

WELSPUN INDIA

Operationally strong; Egyptian cotton issue behind

India Equity Research | Midcap Textiles



Welspun India's (WLSI) Q2FY17 revenue, at INR17.9bn, was up by strong 22% YoY (10% above estimate) driven by 18% volume growth. However, EBITDA margin, at 24.1% (down 197bps YoY), was impacted by higher cotton and energy costs. While PBT improved 14% YoY to INR2.9bn, WLSI took an exceptional hit of INR5bn related to the Egyptian cotton issue, leading to loss of INR1.5bn. Uncertainty surrounding the Egyptian cotton issue has ebbed, as other than Target all major customers have retained their relationships with the company. We, therefore, maintain our 7.0x FY18E EV/EBITDA target multiple with revised TP of INR90 (INR101 earlier), adjusting for WLSI's revised guidance. Maintain 'BUY'.

Strong volume driven growth; new venture in flooring announced

WLSI posted strong 22% YoY revenue growth to INR17.9bn, driven by 18% volume growth, with exchange gains making up the balance. EBITDA margin corrected by 197bps YoY to 24.1%, primarily impacted by the increase in cotton and energy costs. The company has also taken an exceptional hit of INR5bn to account for all possible additional expenses it may have to incur relating to the Egyptian cotton issue. WLSI has ventured into flooring solutions where it will incur capex of INR6bn over next 18 months.

Egyptian cotton: Major customers continue association

Egyptian cotton products manufactured by WLSI came under the scanner when Target cut ties with the company due to use of sub-par quality of Egyptian cotton. Consequently, other customers (Wal-Mart, J.C. Penney and Bed Bath & Beyond) too withdrew sourcing Egyptian cotton products, but they continued regular sourcing of other products. Management has clarified the main issue was traceability of the cotton and nothing about quality or safety of the product. EY's audit is over and WLSI has decided to realign its supply chain and also have captive processes for Egyptian cotton. Cancellation of contracts is expected to impact 12-15% of revenues.

Outlook and valuations: Egyptian cotton issue ebbs; maintain 'BUY'

WLSI has guided for revenues to remain flat in FY18 and also cut its margin guidance to factor in higher cotton costs. Incorporating same, we have cut our FY18E EPS by 10%. However, with uncertainty relating to the Egyptian cotton issue ebbing, we retain our 7.0x FY18E EV/EBITDA target multiple with TP of INR90. Maintain 'BUY'.

Financials						(INR mn)		
Year to March	Q2FY17	Q2FY16	YoY (%)	Q1FY17	QoQ (%)	FY16	FY17E	FY18E
Net Revenues	17,899	14,694	21.8	15,926	12.4	59,371	66,517	68,600
EBITDA	4,318	3,834	12.6	4,225	2.2	15,899	16,947	17,070
Adjusted Profit	2,396	1,794	33.6	2,019	18.7	7,400	7,843	7,271
Adj. Dil. EPS*	2.4	1.8	33.6	2.0	18.7	7.4	7.8	7.2
Diluted P/E (x)						8.2	7.7	8.3
EV/EBITDA (x)						5.4	5.3	5.1
ROAE (%)						42.9	36.0	27.7

EDELWEISS RATINGS

Absolute Rating	BUY
Investment Characteristics	Growth

MARKET DATA (R: WLSP.BO, B: WLSI IN)

CMP	: INR 61
Target Price	: INR 90
52-week range (INR)	: 120 / 46
Share in issue (mn)	: 1,004.7
M cap (INR bn/USD mn)	: 61 / 920
Avg. Daily Vol. BSE/NSE ('000)	: 3,911.1

SHARE HOLDING PATTERN (%)

	Current	Q3FY16	Q2FY16
Promoters *	73.5	73.5	73.5
MF's, FI's & BKs	2.0	2.3	2.8
FII's	9.5	13.6	12.7
Others	15.0	10.7	11.0
* Promoters pledged shares (% of share in issue)	:		NIL

PRICE PERFORMANCE (%)

	BSE Midcap Index	Stock	Stock over Index
1 month	(10.2)	10.9	21.2
3 months	(6.1)	(42.0)	(35.9)
12 months	12.8	(18.4)	(31.2)

Nihal Mahesh Jham
+91 22 6623 3352
nihal.jham@edelweissfin.com

November 16, 2016

Q2FY17 analyst meet: Key highlights

- **Egyptian cotton issue**
 - The sole issue was traceability of the cotton. It was never about quality or safety.
 - WLSI went ahead and reached out to every customer.
 - Going forward, it has decided not to outsource intermediate processes relating to Egyptian cotton.
 - The company mentioned it is business as usual with majority of its customers.
 - Also, its business with Bed, Bath & Beyond remains intact.
 - Overall, 12-15% impact on revenues (including Target).
 - Class action suits are at very preliminary stage. WLSI has provided for legal fees relating to same but not any penalty.
- **Q2FY17**
 - Of the 22% revenue growth reported in Q2FY17, 18% was volume led and the balance 4% came from exchange gains.
- **Flooring**
 - WLSI will spend INR6bn on new venture.
 - This market is expected to grow at a CAGR of 20-25%.
 - The company is targeting IRR of 16-20% from this new capex.
 - The new capex may be eligible for government's adjusted TUF scheme. It will definitely be eligible for the state incentive scheme.
- **Debt**
 - Of the INR32.8bn debt, INR17bn is eligible for TUFs.
- **Others**
 - WLSI has filed 27 global patents of which 9 have been granted.
 - Post capex completion, the company expects to be the largest and lowest cost home textile manufacturer globally.
- **Guidance**
 - WLSI expects revenue growth to be muted in FY18.
 - The company expects increase in raw material prices to impact margins at least in the interim. It expects 2-3% impact.
 - FY17 tax rate will be 30-32%.

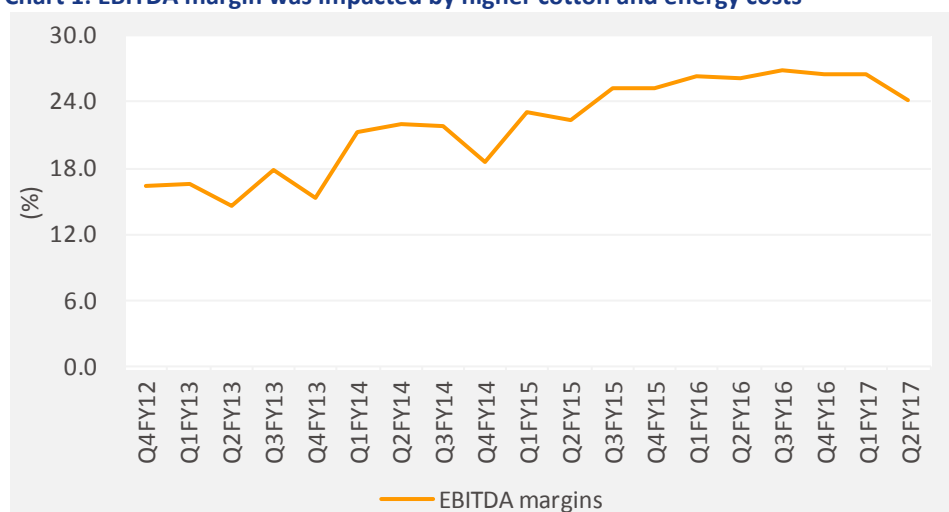
Q1FY17 concall: Key highlights

- **Q1FY17 results**
 - Growth in PAT would have been 15.3% YoY excluding IND AS adjustments.
 - Capacity utilisation:
 1. Towel: 90%
 2. Bed sheet: 90%
 3. Rugs: 72%
 - The company reported 14% revenue growth. The break-up was
 1. Volume: 10%
 2. Currency: 4%
 3. Price: 0%
- **Cotton**
 - Prices surged as more than anticipated quantity of cotton was exported.
 - Also, for the new season, acreage is lower by 4-5%.
 - Despite this, crop estimate at 350lakh bales is higher than 340lakh bales seen last year due to the drought situation, which has eased this year.
 - While current quotes are at INR46,000/candy, trades for Nov-Dec futures are already happening at INR41,000/candy
 - This is still higher than the last year average price of INR35,000/candy.
 - However, WLSI remains confident of maintaining its margins despite this rise.
- **Industry**
 - Top of the bed segment:
 1. The market for top-of-the-bed category is bigger than sheets.
 2. WLSI entered this market only recently.
 3. In Fashion bedding the company is only doing revenues of USD15-20mn.
 4. However, WLSI does not see India grabbing a major share of the 'top-of-the-bed' category (as seen in cotton and bed sheets).
 - Hospitality & healthcare
 1. Hospitality and healthcare is a USD1-1.5bn market.
 2. While WLSI is still at research stage in the healthcare side, hospitality business is already seeing traction.
 3. The market is dominated by local companies. Bulk of the product is imported.
 - China
 1. While the recent spike in Indian cotton prices is worrisome, Chinese cotton is still 17% more expensive.

2. This cotton advantage along with existing labour advantage should help Indian companies maintain their advantage.
 3. The cost differential will not change too much.
- **Geographic expansion**
 - US market trends
 1. WLSI has not seen any impact of the fall in US home textile volumes (reported by OTEXA) seen in past few months.
 2. There have been no indications from its clients about any issues.
 3. The company increased its market share in US last year also.
 - Europe
 1. WLSI continues to remain focused on the European markets.
 2. The company's business continues to grow in Europe.
 3. Business in Europe and RoW registered 20-25% growth.
 4. It has been successful in opening doors with all major retailers in Europe.
 5. WLSI has been able to achieve this growth, despite the duty disadvantage.
 - Japan and other Asian markets
 1. WLSI is focused on Asian markets as well.
 2. However, the Asia (especially Japan) is a conservative market and it takes time to get business.
 3. The company is already in its 3rd year of business in Japan.
 - India market
 1. Logged growth in excess of 20% this quarter.
 2. Growth in future quarters will be pronounced.
 - **Retail and innovative products**
 - WLSI continues to invest in its brands in India and also '*Christy*' in the UK.
 - '*Hygro*' continues to see huge traction in US markets.
 - **Capex**
 - Total capex of INR8bn for this year
 1. INR2.5bn is a carry forward from last year.
 2. INR3bn will be spent on increasing towel, sheets and rugs capacity by 20%.
 3. INR1.5bn is being incurred on carpets.
 - Capex is expected to decline in FY18, and should be equal to depreciation going forward.
 - **Ancillarisation**
 - WLSI wants to outsource yarn manufacturing for towel and sheets whereas fabric will be outsourced only for sheeting.

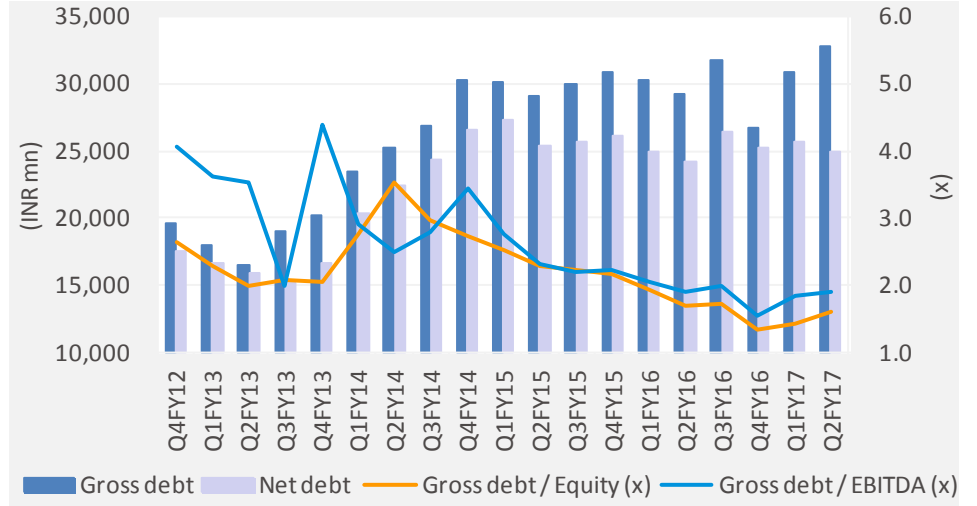
- **This takes away 2/3rd of the company's capex**
 - First spinning unit is operational and was commissioned 2-3 months ago.
 - It will soon start producing 45 tonnes of yarn per day.
 - The company plans to give this first unit 3-4 months to mature and understand the learning curve therein.
 - There are already 11 other ancillary units the company is in discussion with. There is more interest in yarn manufacturing.
 - Over next 2-3 years, the roll out should happen.
 - Going forward, WLSI will only focus on dyeing, finishing, sewing and other value-added processes.
- **Incentives**
 - General belief is that with implementation of GST, there will be immediate impact of 1.5% on margins related to the discontinuation of duty drawback.
 - While there are fears that incentives could get reduced, but looking at the recent incentives rolled out for the garment segment, there is a possibility incentives could be increased.
- **Debt**
 - 90% of borrowing is in INR and rest is in foreign currency.

Chart 1: EBITDA margin was impacted by higher cotton and energy costs



Source: Company, Edelweiss research

Chart 2: Debt is expected to increase driven by the INR6bn capex in flooring



Source: Company, Edelweiss research

Financial snapshot

(INR mn)

Year to March	Q2FY17	Q2FY16	% change	Q1FY17	% change	YTD17	FY17E	FY18E
Net revenues	17,899	14,694	21.8	15,926	12.4	33,825	66,517	68,600
Staff costs	1,513	1,325	14.2	1,539	(1.7)	3,052	5,917	6,453
Direct costs	8,173	6,771	20.7	7,240	12.9	15,413	31,137	32,268
Other expenses	3,896	2,764	40.9	2,922	33.4	6,818	12,516	12,808
EBITDA	4,318	3,834	12.6	4,225	2.2	8,542	16,947	17,070
Depreciation	1,264	909	39.1	1,121	12.8	2,385	4,851	5,697
EBIT	3,054	2,925	4.4	3,104	(1.6)	6,157	12,096	11,374
Other income	251	206	22.0	189	33.0	440	992	977
Interest	320	515	(37.9)	353	(9.3)	673	1,427	1,496
Add: Exceptional items	(4,895)					(4,895)	(4,895)	
Profit before tax	(1,910)	2,616	NA	2,940	NA	1,030	6,767	10,855
Provision for taxes	(400)	785	NA	853	NA	454	2,131	3,419
Minority interest	(35)	38	NA	68	NA	33	145	165
Reported net profit	(1,475)	1,794	NA	2,019	NA	543	4,490	7,271
Adjusted Profit	2,396	1,794	33.6	2,019	18.7	4,414	7,843	7,271
Diluted shares (mn)	1,005	1,005		1,005		1,005	1,005	1,005
Adjusted Diluted EPS	2.4	1.8	33.6	2.0	18.7	4.4	7.8	7.2
Diluted P/E (x)	-	-		-		-	7.7	8.3
EV/EBITDA (x)	-	-		-		-	5.3	5.1
ROAE (%)	-	-		-		-	36.0	27.7

As % of net revenues

Direct costs	45.7	46.1		45.5		45.6	46.8	47.0
Employee cost	8.5	9.0		9.7		9.0	8.9	9.4
Other expenses	21.8	18.8		18.3		20.2	18.8	18.7
EBITDA	24.1	26.1		26.5		25.3	25.5	24.9
Reported net profit	13.4	12.2		12.7		13.0	11.8	10.6
Tax rate	20.9	30.0		29.0		44.0	31.5	31.5

Change in Estimates

	FY17E			FY18E			Comments
	New	Old	% change	New	Old	% change	
Net Revenue	66,517	64,356	3.4	68,600	70,384	(2.5)	Adjusted for WLSI'S guidance of flat growth in FY18
EBITDA	16,947	16,761	1.1	17,070	17,977	(5.0)	
EBITDA Margin	25.5	26.0		24.9	25.5		Lower margins on higher cotton costs
Adjusted PAT	7,843	7,652	2.5	7,271	8,097	(10.2)	
Net Profit Margin	12.0	12.1		10.8	11.7		
Capex	10,785	8,785	22.8	8,339	4,329	92.6	

Company Description

Established in 1985, Welspun India today, it is one of the top three home textile manufacturers globally and the largest home textile company in Asia. It has modern manufacturing facilities at Anjar and Vapi in Gujarat where it produces an entire range of home textiles for bed & bath category. The company has state-of-the-art completely vertically integrated plants, right from spinning to confectioning.

Welspun has been ranked No.1 among home textile suppliers in the US (Source: Home Textile Today). It has a distribution network in over 32 countries including US, UK, Europe, Canada and Australia.

In addition to manufacturing facilities, which predominantly supply to private labels, the company also maintains its own brands Christy, Hygrocotton, Welhome and Spaces - Home and Beyond; it also has a tie up with Nautica for North American markets.

Investment Theme

Innovation, diversified client and product base cement dominance: Welspun enjoys long standing relationships with top retailers in the US and Europe and supplies to 14 of the top 30 global retailers. It commands a lion's share of home textiles exported out of India. Increasing geographical and client diversification is improving the company's risk metrics. It has seven trademarks and has applied for six patents till date. Welspun derives ~30% of sales from innovative products.

Margin sustainability: WLSI has consistently improved its margin. While the rise is partially attributed to currency, it has been primarily driven by increase in share of innovative products. Driven by its confidence in sustaining these margins, it has upgraded its margin guidance from 20-22% to 23-24%.

Robust free cash flow & consistently lowering leverage: WLSI is at the end of its massive INR25bn capex programme it had undertaken in FY14, with only INR8bn to be spent in FY17. The company's confidence in generating free cash is also evident from its recently announced dividend policy of 25% payout ratio. Going forward, it is expected to generate strong free cash flows and lower its leverage further. Gross debt/equity has fallen from 2.1x at FY15 end to 1.3x as of FY16. We estimate this to fall below 1.0x by FY18E.

Key Risks

Raw material risk: Raw material costs, primarily cotton yarn, account for 50% of the overall expenses and are a prime driver of profitability. Volatility in cotton prices can impact the profitability adversely.

Currency fluctuations: Welspun exports more than 90% of its production. With a network spanning 50 countries, the company is exposed to currency fluctuations which can significantly impact profitability.

Egyptian cotton issue: Egyptian cotton products manufactured by WLSI came under the scanner when Target, cut ties with the company. Post the event, other major customers have however continued their regular sourcing of other products from WLSI. But, any further customer issues will be a negative for the company.

Financial Statements

Key Assumptions

Year to March	FY15	FY16	FY17E	FY18E
Macro				
GDP(Y-o-Y %)	7.2	7.4	7.9	8.3
Inflation (Avg)	5.9	4.8	5.0	5.2
Repo rate (exit rate)	7.5	6.8	6.0	6.0
USD/INR (Avg)	61.1	65.0	67.5	67.0
Company				
Towel cap. (MT)	50,000	55,000	60,000	72,000
Bed-linen cap. (000 mts)	60,000	66,000	72,000	90,000
Rugs/carpets cap. (MT)	15,000	15,000	17,500	25,000
Towel utilis. (%)	102	101	95	79
Bed-linen utilis. (%)	97	101	89	70
Rugs/carpets utilis. (%)	58	76	82	62
Raw Material (% net rev)	48.0	44.8	46.8	47.0
Other exp (% net rev)	19.6	19.4	18.8	18.7
Depreciation rate (%)	7.6	7.2	7.8	7.9
Dividend per share	10.5	1.3	0.9	1.4
Capex (INR mn)	5,795	10,597	10,785	8,339
Inventory % of costs	43.3	41.5	41.0	41.0
Debtors % of revenues	8.4	10.3	10.3	10.3
OCA % of revenues	2.8	2.8	2.8	2.8
Loans & adv (% net rev)	14.1	10.8	10.8	10.8
Incremental debt	558	(4,219)	2,730	(1,881)

Income statement

(INR mn)

Year to March	FY15	FY16	FY17E	FY18E
Net revenue	53,025	59,371	66,517	68,600
Materials costs	25,443	26,589	31,137	32,268
Gross profit	27,582	32,782	35,380	36,332
Employee costs	4,460	5,364	5,917	6,453
Other Expenses	10,380	11,518	12,516	12,808
EBITDA	12,742	15,899	16,947	17,070
Depreciation	3,329	3,718	4,851	5,697
EBIT	9,412	12,181	12,096	11,374
Add: Other income	949	950	992	977
Less: Interest Expense	2,829	2,368	1,427	1,496
Add: Exceptional items	-	-	(4,895)	-
Profit Before Tax	7,533	10,763	6,767	10,855
Less: Provision for Tax	2,090	3,238	2,131	3,419
Less: Minority Interest	45	125	145	165
Reported Profit	5,398	7,400	4,490	7,271
Exceptional Items	-	-	(3,353)	-
Adjusted Profit	5,398	7,400	7,843	7,271
Shares o/s (mn)	100	1,005	1,005	1,005
Adjusted Basic EPS	53.7	7.4	7.8	7.2
Diluted shares o/s (mn)	100	1,005	1,005	1,005
Adjusted Diluted EPS	53.7	7.4	7.8	7.2
Adjusted Cash EPS	89.3	11.1	12.6	12.9
Dividend per share (DPS)	10.5	1.3	0.9	1.4
Dividend Payout Ratio(%)	23.5	21.1	23.0	23.0

Common size metrics

Year to March	FY15	FY16	FY17E	FY18E
Operating expenses	76.0	73.2	74.5	75.1
Materials costs	48.0	44.8	46.8	47.0
Staff costs	8.4	9.0	8.9	9.4
S G & A expenses	19.6	19.4	18.8	18.7
Depreciation	6.3	6.3	7.3	8.3
Interest Expense	5.3	4.0	2.1	2.2
EBITDA margins	24.0	26.8	25.5	24.9
Net Profit margins	10.3	12.7	12.0	10.8

Growth ratios (%)

Year to March	FY15	FY16	FY17E	FY18E
Revenues	21.3	12.0	12.0	3.1
EBITDA	38.3	24.8	6.6	0.7
PBT	626.3	42.9	(37.1)	60.4
Adjusted Profit	486.3	37.1	6.0	(7.3)
EPS	485.6	37.1	6.0	(7.3)

Balance sheet		(INR mn)			
As on 31st March	FY15	FY16	FY17E	FY18E	
Share capital	1,005	1,005	1,005	1,005	
Reserves & Surplus	13,314	18,872	22,329	27,928	
Shareholders' funds	14,318	19,877	23,334	28,932	
Minority Interest	378	503	648	813	
Short term borrowings	14,905	8,755	12,362	12,482	
Long term borrowings	15,946	17,877	17,000	15,000	
Total Borrowings	30,851	26,632	29,362	27,482	
Long Term Liabilities	1,020	1,296	1,457	1,507	
Def. Tax Liability (net)	641	1,178	1,178	1,178	
Sources of funds	47,208	49,486	55,980	59,913	
Gross Block	42,980	53,110	63,230	71,821	
Net Block	24,442	31,487	36,758	39,654	
Capital work in progress	1,564	1,832	2,497	2,245	
Intangible Assets	1,828	1,892	1,900	1,908	
Total Fixed Assets	27,834	35,211	41,155	43,807	
Non current investments	15	30	30	30	
Cash and Equivalents	4,657	1,777	1,169	2,053	
Inventories	11,006	11,046	12,766	13,230	
Sundry Debtors	4,467	6,114	6,850	7,064	
Loans & Advances	7,474	6,419	7,192	7,417	
Other Current Assets	1,500	1,676	1,877	1,936	
Current Assets (ex cash)	24,447	25,255	28,685	29,648	
Trade payable	6,910	10,080	11,401	11,852	
Other Current Liab	2,835	2,706	3,658	3,773	
Total Current Liab	9,745	12,786	15,060	15,625	
Net Curr Assets-ex cash	14,702	12,470	13,626	14,023	
Uses of funds	47,208	49,486	55,980	59,913	
BVPS (INR)	142.5	19.8	23.2	28.8	

Free cash flow		(INR mn)			
Year to March	FY15	FY16	FY17E	FY18E	
Reported Profit	5,398	7,400	4,490	7,271	
Add: Depreciation	3,329	3,718	4,851	5,697	
Interest (Net of Tax)	2,044	1,656	978	1,025	
Others	871	1,010	(543)	(506)	
Less: Changes in WC	2,252	(2,754)	995	347	
Operating cash flow	9,391	16,538	8,780	13,139	
Less: Capex	5,795	10,597	10,785	8,339	
Free Cash Flow	3,596	5,940	(2,005)	4,800	

Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		EV / EBITDA (X)		ROAE (%)	
		FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
Welspun India	920	7.8	8.4	5.3	5.1	36.0	27.7
Arvind	1,259	16.8	13.2	9.5	8.5	15.2	15.8
Himatsingka Seide	392	13.0	11.6	9.5	7.6	18.7	17.8
Median	-	13.0	11.6	9.5	7.6	18.7	17.8
AVERAGE	-	12.5	11.1	8.1	7.1	23.3	20.4

Source: Edelweiss research

Cash flow metrics		FY15	FY16	FY17E	FY18E
Year to March					
Operating cash flow		9,391	16,538	8,780	13,139
Investing cash flow		(6,071)	(8,012)	(9,803)	(7,372)
Financing cash flow		(3,249)	(9,455)	415	(4,884)
Net cash Flow		71	(929)	(607)	883
Capex		(5,795)	(10,597)	(10,785)	(8,339)
Dividend paid		(711)	(2,443)	(1,033)	(1,672)

Profitability and efficiency ratios

Year to March	FY15	FY16	FY17E	FY18E
ROAE (%)	41.7	42.9	36.0	27.7
ROACE (%)	23.8	28.4	26.1	22.3
Inventory Days	122	122	113	120
Debtors Days	30	33	36	37
Payable Days	94	117	126	132
Cash Conversion Cycle	58	37	23	25
Current Ratio	3.0	2.1	2.0	2.0
Gross Debt/EBITDA	2.4	1.7	1.7	1.6
Gross Debt/Equity	2.1	1.3	1.2	0.9
Adjusted Debt/Equity	2.1	1.3	1.2	0.9
Net Debt/Equity	1.8	1.2	1.2	0.9
Interest Coverage Ratio	3.3	5.1	8.5	7.6

Operating ratios

Year to March	FY15	FY16	FY17E	FY18E
Total Asset Turnover	1.2	1.2	1.3	1.2
Fixed Asset Turnover	2.3	2.0	1.8	1.7
Equity Turnover	4.1	3.4	3.0	2.6

Valuation parameters

Year to March	FY15	FY16	FY17E	FY18E
Adj. Diluted EPS (INR)	53.7	7.4	7.8	7.2
Y-o-Y growth (%)	485.6	37.1	6.0	(7.3)
Adjusted Cash EPS (INR)	89.3	11.1	12.6	12.9
Diluted P/E (x)	1.1	8.3	7.8	8.4
P/B (x)	0.4	3.1	2.6	2.1
EV / Sales (x)	1.6	1.4	1.3	1.3
EV / EBITDA (x)	2.6	5.4	5.3	5.1
Dividend Yield (%)	17.2	2.1	1.4	2.3

Additional Data

Directors Data

Mr. B K Goenka	Chairman	Mr. R. R. Mandawewala	Managing Director
Ms. Dipali Goenka	Executive Director	Mr. A. K. Dasgupta	Independent Director
Mr. Arun Todarwal	Independent Director	Mr. Ram Gopal Sharma	Independent Director
Mr. Ajay Sharma	Nominee Director	Mr. Arvind Kumar Singhal	Additional Director

Auditors -

**as per last available data*

Holding – Top10

	Perc. Holding		Perc. Holding
Wasatch Advisors	2.33	Vanguard Group	1.02
Reliance Capital	0.91	Alliance Bernstein	0.79
Dimensional Fund Advisors	0.63	Union Investment	0.42
Birla Sun Life Asset Mgmt	0.37	HSBC Asset Mgmt India	0.33
Birla Sun Life Insurance	0.3	Prudential ICICI Asset Mgmt	0.28

**as per last available data*

Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
01 Sep 2016	Wasatch Emerging Markets Small Cap Fund	Buy	6362881	50.89

**as per last available data*

Insider Trades

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

**as per last available data*

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

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

Manoj Bahety

Deputy Head Research

manoj.bahety@edelweissfin.com

Coverage group(s) of stocks by primary analyst(s): Midcap Textiles

Arvind, Himatsingka Seide, Trident Ltd, Welspun India

Recent Research

Date	Company	Title	Price (INR)	Recos
11-Nov-16	Himatsingka Seide	Retail margin spurts ; <i>Result Update</i>	288	Buy
27-Oct-16	Arvind	Brand business: Rerating imminent; <i>Result Update</i>	415	Buy
22-Aug-16	Welspu India	A blip, not a fall of the cliff; <i>Company Update</i>	83	Buy

Distribution of Ratings / Market Cap

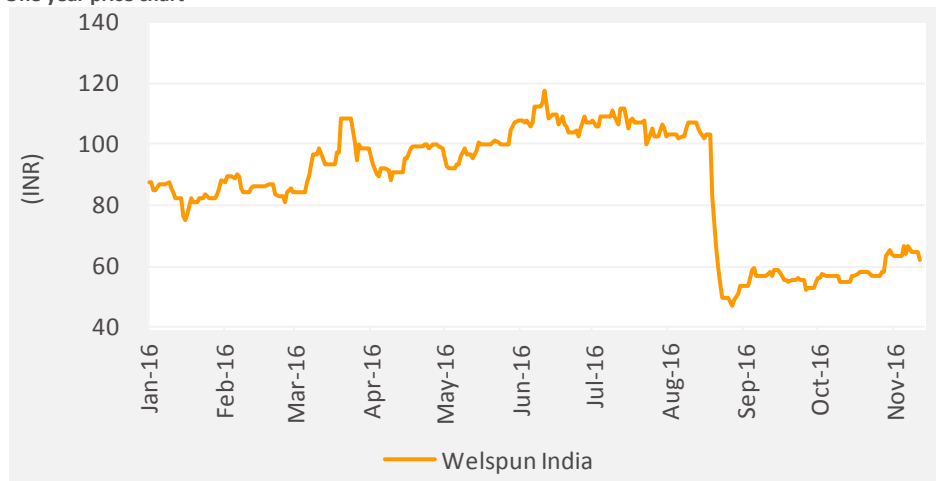
Edelweiss Research Coverage Universe

	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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