

Godrej Consumer

Estimate changes	↔
TP change	↔
Rating change	↔

Bloomberg	GCPL IN
Equity Shares (m)	1,022
M.Cap.(INRb)/(USDb)	844.8 / 10.3
52-Week Range (INR)	985 / 660
1, 6, 12 Rel. Per (%)	-6/-2/-17
12M Avg Val (INR M)	1169

Financials & Valuations (INR b)

Y/E March	2022	2023E	2024E
Sales	122.8	135.4	151.7
Sales Gr. (%)	11.3	10.3	12.0
EBITDA	24.0	24.4	32.1
EBITDA mrg. (%)	19.5	18.0	21.2
Adj. PAT	17.9	16.4	23.6
Adj. EPS (INR)	17.5	16.0	23.0
EPS Gr. (%)	1.6	-8.6	43.7
BV/Sh.(INR)	113.0	121.0	132.1

Ratios

RoE (%)	17.1	13.7	18.2
RoCE (%)	17.0	14.5	18.5
Payout (%)	0.0	49.9	52.1

Valuations

P/E (x)	47.1	51.5	35.9
P/BV (x)	7.3	6.8	6.3
EV/EBITDA (x)	35.5	34.4	25.8
Div. Yield (%)	0.0	1.0	1.5

Shareholding pattern (%)

As On	Sep-22	Jun-22	Sep-21
Promoter	63.2	63.2	63.2
DII	6.5	6.1	4.6
FII	24.4	24.0	26.2
Others	5.9	6.7	6.0

FII Includes depository receipts

CMP: INR826 TP: INR1,005 (+22%) Buy

Result in line; material cost outlook improves notably

- Godrej Consumer (GCPL) declared an in-line set of numbers in its 2QFY23 results. While there was some sequential gains on the gross margin front in 2QFY23, the steep ~50% fall in palm oil cost from peak will result in markedly higher gross margin gains in 2HFY23E and FY24E. The company is using part of the gains to bolster its ad-spends (up ~50% YoY in 2QFY23, bucking the trend of peers for the quarter) to boost medium-term revenue growth prospects.
- The management retained its double-digit sales growth target in the current year and medium-term sales outlook is also attractive. This along with steep material cost reduction is likely to lead to extremely strong earnings growth from 4QFY23. Balance sheet improvements are also remarkable with 25% SKU reduction in India contributing to doubling of India business operating cash flows (OCF) YoY. **Maintain BUY.**

Sales and operating profit in line with our estimates

- GCPL's 2QFY23 consolidated net sales grew 7.2% YoY to INR33.9b (in line). Its two-/three-year sales CAGR stood at 7.9%/8.8%, respectively.
- Gross profit was flat YoY at INR16.2b (in line). EBITDA declined 15.4% YoY to INR5.7b (in line); PBT declined 20.8% YoY to INR4.8b (in line), while Adj. PAT decreased 20.6% YoY to INR3.8b (in line) in 2QFY23.
- Consolidated comparable constant currency sales grew 8% YoY in 2QFY23. Three year comparable constant currency CAGR stood at 9.
- Gross margin contracted 190bp YoY to 47.9% (est. 48.1%).
- As a percentage of sales, higher ad spends (+240bp YoY to 8.4%), other expenses (+70bp YoY at 14.9%) and lower staff costs (-50bp YoY to 7.6%) led to EBITDA margin contraction of 450bp YoY to 16.9% (est. 17.1%).
- Volumes fell 5% YoY on consolidated basis. Three-year CAGR stood at +1%.
- Sales grew 7.6% to INR65.2b in 1HFY23. EBITDA/Adj. PAT declined 14.2%/18.7% YoY to INR11.1b/7.3b, respectively.

Highlights from the management commentary

- There has been 25% reduction in SKUs in India and around 33% reduction in GAUM segment. India business' operating cash flows have doubled YoY.
- Soap volumes are reviving after price drop, while Household Insecticides volumes are witnessing a much more favorable base in 2HFY23.
- Indonesia reported 12% growth (ex of defocused product Saniter) and even including the same, sales growth is likely to be strong from 4QFY23.
- Management maintained its double-digit sales growth target for FY23 with low single-digit volume growth.

Valuation and view

- There are no material changes to our EPS forecasts for FY23 and FY24.
- Three factors hurt GCPL's performance in the last three quarters viz.: a) massive increase in palm oil costs leading to RM basket inflation well ahead of staples peers; b) weaker-than-expected Household Insecticide (HI) season and c) currency translation impact as a result of which international business was adversely affected. Among these, palm oil costs have come down steeply and Household Insecticides outlook is better leaving only the currency translation as an uncertainty. Other domestic businesses are seeing good momentum.
- GCPL's domestic businesses had demonstrated a track record of strong sales growth in the first half of the last decade, before losing their way in the second half. Domestic and consolidated sales growth has crossed double digits in the last two years and appears set to do so in FY23 as well, far better than the 4.1% sales CAGR between FY16 and FY20.
- With investments by the new CEO focused on boosting growth in the high-margin, high-RoCE domestic business, GCPL's medium-term earnings growth outlook is strong as highlighted in our [recent detailed CEO meet note](#). Valuation at 36x FY24E EPS is inexpensive and is at a steep discount to staples peers. We maintain our **BUY** rating with a TP of INR1,005 (premised on 40x Sep'24E EPS).

Quarterly Performance (Consolidated)

Y/E March	FY22				FY23				FY22	FY23	FY23	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Net Sales (including OOI)	28.9	31.6	33.0	29.2	31.2	33.9	36.3	33.9	122.8	135.4	33.9	0.2%
YoY change (%)	24.4	8.5	8.1	6.8	8.0	7.2	10.0	16.4	11.3	10.3	7.0	
Gross Profit	15.1	15.8	16.7	14.4	14.6	16.2	18.0	17.7	62.0	66.4	16.3	-0.2%
Margin (%)	52.2	49.8	50.7	49.5	46.6	47.9	49.5	52.0	50.5	49.1	48.1	
EBITDA	6.1	6.8	7.0	5.0	5.3	5.7	6.5	6.8	24.0	24.4	5.8	-0.5%
Margins (%)	21.1	21.5	21.2	17.2	17.0	16.9	18.0	20.0	19.5	18.0	17.1	
YoY growth (%)	29.3	-0.8	-1.7	-12.6	-12.8	-15.4	-6.5	34.8	0.3	1.8	-15.0	
Depreciation	0.5	0.5	0.5	0.5	0.6	0.5	0.6	0.6	2.1	2.3	0.6	
Interest	0.3	0.2	0.3	0.3	0.4	0.5	0.4	0.5	1.1	1.8	0.3	
Other Income	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.5	0.9	1.6	0.3	
PBT	5.4	6.1	6.1	4.0	4.6	4.8	5.7	5.9	21.6	21.0	4.9	-2.4%
Tax	1.3	1.3	1.0	0.2	1.1	1.0	1.2	1.3	3.7	4.6	1.1	
Adj PAT	4.2	4.8	5.1	3.8	3.5	3.8	4.5	4.6	17.9	16.4	3.8	0.6%
YoY change (%)	8.8	4.8	3.7	-10.7	-16.4	-20.6	-12.5	20.2	1.6	-8.6	-21.0	

E: MOFSL Estimate

Key Performance Indicators

Y/E March	FY22				FY23	
	1Q	2Q	3Q	4Q	1Q	2Q
2Y average growth %						
Sales	11.7	9.7	9.0	16.8	16.2	7.9
EBITDA	16.1	9.0	5.5	4.0	8.2	-8.1
PAT	20.1	7.3	7.0	20.0	-3.8	-7.9
% sales						
COGS	47.8	50.2	49.3	50.5	53.4	52.1
Other expenditure	31.0	28.3	29.5	32.2	29.5	30.9
Depreciation	1.8	1.6	1.6	1.9	1.8	1.6
YoY change %						
COGS	30.1	23.7	18.6	21.9	20.5	11.4
Other expenditure	13.7	-5.3	0.3	-0.8	2.7	17.0
Other income	-4.0	62.4	49.1	43.4	31.7	76.1
EBIT	32.3	-0.8	-2.6	-13.8	-15.1	-17.1

Exhibit 1: Snapshot of 2QFY23 performance as reported by the company

Growth (%)	Consolidated	India
Net sales	7	8
Net sales (constant currency)	8	-
EBITDA	(15)	(5)
Net profit (reported)	(25)	(8)
Net profit (without exceptional and one-off items)	(21)	(4)

Source: Company, MOFSL

Standalone performance

- Net sales (including OOI) grew 8% YoY to INR19.9b in 2QFY23.
- India branded business volumes declined 5% YoY with 3-year CAGR at +1%.
- Home care business grew 2% YoY, personal care rose 18% YoY and unbranded exports declined 26% YoY.
- Gross margin contracted 60bp YoY to 48.3%. EBITDA margin contracted 300bp YoY to 21.6%.
- Standalone EBITDA declined 5.4% YoY to INR4.3b.
- Adj. PAT declined 13.1% YoY to INR3.1b.

International performance

- Indonesia CC sales declined 14% YoY. Africa, the US, and the Middle East (GAUM) together grew 13% YoY on a CC basis. Others (LatAm, Europe, and SAARC) grew 34% YoY also on a CC basis.

Exhibit 2: Snapshot of sales by geography

International business	2QFY23		
	Sales (INR m)	Growth (%)	CC growth (%)
India	19,530	8	-
Indonesia	4,080	(8)	(11)
GAUM	8,570	15	13
Others	1,720	(1)	34
Total net sales	33,640	7	8

Source: Company, MOFSL

**Highlights from the conference call****Performance and outlook**

- GCPL maintained its guidance of double-digit revenue growth and low single-digit volume growth for FY23.
- Air care and hair color are seeing good growth in India and Indonesia.
- Operating environment continues to be challenging on account of high CPI inflation, tightening monetary policy and rupee depreciation.
- Volumes have moderated as comparative base of Saniter in Indonesia was huge, witnessing hyper-inflation in soap which is affecting consumption adversely and comparative HI volumes were unusually high. However, going in 2HFY23 HI base is normalized and volumes should grow gradually.

Costs and margins

- GCPL has significantly raised marketing expenses (ad-spends were up 50% YoY).
- Even after sitting on high price inventory, GCPL passed on the benefits of moderation in commodity costs to consumers.

- Over the next four to five years marketing/working media investments will be northwards from where they currently are.
- Overall gross margin will go up sequentially for the next couple of quarters to FY20-21 levels.
- Other expenses went up in the international market due to increase in utilities costs in the past three-four months and route to market expenses has going up which sits in other expenses.

Key growth initiatives

- SKU reduction: 25% reduction in India in past six months and 1/3rd in last one year in GAUM.
- Due to SKU reduction, the Inventory days has reduced from 60days previously to 51 days at the end of 2QFY23. This has also worked wonders on improvement in cash flows (India OCF doubled YoY).
- HI: The performance was soft of the company as well as for the entire market however there is a seasonal effect to it. It was even softer as per management's expectation in the India business. They continue to hold their market share in this category. Seeing better demand in Oct'22.

Overseas business

- GAUM has a good profit with significant improvement. Currency depreciation has affected the translated performance.
- Indonesia: Saniter base from 3QFY23 onwards and hence Indonesia to perform well going ahead with 3Q performing flat and 4Q seeing good growth. Margin was adversely impacted due to increased marketing investments (150bp), some impact due to reduction in sales and consumption of high cost inventory. Media investment will continue to be at these levels. The management is aiming at early-20% margin in the near-to-medium term.
- In GAUM and Indonesia, management is working on increasing the share of GTs to ~50%.

Overseas business

- In air care, it is seeing explosive growth that is majorly coming from one product i.e. "air matic." It exploded post-advertisement.
- Soap business: This category grows at a little higher than the population. GCPL has been the market leader in the category over the past decade. It has reported a ~4.0-4.5% long-term CAGR and going ahead it may grow at ~3-3.5%. About 10% will be the unorganized market.

Key exhibits

Exhibit 3: Segmental quarterly sales growth and EBIT margin

Segment revenue (INR m)	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
India	18,381	18,174	16,353	18,494	19,850
Indonesia	4,449	4,472	4,016	3,765	4,087
Africa (including SON)	7,485	8,842	7,228	7,789	8,587
Others	1,737	2,002	2,116	1,541	1,744
Less: Inter-segment eliminations	-417	-465	-554	-338.7	-348
Net Sales from operations	31,637	33,026	29,158	31,250	33,919
Segment revenue growth (%)					
India	9.5	7.2	9	11.4	8.0
Indonesia	-0.2	0	-14.8	-8.5	-8.2
Africa (including SON)	14.8	13.5	14.7	12.2	14.7
Others	-4.2	11.2	18.4	-3.5	0.4
Less: Inter-segment eliminations	-3.9	2.2	12.7	7.1	-16.4
Net Sales from operations	8.5	8.1	6.8	8.0	7.2
Segment EBIT (INR m)					
India	4,485	4,543	3,822	4,101	4,340
Indonesia	1,148	919	854	576	737
Africa (including SON)	462	732	-461	246	205
Others	277	210	191	25	80
Less: Inter-segment eliminations	-58	-41	-32	-35	-75
Net EBIT from operations	6,314	6,362	4,373	4,913	5,287
Less: Interest	-245	-256	-328	-351	-483
Less: Exceptional Items	-14	138	-205	-18	-227
Total Profit Before Tax	6,054	6,244	3,840	4,544	4,577
Segment EBIT growth (%)					
India	-3.6	-1.9	16.6	-4.0	-3.2
Indonesia	4.2	-15.2	-47.9	-38.1	-35.8
Africa (including SON)	11.4	1.1	-309.2	-24.1	-55.7
Others	-16	-0.6	309.7	-88.3	-71.0
Net EBIT from operations	-0.7	-3.5	-56.6	-13.8	-16.3
Total Profit Before Tax	0.2	-2.7	-9.5	-16.0	-24.4
Segment EBIT mix (%)					
India	71	71	87	83	82
Indonesia	18	14	20	12	14
Africa (including SON)	7	12	-11	5	4
Others	4	3	4	1	2
Less: Inter-segment eliminations	-1	-1	-1	-1	-1
Net EBIT from operations	100	100	100	100	100
Segment EBIT margin (%)					
India	24.4	25	23.4	22.2	21.9
Indonesia	25.8	20.5	21.3	15.3	18.0
Africa (including SON)	6.2	8.3	-6.4	3.2	2.4
Others	15.9	10.5	9	1.6	4.6
Net EBIT margin from operations	20	19.3	15	15.7	15.6
Segment EBIT margin change (%)					
India	-3.3	-2.3	1.5	-3.5	-2.5
Indonesia	1.1	-3.7	-13.6	-7.3	-7.8
Africa (including SON)	-0.2	-1	-9.9	-1.5	-3.8
Others	-2.2	-1.2	6.4	-11.8	-11.3
Overall EBIT change	-1.9	-2.3	-3.7	-4.0	-4.4

Source: Company, MOFSL

Valuation and view

What has happened from a business perspective over the last decade?

- In the last decade, the company added a host of businesses in Indonesia, Africa, and LatAm to its relatively small international portfolio. The international business now contributes to nearly half of GCPL's total sales. Most acquisitions have been EPS-accretive since the company's inception.
- In the India business, the company has emerged as the second largest player in Soaps, strengthened its lead in HI, and introduced and scaled up products in the Car/Room Freshener market.

Financial performance – a tale of two halves

- Over the course of the last decade, the company posted a sales/EBITDA/PAT CAGR of 9.7%/10.8%/13.0%, respectively.
- During FY12–17, it posted a strong performance with a 13.8%/17.3%/19.5% CAGR in sales/EBITDA/PAT, respectively. This was followed by a weak performance over the next five years (FY17–22) with a much slower sales/EBITDA/PAT CAGR of 5.8%/4.8%/6.8%, respectively.
- The sales slowdown in recent years in the domestic business, the continued inability to scale up margins and weak RoCE in the international business have adversely impacted the pace of earnings growth.

Valuation and view

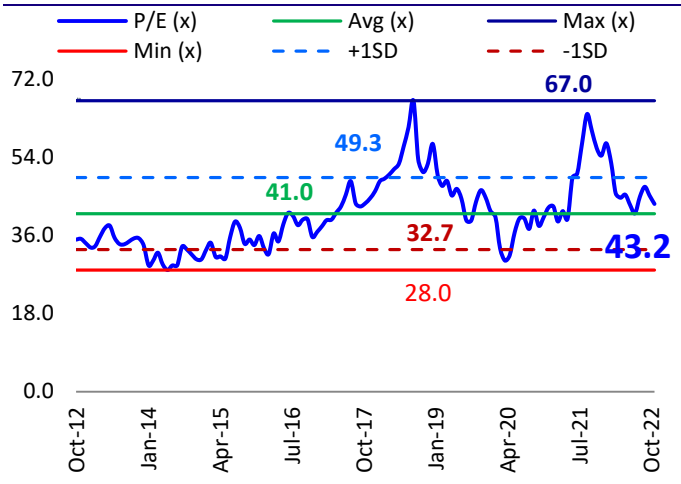
- There are no material changes to our EPS forecasts for FY23 and FY24.
- Three factors hurt GCPL's performance in the last three quarters viz.: a) massive increase in palm oil costs leading to RM basket inflation well ahead of staples peers; b) weaker-than-expected Household Insecticide (HI) season and c) currency translation impact as a result of which international business was adversely affected. Among these, palm oil costs have come down steeply and Household Insecticides outlook is better leaving only the currency translation as an uncertainty. Other domestic businesses are seeing good momentum.
- GCPL's domestic businesses had demonstrated a track record of strong sales growth in the first half of the last decade, before losing their way in the second half. Domestic and consolidated sales growth has crossed double digits in the last two years and appears set to do so in FY23 as well, far better than the 4.1% sales CAGR between FY16 and FY20.
- With investments by the new CEO focused on boosting growth in the high-margin, high-RoCE domestic business, GCPL's medium-term earnings growth outlook is strong as highlighted in our [recent detailed CEO meet note](#). Valuation at 36x FY24E EPS is inexpensive and is at a steep discount to staples peers. We maintain our **BUY** rating with a TP of INR1,005 (premised on 40x Sep'24E EPS).

Exhibit 4: Model revisions led to a -4.2%/-2.4% change to our FY23/FY24 EPS estimates

INR b	Old		New		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Sales	137.1	153.6	135.4	151.7	-1.2	-1.2
EBITDA	25.3	33.0	24.4	32.1	-3.5	-2.6
PAT	17.1	24.1	16.4	23.6	-4.2	-2.4

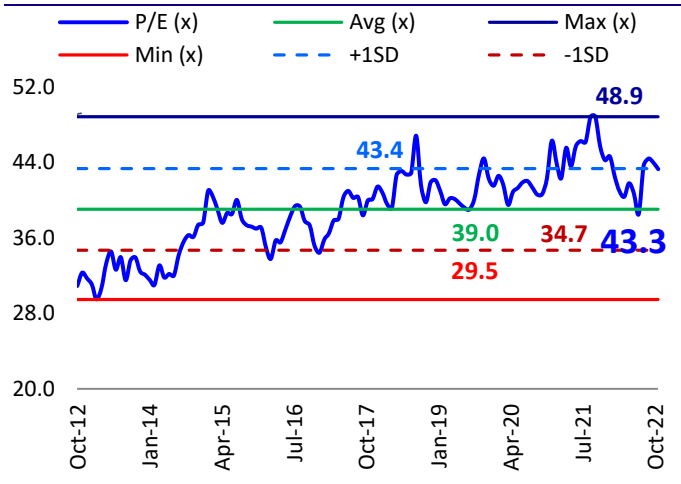
Source: Company, MOFSL

Exhibit 5: P/E ratio (x) for GCPL



Source: Company, MOFSL

Exhibit 6: P/E ratio (x) for the Consumer sector



Source: Company, MOFSL

Financials and valuations

Income Statement							(INR b)
Y/E March	2018	2019	2020	2021	2022	2023E	2024E
Net Sales	98.5	103.1	99.1	110.3	122.8	135.4	151.7
Change (%)	6.3	4.7	-3.9	11.3	11.3	10.3	12.0
Gross Profit	55.7	58.1	56.5	61.0	62.0	66.4	82.7
Margin (%)	56.6	56.3	57.0	55.3	50.5	49.1	54.5
Total Expenditure	77.8	81.5	77.7	86.4	98.8	111.1	119.6
EBITDA	20.7	21.7	21.4	23.9	24.0	24.4	32.1
Change (%)	8.9	4.9	-1.2	11.4	0.3	1.8	31.6
Margin (%)	21.0	21.0	21.6	21.7	19.5	18.0	21.2
Depreciation	1.6	1.7	2.0	2.0	2.1	2.3	2.4
Int. and Fin. Charges	1.6	2.2	2.2	1.3	1.1	1.8	1.3
Interest Income	0.7	0.9	0.8	0.4	0.6	1.1	1.3
Other Income-rec.	0.4	0.2	0.4	0.3	0.3	0.5	0.6
PBT	18.6	18.8	18.4	21.2	21.6	21.0	30.2
Change (%)	10.2	1.4	-2.3	15.4	1.9	-2.9	43.8
Margin (%)	18.9	18.3	18.6	19.3	17.6	15.5	19.9
Total tax	4.0	3.9	3.9	3.6	3.7	4.6	6.7
Tax Rate (%)	21.8	20.9	21.4	16.9	17.2	22.0	22.0
PAT	14.5	14.9	14.5	17.7	17.9	16.4	23.6
Change (%)	11.2	2.5	-2.9	22.0	1.6	-8.6	43.7
Margin (%)	14.8	14.4	14.6	16.0	14.6	12.1	15.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Group Adjusted PAT	14.4	14.9	14.5	17.7	17.9	16.4	23.6
Non-rec. (Exp.)/Income	1.8	8.5	0.5	-0.4	-0.1	0.0	0.0
Reported PAT	16.3	23.4	15.0	17.2	17.8	16.4	23.6

Balance Sheet							(INR b)
Y/E March	2018	2019	2020	2021	2022	2023E	2024E
Share Capital	0.7	1.0	1.0	1.0	1.0	1.0	1.0
Reserves	61.9	71.6	78.0	93.4	114.5	122.8	134.0
Minority Int	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Networth	62.6	72.7	79.0	94.4	115.6	123.8	135.1
Loans	35.1	33.8	35.2	7.6	17.0	11.9	8.4
Deferred Liability	1.9	-4.7	-5.7	-6.4	-6.8	-6.8	-6.8
Capital Employed	99.6	101.8	108.5	95.6	125.8	128.9	136.6
Gross Block	39.6	42.1	45.2	46.3	49.4	52.9	56.1
Less: Accum. Depn.	3.6	4.6	6.3	8.6	11.0	13.2	15.6
Net Fixed Assets	36.0	37.5	38.9	37.7	38.4	39.7	40.5
Capital WIP	0.8	0.5	0.6	0.6	1.2	1.2	1.2
Goodwill	47.2	49.2	53.4	51.3	53.8	53.8	53.8
Non Curr Investments	1.4	0.3	0.3	0.2	1.7	1.5	1.4
Current Investments	8.6	4.8	6.4	6.6	8.4	9.3	10.2
Currents Assets	44.7	43.8	43.5	39.6	50.5	56.4	66.3
Inventory	15.8	15.6	17.0	17.2	21.3	20.4	22.0
Account Receivables	12.5	12.9	11.6	10.0	11.2	12.2	13.7
Cash and Bank Balance	9.6	8.9	7.7	6.7	11.1	16.7	23.5
Loans and Advances	6.8	6.3	7.1	5.6	6.8	6.8	6.8
Other Current Assets	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Curr. Liab. & Prov.	39.0	34.4	34.6	40.5	28.2	32.9	36.7
Account Payables	23.5	25.4	24.8	21.6	21.6	26.0	29.1
Other Liabilities	15.3	8.7	9.3	18.3	6.4	6.7	7.4
Net Current Assets	5.6	9.4	8.9	-0.8	22.3	23.5	29.6
Net Assets	99.6	101.8	108.5	95.6	125.8	128.9	136.6

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2018	2019	2020	2021	2022	2023E	2024E
Basic (INR)							
EPS	14.1	14.6	14.2	17.3	17.5	16.0	23.0
Cash EPS	23.4	16.2	16.1	19.3	19.6	18.3	25.4
BV/Share	91.9	71.1	77.3	92.3	113.0	121.0	132.1
DPS	9.0	12.0	8.0	0.0	0.0	8.0	12.0
Payout (%)	64.0	82.3	56.5	0.0	0.0	49.9	52.1
Valuation (x)							
P/E	58.7	56.7	58.3	47.9	47.1	51.5	35.9
Cash P/E	35.3	50.9	51.3	42.9	42.2	45.3	32.5
EV/Sales	6.0	8.4	8.8	7.7	6.9	6.2	5.5
EV/EBITDA	28.4	40.1	40.7	35.4	35.5	34.4	25.8
P/BV	9.0	11.6	10.7	8.9	7.3	6.8	6.3
Dividend Yield	1.1	1.5	1.0	0.0	0.0	1.0	1.5
Return Ratios (%)							
RoE	24.9	22.0	19.1	20.4	17.1	13.7	18.2
RoCE (Post-tax)	16.2	16.6	15.4	18.3	17.0	14.5	18.5
RoIC	19.3	19.0	16.9	20.7	19.6	16.9	23.1
Working Capital Ratios							
Debtor (Days)	46	46	43	33	33	33	33
Asset Turnover (x)	2.7	2.7	2.5	2.9	3.1	3.3	3.6
Leverage Ratio							
Debt/Equity (x)	0.6	0.5	0.4	0.1	0.1	0.1	0.1

Cash Flow Statement

(INR b)

Y/E March	2018	2019	2020	2021	2022	2023E	2024E
OP/(Loss) before Tax	20.5	20.4	20.6	23.8	23.8	22.8	32.1
Net interest	0.9	1.4	1.4	0.9	0.5	0.7	0.0
Direct Taxes Paid	-4.1	-4.5	-3.6	-4.0	-4.5	-4.5	-6.4
(Inc)/Dec in WC	-0.2	0.0	-2.6	-0.5	-5.4	4.4	0.7
CF from Operations	17.2	17.3	15.9	20.3	14.5	23.5	26.3
Inc in FA	-3.1	-2.1	-1.5	-1.6	-2.8	-3.5	-3.3
Free Cash Flow	14.1	15.2	14.4	18.7	11.7	20.0	23.1
Pur of Investments	0.4	2.9	-2.6	-0.1	-5.5	-0.7	-0.8
Others	-0.2	1.6	0.0	-1.3	1.9	0.9	1.1
CF from Investments	-2.9	2.4	-4.2	-3.1	-6.4	-3.3	-2.9
Inc in Debt	0.0	0.0	-1.3	-16.2	-2.2	-5.1	-3.6
Dividend Paid	-6.1	-12.3	-8.2	0.0	0.0	-8.2	-12.3
Interest Paid	-1.6	-2.1	-1.5	-1.6	-1.1	-1.8	-1.3
Other Item	-6.1	-6.0	-2.0	-0.4	-0.5	0.5	0.6
CF from Fin. Activity	-13.8	-20.4	-13.0	-18.2	-3.8	-14.6	-16.6
Inc/Dec of Cash	0.5	-0.7	-1.2	-1.0	4.4	5.6	6.8
Add: Beginning Balance	9.1	9.6	8.9	7.7	6.7	11.1	16.7
Closing Balance	9.6	8.9	7.7	6.7	11.1	16.7	23.5

E: MOFSL Estimates

NOTES

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 be 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, Depository participant services & distribution of various financial products. 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://online.reports.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 Advisers 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 at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- 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.
- 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.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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, nor 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.: 022-3980 4263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-71881085.

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412. AMFI: ARN.: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products. Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.