8 June 2021

Update | Sector: Consumer

Godrej Consumer

BSE SENSEX	S&P CNX
52,276	15,740

CMP: INR856 TP: INR1,020 (+19%) Buy

Pieces of the growth puzzle coming together

Stock Info

Bloomberg	GCPL IN
Equity Shares (m)	1,022
M.Cap.(INRb)/(USDb)	875 / 12
52-Week Range (INR)	895 / 592
1, 6, 12 Rel. Per (%)	16/6/-22
12M Avg Val (INR M)	1260

Financials Snapshot (INR b)

Y/E March	2021	2022E	2023E
Sales	110.3	120.3	133.0
Sales Gr. (%)	11.3	9.1	10.5
EBITDA	23.9	26.4	29.8
EBITDA mrg. (%)	21.7	21.9	22.4
Adj. PAT	17.7	19.1	22.1
Adj. EPS (INR)	17.3	18.7	21.7
EPS Gr. (%)	21.9	8.2	15.9
BV/Sh.(INR)	92.3	96.6	101.5
Ratios			
RoE (%)	20.4	19.8	21.9
RoCE (%)	18.3	20.2	22.2
Payout (%)	57.9	64.2	64.6
Valuations			
P/E (x)	49.6	45.8	39.5
P/BV (x)	9.3	8.9	8.4
EV/EBITDA (x)	36.7	33.0	29.1
Div. Yield (%)	1.2	1.4	1.6

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	63.2	63.2	63.2
DII	3.1	3.1	3.1
FII	26.6	26.8	26.3
Others	7.1	6.9	7.3

FII Includes depository receipts

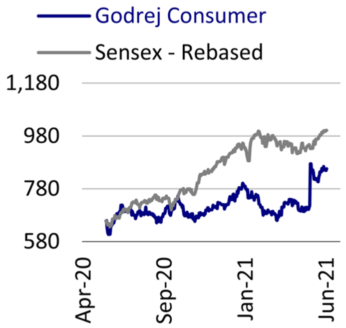
- **Transformational changes likely:** As stated in our upgrade note four weeks ago, we regard the appointment of Mr. Sudhir Sitapati as MD and CEO from Oct'21 as a potential transformational change for GCPL's prospects. In that note, we highlighted: a) weak domestic sales growth in the last five years; b) Mr. Sitapati's pedigree, experience, tenure of his appointment as CEO, as well as his young age, enabling potentially significant extension of tenure; c) how new CEOs with a fresh thought process have led to structural change in the earnings prospects of Consumer companies like BRIT, NEST, JUBI, and HUVR over the last 15 years; and d) how the low penetration in Household Insecticides and Hair Color offers a high growth opportunity. All these factors led us to upgrade the stock to Buy after over a decade of maintaining our Neutral rating.
- **Other pieces of the growth puzzle are also coming together:** We think Mr. Sitapati's appointment fills an important piece of the puzzle that is the key to unlocking sustainable topline and earnings growth in GCPL. A few other pieces have also fallen into place in recent years, namely: a) moratorium on big ticket acquisitions and far better capital allocation in recent years, particularly in the international business (~45% of sales); b) sale of the UK business, potential sale (in our view) of the LatAm business, appointment of Mr. Dharnesh Gordhon (former head of Nestle Nigeria) as GCPL's Africa business head over a year ago, with good initial results; and c) potential tailwinds in Soaps (GCPL's second largest domestic segment, contributing ~18% to consolidated sales in FY21) and the broader Personal Wash category, leading to higher growth and significant premiumization, which was proving elusive in this category over the last decade.
- **Delving into the factors behind the underperformance, recent changes and prospects:** In this note, we delve further into: 1) the underperformance of each domestic segment in the past five years compared to the past, and the reasons why the growth potential is high, 2) how the potential tailwind in Soaps could lead to much higher topline growth, 3) what has happened after Mr. Gordhon took over as CEO of the Africa business and his targets, and 4) what has GCPL done in recent years on the capital allocation front.

Valuation and view

- As highlighted in our upgrade note, we believe that Mr. Sudhir Sitapati's appointment as MD and CEO for a period of five years could have a transformational change in GCPL's fortunes.
- Many of GCPL's domestic categories have underperformed in recent years, despite low penetration levels. As a result, domestic sales CAGR for the four years ending FY20 has only been ~3% CAGR.

Krishnan Sambamoorthy – Research analyst (Krishnan.Sambamoorthy@MotilalOswal.com)
Research analyst: Dhairya Dhruv (Dhairya.Dhruv@motilaloswal.com) / **Kaiwan Jal Olia** (Kaiwan.O@MotilalOswal.com)

Stock Performance (1-year)



- Even with a healthy growth of ~14% YoY in FY21, its five-year domestic sales CAGR hovers ~5%. Given its much superior margin and RoCE in the domestic business, this slowdown was a key factor behind weak consolidated earnings CAGR of ~8% in the past five years.
- Mr. Sitapati's appointment fills another important piece of the puzzle that unlocks the path to strong earnings growth for GCPL, along with: a) better capital allocation efforts isn recent years, b) appointment of a new head in the erstwhile significantly underperforming GAUM (largely Africa) business, with good initial results in the first year of his tenure in FY21, and c) potential tailwind in Soaps and Personal Wash products, led by more frequent usage post COVID-19 and sharp increase in penetration levels in the Hand Wash category.
- While the stock has rallied nearly 20% on the announcement of Mr. Sitapati's appointment, we believe this spurt is just the first step of what could be potentially massive revitalization of both earnings and RoCE over the next few years, leading to a sustained re-rating as well. We have seen transformative changes on all these fronts in the past with companies like BRIT, NEST, JUBI, and HUVR. There are no changes to our modest earnings growth forecasts of ~8%/16% in FY22E/FY23E as we await the path to growth that the new CEO unveils when he joins in Oct'21. Valuing GCPL at 45x Jun'23E EPS (40x Mar'23E earlier), we arrive at our TP of INR1,020, a 19% upside to its CMP.

Domestic sales slowdown, components, and factors

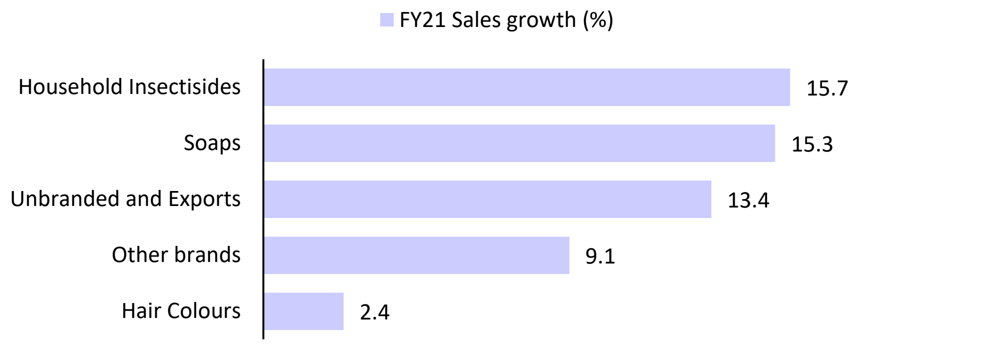
- After many years, FY21 was a good year for GCPL on the domestic sales (55% of consolidated sales) front, with ~14% topline growth, led by its two largest components: Soaps (~33%/~18% of domestic/consolidated sales) and Household Insecticides (~41%/~22% of domestic/consolidated sales). Both these segments grew 15-16% in FY21, aided by a tailwind in Personal Wash consumption led by COVID-19 while the fear of falling sick led to higher usage of Household Insecticide products. The discretionary portfolio of Hair Color (~10%/~6% of domestic/consolidated sales) and other brands (~14%/~8% of domestic/consolidated sales), including car/home fragrances, didn't do as well as has been the case with many such Consumer categories in FY21.

Exhibit 1: Domestic sales growth slows down, some revival seen in FY21

Segment revenue (INR m)	FY16	FY17	FY18	FY19	FY20	FY21
Household Insecticides	23,025	23,226	22,630	22,540	21,900	25,340
Soaps	15,922	15,515	18,020	18,920	17,760	20,470
Hair Colors	5,787	5,933	6,220	6,730	6,270	6,420
Other brands	3,585	4,842	5,990	7,400	7,890	8,610
Unbranded and exports	2,216	2,257	2,700	3,030	2,920	3,310
Total	**50,534**	**51,773**	**55,560**	**58,620**	**56,740**	**64,150**
Segment revenue growth (%)						
Household Insecticides	-	0.9	(2.6)	(0.4)	(2.8)	15.7
Soaps	-	(2.6)	16.1	5.0	(6.1)	15.3
Hair Colors	-	2.5	4.8	8.2	(6.8)	2.4
Other brands	-	35.1	23.7	23.5	6.6	9.1
Unbranded and exports	-	1.8	19.6	12.2	(3.6)	13.4
Total	**-**	**2.5**	**7.3**	**5.5**	**(3.2)**	**13.1**
Segment revenue mix (%)						
Household Insecticides	46	45	41	38	39	40
Soaps	32	30	32	32	31	32
Hair Colors	11	11	11	11	11	10
Other brands	7	9	11	13	14	13
Unbranded and exports	4	4	5	5	5	5
Total	**100**	**100**	**100**	**100**	**100**	**100**

Source: Company, MOFSL

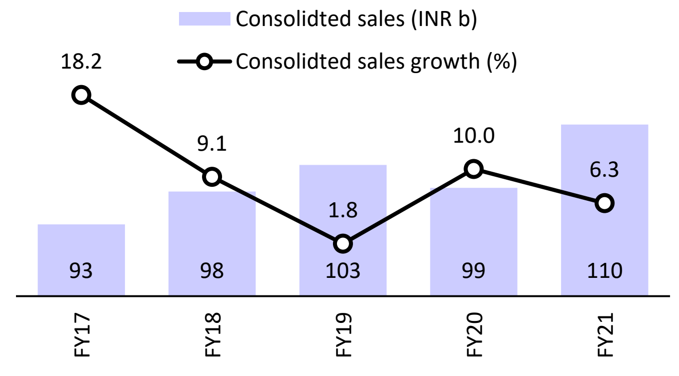
Exhibit 2: Sales growth in FY21 was robust across all segments barring Hair Color



Source: Company, MOFSL

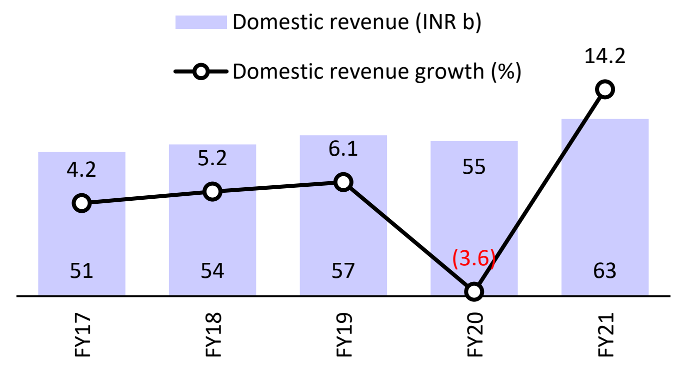
- While its performance in FY21 deserves to be lauded, the CAGR growth in GCPL's domestic sales and most of its components has been disappointing, both from a five year CAGR (including FY21) as well as four year CAGR for the preceding four years. There have been a few mitigating factors, including an overall slowdown in demand, led by a weak rural environment and GDP growth, that has impacted the performance of most Consumer companies in the last five years of the preceding decade compared to the first half. Demonetization and GST also led to significant disruptions over the last five years. Ind AS and GST accounting, which led to promotion spends being netted off against sales, instead of being shown as expenses, were a factor behind the slower reported sales growth.
- Nevertheless, it is also true that its three largest domestic segments have done poorly in recent years. Domestic sales grew at 2.9% CAGR over FY17-20. Even with the healthy growth in FY21, its five year CAGR in domestic sales has been 5.1%
- Household Insecticides sales actually reported a 1.2% negative CAGR over FY16-20. Despite a healthy (15.7% growth) performance in FY21, it reported an unimpressive 1.9% sales CAGR in the five years ending FY21. Similarly, sales of Soaps have grown at 2.8%/5.2% CAGR over these periods and Hair Color has grown at 2%/2.1% CAGR. While FY21 temporarily affected discretionary consumption, leading to ~9% sales growth in FY21, 'other brands' have been the sole bright spot in recent years, with sales growth at 21.8%/19.2% CAGR over FY16-20/FY16-21.

Exhibit 3: Consolidated sales CAGR was 4.4% over FY17-21…



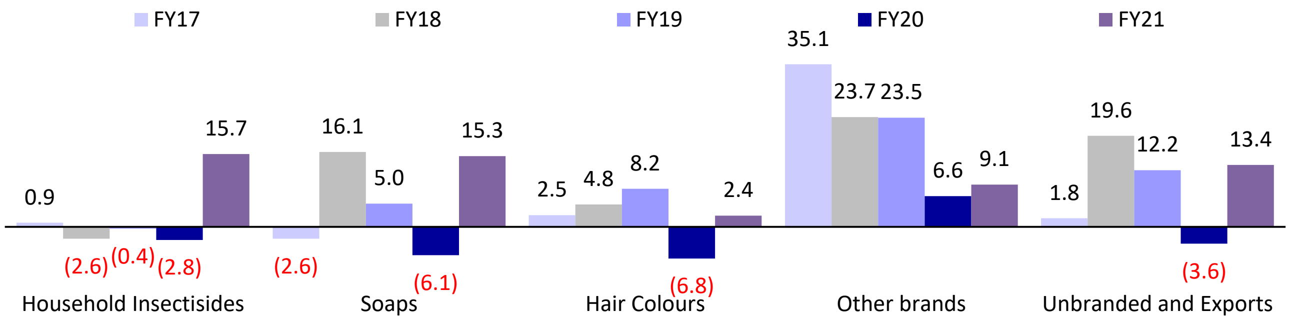
Source: Company, MOFSL

Exhibit 4: …with domestic sales CAGR being 5.3% over the same period



Source: Company, MOFSL

Exhibit 5: Domestic segment-wise sales performance



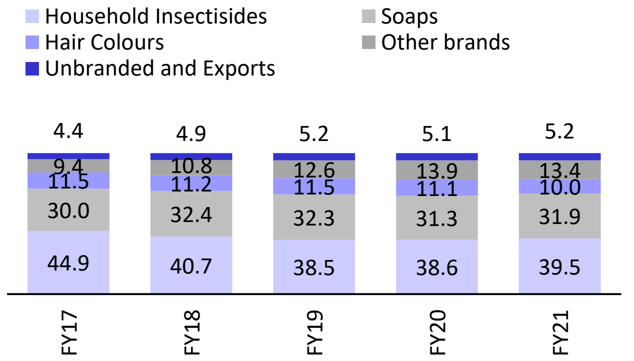
Source: Company, MOFSL

Exhibit 6: Domestic growth over the last five years has been tepid barring other brands

Segment revenue (INR m)	CAGR (%) FY16-20	CAGR (%) FY16-21
Household Insecticides	(1.2)	1.9
Soaps	2.8	5.2
Hair Colors	2.0	2.1
Other brands	21.8	19.2
Unbranded and exports	7.1	8.4
Total domestic	**2.9**	**5.1**

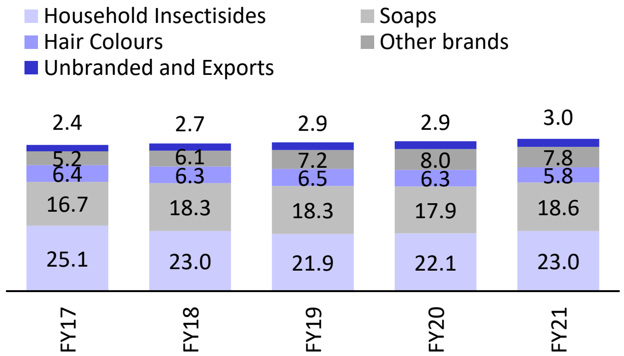
Source: Company, MOFSL

Exhibit 7: Domestic segment's salience to domestic sales



Source: Company, MOFSL

Exhibit 8: Domestic segment salience to consolidated sales



Source: Company, MOFSL

Innovation has not been a problem…

- GCPL has been at the forefront of innovation in the last five years in terms of quantity, and leads the category in innovation efforts.

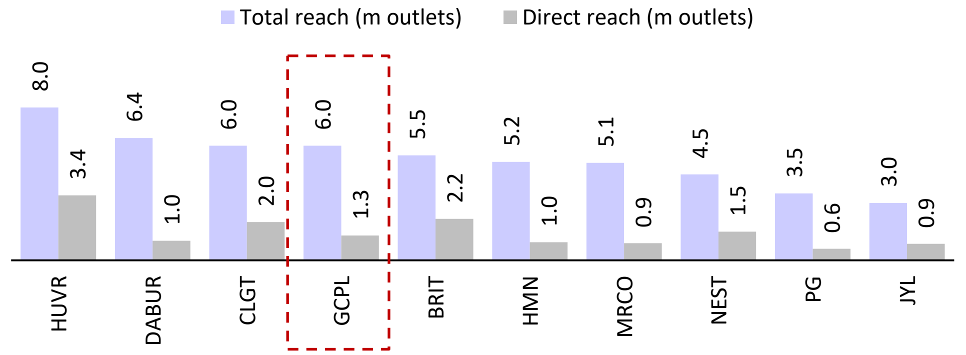
Exhibit 9: New products launches for the domestic business in FY19, FY20 and FY21

Launch year	Product	Type of launch	Category
FY19	Godrej Professional	New	Hair Care
	Godrej Nupur natural henna based hair color	New	Hair Color
	Cinthol men's grooming range	New	Men's grooming
	Good Knight Power chip	New	Household Insecticides
	Good Knight Naturals neem agarbatti	New	Household Insecticides
	Kala HIT lime fresh	Variant	Household Insecticides
	Godrej Aer matic automatic fragrance diffuser	New	Home Freshener
	Protekt Mr. Magic	New	Liquid Hand Wash
FY20	Godrej Expert Easy 5 minute shampoo hair color	Relaunch	Hair Color
	Expert Crème	Relaunch	Hair Color
	Godrej Anoop Ayurvedic anti-hair fall oil on e-commerce	Relaunch	Hair Care
	Good Knight - Gold Flash LV	New	Household Insecticides
	Good Knight natural range for e-commerce	New	Household Insecticides
	HIT Anti Mosquito Racquet in e-commerce and HIT Rat Glue pad	New	Household Insecticides
	AER Smart Matic	New	Home Freshener
	Chandan Abhyang Snaan (in MH) and Extra Strong Lime (in Punjab)	Regional new launch	Hygiene
	Sanitizer range of health and hygiene products	New	Hygiene
	Protekt Health Soap	New	Hygiene
	Godrej ProClean range (toilet cleaner, bathroom cleaner, floor cleaner)	New	Hygiene
	Goodness.me	Brand launch	Baby products
	Godrej Ezee 2-in-1 liquid detergent and fabric conditioner	New	Fabric Care
	Cinthol Charcoal Soap	New	Hygiene
FY21	Full range of Hygiene products launched under Godrej Protekt (in India) (~ 45 new products launched across different markets)	New	Hygiene
	Good Knight Smart Spay	Regional new launch	Household Insecticides

Source: Company, MOFSL

- New product launches are expected to contribute nearly 5% of total domestic sales. So, the management’s efforts in recent years have been commendable.

Exhibit 10: Among peers, GCPL has one of the widest distribution networks with a healthy direct reach as well



Source: Company, MOFSL

…but execution has been an issue

- GCPL's underperformance in the domestic business in the last five years is in strong contrast to its performance in the first half of the preceding decade. Despite continued low penetration (~30%) in Hair Color and significant growth opportunities in domestic Household Insecticides (50%/70% rural/urban penetration), growth in both these segments has been very weak in the past five years as highlighted earlier. Lack of traction in the premium end of the Hair Color market (where L'Oreal/Garnier is a strong player) as well as a few missteps in Household Insecticides have contributed to the lack of growth. In Household Insecticides, two factors have notably held back performance:
  - Failure to respond in a timely manner to the burgeoning incense stick format (~15% of the ~INR50b category from a negligible presence 6-7 years ago). Despite an eventual launch, GCPL remains a marginal player in this largely unorganized sub-segment of the HI category.
  - Inability to drive category penetration with low price alternatives, similar to what Good Knight Fast Card did in the early part of the last decade. A few years ago, the company launched Good Knight Power Chip, which failed due to a design flaw that resulted in the customer peeling off the active ingredient while opening the wrapper.

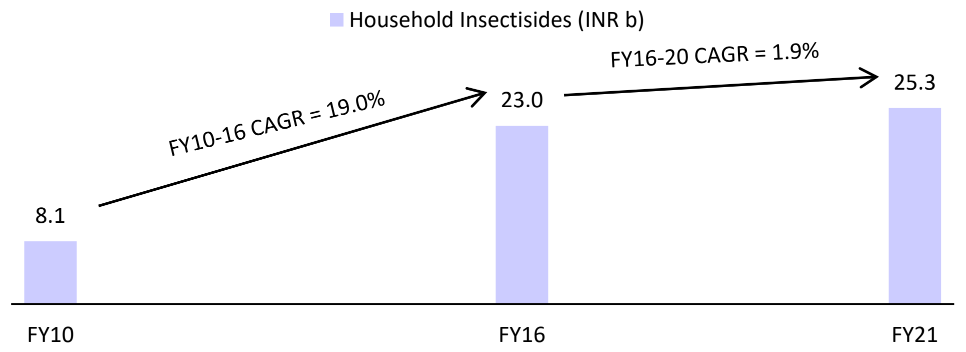
Segmental performance over the last decade

Household Insecticides

- In the earlier part of the previous decade, Household Insecticides witnessed extremely strong sales growth (19% CAGR) over FY10-16. Growth tapered off in the latter part of the decade, falling to just 1.9% CAGR over FY16-21.
- Competition from (mostly illicit) incense sticks, which gained popularity, particularly in the rural market, due to their easy access and affordability, was a major factor as was the inability to succeed with a blockbuster low price product similar to Good Knight Fast Card in the earlier part of the decade.
- In FY10, GCPL had a market share of 33.1% in a category valued at INR23b. At present, Household Insecticides has a penetration of ~70%/50% in urban/rural.
- GCPL continues to innovate in this segment. Recently, it announced the launch of Good Knight Smart Spray as a test marketing effort in Andhra Pradesh. The

product is touted to have a unique combination of non-gas with SOS, while delivering an eight-hour efficacy, which could be a significant category driver.

Exhibit 11: Growth in HI has slowed in the latter part of the last decade

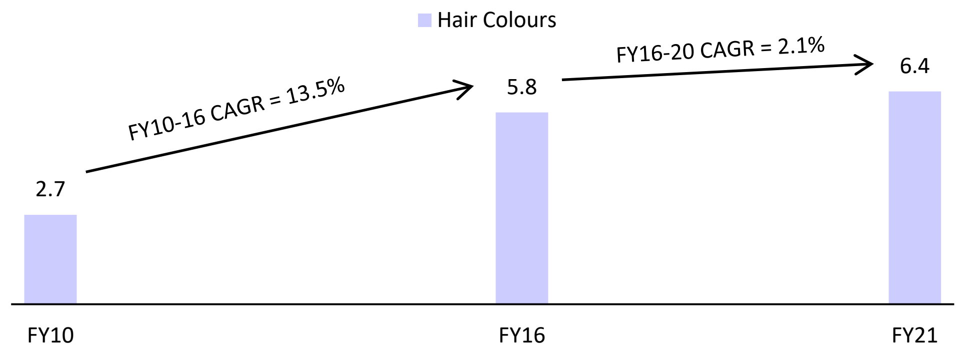


Source: Company, MOFSL

Hair Color

- A similar narrative can be used to describe GCPL's Hair Color segment. Growing at a robust 13.5% CAGR over FY10-16, growth was unimpressive (at 2.1% CAGR) in the latter half of the decade.
- The category continues to be significantly underpenetrated, with levels of 30-35% as per latest reports.
- GCPL has a 25% domestic market share in the category, which is valued at INR25b.
- Performance has been even poorer in recent years, especially in the urban market. In CY19, L'Oreal emerged as the numero uno player in the urban Hair Color segment with a 25.8% share, followed by GCPL (24%). L'Oreal's success is attributable to its higher share in the salon channel, though GCPL still leads in the mass market category.

Exhibit 12: Hair Color remains an underpenetrated low growth category



Source: Company, MOFSL

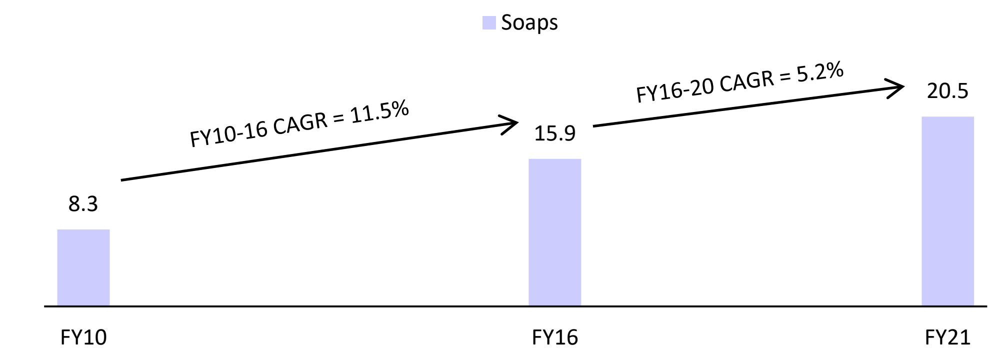
Soaps

- Soaps is the most penetrated category domestically, with over 95% penetration.
- While growth was slower in the earlier part of the decade v/s other categories, it is still impressive considering a higher base and greater penetration levels.

Growth slowed to 5.2% CAGR over FY16-21, though it's still faster than other categories during the period.

- GCPL has gained market share in the Soaps category to early teen levels by the end of FY21 from ~10% at the beginning of the last decade.
- Segment leader HUVR has done an outstanding job deepening category penetration, especially in the hinterland. GCPL has been able to follow suit. With a total reach of 6m outlets, GCPL is well placed to ride the tailwinds provided by a shift in consumer behavior, owing to COVID-19 and the need for hygienic practices, which is here to stay.

Exhibit 13: Soaps has performed better than other categories in the latter half of the decade considering a higher base and penetration levels but is still worse off compared to the past



Source: Company, MOFSL

Huge potential tailwinds in Soaps going ahead

- Unlike other large categories like Detergents, where despite over 95% penetration levels similar to Soaps, sales growth has been healthy and margin improvement has been strong due to premiumization, the same was elusive for Soaps over the last decade. Nevertheless, GCPL has actually performed better than its peers in growing its market share by 300-400bp to early teen levels over the last decade. It has emerged the second largest player in this category.
- COVID-19 seems to have provided the fillip required for higher usage of Soaps and premium Personal Wash products like Hand Washes. Our discussions with industry participants indicate that even as sales of categories like Sanitizers dipped after the initial sharp spurt, higher usage of Soaps persists and Hand Wash penetration more than doubled to nearly mid-30s from mid-teen levels. Even if there is some dip from current levels, habit formation over a reasonably pronged period of time is likely to ensure high usage and premiumization. This could have significant positive effects on the growth and margin trajectory of GCPL's second largest domestic business segment that constitutes ~33%/18% of domestic/consolidated sales.

Underperformance in the Africa business and potential revival

- The Africa business (along with the US and Middle East), referred to by the company as GAUM, has been the biggest pain point for GCPL for several years. Sales growth has been tepid in the past four years. Margin had collapsed to 7.3%

in FY20 from high-teen levels in the middle of the last decade. This translated to segment EBIT nearly halving over FY17-20.

Exhibit 14: Performance of the International business

Revenue (INR m)	FY17	FY18	FY19	FY20	FY21
India	50,890	53,547	56,793	54,745	62,543
Indonesia	15,276	13,545	15,249	16,959	17,700
Africa (including SON)	20,321	21,850	24,560	23,162	24,985
Others	10,760	11,397	7,702	5,556	6,659
Geography-wise revenue growth (%)					
India	4.2	5.2	6.1	(3.6)	14.2
Indonesia	5.3	(11.3)	12.6	11.2	4.4
Africa (including SON)	51.5	7.5	12.4	(5.7)	7.9
Others	(9.8)	5.9	(32.4)	(27.9)	19.9
Geography-wise revenue mix (%)					
India	52.3	53.4	54.4	54.5	55.9
Indonesia	15.7	13.5	14.6	16.9	15.8
Africa (including SON)	20.9	21.8	23.5	23.1	22.3
Others	11.1	11.4	7.4	5.5	6.0
EBIT (INR m)					
India	11,369	13,303	15,126	14,576	16,341
Indonesia	3,109	3,239	3,931	4,601	4,809
Africa (including SON)	3,076	2,677	1,904	1,692	1,065
Others	1,424	1,453	205	89	716
EBIT growth (%)					
India	15.4	17.0	13.7	(3.6)	12.1
Indonesia	7.0	4.2	21.4	17.1	4.5
Africa (including SON)	35.9	(13.0)	(28.8)	(11.2)	(37.0)
Others	(5.6)	2.0	(85.9)	(56.5)	702.5
EBIT margin (%)					
India	22.3	24.8	26.6	26.6	26.1
Indonesia	20.4	23.9	25.8	27.1	27.2
Africa (including SON)	15.1	12.2	7.8	7.3	4.3
Others	13.2	12.7	2.7	1.6	10.7

Source: Company, MOFSL

- Indonesia, which has seen low single-digit sales growth, faces an uncertain economic environment in the near future. It has a good portfolio and EBIT growth has been in double-digit CAGR for the last 4-5 years. Other's segment has started reporting better numbers, with the sale of the UK business and some revival in LatAm (which in our view, could be sold off if the company finds the right buyer). The deteriorating performance in Africa until FY20 was a big worry.
- As highlighted in our detailed note, post the analyst meet regarding the Africa business in Mar'21, there have been considerable signs of promise after the appointment of Mr. Gordhon (former Nestle Nigeria head) as the head of the GAUM business since 1st Apr'20. While EBIT margin appears suppressed in FY21, it was mainly on account of a loss in the first quarter due to COVID-related disruptions. Subsequent quarters have seen better margin, with EBIT margin at 6.4%/9.3%/3.5% in 2Q/3Q/4QFY21.
- In FY21, sales growth was 7.9%. EBITDA margin contracted by 300bp to 4.3%, and EBITDA declined 37% to INR1b.

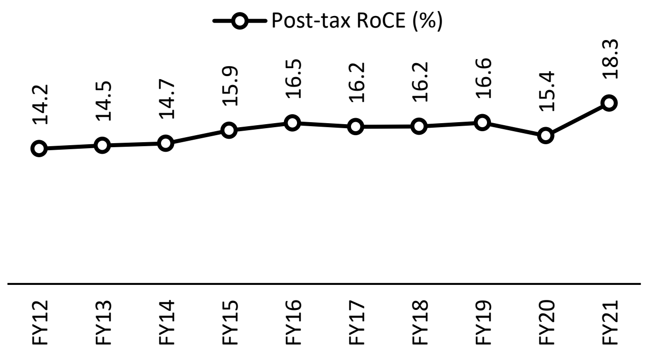
A few key points from the Mar'21 analyst meet held to discuss the prospects of the GAUM business

- At the analyst meet, Mr. Gordhon admitted that a lot of work still needs to be done. Work on turning around core geographies would be an 18-month process, with others scheduled for the next stage after that.
- **The target is to first achieve double-digit sales growth and eventually 17-18% margin in 4-5 years** (using levers like pricing, operating model changes, scale, and premiumization), thus ensuring that the business is not dilutive to consolidated margin (21.7% in FY21). From a geographical perspective, he feels the company needs to grow further in Nigeria as it is the largest market in Africa.
- Mr. Gordhon believes in placing a lot of onus on local management teams across geographies due to their local knowledge. He wants to encourage a mindset of collaborative work and discipline. He sees change as a natural process and looks to achieve more with less. He aims to ensure that there is discipline in execution.
- Margin is targeted to return to levels last seen in FY16. If the company achieves ~10% sales CAGR (targeting double-digit), 17-18% margin in 4-5 years will entail over 4x jump in segmental EBITDA over FY20 levels.

Capital allocation

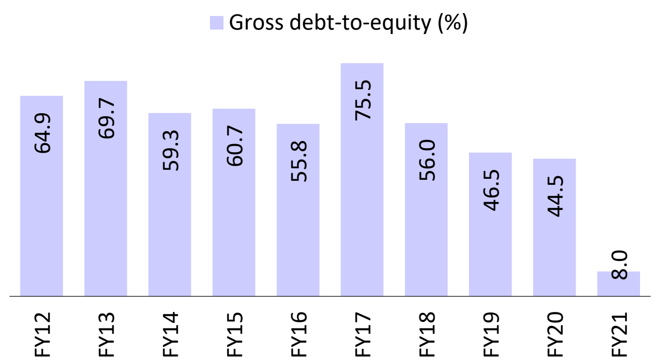
- While strong topline and earnings growth has been elusive in recent years, GCPL has actually done well on the capital allocation front in recent years. Moratorium on big ticket acquisitions, sale of the UK business, efforts to improve working capital days, and modest capex compared to the first half of the decade has actually resulted in improved OCF/FCF, gradually pushed up overall RoCE levels, and resulted in a significant reduction in debt-to-equity levels. If these efforts on the Balance Sheet continue and the company is able to attain healthy topline growth, especially in its greater margin and higher RoCE domestic business, these metrics could improve sharply going forward.

Exhibit 15: Consolidated RoCE over the last decade



Source: Company, MOFSL

Exhibit 16: Gross debt-to-equity has seen a tremendous improvement over the last decade



Source: Company, MOFSL

Exhibit 17: While consolidated cash conversion cycle has improved considerably over the last four years…

Cash conversion cycle	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Days (on an average)										
Inventory days	46	52	51	47	52	54	55	55	60	57
Debtor days	32	34	35	34	42	42	42	45	45	36
Creditor days	41	51	54	51	46	54	76	87	92	77
Cash conversion cycle	**37**	**35**	**32**	**30**	**47**	**41**	**22**	**14**	**13**	**16**
Days (on a year-end basis)										
Inventory days	59	60	52	47	57	56	59	55	63	57
Debtor days	35	41	35	35	48	41	46	46	43	33
Creditor days	58	59	59	48	45	68	87	90	91	71
Cash conversion cycle	**36**	**42**	**28**	**35**	**60**	**28**	**17**	**11**	**14**	**19**

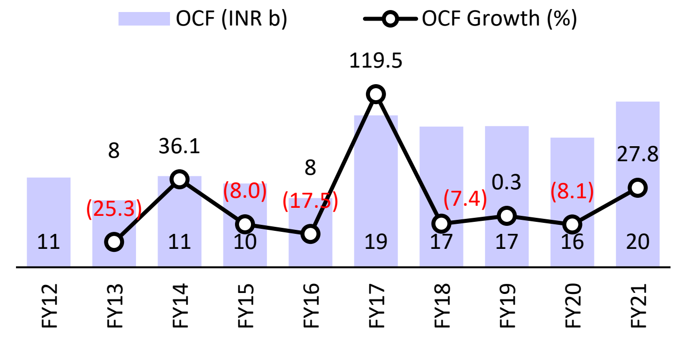
Source: Company, MOFSL

Exhibit 18: …GCPL's standalone cash conversion cycle is far superior despite the deterioration in recent years

Cash conversion cycle	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Days (on an average)										
Inventory days	45	49	46	41	40	43	39	38	42	40
Debtor days	12	11	12	12	16	19	16	19	22	16
Creditor days	48	61	65	67	55	68	89	94	90	64
Cash conversion cycle	**9**	**(1)**	**(8)**	**(14)**	**1**	**(6)**	**(34)**	**(36)**	**(26)**	**(8)**
Days (on a year-end basis)										
Inventory days	53	55	44	41	42	43	40	40	44	41
Debtor days	12	12	12	12	21	16	17	23	20	14
Creditor days	65	68	71	67	48	86	101	94	83	55
Cash conversion cycle	**(0)**	**(1)**	**(15)**	**(14)**	**15**	**(27)**	**(44)**	**(32)**	**(19)**	**0**

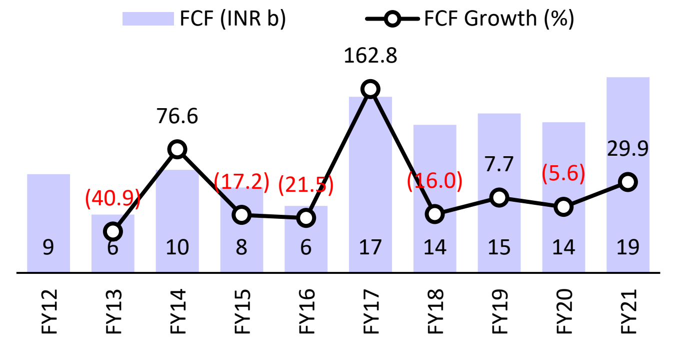
Source: Company, MOFSL

Exhibit 19: OCF has been robust in recent years, despite weak topline and earnings growth…



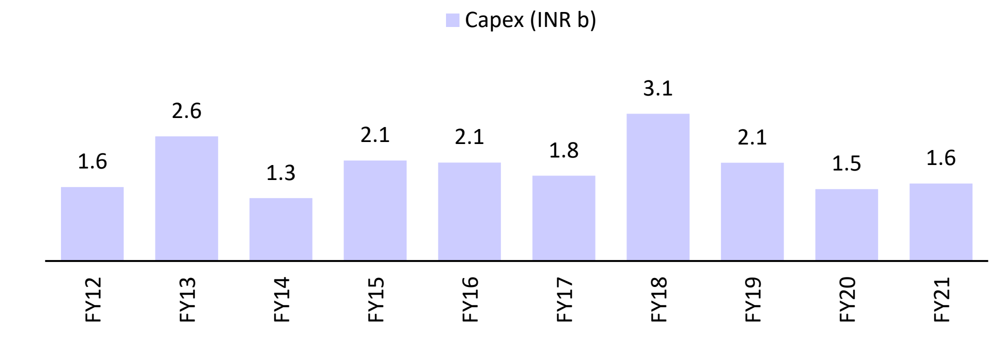
Source: Company, MOFSL

Exhibit 20: …with FCF following a similar trend



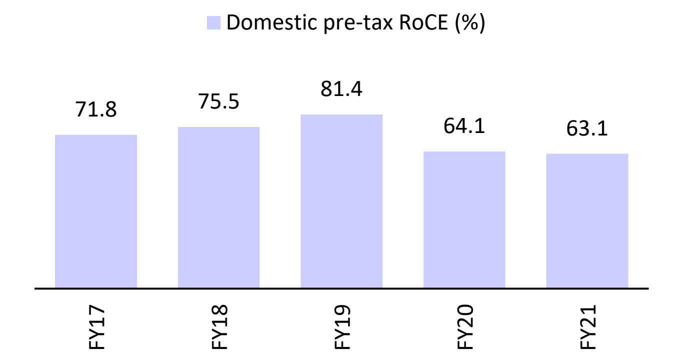
Source: Company, MOFSL

Exhibit 21: Capex has been a lot lower compared to the first five years of the last decade



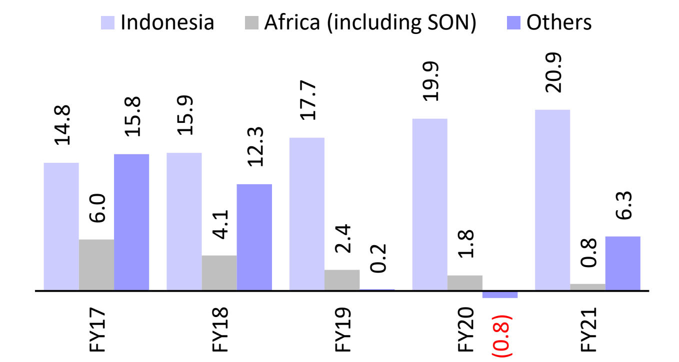
Source: Company, MOFSL

Exhibit 22: Domestic RoCE is far superior and would get better once topline and earnings growth resumes



Source: Company, MOFSL

Exhibit 23: International RoCE is improving, with better capital allocation and Africa business growth

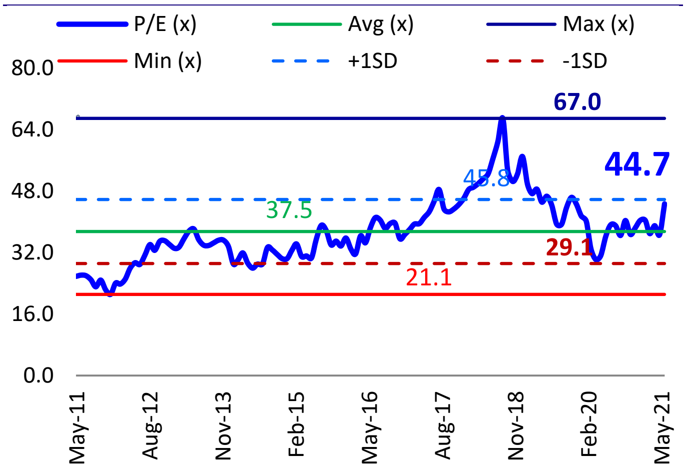


Source: Company, MOFSL

Valuation and view

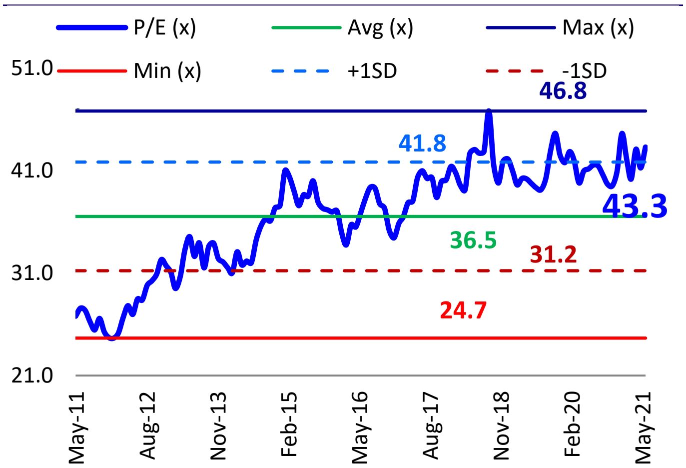
- As highlighted in our upgrade note, we believe that Mr. Sudhir Sitapati's appointment as MD and CEO for a period of five years could have a transformational change in GCPL's fortunes.
- Many of GCPL's domestic categories have underperformed in recent years, despite low penetration levels. As a result, domestic sales CAGR for the four years ending FY20 has only been ~3% CAGR.
- Even with a healthy growth of ~14% YoY in FY21, its five-year domestic sales CAGR hovers ~5%. Given its much superior margin and RoCE in the domestic business, this slowdown was a key factor behind weak consolidated earnings CAGR of ~8% in the past five years.
- Mr. Sitapati's appointment fills another important piece of the puzzle that unlocks the path to strong earnings growth for GCPL, along with: a) better capital allocation efforts in recent years, b) appointment of a new head in the erstwhile significantly underperforming GAUM (largely Africa) business, with good initial results in the first year of his tenure in FY21, and c) potential tailwind in Soaps and Personal Wash products, led by more frequent usage post COVID-19 and sharp increase in penetration levels in the Hand Wash category.
- While the stock has rallied nearly 20% on the announcement of Mr. Sitapati's appointment, we believe this spurt is just the first step of what could be potentially massive revitalization of both earnings and RoCE over the next few years, leading to a sustained re-rating as well. We have seen transformative changes on all these fronts in the past with companies like BRIT, NEST, JUBI, and HUVR. There are no changes to our modest earnings growth forecasts of ~8%/16% in FY22E/FY23E as we await the path to growth that the new CEO unveils when he joins in Oct'21. Valuing GCPL at 45x Jun'23E EPS (40x Mar'23E earlier), we arrive at our TP of INR1,020, a 19% upside to its CMP.

Exhibit 24: GCPL's P/E (x)



Source: Company, MOFSL

Exhibit 25: Consumer sector P/E



Source: Company, MOFSL

Financials and valuations

Income Statement (INR b)

Y/E March	2017	2018	2019	2020	2021	2022E	2023E
Net Sales	**92.7**	**98.5**	**103.1**	**99.1**	**110.3**	**120.3**	**133.0**
Change (%)	10.0	6.3	4.7	-3.9	11.3	9.1	10.5
Gross Profit	**51.4**	**55.7**	**58.1**	**56.5**	**61.0**	**67.1**	**74.7**
Margin (%)	55.4	56.6	56.3	57.0	55.3	55.7	56.2
Total Expenditure	73.7	77.8	81.5	77.7	86.4	93.9	103.1
EBITDA	**19.0**	**20.7**	**21.7**	**21.4**	**23.9**	**26.4**	**29.8**
Change (%)	16.0	8.9	4.9	-1.2	11.4	10.5	13.0
Margin (%)	20.5	21.0	21.0	21.6	21.7	21.9	22.4
Depreciation	1.4	1.6	1.7	2.0	2.0	2.1	2.1
Int. and Fin. Charges	1.5	1.6	2.2	2.2	1.3	0.8	0.6
Interest Income	0.4	0.7	0.9	0.8	0.7	0.7	0.8
Other Income-rec.	0.3	0.4	0.2	0.4	0.0	0.4	0.5
PBT	**16.9**	**18.6**	**18.8**	**18.4**	**21.2**	**24.5**	**28.3**
Change (%)	12.4	10.2	1.4	-2.3	15.4	15.5	15.5
Margin (%)	18.2	18.9	18.3	18.6	19.3	20.4	21.3
Tax	3.7	4.0	4.2	3.8	4.1	5.3	6.0
Deferred Tax	-0.1	0.0	0.2	-0.1	0.5	-0.2	-0.2
Tax Rate (%)	22.5	21.8	20.9	21.4	16.9	22.2	21.9
PAT	**13.1**	**14.5**	**14.9**	**14.5**	**17.7**	**19.1**	**22.1**
Change (%)	12.3	11.2	2.5	-2.9	22.0	8.2	15.9
Margin (%)	14.1	14.8	14.4	14.6	16.0	15.9	16.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Group Adjusted PAT	**12.9**	**14.4**	**14.9**	**14.5**	**17.7**	**19.1**	**22.1**
Non-rec. (Exp.)/Income	0.0	1.8	8.5	0.5	-0.4	0.0	0.0
Reported PAT	**13.1**	**16.3**	**23.4**	**15.0**	**17.2**	**19.1**	**22.1**

Balance Sheet (INR b)

Y/E March	2017	2018	2019	2020	2021	2022E	2023E
Share Capital	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Reserves	52.0	61.6	71.6	78.0	93.4	97.8	102.7
Minority Int	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Networth	**53.0**	**62.6**	**72.7**	**79.0**	**94.4**	**98.8**	**103.7**
Loans	40.0	35.1	33.8	35.2	7.6	7.2	6.9
Deferred Liability	1.9	1.9	-4.7	-5.7	-6.4	-6.4	-6.4
Capital Employed	**94.9**	**99.6**	**101.8**	**108.5**	**95.6**	**99.6**	**104.2**
Gross Block	36.3	39.6	42.1	45.2	42.0	45.3	48.5
Less: Accum. Depn.	2.1	3.6	4.6	6.3	4.3	6.4	8.5
Net Fixed Assets	**34.2**	**36.0**	**37.5**	**38.9**	**37.7**	**38.9**	**40.0**
Capital WIP	1.0	0.8	0.5	0.6	0.6	0.6	0.6
Goodwill	46.6	47.2	49.2	53.4	51.3	51.3	51.3
Non Curr Investments	2.5	1.4	0.3	0.3	0.2	0.2	0.2
Current Investments	6.8	8.6	4.8	6.4	6.6	7.2	6.5
Currents Assets	**38.3**	**44.7**	**43.8**	**43.5**	**39.6**	**44.6**	**52.3**
Inventory	14.1	15.8	15.6	17.0	17.2	17.5	19.3
Account Receivables	10.3	12.5	12.9	11.6	10.0	10.9	12.0
Cash and Bank Balance	9.1	9.6	8.9	7.7	6.7	10.5	15.2
Loans and Advances	4.5	6.8	6.3	7.1	5.7	5.7	5.7
Other Current Assets	0.2	0.1	0.1	0.1	0.0	0.0	0.0
Curr. Liab. & Prov.	**34.5**	**39.0**	**34.4**	**34.6**	**40.5**	**43.2**	**46.6**
Account Payables	17.2	23.5	25.4	24.8	21.6	23.4	25.9
Other Liabilities	17.2	15.3	8.7	9.3	18.3	19.2	20.2
Net Current Assets	**3.8**	**5.6**	**9.4**	**8.9**	**-0.8**	**1.4**	**5.7**
Net Assets	**94.9**	**99.6**	**101.8**	**108.5**	**95.6**	**99.6**	**104.2**

E: MOFSL Estimates

Financials and valuations

Ratios							
Y/E March	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**
Basic (INR)							
EPS	**12.6**	**14.1**	**14.6**	**14.2**	**17.3**	**18.7**	**21.7**
Cash EPS	14.0	15.6	16.2	16.1	19.3	20.7	23.7
BV/Share	51.9	61.2	71.1	77.3	92.3	96.6	101.5
DPS	4.0	4.7	6.7	8.0	10.0	12.0	14.0
Payout (%)	31.6	33.2	45.7	56.5	57.9	64.2	64.6
Valuation (x)							
P/E	67.7	60.8	58.7	60.4	49.6	45.8	39.5
Cash P/E	61.0	54.9	52.7	53.2	44.4	41.3	36.0
EV/Sales	9.7	9.1	8.7	9.1	7.9	7.2	6.5
EV/EBITDA	47.6	43.5	41.5	42.1	36.7	33.0	29.1
P/BV	16.5	14.0	12.0	11.1	9.3	8.9	8.4
Dividend Yield	0.5	0.5	0.8	0.9	1.2	1.4	1.6
Return Ratios (%)							
RoE	24.6	24.9	22.0	19.1	20.4	19.8	21.9
RoCE (Post-tax)	16.2	16.2	16.6	15.4	18.3	20.2	22.2
RoIC	18.6	19.3	19.0	16.9	20.7	23.3	26.6
Working Capital Ratios							
Debtor (Days)	41	46	46	43	33	33	33
Asset Turnover (x)	2.6	2.7	2.7	2.5	2.9	3.0	3.3
Leverage Ratio							
Debt/Equity (x)	0.8	0.6	0.5	0.4	0.1	0.1	0.1

Cash Flow Statement							(INR b)
Y/E March	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**
OP/(Loss) before Tax	18.4	20.5	20.4	20.6	23.8	26.2	30.0
Net interest	1.0	0.9	1.4	1.4	0.9	0.2	-0.2
Direct Taxes Paid	-4.3	-4.1	-4.5	-3.6	-4.0	-5.3	-6.0
(Inc)/Dec in WC	3.4	-0.2	0.0	-2.6	-0.5	1.6	0.4
CF from Operations	**18.6**	**17.2**	**17.3**	**15.9**	**20.3**	**22.7**	**24.3**
Inc in FA	-1.8	-3.1	-2.1	-1.5	-1.6	-3.3	-3.3
Free Cash Flow	**16.8**	**14.1**	**15.2**	**14.4**	**18.7**	**19.4**	**21.0**
Pur of Investments	-5.7	0.4	2.9	-2.6	-0.1	-0.6	0.7
Others	-16.0	-0.2	1.6	0.0	-1.3	0.5	0.6
CF from Investments	**-23.6**	**-2.9**	**2.4**	**-4.2**	**-3.1**	**-3.4**	**-1.9**
Inc in Debt	0.0	0.0	0.0	-1.3	-16.2	-0.4	-0.4
Dividend Paid	-2.0	-6.1	-12.3	-8.2	0.0	-14.7	-17.2
Interest Paid	-1.2	-1.6	-2.1	-1.5	-1.6	-0.8	-0.6
Other Item	9.8	-6.1	-6.0	-2.0	-0.4	0.4	0.5
CF from Fin. Activity	**6.6**	**-13.8**	**-20.4**	**-13.0**	**-18.2**	**-15.5**	**-17.7**
Inc/Dec of Cash	**1.7**	**0.5**	**-0.7**	**-1.2**	**-1.0**	**3.8**	**4.7**
Add: Beginning Balance	7.5	9.1	9.6	8.9	7.7	6.7	10.5
Closing Balance	**9.1**	**9.6**	**8.9**	**7.7**	**6.7**	**10.5**	**15.2**

E: MOFSL Estimates

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 within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL , including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore.As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
5 Research Analyst has not served as director/officer/employee in the subject company
6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:
- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company
- received compensation/other benefits from the subject company in the past 12 months
- other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report
Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential 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 MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

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. This report and information herein is solely for informational purpose and may 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. 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. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. 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 MOFSL 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. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website www.motilaloswal.com.CIN no.: L67190MH2005PLC153397.Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs,Insurance Products and IPOs.Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.:022-71881085.

* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.