8
Mfg exp (% of net rev.)	5.1	5.0	4.5	4.0
Power & fuel % net rev.	19.9	19.4	19.3	19.3
Sales Promotion as % of N. Sales	2.4	3.0	3.2	3.3
Ad. & Selling Cost as % of N. Sales	8.1	7.8	7.7	7.2
Financial assumptions				
Depreciation (% of Avg GFA)	4.5	4.8	5.0	4.9
Net borrowings (INR mn)	2,748	938	(389)	(2,816)
Capex (INR mn)	(2,663)	(1,772)	(1,750)	(1,500)
Int (% of avg G.debt)	11.6	16.5	12.0	11.5

Income statement

(INR mn)

Year to March	FY16	FY17E	FY18E	FY19E
Net revenue	24,088	25,253	28,616	33,479
Materials costs	7,400	7,508	8,440	10,100
Gross profit	16,688	17,745	20,175	23,379
Employee costs	2,527	2,601	2,947	3,281
Other Expenses	9,625	10,051	11,246	12,856
Operating expenses	12,151	12,652	14,193	16,137
Total operating expenses	19,552	20,160	22,634	26,237
EBITDA	4,537	5,093	5,982	7,242
Depreciation	726	850	911	983
EBIT	3,810	4,243	5,071	6,259
Add: Other income	95	121	139	167
Less: Interest Expense	345	324	176	168
Add: Exceptional items	16	-	-	-
Profit Before Tax	3,577	4,040	5,035	6,258
Less: Provision for Tax	1,237	1,394	1,737	2,159
Less: Minority Interest	48	57	69	83
Reported Profit	2,292	2,589	3,229	4,016
Exceptional Items	10	-	-	-
Adjusted Profit	2,282	2,589	3,229	4,016
Shares o /s (mn)	159	159	159	159
Adjusted Basic EPS	14.4	16.3	20.3	25.3
Diluted shares o/s (mn)	159	159	159	159
Adjusted Diluted EPS	14.4	16.3	20.3	25.3
Adjusted Cash EPS	36.4	86.6	104.2	125.9
Dividend per share (DPS)	2.5	3.0	3.5	4.0
Dividend Payout Ratio(%)	20.9	22.2	20.7	19.1

Common size metrics

Year to March	FY16	FY17E	FY18E	FY19E
Operating expenses	50.4	50.1	49.6	48.2
Gross margin	69.3	70.3	70.5	69.8
Interest Expense	1.4	1.3	0.6	0.5
EBITDA margins	18.8	20.2	20.9	21.6
EBIT margins	15.8	16.8	17.7	18.7
Net Profit margins	9.7	10.5	11.5	12.2

Growth ratios (%)

Year to March	FY16	FY17E	FY18E	FY19E
Revenues	10.8	4.8	13.3	17.0
EBITDA	32.7	12.3	17.5	21.1
PBT	32.3	12.9	24.6	24.3
Adjusted Profit	29.8	13.5	24.7	24.4
EPS	29.8	13.5	24.7	24.4

Balance sheet		(INR mn)			
As on 31st March	FY16	FY17E	FY18E	FY19E	
Share capital	159	159	159	159	
Reserves & Surplus	9,092	11,107	13,666	16,918	
Shareholders' funds	9,251	11,266	13,825	17,076	
Minority Interest	761	819	887	970	
Short term borrowings	1,514	514	514	514	
Long term borrowings	1,449	1,449	949	949	
Total Borrowings	2,963	1,963	1,463	1,463	
Long Term Liabilities	138	138	138	138	
Def. Tax Liability (net)	916	916	916	916	
Sources of funds	14,029	15,102	17,230	20,564	
Gross Block	15,251	17,001	18,751	20,251	
Net Block	11,066	11,966	12,805	13,322	
Capital work in progress	78	100	100	100	
Intangible Assets	139	139	139	139	
Total net fixed assets	11,283	12,205	13,045	13,561	
Non current investments	1	1	1	1	
Cash and Equivalents	215	1,025	1,852	4,279	
Inventories	3,842	3,086	3,237	3,874	
Sundry Debtors	2,742	2,405	2,725	3,188	
Loans & Advances	1,091	1,200	1,320	1,452	
Other Current Assets	10	10	10	10	
Current Assets (ex cash)	7,685	6,701	7,293	8,525	
Trade payable	2,804	2,469	2,312	2,767	
Other Current Liab	2,351	2,362	2,648	3,035	
Total Current Liab	5,156	4,831	4,960	5,802	
Net Curr Assets-ex cash	2,530	1,870	2,333	2,723	
Uses of funds	14,029	15,102	17,230	20,564	
BVPS (INR)	58.2	70.9	87.0	107.5	

Free cash flow		(INR mn)			
Year to March	FY16	FY17E	FY18E	FY19E	
Reported Profit	2,292	2,589	3,229	4,016	
Add: Depreciation	726	850	911	983	
Interest (Net of Tax)	231	217	118	113	
Others	63	(217)	(118)	(113)	
Less: Changes in WC	599	(659)	463	389	
Operating cash flow	2,713	4,098	3,677	4,610	
Less: Capex	2,663	1,772	1,750	1,500	
Free Cash Flow	50	2,327	1,927	3,110	

Cash flow metrics		FY16	FY17E	FY18E	FY19E
Year to March					
Operating cash flow		2,713	4,098	3,677	4,610
Investing cash flow		(2,651)	(1,772)	(1,750)	(1,500)
Financing cash flow		55	(1,517)	(1,101)	(683)
Net cash Flow		117	810	826	2,428
Capex		(2,663)	(1,772)	(1,750)	(1,500)
Dividend paid		(478)	(574)	(670)	(765)

Profitability and efficiency ratios		FY16	FY17E	FY18E	FY19E
Year to March					
ROAE (%)		25.8	24.0	24.6	25.0
ROACE (%)		33.3	32.3	34.5	36.0
ROA		18.0	17.8	20.0	21.3
Inventory Days		170	168	137	128
Debtors Days		36	37	33	32
Payable Days		129	128	103	92
Cash Conversion Cycle		77	77	66	69
Current Ratio		1.5	1.6	1.8	2.2
Debt/EBITDA (x)		0.7	0.4	0.2	0.2
Debt/Equity (x)		0.3	0.2	0.1	0.1
Adjusted Debt/Equity		0.3	0.2	0.1	0.1
Interest Coverage Ratio		11.1	13.1	28.9	37.2
LT debt /Cap empl. (%)		21.1	13.0	8.5	7.1
Debt / Cap employed (%)		64.4	51.1	42.6	39.8

Operating ratios		FY16	FY17E	FY18E	FY19E
Year to March					
Total Asset Turnover		1.9	1.7	1.8	1.8
Fixed Asset Turnover		2.4	2.2	2.3	2.6
Equity Turnover		2.8	2.4	2.3	2.2

Valuation parameters		FY16	FY17E	FY18E	FY19E
Year to March					
Adj. Diluted EPS (INR)		14.4	16.3	20.3	25.3
Y-o-Y growth (%)		29.8	13.5	24.7	24.4
Adjusted Cash EPS (INR)		36.4	86.6	104.2	125.9
Diluted P/E (x)		40.8	35.9	28.8	23.2
P/B (x)		10.1	8.3	6.7	5.4
EV / Sales (x)		4.0	3.8	3.3	2.7
EV / EBITDA (x)		21.3	18.6	15.6	12.6
Dividend Yield (%)		0.4	0.5	0.6	0.7

Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		EV / EBITDA (X)		ROAE (%)	
		FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
Kajaria Ceramics	1,365	35.9	28.8	18.6	15.6	24.0	24.6
Somany Ceramics	370	26.8	22.5	13.2	11.2	19.8	19.9
Median	-	31.4	25.6	15.9	13.4	21.9	22.3
AVERAGE	-	31.4	25.6	15.9	13.4	21.9	22.3

Source: Edelweiss research

Additional Data

Directors Data

Ashok Kajaria	Chairman and Managing Director	Chetan Kajaria	Joint Managing Director
Rishi Kajaria	Joint Managing Director	Dev Datt Rishi	Director - Technical
Basant Kumar Sinha	Director - Technical	Raj Kumar Bhargava	Independent Director
Ram Ratan Bagri	Independent Director	Debi Prasand Bagchi	Independent Director
H. Rathnakar Hegde	Independent Director	Sandeep Singhal	Independent Director
Sushmita Shekhar	Independent Director		

Auditors - O.P. Bagla & Co.

**as per last available data*

Holding Top -10

	Perc. Holding		Perc. Holding
West Bridge Crossover fund	7.41	Wasatch Advisors	1.33
Jwalamukhi Inv Holdings	5.46	Goldman Sachs Group	1.21
Norges Bank	3.14	ABG Capital	1.16
Government Pension Fund	3.08	Vanguard Group	1.12
Steadview Capital	2.10	Dimensional Fund Advisors	0.87

**as per last available data*

Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
No Data Available				

**as per last available data*

Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
19 Dec 2016	RISHI KAJARIA (HUF)	Sell	37000.00
19 Dec 2016	A.K KAJARIA (HUF)	Buy	57000.00
19 Dec 2016	VERSHA DEVI KAJARIA	Buy	28000.00
19 Dec 2016	ASHOK KUMAR KAJARIA	Buy	51000.00
06 Sep 2016	KAJARIA SECURITIES PRIVATE LIMITED	Buy	120040.00

**as per last available data*

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Manoj Bahety

Deputy Head Research

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Coverage group(s) of stocks by primary analyst(s): Tiles

Asian Granito India Limited, Kajaria Ceramics, Nitco Limited, Somany Ceramics

Recent Research

Date	Company	Title	Price (INR)	Recos
27-Oct-16	Somany Ceramics	Margin zooms; expensive valuations; <i>Result Update</i>	658	Hold
21-Oct-16	Kajaria Ceramics	Volumes plummet; expensive valuations; <i>Result Update</i>	615	Hold
10-Aug-16	Somany Ceramics	Margin zooms; outlook cautiously optimistic;	599	Hold

Distribution of Ratings / Market Cap

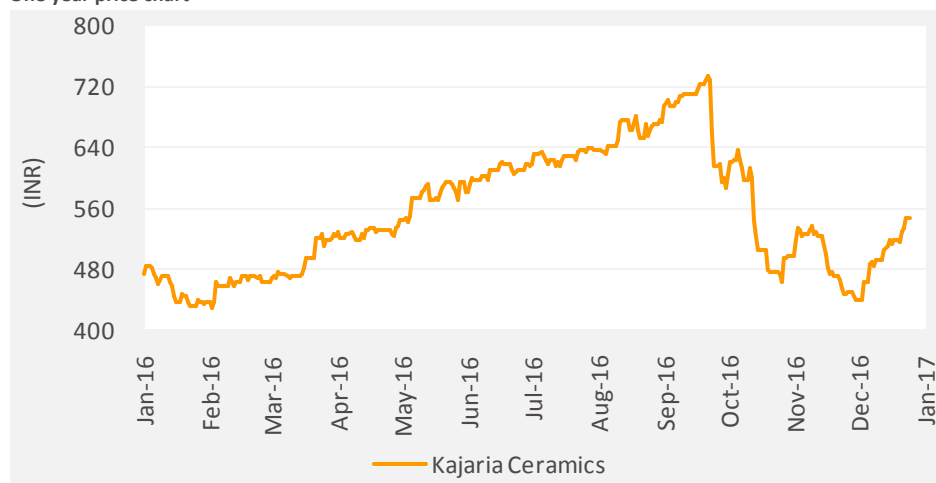
Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	240
* 1 stocks 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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