

Estimate change

TP change

Rating change



Bloomberg	ACC IN
Equity Shares (m)	188
M.Cap.(INRb)/(USDb)	426.2 / 5.2
52-Week Range (INR)	2785 / 1901
1, 6, 12 Rel. Per (%)	-12/3/3
12M Avg Val (INR M)	1446

#### Financials & Valuations (INR b)

Y/E Dec	FY23E*	FY24E	FY25E
Sales	220.6	185.1	198.8
EBITDA	20.5	28.5	33.8
Adj. PAT	10.7	17.1	20.9
EBITDA Margin (%)	9.3	15.4	17.0
Adj. EPS (INR)	56.9	90.8	111.2
EPS Gr. (%)	(43.4)	59.5	22.5
BV/Sh. (INR)	755.1	823.9	910.1

#### Ratios

Net D:E	-0.4	-0.5	-0.5
RoE (%)	7.5	11.5	12.8
RoCE (%)	7.7	11.5	12.8
Payout (%)	39.1	27.5	27.0

#### Valuations

P/E (x)	39.9	25.0	20.4
P/BV (x)	3.0	2.8	2.5
EV/EBITDA(x)	16.8	12.4	9.9
EV/ton (USD)	113	109	103
Div. Yield (%)	1.0	1.1	1.3
FCF Yield (%)	-0.8	3.8	5.6

\*FY23E is 15m period due to change in accounting year

#### Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	54.5	54.5	54.5
DII	20.8	20.1	19.5
FII	12.1	12.8	13.7
Others	12.5	12.6	12.3

FII Includes depository receipts

**CMP: INR2,270**
**TP: INR2,430 (+7%)**
**Neutral**

## Washout quarter; cost-saving strategies awaited

### Margin at a historical low; blended EBITDA/t at INR23

- ACC reported a dismal set of 3QFY23 earnings as higher energy costs impacted operating metrics adversely. EBITDA stood at a mere INR154m (est. INR2b), though revenue was 2% above our estimate. EBITDA/t of INR23 and OPM of 0.4% was at historically low levels. Adjusted loss stood at INR748m v/s our estimate of a profit of INR577m.
- The decline in coal/petcoke prices and discontinuation of royalty payments to Holcim (1% of sales; ~INR53/t) should aid the margin recovery in 2HFY23. We factor in an EBITDA/t of ~INR620 between Oct'22 and Mar'23.
- As the company has changed its financial year-end to March from December, we adjust our earnings for the same. On a like-to-like basis, our EBITDA estimate for CY22/CY23 is being downgraded by 17%/10% and EPS estimate is being cut by 23%/13%.
- We await clarity from the new management on its capex and cost-saving plans to turn constructive on the stock as it has [spoken](#) about its ambitious growth plans for the next few years. We maintain our Neutral rating with a TP of INR2,430 (from INR2,515 earlier), based on 12x Sep'24E EV/EBITDA (from Mar'24E EV/EBITDA earlier).

### Sharp increase in OPEX/t led by a 47% rise in variable cost

- Revenue/EBITDA stood at INR40b/INR154m, +6%/-98% YoY and +2%/-93% v/s our estimate. Adjusted loss stood at INR748m as against a profit of INR4.5b/INR2.2b in 3QCY21/2QFY23. Cement sales volumes grew 4% YoY to 6.85mt (est. 6.96mt). RMC sales volumes rose 10% YoY.
- Realization improved by 2% YoY (but fell 2% QoQ). OPEX/t grew 25% YoY and 8% QoQ led by a 47%/9%/7% YoY increase in variable/freight costs/ other expenses. EBITDA/t dipped 98% YoY and 96% QoQ to INR23 (at a historic low, est. INR297) v/s INR1,083/INR563 in 3QCY21/2QFY23.

### Highlights from the management commentary

- WHRS projects at Jamul and Kymore have been partially commissioned and the new projects at Chanda and Wadi plants are progressing well. The management is focusing on green power.
- The integrated plant at Ametha is expected to be commissioned by Mar'23. The management has also accelerated debottlenecking of various plants, with a focus on efficiency improvements. The company is trying to increase the usage of alternate fuels.

### Remain Neutral as we await clarity on its future plans and synergies

- ACC is increasing its grinding capacity by 3.2mtpa in Central India to 39.3mtpa by FY24. We believe capacity expansions will benefit the company in terms of better volume growth, although we await clarity from the management over its cost-saving strategies and future growth plans.
- Valuations, at 12.4x/9.9x FY24E/FY25E EV/EBITDA and EV/t of USD109/USD103, remain the cheapest among its larger peers. We maintain our Neutral rating with a TP of INR2,430 (from INR2,515 earlier), based on 12x Sep'24E EV/EBITDA.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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## Standalone quarterly performance

(INR b)

Y/E December/March	CY21				FY23*					CY21	FY23E*	MOFSL	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	5QE				
Cement Sales (mt)	7.97	6.84	6.57	7.49	7.71	7.56	6.85	7.67	7.98	28.89	37.77	6.96	(2)
Change (YoY %)	21.5	43.7	1.2	(2.9)	(3.3)	10.5	4.3	2.4	3.5	13.2	30.7	6.0	-
<b>Net Sales</b>	<b>42.9</b>	<b>38.8</b>	<b>37.5</b>	<b>42.3</b>	<b>44.3</b>	<b>44.7</b>	<b>39.9</b>	<b>44.4</b>	<b>47.3</b>	<b>161.5</b>	<b>220.6</b>	<b>39.0</b>	<b>1.1</b>
Change (YoY %)	22.6	49.4	6.0	2.0	3.1	15.0	6.4	5.1	6.9	17.2	36.6	4.1	-
<b>EBITDA</b>	<b>8.6</b>	<b>8.7</b>	<b>7.1</b>	<b>5.6</b>	<b>6.3</b>	<b>4.3</b>	<b>0.2</b>	<b>3.9</b>	<b>5.9</b>	<b>30.0</b>	<b>20.5</b>	<b>2.1</b>	<b>0.0</b>
Margin (%)	20.0	22.5	19.0	13.1	14.3	9.5	0.4	8.7	12.5	18.6	9.3	5.3	2.2
Depreciation	1.4	1.5	1.5	1.6	1.5	1.6	1.7	1.8	1.8	6.0	8.4	1.6	0.0
Interest	0.1	0.1	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.5	0.8	0.1	0.0
Other Income	0.4	0.4	0.6	0.5	0.6	0.5	0.7	0.6	0.7	2.0	3.1	0.5	-92.6
<b>PBT before EO Item</b>	<b>7.5</b>	<b>7.6</b>	<b>6.1</b>	<b>4.4</b>	<b>5.3</b>	<b>3.0</b>	<b>-1.1</b>	<b>2.6</b>	<b>4.6</b>	<b>25.5</b>	<b>14.4</b>	<b>0.8</b>	<b>-491.8</b>
EO Income/(Expense)	0.0	-0.4	0.0	-0.5	0.0	0.0	-0.2	0.0	0.0	-0.9	-0.2	0.0	0.0
<b>PBT after EO Item</b>	<b>7.5</b>	<b>7.2</b>	<b>6.1</b>	<b>3.8</b>	<b>5.3</b>	<b>3.0</b>	<b>-1.2</b>	<b>2.6</b>	<b>4.6</b>	<b>24.6</b>	<b>14.2</b>	<b>0.8</b>	<b>0.0</b>
Tax	1.9	1.9	1.6	1.0	1.4	0.8	-0.3	0.7	1.2	6.4	3.6	0.2	0.0
Rate (%)	25.6	26.1	26.2	26.5	25.9	25.8	25.5	26.0	24.9	26.0	25.6	25.8	NM
<b>Reported PAT</b>	<b>5.6</b>	<b>5.3</b>	<b>4.5</b>	<b>2.8</b>	<b>3.9</b>	<b>2.2</b>	<b>-0.9</b>	<b>1.9</b>	<b>3.5</b>	<b>18.2</b>	<b>10.6</b>	<b>0.6</b>	<b>0.0</b>
<b>Adjusted PAT</b>	<b>5.6</b>	<b>5.6</b>	<b>4.5</b>	<b>3.2</b>	<b>3.9</b>	<b>2.2</b>	<b>-0.7</b>	<b>1.9</b>	<b>3.5</b>	<b>18.9</b>	<b>10.7</b>	<b>0.6</b>	<b>NM</b>
Margin (%)	13.0	14.5	12.0	7.6	8.8	5.0	-1.9	4.3	7.4	11.7	4.9	1.5	0.0
Change (YoY %)	59.3	90.1	12.4	(25.2)	(30.1)	(60.5)	NM	(41.1)	(10.6)	28.2	(43.2)	NM	-

Source: MOSL, Company \*Note: FY23 is 15-month period as the company changed its accounting year-end from December to March

## Exhibit 1: Per tonne analysis, including RMC (INR/t)

Y/E December/March	CY21				FY23*					CY21	FY23E*	MOFSL	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	5QE				
Blended Realization	5,385	5,680	5,706	5,642	5,741	5,911	5,821	5,790	5,933	5,591	5,840	5,603	4
Change (YoY %)	0.9	3.9	4.7	5.0	6.6	4.1	2.0	2.6	3.3	3.5	4.5	(1.8)	
(Increase)/Decrease in the stock	(78)	(310)	(181)	293	(74)	(250)	(325)	-	-	(60)	(124)	-	
Raw Material	1,014	1,045	1,131	1,035	1,243	1,359	1,565	1,190	1,367	1,053	1,464	1,090	44
Staff Cost	258	305	330	271	250	286	308	289	288	289	283	304	1
Power and fuel	1,009	1,212	1,198	1,255	1,348	1,734	1,922	1,672	1,418	1,163	1,610	1,734	11
Freight	1,366	1,352	1,317	1,289	1,367	1,433	1,442	1,350	1,319	1,331	1,380	1,350	7
Other expenditure	737	797	828	758	786	786	887	784	800	777	795	828	7
Total Expenditure	4,307	4,401	4,623	4,901	4,919	5,348	5,798	5,285	5,191	4,552	5,409	5,306	9
EBITDA	1,078	1,279	1,083	741	822	563	23	505	742	1,039	431	297	(92)
Change (YoY %)	20.7	16.1	4.8	(18.4)	(23.8)	(56.0)	(97.9)	(31.9)	(9.7)	6.9	(58.5)	(72.5)	

Source: MOSL, Company \*Note: FY23 is 15-month period as the company changed its accounting year-end from December to March

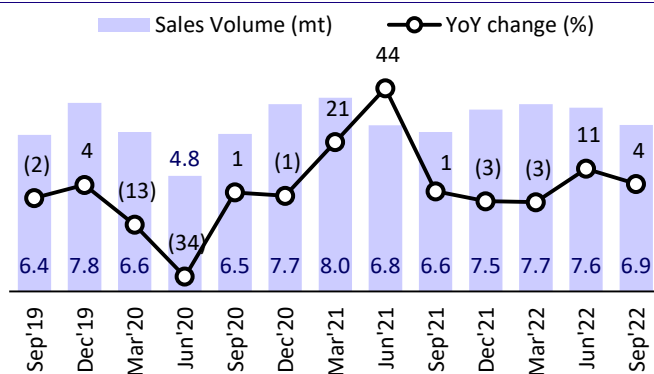
## Exhibit 2: Revisions to our estimates on a like-to-like basis

(INR m)	Revised estimate		Old estimate		Change (%)	
	CY22	CY23	CY22	CY23	CY22	CY23
Net Sales	173	184	168	178	3.3	3.7
EBITDA	15	25	18	28	(17.0)	(9.7)
Net Profit	7	15	9	17	(23.3)	(12.6)
EPS (INR)	38	77	50	88	(23.3)	(12.6)

Source: MOFSL Estimates

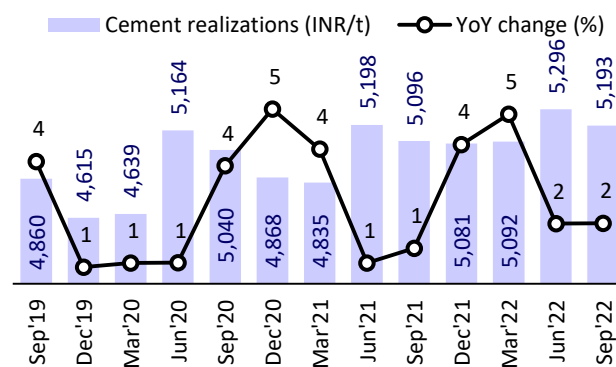
## Key exhibits

Exhibit 3: Sales volume grew 4% YoY, but fell 9% QoQ



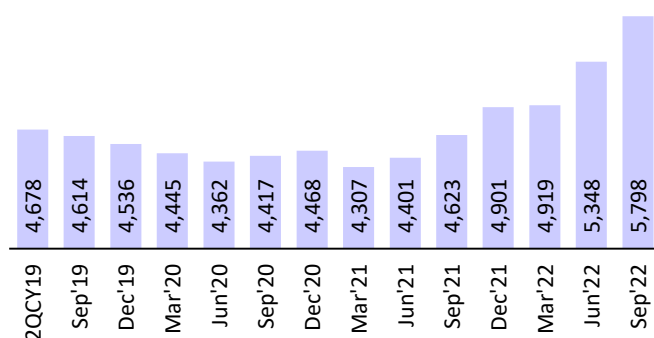
Source: Company, MOFSL

Exhibit 4: Cement realization grew 2% YoY, but fell 2% QoQ



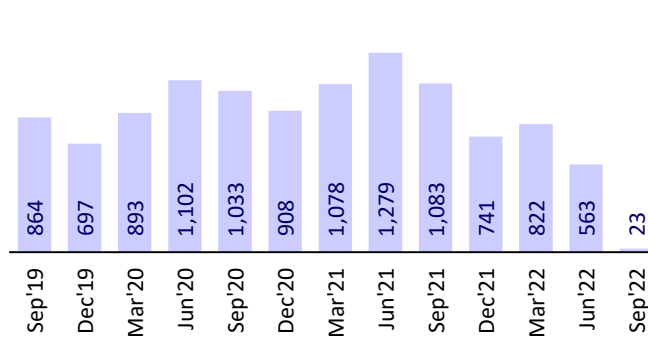
Source: Company, MOFSL

Exhibit 5: OPEX/t (INR) grew 25% YoY on higher variable costs



Source: Company, MOFSL

Exhibit 6: EBITDA/t (INR) fell 98% YoY on a higher OPEX



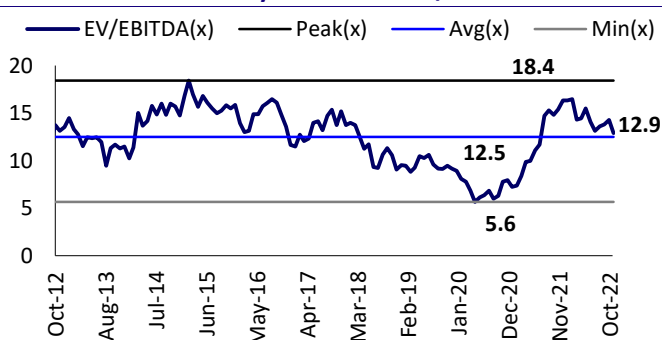
Source: Company, MOFSL

Exhibit 7: Key performance indicators (including the RMC business)

INR/t	Sep'22	Sep'21	YoY (%)	Jun'22	QoQ (%)
<b>Blended realization</b>	<b>5,821</b>	<b>5,706</b>	<b>2</b>	<b>5,911</b>	<b>(2)</b>
Raw materials	1,240	950	31	1,109	12
Staff cost	308	330	(7)	286	8
Power	1,922	1,198	60	1,734	11
Freight	1,442	1,317	9	1,433	1
Other expenditure	887	828	7	786	13
<b>Total cost</b>	<b>5,798</b>	<b>4,623</b>	<b>25</b>	<b>5,348</b>	<b>8</b>
<b>EBITDA</b>	<b>23</b>	<b>1083</b>	<b>(98)</b>	<b>563</b>	<b>(96)</b>

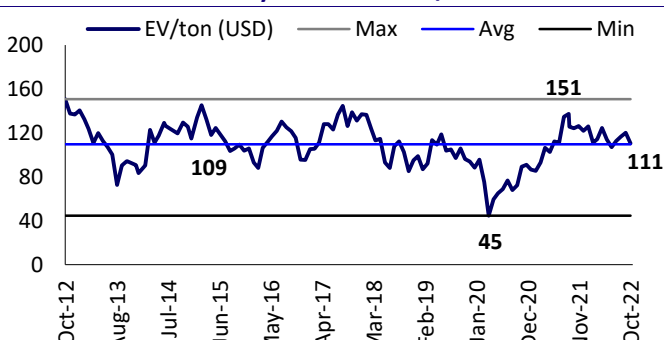
Source: Company, MOFSL

Exhibit 8: Trend in one-year forward EV/EBITDA ratio



Source: Company, MOFSL

Exhibit 9: Trend in one-year forward EV/t



Source: Company, MOFSL

## Financials and valuations

Income Statement								(INR m)
Y/E December/March	CY17	CY18	CY19	CY20	CY21	FY23E*	FY24E	FY25E
<b>Net Sales</b>	<b>1,32,846</b>	<b>1,48,014</b>	<b>1,56,567</b>	<b>1,37,845</b>	<b>1,61,514</b>	<b>2,20,563</b>	<b>1,85,150</b>	<b>1,98,757</b>
Change (%)	20.9	11.4	5.8	(12.0)	17.2	36.6	(16.1)	7.3
<b>EBITDA</b>	<b>19,091</b>	<b>20,446</b>	<b>24,095</b>	<b>24,811</b>	<b>30,004</b>	<b>20,536</b>	<b>28,461</b>	<b>33,834</b>
Change (%)	29.5	7.1	17.8	3.0	20.9	(31.6)	38.6	18.9
Margin (%)	14.4	13.8	15.4	18.0	18.6	9.3	15.4	17.0
Depreciation	6,401	5,996	6,030	6,353	5,973	8,409	7,198	7,422
Int. and Fin. Charges	1,023	892	862	570	546	813	580	623
Other Income – Rec.	1,317	1,385	3,112	2,040	2,048	3,063	2,250	2,300
<b>PBT Before EO Item</b>	<b>12,984</b>	<b>14,943</b>	<b>20,315</b>	<b>19,927</b>	<b>25,533</b>	<b>14,377</b>	<b>22,933</b>	<b>28,090</b>
EO Income/(Expense)	-	5,006	-	(3,049)	(929)	(163)	-	-
<b>PBT After EO Item</b>	<b>12,984</b>	<b>19,949</b>	<b>20,315</b>	<b>16,878</b>	<b>24,604</b>	<b>14,215</b>	<b>22,933</b>	<b>28,090</b>
Tax	3,829	4,883	6,726	2,728	6,401	3,639	5,871	7,191
Tax Rate (%)	29.5	24.5	33.1	16.2	26.0	25.6	25.6	25.6
<b>Reported PAT</b>	<b>9,154</b>	<b>15,066</b>	<b>13,589</b>	<b>14,149</b>	<b>18,203</b>	<b>10,576</b>	<b>17,062</b>	<b>20,899</b>
<b>Adjusted PAT</b>	<b>9,154</b>	<b>10,060</b>	<b>13,589</b>	<b>14,746</b>	<b>18,899</b>	<b>10,696</b>	<b>17,062</b>	<b>20,899</b>
Change (%)	32.7	9.9	35.1	8.5	28.2	(43.4)	59.5	22.5
Margin (%)	6.9	6.8	8.7	10.7	11.7	4.8	9.2	10.5

Balance Sheet								(INR m)
Y/E December/March	CY17	CY18	CY19	CY20	CY21	FY23E*	FY24E	FY25E
Share Capital	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880
Fully Diluted Capital	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880
Reserves	91,775	1,03,397	1,13,333	1,24,735	1,40,404	1,40,077	1,53,003	1,69,202
<b>Net Worth</b>	<b>93,655</b>	<b>1,05,277</b>	<b>1,15,213</b>	<b>1,26,614</b>	<b>1,42,284</b>	<b>1,41,957</b>	<b>1,54,883</b>	<b>1,71,082</b>
Loans	592	0	0	0	0	0	0	0
Deferred Tax Liability	5,414	6,631	6,422	3,762	3,827	3,827	3,827	3,827
<b>Capital Employed</b>	<b>99,660</b>	<b>1,11,908</b>	<b>1,21,635</b>	<b>1,30,376</b>	<b>1,46,112</b>	<b>1,45,784</b>	<b>1,58,710</b>	<b>1,74,909</b>
Gross Block	84,799	88,774	93,972	98,093	1,04,481	1,16,081	1,45,681	1,51,181
Less: Accum. Depn.	12,389	18,280	24,059	31,507	37,253	45,662	52,860	60,282
<b>Net Fixed Assets</b>	<b>72,410</b>	<b>70,494</b>	<b>69,914</b>	<b>66,586</b>	<b>67,228</b>	<b>70,419</b>	<b>92,821</b>	<b>90,899</b>
Capital WIP	2,617	3,922	4,353	5,453	12,408	20,808	1,208	1,708
Investments – Trade	25,304	37	37	82	184	184	184	184
Investments in subsidiaries	2,265	2,265	2,265	2,124	1,743	1,743	1,743	1,743
<b>Curr. Assets, Loans, and Adv.</b>	<b>46,292</b>	<b>83,533</b>	<b>94,252</b>	<b>1,07,014</b>	<b>1,27,627</b>	<b>1,32,321</b>	<b>1,33,184</b>	<b>1,56,700</b>
Inventory	14,040	16,786	11,410	9,005	12,733	17,421	14,626	15,712
Account Receivables	6,682	8,683	6,284	4,515	4,892	6,693	5,619	6,036
Cash and Bank Balance	1,687	30,003	45,381	58,911	74,042	59,754	71,934	91,049
Others	23,884	28,062	31,178	34,583	35,961	48,454	41,006	43,901
<b>Curr. Liab. and Prov.</b>	<b>49,229</b>	<b>48,343</b>	<b>49,186</b>	<b>50,883</b>	<b>63,078</b>	<b>79,691</b>	<b>70,429</b>	<b>76,324</b>
Account Payables	18,105	19,227	14,710	14,163	18,992	38,452	26,850	31,360
Other Liabilities	24,515	25,627	28,478	30,189	33,868	33,868	33,868	33,868
Provisions	6,609	3,489	5,998	6,531	10,219	7,372	9,712	11,096
<b>Net Current Assets</b>	<b>(2,936)</b>	<b>35,190</b>	<b>45,067</b>	<b>56,131</b>	<b>64,549</b>	<b>52,630</b>	<b>62,755</b>	<b>80,375</b>
<b>Application of Funds</b>	<b>99,660</b>	<b>1,11,908</b>	<b>1,21,635</b>	<b>1,30,376</b>	<b>1,46,112</b>	<b>1,45,784</b>	<b>1,58,710</b>	<b>1,74,909</b>

Source: Company, MOFSL; \*Note: FY23 is 15-month period as the company changed its accounting year-end from December to March

## Financials and valuations

Ratios								
Y/E December/March	CY17	CY18	CY19	CY20	CY21	FY23E*	FY24E	FY25E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>48.7</b>	<b>53.5</b>	<b>72.3</b>	<b>78.4</b>	<b>100.5</b>	<b>56.9</b>	<b>90.8</b>	<b>111.2</b>
Cash EPS	82.7	85.4	104.4	112.2	132.3	101.6	129.1	150.6
BV/Share	498.2	560.0	612.9	673.5	756.9	755.1	823.9	910.1
DPS	26.0	14.0	14.0	14.0	58.0	22.0	25.0	30.0
Payout (%)	53.3	17.4	19.3	18.6	59.9	39.1	27.5	27.0
<b>Valuation (x)</b>								
P/E ratio		42.4	31.4	28.9	22.6	39.9	25.0	20.4
Cash P/E ratio		26.6	21.7	20.2	17.2	22.3	17.6	15.1
EV/Sales ratio		2.7	2.4	2.6	2.1	1.6	1.9	1.7
EV/EBITDA ratio		19.2	15.6	14.6	11.3	16.8	12.4	9.9
P/BV ratio		4.1	3.7	3.4	3.0	3.0	2.8	2.5
Dividend Yield		0.6	0.6	0.6	2.6	1.0	1.1	1.3
EV/t (USD-Cap)		143	138	133	120	113	109	103
<b>Return Ratios (%)</b>								
RoE	10.1	10.1	12.3	12.2	14.1	7.5	11.5	12.8
RoCE	10.2	11.3	12.1	13.6	14.0	7.7	11.5	12.8
RoIC	12.7	14.7	16.1	22.5	28.4	14.5	21.0	23.5
<b>Working Capital Ratios</b>								
Debtor (Days)	18	21	15	12	11	11	11	11
Asset Turnover ratio (x)	0.8	0.8	0.8	0.9	0.9	0.7	0.9	0.9
<b>Leverage Ratio</b>								
Debt/Equity ratio (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement								(INR m)
Y/E December/March	CY17	CY18	CY19	CY20	CY21	FY23E*	FY24E	FY25E
OP/(Loss) before Tax	12,984	14,943	20,315	16,878	24,604	14,215	22,933	28,090
Depreciation	6,401	5,996	6,030	6,353	5,973	8,409	7,198	7,422
Interest and Finance Charges	104	-129	0	570	0	0	0	0
Direct Taxes Paid	(2,177)	(5,265)	(4,462)	(7,064)	(2,849)	(3,639)	(5,871)	(7,191)
(Inc.)/Dec. in WC	(1,660)	(4,493)	601	5,419	588	(2,369)	2,056	1,495
<b>CF from Operations</b>	<b>15,651.4</b>	<b>11,052</b>	<b>22,484</b>	<b>22,156</b>	<b>28,316</b>	<b>16,615</b>	<b>26,316</b>	<b>29,815</b>
Others	(104)	129	-	-	-	-	-	-
<b>CF from Operations incl. EO</b>	<b>15,548</b>	<b>11,181</b>	<b>22,484</b>	<b>22,156</b>	<b>28,316</b>	<b>16,615</b>	<b>26,316</b>	<b>29,815</b>
(Inc.)/Dec. in FA	(5,194)	(4,951)	(4,935)	(7,252)	(11,509)	(20,000)	(10,000)	(6,000)
<b>Free Cash Flow</b>	<b>10,354</b>	<b>6,230</b>	<b>17,549</b>	<b>14,904</b>	<b>16,808</b>	<b>-3,385</b>	<b>16,316</b>	<b>23,815</b>
(Pur.)/Sale of Investments	1,348	1,273	1,651	1,886	1,619	0	0	0
Others	(262)	(42)	(81)	59	112	0	0	0
<b>CF from Investments</b>	<b>(4,108)</b>	<b>(3,720)</b>	<b>(3,364)</b>	<b>(5,307)</b>	<b>(9,778)</b>	<b>(20,000)</b>	<b>(10,000)</b>	<b>(6,000)</b>
Issue of Shares	0	0	0	0	0	0	0	0
Inc./(Dec.) in Debt	42	-606	0	0	0	0	0	0
Interest Paid	(420)	(409)	(572)	(399)	(316)	0	0	0
Dividend Paid	(3,192)	(2,817)	(2,629)	(2,629)	(2,629)	(10,903)	(4,136)	(4,700)
Others	(650)	(579)	(540)	(246)	(360)	-	-	-
<b>CF from Fin. Activity</b>	<b>(4,221)</b>	<b>(4,411)</b>	<b>(3,742)</b>	<b>(3,274)</b>	<b>(3,305)</b>	<b>(10,903)</b>	<b>(4,136)</b>	<b>(4,700)</b>
<b>Inc./Dec. in Cash</b>	<b>7,219</b>	<b>3,050</b>	<b>15,378</b>	<b>13,575</b>	<b>15,109</b>	<b>(14,288)</b>	<b>12,180</b>	<b>19,115</b>
Opening Balance	19,772	26,991	30,040	45,418	58,993	74,042	59,754	71,934
<b>Closing Balance</b>	<b>26,991</b>	<b>30,040</b>	<b>45,418</b>	<b>58,993</b>	<b>74,042</b>	<b>59,754</b>	<b>71,934</b>	<b>91,049</b>

Source: Company, MOFSL; \*Note: FY23 is 15-month period as the company changed its accounting year-end from December to March

## NOTES



Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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