

# GUJARAT STATE PETRONET

## Notches up strong assets in Gujarat Gas

India Equity Research | Oil, Gas and Services

Gujarat State Petronet (GSPL) is set to increase its stake in Gujarat Gas (GUJGA) to 54% following acquisition of 28.4% stake from Gujarat State Petroleum Corporation (GSPC) at INR32bn. This will make GSPL the sole promoter of GUJGA. We believe it is a win-win deal for both GSPL and GUJGA as: 1) post acquisition, GUJGA's ownership structure will get simplified; 2) at market price, the deal appears reasonable given GUJGA's strong growth potential. We estimate 36% EPS CAGR for GUJGA over FY17-22. The deal is marginally EPS accretive, with GSPL's EPS set to rise 3%; 3) if the deal is solely funded via debt, GSPL's standalone leverage will increase to 0.5x from current net cash position. We expect GSPL to register strong volumes in near term in addition to a favourable tariff order which is likely to be announced. Maintain "BUY".

### Gujarat Gas: Strong play on rapidly growing city gas space

GUJGA enjoys robust prospects. We estimate 15% volume CAGR over FY17-22 given: 1) **Improving economics:** Economics and stricter environmental norms would generate ~3mmcmd in industrial segment; 2) **Rising penetration:** Low penetration versus peers (10% versus ~30%) and favourable economics would drive CNG volumes, while convenience and potential phase out of LPG subsidy offer sizeable PNG opportunity; and 3) **New geographies:** New areas would likely generate 3-3.5mmcmd over next three-four years.

### Strong balance sheet/ FCF generation to meet debt requirement

GSPL is currently a net cash company (INR1.7bn net cash in FY17). If the acquisition is funded entirely via debt, we estimate standalone net debt-equity to increase to 0.5x. Deal represents ~around six years of GSPL's FCF of ~INR5bn. Considering GSPL's stake in GUJGA's operating cash flows (INR10bn), we estimate reasonable pay-back of six years.

### Outlook and valuations: Transmission to shine; maintain 'BUY'

Demand from city gas and higher off-take from OPAL will likely offset any volume loss following gradual commissioning of Reliance Industries' petcoke gasification project. Also, a favourable tariff order is expected in FY19 (we estimate 12% hike in tariff). Maintain 'BUY/SO' with a revised DCF-based TP of INR240 (INR253 earlier).

#### EDELWEISS 4D RATINGS

Absolute Rating	BUY
Rating Relative to Sector	Outperform
Risk Rating Relative to Sector	Medium
Sector Relative to Market	Equalweight

#### MARKET DATA (R: GSPT.BO, B: GUJS IN)

CMP	: INR 178
Target Price	: INR 240
52-week range (INR)	: 236 / 154
Share in issue (mn)	: 563.8
M cap (INR bn/USD mn)	: 100 / 1,627
Avg. Daily Vol.BSE/NSE('000)	: 915.1

#### SHARE HOLDING PATTERN (%)

	Current	Q2FY18	Q1FY18
Promoters *	37.7	37.7	37.7
MF's, FI's & BK's	30.4	29.8	30.2
FII's	16.7	17.5	17.5
Others	15.2	15.1	14.7
* Promoters pledged shares (% of share in issue)	:	NIL	

#### PRICE PERFORMANCE (%)

	Stock	Nifty	EW O & G Index
1 month	(2.5)	(2.7)	(4.2)
3 months	(7.5)	(3.5)	(10.2)
12 months	17.1	10.2	9.8

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#### Financials

(INR mn)

Year to March	FY17	FY18E	FY19E	FY20E
Net revenue	10,276	13,645	15,223	15,756
EBITDA	8,883	12,136	13,550	13,902
Adjusted Profit	4,966	7,062	7,645	7,767
Adjusted diluted EPS (INR)	8.8	12.5	13.6	13.8
Diluted P/E (x)	20.2	14.2	13.1	12.9
EV/EBITDA (x)	11.1	7.8	6.9	6.4
ROAE (%)	11.6	14.8	14.3	13.1

**Table 1: Key parameters – GSPL has strong balance sheet**

INR mn	FY18		FY19	
	GSPL	GUJGA	GSPL	GUJGA
Revenues	13,645	62,119	15,223	80,846
EBITDA	12,136	9,270	13,550	12,354
PAT	7,062	3,370	7,645	5,212
Net debt / (cash)	(4,981)	23,792	(6,740)	20,869
FCF	4,884	648	3,597	6,067
Net debt / equity	(0.1)	1.2	(0.1)	0.9

**Table 2: Proforma financials – EPS accretive for GSPL**

Proforma*	GSPL	GUJGA	Consol	Comments
Net revenue	15,223	80,846	96,068	
EBITDA	13,550	12,354	25,904	
Adjusted Profit	7,645	5,212	7,909	Interest of 8% on incremental INR32bn debt
EPS	13.6	37.9	14.0	
Shareholder funds	56,235	23,224	58,887	
Borrowings	8,293	25,514	65,808	Incremental borrowings of INR32bn
Cash	15,034	4,645	19,679	
FCF	3,597	6,067	7,104	
Net Debt to equity	-0.1	0.9	0.8	

\*Edelweiss estimates – FY19

Source: Edelweiss research

**Gujarat Gas: Quality assets with strong growth potential**

GGL enjoys strong growth prospects. We forecast 17% CAGR in industrial volumes over FY17-22 as the pricing disadvantage between industrial PNG and alternate fuels (coal-gas, FO, petcoke) narrows.

**a. Grid power consumers can potentially generate ~0.5mmscmd volumes**

Management is confident that current pricing environment can potentially bring back ~0.5mmscmd from grid power customers.

**b. Morbi customers - additional ~1.5mmscmd volumes**

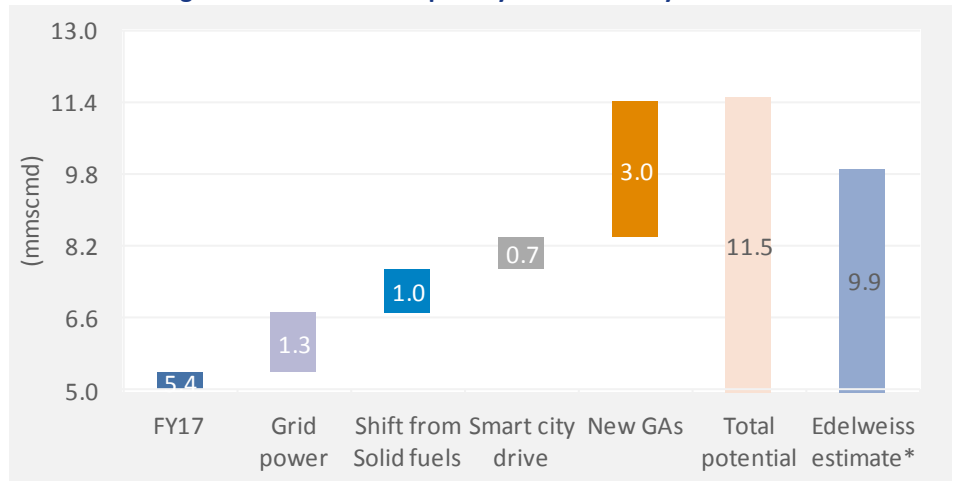
One of the biggest industries in the state and among GGL's mainstay in industrial volumes is the Morbi ceramic industry (~40% of volumes). Morbi's PNG volume has halved in past two years (from 3.8mmscmd in 2014) due to poor PNG economics versus coal gas. With differential pricing for Morbi customers (currently INR1.8/scm cheaper than other industries), PNG is only at 10% premium to coal gas (threshold premium for conversion 15-20%), reflecting strong pricing power. Furthermore, following the steep rally in oil prices, PNG is at ~10-15% discount to fuel oil. The company has capacity to connect 6.8mmscmd in Morbi. GST and demonetisation are envisaged to boost demand due to the imminent shift from coal-based unorganised ceramic industry to natural gas-based organised ceramic players.

**c. New industries in Ankleshwar/Vapi to drive ~1mmscmd volumes**

In November 2016, the Pollution Control Board lifted the embargo on chemical, dye and pharma industries in Ankleshwar and Vapi. As a result, players there were allowed to

expand capacity, which propelled PNG volumes of these customers. Volumes from these industries had fallen from peak of 1.8mmscmd to 0.8mmscmd due to the embargo. Hence, there's strong likelihood of ~1mmscmd volumes coming back from this segment. **Moreover, PNG sold to these industries is more profitable as pricing is ~INR1.8/scm higher than Morbi.**

**Chart 1: Robust growth – Volumes to spurt by ~4mmscmd by FY21**



Source: Company, Edelweiss research

#### **New geographic areas (GAs) to boost volume growth by ~3mmscmd (50% of growth)**

GGL has been the most aggressive bidder in city gas auctions and was successful in acquiring large circles in Gujarat, which will further fortify its dominance in the state. GGL is already operating in seven GA's in Gujarat (Surat-Bharuch-Ankleshwar, Valsad, Hazira, Rajkot, Surendranagar, Navsari and Nadiad) and acquired 11 new GAs in the recent round of CGD auctions (Round 3 onwards). The company acquired six circles in Gujarat in Round 6 of auctions with high potential markets of Ahmedabad (rural) and Dahej. Recently, it also commissioned new areas like Jamnagar, Bhavnagar, Kutch (West) and Thane, to name a few.

In near term (three-four years), GGL expects cumulative volumes of ~3mmscmd from these geographies. Notably:

- Thane**, Category A circle- Volume potential of ~0.5mmscmd, with annual capex of INR750mn for three years. The company has all the required permissions to lay pipelines and will soon connect Tarapur (0.2mmscmd potential by Q2FY18).
- Ahmedabad**, Category A- Volume potential of 0.5-0.6mmscmd, with capex of INR750mn for three years. This is another high-potential area with presence of large industrial clusters (Zydus SEZ, Sanand auto hub- Suzuki/Honda plants, Dhulera SEZ).
- Dahej**, Category B- Volume potential of 0.4-0.5mmscmd with annual capex of INR400mn for three years. Can be connected rapidly given proximity to existing pipelines.
- Union territory of Dadra and Nagar Haveli** could potentially add 0.8mmscmd volumes in near term.
- Recently commissioned geographies like **Bhavnagar, Jamnagar and Kutch** will cumulatively add ~0.5mmscmd volumes.

**Table 3: GGL estimates ~3mmscmd volumes expansion from new GA's**

	Round	Volume potential (mmscmd)	Category (A/B/C)	Annual capex over 3 years (INR mn)	Population (mn)	Households	Ind. units	Area (Sq. Km)	Bank Guarantee (INR mn)
<b>New areas (Earlier Rounds)</b>									
Bhavnagar	3	0.1 - 0.2	C	300-350	2.4		749	8,153	30
Jamnagar	3	0.1 - 0.2	C	300-350	2.2		2,882	10,630	30
Kutch (West)	3	0.1 - 0.2	C	300-350	2.1		7,085	14,042	20
Dadra & Nagar Haveli	4	0.5 - 0.8	B	400-450	0.3	76,458	3,572	493	2,980
Thane	5	0.5	A	700-750	11.1	1,029,032	15,810	8,683	4,120
<b>New areas (Round 6)</b>									
Amreli	6		C	300-350	1.5	294,837	582	7,477	440
Dahej Vagra Taluka	6	0.5	B	400-450	0.1	21,590	16,661	909	9,040
Dahod	6		C	300-350	2.1	16,714	2,440	3,636	520
Panchmahal	6	0.2 - 0.3	C	300-350	2.4	446,611	6,399	3,304	6,620
Anand (ex. already authorised)	6		C	300-350	1.2	253,000	7,809	1,889	6,620
Ahmedabad	6	0.5 - 0.6	A	700-750	1.31	261,000	87,377	5,760	10,120
<b>Cumulative growth from new Gas</b>		<b>3.0 - 3.5</b>							

Source: Company, Edelweiss research

### Company Description

Gujarat State Petronet (GSPL), a group entity of the GSPC group, is currently a Gujarat focused natural gas transmission firm operating on an open access basis. It owns approximately 2,180 km natural gas pipeline transporting ~21 mmscmd of gas. To increase its geographical spread it had participated and won bids to put up 3 major pipelines outside Gujarat (1) Mallavaram (Andhra Pradesh) - Bhilwara (Rajasthan), (2) Mehsana (Gujarat) - Bhatinda (Punjab), and (3) Bhatinda (Punjab) - Srinagar (J&K). GSPL owns stake in two city gas distribution firms – Sabarmati Gas and Gujarat Gas. It is the second largest gas pipeline player in the country after GAIL.

### Investment Theme

GSPL faces potential tailwinds, with its gas transmission volumes poised to rise on top priority allocation to city gas distribution. GSPL holds ~25% stake in 2 city gas geographies, which account for one-third of its volume offtake. Its transmission tariff is also likely to increase retrospectively as recently Appellate Tribunal of Electricity has given a favorable verdict to GSPL against PNGRB's tariff order.

### Key Risks

GSPL is likely to suffer from lower capacity utilisation due to limited availability of gas.

Any cut in transmission tariffs can lead to a downward revision in earnings. The company's profitability and thus its ROE's can be majorly impacted due to cut in tariffs.

The three new pipelines can get delayed due to land availability issues, leading to losses.

## Financial Statements

### Key Assumptions

Year to March	FY17	FY18	FY19E	FY20E
<b>Macro</b>				
GDP(Y-o-Y %)	6.6	6.5	7.1	7.6
Inflation (Avg)	4.5	3.8	4.5	5.0
Repo rate (exit rate)	6.3	6.0	6.0	6.5
USD/INR (Avg)	67.5	65.0	66.0	66.0
<b>Sector</b>				
% sharing by Govt	100.0	89.1	81.6	81.0
% sharing by upstream	-	10.9	18.4	19.0
<b>Company</b>				
<b>Operational assumptions</b>				
Volume trans (mmscmd)	24.9	31.5	31.5	32.0
<b>Financial assumptions</b>				
Trans tariff (INR/scm)	1.1	1.1	1.3	1.3
Employee exp. (%yoy inc)	7.5	5.0	6.5	6.0
Admin exp (y/y % change)	12.2	12.0	13.0	12.0
O&M exp (% revenues)	7.6	6.2	6.2	6.8
Interest(% of Avg loans)	12.2	11.0	8.0	8.0
Ot inc (% cash+inv)	12.8	7.9	4.4	3.6
Dep (% of Avg GFA)	5.2	5.3	5.0	4.8
Capex (INR mn)	1,402	2,004	6,790	3,713
<b>B/S assumptions</b>				
Debtor days	12	12	10	10
Inventory days	11	11	10	10
Tax rate (%)	33.7	33.7	33.7	33.7
Loans & adv (% net rev)	1.3	10.0	10.0	10.0
CL (% WIP)	26.1	25.0	25.0	25.0

### Income statement

(INR mn)

Year to March	FY17	FY18	FY19E	FY20E
Profit Before Tax	7,378	10,237	11,431	11,617
Less: Provision for Tax	2,411	3,175	3,787	3,850
Diluted shares o/s (mn)	564	564	564	564
Dividend per share (DPS)	1.5	2.9	3.2	3.2
Dividend Payout Ratio(%)	19.9	27.2	27.2	27.2
Net revenue	10,276	13,645	15,223	15,756
Gross profit	10,276	13,645	15,223	15,756
Employee costs	388	408	434	460
Operating expenses	1,004	1,101	1,238	1,393
EBITDA	8,883	12,136	13,550	13,902
Depreciation	1,791	1,923	2,065	2,262
EBIT	7,092	10,213	11,485	11,640
Add: Other income	882.02	882.02	650.00	600.00
Less: Interest Expense	596	858	703	623
Reported Profit	4,966	7,062	7,645	7,767
Adjusted Profit	4,966	7,062	7,645	7,767
Shares o /s (mn)	564	564	564	564
Adjusted Basic EPS	8.8	12.5	13.6	13.8
Adjusted Diluted EPS	8.8	12.5	13.6	13.8
Adjusted Cash EPS	12.5	16.7	18.1	18.6

### Common size metrics

Year to March	FY17	FY18	FY19E	FY20E
Operating expenses	13.6	11.1	11.0	11.8
Staff costs	3.8	3.0	2.9	2.9
S G & A expenses	9.8	8.1	8.1	8.8
Depreciation	17.4	14.1	13.6	14.4
Interest Expense	5.8	6.3	4.6	4.0
EBITDA margins	86.4	88.9	89.0	88.2
Net Profit margins	48.3	51.8	50.2	49.3

### Growth ratios (%)

Year to March	FY17	FY18	FY19E	FY20E
Revenues	3.6	32.8	11.6	3.5
Adjusted Profit	11.5	42.2	8.2	1.6
EBITDA	2.6	36.6	11.6	2.6
PBT	10.3	38.8	11.7	1.6
EPS	11.5	42.2	8.2	1.6

Balance sheet		(INR mn)			
As on 31st March	FY17	FY18	FY19E	FY20E	
Share capital	5,636	5,636	5,636	5,636	
Reserves & Surplus	39,324	44,738	50,599	56,554	
Shareholders' funds	44,960	50,374	56,235	62,189	
Total Borrowings	6,305	9,293	8,293	7,293	
Long Term Liabilities	407	511	565	588	
Def. Tax Liability (net)	4,719	5,136	5,601	6,074	
<b>Sources of funds</b>	<b>56,391</b>	<b>65,314</b>	<b>70,695</b>	<b>76,145</b>	
Gross Block	33,870	36,561	43,968	48,237	
Net Block	30,286	31,125	36,531	38,602	
Intangible Assets	1,371	1,300	1,236	1,171	
Non current investments	7,655	9,010	9,010	9,010	
<b>Uses of funds</b>	<b>56,391</b>	<b>65,314</b>	<b>70,695</b>	<b>76,145</b>	
BVPS (INR)	79.8	89.4	99.8	110.3	
Short term borrowings	1,293	1,293	1,293	1,293	
Long term borrowings	5,012	8,000	7,000	6,000	
CWIP (incl. intangible)	6,864	6,177	5,560	5,004	
Total net fixed assets	38,521	38,602	43,326	44,777	
Cash and Equivalents	8,026	14,274	15,034	18,681	
Inventories	1,123	1,477	1,522	1,576	
Sundry Debtors	1,216	1,599	1,522	1,576	
Loans & Advances	136	1,365	1,522	1,576	
Other Current Assets	1,656	2,178	1,827	1,891	
Total current assets	4,132	5,264	5,039	5,263	
Trade payable	138	273	304	315	
Other Current Liab	1,805	1,562	1,409	1,271	
Total Current Liab	1,943	1,835	1,714	1,586	
Net Curr Assets-ex cash	2,189	3,429	3,325	3,677	

Free cash flow		(INR mn)			
Year to March	FY17	FY18	FY19E	FY20E	
Reported Profit	4,966	7,062	7,645	7,767	
Add: Depreciation	1,791	1,923	2,065	2,262	
Deferred tax	401	592	470	417	
Others	(280)	(199)	48	80	
Less: Changes in WC	(2,553)	2,490	(158)	330	
Operating cash flow	9,432	6,888	10,387	10,196	
Less: Capex	1,402	2,004	6,790	3,713	
<b>Free Cash Flow</b>	<b>8,030</b>	<b>4,884</b>	<b>3,597</b>	<b>6,483</b>	

## Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		EV / EBITDA (X)		ROAE (%)	
		FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Gujarat State Petronet	1,627	14.2	13.1	7.8	6.9	14.8	14.3
GAIL (INDIA)	740,369,493	14.7	13.1	11.3	10.3	12.4	13.4
Indraprastha Gas	200,865,000	26.0	22.0	16.6	14.0	23.4	23.1
Median	-	14.7	13.1	11.3	10.3	14.8	14.3
AVERAGE	-	18.3	16.1	11.9	10.4	16.9	17.0

Source: Edelweiss research

Cash flow metrics				
Year to March	FY17	FY18	FY19E	FY20E
Operating cash flow	9,432	6,888	10,387	10,196
Investing cash flow	(1,064)	(1,122)	(6,140)	(3,113)
Financing cash flow	(5,975)	482	(3,487)	(3,436)
Net cash Flow	2,392	6,248	759	3,647
Capex	(1,402)	(2,004)	(6,790)	(3,713)
Dividend paid	(1,017)	(1,648)	(1,784)	(1,812)

## Profitability and efficiency ratios

Year to March	FY17	FY18	FY19E	FY20E
ROAE (%)	11.6	14.8	14.3	13.1
ROACE (%)	15.5	20.0	19.5	18.3
Debtors Days	49	38	37	36
Payable Days	5	5	7	7
Cash Conversion Cycle	84	67	66	65
Current Ratio	6.3	10.6	11.7	15.1
Gross Debt/EBITDA	0.7	0.8	0.6	0.5
Gross Debt/Equity	0.1	0.2	0.1	0.1
Adjusted Debt/Equity	0.1	0.2	0.1	0.1
Net Debt/Equity	-	(0.1)	(0.1)	(0.2)
Interest Coverage Ratio	11.9	11.9	16.3	18.7

## Operating ratios

Year to March	FY17	FY18	FY19E	FY20E
Total Asset Turnover	0.2	0.2	0.2	0.2
Fixed Asset Turnover	0.3	0.4	0.4	0.4
Equity Turnover	0.2	0.3	0.3	0.3

## Valuation parameters

Year to March	FY17	FY18	FY19E	FY20E
Adj. Diluted EPS (INR)	8.8	12.5	13.6	13.8
Y-o-Y growth (%)	11.5	42.2	8.2	1.6
Diluted P/E (x)	20.2	14.2	13.1	12.9
P/B (x)	2.2	2.0	1.8	1.6
Dividend Yield (%)	0.8	1.6	1.8	1.8
Adjusted Cash EPS (INR)	12.5	16.7	18.1	18.6
EV / Sales (x)	9.6	7.0	6.1	5.6
EV / EBITDA (x)	11.1	7.8	6.9	6.4
EV	98,428	95,169	93,409	88,762

## Additional Data

### Directors Data

M.M.Srivastava, IAS (Retd)	Chairman	Dr. J.N.Singh, IAS	Managing Director
Dr. R.Vaidyanathan	Independent Director	Sujit Gulati, IAS	Additional Director
Prof. Yogesh Singh	Independent Director	Dr. Bakul Dholakia	Independent Director
Shridevi Shukla	Woman Independent Director	Prof. Yogesh Singh	Independent Director
Dr. Sudhir Kumar Jain	Independent Director	Bhadresh Mehta	Independent Director

Auditors - RMA & Associates

*\*as per last annual report*

### Holding – Top10

	Perc. Holding		Perc. Holding
Gujarat state petrol	37.65	Gujarat maritime boa	6.58
Life insurance corp	4.14	Platinum asset mgmt	2.97
Franklin templeton i	2.45	Dsp blackrock invest	2.38
Aditya birla sun lif	2.16	Gujarat urja vikas n	2.01
Icici prudential lif	2	Government pension f	1.77

*\*in last one year*

### Bulk Deals

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

*\*in last one year*

### Insider Trades

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

*\*in last one year*



Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
Bharat Petroleum Corporation	BUY	SO	M	Cairn India	HOLD	SP	M
GAIL (INDIA)	HOLD	SP	L	Gujarat Gas	BUY	SO	M
Gujarat State Petronet	BUY	SO	M	Hindustan Petroleum Corporation	HOLD	SP	L
Indian Oil Corporation	BUY	SO	M	Indraprastha Gas	BUY	SO	M
Mahanagar Gas Ltd	BUY	SO	H	ONGC	BUY	SO	L
Petronet LNG	HOLD	SP	L	Reliance Industries	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



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## Coverage group(s) of stocks by primary analyst(s): Oil, Gas and Services

Bharat Petroleum Corporation, Cairn India, GAIL (INDIA), Gujarat Gas, Gujarat State Petronet, Hindustan Petroleum Corporation, Indraprastha Gas, Indian Oil Corporation, Mahanagar Gas Ltd, ONGC, Petronet LNG, Reliance Industries

### Recent Research

Date	Company	Title	Price (INR)	Recos
18-Mar-18	<b>Global Pulse: Oil &amp; Gas</b>	Global expert speak: Oil price to moderate; <i>Sector Excerpts</i>		
28-Feb-18	<b>Oil &amp; Gas</b>	A giant leap for CGD; <i>Sector Update</i>		
16-Feb-18	<b>Oil &amp; Gas</b>	Maha refinery: World's latest & greatest in the making; <i>Sector Update</i>		

### Distribution of Ratings / Market Cap

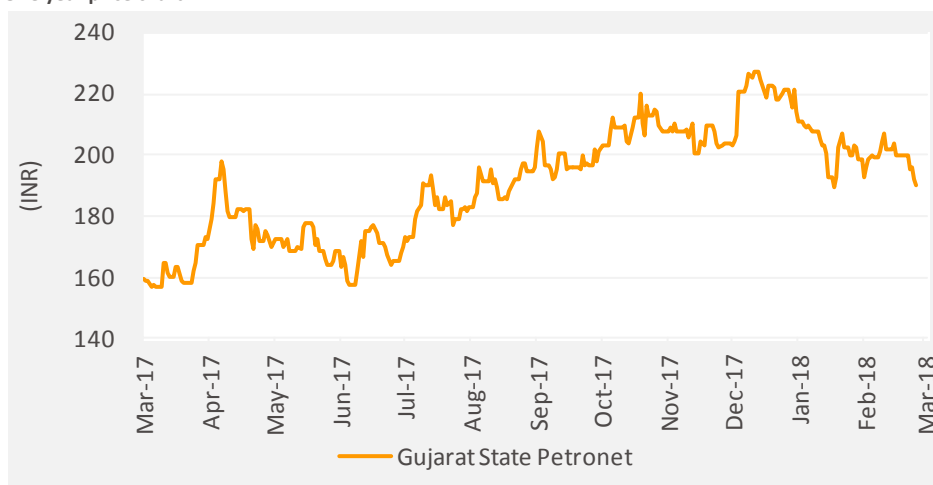
#### Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	240
* 1stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	156	62	11	

### Rating Interpretation

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

### One year price chart



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