

Stable sugar recovery, rising sugar prices to aid profit

About the stock: Dhampur Sugar (DSL) is one of the integrated sugar companies in UP with sugar crushing capacity of 23,500 tonnes crushed per day (tcd), distillery capacity of 350 kilolitre per day (KLD) and 121 MW of co-generation capacity. It also has Ethyl Acetate production capacity of 140 tonnes per day.

- Dhampur Sugar would commission 100 KLD grain-based distillery in the next one month. Post expansion, it would be able to produce 15 crore litre ethanol per annum at peak capacity utilisation

Q4FY23 Results: DSL reported strong results with 53.7% growth in EBITDA.

- Sales saw growth of 43.9% YoY led by 68.2% growth in ethanol revenues
- EBITDA was at ₹ 104.4 crore, up 53.7% YoY, with margins at 15.5%
- Consequent PAT was at ₹ 60.7 crore (up 104.2% YoY)

What should investors do? DSL's share price was down 14% in the last one year considering adjusted share price after de-merger in May 2022.

- We expect 50% growth in ethanol volumes to 13.5 crore litre by FY25. This would drive earnings CAGR of 20.3% during FY23-25E
- We maintain **BUY** rating on the stock

Target Price and Valuation: We value the stock at ₹ 340, valuing the business at 10x FY25 PE.

Key triggers for future price performance:

- DSL has commissioned 130 KLD distillery capacity in February 2023. This along with 100 KLD grain-based distillery (likely to get commissioned by June 2023) would take its annual distillery volumes to 15 crore litre. Total ethanol would contribute 38% to overall sales by FY25
- The company would be diverting ~25% of its sugarcane towards sugarcane juice route to produce ethanol. DSL would divert ~1.7 lakh tonnes each of equivalent sugar to produce ethanol in FY24E & FY25E
- We expect cumulative free cash flow of ₹ 360 crore in the next two years, which would result in debt reduction and a higher dividend payout

Alternate Stock Idea: We like Dalmia Bharat Sugar in our sugar coverage.

- It is the fastest in utilising B-heavy & sugarcane juice to produce ethanol. Distillery volumes to grow 1.8x to 22 crore litre by FY24. The company is aggressively exporting sugar & utilising higher global white sugar prices
- We value the stock at ₹ 490/share with a BUY recommendation



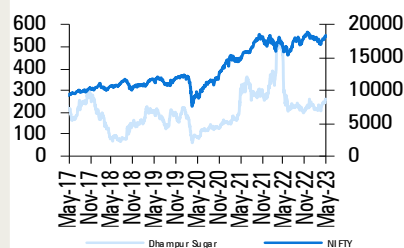
Particulars

Particulars (₹ crore)	Amount
Market Capitalization	1,736.0
Total Debt (FY23)	725.9
Cash and Investments (FY23)	56.8
EV	2,405.1
52 week H/L (₹)	449 / 196
Equity capital	66.5
Face value (₹)	10.0

Shareholding pattern

(in %)	Jun-22	Sep-22	Dec-22	Mar-23
Promoter	49.1	49.1	49.1	49.1
FII	7.2	5.6	5.1	4.8
DII	0.5	0.5	0.5	0.5
Others	43.3	44.9	45.3	45.6

Price Chart



Recent event & key risks

- Dhampur would be commissioning 100 KLD grain-based distillery by June-2023
- Key Risk:** (i) Any significant increase in sugarcane SAP prices in 2023-24 season (ii) Any significant decline in sugar recoveries or sugarcane yields

Research Analyst

Sanjay Manyal
sanjay.manyal@icicisecurities.com

Key Financial Summary

Key Financials	FY21	FY22	FY23	2 Year CAGR (FY21-23)	FY24E	FY25E	CAGR (FY23-25E)
Total Operating Income	2158.1	1904.1	2459.8	6.8%	2440.3	2574.2	2.3%
EBITDA	276.7	291.4	303.3	4.7%	334.7	387.8	13.1%
EBITDA Margin %	12.8	15.3	12.3		13.7	15.1	
Net Profit	143.4	144.0	158.0	5.0%	178.8	228.8	20.3%
EPS (₹)	21.6	21.7	23.8	5.0%	26.9	34.5	20.3%
P/E	12.1	12.0	11.0		9.7	7.6	
RoNW %	9.2	16.3	15.2		15.8	17.7	
RoCE (%)	8.6	13.9	14.5		15.9	18.5	

Source: Company, ICICI Direct Research

Key takeaways of recent quarter

Q4FY22 Results: Distillery expansion near completion; ethanol, portable spirit to contribute 38% to revenues by FY25

- DSL witnessed revenue growth of 43.9% to ₹ 671.8 crore (net of excise) mainly on account of 44.7% growth in sugar sales and 68.2% growth in distillery sales. Power revenue was flat during the quarter
- Sugar segment sales growth of 44.7% was led by 24.7% higher sugar volumes & flat sugar realisation in Q4FY23. The company sold 0.96 lakh tonnes (lt) of sugar at an average realisation of ₹ 34.7/kg. It is holding 1.2 lt of sugar valued at ₹ 32.9/kg
- Distillery sales growth of 68.2% was led by 59.2% growth in ethanol volume and 4% growth in ethanol realisation. The company sold 2.87 crore litre of ethanol at an average realisation of ₹ 65.7/litre. Power volumes were down 5.7% to 16.7 crore unit at an average tariff of ₹ 3.76/unit (7.4% higher)
- Chemical segment volumes increased 33% to 107.4 lakh kg. However, realisation declined considerably during the quarter. The company makes ~7% in this segment. On a full year basis, chemical segment sales were at ₹ 302.1 crore (~10% of total revenue)
- DSL crushed 18.85 lt of sugarcane in Q4Y23, out of which 4.65 lt (24.6%) was diverted towards sugarcane juice route to produce ethanol
- Gross recovery during the quarter was down 12 bps to 12.38%. The company entirely produce ethanol from sugarcane juice during the quarter. It stored B-heavy molasses, which would be utilised to produce ethanol during off-season
- Transfer of bagasse pricing was ₹ 1/ kg. The company is not planning to produce or sell any bagasse before August-2023 given Dhampur would require fuel for new ethanol distillery
- Increase in ethanol volumes, higher domestic sales quota & relatively better recovery rate resulted in 53.7% growth in operating profit to ₹ 104.4 crore. With a reduction of debt, interest cost declined 23.7% to ₹ 10.7 crore. This along with lower income tax resulted in 104.2% growth in net profit to ₹ 60.7 crore
- New sugarcane crushing plant in Bijnor has been established by the Bindal group close to the catchment area of Dhampur. The company is working on increasing sugarcane availability in its catchment area. Hence, this new plant would not impact sugarcane availability in any significant manner
- In the 2022-23 season, gross recovery was flat, which would keep sugar cost of sugar production similar to last season. Considering, sugar prices have moved up by ₹ 2/kg in the last one month and is expected increase in sugarcane costs, sugar segment margins for FY24E are likely to improve from ₹ 1.5/kg to ₹ 2.5/kg
- Sugarcane crushing is expected to increase only marginally (2-3%) in the next crushing season. The company would be diverting ~25% of sugarcane towards sugarcane juice ethanol and remaining towards B-heavy ethanol to produce 12.5 crore and 13.5 crore litre of ethanol in FY24E & FY25E, respectively
- The sugar industry is expected to produce 32.7 million tonnes (MT) of sugar in 2022-23 season. Sugar consumption of ₹ 27.7 MT and export of 6.1 MT is likely to reduce sugar inventory by at least 1 MT at the start of new crushing season on October 1, 2023. We believe the country would be having just sufficient inventory to last until sugar crushing starts in November-2023. This would keep domestic sugar prices firm above ₹ 36/kg

Exhibit 1: Peer Comparison

Sector / Company	CMP	TP	M Cap	EPS growth (%)				EBITDA Margin (%)				PE (x)				P/B (x)				RoCE (%)				
	(₹)	(₹)		Rating	(₹ Cr)	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E
Balrampur Chini (BALCHI)	422	435	Buy	8600	-0.1	-31.9	84.2	18.0	14.4	11.3	16.2	16.6	18.3	26.1	13.4	11.4	3.1	2.9	2.5	2.3	15.3	10.1	19.1	20.5
Dalmia Bharat Sugar (DALSUG)	369	490	Buy	2985	10.0	-13.3	33.8	17.1	14.8	14.6	16.4	17.2	10.2	11.7	8.8	7.5	1.3	1.3	1.2	1.1	12.3	12.8	16.0	16.9
Triveni Engineering (TRIENG)	280	360	Buy	6770	45.9	-5.1	52.6	24.3	14.8	10.0	16.2	17.5	16.3	17.2	11.2	9.1	3.7	2.4	2.3	2.0	15.8	14.6	19.3	25.0
Dwarkesh sugar (DWASUG)	95	115	Buy	1794	69.6	-32.5	38.9	29.3	14.7	10.4	13.5	13.7	11.1	16.5	11.9	9.2	2.6	2.3	1.9	1.7	20.6	16.0	20.8	22.2
Dhampur Sugar (DHASUG)	261	340	Buy	1736	0.5	9.7	13.2	28.0	15.3	12.3	13.7	15.1	12.0	11.0	9.7	7.6	2.0	1.7	1.5	1.3	13.9	14.5	15.9	18.5

Source: Company, ICICI Direct Research

Sugar companies in UP witnessed a mixed trend in sugar recovery in the 2022-23 season. Gross sugar recovery for Dhampur Sugar was flat compared to last season but it is best in UP for the current season. Further, sugar prices have moved up by ₹ 2/ kg in the last one month mainly on account of lower sugar production in Maharashtra and Karnataka. We believe country wise sugar inventory would be lowest in five years and just sufficient until crushing for 2023-24 sugar season starts in November-2023. This would keep domestic sugar prices firm above ₹ 36/kg for at least six months. Dhampur Sugar has the benefit of better recovery resulting in lowest cost of production in UP and higher sugar realisation. This, along with increased ethanol capacity, would result in strong earnings growth for the company in FY24. We remain positive on the company. We maintain BUY recommendation on the stock with a revised target price of ₹ 340/share (₹ 270/share).

Exhibit 2: Variance Analysis

	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	Comments
Total Operating Income	671.4	466.7	43.9	543.8	23.5	Net sales witnessed growth of 43.9% led by 68% growth in ethanol sales and 44.7% growth in sugar sales
Other Operating Income	0.0	0.0	N.A.	0.0	N.A.	
Raw Material Expenses	482.3	307.9	56.6	386.5	24.8	Cost of RM increased mainly due to lower gross recovery rate during the quarter by 12 bps. However, recovery rate was flat for the season
Employee Expense	22.2	25.6	-13.3	22.1	0.2	
Other operating Expenses	62.6	65.3	-4.1	49.1	27.7	
EBITDA	104.4	67.9	53.7	86.2	21.2	Operating profit witnessed growth of 53.7% on account of higher ethanol sales and lower overhead spends
EBITDA Margin (%)	15.5	14.5	100 bps	15.8	-30 bps	
Depreciation	15.7	14.0	12.5	13.8	13.4	
Interest	10.7	14.0	-23.7	5.5	96.6	With reduction in debt levels, interest costs was down 23.7%
Other Income	3.6	7.3	-51.1	0.2	1,403.2	
PBT	81.5	47.2	72.7	67.1	21.5	
Tax Outgo	20.8	17.5	19.2	20.7	0.8	
PAT	60.7	29.7	104.2	46.4	30.7	Led by higher operating profit & lower interest costs, net profit doubled during the quarter
Key Metrics						
Sugar sales volume (in lakh tonnes)	1.0	0.8	24.7	0.7	31.5	Sugar volumes were higher due to higher domestic sales quota
Domestic sugar realisation (₹ per kg)	34.7	34.5	0.4	35.1	-1.3	Sugar realisation was flat
Distillery volumes (in crore litre)	2.9	1.8	59.2	2.3	23.0	With commissioning of new capacity, ethanol volumes increased by 59.2%
Distillery realisation (₹ per litre)	65.7	63.2	4.0	63.0	4.3	Higher contribution from juice ethanol resulted in increase in distillery realisation

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

(₹ Crore)	FY24E			FY25E			Comments
	Old	New	Change	Old	New	Change	
Net sales	2,433.5	2,440.3	0.3	2,528.4	2,574.2	1.8	We cut down sugar, ethanol volumes & increased sugar, ethanol realisations
EBITDA	346.3	334.7	-3.4	386.9	387.8	0.2	
EBITDA Margin (%)	14.2	13.7	-52 bps	15.3	15.1	-24 bps	We cut margin estimate given the company is utilising sugarcane juice to produce ethanol
PAT	178.0	178.8	0.5	226.9	228.8	0.8	We cut our interest cost estimate mainly on account of expected decline in debt levels
EPS (₹)	26.8	26.9	0.5	34.2	34.5	0.8	

Source: ICICI Direct Research

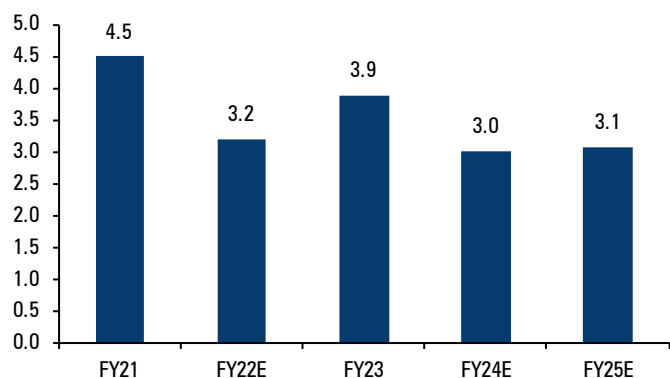
Exhibit 4: Assumptions

	Current							Comments
	FY21	FY22	FY23E	FY24E	FY25E	FY24E	FY25E	
Sugar Sold (in tonne)	450,000	321,000	389,474	302,316	307,658	314,400	317,544	The company is diverting more sugacane towards ethanol and hence producing less sugar
Sugar Price (₹ per tonne)	32,763	33,783	34,806	36,500	37,000	35,570	35,600	We change sugar realisation estimate upwards as domestic prices have moved up
Distillery volume (KL)	75,099	73,718	89,787	124,800	136,000	135,000	145,000	We cut our ethanol sales estimates mainly due to higher levy molasses usage for liquor
Distillery price (₹ KL)	53.2	57.9	59.7	65.7	66.3	63.5	64.1	Higher contribution from juice ethanol would result in higher distillery realisation
Power Units sold	18.0	19.5	17.8	18.1	18.5	20.3	20.4	We cut power sales estimate mainly due to utilisation of bagasse for captive power
Price per unit (₹ per units)	3.4	3.5	3.5	3.6	3.6	3.6	3.6	

Source: ICICI Direct Research

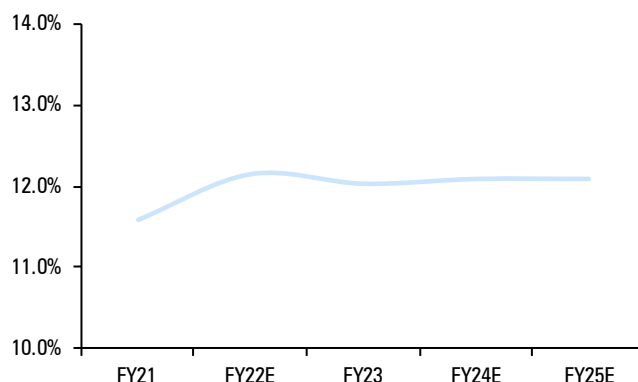
Key Metrics

Exhibit 5: Sugar sales volume to decline due to diversion towards ethanol (in lakh tonne)



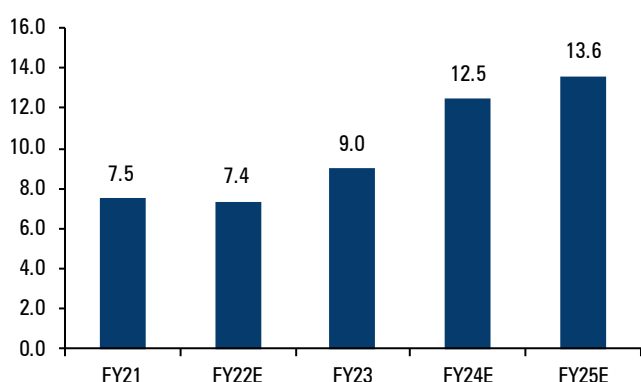
Source: ICICI Direct Research, Company

Exhibit 6: Gross recovery stable for Dhampur (%)



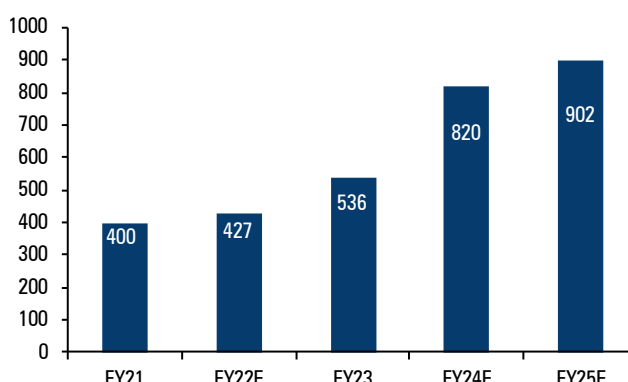
Source: ICICI Direct Research, Company

Exhibit 7: Ethanol volumes (in crore litre)



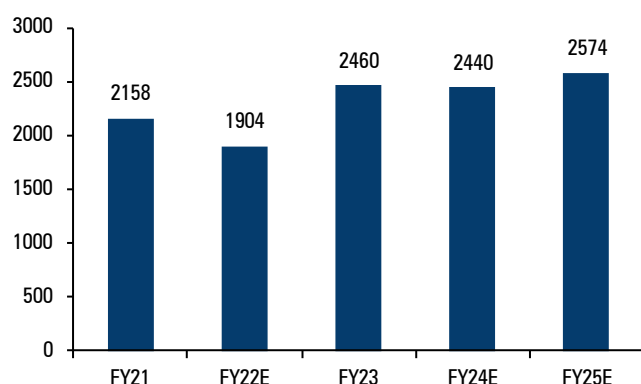
Source: Company, ICICI Direct Research

Exhibit 8: Distillery segment (ethanol) sales (₹ crore)



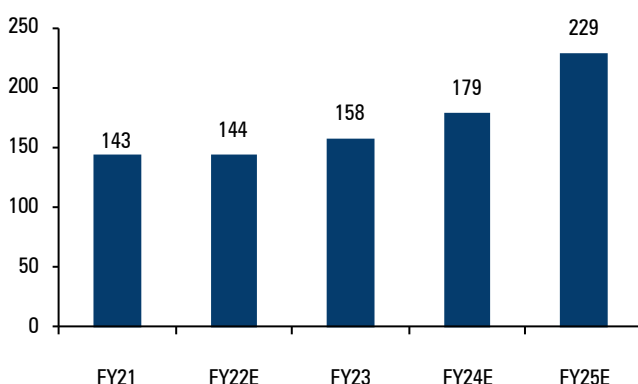
Source: Company, ICICI Direct Research

Exhibit 9: Revenue trend (₹ crore)



Source: Company, ICICI Direct Research

Exhibit 10: Adjusted PAT trend (₹ crore)



Source: Company, ICICI Direct Research

Exhibit 11: Valuation

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY22	1904.1	-11.8	21.7	0.5	12.0	8.7	16.3	13.9
FY23	2459.8	29.2	23.8	9.7	11.0	7.9	15.2	14.5
FY24E	2440.3	-0.8	26.9	13.2	9.7	7.1	15.8	15.9
FY25E	2574.2	5.5	34.5	28.0	7.6	5.7	17.7	18.5

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 12: Profit and loss statement ₹ crore

(Year-end March)	FY22E	FY23	FY24E	FY25E
Total Operating Income	1,904.1	2,459.8	2,440.3	2,574.2
Growth (%)	-11.8	29.2	-0.8	5.5
Raw Material Expenses	1,350.3	1,881.8	1,838.5	1,908.8
Employee Expenses	78.2	84.1	84.1	89.1
Other expenses	184.2	190.6	183.0	188.5
Total Operating Expenditure	1,612.7	2,156.4	2,105.6	2,186.3
EBITDA	291.4	303.3	334.7	387.8
Growth (%)	5.3	4.1	10.3	15.9
Depreciation	50.3	52.1	55.7	59.2
Interest	50.2	43.9	39.4	35.4
Other Income	10.6	15.5	15.8	15.9
PBT	190.9	207.3	239.6	293.2
Exceptional items	0.0	0.0	0.0	0.0
Total Tax	57.6	64.8	76.6	80.4
PAT	144.0	158.0	178.8	228.8
Growth (%)	0.5	9.7	13.2	28.0
EPS (₹)	21.7	23.8	26.9	34.5

Source: Company, ICICI Direct Research

Exhibit 13: Cash flow statement ₹ crore

(Year-end March)	FY22E	FY23	FY24E	FY25E
Profit/Loss after Tax	201.6	158.0	178.8	228.8
Add: Depreciation	50.3	52.1	55.7	59.2
Add: Interest	50.2	0.0	0.0	0.0
(Inc)/dec in Current Assets	-312.1	147.9	3.6	-18.0
Inc/(dec) in Current Liabilities	47.0	-48.0	32.9	94.5
CF from operating activities	-0.2	309.9	271.0	364.4
(Inc)/dec in Investments	0.0	3.3	-5.0	-5.0
(Inc)/dec in Fixed Assets	-87.5	-172.7	-135.7	-139.2
Others	-3.4	25.3	0.0	0.0
CF from investing activities	-90.9	-144.1	-140.7	-144.2
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	126.0	-153.2	-70.0	-150.0
Dividend paid & dividend tax	-0.1	-39.8	-53.1	-66.4
Inc/(dec) in Sec. premium	0.0	39.4	-39.4	0.0
Others	-48.7	0.0	0.0	0.0
CF from financing activities	77.1	-153.6	-162.6	-216.4
Net Cash flow	-13.9	12.3	-32.3	3.9
Opening Cash	72.5	44.6	56.8	24.6
Cash & cash equivalents	-14.0	0.0	0.0	0.0
Cash with bank	14.0	0.0	0.0	0.0
Closing Cash	58.6	56.8	24.6	28.4

Source: Company, ICICI Direct Research

Exhibit 14: Balance Sheet ₹ crore

	FY22E	FY23	FY24E	FY25E
Liabilities				
Equity Capital	66.4	66.4	66.4	66.4
Reserve and Surplus	818.6	976.2	1,062.4	1,224.8
Total Shareholders funds	885.0	1,042.6	1,128.8	1,291.2
Total Debt	879.1	725.9	655.9	505.9
Long Term Provisions	15.3	15.6	13.6	11.6
Other Non-current Liabilities	35.5	71.2	58.0	58.0
Total Liabilities	1,814.9	1,855.2	1,856.2	1,866.6
Assets				
Gross Block	2,101.0	2,199.5	2,325.1	2,454.3
Less: Acc Depreciation	1,103.8	1,155.9	1,211.6	1,270.8
Net Block	997.2	1,043.6	1,113.6	1,183.6
Capital WIP	28.7	103.3	113.3	123.3
Intangible assets	2.1	1.8	1.8	1.8
Non Current Investments	5.1	1.8	6.8	11.8
Other non-current assets	18.0	6.6	6.6	6.6
Current Assets				
Inventory	852.4	666.8	671.1	679.3
Debtors	159.9	194.5	196.6	207.4
Cash	58.6	56.8	24.6	28.4
Loans & Advances	1.8	1.6	1.6	1.6
Other Current Assets	41.1	44.4	34.4	33.4
Current Liabilities				
Creditors	231.7	182.0	170.5	181.4
Provisions	5.2	6.5	6.5	6.5
Other CL	113.0	77.5	137.1	222.6
Net Current Assets	763.8	698.1	614.2	539.6
Total Assets	1,814.9	1,855.2	1,856.2	1,866.6

Source: Company, ICICI Direct Research

Exhibit 15: Key ratios

	FY22E	FY23	FY24E	FY25E
Per share data (₹)				
EPS	21.7	23.8	26.9	34.5
Cash EPS	29.3	31.6	35.3	43.4
BV	133.3	157.1	170.1	194.5
DPS	6.0	6.0	8.0	10.0
Cash Per Share	166.3	174.1	182.5	191.4
Operating Ratios (%)				
EBITDA Margin	15.3	12.3	13.7	15.1
PBT / Net Sales	0.1	0.1	0.1	0.1
PAT Margin	7.6	6.4	7.3	8.9
Inventory days	163.4	98.9	100.4	96.3
Debtor days	30.7	28.9	29.4	29.4
Creditor days	44.4	27.0	25.5	25.7
Return Ratios (%)				
RoE	16.3	15.2	15.8	17.7
RoCE	13.9	14.5	15.9	18.5
Valuation Ratios (x)				
P/E	12.0	11.0	9.7	7.6
EV / EBITDA	8.7	7.9	7.1	5.7
EV / Net Sales	1.3	1.0	1.0	0.9
Market Cap / Sales	0.9	0.7	0.7	0.7
Price to Book Value	2.0	1.7	1.5	1.3
Solvency Ratios				
Debt/EBITDA	3.0	2.4	2.0	1.3
Debt / Equity	1.0	0.7	0.6	0.4
Current Ratio	3.9	4.2	3.5	2.9
Quick Ratio	0.7	1.1	0.9	0.8

Source: Company, ICICI Direct Research

Exhibit 16: ICICI Direct coverage universe (Sugar)

Sector / Company	CMP	TP	M Cap	EPS (₹)				P/E (x)				EV/EBITDA (x)				P/B (x)				RoCE (%)				
	(₹)	(₹)		Rating	(₹ Cr)	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E
Balrampur Chini (BALCHI)	422	435	Buy	8,600	22.8	16.0	31.0	36.6	18.5	26.4	13.6	11.5	13.7	18.8	9.8	8.8	3.1	2.9	2.5	2.3	15.3	10.1	19.1	20.5
Dalmia Bharat Sugar (DALSUG)	369	490	Buy	2,985	36.7	31.9	42.6	49.9	10.0	11.6	8.7	7.4	8.3	8.1	6.1	5.2	1.3	1.3	1.2	1.1	12.3	12.8	16.0	16.9
Triveni Engineering (TRIENG)	280	360	Buy	6,770	17.7	16.8	25.7	31.9	15.8	16.6	10.9	8.8	13.4	13.9	8.9	6.9	3.7	2.4	2.3	2.0	15.8	14.6	19.3	25.0
Dwarikesh sugar (DWASUG)	95	115	Buy	1,794	8.2	5.6	7.7	10.0	11.6	17.1	12.3	9.5	7.5	9.4	7.1	6.2	2.6	2.3	1.9	1.7	20.6	16.0	20.8	22.2
Dhampur Sugar (DHASUG)	261	340	Buy	1,736	21.7	23.8	26.9	34.5	12.0	11.0	9.7	7.6	8.7	7.9	7.1	5.7	2.0	1.7	1.5	1.3	13.9	14.5	15.9	18.5

Source: Bloomberg, 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, Sanjay Manyal, MBA (FINANCE) 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 – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Securities, Brillanto House Road Number 13, MIDC, Andheri (E), Mumbai - 400 093. 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: headsquality@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.

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 ICICI Securities and affiliates 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.