

January 28, 2022

About the company: Adani Wilmar (AWL), an equal joint venture between Adani Enterprises and Wilmar International, is among the largest FMCG companies in India. The company is known for its wide range of offerings in edible oils comprising soya bean, sunflower, mustard and rice bran, among others under its well established "Fortune" brand. The company has 22 plants in India, which are strategically located across 10 states, comprising 10 crushing units and 19 refineries.

- The company is a leader in the edible oil segment and commands the highest market share of ~18.3% through its Fortune & other brands
- Apart from the oil segment, it also offers products like wheat flour, rice, pulses & sugar under its different brands across a broad price spectrum
- Its product portfolio spans mainly across three categories: (i) edible oil, (ii) packaged food and FMCG and (iii) industry essentials with further subcategories in the above three categories

Key triggers/Highlights:

- Adani Wilmar being a joint venture between the Adani group and Wilmar group enjoys the backing and networks of the Adani group. The company benefits from its parentage, leveraging the in-depth understanding of local markets, extensive experience in domestic trading and advanced logistics network
- The company also has access to Wilmar group's global sourcing capabilities and technical know-how
- The company has successfully managed to develop its "Fortune" brand in the edible oil category with leadership position in the last 20 years
- With strong brand recall value. It has also leveraged the 'Fortune' brand to offer a wide array of packaged foods since 2013, including packaged wheat flour, rice, pulses, besan, sugar, soya chunks and ready-to-cook khichdi
- The company is one of the few major FMCG players to enjoy pan-India coverage with its huge distribution network comprising 5,566 distributors across 28 states and eight union territories throughout India catering to over 1.6 million retail outlets

What should investors do?

- We assign UNRATED rating to the IPO

Key risks & concerns

- Adverse impact of Covid-19 on edible oil prices
- Dependence on imported raw material and its price fluctuation
- Major reliance on edible oil segment
- Stiff competition in key categories

Key Financial Summary

(₹ crore)	FY19	FY20	FY21	CAGR 19-21
Net Sales	28797.5	29657.0	37090.4	13%
EBITDA	1131.2	1309.5	1325.3	8%
EBITDA Margin (%)	3.9	4.4	3.6	
Net Profit	375.5	460.9	727.6	39%
EPS (₹)	3.3	4.0	6.4	
P/E (x)	84.2	74.2	45.8	
RoE (%)	17.8	17.9	22.1	
RoCE (%)	23.7	21.9	20.3	

Source: RHP, ICICI Direct Research

Particulars

Issue Details

Issue Opens	27th January 2022
Issue Closes	31st January 2022
Issue Size*	₹ 3600 crore
Issue Type	Fresh Issue
Price Band	₹ 218-230
No. of shares on offer (in crore)	15.7
QIB (%)	50
Non-Institutional (%)	15
Retail (%)	35
Minimum lot size (no of shares)	65

*based on upper price band of ₹ 230 per share

Shareholding Pattern (%)

	Pre-Issue	Post-Issue
Promoter	100.0	88.0
Public	0.0	12.0

Objects of issue

Objects of the Issue	₹ crore
Capex	1900
Repayment of debt	1059
Funding for acquisition	450

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Company background

Adani Wilmar (AWL) was incorporated in 1999 as an equal joint venture between Adani Enterprises and Singapore based Wilmar International. It is commonly recognised by its flagship brand “Fortune” in the edible oil category, which is the market leader with a legacy of more than 20 years. AWL’s product portfolio spans across three categories: (i) edible oil (65%), (ii) packaged food and FMCG (11%), and (iii) industry essentials (24%). Out of its edible oil, FMCG & packaged foods volumes, 73% comprise branded sales. The company is mainly known for its wide range of offerings in edible oils comprising soya bean, sunflower, mustard and rice bran, among others and commands highest market share of ~18.3% in the category. In addition to the oil segment, the company also offers products like wheat flour, rice, pulses & sugar under its different brands across a broad price spectrum.

Exhibit 1: Adani Wilmar’s product portfolio breakup, subcategories & respective volumes



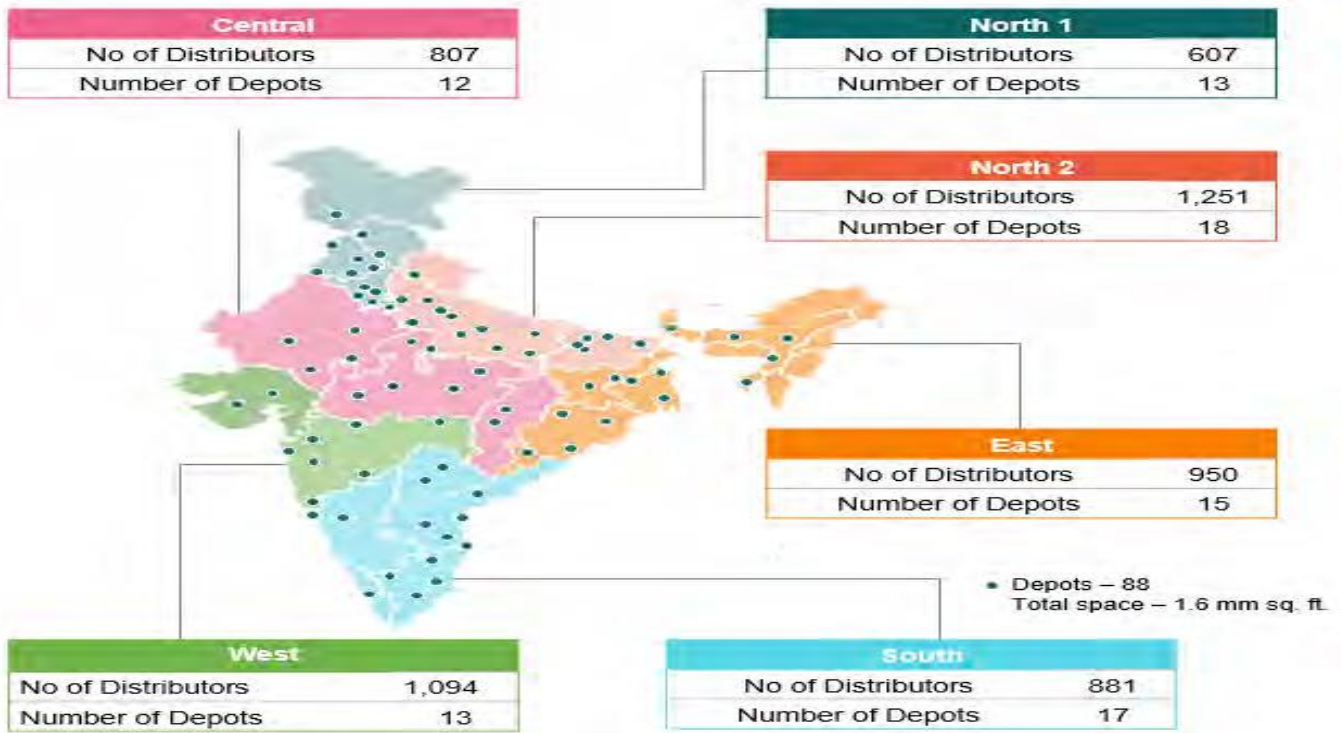
Source: Company information

Note: All pie charts are shown by sales volume as of FY21; Branded / institutional split based on Edible oils and Food & FMCG (Excludes Industry Essentials); ¹ Includes ricebran, groundnut, cotton seed and coconut oil; ² Includes maida and suji / rava; ³ VAP means value added products, includes sugar as well; ⁴ Includes soaps, sanitizers and handwashes; ⁵ Includes de-oiled cake (DOC), Palm Stearin and Palm Fatty Acid, etc.

Source: RHP, ICICI Direct Research

AWL benefits from the Adani group’s in-depth understanding of local markets, extensive experience in domestic trading and advanced logistics network in India and leverages on Wilmar group’s global sourcing capabilities and technical know-how. The company’s distribution reach is 1.6 million retail outlets with 5566 distributors across 28 states and eight union territories as of FY21. It has the largest distribution network among branded edible oil companies. The household reach for the company is 9.0 crore through its Fortune brand with a presence in every one out of three households in the country. The company is equipped with 88 depots in India, with an aggregate storage space of 1.8 million sq ft across the country to ensure easy availability.

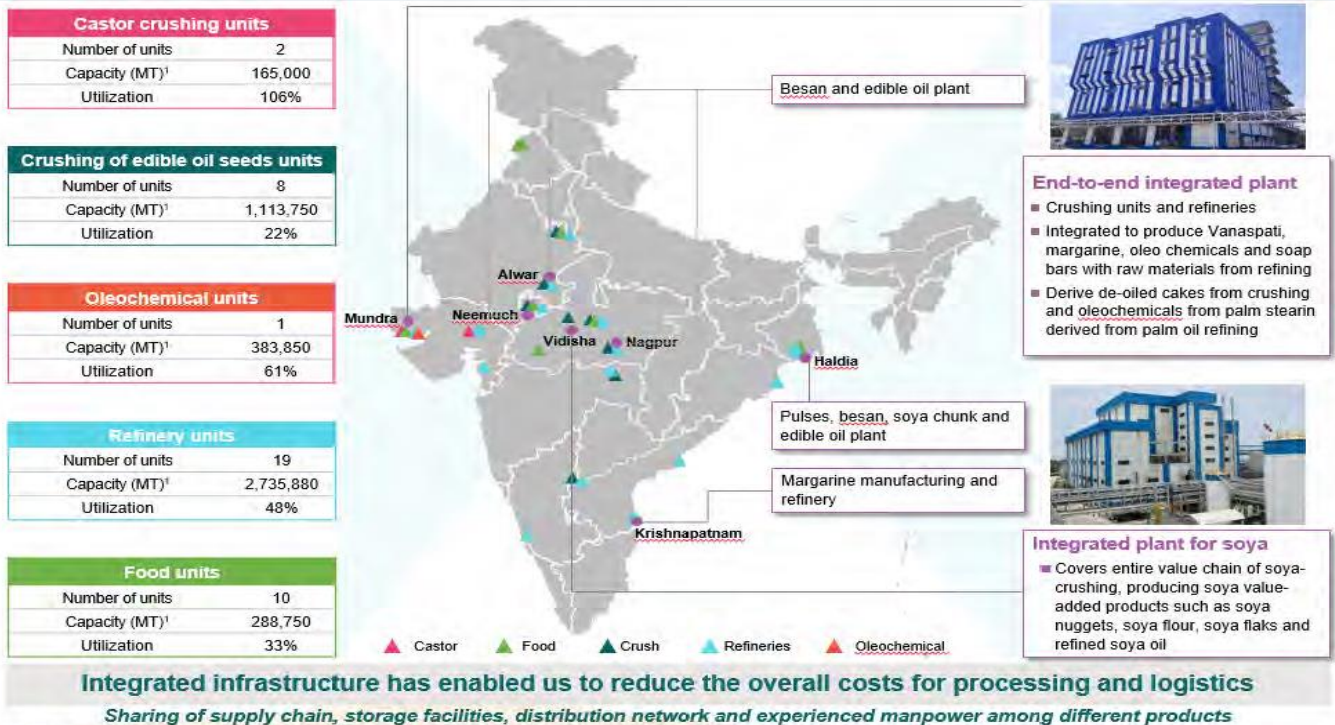
Exhibit 2: Fortified distribution & supply chain arrangement



Source: RHP, ICICI Direct Research

AWL has 22 plants in India, which are strategically located across 10 states, comprising 10 crushing units and 19 refineries. Out of the 19 refineries, 10 are port-based to facilitate use of imported crude edible oil and reduce transportation costs while the remaining are typically located in the hinterlands in proximity to raw material production bases to reduce storage cost. In addition to the 22 plants, it also uses 36 leased tolling units in India, which provide additional manufacturing capacities.

Exhibit 3: Manufacturing facilities & refineries



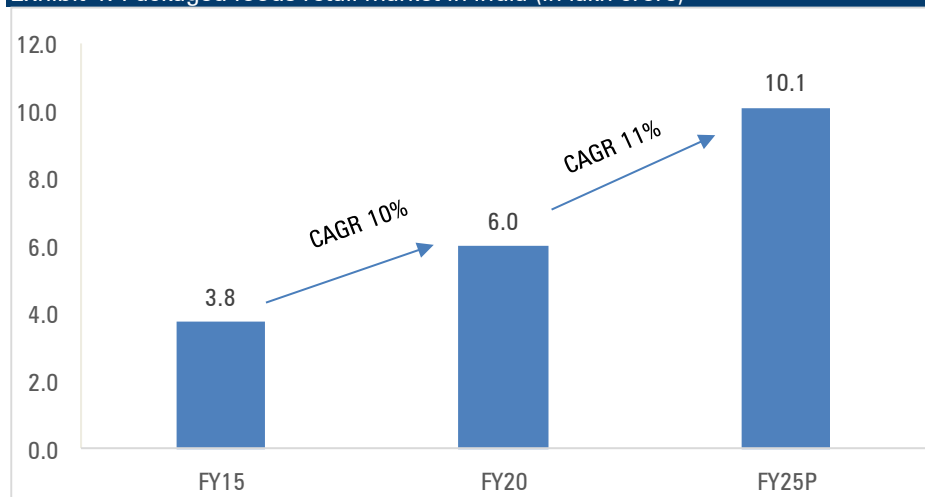
Source: Independent Chartered Engineer and Company Information
Note: ¹ All installed capacity are as on 30th Sept 2021 and represent the half yearly capacities

Source: RHP, ICICI Direct Research

Industry overview

The size of the total food & grocery retail market in India is estimated at ₹ 39.5 lakh crore in FY20. The packaged food retail market is estimated to be ~15% of this market at ₹ 6 lakh crore. The Indian food retail market is mainly dominated by unbranded and loose products like fresh fruits and vegetables, loose staples, fresh unpackaged dairy and meat, etc. However, the noteworthy point is that the packaged food market is growing at almost double the pace of the overall food retail category and is expected to gain a market share of 17% by FY25 from a share of 14% in FY15 to reach a size of more than ₹ 10 lakh crore. This growth has benefitted from the pandemic. Health concerns and limitation in movement due to Covid-19 have accelerated the growth of packaged food products, which offer consistent and assured quality along with convenience.

Exhibit 4: Packaged foods retail market in India (in lakh crore)



Source: RHP, ICICI Direct Research

Exhibit 5: Sub-segment within packaged foods

	Market Size (₹ crore)			
	FY15	FY20	FY25P	CAGR % (FY20-25)
Packaged Dairy (Fresh)	55000	96800	167000	12.0%
Packaged Meat	12000	15000	20000	6.0%
Packaged Staples – Edible Oils	111000	156000	214000	6.6%
Packaged Staples - Others	40000	70000	140000	15.0%
Other Processed Packaged Food	128000	216200	395000	13.0%
Packaged Beverages	30000	48000	77000	10.0%
Total	376000	602000	1013000	11.0%

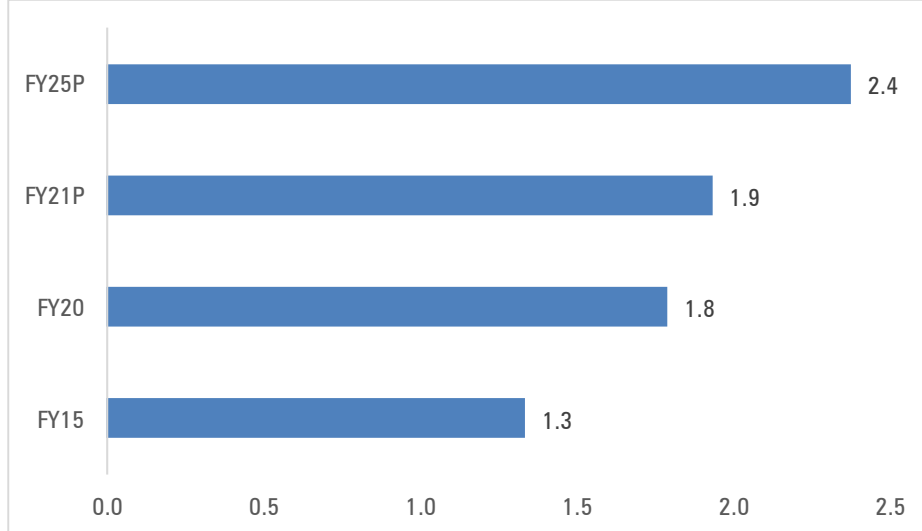
Source: RHP, ICICI Direct Research

The penetration of packaged food is limited in Indian households. Annual per capita spend on all categories of packaged food in India is estimated to be ₹ 4,650, which is much lower compared to China at ₹ 16,000 and the US at more than ₹ 1,12,500. Over the years, essential kitchen commodities such as edible oils, wheat flour, rice, pulses, sugar and dairy have been largely handled by players focused within a specific segment. For example, rice exporters, sugar mills, oil refineries, flour mills and dairy cooperatives operate in their specific segments. The spend on the essential kitchen commodities accounts for 23% of the total spend on food and grocery estimated to be ₹ 39.5 lakh crore thereby presenting an opportunity size of ₹ 9 lakh crore for any player in the essential kitchen commodity segments. Within this, edible oils, wheat flour, rice, pulses, sugar, etc, account for 66% (₹ 6 lakh crore) while the balance comprises dairy products.

Packaged edible oil market in India

Edible oils are indispensable to Indian cooking. Growing population, changing tastes and preferences of consumers, shifting consumption pattern towards branded oils and consistent marketing and distribution initiatives by leading edible oil brands is driving consumption of edible oils in the country. The total consumption of edible oil in India in 2019 has been estimated to be ~22 million MT. Out of the total requirement, it is estimated that ~10 million MT is produced domestically from primary (soybean, rapeseed & mustard, groundnut, sunflower, safflower and niger) and secondary sources (oil palm, coconut, rice bran, cotton seeds and tree borne oilseeds) while the remaining 60%, is met through import.

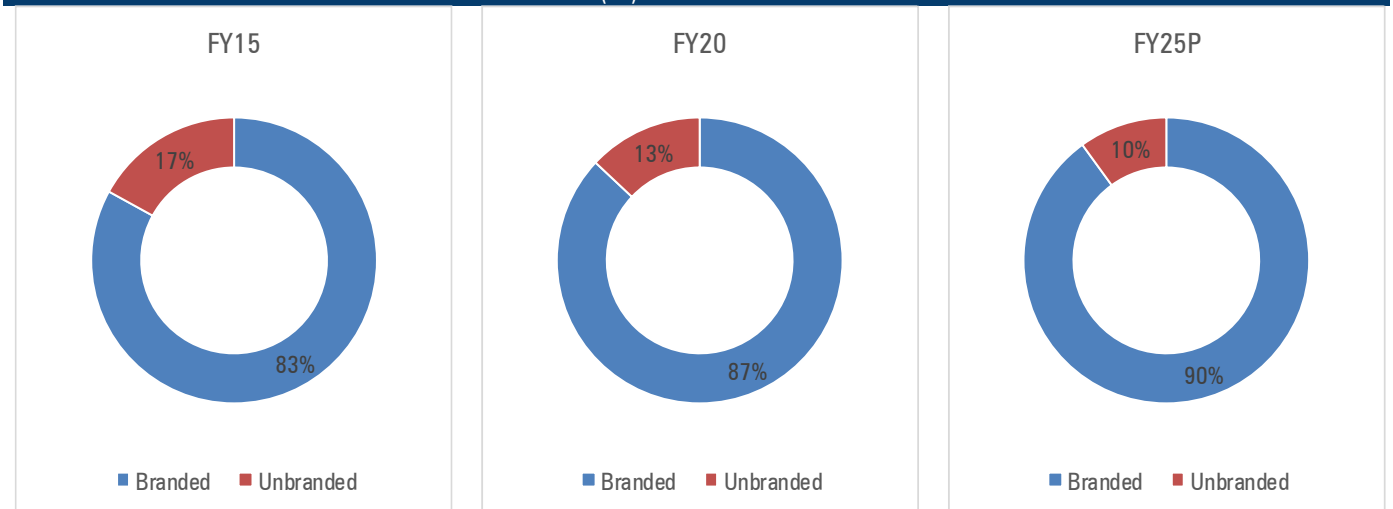
Exhibit 6: Edible oil retail market in India (in ₹ lakh crore)



Source: RHP, ICICI Direct Research

The edible oil retail market is estimated to be ₹ 1.8 lakh crore in FY20 and is expected to grow at 6% CAGR in the coming five years. Further, the share of unbranded play is consistently dropping and is estimated to shrink to 10% by FY25 from current levels of around 13%. The branded edible oil market is estimated to be ~₹ 1.6 lakh crore and is expected to grow faster than the overall category. It is estimated that close to 75% of the total edible oil available in terms of volume is retailed as a branded product. The edible oils retail market includes the consumption through HoReCa segment and end consumer.

Exhibit 7: Volume share of branded edible oil in India (%)



Source: RHP, ICICI Direct Research

Soya chunk market in India

The size of soya chunks retail market in India is estimated to be ₹ 2000 crore comprising both branded and unbranded segments with equal share in terms of value. The overall soya market is expected to reach in excess of ₹ 3,400 crore growing at CAGR of 11%. The total market for branded soya chunks is ₹ 1,000 crore nationally with West Bengal having a market share of more than one-third of total size. The growth in branded market is expected to outpace growth of the overall category. With a CAGR of 14%, the branded market is expected to almost double in the coming five years and command a market share close to 55% by then. Currently Ruchi Soya (40%), Adani Wilmar (18%), Emami Agrotech (5%) are three key players in the soya market with their respective market shares indicated as of FY20.

Castor oil, derivatives market in India

India is the largest manufacturer and exporter of castor oil in the world and is responsible for 88% of total global exports. The major trading partners in this sector are China, Europe, Thailand, Japan and US. India produced 8.3 lakh MT of castor oil in FY20. This is expected to reach 11.6 lakh MT by FY25 growing at a CAGR of 7%. In terms of value, the market is at ₹ 8,745 crore expected to reach ₹ 12910 crore by FY25, growing at a CAGR of 8.1%. Adani Wilmar has highest market share of ~26% by volume.

Oleo chemical Industry in India

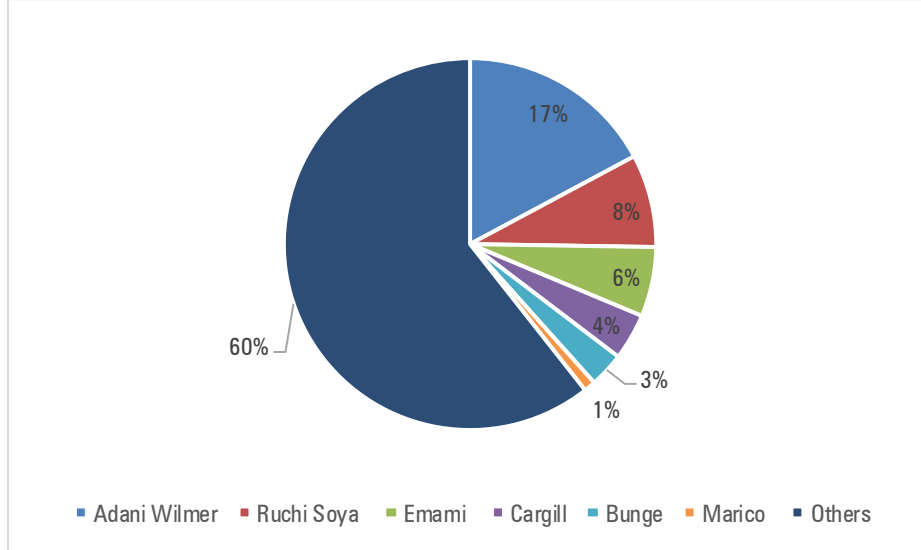
In FY20, the Indian oleo chemicals industry size was estimate at 16 lakh MT. Growing at a CAGR of 5.9%, it is expected to reach 21.3 lakh MT by FY25. The three main product segments of the oleo chemical industry i.e. 1) fatty acids, 2) fatty alcohols, and 3) glycerol, have multiple industrial applications. However, the market is dominated by four key customer segments viz. pharmaceutical & personal care, food & beverages, soaps & detergents and polymers. Adani Wilmar is the largest manufacturer of Stearic acid, Glycerine & soap noodles in India.

Investment Rationale

Established presence in branded edible oil & packaged food

AWL has established itself well in the edible oil segment in the past two decades and now enjoys a dominant No.1 position in a segmented market with 18.3% share in FY21. Their flagship “Fortune” brand is now the largest selling edible oil brand in India.

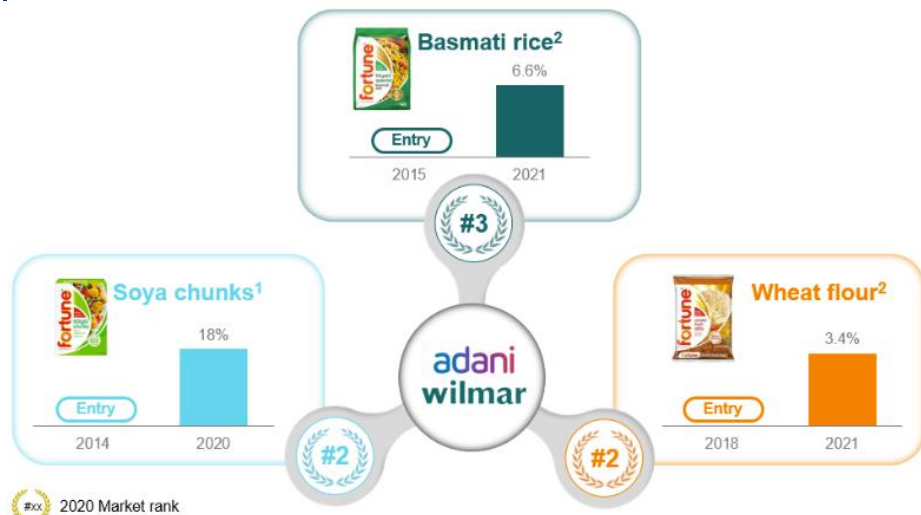
Exhibit 8: Edible oil branded market share (%)



Source: RHP, ICICI Direct Research

The company also forayed into food products back in FY13 with a focus on packaged staple foods like wheat flour, rice, besan, pulses, sugar, etc. Soya chunks are another important offering from company. In addition to packaged foods, the FMCG portfolio of the company now covers soaps, hand wash & sanitisers under its “Alife” brand. Further, the company also offers certain industry essentials to its institutional customers in the form of oleo chemicals, castor oil and its derivatives, de-oiled cakes.

Exhibit 9: Forays into packaged foods category in 2013

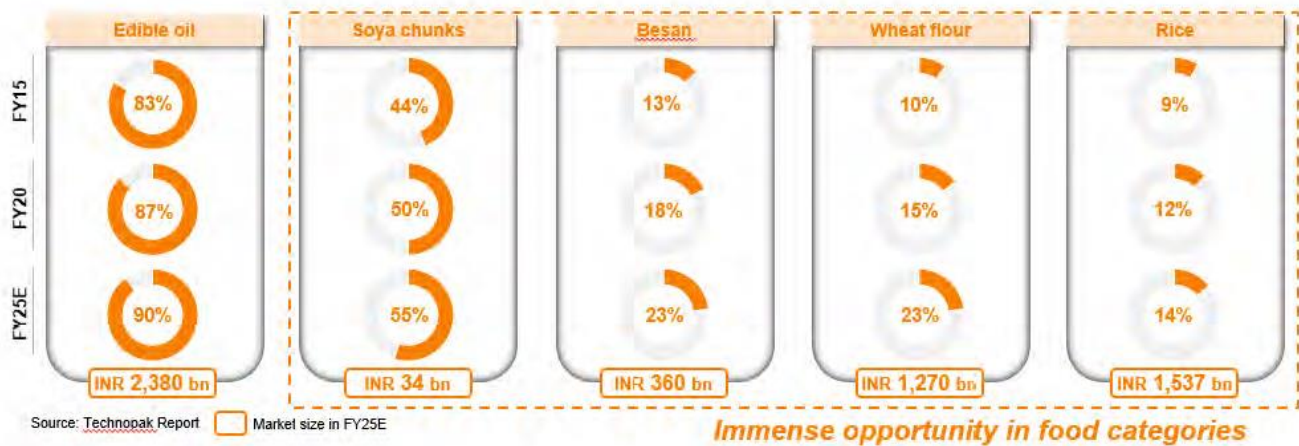


Source: RHP, ICICI Direct Research

Adani group’s backing, Wilmar group’s expertise

Adani Wilmar being a joint venture between the Adani group and Wilmar group enjoys the backing and networks of the Adani group. The company benefits from its parentage, leveraging the in-depth understanding of local markets, extensive experience in domestic trading and advanced logistics network. The company also has access to Wilmar group’s global sourcing capabilities and technical know-how. Wilmar group is a leading player in agribusiness. Its integrated business model encompasses the entire value chain of the agricultural commodity business from cultivation and milling of palm oil and sugarcane to processing, branding and distribution of a wide range of edible food products, animal feeds and industrial agri-products such as oleo chemicals and biodiesel.

Exhibit 10: Large unbranded market in packaged foods category



Source: RHP, ICICI Direct Research

Levering ‘Fortune’ brand in food categories

The company has successfully managed to develop its “Fortune” brand in the edible oil category with a leadership position in the last 20 years. With a strong brand recall value, it has also leveraged the ‘Fortune’ brand to offer a wide array of packaged foods since 2013, including packaged wheat flour, rice, pulses, besan, sugar, soya chunks and ready-to-cook khichdi. In recent years, the company is putting increasing focus on value-added products, with an aim to diversify revenue streams and generate high profit margins. The value-added products launched in recent years include functional edible oil products, such as rice bran health oil, fortified foods, ready-to-cook soya chunks and khichdi. It is among the top five fastest growing packaged food companies in India. In 2021, the market share of packaged wheat flour and basmati rice under the Fortune brand was ~3.4% and 6.6% by volume, ranking second and third, respectively, in India.

Market leading position in industry essentials

The company is one of the major players in the industry essentials and is one of the largest basic oleo chemical manufacturers in India in terms of revenue. It is also the largest manufacturer of stearic acid and glycerine in India with a market share of 32% and 23%, respectively. AWL is also the largest castor oil exporter and among the three largest exporters of oleo chemicals in India. Oleo chemicals include stearic acids, soap noodles, palmitic acid, oleic acid and glycerine, which are primary ingredients for home and personal care products, including soaps, detergents, cosmetics, polymer, pharmaceuticals and industrial rubber. Castor oil and its derivatives, such as stearic acid and ricin oleic acid, have medical, pharmaceutical, cosmetic and aeronautical use. De-oiled cakes, which are by-products after oil extraction from soybeans, mustard seeds and castor seeds are used as livestock feed. The company has also started manufacturing soap under the brand name ‘Alife’ by leveraging its capabilities in industry essentials.

Strong raw material sourcing capabilities

The company benefits from raw material sourcing through its market standing and extensive business networks. Since AWL imports a significant portion of raw material in bulks, its market leadership has facilitated it to source raw materials from across the globe from top suppliers. The company was largest importer of raw material as of FY20, which provided better bargaining power to source raw materials at favourable terms. Wilmar group being largest palm oil supplier globally also bodes well for the company as it provides competitive edge with almost 30% of AWL's imports sourced from it. Further, the company also benefits from market intelligence on price movements in international market from Wilmar group to manage its price risk associated with imports of raw materials.

Extensive pan-India distribution network

The company is one of the few major FMCG players to enjoy pan-India coverage with its huge distribution network comprising 5,566 distributors across 28 states and eight union territories throughout India catering to over 1.6 million retail outlets, representing ~35% of retail outlets in India as of FY21. The company also had 85 depots, with an aggregate storage space of ~1.6 million square feet across the country to ensure availability of its products. Apart from these, AWL is also making use of e-commerce channel through its website 'Fortune Online' for offering all its products under Fortune brand at one place. Further, franchisee stores named 'Fortune Mart' are also being launched to better showcase all offering under Fortune brand. The rapid expansion in already huge distribution network will only help AWL rapidly gain market share and eat into the share of regional players and the unbranded sector. The 33% growth in number of distributors from FY19 to FY21 shows the brisk pace at which AWL is expanding its network. This will increase the overall availability as well as improve the brand value.

Backward and forward integration.

Most of AWL's crushing units are fully integrated with refineries to refine crude oil produced in-house. It further derives de-oiled cakes from crushing and use palm stearin derived from palm oil refining to manufacture oleo chemical products, such as soap noodles, stearic acid and glycerine, which are used in production of soaps and hand wash. Its plant in Mundra is end-to-end integrated plant where it produces Vanaspati, margarine, oleo chemical products and soap bars with raw materials from the refining process. The company has integrated manufacturing capacities of edible oils and packaged foods at the same locations. Such integrated manufacturing infrastructure has enabled the company to share supply chain, storage facilities, distribution network and experienced manpower among different products and reduce the overall costs for processing and logistics. Some of examples of such integration are (i) besan units at edible oil plants in Alwar, Saoner (Nagpur) and Neemuch; (ii) pulse, besan and soya chunk units at edible oil plant in Haldia; (iii) a rice unit at castor oil plant in Mundra; (iv) soya value-added products at crushing unit in Vidisha; and (v) a margarine unit at refinery in Krishnapatnam.

Expand geographical presence through acquisitions

The company may pursue acquisitions in the edible oil and food industry to strengthen its presence in the southern regions where regional companies are strong. It intends to consolidate market share through acquisitions of regional players. It has recently acquired Bangladesh Edible Oil, an edible oil manufacturer with market leadership in some edible oil categories in Bangladesh, which will help it expand into the Bangladesh market and further increase edible oil manufacturing capacity. It is also seeking to acquire brands and businesses from food and FMCG companies, which will help expand its product and brand portfolio and increase manufacturing capacities and distribution access.

Key risks and concerns

Covid-19 adverse impact on edible oil prices

The Covid-19 pandemic has caused volatility in the global economy and significant shifts in the prices of raw materials. The after effect of pandemic has also resulted in increase in transportation costs, delay in shipments of imported crude edible oil and labour shortage.

Dependence on imported raw material & its price fluctuation

AWL's business depends on the availability of reasonably priced and high quality raw materials. It sources certain raw materials from global suppliers. Predominantly, unrefined soybean oil is imported from Argentina and Brazil, unrefined sunflower oil from Ukraine and Russia, and palm oil from Indonesia and Malaysia. It also sources wheat, paddy and oilseeds domestically, either directly from farmers or through agents acting on behalf of them. The price and availability of such raw materials depend on several factors beyond the company's control like production levels, market demand, trade restrictions as well as seasonal variations. AWL also does not have long term supply contracts with any of its raw material suppliers and typically places orders with them in advance of its anticipated requirements. Thus, the company is always at risk to procure raw materials and that too at reasonable prices. This could adversely affect both AWL's operation as well as its competitiveness & the overall business

Heavy reliance on edible oil segment

The company derives a significant portion of its revenue from edible oil business and any reduction in demand or production could have adverse effects on whole business of company. For FY19, FY20 and FY21, edible oil segment contributed 74.8%, 79.2% and 82.2% of revenue from operations, respectively.

Stiff competition in key categories

The food & edible oil industry is highly competitive. The company competes with regional, local as well as large multi-national companies. Due to low entry barriers, AWL also face competition from new entrants, especially at rural and semi-rural areas, who may have more flexibility in responding to changing business and economic conditions.

Financial Summary

Exhibit 12: Profit & loss statement (₹ crore)				
(Year-end March)	FY19	FY20	FY21	H1FY22
Revenue	28,797.5	29,657.0	37,090.4	24,874.5
Growth (%)		3.0	25.1	
Raw material expense	25,065.1	25,370.2	32,489.8	22,353.9
Employee expenses	206.9	223.9	321.7	170.6
Other expenses	2,394.2	2,753.4	2,953.6	1,543.1
Total Operating Exp	27,666.2	28,347.5	35,765.1	24,067.6
EBITDA	1,131.2	1,309.5	1,325.3	806.9
Growth (%)	-	15.8	1.2	
Depreciation	199.3	241.3	267.3	144.1
Interest	486.9	569.2	406.6	291.0
Other Income	122.2	110.0	105.2	82.8
Exceptional Items	0.0	0.0	0.0	0.0
PBT	567.3	609.0	756.6	454.5
Total Tax	212.3	206.0	103.9	119.6
PAT	355.0	403.0	652.8	334.8
Growth (%)	-	13.5	62.0	
Share in profit of Joint venture	20.6	57.9	74.9	22.3
PAT (including profit from associates)	375.5	460.9	727.6	357.1
EPS (₹)	3.3	4.0	6.4	3.1

Source: RHP, ICICI Direct Research

Exhibit 13: Balance Sheet (₹ crore)				
(Year-end March)	FY19	FY20	FY21	H1FY22
Liabilities				
Equity Capital	114.3	114.3	114.3	114.3
Reserve and Surplus & Others	1,996.7	2,456.4	3,183.8	3,537.1
Total Shareholders funds	2,111.0	2,570.7	3,298.1	3,651.4
Total Debt	1,829.5	2,300.3	1,904.0	1,944.4
Other non current liabilities	603.7	745.6	681.9	818.1
Trade Payable	6,650.4	5,697.1	6,264.4	10,465.9
Provisions	4.8	6.2	6.9	10.3
Other FL & Lease liability	300.1	197.5	534.8	287.0
Other current liability	103.4	268.5	636.5	746.6
Total Equity & Liability	11,602.9	11,785.9	13,326.6	17,923.7
Fixed Assets	3,578.8	4,064.6	4,217.0	4,747.8
Goodwill & Intangible Assets	18.9	18.2	14.9	68.8
Financial Assets	182.8	251.5	314.6	349.4
Deffered tax assets (including Income tax)	3.6	1.6	0.8	1.2
Other non current assets	187.3	118.6	98.2	102.8
Investments	0.0	0.0	50.0	50.0
Inventory	4,041.6	3,826.4	4,777.7	7,565.2
Debtors	1,258.0	921.2	1,515.1	1,857.7
Other Financial assets	289.8	417.8	173.5	359.2
Cash	1,215.5	1,432.1	1,188.5	1,699.5
Other current assets	826.5	733.9	976.4	1,122.1
Total Assets	11,602.9	11,785.9	13,326.6	17,923.7

Source: RHP, ICICI Direct Research

Exhibit 14: Cash flow statement				
	(₹ crore)			
(Year-end March)	FY19	FY20	FY21	H1FY22
Profit before Tax	567.3	609.0	756.6	454.477
Add: Depreciation	199.3	241.3	267.3	144.1
(Inc)/dec in Current Assets	-859.6	593.9	-1584.7	-2,907.9
Inc/(dec) in CL and Provisions	1696.4	-1085.4	1709.7	3,232.5
Others	223.7	543.4	71.4	191.2
Tax (net of refund)	-134.0	-120.9	-294.3	-91.8
CF from operating activities	1,693.0	781.3	926.0	1,022.7
(Inc)/dec in Investments	-132.6	50.5	-95.1	-574.3
(Inc)/dec in Fixed Assets	-907.7	-630.6	-461.5	-247.3
Others	106.7	73.7	72.8	35.6
CF from investing activities	-933.7	-506.4	-483.8	-786.0
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	-424.2	396.0	-395.3	-33.5
Others	-338.1	-403.8	-335.7	-166.9
CF from financing activities	-762.3	-7.77	-731.0	-200.4
Net Cash flow	-2.9	267.1	-288.7	36.2
Opening Cash	81.8	78.9	346.0	57.25
Cash on acquisition of company	0.0	0.0	0.0	79.6
Closing Cash	78.9	346.0	57.3	173.1

Source: RHP, ICICI Direct Research

Exhibit 15: Key Ratios				
(Year-end March)	FY19	FY20	FY21	H1FY22
Per share data (₹)				
EPS	3.3	4.0	6.4	3.1
BV	18.5	22.5	28.9	31.9
Operating Ratios (%)				
EBITDA Margin (%)	3.9	4.4	3.6	3.2
PAT Margin (%)	1.2	1.4	1.8	1.3
Inventory Days	51	47	47	55
Debtor Days	16	11	15	13
Creditor Days	97	82	70	84
Return Ratios (%)				
RoE	17.8	17.9	22.1	
RoCE	23.7	21.9	20.3	
Valuation Ratios (x)				
P/E	84.2	74.2	45.8	
EV / EBITDA	29.2	25.2	24.9	
EV / Net Sales	1.1	1.1	0.9	
Market Cap / Sales	1.0	1.0	0.8	
Price to Book Value	14.2	11.6	9.1	
Solvency Ratios				
Debt / Equity	0.9	0.9	0.6	
Current Ratio	1.1	1.2	1.2	
Quick Ratio	0.5	0.6	0.5	

Source: RHP, ICICI Direct Research

*valuation multiples calculated on diluted equity

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to companies that are coming out with their initial public offerings and then categorises them as Subscribe, Subscribe for the long term and Avoid.

Subscribe: Apply for the IPO

Avoid: Do not apply for the IPO

Subscribe only for long term: Apply for the IPO only from a long term investment perspective (>two years)



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