

Health & hygiene new buzzwords...

Dabur India (DIL) posted a dismal set of numbers with a 12.3% decline in sales & 24.2% dip in earnings. The results were impacted by a sharp dip in sales in March impacted by the lockdown. Though India business volume fell 14.6% in Q4, even January-February volumes were growing at a slower pace of 4.6% due to continued liquidity problems with trade channel. Gross margins contracted 70 bps, employee spend to sales increased 100 bps, A&P spend to sales increased 80 bps, resulting in 260 bps contraction in operating margins and 23% fall in operating profit. Health supplement (Chyawanprash, honey, glucose) sales declined 9.5%. Hair care, home care, oral care & skin categories witnessed 20.2%, 15.8%, 18.4% & 24.2% contraction in sales during the quarter. Further, foods (juices) category also saw a 20.6% dip in sales given disruption in pre-season sales.

Health supplement to drive volume growth

With increasing health consciousness, some products with immunity booster proposition like Chyawanprash, Honey & OTC products are gaining traction. Further, the company also launched five new products in the healthcare space along with immunity booster kit. DIL posted 400% surge in Chyawanprash demand & 80% growth in honey in the last few months inducing it to expand capacity of these products to meet the current demand. We believe health supplement would be driving the growth and could see structural demand improvement given increasing consumer awareness about health & immunity. The company, with strong product portfolio & new launches is best positioned to leverage the opportunity. This is also important in the context that two bigger categories hair care & foods (contributes 14% & 11% to sales, respectively) are witnessing saturation.

Strong pipeline of new launches

The company launched several new products in the home & personal care (HPC) category, specifically hand sanitisers, air sanitisers, surface cleaners, veggie wash & disinfectant. With the surge in demand for these products, DIL expects to generate revenue of ₹ 100 crore in Q1 itself. We believe sanitisers & disinfectants could become much bigger categories in the next two years given increasing preference for hygiene. Though more than 400 sanitiser brands have been launched in last two months, Dabur, with its brand saliency, would have an advantage. We see it grabbing decent market share. Further, DIL is also concentrating on fruit drinks category (three new launches) given nectars & juices have been witnessing slower growth and opportunity is much larger in fruit drinks. The new launches contributing 3-4% of topline (compared to 1.5% earlier) would be vital in driving growth.

Valuation & Outlook

DIL seems to be trying to convert adverse circumstances into opportunity by leveraging Dabur brand in hygiene & healthcare themes. We expect flat sales growth in FY21 and strong 16% recovery in FY22E considering its strong rural presence (targeting direct reach of 60,000 villages) that may see higher growth with migrants moving back and increase in government welfare spend. We maintain **BUY** with a target price of ₹ 520/share.



Particulars

Particular (₹ crore)	Amount
Market Capitalization	75,529.5
Total Debt (FY20)	471.8
Cash and Investments (FY20)	3,611.6
EV	72,389.7
52 week H/L (₹)	505 / 358
Equity capital	176.6
Face value (₹)	1.0

Key Highlights

- Most of the categories witnessed double digit decline due to 10-15 days loss of sales in March
- Juices segment declined 20% YoY due to opportunity lost in pre-seasonal channel sales
- Earnings declined sharply by 24% due to revenue decline, margin contraction & ₹ 20 crore impairment loss on investment
- Maintain BUY with revised target price of ₹ 520/share (earlier ₹ 550/share)

Research Analyst

Sanjay Manyal
sanjay.manyal@icicisecurities.com

Key Financial Summary

Key Financials	FY18	FY19	FY20E	FY21E	FY22E	CAGR (FY20-22E)
Net Sales	7748.3	8533.1	8703.6	8759.8	10153.7	8.0%
EBITDA	1617.4	1739.6	1792.4	1823.6	2129.4	9.0%
EBITDA Margin %	20.9	20.4	20.6	20.8	21.0	
Net Profit	1357.7	1446.3	1447.9	1556.2	1814.7	12.0%
EPS (₹)	7.71	8.19	8.19	8.81	10.27	
P/E	55.8	52.5	52.5	48.8	41.9	
RoNW %	23.8	25.7	21.9	22.5	24.8	
RoCE (%)	26.2	29.6	26.1	25.7	28.3	

Source: Company, ICICI Direct Research

Exhibit 1: Variance Analysis

	Q4FY20	Q4FY20E	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	Comments
Net Sales	1,865.4	2,265.5	2,128.2	-12.3	2,353.0	-20.7	Net sales declined 12.3% during the quarter with operations coming to a complete standstill in the last 10 days of the lockdown
Raw Material Expenses	949.6	1,128.3	1,069.3	-11.2	1,174.5	-19.1	
Employee Expenses	230.1	229.0	241.9	-4.9	244.8	-6.0	
SG&A Expenses	100.2	160.2	97.8	2.5	203.5	-50.7	
Other operating Expenses	233.2	249.4	262.0	-11.0	237.4	-1.8	
EBITDA	352.3	497.5	457.2	-23.0	492.9	-28.5	
EBITDA Margin (%)	18.9	22.0	21.5	-260 bps	20.9	-206 bps	Operating margins contracted 260 bps mainly on account of sustained A&P spend & negative operating leverage
Depreciation	58.8	54.4	46.2	27.3	54.4	8.1	
Interest	8.6	12.9	12.4	-31.0	10.5	-18.4	
Other Income	75.8	75.5	66.1	14.7	74.5	1.8	
Exceptional items	20.0	0.0	75.3	N.A.	20.0	N.A.	
PBT	340.6	506.8	389.3	-12.5	482.5	-29.4	
Tax Outgo	58.7	100.6	17.8	229.9	83.5	-29.7	
PAT	281.6	406.2	371.5	-24.2	399.0	-29.4	Net profit declined due to lower operating profit & ₹ 20 crore impairment loss on investments
Key Metrics YoY growth (%)							
Volume Growth	-14.6		4.3		5.6		
Standalone sales growth	-17.1		5.9		5.0		
Subsidiary's sales growth	2.7		1.2		13.1		

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY21E			FY22E			Comments
	Old	New	% change	Old	New	% change	
Sales	10,001.2	8,759.8	-12.4	10,961.0	10,153.7	-7.4	We revise our estimates downward after operations impacted due to lockdown situation in the country in April-May
EBITDA	2083.3	1823.6	-12.5	2290.4	2129.4	-7.0	
EBITDA Margin (%)	20.8	20.8	-1 bps	20.9	21.0	8 bps	
PAT	1780.4	1556.2	-12.6	1956.7	1814.7	-7.3	
EPS (₹)	10.1	8.81	-12.6	11.1	10.27	-7.3	

Source: Company, ICICI Direct Research

Exhibit 3: Assumptions

	Current				Earlier			Comments
	FY18	FY19	FY20E	FY21E	FY22E	FY21E	FY22E	
Std. Sales (₹ crore)	5,609.1	6,273.2	6,309.8	6,359.7	7,513.6	7,304.2	7,994.3	We revise our estimates downwards due to sales disruption in India & other geographies
Subs. Sales (₹ crore)	2,139.3	2,259.9	2,393.8	2,400.1	2,640.1	2,697.0	2,966.7	
RM exp. To sales %	49.6	50.5	50.1	49.8	49.7	49.7	49.6	
Adex to sales %	7.8	7.1	8.0	8.0	7.8	8.0	8.0	
Interest Cost (₹ crore)	53.1	59.6	49.5	38.9	40.2	55.9	57.9	

Source: Company, ICICI Direct Research

Conference Call Highlights

- Dabur reported 12.3% revenue growth with 17% decline in India sales and flat growth in international business. Domestic volumes contracted 14.6%. Operating profit declined 23% given margins dipped by 230 bps to 18.9% due to negative operating leverage. The company maintained its A&P spend during the quarter at ₹ 100 crore
- January-February saw 4.5% sales growth with similar volume growth in India business volumes. International business grew 8.4% during these months. The company lost ₹ 360 crore sales with a ₹ 115 crore adverse impact on earnings due to lockdown in Q4FY20
- The supply chain was completely shut for 10-15 days, which resulted in sales decline during the quarter. April & part of May also impacted the manufacturing and supply chain. The company is currently operating at ~80-90% of its last year's capacity levels. Further, the likelihood of this impact in Q1FY21 on revenues would be ₹ 400-450 crore. Profitability would also be negatively impacted by ₹ 60-80 crore
- The company would not change its strategy on eight power brands and would continue to invest on these brands through media spend
- New product contribution to sales has increased from 1.5% to 3.1%. With the strong pipeline of products, it is likely to further rise in future
- The company is witnessing strong demand in personal & home hygiene. It has launched Dabur hand sanitisers, Odonil air sanitisers, Dazzl surface cleaner, Fem hand wash, Dabur veggie wash, Dabur sanitise disinfectant spray. The management expect ₹ 100 crore sales in Q1FY21E from these products
- In healthcare category, the company has launched several immunity booster products like Tulsi Drops, Haldi Drops, Amla Juice and others. The company's flagship Brand Chyawanprash is witnessing 400% jump in demand and Honey has seen 80% growth in few months. The company is expanding capacities in both segments to meet the current demand
- The company is concentrating on fruit drinks given nectar & juices category is witnessing growth challenges (category declined 7%) and opportunity is much larger in fruit drinks (₹ 7500 crore category). The company launched Masala Sugarcane & Coconut water & Guava flavours in fruit drinks category. It is also launching PET bottle to facilitate 'Out of Home consumption'
- Down-trading will be a reality in rural India with migrants shifting from metro cities to villages. Rural contributes 45% of the sales. Moreover, low unit packs (LUP) are 15-18% of DIL business. Bulk packs are largely a phenomenon in pantry sales. Urban general trade is also witnessing growth in larger packs
- The company usually keeps 18 days inventory with trade. However, currently the trade channel is mostly out of stock merely keeping two to three days inventory. E-commerce sales have become 3% of the company's sales and are growing at 100%
- International sales were flat with Egypt, Hobi, Namaste witnessing robust growth of 14.3%, 47.9%, 11.3%, respectively. However, MENA region saw 7% decline in sales during the quarter. The company needs to increase its distribution reach in MENA region

Key Metrics

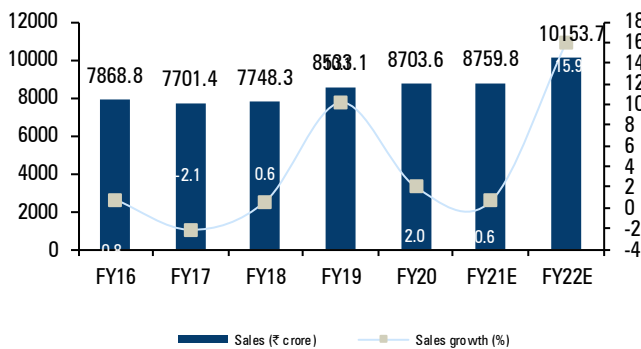
Exhibit 4: Category wise revenue growth in percentage (YoY)

	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Hair Care	-4.0	-11.0	2.3*	16.7*	8.8*	18.8*	11.1*	24*	3*	12.1*	2.6*	0.4*	-20.2
Oral Care	9.0	1.5	22.8	23.0	11.0	17.3	3.9	10.0	8.2	11.4	4.4	8.5	-15.8
Health Supp.	5.0	-7.0	3.0	19.5	14.0	27.5	12.3	13.8	10.2	19.6	14.4	12.2	-9.5
Digestives	-5.0	4.0	11.7	19.3	7.2	21.6	10.8	22.5	11.9	18.2	10.2	15.9	-9.5
Skin Care	0.0	4.0	15.8	14.5	8.5	27.1	11.9	19.3	11.2	12.1	1.0	-0.3	-24.2
Home Care	-6.5	6.2	10.1	36.0	N.A.	17.4	10.9	8.9	16.2	10.9	7.0	2.5	-20.6
Foods	10.0	-8.3	11.7	0.0	-1.5	N.A.	2.3	11.1	-6.5	1.5	-5.0	-1.7	-18.4
OTC	NA	NA	NA	NA	7.8	13.3	10.0	17.7	16.6	13.1	4.2	5.5	-20.6
Ethicals	NA	NA	NA	NA	10.3	23.4	6.1	17.4	9.7	15.9	7.2	2.7	-20.6

Source: Company, ICICI Direct Research

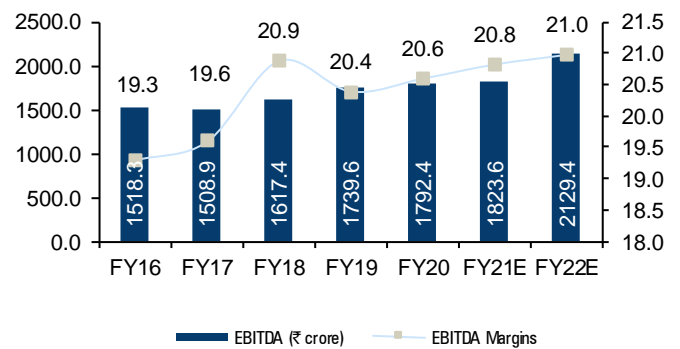
* Hair oil (Shampoo increased by 5.1%)

Exhibit 5: Revenue growth to recover in FY22E



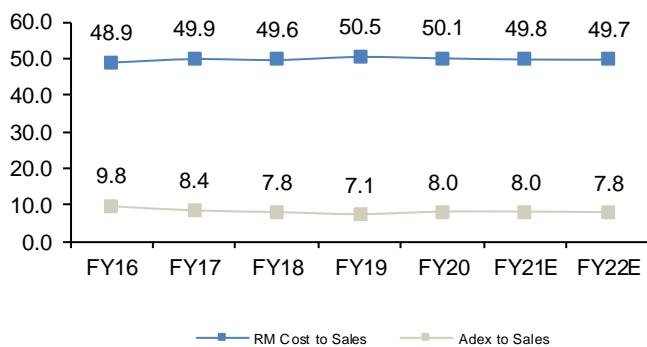
Source: ICICI Direct Research, Company

Exhibit 6: EBITDA margin to remain stable



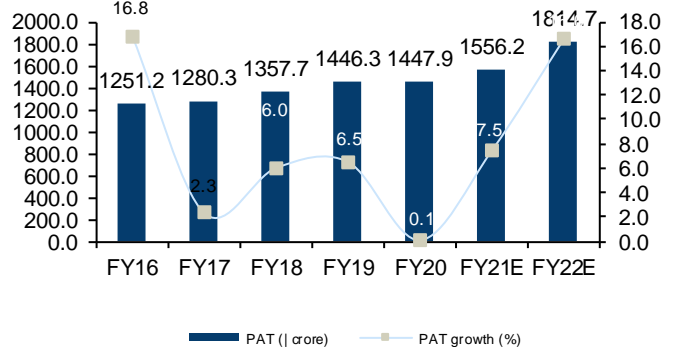
Source: ICICI Direct Research, Company

Exhibit 7: Raw material and adex trend over years



Source: Company, ICICI Direct Research

Exhibit 8: PAT growth trend



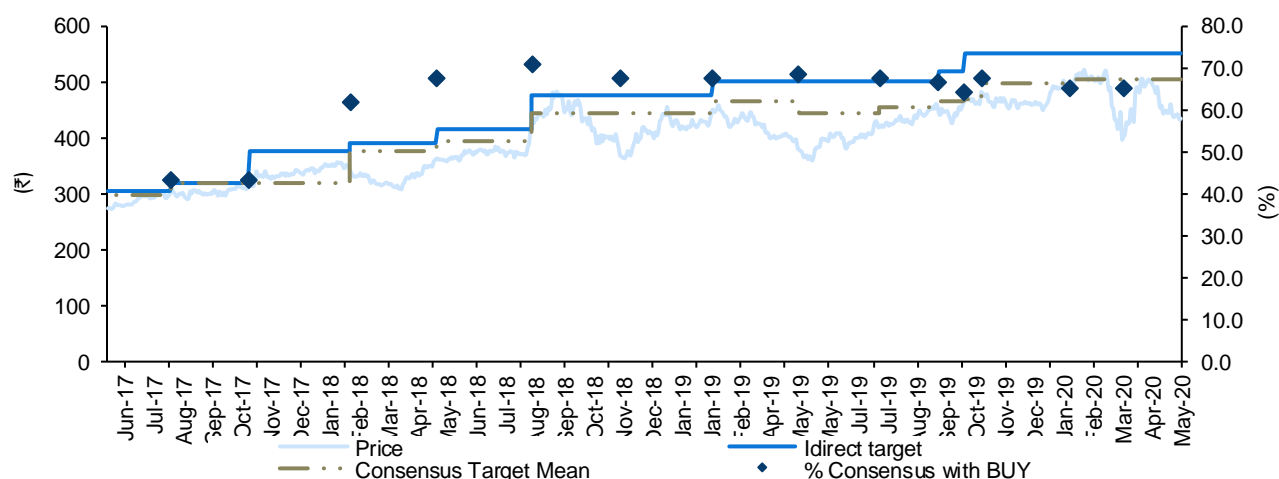
Source: Company, ICICI Direct Research

Exhibit 9: Valuation

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY19	8533.1	10.1	8.2	6.2	52.5	43.4	25.7	29.6
FY20	8703.6	2.0	8.2	0.1	52.5	41.6	21.9	26.1
FY21E	8759.8	0.6	8.8	7.5	48.8	40.9	22.5	25.7
FY22E	10153.7	15.9	10.3	16.6	41.9	35.0	24.8	28.3

Source: Company, ICICI Direct Research

Exhibit 10: Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICI Direct Research

Exhibit 11: Top 10 Shareholders

Rank	Investor Name	Filing Date	% O/S	Position (m)	Change (m)
1	Chowdhary Associates	31-Dec-19	12.3	217.9	0.0
2	Vic Enterprises Pvt	31-Dec-19	12.3	217.7	0.0
3	Gyan Enterprises Pvt	31-Dec-19	11.4	202.2	0.0
4	Puran Associates Pvt	31-Dec-19	10.7	189.2	0.0
5	Ratna Commercial Ent	19-Mar-20	8.9	157.7	0.0
6	Milky Invest & Tradi	31-Dec-19	6.0	106.1	0.0
7	Burmans Finvest Pvt	30-Jun-19	3.0	53.0	0.0
8	Life Insurance Corp	31-Dec-19	2.7	48.5	7.9
9	First State Investme	30-Sep-19	1.8	32.4	5.7
10	M B Finmart Pvt Ltd	31-Dec-19	1.5	26.5	0.0

Source: Reuters, ICICI Direct Research

Exhibit 12: Shareholding Pattern

(in %)	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Promoter	67.9	67.9	67.9	67.9	67.9
FII	18.2	17.8	17.6	17.5	17.4
DII	6.7	7.0	7.8	7.7	7.6
Others	7.2	7.3	6.7	6.9	7.1

Source: Company, ICICI Direct Research

Financial summary

Exhibit 13: Profit and loss statement				
	₹ crore			
(Year-end March)	FY19	FY20	FY21E	FY22E
Net Sales	8,533.1	8,703.6	8,759.8	10,153.7
Growth (%)	10.1	2.0	0.6	15.9
Raw Material Expenses	4,309.0	4,360.2	4,360.8	5,049.3
Employee Expenses	937.9	947.7	902.3	1,045.8
Marketing Expenses	608.3	650.0	700.8	792.0
Administrative Expenses	560.2	0.0	657.0	751.4
Other expenses	378.0	953.3	315.4	385.8
Total Operating Expenditure	6,793.5	6,911.2	6,936.2	8,024.3
EBITDA	1,739.6	1,792.4	1,823.6	2,129.4
Growth (%)	7.6	3.0	1.7	16.8
Depreciation	176.9	220.5	221.2	229.8
Interest	59.6	49.5	38.9	40.2
Other Income	296.2	305.3	311.4	327.0
PBT	1,723.9	1,727.7	1,874.9	2,186.4
Others	75.3	100.0	0.0	0.0
Total Tax	278.6	279.7	318.7	371.7
PAT	1,446.3	1,447.9	1,556.2	1,814.7
Growth (%)	6.5	0.1	7.5	16.6
Adjusted EPS (₹)	8.2	8.2	8.8	10.3

Source: Company, ICICI Direct Research

Exhibit 14: Cash flow statement				
	₹ crore			
(Year-end March)	FY19	FY20	FY21E	FY22E
Profit before Tax	1,724.9	1,727.6	1,874.9	2,186.4
Add: Depreciation	176.9	220.5	221.2	229.8
(Inc)/dec in Current Assets	-127.1	-157.2	-116.1	-512.5
Inc/(dec) in CL and Provisions	45.1	99.3	82.1	316.2
Others	-384.6	-276.5	-279.9	-331.5
CF from operating activities	1,435.2	1,613.6	1,782.3	1,888.3
(Inc)/dec in Investments	317.5	-364.6	-350.0	-350.0
(Inc)/dec in Fixed Assets	-225.0	-400.5	-170.0	-170.0
Others	244.4	248.2	0.0	0.0
CF from investing activities	336.9	-516.8	-520.0	-520.0
Issue/(Buy back) of Equity	0.5	0.1	0.0	0.0
Inc/(dec) in loan funds	-240.2	-396.8	-150.0	-50.0
Dividend paid & dividend tax	-1,324.7	-512.5	-1,237.0	-1,413.7
Others	-323.8	-133.8	-38.9	-40.2
CF from financing activities	-1,888.2	-1,043.0	-1,425.8	-1,503.9
Net Cash flow	-52.2	53.8	-163.5	-135.5
Opening Cash	89.2	37.7	91.5	-72.0
Miscellaneous adjustments	290.4	719.8	719.8	719.8
Closing Cash	328.2	811.4	647.8	512.3

*calculated, Source: Company, ICICI Direct Research

Exhibit 15: Balance sheet				
	₹ crore			
(Year-end March)	FY19	FY20	FY21E	FY22E
Liabilities				
Equity Capital	176.6	176.7	176.7	176.7
Reserve and Surplus	5,455.0	6,429.0	6,748.3	7,149.3
Total Shareholders funds	5,631.7	6,605.8	6,925.0	7,326.0
Long Term Loans	30.6	167.6	67.6	67.6
Long Term Provisions	23.1	17.4	17.4	17.4
Minority Interest / Others	90.9	99.4	99.4	99.4
Total Liabilities	5,776.3	6,890.1	7,109.3	7,510.4
Assets				
Gross Block	3,224.6	3,696.5	3,846.5	3,996.5
Less: Acc Depreciation	1,223.4	1,443.8	1,665.0	1,894.8
Net Block	1,969.1	2,252.7	2,181.5	2,101.7
Capital WIP	63.8	146.6	166.6	186.6
Non- Current Investments	2,633.4	1,409.2	1,709.2	2,009.2
LT loans & advances	17.6	24.6	74.6	124.6
Other Non-current Assets	166.7	640.6	690.6	740.6
Current Assets				
Inventory	1,300.5	1,379.6	1,314.0	1,523.0
Debtors	833.6	813.9	827.3	959.0
Cash & Bank	328.2	811.4	647.8	512.3
ST Loans & Advances	11.0	13.1	11.3	13.1
Other Current Assets	1,112.9	1,862.4	2,032.4	2,202.4
Current Liabilities				
Creditors	1,455.4	1,482.2	1,484.3	1,720.5
ST Borrowings	498.2	304.2	324.2	344.2
Other CL	706.7	677.5	737.5	797.5
Net Current Assets	925.9	2,416.4	2,286.8	2,347.6
Miscellaneous Expenditure	0.0	0.0	0.0	0.0
Total Assets	5,776.3	6,890.1	7,109.4	7,510.4

Source: Company, ICICI Direct Research

Exhibit 16: Key ratios				
	₹ crore			
(Year-end March)	FY19	FY20	FY21E	FY22E
Per share data (₹)				
Adjusted EPS	8.2	8.2	8.8	10.3
Cash EPS	9.2	9.4	10.1	11.6
BV	31.9	37.4	39.2	41.5
DPS	7.5	6.5	7.0	8.0
Cash Per Share	1.9	4.6	3.7	2.9
Operating Ratios (%)				
PBITDA Margin	20.4	20.6	20.8	21.0
PBT / Total Operating income	17.6	17.5	17.8	18.3
PAT Margin	16.9	16.6	17.8	17.9
Inventory days	55	54	54	54
Debtor days	35	34	34	34
Creditor days	61	62	61	61
Return Ratios (%)				
RoE	25.7	21.9	22.5	24.8
RoCE	29.6	26.1	25.7	28.3
RoIC	27.3	28.2	27.4	30.2
Valuation Ratios (x)				
P/E	52.5	52.5	48.8	41.9
EV / EBITDA	43.4	41.6	40.9	35.0
EV / Net Sales	8.9	8.6	8.5	7.3
Market Cap / Sales	8.9	8.7	8.6	7.4
Price to Book Value	13.5	11.5	11.0	10.4
Solvency Ratios				
Debt/EBITDA	0.3	0.3	0.2	0.2
Debt / Equity	0.1	0.1	0.1	0.1
Current Ratio	1.5	1.9	1.9	1.9
Quick Ratio	0.9	1.2	1.3	1.3

Source: Company, ICICI Direct Research

Exhibit 17: ICICI Direct coverage universe (FMCG)

Sector / Company	CMP	TP	Rating	M Cap	EPS (₹)			P/E (x)			Price/Sales (x)			RoCE (%)			RoE (%)		
	(₹)	(₹)		(₹ Cr)	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Colgate (COLPAL)	1,278	1,350	Hold	35,712	30.0	29.3	33.6	42.6	43.6	38.0	8.0	7.8	7.2	60.7	66.2	77.5	52.2	51.2	50.8
Dabur India (DABIND)	429	520	Buy	75,530	8.2	8.8	10.3	52.4	48.7	41.8	8.7	8.6	7.4	26.1	25.7	28.3	21.9	22.5	24.8
Hindustan Unilever (HINLEV)	1,998	2,250	Hold	468,000	31.2	33.5	41.3	64.0	59.6	48.3	12.2	11.6	9.7	82.5	24.4	30.3	85.7	20.2	25.0
ITC Limited (ITC)	192	230	Buy	225,942	12.8	12.0	13.7	15.0	16.0	14.1	4.7	4.9	4.3	30.4	27.0	28.3	24.1	20.7	21.7
Jyothy Lab (JYOLAB)	101	110	Hold	4,113	5.3	3.2	4.4	19.2	31.6	23.2	2.3	2.2	2.0	28.6	18.6	23.9	22.6	14.0	18.5
Marico (MARLIM)	323	300	Hold	36,513	8.1	7.8	9.5	40.0	41.2	34.1	5.0	5.2	4.4	41.0	40.1	46.9	34.5	33.8	40.3
Nestle (NESIND)	16,716	18,000	Hold	161,127	204.3	230.9	269.4	81.8	72.4	62.0	13.1	12.1	10.7	56.9	59.3	65.9	101.9	114.1	123.1
Tata Consumer Product (TATGLO)	368	440	Buy	33,433	5.0	8.7	10.9	73.7	42.4	33.8	3.5	3.2	3.0	6.9	7.9	8.8	4.6	5.9	7.1
VST Industries (VSTIND)	3,073	4,000	Buy	4,826	196.9	124.8	216.3	15.6	24.6	14.2	3.9	4.4	3.4	52.1	32.9	45.6	38.6	24.3	33.7
Varun Beverage (VARBEV)	594	580	Reduce	17,662	16.6	9.9	18.1	35.7	60.0	32.8	4.4	3.5	2.5	15.5	11.3	16.3	14.2	8.8	14.2

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Sanjay Manyal, MBA (Finance) Research Analyst, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities Limited is a SEBI registered Research Analyst with SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.