

## Cables, Lloyd segment drive revenue...

**About the stock:** Havells India (HIL) is India's leading electrical appliances & equipment manufacturer with a diversified product portfolio consisting of switchgears, cables, electrical consumer durables and lighting & fixtures. Apart from 'Havells', HIL's other major brands include Crabtree, Standard, Reo and Lloyd.

- In all its business segments, Havells has a strong presence in the organised product category with a market share ranging between 6% and 20%
- Robust balance sheet with RoE & RoCE of 19% & 24%, respectively (five-year average), with stringent working capital policy

**Q3FY23 Results:** Strong revenue growth; sequential improvement in margins.

- Revenue up ~13% YoY to ₹ 4119.7 crore mainly led by ~30% revenue growth in Lloyd and ~17% revenue growth in cables segment
- Gross margin increased 72 bps YoY (+ 212 bps QoQ) to 33% supported by lower raw material cost and subsiding inventory losses. EBITDA margin witnessed a sequential recovery by 246 bps (down 177 bps YoY) to 10.3%
- PAT increased ~52% QoQ to ~₹ 283.9 crore (down ~7% YoY), tracking EBITDA margin recovery

**What should investors do?** Strong B2C brand, focus on market share gains of Lloyd through improved product mix and dealer addition. The company's share price has grown ~2.1x in the last five years.

- We maintain our **BUY** rating on the stock

**Target Price and Valuation:** We roll over our valuation on FY25E. We value the stock at 48x FY25E EPS with a revised target price of ₹ 1420/share.

**Key triggers for future price performance:**

- Total ~1.7 crore new houses under PMAY, urbanisation and rising aspiration level will give a significant boost to demand for home appliances
- Revival in the Lloyd business through new launches and improvement in segment margin
- It aims to increase its town penetration from current 1150 to 2000 and retail touch points from 1.6 lakh to 2.5 lakh over the next five years
- Model revenue, earnings CAGR of ~16% & 19%, respectively, in FY22-24E

**Alternate Stock Idea:** We like Supreme Industries in our coverage.

- Supreme is market leader in the plastic piping segment with ~15% market share. Robust b/s with average RoE, RoCE of 24%, 27%, respectively
- BUY with a target price of ₹ 2600



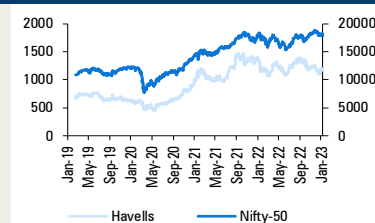
### Particulars

Particular	Amount
Market Capitalization (₹ Cr)	72,275.0
Total Debt (FY22) (₹ Cr)	395.5
Cash and Inv (FY22) (₹ Cr)	2,687.1
EV (₹ Cr)	69,983.4
52 week H/L	1406 / 1024
Equity capital (₹ Cr)	62.6
Face value (₹)	1.0

### Shareholding pattern

(in %)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Promoter	59.5	59.5	59.5	59.5	59.5
FII	26.5	24.4	23.1	23.3	22.6
DII	6.3	8.3	9.0	9.7	10.4
Others	7.7	7.8	8.5	7.5	7.5

### Price Chart



### Recent Event & Key risks

- Key Risk:** (i) Lower volume offtake of ECD & Lloyd (ii) EBITDA margin pressure on account of volatile RM prices and higher ad spend

### Research Analyst

Sanjay Manyal  
sanjay.manyal@icicisecurities.com

Hitesh Taunk  
hitesh.taunk@icicisecurities.com

Ashwi Bhansali  
ashwi.bhansali@icicisecurities.com

### Key Financial Summary

₹ Crore	FY19	FY20	FY21	FY22	5Year CAGR (FY17-22)	FY23E	FY24E	FY25E	3 Year CAGR (FY22-25E)
Net Sales	10067.8	9429.2	10427.9	13888.5	17.8	16898.3	18735.5	20950.0	14.7
EBITDA	1183.9	1027.4	1565.2	1757.6	16.4	1700.3	2388.9	2693.1	15.3
EBITDA Margin (%)	11.8	10.9	15.0	12.7		10.1	12.8	12.9	
PAT	787.4	733.0	1039.6	1194.7	17.2	1140.6	1636.8	1853.1	15.8
EPS (₹)	12.6	11.7	16.7	19.1		18.2	26.1	29.6	
P/E (x)	91.4	98.2	69.3	60.5		63.4	44.2	39.0	
Price/Book Value (x)	17.2	16.7	13.9	12.1		12.6	11.2	10.4	
Mcap/Sales	7.2	7.7	6.9	5.2		4.3	3.9	3.4	
RoE (%)	18.8	17.0	20.1	20.0		19.9	25.3	26.5	
RoCE (%)	25.4	19.6	24.9	23.7		23.6	30.2	32.0	

## Key takeaways of results & conference call highlight

### Q3FY23 Results: Growth in topline, margin recovery in progress...

- Havells' topline growth came in at ~13% YoY to ₹ 4119.7 crore, led by B2B segment (cable & wire segment). The B2C segment volume offtake was impacted by higher inflation and unfavourable base
- Segment wise revenues for Q3FY23 were: Cables & wire segment revenues were up 17.1% YoY to ₹ 1412.1 led by ~20% volume growth. Further, continuous focus on market share gains helped drive Lloyd segment revenues up by ~30% YoY to ₹ 607 crore. However, B2C segment was impacted by lower demand amid unfavourable base and high inflation. The electrical consumer durable (ECD), switchgear and lighting revenues were up 4.7%, 3.7% and 3% YoY to ₹ 934.8 crore, ₹ 514.1 crore and ₹ 420.1 crore, respectively
- ECD grew, albeit at a slow pace, mainly due to slower offtake of fans and moderating consumer demand. The company is witnessing stocking of low value fans and destocking of premium fans by dealers
- On a three-year CAGR basis, Lloyd and cable segment revenues increased by 26% each, switchgear revenue increased by 16%, lighting & ECD revenues increased by 15% and 20%, respectively
- Havells' EBITDA margin at 10.3% was up 246 bps sequentially led by easing raw material costs. However, lower operating leverage and increased advertisement expenditure led to EBITDA margin decline of ~177 bps YoY
- Net profit declined ~7.2% YoY to ₹ 283.9 crore. However, PAT grew ~52% sequentially on account of a recovery in margins

Havells - ESG Disclosure Score*			
Score	FY19	FY20	FY21
Environmental	62.4	61.2	45.7
Social	31.6	42.8	33.2
Governance	91.1	91.1	91.1
<b>Overall ESG Score</b>	<b>61.8</b>	<b>65.1</b>	<b>56.7</b>

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

### Q3FY23 Earnings Conference Call highlights

#### Future Demand Outlook:

- According to the management, the company is witnessing moderating consumer demand on account of higher inflation
- Demand from B2B segment continues to be robust. There were no one-offs in this business
- Demand for RACs was subdued in Q3FY23 as seasonal demand is usually low during the quarter. Demand for RACs is expected to grow from late January onwards at the onset of the summer season
- Havells' channel partners are stocking up the inventory of cables, wires and RACs
- As per the management, transition to BEE norms has resulted in de-stocking of premium fans and high stocking of lower priced fans. The company plans to take a price hike of ~3-4% in Q4FY23 as a result of transition to new BEE norms

#### Margins:

- Margins improved sequentially as a result of liquidation of high-cost inventory. However, Lloyd business continues to hold high-cost inventory
- Higher stocking and price hikes in cables and wires segment led to expansion in margins of the company
- The management expects a further improvement in margins. However, recent volatility in raw material prices may restrict the expansion in coming quarters
- According to the management, inventory in the system is not very high currently

**Lloyd:**

- The management expects EBIT level recovery of Lloyd from Q4 onwards with subsiding high cost inventory
- As a result of transition to BEE norms, there will be a change in energy ratings of RACs. Due to the same, Havells will be taking a 3-4% price increase in RACs in Q4FY23
- RACs contribute ~75% to Lloyd's revenue
- The company's upcoming facility in Sri City, Andhra Pradesh for production of RACs and refrigerators is expected to start functioning from March

**Capex:**

- The management reiterated it will be spending ₹ 700 crore on capex in FY23

Exhibit 1: Peer comparison

Company	Mcap ₹ cr	Revenue				EBITDA margin				PAT				RoCE				RoE				PE			
		FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E
Havells	72,275	10428	13889	16898	18735	15	13	10	13	1040	1195	1141	1637	25	24	24	30	20	20	20	25	69	60	63	44
Crompton Greaves	20,246	4804	5394	7269	8232	15	14	13	13	617	578	559	697	34	16	17	20	32	24	22	23	33	35	36	29
Bajaj Electrical	13,047	4585	4813	5259	6381	7	5	8	8	189	124	270	381	15	14	22	25	11	8	16	19	69	105	48	34
Polycab	41,261	8792	12204	14054	15759	13	10	12	12	886	917	1141	1298	21	20	25	24	18	16	18	18	47	45	36	32
Symphony	6,765	900	1039	1283	1559	15	15	18	20	107	121	183	243	15	16	24	29	15	14	24	27	63	56	37	28
V guard	10,793	2721	3498	4187	5009	11	10	9	11	202	228	232	339	24	21	24	25	17	16	18	23	53	47	47	32
Voltas	25,797	7556	7934	9527	11080	8	9	7	9	529	506	533	770	15	14	16	20	11	9	11	14	49	51	48	33

Source: BSE, ICICI Direct Research

Havells’ Q3FY23 performance showed a recovery across all parameters. The company has mostly liquidated its high-cost inventory resulting in EBITDA margin recovery on a sequential basis. However, profitability of Lloyd continues to remain impacted due to focus on market share gains and higher advertisement expenses. EBIT margin of Lloyd came in at -0.7% in Q3FY23. The management expects an improvement in margin of Lloyd from Q4FY23 led by price hikes and improved product mix. We believe softening raw material prices and a better product mix will drive overall EBITDA margin. On the revenue front, the company has reported an encouraging three-year revenue CAGR of 22% supported by new product launches and market share gains. Going forward, we build in revenue CAGR of ~15% over FY22-25E led by ~23% revenue CAGR in Lloyd. We believe new product launches and dealer additions will be key growth drivers of overall revenue. We introduce FY25E estimates and model revenue, earning CAGR of ~15%, ~16%, respectively, over FY22-25E. We maintain our BUY rating on the stock considering its strong brand, market share gains and its robust balance sheet condition. We value the stock at 48x P/E FY25E EPS with a revised target price of ₹ 1420/share.

Exhibit 2: Variance Analysis

	Q3FY23	Q3FY23E	Q3FY22	YoY (%)	Q2FY23	QoQ (%)	Comments
Revenue	4119.7	3993.3	3652.3	12.8	3668.9	12.3	Revenue growth led by strong growth in cables & Lloyd business
Other Income	39.9	59.9	48.8	-18.2	43.3	-7.9	
Raw Material Exp	2759.8	2735.4	2473.0	11.6	2535.6	8.8	
Gross Margin (%)	33.0	31.5	32.3	72 bps	30.9	212 bps	Improvement in gross margin as a result of stabilising raw material prices and liquidation of high-cost inventory
Employee Exp	326.6	319.5	257.4	26.9	306.8	6.5	
Other expenses	609.6	539.1	481.5	26.6	539.4	13.0	
EBITDA	423.7	399.3	440.3	-3.8	287.1	47.6	
EBITDA Margin (%)	10.3	10.0	12.1	-177 bps	7.8	246 bps	Sequential improvement in EBITDA margin led by better gross margin and topline growth
Depreciation	74.6	74.7	66.2	12.7	72.1	3.5	
Interest	7.3	9.1	12.3	-40.8	6.8	6.6	
PBT	381.8	375.4	410.7	-7.0	251.5	51.8	
Total Tax	97.8	96.5	104.7	-6.6	64.6	51.4	
PAT	283.9	279.0	305.9	-7.2	186.9	51.9	Sequential growth in PAT tracking topline and EBITDA growth
Key Metrics							
Cable	1,412.1	1,337.8	1,205.8	17.1	1,359.4	3.9	Cable & wire segment revenue growth driven by higher volume of ~20% YoY
Switchgear	514.1	538.9	496.0	3.7	487.8	5.4	Volume offtake in switchgear impacted by slowdown in new construction
ECD	934.8	981.1	892.6	4.7	773.5	20.9	Growth of ECD segment impacted by subdued demand on B2C front amid higher inflation
Lloyd	606.8	519.7	465.7	30.3	414.1	46.5	Revenue growth in Lloyd led by volume growth
Lighting & Fixtures	420.1	416.8	408.0	3.0	397.0	5.8	Subdued demand led to lower revenue growth in lighting segment
Others*	231.9	198.9	184.1	25.9	237.2	-2.2	Revenue growth came in largely on favourable base

Source: Company, ICICI Direct Research, \* Motor, Pump, Solar, Personal Grooming and Water Purifier businesses

Exhibit 3: Change in estimates

(\₹ Crore)	FY23E			FY24E			FY25E		Comments
	Old	New	% Chg	Old	New	% Chg	ntroduced		
Revenue	16232.6	16898.3	4.1	18584.8	18735.5	0.8	20950.0	We tweak our revenue estimate for FY23E-24E factoring in Q3FY23 performance. We introduce FY25E estimates with revenue CAGR of 15% FY22-25E	
EBITDA	1642.6	1700.3	3.5	2416.2	2388.9	(1.1)	2693.1		
EBITDA Margin (%)	10.1	10.1	-6bps	13.0	12.8	-25bps	12.9	We believe easing raw material costs and improved product mix will help drive EBITDA margin	
PAT	1105.3	1140.6	3.2	1694.3	1636.8	(3.4)	1853.1		
EPS (\₹)	17.6	18.2	3.5	27.1	26.1	(3.6)	29.6		

Source: Company, ICICI Direct Research

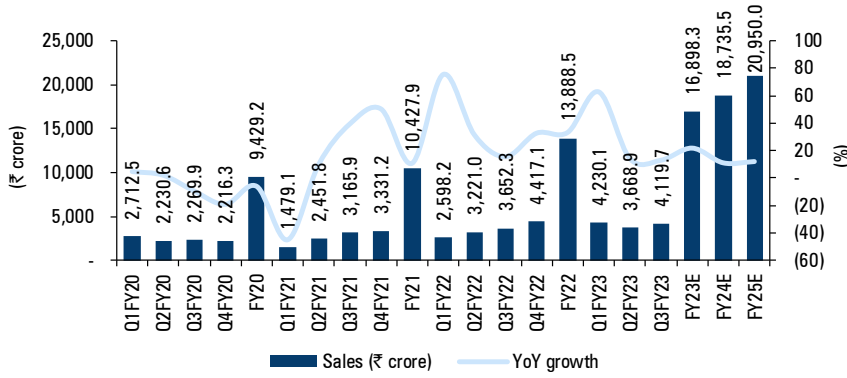
Exhibit 4: Assumption

	Current				FY25E		Earlier		Comments
	FY20	FY21	FY22	FY23E	FY24 E	Introduced	FY23E	FY24 E	
Cable Growth (%)	-7.4	6.2	46.1	20.9	10.4	11.1	13.4	13.4	We model segment revenue CAGR of 14% over FY22-25E supported by higher government capex and pick-up in B2B demand
Switchgear Growth (%)	-15.1	9.1	22.3	14.0	8.2	10.0	10.9	12.3	We model revenue CAGR of 11% over FY22-25E led by dealer expansion in new geographies and pick-up in new construction
ECD Growth (%)	-4.3	18.5	29.0	14.0	9.0	12.2	14.3	13.1	Boost in demand for fans post transition to BEE norms is likely to drive ECD performance at a CAGR of 12% over FY22-25E
Lloyd Growth (%)	-14.3	6.2	33.9	40.9	16.1	15.2	35.2	23.3	Lloyd segment revenue is likely to grow at a CAGR of 24% in FY22-25E supported by capacity expansion and launch of new products (refrigerators and washing machines)
Lighting & Fixtures (%)	-22.2	6.9	26.4	17.9	10.0	9.9	12.6	9.4	We model revenue CAGR of ~13% over FY22-25E led by new product launches

Source: Company, ICICI Direct Research

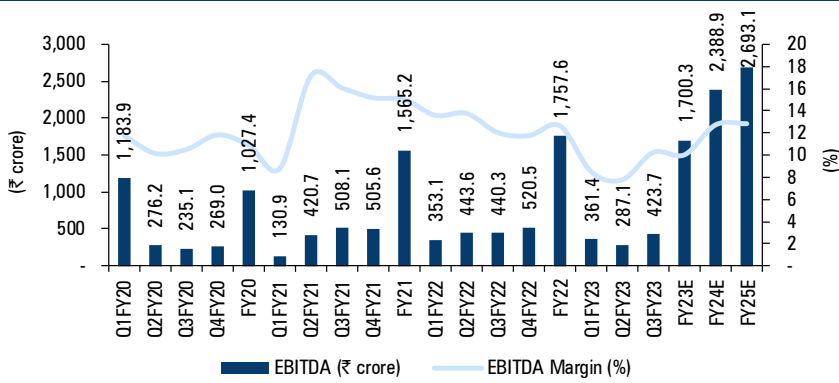
Financial story in charts....

Exhibit 5: Revenue growth trend



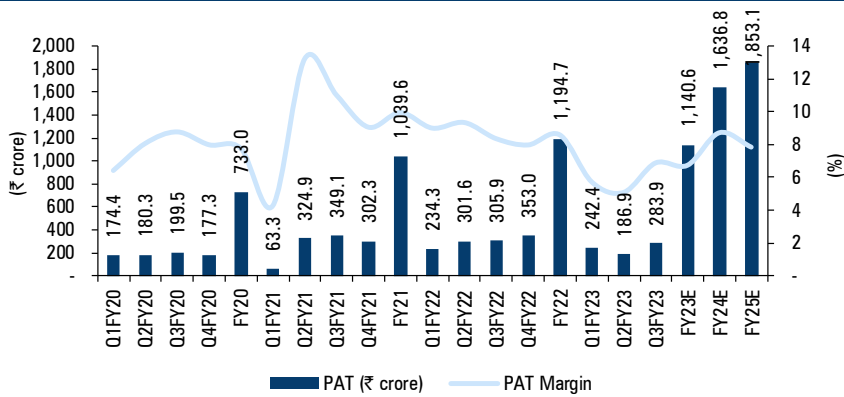
Source: Company, ICICI Direct Research

Exhibit 6: EBITDA margin movement



Source: Company, ICICI Direct Research

Exhibit 7: PAT growth trend



Source: Company, ICICI Direct Research

## Financial summary

Exhibit 8: Profit and loss statement				
	₹ crore			
Year End March	FY22	FY23E	FY24E	FY25E
Total Operating Income	13888.5	16898.3	18735.5	20950.0
Growth (%)	33.2	21.7	10.9	11.8
Raw Material Expenses	7552.6	8635.0	9836.1	10998.8
Employee Expenses	1014.7	1272.2	1345.5	1467.4
Marketing Expenses	246.8	464.5	547.4	610.8
Other expenses	1485.4	1920.7	2140.8	2416.8
Operating Expenditure	12130.9	15198.0	16346.5	18257.0
EBITDA	1757.6	1700.3	2388.9	2693.1
Growth (%)	12.3	-3.3	40.5	12.7
Other Income	160.4	169.0	168.6	188.6
Interest	53.4	37.1	32.1	27.1
Depreciation	260.8	295.7	337.2	377.1
Less: Exceptional Items	0.0	0.0	0.0	0.0
PBT	1603.8	1536.5	2188.2	2477.5
Total Tax	409.1	395.9	551.4	624.3
PAT	1194.7	1140.6	1636.8	1853.1

Source: Company, ICICI Direct Research

Exhibit 10: Balance sheet				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Equity Capital	62.6	62.6	62.6	62.6
Reserve and Surplus	5101.9	5923.9	5629.4	5833.1
Total Shareholders funds	5164.4	5986.5	5692.0	5895.7
Total Debt	393.7	395.5	345.5	295.5
Deferred Tax Liability	339.1	350.6	350.6	350.6
<b>Total Liabilities</b>	<b>6043.3</b>	<b>6979.2</b>	<b>6634.6</b>	<b>6788.4</b>
<b>Assets</b>				
Total Gross Block	4355.5	4706.6	5256.6	5606.6
Less Acc. Depreciation	1322.3	1583.1	1878.6	2190.8
Net Block	3033.2	3123.5	3378.1	3415.8
Capital WIP	86.3	56.8	106.8	156.8
Total Fixed Assets	3119.5	3180.2	3484.8	3572.6
Investment	491.21	67.29	81.78	73.67
Inventory	2619.9	2968.1	3557.8	4073.4
Debtors	563.6	767.5	1022.9	1171.1
Other Current Assets	175.3	203.9	238.3	272.8
Cash	1624.7	2533.7	1056.9	951.1
Total Current Assets	4983.6	6473.2	5875.9	6468.4
Total Current Liabilities	2776.9	3523.9	3737.2	4278.8
Net Current Assets	2206.7	2949.3	2138.7	2189.6
<b>Total Assets</b>	<b>6043.3</b>	<b>6979.2</b>	<b>6634.6</b>	<b>6788.4</b>

Source: Company, ICICI Direct Research

Exhibit 9: Cash flow statement				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
Profit after Tax	1194.7	1140.6	1636.8	1853.1
Depreciation	260.8	295.7	337.2	377.1
CF before working cap change	1509.0	1473.4	2006.1	2257.3
Net Increase in Current Assets	-580.6	-1077.2	-750.7	-566.9
Net Increase in Current Liabilit	746.9	366.6	85.0	469.9
<b>CF from operating activities</b>	<b>1675.3</b>	<b>762.9</b>	<b>1340.4</b>	<b>2160.3</b>
(Purchase)/Sale of Liquid Inves	152.9	-146.6	0.0	0.0
Others	-474.5	-453.4	-400.0	-500.0
(Purchase)/Sale of Fixed Asset	-321.6	-600.0	-400.0	-500.0
<b>CF from Investing Activities</b>	<b>-342.1</b>	<b>-761.6</b>	<b>-415.0</b>	<b>-515.0</b>
Proceeds frm Equity Shares	0.0	0.0	0.0	0.0
Inc / (Dec) in Loan Funds	1.9	-50.0	-50.0	-50.0
Others	-426.1	-1436.9	-926.4	-1368.6
<b>CF from Financing Activities</b>	<b>-424.2</b>	<b>-1486.9</b>	<b>-976.4</b>	<b>-1418.6</b>
Net Cash flow	908.9	-1485.6	-51.0	226.7
Opening Cash	1624.7	2533.7	1048.1	997.1
<b>Closing Cash</b>	<b>2533.7</b>	<b>1048.1</b>	<b>997.1</b>	<b>1223.8</b>

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
<b>Per Share Data</b>				
Reported EPS	19.1	18.2	26.1	29.6
Cash EPS	23.2	22.9	31.5	35.6
BV per share	95.6	91.4	103.3	111.5
DPS	8.9	17.9	14.3	21.4
<b>Operating Ratios (%)</b>				
EBITDA Margin (%)	12.7	10.1	12.8	12.9
PAT Margin (%)	8.6	6.7	8.7	8.8
Asset Turnover	2.0	2.5	2.5	2.7
Debtors Turnover	20.2	23.0	25.0	25.0
Creditor Turnover	62.5	55.0	52.0	52.0
<b>Return Ratios (%)</b>				
RoE	20.0	19.9	25.3	26.5
RoCE	23.7	23.6	30.2	32.0
RoIC	32.3	24.3	31.9	34.5
<b>Valuation Ratios</b>				
EV / EBITDA	39.8	41.9	29.8	26.4
P/E	60.5	63.4	44.2	39.0
EV / Net Sales	5.0	4.2	3.8	3.4
EV / Net Sales	5.0	4.2	3.8	3.4
Market Cap / Sales	5.2	4.3	3.9	3.4
Price to Book Value	12.1	12.6	11.2	10.4
<b>Solvency Ratios</b>				
Debt / Equity	0.1	0.1	0.0	0.0
Current Ratio	1.5	1.7	1.9	1.9
Quick Ratio	0.4	0.5	0.5	0.5

Source: Company, ICICI Direct Research

Exhibit 12: ICICI Direct Consumer Discretionary universe

Sector / Company	CMP (₹)	TP(₹)	Rating	M Cap		EPS (₹)				P/E (x)				EV/EBITDA (x)				RoCE (%)				RoE (%)			
				(₹ Cr)	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	
Asian Paints (ASIPAI)	2,785	3,180	Hold	2,67,082	33.4	32.2	41.3	49.5	83.3	86.6	67.4	56.2	54.1	55.0	45.0	37.5	29.6	27.1	32.6	33.7	25.0	23.0	27.5	27.7	
Berger Paints (BERPAI)	557	670	Hold	54,101	7.4	8.6	10.2	12.1	75.2	64.9	54.5	46.0	45.3	40.8	34.4	29.6	24.9	23.3	28.7	30.8	21.3	21.2	25.8	27.2	
Kansai Nerolac (KANNER)	419	515	Hold	22,581	9.8	6.9	10.4	13.1	42.6	60.3	40.4	32.1	26.8	34.8	24.7	19.8	17.2	12.1	17.3	20.0	13.2	9.2	13.4	15.2	
Pidilite Industries (PIDIND)	2,403	2,965	Hold	1,22,024	22.2	23.8	30.9	43.2	108.4	101.1	77.8	55.6	72.3	65.8	52.0	38.1	23.3	21.7	25.6	31.0	19.6	18.4	21.4	25.5	
Sheela Foam (SHEFOA)	1,251	1,659	Buy	12,205	24.4	22.3	25.4	32.9	51.3	56.2	49.3	38.0	33.8	39.4	34.0	26.0	24.3	18.0	19.8	23.5	20.1	15.6	16.2	18.8	
Bajaj Electricals (BAJELE)	1,136	1,275	Hold	13,047	16.5	10.8	23.5	33.1	68.9	104.9	48.4	34.3	43.8	51.8	31.6	23.8	15.1	13.5	22.4	25.3	10.7	7.8	15.8	18.7	
Crompton Greaves(CROGR)	323	415	Hold	20,246	9.8	9.2	8.9	11.1	32.8	35.0	36.2	29.1	26.6	26.4	23.5	19.5	34.4	16.2	16.6	20.5	31.9	24.0	21.7	23.4	
Havells India (HAVIND)	1,154	1,420	Buy	72,275	16.7	19.1	18.2	26.1	69.3	60.5	63.4	44.2	45.4	39.9	42.1	30.0	24.9	23.7	23.6	30.2	20.1	20.0	19.9	25.3	
Polycab India (POLI)	2,761	3,300	Buy	41,261	59.3	61.4	76.3	86.8	46.6	45.0	36.2	31.8	36.3	31.7	23.1	20.5	20.6	20.2	24.7	23.8	17.9	15.6	18.4	18.0	
Symphony (SYMLIM)	967	1,215	Hold	6,765	15.3	17.3	26.1	34.8	63.2	55.9	37.0	27.8	47.4	40.9	28.5	21.5	15.2	15.9	24.5	29.0	14.9	14.4	23.6	27.4	
V-Guard Ind (VGUARD)	252	310	Buy	10,793	4.7	5.3	5.4	7.9	53.5	47.2	47.0	32.1	33.7	31.8	30.2	19.7	23.9	21.2	23.7	25.4	16.7	16.2	17.8	22.9	
Voltas Ltd (VOLTAS)	780	1,005	Hold	25,797	16.0	15.3	16.1	23.3	48.8	51.0	48.4	33.5	39.5	36.9	35.8	25.5	15.0	14.0	16.5	20.3	10.6	9.2	10.9	14.2	
Amber Enterprises (AMBEN)	1,919	2,395	Hold	6,466	24.7	33.0	45.7	73.7	77.6	58.1	42.0	26.0	29.1	24.7	19.5	14.5	7.7	6.8	10.2	13.2	5.2	6.4	8.7	12.3	
Dixon Technologies (DIXTEC)	3,516	4,730	Buy	20,867	27.3	32.1	57.9	85.4	128.9	109.6	60.7	41.2	72.8	55.4	34.2	25.0	23.5	17.7	27.8	31.5	21.7	19.1	31.8	34.2	
Supreme Indus (SUPIND)	2,361	2,600	Buy	29,991	77.0	76.2	61.7	77.6	30.7	31.0	38.3	30.4	22.8	23.7	26.2	20.7	33.1	25.9	22.4	26.6	30.9	25.2	20.1	23.1	
Astral Ltd (ASTPOL)	1,995	2,275	Buy	40,076	20.3	24.4	22.1	32.7	98.2	81.7	90.2	61.1	61.5	52.3	51.6	39.4	27.5	26.6	23.3	27.7	21.5	21.0	17.3	22.0	
EPL (ESSPRO)	161	175	Hold	5,088	7.7	7.0	8.6	10.6	20.8	23.0	18.7	15.2	8.7	9.6	8.0	6.8	16.2	12.6	15.9	18.5	14.8	12.1	14.7	17.1	
Time Techno (TIMTEC)	88	125	BUY	1,990	4.8	8.5	9.8	13.2	18.5	10.4	8.9	6.7	6.7	5.4	4.7	3.9	8.7	11.3	12.5	14.7	5.7	9.3	10.4	12.6	
Moldtek Packaging (MOLPLA)	998	1,045	Hold	3,319	17.2	20.4	26.7	34.4	58.1	49.0	37.4	29.0	36.1	27.8	22.3	17.6	20.1	18.6	27.6	27.9	18.7	13.9	24.3	24.3	

Source: Company, 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,  
1st Floor, Akruiti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
research@icicidirect.com**

## ANALYST CERTIFICATION

I/We, Sanjay Manyal, MBA (Finance), Hitesh Taunk, MBA (Finance) and Ashwi Bhansali, 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 – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. 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](http://www.icicibank.com).

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](http://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.