

8 May 2025

Godrej Consumer Products

Volumes rebound; margin recovery likely in H2, retaining a Buy

With 6% volume growth (4% in India business) and 21.1% EBITDA margin (Street's estimate at 20.4%), Godrej Consumer posted broadly in-line Q4 results. The company's focus on developing categories/businesses and innovation drove launches with huge potential: a liquid detergent (Fab), RNF molecule-based anti-mosquito repellents and its entry into pet care. Management maintained its focus on volume-led growth and guided for 5-6% volume expansion in FY26, with double-digit EBITDA growth. The new guidance, however, was a tad underwhelming; we, thus, lower our FY26e/27e revenue by 5% each and EPS by 6%/7%. We retain a Buy, with a lower 12-mth TP of Rs1,430 (earlier Rs1,485), 52x FY27e EPS (50x FY27e EPS), due to the weaker FY26 guidance.

Consolidated revenue grew 6% y/y, led by 6% overall volume growth. Domestic revenue grew 8% (volumes up 4%), led by a 14% rise in home care (double-digit growth in HI volumes buoyed by a good season) and a 4% increase in personal care (mid-high single-digit decline in personal wash volumes). Indonesia revenue rose 5% (volumes up 6%); GUAM posted 23% organic growth. We forecast 9% revenue CAGR over FY25-27, aided by a 9% revenue CAGR domestically and 10% internationally.

Q4 EBITDA margin dipped 120bps y/y on inflation in palm oil prices. This was due to a 360bp contraction in the gross margin and other expenses rising by 30bps, though partly offset by a 230bp decline in employee spends. Management maintained its 24-27% EBITDA margin guidance over the medium term for the domestic business and guided for double-digit EBITDA growth in FY26. We build in a 130bp rise in the overall EBITDA margin to 22.2% in FY25-27, aided by price hikes in soaps, the recent softening in palm oil prices and improving margins in the international business.

Valuation. At the CMP, the stock trades at 53x/45x FY26e/27e EPS of Rs23.4/27.5. **Key risks:** Failed launches, pricey/unwarranted bolt-on acquisitions, geopolitical turbulence shrinking the international business.

Key financials (YE Mar)	FY23	FY24	FY25	FY26e	FY27e
Sales (Rs m)	133,160	140,961	143,664	156,229	171,383
Net profit (Rs m)	17,566	19,163	19,152	23,907	28,087
EPS (Rs)	17.2	18.7	18.7	23.4	27.5
P/E (x)	72.2	66.1	66.2	53.0	45.1
EV / EBITDA (x)	51.2	43.2	42.7	37.2	33.1
P / BV (x)	9.2	10.1	10.7	9.7	8.8
RoE (%)	12.7	15.2	16.1	18.4	19.6
RoCE (%)	14.3	14.4	14.0	16.7	18.5
Dividend yield (%)	-	0.4	2.0	1.0	1.2
Net debt / equity (x)	0.0	0.2	0.3	0.2	0.1

Source: Company, Anand Rathi Research

Anand Rathi Share and Stock Brokers Limited (hereinafter "ARSSBL") is a full-service brokerage and equities-research firm and the views expressed therein are solely of ARSSBL and not of the companies which have been covered in the Research Report. This report is intended for the sole use of the Recipient. Disclosures and analyst certifications are present in the Appendix.

Rating: **Buy**

Target Price (12-mth): Rs.1,430

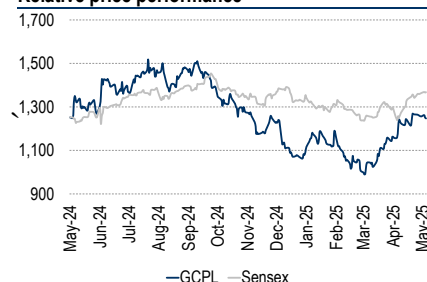
Share Price: Rs.1,240

Key data	GCPL IN / GOCP.BO
52-week high / low	Rs.1541 / 980
Sensex / Nifty	80335 / 24274
Market cap	Rs.1,275bn
Shares outstanding	1,023m

Shareholding pattern (%)	Mar'25	Dec'24	Sep'24
Promoters	53.1	53.0	63.0
- of which, Pledged	0.8	0.8	0.7
Free Float	46.9	47.0	37.0
- Foreign Institutions	19.5	20.7	22.0
- Domestic Institutions	12.2	11.0	9.6
- Public	15.2	15.3	5.4

Estimates revision (%)	FY26e	FY27e
Sales	-5.0	-5.5
EBITDA	-6.3	-8.0
PAT	-6.8	-7.5

Relative price performance



Source: Bloomberg

Ajay Thakur
Research Analyst

Quick Glance – Financials and Valuations

Fig 1 – Income statement (Rs m)

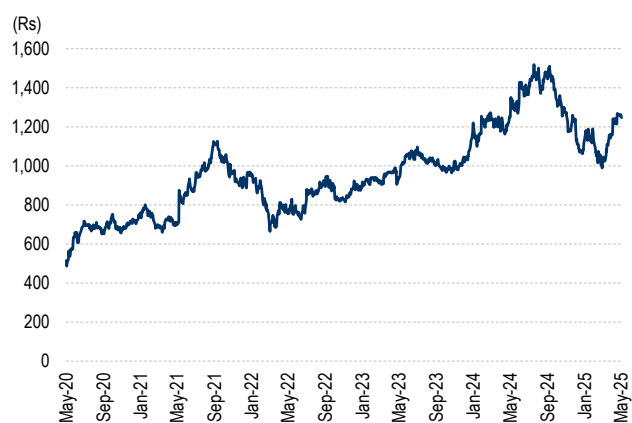
Year-end: Mar	FY23	FY24	FY25	FY26e	FY27e
Net revenues	133,160	140,961	143,664	156,229	171,383
Growth (%)	8	6	2	9	10
Direct costs	67,028	63,203	65,360	70,132	76,595
Gross profit	66,132	77,758	78,304	86,096	94,788
Gross margins %	49.7	55.2	54.5	55.1	55.3
Other expenses	41,700	48,191	48,313	51,921	56,703
EBITDA	24,432	29,567	29,991	34,175	38,085
EBITDA margins (%)	18.3	21.0	20.9	21.9	22.2
- Depreciation	2,363	2,410	2,339	2,440	2,519
Other income	1,684	2,690	3,199	3,500	4,000
Interest expenses	1,885	3,096	3,502	2,708	1,739
PBT	21,868	26,751	27,349	32,527	37,827
Effective tax rates (%)	19.7	28.4	30.0	26.5	25.8
+ Associates / (Minorities)	-	-	-	-	-
Net Income	17,566	19,163	19,152	23,907	28,087
WANS	1,022	1,022	1,022	1,022	1,022
FDEPS (Rs)	17.2	18.7	18.7	23.4	27.5

Fig 3 – Cash-flow statement (Rs m)

Year-end: Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	21,327	1,982	27,349	32,527	37,827
+ Non-cash items	-3,430	-27,016	-2,642	-1,648	-258
Operating profit before WC	24,758	28,998	29,991	34,175	38,085
- Incr. / (decr.) in WC	933	-4,559	2,213	613	-533
Others including taxes	4,185	3,739	8,196	8,620	9,740
Operating cash-flow	21,507	20,700	24,007	26,169	27,812
- Capex (tangible + intangible)	77	-2,766	-2,761	-3,400	-3,400
Free cash-flow	21,583	17,934	21,246	22,769	24,412
Acquisitions	-	-	-	-	-
- Div (incl. buyback & taxes)	-	5,114	25,570	12,274	14,831
+ Equity raised	0	0	-	-	-
+ Debt raised	-6,344	22,652	7,300	-10,000	-8,000
- Fin Investments	18,769	5,871	-	-	-
- Misc. Items (CFI + CFF)	491	28,209	1,176	-689	-2,154
Net cash-flow	-4,020	1,392	1,801	1,184	3,736

Source: Company, Anand Rathi Research

Fig 5 – Price movement



Source: Bloomberg

Fig 2 – Balance sheet (Rs m)

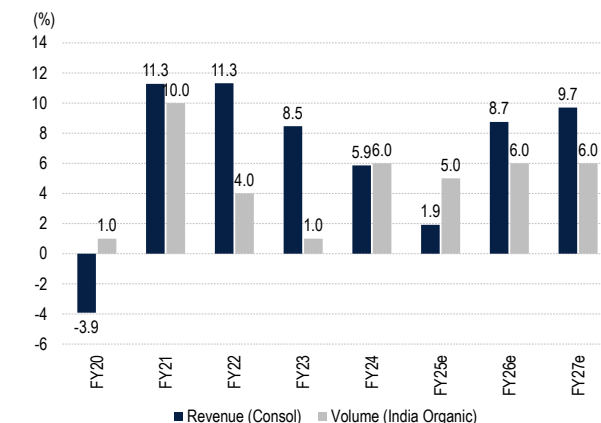
Year-end: Mar	FY23	FY24	FY25	FY26e	FY27e
Share capital	1,023	1,023	1,023	1,023	1,023
Net worth	137,942	125,986	118,695	130,226	143,375
Debt	10,340	31,546	38,846	28,846	20,846
Minority interest	-	-	-	-	-
TL / (Assets)	-6,412	-2,804	-2,804	-2,804	-2,804
Lease liabilities	-	-	-	-	-
Capital employed	141,870	154,729	154,738	156,268	161,418
Net tangible assets	15,341	14,464	15,125	16,184	17,165
Net intangible assets	25,773	39,569	39,569	39,569	39,569
Goodwill	58,223	50,264	50,264	50,264	50,264
CWIP (tang. & intang.)	454	939	700	600	500
Investments (strategic)	8,393	17,875	17,875	17,875	17,875
Investments (financial)	21,897	17,162	17,162	17,162	17,162
Current assets (excl. cash)	33,972	35,375	34,220	36,285	39,432
Cash	3,907	5,469	7,270	8,454	12,190
Current liabilities	26,091	26,389	27,446	30,125	32,739
Working capital	7,882	8,986	6,774	6,160	6,693
Capital deployed	141,870	154,729	154,738	156,268	161,418

Fig 4 – Ratio analysis

Year-end: Mar	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	72.2	66.1	66.2	53.0	45.1
EV / EBITDA (x)	51.2	43.2	42.7	37.2	33.1
EV / Sales (x)	9.4	9.1	8.9	8.1	7.3
P/B (x)	9.2	10.1	10.7	9.7	8.8
RoE (%)	12.7	15.2	16.1	18.4	19.6
RoCE (%) - after tax	14.3	14.4	14.0	16.7	18.5
RoIC (%) - after tax	17.2	17.2	16.5	19.8	22.4
DPS (Rs)	-	5.0	25.0	12.0	14.5
Dividend yield (%)	-	0.4	2.0	1.0	1.2
Dividend payout (%) - incl. DDT	-	26.7	133.4	51.3	52.8
Net debt / equity (x)	0.0	0.2	0.3	0.2	0.1
Receivables (days)	34.1	39.8	38.1	36.2	35.5
Inventory (days)	42.1	32.9	32.4	32.1	32.0
Payables (days)	50.0	43.4	48.1	49.1	48.9
CFO : PAT (%)	122.4	108.0	125.3	109.5	99.0

Source: Company, Anand Rathi Research

Fig 6 – Revenue-growth trend



Source: Company

Result highlights

Fig 7 – Quarterly results

(Rs m)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25
Volume growth (%)	-6	-5	3	11	11	11	8	12	2	7	0	6
Net sales	31,250	33,919	35,989	32,002	34,489	36,020	36,596	33,856	33,316	36,663	37,684	35,980
Y/Y	8.0	7.2	9.0	9.8	10.4	6.2	1.7	5.8	-3.4	1.8	3.0	6.3
Gross profit	14,558	16,238	18,408	16,928	18,534	19,771	20,454	18,999	18,608	20,381	20,402	18,890
Gross margins (%)	46.6	47.9	51.1	52.9	53.7	54.9	55.9	56.1	55.9	55.6	54.1	52.5
Staff expenses	2,597	2,593	2,917	3,008	3,140	3,356	2,761	3,237	2,796	3,106	2,961	2,625
Advertising spends	2,014	2,839	2,758	2,245	3,204	3,659	3,433	3,063	3,308	3,640	3,644	3,101
Other expenses	4,739	5,385	5,467	5,267	5,762	5,714	5,853	5,142	5,260	6,039	6,238	5,573
EBITDA	5,208	5,421	7,266	6,409	6,428	7,042	8,407	7,557	7,244	7,596	7,559	7,592
Y/Y	-13.2	-17.8	8.8	37.1	23.4	29.9	15.7	17.9	12.7	7.9	-10.1	0.5
EBITDA margins	16.7	16.0	20.2	20.0	18.6	19.5	23.0	22.3	21.7	20.7	20.1	21.1
PBT	4,562	4,804	6,726	5,777	5,617	6,319	7,903	6,912	6,643	7,124	6,874	6,708
Y/Y	-15.9	-20.8	10.1	42.8	23.1	31.5	17.5	19.6	18.3	12.7	-13.0	-3.0
Profit before expenses	3,470	3,815	5,538	4,743	4,006	4,453	5,880	4,824	4,710	4,971	5,041	4,433
Exceptionals and Minority.	(18)	(227)	(74)	(222)	(818)	(125)	(69)	(23,757)	(203)	(58)	(57)	(314)
Reported PAT	3,451	3,589	5,463	4,521	3,188	4,328	5,811	(18,932)	4,507	4,913	4,983	4,119
Y/Y	-16.6	-25.1	3.6	24.5	-7.6	20.6	6.4	-518.7	41.4	13.5	-14.2	-121.8

% to sales

Staff costs	8.3	7.6	8.1	9.4	9.1	9.3	7.5	9.6	8.4	8.5	7.9	7.3
Advertising spends	6.4	8.4	7.7	7.0	9.3	10.2	9.4	9.0	9.9	9.9	9.7	8.6
Other expenses	15.2	15.9	15.2	16.5	16.7	15.9	16.0	15.2	15.8	16.5	16.6	15.5

Region-wise revenue split

India

Sales	18,140	19,530	19,750	17,890	19,710	21,290	21,600	20,070	21,400	27,780	22,370	21,849
Y/Y (%)	12	8	11	12	9	9	9	12	9	7	4	6

Indonesia

Sales	3,760	4,080	4,330	4,340	4,500	4,730	4,660	4,980	4,650	5,130	5,080	5,043
Y/Y (%)	-9	-8	-3	8	20	16	8	15	3	9	9	9

Africa, US and Mid-East

Sales	7,790	8,570	10,060	7,700	8,470	8,160	9,220	5,930	5,430	6,430	7,710	6,903
Y/Y (%)	12	15	14	6	9	-5	-8	-23	-36	-21	-16	16

Others

Sales	1,510	1,720	1,810	2,030	1,780	1,810	990	2,870	1,910	2,460	2,620	2,572
Y/Y (%)	-5	-1	-8	-3	18	5	-45	41	7	36	165	-11

Source: Company

Key highlights from analyst meet

Q4 FY25 snapshot

- **Consolidated volumes grew 5% (6% organic)**, while sales rose 6% and EBITDA, 1%. PAT (before exceptional items) fell 8% y/y to Rs4.9bn.
- **The standalone business saw 4% volume increase**, led by double-digit growth in household insecticides (HI).
- Indonesia business delivered 5% volume and 9% EBITDA growth.
- GAUM (Africa, the US and the Middle East) saw strong recovery with 12% organic volume growth and 37% EBITDA growth.
- The company commissioned two factories in Chengalpattu (Tamil Nadu) and Malanpur (Madhya Pradesh).
- **It launched Godrej Ninja, a pet care brand, in Tamil Nadu.**

Management scorecard vs. FY25 targets

- Management delivered mid-single-digit volume growth vs. its guidance of high-single-digit volume growth in standalone and Indonesia business.
- It achieved improved profitability in the international business, with the EBITDA margin rising from ~10% in FY23 to 17% in FY25.
- However, it failed to deliver mid-teen EBITDA growth at the consolidated level.

India business

Household insecticides (HI)

- Early signs of recovery were seen; incense sticks led category growth.
- **Goodknight Agarbatti:** Achieved Rs1bn in sales in 15 months, 8% market share and a 50% share of agarbatti handlers.
- **Goodknight Electrics:** Double-digit volume growth in Q4, reflecting 200bps in electric MS share gain; volume growth for 9M FY25 was flat, with a flat share.
- The new **RNF molecule** was launched across portfolio—2x more effective.
- The aim is to premiumise HI post incense stick-led growth.
- HI segment is growing, led disproportionately by incense sticks. The segment has seen mid-single-digit in volumes, with incense sticks growing in strong double digits, while others were flat.
- Incense sticks' share is 25%. This market can grow to 30-40% peak and then premiumisation is expected to catch up.
- The company launched RNF with 2x effectiveness, with 50% share of handlers. Currently, it has 8% share in incense sticks. Incense sticks grew too strongly, which calibrated in Q4 and hence, good growth was seen in HI.

Home & personal care

- Body wash underperforming: **Cinthol foam body wash** yet to scale up.
- Hair colours' penetration is up 6x over 2015 and 2x in the last three years. Hair colour segment is doubling penetration, with **mini crème** innovation and expects growth to continue with innovation and premiumisation.

Air care

- Blockbuster innovations, strong media push and consistent growth.
- **Aer Pocket** is available in 50+ countries and enjoys 35% market share in India.
- Aer Mini Power Pocket and Plug-in piloted in south India.

Deodorants and fragrances

- **KS Spark, Bloq and Amazon Woods** were launched to improve GTM relevance.
- **Park Avenue EDP gift packs** and market expansion in premium fragrances. Deodorants category is underpenetrated; opportunity seen to scale up in anti-perspirants. The company launched Anti-Perspirants Bloq, which is expected to drive growth.
- Sexual wellness has grown in double digits, while fragrances rose 3x; deos were impacted by GTM issues. KS Spark mini was launched with lower trade margins, reducing MRP to Rs99 (vs. Rs230 earlier for the main brand).

Liquid detergents and soaps

- **Godrej Fab** is seeing explosive growth; needs margin improvement.
- Liquid detergents grew at a 35% CAGR over the last two years. ARR: Rs250cr.
- Soap volumes to grow modestly (2–3%); focus is on value over volumes. Soaps – 5% CAGR over two years, while body wash saw a 30–35% CAGR; the company is behind on the soaps-to-bodywash curve.

Pet care

- Launched **Godrej Ninja** in Tamil Nadu; focus is on nutrition & affordability.
- India's Rs5,000cr pet food market is underpenetrated; the company plans to go national in FY26.

Growth strategy

- **Simplification – Four levers include – (a)** Fewer SKUs (20% cut), (b) fewer people, (c) exit from loss-making ops (e.g., Kenya) and (d) simpler processes, e.g. GUAM margins up from ~9% to 15% in FY25, now driven by a simpler process.
- Value shift to consumers: Aer spray reduced trade margins and brought down the retail price to Rs99, which helped growth.
- **Inventory days reduced** from 42 in FY22 to 29 in FY25.
- Rural distribution expansion: Under Project VISTAAR, **the distribution network scaled up from 35,000 to 80,000 villages**, with

reach increasing to 6,20,000 rural outlets (vs. 3,50,000 earlier). The project entailed a 100bp EBITDA margin impact.

- Media strategy overhaul: Improved efficiency, new agency onboarded; expects **150bp savings in ad spends**.

International business update

Indonesia

- FY18-23 GDP growth was 3-4%, but GCPL's UVG was just 1%. Over FY23-25, GDP growth was 4-5% but the company's UVG rose to 9%.
- This was driven by strengthening of the product portfolio, brand investments (a 200bp rise), and distribution scale-up & rejig (scale rising 1.2x).
- The three successful bets were – HI electric (2.5x), Nyu Shampoos hair colour (3x) and Air fresheners – pocket (1.5x).

GAUM and the RoW

- UVG just 4% and the EBITDA margin at ~8%.
- Profitability reset for GUAM. The EBITDA margin rose to 17% in FY25, from 9% in FY23. For LATAM, the EBITDA margin rose to ~8% in FY25, from 4% in FY23.
- Chile's hair colour factory shifted to India, which will aid the EBITDA margin by 12%.
- GUAM's overhead fell 250bps, making the organization more agile.
- The company saw three quarters' correction in GUAM volumes; Q4 is now up at 12% (after -21% in Q1, -8% in Q2 and -6% in Q3). The issue has been structurally addressed.
- The company continues to scale up its hero products in hair fashion in Africa.
- The strategy ahead entails maintaining leadership in hair fashion through profitable growth; FMCG – scaling up global blockbuster products, optimizing manufacturing footprint.

Category development case studies

- **HI electric's** salience is lower in Indonesia and Bangladesh (vs. India), owing to higher relative pricing to India. The company lowered prices of electric in both markets and introduced a marketing campaign to drive growth, with reasonable margins.
- **Air care in India:** Two-year UVG CAGR ~20%, a 250bp penetration delta, 700bp share gain.
- **Shampoo hair colour:** 5-minute colour format scaled up globally; 200bp market-share gain in India and 450bps in Argentina.

Other highlights

- Raymond Consumer's acquisition – mixed performance so far. ATL up from Rs35cr to Rs100cr. Still, EBITDA grew from Rs50cr in FY23 to Rs100cr in FY25 (still lower than Rs40cr vs. the company's target).
- Dividend payout at Rs2,500cr in FY25. The dividend policy will include a 50% payout ratio (plus or minus 20%).
- The company hiked soap prices 20 days back.

- Also, it raised prices of incense sticks from Rs10 to Rs15 (for a pack of Rs10) without impacting portfolio growth. Currently, it is making about 20% gross margin in the incense stick portfolio. So, higher growth of incense sticks can dilute gross margin of the HI portfolio.
- Major volume uptick in Q4 in HI was contributed by electric and not from the incense stick segment.
- ETR is to fall to 26% in FY26, from 30% in FY25 for the standalone entity.
- Currently, the company's ATL spend is 12% in India. It is looking at maintaining the same and can take it up, if it sees some good opportunity.
- Indonesia saw a strong and disruptive competitor's entry in air freshener. The company remains focused on maintaining profitable growth in the segment.
- The slower consumption growth was owing to most of the consumption being driven by income growth happening at the top end (by USD10,000 per-capita income consumers), where growth starts stagnating, and the lower-end of consumers didn't see much of income growth.
- Soaps constitute 70-75% of the personal care portfolio.
- Drawing a seasonality index on temperature and mosquito infestation will help in better demand generation in HI segment in advance (about 20-30 days in advance). This helps in better selling and market-share gains.

Financial highlights and guidance

- FY25: Consolidated EBITDA margin improved from 18% to 21%; strong cash flow and a reset in international profitability.
- Normative EBITDA for the standalone business will be 24-27% and current margins are lower than that; the aim is to get margins back to that band. Priority is to get volumes.
- FY26 guidance:
 - **Standalone volume growth:** Mid-high single digit.
 - **Consolidated revenue growth:** High single digit.
 - **Consolidated EBITDA growth:** Double digit.
 - PAT to grow faster than EBITDA due to the **400bp ETR drop** (shift to the new tax regime).
- For FY26, the company is more optimistic about India business and less regarding Indonesia.
- Capex: Rs700cr over 18–24 months for organic manufacturing.

Forward-looking growth engines

- HI expected to reach 10% volume growth in the medium term.
- Volume growth: Soaps will grow at 2%; HI will ramp up at 6-7% and others will do the remaining 15%.
- 5.5-6% volume growth is realistic for the whole year.

- Emerging categories: Air freshener (15-20% growth), liquid detergents, deodorants, pet care, and sexual wellness.
- Cost efficiency in media – the changed media agency will aid 150bp savings in A&SP (Group M).
- Cost efficiency in the supply chain – procurement and conversion savings are expected. H1 will be tough for margins if palm oil prices remain high; H2 to be better.
- **Quick commerce** and **rural GT** are emerging as high-margin channels.

Valuation

The company's focus on developing categories/businesses and innovation drove launches with huge potential: a liquid detergent (Fab), RNF molecule-based anti-mosquito repellents and its entry into pet care. Management maintained its focus on volume-led growth and guided for 5-6% volume growth in FY26, with double-digit EBITDA growth. However, the new guidance was slightly underwhelming; as a result, we lower our FY26e/27e revenue by 5% each and EPS by 6%/7%.

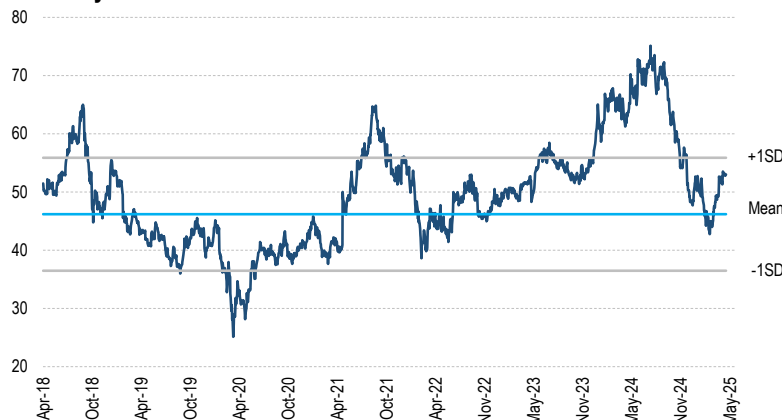
We, however, remain optimistic about the long term, given the company's (a) rural distribution initiatives, (b) innovation-led growth, (c) efforts to simplify its international business and (d) better mix, driving improved margins. We retain a Buy with a lower 12-mth TP of Rs1,430 (earlier Rs1,485), 52x FY27e EPS (50x FY27e EPS), owing to the weaker guidance for FY26. At the CMP, the stock trades at 53x/45x FY26e/27e EPS of Rs23.4/27.5.

Fig 8 – Change in estimates

(Rs m)	Old		Revised		Change (%)	
	FY26e	FY27e	FY26e	FY27e	FY26	FY27
Sales	164,413	181,348	156,229	171,383	-5.0	-5.5
EBITDA	36,455	41,379	34,175	38,085	-6.3	-8.0
PAT	25,659	30,354	23,907	28,087	-6.8	-7.5

Source: Anand Rath Research

Fig 9 – One-year-forward PE



Source: Bloomberg, Anand Rath Research

Key risks

- Failure of brand launches.
- Sharp rise in key input prices.
- Price-based competition in key products.
- Adverse geopolitical events hurting overseas business.

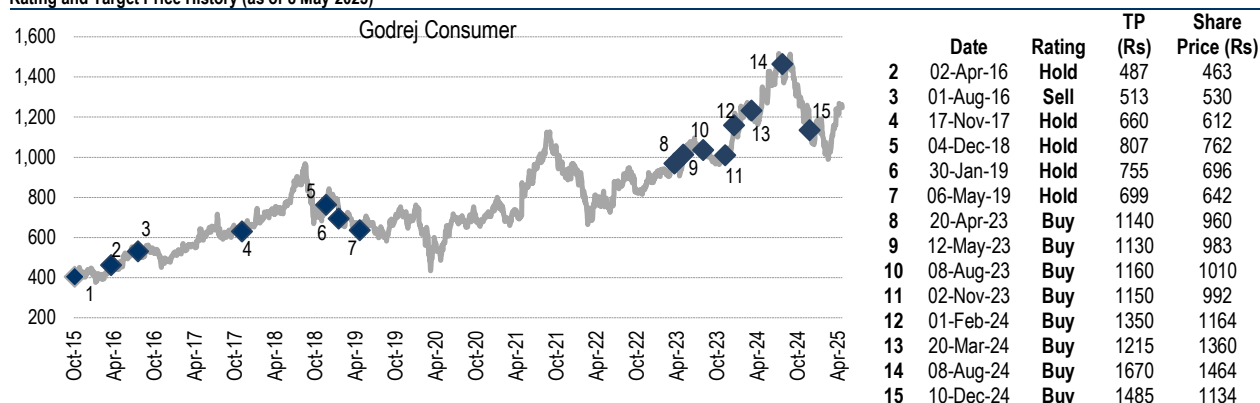
Appendix

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Important Disclosures on subject companies

Rating and Target Price History (as of 8 May 2025)



Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid Caps & Small Caps as described in the Ratings Table below:

Ratings Guide (12 months)

	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0-15%	<0%
Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity, SEBI Regn No. INH000000834, Date of Regn. 29/06/2015, BSE Enlistment Number – 5048 date of Regn 25 July 2024) is a subsidiary of the Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd. (NSEIL), Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX), and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. (CDSL), ARSSBL is engaged into the business of Stock Broking, Depository Participant, Mutual Fund distributor.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

General Disclaimer: This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment/trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable. ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may; (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/ securities of company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. www.rathionline.com

Disclaimers in respect of jurisdiction: This report is not directed to, 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 or regulation or which would subject ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates

Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report

Research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest.	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company	No
ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report	No
ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	No
ARSSBL/its Associates/ Research Analyst/ his Relative has been engaged in market making activity for the subject company.	No

NOTICE TO US INVESTORS:

This research report is the product of Anand Rathi Share and Stock Brokers Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated person(s) of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances, and trading securities held by a research analyst account.

Research reports are intended for distribution only to Major U.S. Institutional Investors as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act of 1934 (the Exchange Act) and interpretations thereof by the U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this research report is not a Major U.S. Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated, and/or transmitted onward to any U.S. person which is not a Major U.S. Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major U.S. Institutional Investors, Anand Rathi Share and Stock Brokers Limited has entered into a Strategic Partnership and chaperoning agreement with a U.S. registered broker-dealer: Banc Trust Securities USA. Transactions in securities discussed in this research report should be affected through Banc Trust Securities USA.

1. ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.
2. ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
4. However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.
5. As of the publication of this report, ARSSBL does not make a market in the subject securities.
6. ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.

© 2025. This report is strictly confidential and is being furnished to you solely for your information. All material presented in this report, unless specifically indicated otherwise, is under copyright to ARSSBL. None of the material, its content, or any copy of such material or content, may be altered in any way, transmitted, copied or reproduced (in whole or in part) or redistributed in any form to any other party, without the prior express written permission of ARSSBL. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of ARSSBL or its affiliates, unless specifically mentioned otherwise.

As of the publication of this report, ARSSBL does not make a market in the subject securities.

Registration granted by SEBI, Enlistment as RA and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Additional information on recommended securities/instruments is available on request.

Compliance officer: Deepak Kedia, email id: deepakkedia@rathi.com, Contact no. +91 22 6281 7000
Grievance officer: Madhu Jain, email id: grievance@rathi.com, Contact no. +91 22 6281 7191

ARSSBL registered address: Express Zone, A Wing, 10th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.
Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.