Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH

Pidilite Industries (PIDI IN)

Rating: ACCUMULATE | CMP: Rs1,109 | TP: Rs1,163

January 24, 2019

Q3FY19 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY20E	FY21E	FY20E	FY21E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	1,163		1,121	
Sales (Rs. m)	70,995	81,635	70,266	80,789
% Chng.			*1.0*	*1.0*
EBITDA (Rs. m)	16,221	18,771	16,153	18,754
% Chng.			*0.4*	*0.1*
EPS (Rs.)	22.8	26.5	22.7	26.5
% Chng.			*0.3*	-

Key Financials

	FY18	FY19E	FY20E	FY21E
Sales (Rs. m)	53,544	61,438	70,995	81,635
EBITDA (Rs. m)	12,923	13,513	16,221	18,771
Margin (%)	*24.1*	*22.0*	*22.8*	*23.0*
PAT (Rs. m)	9,552	9,610	11,581	13,450
EPS (Rs.)	18.8	18.9	22.8	26.5
Gr. (%)	*11.1*	*0.6*	*20.5*	*16.1*
DPS (Rs.)	4.8	6.0	6.8	8.0
Yield (%)	*0.4*	*0.5*	*0.6*	*0.7*
RoE (%)	*27.4*	*24.9*	*25.6*	*25.2*
RoCE (%)	*34.5*	*32.5*	*33.4*	*32.9*
EV/Sales (x)	10.3	8.9	7.6	6.5
EV/EBITDA (x)	42.7	40.4	33.4	28.5
PE (x)	59.0	58.6	48.6	41.9
P/BV (x)	15.8	13.5	11.5	9.8

Key Data	PIDI.BO | PIDI IN
52-W High / Low	Rs.1,211 / Rs.800
Sensex / Nifty	36,195 / 10,850
Market Cap	Rs.564bn/ $ 7,912m
Shares Outstanding	508m
3M Avg. Daily Value	Rs.1325.37m

Shareholding Pattern (%)

Promoter's	69.83
Foreign	11.83
Domestic Institution	8.01
Public & Others	10.33
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(0.9)	3.0	26.6
Relative	(2.8)	4.8	26.5

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Positive demand and margin outlook

PIDI has given cautiously optimistic outlook on demand post 6th consecutive quarter of double digit volume growth (13.4%) in C&B products while 24% decline in VAM prices from the peak and stabilization in USD/INR will aid margin expansion from current levels. PIDI is well placed to capitalize on the growth opportunity in adhesives, sealants and waterproofing given strong brand like Fevicol and Dr. Fixit under its belt. International subsidiaries except in USA and Brazil are performing well. PIDI is looking at strategic alternatives in USA and Brazil. Long term outlook looks robust as emerging businesses like Nina, Percept (waterproofing services), ICA (wood coatings), Dr. Fixit (waterproofing), Roff (tiling solutions) and CIPY JV's (floor coatings) will emerge as key growth drivers in coming years.

We expect margins to decline to 22% in FY19 (24.1% and 25.2% in FY18 and FY17) but recover to 22.8% in FY20 and 23% in FY21. We estimate flattish PAT in FY19 but 18.3% PAT CAGR over FY19-21. We estimate that 1% higher margins than our estimates increases EPS by 4.3-4.5% for FY20 and FY21. We value the stock at 43xDec20 EPS and arrive at SOTP based target price of Rs1163 (Rs1121 earlier). Retain Accumulate.

- **Concall Takeaways: 1)** PIDI had deposits of ILFS of Rs88mn under Nina Waterproofing. 50% of it has been written off in 3Q. **2)** Management has guided for cautiously optimistic demand growth. Adhesive and sealants had good growth across markets, Industrial and Handicraft business has seen some slow down. **3)** Raw material pressures have eased out as the current VAM prices are less than USD1000 versus 3Q usage of USD1300/ton and INR/USD has stabilized. **4)** Overall ~5% price increases have been taken in select products in 9MFY19 to maintain margins, However, these were not enough to cover the input cost inflation. **5)** Channel stocking ahead of price increase in December end has added to sales growth **6)** In USA, the Adult coloring trend has now moderated and the growth rates are likely to be muted. **7)** PIDI will not make incremental investment in US and Brazil till it evaluates strategic options there. **8)** ICA Pidilite margin will improve in FY20 post ramp up of Gujarat plant

- **Standalone volumes up 10.8%:** Net sales increased 15.6% to Rs 15.9bn as volumes increased by 10.8% on a high base (22% in 3QFY18). Gross margins at 47.7% declined 550bps YoY and 240bps QoQ due to input cost inflation, depreciating INR and high cost inventory. EBIDTA declined 9% to Rs3.3bn. Margins declined 550bps mainly on account of gross margin pressure. Adj. PAT declined 6% to Rs2.24bn despite 62.3% increase in other income.

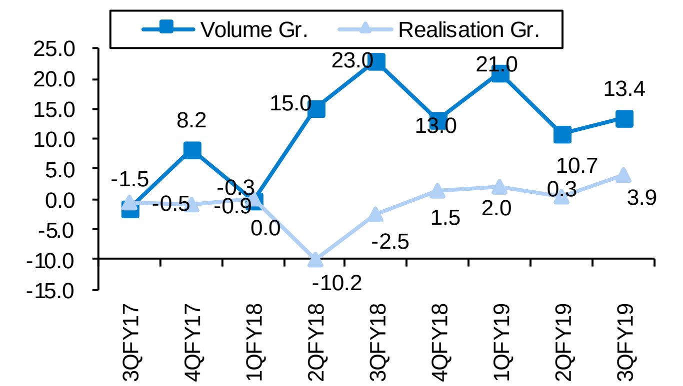
- **Consumer and Bazaar** EBIT declined 0.6% to Rs3.6bn despite increase in sales by 17.4% on 13.4% growth in sales volume and mix. **Industrial Products** sales increased 17.8%, however, EBIT declined 25.8% on a negative 2.3% growth in volume and mix. **Subsidiaries**: Imputed sales increased by 54.7% to Rs2.6bn. EBIDTA declined 11.5% to Rs108mn as margins declined by 310bps.

Exhibit 1: Adj. PAT declined 6.5% on 10.8% volume growth though EBITDA Margins decline 240bps QoQ

Y/e March	Q3FY19	Q3FY18	YoY gr. (%)	Q2FY19	9MFY19	9MFY18	YoY gr. (%)
Net Revenue	**15,897**	**13,758**	***15.6***	**15,180**	**47,160**	**40,808**	***15.6***
Gross Profit	7,585	7,316	*3.7*	7,536	23,236	21,426	*8.4*
Margin (%)	*47.7*	*53.2*		*49.6*	*49.3*	*52.5*	
Other Expenditure	4,326	3,736	*15.8*	4,071	12,936	11,054	*17.0*
EBITDA	**3,259**	**3,580**	***(9.0)***	**3,465**	**10,300**	**10,372**	***(0.7)***
Margin (%)	*20.5*	*26.0*		*22.8*	*21.8*	*25.4*	
Depreciation	234	227	*3.2*	237	700	687	*2.0*
Interest	16	15	*11.0*	17	53	44	*19.4*
Other Income	309	191	*62.3*	435	1,390	894	*55.4*
PBT	**3,318**	**3,529**	***(6.0)***	**3,648**	**10,937**	**10,535**	***3.8***
Tax	1,071	1,139	*(6.0)*	1,201	3,574	3,365	*6.2*
Tax rate (%)	*32.3*	*32.3*		*32.9*	*32.7*	*31.9*	
Adj. PAT	**2,247**	**2,390**	***(6.0)***	**2,446**	**7,362**	**7,170**	***2.7***
Extraordinary Items	26	14		21	46	24	
Reported PAT	**2,221**	**2,376**	***(6.5)***	**2,425**	**7,316**	**7,146**	***2.4***

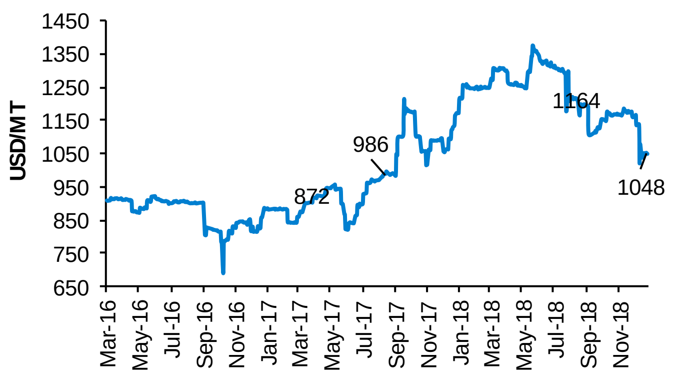
Source: Company, PL

Exhibit 2: C&B volumes and mix up 13.4%



Source: Company, PL

Exhibit 3: VAM prices down 23.8% from the peak in June'18



Source: Company, PL

Exhibit 4: C&B EBIT down 0.6% on 490bps margins decline; Industrial products EBIT down 25.8%, margins declined 700bps

Segmental *	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19
Consumer and Bazaar									
Sales (Rs m)	10237	8780	10997	11486	11337	10050	13531	12751	13312
Growth (%)	*-2.0*	*-5.1*	*-12.2*	*5.2*	*10.7*	*14.5*	*23.0*	*11.0*	*17.4*
EBIT (Rs m)	2927	2610	3221	3934	3630	2680	3885	3744	3607
EBIT Growth %	*1.5*	*11.8*	*-17.6*	*31.2*	*24.0*	*2.7*	*20.6*	*-4.8*	*-0.6*
EBIT margin %	*28.6*	*29.7*	*29.3*	*34.2*	*32.0*	*26.7*	*28.7*	*29.4*	*27.1*
Industrial Products									
Sales (Rs m)	2181	2110	2003	2266	2200	2440	2233	2539	2592
Growth (%)	*-3.6*	*-15.9*	*-19.2*	*-5.1*	*0.9*	*15.6*	*11.5*	*12.1*	*17.8*
EBIT (Rs m)	330	410	367	327	417	470	379	420	309
EBIT Growth %	*-10.1*	*-12.7*	*-18.8*	*-28.1*	*26.2*	*14.6*	*3.3*	*28.6*	*-25.8*
EBIT margin %	*15.1*	*19.4*	*18.3*	*14.4*	*18.9*	*19.3*	*17.0*	*16.6*	*11.9*

Source: Company, PL

Domestic Subs: On a solid ground, huge growth potential

NINA Waterproofing reported 33.5% sales growth, however EBIDTA decreased 56.7% as it made a provision of Rs 44mn against fixed deposits of Rs 88mn placed with IL&FS group. Excluding this provision, EBITDA grew 9.3%.

Percept reported 49% sales growth with 20% increase in EBITDA despite 150bps margin decline.

ICA Pidilite reported 126% higher sales on a low base. EBITDA increased by 222% on 715bps margin expansion. Margins increased significantly as Gujarat plant has commenced operations which has substituted bulk of the imports. Margin expansion is likely in ICA Pidilite as the plant gets revamped.

CIPY Polyurethanes (70% stake) reported sales of Rs403mn and EBIDTA of Rs59mn, it operates in manufacture and sale of floor coatings.

Exhibit 5: Broad based growth; CIPY posted a strong growth

		Q2FY18	Q3FY18	Q4FY18	FY18	Q1FY19	Q2FY19	3QFY19
Sales - (Rs mn)	NINA	345	466	562	1836	601	596	622
	Percept	122	126	188	556	164	144	187
	ICA-Pidilite	334	194	238	1028	371	443	438
	CIPY	0	0	267	267	374	356	403
	Others	100	153	163	556	116	156	139.00
	Total	**901**	**939**	**1418**	**4243**	**1626**	**1695**	**1789**
Sales Growth (YoY)	NINA	3.3%	23.0%	28.0%	21.8%	29.8%	72.8%	33.5%
	Percept	16.2%	24.8%	33.3%	27.5%	35.5%	18.0%	48.4%
	ICA-Pidilite	-1.2%	-26.8%	-11.2%	8.3%	41.6%	32.6%	125.8%
	CIPY							
	Others					39.8%	56.0%	-9.2%
	Total	**16.0%**	**26.0%**	**52.0%**	**29.8%**	**75.0%**	**88.1%**	**90.5%**
EBITDA (Rs mn)	NINA	28	67	84	229	75	27	29
	Percept	17	10	35	71	25	13	12
	ICA-Pidilite	37	-9	-25	14	17	-3	11
	CIPY			22	22	39	47	59
	Others	8	19	19	61	8	9	12.00
	Total	**90**	**87**	**135**	**397**	**164**	**93**	**123**
EBITDA margin %	NINA	8.1%	14.4%	14.9%	12.5%	12.5%	4.5%	4.7%
	Percept	13.9%	7.9%	18.6%	12.8%	15.2%	9.0%	6.4%
	ICA-Pidilite	11.1%	-4.6%	-10.5%	1.4%	4.6%	-0.7%	2.5%
	CIPY			8.2%	8.2%	10.4%	13.2%	14.6%
	Others			11.7%	11.0%	6.9%	5.8%	8.6%
	Total	**10.0%**	**9.3%**	**9.5%**	**9.4%**	**10.1%**	**5.5%**	**6.9%**
EBITDA growth (YoY)	NINA	154.5%	123.3%	250.0%	104.5%	50.0%	-3.6%	-56.7%
	Percept	240.0%	-9.1%	52.2%	47.9%	142.7%	-23.5%	20.0%
	ICA-Pidilite	-36.2%	-250.0%	-238.9%	-86.4%	466.7%	-108.1%	222.2%
	CIPY							
	Others				117.9%	-11.1%	12.5%	-36.8%
	Total	**21.6%**	**85.1%**	**101.5%**	**36.4%**	**126.8%**	**3.3%**	**41.4%**

Source: Company, PL

IBD 3Q19- Sales grew 1.1%, EBITDA margins at 2.3%

3Q19 International business (IBD) sales increased by 1.1% in constant currency terms. EBITDA at Rs31mn.

- **North America** sales declined by 18.5% due to drop in demand for products for adult coloring segment. EBITDA also declined by 173% on lower sales
- **South America:** Sales declined 4.9% due to competitive pressure in key products with EBITDA declining 30.8%.
- **Middle East** sales increased by 5.5% with EBITDA loss was at Rs 28mn due to higher material costs.
- **SAARC** sales increased by 11.4% to Rs 372mn. EBITDA margins declined 500bps due to currency fluctuations and higher input costs
- **South East Asia:** sales increased by 10.2% and margins declined 920 bps.

Exhibit 6: Sales recover across regions except US

Subsidiaries	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19
Sales (Rs. m)	**1,350**	**1,171**	**1,257**	**1,263**	**1,365**
North America	260	250	270	275	212
South America	244	212	207	215	232
Middle East & Africa	311	282	295	321	328
SAARC	334	282	337	304	372
South East Asia	177	114	126	127	195
Sales growth (YoY)	**(14.1)**	**16.4**	**5.8**	**4.9**	**1.1**
North America	(56.0)	46.2	(18.4)	4.2	(18.5)
South America	(12.5)	(8.2)	12.5	(7.7)	(4.9)
Middle East & Africa	13.1	17.0	14.3	9.9	5.5
SAARC	14.0	21.6	21.2	14.7	11.4
South & South East Asia	33.1	5.6	7.7	(2.3)	10.2
EBITDA (Rs m)	**73.0**	**25.0**	**36.0**	**24.0**	**31.0**
North America	22.0	13.0	15.0	16.0	(16.0)
South America	13.0	1.0	(5.0)	5.0	9.0
Middle East & Africa	(31.0)	(22.0)	(25.0)	(14.0)	(28.0)
SAARC	47.0	30.0	46.0	25.0	47.0
South East Asia	28.0	4.0	8.0	(1.0)	19.0
EBITDA (margin %)	**5.4**	**2.1**	**2.9**	**1.9**	**2.3**
North America	8.5	5.2	5.6	5.8	(7.5)
South America	5.3	0.5	(2.4)	2.3	3.9
Middle East & Africa	(10.0)	(7.8)	(8.5)	(4.4)	(8.5)
SAARC	14.1	10.6	13.6	8.2	12.6
South & South East Asia	15.8	3.5	6.3	(0.8)	9.7

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY18	FY19E	FY20E	FY21E
Net Revenues	**53,544**	**61,438**	**70,995**	**81,635**
YoY gr. (%)	*10.1*	*14.7*	*15.6*	*15.0*
Cost of Goods Sold	25,379	31,049	34,688	39,555
Gross Profit	28,165	30,389	36,308	42,080
Margin (%)	*52.6*	*49.5*	*51.1*	*51.5*
Employee Cost	5,709	6,356	7,486	8,691
Other Expenses	4,272	4,720	5,594	6,513
EBITDA	**12,923**	**13,513**	**16,221**	**18,771**
YoY gr. (%)	*5.5*	*4.6*	*20.0*	*15.7*
Margin (%)	*24.1*	*22.0*	*22.8*	*23.0*
Depreciation and Amortization	915	959	1,095	1,215
EBIT	**12,009**	**12,554**	**15,127**	**17,556**
Margin (%)	*22.4*	*20.4*	*21.3*	*21.5*
Net Interest	61	75	87	100
Other Income	1,365	1,822	2,246	2,618
Profit Before Tax	**13,313**	**14,301**	**17,285**	**20,074**
Margin (%)	*24.9*	*23.3*	*24.3*	*24.6*
Total Tax	3,761	4,691	5,704	6,624
Effective tax rate (%)	*28.3*	*32.8*	*33.0*	*33.0*
Profit after tax	**9,552**	**9,610**	**11,581**	**13,450**
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**9,552**	**9,610**	**11,581**	**13,450**
YoY gr. (%)	*10.0*	*0.6*	*20.5*	*16.1*
Margin (%)	*17.8*	*15.6*	*16.3*	*16.5*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**9,552**	**9,610**	**11,581**	**13,450**
YoY gr. (%)	*23.4*	*0.6*	*20.5*	*16.1*
Margin (%)	*17.8*	*15.6*	*16.3*	*16.5*
Other Comprehensive Income	1	-	-	-
Total Comprehensive Income	9,553	9,610	11,581	13,450
Equity Shares O/s (m)	**508**	**508**	**508**	**508**
EPS (Rs)	**18.8**	**18.9**	**22.8**	**26.5**

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY18	FY19E	FY20E	FY21E
Non-Current Assets				
Gross Block	**17,247**	**18,447**	**20,672**	**22,897**
Tangibles	14,713	15,913	17,913	19,913
Intangibles	2,534	2,534	2,759	2,984
Acc: Dep / Amortization	**8,707**	**9,666**	**10,761**	**11,975**
Tangibles	8,147	9,038	10,059	11,194
Intangibles	561	628	702	782
Net fixed assets	**8,540**	**8,781**	**9,911**	**10,921**
Tangibles	6,566	6,875	7,854	8,719
Intangibles	1,973	1,906	2,057	2,202
Capital Work In Progress	1,641	1,791	1,991	2,191
Goodwill	861	861	861	861
Non-Current Investments	7,287	7,963	7,990	8,021
Net Deferred tax assets	(1,029)	(922)	(994)	(1,143)
Other Non-Current Assets	1,552	1,536	1,775	2,041
Current Assets				
Investments	10,720	16,669	21,123	26,621
Inventories	6,309	7,316	8,173	9,211
Trade receivables	6,896	7,575	8,753	10,065
Cash & Bank Balance	778	649	1,111	2,041
Other Current Assets	1,478	1,106	1,278	1,469
Total Assets	**46,280**	**54,529**	**63,293**	**73,819**
Equity				
Equity Share Capital	508	508	508	508
Other Equity	35,132	41,070	48,495	57,055
Total Networth	**35,639**	**41,577**	**49,003**	**57,563**
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	296	307	355	408
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	4,282	5,529	5,797	6,502
Other current liabilities	4,604	6,113	7,064	8,123
Total Equity & Liabilities	**46,280**	**54,529**	**63,293**	**73,819**

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY18	FY19E	FY20E	FY21E
PBT	13,313	14,301	17,285	20,074
Add. Depreciation	915	959	1,095	1,215
Add. Interest	61	75	87	100
Less Financial Other Income	1,365	1,822	2,246	2,618
Add. Other	1	-	-	-
Op. profit before WC changes	14,290	15,335	18,467	21,389
Net Changes-WC	1,742	(5,013)	(5,633)	(6,419)
Direct tax	(3,761)	(4,691)	(5,704)	(6,624)
Net cash from Op. activities	**12,271**	**5,632**	**7,130**	**8,345**
Capital expenditures	(1,295)	(1,350)	(2,425)	(2,425)
Interest / Dividend Income	-	-	-	-
Others	(2,735)	(663)	-	-
Net Cash from Invt. activities	**(4,030)**	**(2,013)**	**(2,425)**	**(2,425)**
Issue of share cap. / premium	(4,976)	(5)	-	-
Debt changes	-	-	-	-
Dividend paid	(2,931)	(3,667)	(4,156)	(4,890)
Interest paid	(61)	(75)	(87)	(100)
Others	-	-	-	-
Net cash from Fin. activities	**(7,968)**	**(3,747)**	**(4,243)**	**(4,990)**
Net change in cash	**273**	**(129)**	**462**	**930**
Free Cash Flow	10,975	4,282	4,705	5,920

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY18	Q1FY19	Q2FY19	Q3FY19
Net Revenue	**12,736**	**16,083**	**15,180**	**15,897**
YoY gr. (%)	*12.5*	*19.2*	*11.3*	*15.6*
Raw Material Expenses	5,997	7,968	7,644	8,312
Gross Profit	6,739	8,115	7,536	7,585
Margin (%)	*52.9*	*50.5*	*49.6*	*47.7*
EBITDA	**2,552**	**3,576**	**3,465**	**3,259**
YoY gr. (%)	*(28.7)*	*40.1*	*(3.1)*	*(6.0)*
Margin (%)	*20.0*	*22.2*	*22.8*	*20.5*
Depreciation / Depletion	228	229	237	234
EBIT	**2,324**	**3,347**	**3,229**	**3,025**
Margin (%)	*18.2*	*20.8*	*21.3*	*19.0*
Net Interest	16	20	17	16
Other Income	471	645	435	309
Profit before Tax	**2,778**	**3,972**	**3,648**	**3,318**
Margin (%)	*21.8*	*24.7*	*24.0*	*20.9*
Total Tax	861	1,302	1,201	1,071
Effective tax rate (%)	*31.0*	*32.8*	*32.9*	*32.3*
Profit after Tax	**1,917**	**2,669**	**2,446**	**2,247**
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	**1,917**	**2,669**	**2,446**	**2,247**
YoY gr. (%)	*15.9*	*23.0*	*(6.3)*	*(6.0)*
Margin (%)	*15.1*	*16.6*	*16.1*	*14.1*
Extra Ord. Income / (Exp)	465	221	-	-
Reported PAT	**2,382**	**2,890**	**2,446**	**2,247**
YoY gr. (%)	*44.0*	*33.1*	*(6.3)*	*(6.0)*
Margin (%)	*18.7*	*18.0*	*16.1*	*14.1*
Other Comprehensive Income	25	-	(21)	(26)
Total Comprehensive Income	**2,407**	**2,891**	**2,425**	**2,221**
Avg. Shares O/s (m)	513	508	508	508
EPS (Rs)	**3.7**	**5.3**	**4.8**	**4.4**

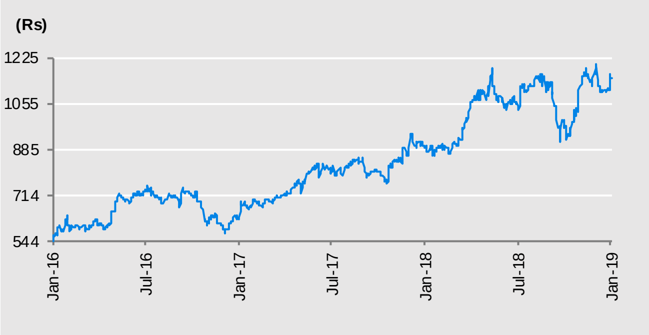
Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY18	FY19E	FY20E	FY21E
Per Share(Rs)				
EPS	18.8	18.9	22.8	26.5
CEPS	20.6	20.8	25.0	28.9
BVPS	70.2	81.9	96.5	113.4
FCF	21.6	8.4	9.3	11.7
DPS	4.8	6.0	6.8	8.0
Return Ratio(%)				
RoCE	34.5	32.5	33.4	32.9
ROIC	34.5	33.7	36.8	38.9
RoE	27.4	24.9	25.6	25.2
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.4)	(0.5)	(0.5)
Net Working Capital (Days)	61	56	57	57
Valuation(x)				
PER	59.0	58.6	48.6	41.9
P/B	15.8	13.5	11.5	9.8
P/CEPS	53.8	53.3	44.4	38.4
EV/EBITDA	42.7	40.4	33.4	28.5
EV/Sales	10.3	8.9	7.6	6.5
Dividend Yield (%)	0.4	0.5	0.6	0.7

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	25-Jan-18	Accumulate	912	877
2	13-Apr-18	Accumulate	943	1,024
3	26-May-18	Accumulate	1,175	1,139
4	10-Jul-18	Accumulate	1,175	1,064
5	2-Aug-18	Accumulate	1,175	1,101
6	29-Aug-18	Accumulate	1,175	1,154
7	5-Oct-18	Accumulate	1,175	968
8	31-Oct-18	Accumulate	1,121	959
9	7-Jan-19	Accumulate	1,121	1,103

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Accumulate	1,460	1,407
2	Avenue Supermarts	Reduce	1,270	1,572
3	Britannia Industries	Accumulate	3,231	3,144
4	Colgate Palmolive	Hold	1,157	1,303
5	Crompton Greaves Consumer Electricals	BUY	276	227
6	Dabur India	Hold	427	420
7	Emami	Accumulate	521	419
8	Future Retail	BUY	604	459
9	GlaxoSmithKline Consumer Healthcare	Hold	8,520	7,488
10	Hindustan Unilever	Hold	1,874	1,752
11	ITC	BUY	364	277
12	Jubilant FoodWorks	Accumulate	1,395	1,217
13	Kansai Nerolac Paints	Accumulate	474	467
14	Marico	Accumulate	387	387
15	Nestle India	Accumulate	11,129	10,786
16	Pidilite Industries	Accumulate	1,121	1,103
17	Titan Company	BUY	1,115	944
18	Voltas	Accumulate	658	542

PL's Recommendation Nomenclature (Absolute Performance)

Buy	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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