

Numbers miss despite decent growth in power brands...

About the stock: Abbott India is one of the fastest growing listed MNC pharma companies. It has outperformed the industry on a consistent basis in women's health, GI, metabolic, pain, CNS among others.

- Some top brands- Thyronorm, Udiliv, Duphalac, Duphaston, Cremafin Plus and Veritn have been the growth drivers besides new launches
- Abbott has 140+ brands in segments of women's health, gastroenterology, metabolics, CNS, multi-specialty, vaccines & consumer health

Q4FY23 Results: Numbers were below estimates across all fronts.

- Revenues increased 7% YoY to ₹ 1343 crore
- EBITDA de-grew 4.7% YoY to ₹ 280 crore while EBITDA margins declined 256 bps to 20.9%
- PAT increased 9.5 % YoY to ~₹ 231 crore

What should investors do? Abbott's share price has grown at 7.9% CAGR over the past three years.

- We maintain **HOLD** rating as valuations at current levels largely factor in power brands growth momentum and growing traction for the new brands

Target Price and Valuation: Valued at ₹ 20875 i.e. 36x FY25E EPS of ₹ 564.3.

Key triggers for future price performance:

- Focus on new launches, which is consistent (+100 launches and line extensions in the last 10 years). Target for the next five year- ~75 launches
- Performances of legacy Novo Nordisk and Abbott Healthcare products for which the company has a marketing tie-up
- The company is looking for generic opportunities in India for products losing patent exclusivity in India over the next five years
- Focus on marketing and patient awareness programmes especially in tier II-VI cities

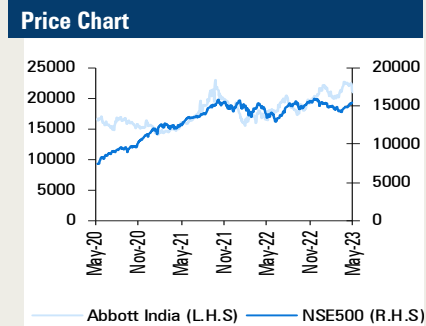
Alternate Stock Idea: Besides Abbott, in our healthcare coverage we like P&G Health.

- P&G Health is a leading pharma cum OTC company with key focus on vitamins, minerals, supplement (VMS). Its recent earnings reflect sustained efforts to regain momentum via improved mix and productivity initiatives
- BUY with a target price of ₹ 5620



Particulars	
Particular	Amount
Market Capitalisation	₹ 38806 crore
Debt (FY23)	₹ 0 crore
Cash (FY23)	₹ 1937 crore
EV	₹ 36868 crore
52 week H/L	23143/17325
Equity capital	₹ 21.3 crore
Face value	₹ 10

Shareholding pattern				
(in %)	Jun-22	Sep-22	Dec-22	Mar-23
Promoter	75.0	75.0	75.0	75.0
Others	25.0	25.0	25.0	25.0



- Recent Event & Key risks**
- Ten new launches in FY22
 - Key Risk:** (i) Better traction for legacy brands (ii) Higher than expected competition

Research Analyst

Siddhant Khandekar
siddhant.khandekar@icicisecurities.com

Kushal Shah
Kushal.shah@icicisecurities.com

Utkarsh Jain
utkarsh.jain@icicisecurities.com

Key Financial Summary

Key Financials (₹ Crore)	FY20	FY21	FY22	FY23	5 year CAGR (FY17-22)	FY24E	FY25E	2 year CAGR (FY23-25E)
Revenues	4093.1	4310.0	4919.3	5349.1	11.1	5991.0	6709.9	7.8
EBITDA	756.4	921.5	1087.7	1206.0	22.3	1408.9	1578.0	9.4
EBITDA margins (%)	18.5	21.4	22.1	22.5		23.5	23.5	
Net Profit	592.9	690.7	798.7	949.4	23.6	1053.6	1185.1	7.7
EPS (₹)	282.3	328.9	380.3	452.1		501.7	564.3	
PE (x)	73.9	63.5	54.9	46.2		41.6	0.0	
RoCE (%)	30.7	33.8	36.6	38.7		34.1	0.0	
ROE	24.4	26.5	28.3	29.8		26.1	0.0	

Source: Company, ICICI Direct Research

Key takeaways of recent quarter & conference call highlights

Q4FY23 Results: miss on all fronts, but power brands continue to deliver

- Revenues increased 7% YoY to ₹ 1343.1 crore. EBITDA was impacted by 4.7% YoY to ₹ 280.1 crore whereas EBITDA margins declined 256 bps to 20.9%. While the GPM was in line, higher than anticipated other expenses during the quarter largely led to such decline. PAT increased 9.5% YoY to ~₹ 231 crore
- Abbott's number deviated slightly from our estimates. As per IQVIA March 2023 data power brands like Thyronorm (Hormones), Duphalac (GI), Udiliv (GI) and Duphaston (Gynaecology) grew 29%, 19%, 28% and 16% in Q4FY23. On the other hand legacy brands Vertin (CNS) and Cremaffin Plus (GI) delivered low single digit growth YoY during the quarter
- Notwithstanding quarterly gyrations, the company remains in good stead driven by strong and sustainable business model backed by stable growth, debt-free b/s, favourable market dynamics with doctor prescription stickiness and lower perceived risk factors. We continue to believe in Abbott's strong growth track in power brands and capability of new launches on a fairly consistent basis

ESG Disclosure Score*

Score	FY20	FY21	FY22
Environmental	26.1	26.7	20.8
Social	28.5	31.1	21.8
Governance	84.9	84.9	84.9
Overall ESG Score	46.5	47.6	42.6

*Source: Bloomberg, ICICI Direct Research, *Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures*

Exhibit 1: Variance Analysis

	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	Comments
Revenue	1,343.1	1,255.0	7.0	1,322.2	1.6	Revenues were mainly driven by power brands such as thyronorm, duphaston, duphalac, udiliv, vertin, cremaffin plus
Raw Material Expenses	760.1	676.0	12.4	744.9	2.0	
Employee Expenses	126.7	135.5	-6.5	135.2	-6.3	
Other Expenditure	176.2	149.7	17.7	129.9	35.7	
Total Operating Expenditure	1,063.0	961.2	10.6	1,010.0	5.2	
EBITDA	280.1	293.8	-4.7	312.2	-10.3	
EBITDA (%)	20.9	23.4	-256 bps	23.6	-276 bps	
Interest	4.0	5.1	-22.0	3.8	5.8	
Depreciation	17.3	17.4	-0.5	17.8	-2.6	
Other income	49.6	21.1	135.8	44.2	12.2	
PBT before EO	308.4	292.3	5.5	334.8	-7.9	
Less: Exceptional Items	0.0	0.0	0.0	0.0	0.0	
PBT	308.4	292.3	5.5	334.8	-7.9	
Tax	77.0	80.9	-4.8	88.0	-12.5	
MI & Share of loss/ (gain) asso.	0.0	0.0	0.0	0.0	0.0	
Adj. Net Profit	231.4	211.4	9.5	246.8	-6.2	

Key Metrics					
Common size					
RM cost	56.6	53.9	273 bps	56.3	26 bps
Gross Profit	43.4	46.1	-273 bps	43.7	-26 bps
Employee Expenses	9.4	10.8	-136 bps	10.2	-79 bps
Other Expenditure	13.1	11.9	119 bps	9.8	330 bps
Tax rate	25.0	27.7	-271 bps	26.3	-132 bps

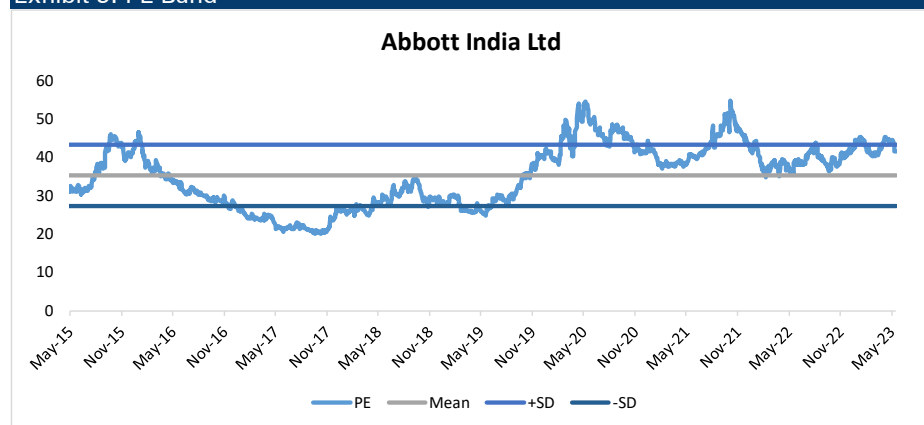
Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY23			FY24E			FY25E			Comments
	Old	New	Change	Old	New	Change	Old	New	Change	
Revenue	5,441.1	5,349.1	-1.7	6,094.0	5,991.0	-1.7	6,104.0	6,104.0	0.0	
EBITDA	1,273.7	1,206.0	-5.3	1,465.9	1,408.9	-3.9	1,501.8	1,501.8	0.0	
EBITDA Margin (%)	23.4	22.5	-86 bps	24.1	23.5	-54 bps	24.6	24.6	0 bps	
PAT	974.0	949.4	-2.5	1,096.2	1,053.6	-3.9	1,123.1	1,123.1	0.0	
EPS (₹)	463.8	452.1	-2.5	522.0	501.7	-3.9	528.6	528.6	0.0	

Source: ICICI Direct Research

Exhibit 3: PE Band



Source: ICICI Direct Research

Exhibit 4: Power Brands

Brand	Therapy	Mar-20	Mar-21	Mar-22	Mar-23	CAGR 20-23	YoY
THYRONORM	HORMONES	399.2	423.6	463.3	564.7	12.3%	21.9%
UDILV	GASTRO INTESTINAL	274.2	301.6	386.0	461.1	18.9%	19.4%
DUPHASTON	GYNAECOLOGICAL	381.5	326.6	330.4	378.3	-0.3%	14.5%
DUPHALAC	GASTRO INTESTINAL	175.0	201.0	229.5	289.5	18.3%	26.1%
VERTIN	NEURO / CNS	193.1	229.3	256.4	278.4	13.0%	8.6%
CREMAFFIN PLUS	GASTRO INTESTINAL	132.6	169.3	208.0	233.4	20.7%	12.2%
Top 5 brands		1422.9	1482.1	1665.7	1972.0	11.5%	18.4%
% of IQVIA sales		14.9%	15.0%	14.8%	15.9%		

Source: IQVIA, ICICI Direct Research

Exhibit 5: Therapeutic break-up

Therapy	Mar-20	Mar-21	Mar-22	Mar-23	CAGR 20-23	YoY
ANTI DIABETIC	2427.4	2480.5	2663.6	2957.6	6.8%	11.0%
GASTRO INTESTINAL	1241.6	1391.9	1603.1	1805.2	13.3%	12.6%
ANTI-INFECTIVES	708.6	652.8	970.1	1117.1	16.4%	15.1%
VITAMINS/MINERALS/NUTRIENTS	776.4	961.4	1114.7	1063.2	11.0%	-4.6%
NEURO / CNS	774.3	827.3	869.5	941.8	6.7%	8.3%
HORMONES	570.3	602.7	650.6	805.0	12.2%	23.7%
CARDIAC	557.9	644.5	705.7	788.8	12.2%	11.8%
GYNAEC.	500.8	438.4	467.4	538.1	2.4%	15.1%
HEPATOPROTECTIVES	293.4	317.4	403.2	477.9	17.7%	18.5%
Top 5 Therapies	5928.1	6314.0	7221.2	7884.9	10.0%	9.2%
Total IQVIA Sales	9554.7	9860.0	11255.9	12399.0	9.1%	10.2%

Source: IQVIA, ICICI Direct Research

Financial Summary

Exhibit 6: Profit and loss statement				
	₹ crore			
Year-end March	FY22	FY23	FY24E	FY25E
Total Operating Income	4,919.3	5,349.1	5,991.0	6,709.9
Growth (%)	14.1	8.7	12.0	12.0
Raw Material Expenses	2,657.2	2,975.1	3,100.2	3,472.2
Gross Profit	2,262.1	2,374.1	2,890.8	3,237.7
Gross Profit Margins (%)	46.0	44.4	48.3	48.3
Employee Expenses	579.5	563.6	631.2	707.0
Other Expenditure	594.9	604.5	850.7	952.8
Total Operating Expenditure	3,831.6	4,143.1	4,582.1	5,132.0
EBITDA	1,087.7	1,206.0	1,408.9	1,578.0
Growth (%)	18.0	10.9	16.8	12.0
Interest	19.1	16.0	16.0	16.0
Depreciation	66.1	70.0	74.1	78.3
Other Income	77.2	153.8	89.9	100.6
PBT before Exceptional lte	1,079.7	1,273.8	1,408.6	1,584.3
Less: Exceptional Items	0.0	0.0	0.0	0.0
PBT after Exceptional Items	1,079.7	1,273.8	1,408.6	1,584.3
Total Tax	281.0	324.4	355.0	399.2
PAT before MI	798.7	949.4	1,053.6	1,185.1
PAT	798.7	949.4	1,053.6	1,185.1
Growth (%)	15.6	18.9	11.0	12.5
EPS (Adjusted)	380.3	452.1	501.7	564.3

Source: Company, ICICI Direct Research

Exhibit 7: Cash flow statement				
	₹ crore			
Year-end March	FY22	FY23	FY24E	FY25E
Profit/(Loss) after taxation	790.7	933.0	1,053.6	1,185.1
Add: Depreciation & Amortization	66.1	70.0	74.1	78.3
Net Increase in Current Assets	-19.0	27.0	-199.8	-151.9
Net Increase in Current Liabilities	147.9	-4.1	177.1	159.1
Others	-38.1	-132.7	138.8	241.5
CF from Operating activities:	947.7	893.2	1,243.9	1,512.1
(Purchase)/Sale of Fixed Assets	-43.8	-33.6	-30.0	-30.0
Investments	-421.0	-216.3	0.0	0.0
Others	69.0	102.2	-126.4	-137.7
CF from Investing activities	-395.8	-147.7	-156.4	-167.7
(inc)/Dec in Loan	0.0	0.0	0.0	0.0
Dividend & Dividend tax	-584.4	-584.4	-682.5	-430.5
Other	-53.0	-54.4	-16.0	0.0
CF from Financing activities	-637.4	-638.7	-698.5	-446.5
Net Cash Flow	-85.6	106.8	389.0	897.9
Cash and Cash Equivalent	2,270.5	2,185.0	2,291.7	2,680.7
Cash	2,185.0	2,291.7	2,680.7	3,578.6
Free Cash Flow	903.8	859.6	1,213.9	1,482.1

Source: Company, ICICI Direct Research

Exhibit 8: Balance Sheet				
	₹ crore			
Year-end March	FY22	FY23	FY24E	FY25E
Equity Capital	21.3	21.3	21.3	21.3
Reserve and Surplus	2,798.5	3,167.3	4,015.9	4,996.0
Total Shareholders funds	2,819.8	3,188.5	4,037.2	5,017.2
Total Debt	0.0	0.0	0.0	0.0
Deferred Tax Liability	0.0	0.0	0.0	0.0
Long-Term Provisions	92.4	93.5	102.8	113.1
Lease Liability	108.7	67.5	60.7	54.7
Source of Funds	3,020.9	3,349.5	4,200.7	5,185.0
Gross Block - Fixed Assets	467.5	503.4	533.4	563.4
Accumulated Depreciation	196.5	266.5	340.6	419.0
Net Block	271.0	236.9	192.8	144.5
Capital WIP	0.7	3.7	3.7	3.7
Fixed Assets	271.7	240.6	196.4	148.1
Investments	0.0	0.0	0.0	0.0
Other Non Current Assets	99.4	1,289.8	1,418.8	1,560.7
Inventory	687.8	648.9	802.5	898.8
Debtors	288.2	317.0	350.9	393.1
Loans and Advances	0.0	0.0	0.0	0.0
Other Current Assets	127.8	122.3	134.5	147.9
Cash	2,749.2	1,937.1	2,680.7	3,578.6
Total Current Assets	3,853.0	3,025.1	3,968.6	5,018.4
Creditors	889.5	892.0	1,037.7	1,162.3
Provisions	127.9	126.2	138.8	152.7
Other Current Liabilities	185.9	187.8	206.6	227.3
Total Current Liabilities	1,203.2	1,206.0	1,383.2	1,542.2
Net Current Assets	2,649.9	1,819.1	2,585.5	3,476.2
Application of Funds	3,020.9	3,349.5	4,200.7	5,185.0

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios				
Year-end March	FY22	FY23	FY24E	FY25E
Per share data (₹)				
Reported EPS	380.3	452.1	501.7	564.3
Cash EPS	136.8	160.4	332.0	396.6
BV per share	1,342.8	1,518.4	1,922.5	2,389.2
Cash per Share	1,309.2	922.4	1,276.5	1,704.1
Dividend per share	275.0	325.0	205.0	205.0
Operating Ratios (%)				
Gross Profit Margins	46.0	44.4	48.3	48.3
EBITDA margins	22.1	22.5	23.5	23.5
PAT Margins	16.2	17.7	17.6	17.7
Cash Conversion Cycle	-6.3	-8.2	-6.3	-51.0
Asset Turnover	10.5	10.6	11.2	11.9
EBITDA conversion Rate	87.1	74.1	88.3	95.8
Return Ratios (%)				
RoE	28.3	29.8	26.1	23.6
RoCE	36.6	38.7	34.1	31.0
RoIC	402.1	81.6	89.1	94.8
Valuation Ratios (x)				
P/E	54.9	46.2	41.6	37.0
EV / EBITDA	37.8	34.7	29.2	25.5
EV / Net Sales	8.4	7.8	6.9	6.0
Market Cap / Sales	8.9	8.2	7.3	6.5
Price to Book Value	15.5	13.7	10.9	8.7
Solvency Ratios				
Debt / EBITDA	0.0	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	0.9	0.9	0.9	0.1
Quick Ratio				
Inventory days	94.5	79.6	94.5	94.5
Debtor days	21.4	21.6	21.4	21.4
Creditor days	122.2	109.4	122.2	166.9

Source: Company, ICICI Direct Research

Exhibit 10: ICICI Direct Healthcare Coverage Universe

Company	I-Direct Code	CMP (₹)	TP (₹)	Rating	M Cap (₹ cr)	EPS (₹)				EV/EBITDA(x)				RoCE (%)				RoE (%)			
						FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E
Hospitals																					
Apollo Hospitals	APOHOS	4440	5,460	Buy	63936	59.1	60.5	80.2	126.8	30.2	31.6	25.8	18.8	15.1	14.1	16.6	21.8	15.1	13.8	16.0	21.1
Narayana Hrudalaya	NARHRU	773	870	Buy	15769	16.7	27.9	29.0	27.4	23.1	16.7	14.0	13.7	20.5	23.6	21.2	17.1	23.0	27.9	22.7	17.8
Shalby	SHALIM	139	170	Buy	1500	5.4	6.3	8.2	10.3	12.8	10.9	8.1	6.7	8.4	9.9	11.8	13.9	6.7	7.4	8.9	10.2
Aster DM	ASTDM	256	280	Buy	12775	10.5	8.6	18.1	23.6	10.1	9.3	6.2	4.7	9.0	8.7	13.6	15.4	13.3	9.8	17.1	18.2
Healthcare Global	HEAGLO	312	385	Buy	4333	3.9	2.3	6.1	8.5	19.8	15.2	11.9	10.2	5.0	8.8	12.8	14.8	5.0	3.6	8.5	10.7
Rainbow Children's Medicare	RAICHI	889	900	Hold	9067	13.6	20.8	19.2	20.2	30.3	26.4	24.6	20.9	20.2	17.8	14.5	16.5	22.9	19.9	15.5	14.0
Company	I-Direct Code	CMP (₹)	TP (₹)	Rating	M Cap (₹ cr)	EPS (₹)				P/E(x)				RoCE (%)				RoE (%)			
						FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E
MNC Pharma																					
Abbott India	ABBIND	20875	20,315	Hold	43838	380.3	452.1	501.7	564.3	54.9	46.2	41.6	37.0	36.6	38.7	34.1	31.0	28.3	29.8	26.1	23.6
P&G Health	MERLIM	5003	5,620	Buy	8505	113.2	152.2	144.4	165.2	44.2	32.9	34.6	30.3	39.8	43.7	34.5	33.6	31.2	33.2	26.5	25.7
Sanofi India	SANOFI	6300	6,270	Hold	14491	410.6	269.8	251.4	272.7	15.3	23.3	25.1	23.1	33.3	55.1	49.6	45.0	25.9	41.2	36.9	33.3
Pfizer	PFIZER	3825	3,830	Hold	17593	133.2	135.6	135.7	147.2	28.7	28.2	28.2	26.0	26.1	24.8	22.7	21.6	21.4	18.4	17.1	16.3
Pharma																					
Ajanta Pharma	AJAPHA	1295	1,520	Buy	16576	55.7	46.5	59.9	69.2	23.3	27.8	21.6	18.7	27.0	21.3	23.5	23.3	21.8	17.4	19.2	18.9
Alembic Pharma	ALEMPHA	551	530	Hold	10855	27.7	17.4	14.1	22.1	19.9	31.7	39.1	25.0	10.6	8.6	8.0	11.6	10.4	7.8	6.2	9.1
Aurobindo Pharma	AURPHA	589	525	Hold	34524	47.4	34.8	46.2	52.4	12.4	16.9	12.8	11.2	12.9	10.2	12.6	13.1	11.3	7.7	9.3	9.6
Biocin	BIOCON	242	230	Hold	29034	6.3	4.9	3.1	3.1	38.1	48.9	76.8	76.8	7.5	3.3	5.1	6.2	8.1	2.7	6.2	8.3
Zydus Lifesciences	CADHEA	495	600	Buy	50657	21.0	21.6	25.3	33.3	23.6	22.9	19.5	14.9	12.0	14.2	14.8	14.9	12.6	12.6	13.1	14.8
Cipla	CIPLA	917	1,090	Buy	74002	32.9	36.4	42.7	48.2	27.9	25.2	21.5	19.0	16.7	17.4	17.8	18.2	12.7	12.5	13.2	13.4
Dr Reddy's Lab	DRREDD	4392	5,520	Buy	72906	127.2	269.3	230.2	256.5	34.5	16.3	19.1	17.1	12.5	23.9	18.8	21.1	11.0	19.2	14.4	14.2
Glenmark	GLEPHA	626	440	Hold	17653	42.7	33.3	47.4	54.8	14.7	18.8	13.2	11.4	14.8	14.9	15.7	16.4	13.2	9.4	11.9	12.2
Ipca Lab	IPCLAB	675	885	Hold	17145	34.8	20.8	31.4	37.0	19.4	32.4	21.5	18.3	17.4	12.1	15.7	16.5	16.1	8.9	12.1	12.7
Lupin	LUPIN	772	725	Hold	35144	11.9	8.3	25.6	33.0	65.0	92.9	30.1	23.4	3.4	5.7	11.0	13.0	4.4	3.0	8.6	10.2
Natco	NATPHA	618	565	Hold	11307	9.3	36.3	40.3	30.2	66.5	17.0	15.3	20.4	4.6	15.9	16.5	11.6	4.0	13.9	13.6	9.4
Sun Pharma	SUNPHA	927	1,210	Buy	222435	32.0	34.9	38.6	43.2	29.0	26.5	24.0	21.4	18.2	17.2	18.1	18.1	16.0	15.2	14.7	14.7
Torrent Pharma	TORPHA	1661	1,720	Hold	56142	32.0	36.3	45.1	53.8	51.8	45.7	36.8	30.9	19.7	17.1	20.4	23.3	18.2	17.9	19.0	19.4
Indoco Remedies	INDREM	350	440	Buy	3221	16.8	17.9	26.7	31.5	20.8	19.5	13.1	11.1	17.5	15.6	21.9	24.7	17.1	15.9	19.8	19.4
Caplin Point	CAPPOI	702	865	Buy	5337	39.5	48.8	47.9	47.9	17.8	14.4	14.7	14.7	25.3	23.5	22.4	22.4	20.2	20.2	16.7	16.7
Advanced Enzyme	ADVENZ	275	310	Hold	3081	11.5	13.1	10.7	10.7	23.8	21.1	25.8	25.8	14.3	10.9	13.4	14.2	11.0	8.7	10.7	11.3
Hester Bios	HESPHA	1740	1,490	Reduce	1566	45.7	31.1	40.5	53.3	38.1	56.0	43.0	32.6	10.9	7.5	8.8	10.3	15.0	9.4	11.2	13.1
API/GRAMS																					
Divi's Lab	DIVLAB	3098	2,945	Hold	82105	111.5	72.8	77.4	95.0	27.8	42.6	40.0	32.6	30.2	18.2	18.3	18.3	21.3	25.2	15.0	15.0
Hikal	HIKCHE	300	375	Hold	3685	13.0	5.7	14.6	20.7	23.0	52.6	20.6	14.5	13.6	7.2	14.3	17.7	15.0	6.3	14.1	17.0
Syngene International	SYNINT	700	740	Buy	28070	9.9	11.6	13.3	17.9	70.9	60.5	52.6	39.2	11.7	13.8	14.2	16.9	12.9	12.8	13.0	14.9
Granules India	GRANUL	276	360	Buy	6852	16.6	20.8	21.8	27.8	16.6	13.3	12.7	9.9	15.6	18.5	17.8	19.4	16.0	18.2	16.2	17.3
Laurus Labs	LAULAB	312	300	Hold	16776	15.4	14.7	10.5	10.5	20.3	21.2	29.8	29.8	21.3	19.8	14.6	16.0	24.7	19.6	12.4	13.5
Suven Pharma	SUVPH	475	0	Buy	12107	17.8	14.7	17.7	20.0	26.7	32.3	26.9	23.7	37.5	26.0	25.6	24.5	29.7	20.6	20.5	19.5

Source: ICICI Direct Research

RATING RATIONALE

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

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Siddhant Khandekar -Inter CA, Kushal Shah -CFA L1, CFP, Utkarsh Jain -MBA, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH00000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Anoop Goyal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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

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

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

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

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

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

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

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

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

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

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

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

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

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

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

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