

Switchgear, Lloyd segments drive Q4 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

Q4FY23 Results: Strong demand for RAC and switchgear drives revenue in Q4.

- Revenue up ~10% YoY to ~₹ 4850 crore led by ~32% and ~27% revenue growth in Lloyd and Switchgear segment, respectively
- Gross margin increased 115 bps YoY to ~31% supported by lower raw material cost and change in product mix. However, higher A&P spends (up by 59% YoY) dragged EBITDA margin down by 85 bps YoY to ~11%
- PAT marginally up by ~3% YoY to ~₹ 362 crore tracking revenue growth

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 ~2.3x in the last five years.

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

Target Price and Valuation: We value the stock at 48x FY25E EPS with a revised target price of ₹ 1425/share.

Key triggers for future price performance:

- Total ~1 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 ~13% & 31%, respectively, in FY23-25E

Alternate Stock Idea: We also 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 23%, 26%, respectively
- BUY with a target price of ₹ 3200



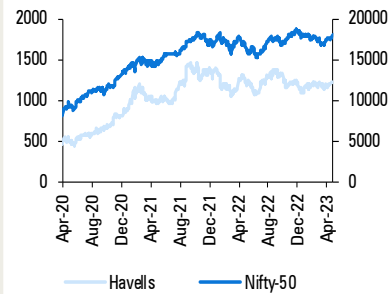
Particulars

Particular	Amount
Market Capitalization (₹ Cr)	76,283.3
Total Debt (FY23) (₹ Cr)	0.0
Cash and Inv (FY23) (₹ Cr)	1,861.9
EV (₹ Cr)	74,421.4
52 week H/L	1406 / 1024
Equity capital (₹ Cr)	62.6
Face value (₹)	1.0

Shareholding pattern

(in %)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Promoter	59.5	59.5	59.5	59.5	59.5
FII	24.4	23.1	23.3	22.6	23.1
DII	8.3	9.0	9.7	10.4	10.3
Others	7.8	8.5	7.5	7.5	7.2

Price Chart



Recent Event & Key risks

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

Research Analyst

Hitesh Taunk
hitesh.taunk@icicisecurities.com

Sanjay Manyal
sanjay.manyal@icicisecurities.com

Ashwi Bhansali
ashwi.bhansali@icicisecurities.com

Key Financial Summary

₹ Crore	FY19	FY20	FY21	FY22	FY23E	5Yr CAGR (FY18-23)	FY24E	FY25E	2 Year CAGR (FY23-25E)
Net Sales	10067.8	9429.2	10427.9	13888.5	16868.4	16%	19149.7	21685.2	13.4
EBITDA	1183.9	1027.4	1565.2	1757.6	1603.0	9%	2249.8	2644.7	28.4
EBITDA Margin (%)	11.8	10.9	15.0	12.7	9.5		11.7	12.2	
PAT	787.4	733.0	1039.6	1194.7	1075.0	9%	1558.9	1841.0	30.9
EPS (₹)	12.6	11.7	16.7	19.1	17.2		24.9	29.4	
P/E (x)	96.5	103.7	73.1	63.8	71.0		48.9	41.4	
Price/Book Value (x)	18.1	17.7	14.7	12.7	11.5		10.7	10.0	
Mcap/Sales	7.6	8.1	7.3	5.5	4.5		4.0	3.5	
RoE (%)	18.8	17.0	20.1	20.0	16.3		21.9	24.2	
RoCE (%)	25.4	19.6	24.9	23.7	20.6		26.9	29.8	

Key takeaways of results & conference call highlight

Q4FY23 Results: Switchgear, Lloyd drive topline growth amid sluggish consumer demand

- Despite sluggish consumer demand, Havells' topline growth came in at ~10% YoY to ~₹ 4850 crore led by strong revenue growth in Switchgear and Lloyd divisions. The switchgear revenue was up 27% YoY to ₹ 601 crore supported by a pick-up in construction activities. The Lloyd segment continued with strong topline growth of 32% YoY to ₹ 1264 crore led by market share gains through new product launches and aggressive dealer additions in new geographies
- However, the B2C segment was impacted by lower demand amid unfavourable base and lower demand of fan due to transition into new BEE norms. The electrical consumer durable (ECD) revenues declined ~14% YoY to ~₹ 750 crore. The cable & wire and lighting segment revenues were up ~5%, and ~4% YoY to ₹ 1568 crore and ₹ 413 crore, respectively, largely on lower base and lower consumer demand
- Havells' gross margin increased 115 bps YoY to ~31% YoY supported by improved product mix and easing raw material prices. However, EBITDA margin higher advertisement expenses (up 59% YoY) and low operating leverage dragged EBITDA margin down by 85 bps YoY to ~11%
- Segment wise adjusted EBIT margin were: Switchgear up 280 bps YoY to 28.3%, Lighting & fixtures up by 290 bps YoY to ~18%, Cable & wire up by 50 bps YoY to 11.7%, ECD down by ~430 bps YoY to 12.5% and Lloyd segment -2.1% (vs. -2.7% in Q4FY22)
- PAT marginally up by ~3% YoY to ₹ 362 crore tracking revenue growth

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
Overall ESG Score	61.8	65.1	56.7

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

Q4FY23 Earnings Conference Call highlights

Future Demand Outlook:

- Demand from B2B segment (cable & wire, Switchgear) continues to be robust led by pick up in housing segment and higher spend on infrastructure by government. The ECD demand is likely to see recovery from Q1FY24 onwards led by fresh inventory build-up of fans and pick-up in rural demand
- 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 has taken a price hike of ~5-7% in Q4FY23 as a result of transition to new BEE norms
- The RAC demand was impacted by erratic weather conditions in March, which led to higher inventory build-up at dealer's level. The company believes channel inventory to normalise with demand pick up supported by rise in temperature in the month of May-June 2023. The company continues to focus on market share gains through expansion in newer geographies and launch of new products

Margins:

- The management expects margin improvement, going forward, supported by easing raw material costs, launch of premium products in the Lloyd and ECD segments.
- Advertisement and promotional expenses will be in the range of 2.5-2.6% in the coming future, lower than pre-Covid level range of 3.8-3.9%

Lloyd:

- RACs contribute ~70% to Lloyd's revenue. Remaining 30% revenues comes from washing machines, LED TVs

- The company's new RAC manufacturing plant in Sri City started in February 2023. With this expansion, Havells RAC production capacity has now doubled to 2 mn units/annum. The revenue potential of the new plant (at its maximum utilisation) is ~₹ 2700-3000 crore

Capex:

- The company has guided a capex of ₹ 600 crore on capex in FY24 of which ₹ 300 crore will be for setting up of new cable & wire manufacturing plant in Tumkur

Others:

- Fan contributes ~60%-65% in total ECD revenues
- The rural region contributes ~5-6% in total revenues. The company focuses on increasing its rural penetration through dealer addition and new product launches

Exhibit 1: Peer comparison

Company	Mcap ₹ cr	Revenue					EBITDA margin					PAT					RoCE					RoE					PE				
		FY21	FY22	FY23E	FY24E	FY25E	FY21	FY22	FY23E	FY24E	FY25E	FY21	FY22	FY23E	FY24E	FY25E	FY21	FY22	FY23E	FY24E	FY25E	FY21	FY22	FY23E	FY24E	FY25E	FY21	FY22	FY23E	FY24E	FY25E
Havells	76,283	10428	13889	16868	19150	21685	15	13	10	12	12	1040	1195	1075	1559	1841	25	24	21	27	30	20	20	16	22	24	73	64	71	49	41
Crompton Greaves	15,983	4804	5394	6856	7870	8922	15	14	12	12	12	617	578	456	561	709	34	16	14	18	21	32	24	18	20	23	26	28	35	28	23
Bajaj Electrical	12,611	4585	4813	5287	6574	7160	7	5	7	8	8	189	124	224	357	422	15	14	20	25	24	11	8	13	18	18	67	101	56	35	30
Polycab	47,896	8792	12204	14253	16032	18180	13	10	13	13	13	886	917	1207	1346	1559	21	20	26	24	24	18	16	19	18	18	54	52	40	36	31
Symphony	6,870	900	1039	1278	1506	1784	15	15	15	16	17	107	121	159	199	253	15	16	21	25	28	15	14	21	24	27	64	57	43	35	27
V guard	10,536	2721	3498	4141	4954	5554	11	10	8	10	11	202	228	198	290	382	24	21	16	22	24	17	16	14	17	19	52	46	54	37	28
Voltas	26,756	7556	7934	9499	10814	12239	8	9	6	8	9	529	506	136	660	844	15	14	11	18	20	11	9	4	13	15	51	53	196	41	32

Source: BSE, ICICI Direct Research

For FY23, Havells reported strong revenue growth of ~22% YoY to ₹ 16868 crore even on a higher base of 33% growth in FY22, led by strong growth in the Lloyd division. Lloyd’s revenue increased by 49% YoY to ~₹ 3369 crore in FY23 (three year CAGR 41%) led by market share gains through new product launches and expansion in the new geographies. Other segments such as Cable & wire and Switchgear segments revenues grew by ~19% each YoY supported by higher infra spends and upcycle of real estate. However, ECD and lighting segment revenue were impacted by sluggish consumer demand and de-stocking of fans (due to transition of BEE rating change new BEE norms). Going forward, the management has guided capex of ₹ 600 crore in FY24E and continues with new product launches to gain market share.

We revise our revenue estimate upwards, building in revenue CAGR of 13% over FY23-25E led by strong growth in the cable & wire, switchgear and Lloyd segments. We believe higher government spends on infrastructure and housing, capacity expansion, and dealer additions in new geographies will drive revenue growth for the company. On the margin front, we cut our EBITDA margin estimate by 105 bps and 70 bps to 11.7% and 12.2% for FY24E and FY25E, respectively, factoring in higher advertisement spends and increased competition in the RAC segments. We cut our PAT estimate ~5% and ~1% for FY24E and FY25E, respectively. Despite cut in earnings estimate, the company will report a strong PAT CAGR of ~31% over FY23-25E on a favourable base and lower interest outgo.

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 ₹ 1425/share.

Exhibit 2: Variance Analysis

	Q4FY23	Q4FY23E	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	Comments
Revenue	4849.6	4965.1	4417.1	9.8	4119.7	17.7	Revenue growth was led by strong growth in Switchgear & Lloyd business
Other Income	46.8	39.6	44.2	6.0	39.9	17.3	
Raw Material Exp	3372.1	3339.1	3122.3	8.0	2759.8	22.2	
Gross Margin (%)	30.5	32.7	29.3	115 bps	33.0	-254 bps	Easing raw material prices and change in product mix drives gross margin up by 115 bps YoY
Employee Exp	326.2	342.6	275.3	18.5	326.6	-0.1	
Other expenses	620.6	724.9	498.9	24.4	609.6	1.8	Higher other expenses is attributable to sharp increase in advertisement and Promotion expenses by 59% YoY to ~₹ 109 crore
EBITDA	530.8	558.5	520.5	2.0	423.7	25.3	
EBITDA Margin (%)	10.9	11.2	11.8	-84 bps	10.3	66 bps	Higher employee costs and advertisement expenses drags EBITDA margin down by ~85 bps YoY
Depreciation	77.4	78.5	70.7	9.4	74.6	3.8	
Interest	9.8	7.1	19.1	-48.8	7.3	33.9	
PBT	490.4	512.5	474.9	3.3	381.8	28.5	
Total Tax	128.7	131.7	122.0	5.5	97.8	31.6	
PAT	361.7	380.8	353.0	2.5	283.9	27.4	PAT marginally up by ~3% YoY tracking higher revenue growth
Key Metrics							
Cable	1,568.2	1,651.7	1,488.1	5.4	1,412.1	11.0	Cable & Wire segment revenue growth was mainly driven by volume growth of ~6-7% YoY
Switchgear	601.0	516.6	474.4	26.7	514.1	16.9	Strong demand from real estate drives segment revenue
ECD	749.5	949.8	869.8	-13.8	934.8	-19.8	Growth of ECD segment was impacted due to change in BEE norms and focus of de-stocking of non rated fans at dealers level
Lloyd	1,264.0	1,170.8	959.2	31.8	606.8	108.3	Revenue growth in Lloyd was led by volume growth
Lighting & Fixtures	413.4	427.3	399.4	3.5	420.1	-1.6	Volumes were up by ~13%, however sharp fall in LED prices led to limit segment revenue growth
Others*	253.6	248.7	226.1	12.2	231.9	9.4	Revenue growth came largely on favourable base

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

Exhibit 3: Change in estimates

(₹ Crore)	FY24E			FY25E			Comments
	Old	New	% Chg	Old	New	% Chg	
Revenue	18735.5	19149.7	2.2	20,950.0	21685.2	3.5	We have tweaked our revenue estimate upward FY23E-24E considering new product launches and dealer additions in new geographies. We build in revenue CAGR of ~13% FY23-25E
EBITDA	2388.9	2249.8	(5.8)	2,693.1	2644.7	(1.8)	
EBITDA Margin (%)	12.8	11.7	-105bps	12.9	12.2	-70bps	We have lowered our EBITDA margin estimate factoring in higher advertisement spends and delay in price hikes due to intense competition
PAT	1636.8	1558.9	(4.8)	1,853.1	1841.0	(0.7)	
EPS (₹)	26.1	24.9	(4.8)	29.6	29.4	(0.7)	

Source: Company, ICICI Direct Research

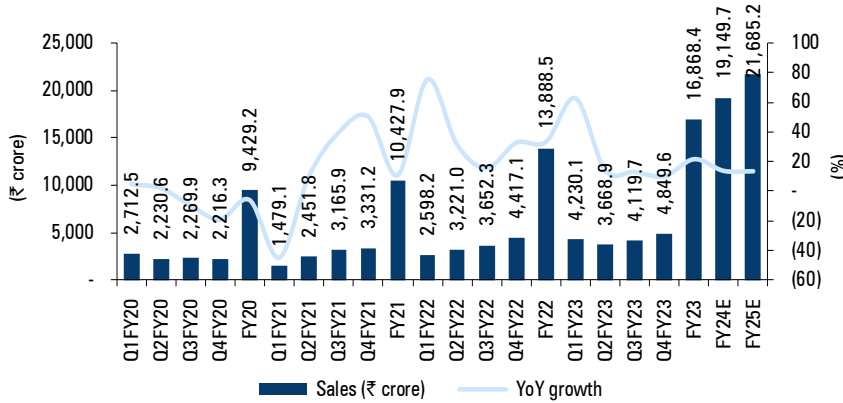
Exhibit 4: Assumption

	Current				Earlier				Comments	
	FY20	FY21	FY22	FY23	FY24E	FY25E	FY23	FY24E		FY25E
Cable Growth (%)	-7.4	6.2	46.1	19.1	14.2	13.1	20.9	10.4	11.1	We model segment revenue CAGR of 14% over FY23-25E supported by higher government capex and pickup in B2B demand
Switchgear Growth (%)	-15.1	9.1	22.3	18.7	10.4	13.1	14.0	8.2	10.0	We model revenue CAGR of 12% over FY23-25E led by dealer expansion in new geographies and pickup in new constructions
ECD Growth (%)	-4.3	18.5	29.0	7.5	14.4	13.1	14.0	9.0	12.2	Boost in demand for fans post transition to BEE norms is likely to drive ECD performance at a CAGR of 14% over FY23-25E
Lloyd Growth (%)	-14.3	6.2	33.9	49.0	15.9	15.1	40.9	16.1	15.2	Lloyd segment revenue is likely to grow at CAGR of 15% in FY23-25E supported by capacity expansion and launch of new products (refrigerators and washing machines).
Lighting & Fixtures (%)	-22.2	6.9	26.4	16.8	10.6	12.0	17.9	10.0	9.9	We model revenue CAGR of ~11% over FY23-25E led by new product launches

Source: Company, ICICI Direct Research

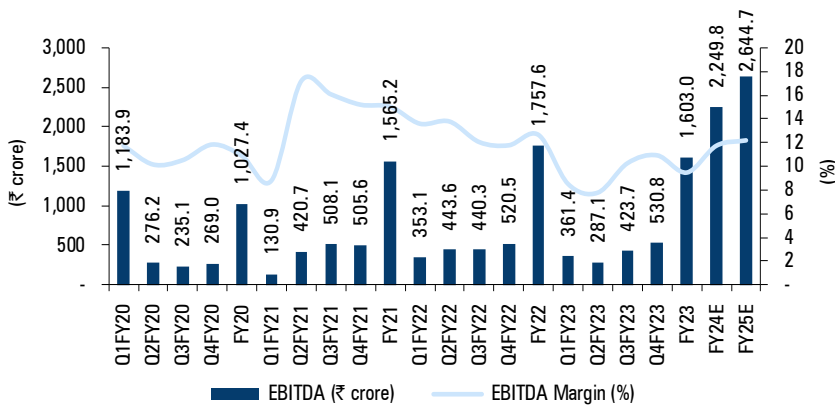
Financial story in charts....

Exhibit 5: Revenue growth trend



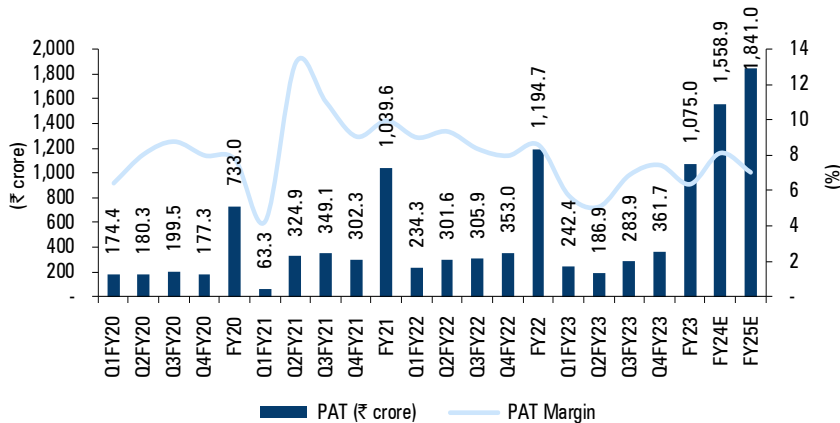
Source: Company, ICICI Direct Research

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	FY23	FY24E	FY25E
Total Operating Income	13888.5	16868.4	19149.7	21685.2
Growth (%)	33.2	21.5	13.5	13.2
Raw Material Expenses	7552.6	8676.7	9996.2	11341.4
Employee Expenses	1014.7	1261.7	1375.1	1486.5
Marketing Expenses	246.8	437.4	519.4	587.2
Other expenses	1485.4	1895.1	2096.0	2372.7
Operating Expenditure	12130.9	15265.4	16899.9	19040.5
EBITDA	1757.6	1603.0	2249.8	2644.7
Growth (%)	12.3	-8.8	40.4	17.6
Other Income	160.4	177.0	172.3	195.2
Interest	53.4	33.6	12.5	10.0
Depreciation	260.8	296.1	325.5	368.6
Less: Exceptional Items	0.0	0.0	0.0	0.0
PBT	1603.8	1450.3	2084.1	2461.2
Total Tax	409.1	375.3	525.2	620.2
PAT	1194.7	1075.0	1558.9	1841.0
Growth (%)	14.9	-10.0	45.0	18.1

Source: Company, ICICI Direct Research

Exhibit 9: Cash flow statement ₹ crore

(Year-end March)	FY22	FY23	FY24E	FY25E
Profit after Tax	1194.7	1075.0	1558.9	1841.0
Depreciation	260.8	296.1	325.5	368.6
CF before working cap change	1509.0	1404.7	1897.0	2219.7
Net Increase in Current Assets	-580.6	-1235.1	-720.4	-661.7
Net Increase in Current Liabilit	746.9	409.0	130.6	538.0
CF from operating activities	1675.3	578.6	1307.2	2096.0
(Purchase)/Sale of Liquid Inves	152.9	153.4	-300.0	0.0
Others	-474.5	-746.2	-300.0	-250.0
(Purchase)/Sale of Fixed Asset	-321.6	-592.8	-600.0	-250.0
CF from Investing Activities	-342.1	-374.3	-915.0	-265.0
Proceeds frm Equity Shares	0.0	0.0	0.0	0.0
Inc / (Dec) in Loan Funds	1.9	-395.5	100.0	0.0
Others	-426.1	-480.6	-1077.1	-1351.5
CF from Financing Activities	-424.2	-876.1	-977.1	-1351.5
Net Cash flow	908.9	-671.8	-584.9	479.5
Opening Cash	1624.7	2533.7	1861.9	1277.0
Closing Cash	2533.7	1861.9	1277.0	1756.4

Source: Company, ICICI Direct Research

Exhibit 10: Balance sheet ₹ crore

(Year-end March)	FY22	FY23	FY24E	FY25E
Equity Capital	62.6	62.6	62.6	62.6
Reserve and Surplus	5923.9	6551.8	7046.1	7545.6
Total Shareholders funds	5986.5	6614.5	7108.8	7608.2
Total Debt	395.5	0.0	100.0	100.0
Deferred Tax Liability	350.6	361.5	361.5	361.5
Total Liabilities	6979.2	7210.4	7804.7	8304.2
Assets				
Total Gross Block	4706.6	5192.8	5742.8	5942.8
Less Acc. Depreciation	1583.1	1879.2	2204.8	2573.4
Net Block	3123.5	3313.5	3538.0	3369.3
Capital WIP	56.8	163.4	213.4	263.4
Total Fixed Assets	3180.2	3477.0	3751.4	3632.8
Investment	67.29	81.78	73.67	327.87
Inventory	2968.1	3708.5	4302.1	4752.9
Debtors	767.5	972.9	1311.6	1485.3
Other Current Assets	203.9	493.1	281.1	318.3
Cash	2533.7	1861.9	1277.0	1756.4
Total Current Assets	6473.2	7036.4	7171.9	8313.0
Total Current Liabilities	3523.9	3932.9	4063.4	4601.5
Net Current Assets	2949.3	3103.6	3108.4	3711.6
Total Assets	6979.2	7210.4	7804.7	8304.2

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios ₹ crore

(Year-end March)	FY22	FY23	FY24E	FY25E
Per Share Data				
Reported EPS	19.1	17.2	24.9	29.4
Cash EPS	23.2	21.9	30.1	35.3
BV per share	95.6	105.6	113.5	121.5
DPS	8.9	5.4	14.3	21.4
Operating Ratios (%)				
EBITDA Margin (%)	12.7	9.5	11.7	12.2
PAT Margin (%)	8.6	6.4	8.1	8.5
Asset Turnover	2.0	2.3	2.5	2.6
Debtors Turnover	20.2	21.1	25.0	25.0
Creditor Turnover	62.5	57.2	52.0	52.0
Return Ratios (%)				
RoE	20.0	16.3	21.9	24.2
RoCE	23.7	20.6	26.9	29.8
RoIC	32.3	23.2	29.4	34.3
Valuation Ratios				
EV / EBITDA	42.1	46.4	33.2	28.1
P/E	63.8	71.0	48.9	41.4
EV / Net Sales	5.3	4.4	3.9	3.4
EV / Net Sales	5.3	4.4	3.9	3.4
Market Cap / Sales	5.5	4.5	4.0	3.5
Price to Book Value	12.7	11.5	10.7	10.0
Solvency Ratios				
Debt / Equity	0.1	0.0	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 (₹ Cr)	EPS (₹)				P/E (x)				EV/EBITDA (x)				RoCE (%)				RoE (%)			
					FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E
Asian Paints (ASIPAI)	2,929	3,180	Hold	2,80,891	32.2	41.3	49.5	53.3	91.1	70.9	59.1	54.9	57.9	47.3	39.5	35.6	27.1	32.6	33.7	31.8	23.0	27.5	27.7	25.3
Berger Paints (BERPAI)	610	600	Hold	59,249	8.6	9.4	11.1	12.6	71.1	64.9	55.1	48.4	44.7	40.4	35.0	30.9	23.3	26.9	29.2	30.1	21.2	24.3	26.0	26.2
Kansai Nerolac (KANNER)	390	435	Hold	21,018	6.9	9.2	11.2	13.4	56.1	42.2	34.9	29.1	32.3	25.9	21.6	18.2	12.1	15.6	17.6	19.1	9.2	12.1	13.5	14.7
Pidilite Industries (PIDIND)	2,463	2,535	Hold	1,25,071	23.8	26.2	35.4	40.6	103.6	94.1	69.6	60.6	67.5	61.3	46.8	41.0	21.7	22.5	27.3	28.5	18.4	18.8	22.6	23.4
Sheela Foam (SHEFOA)	1,045	1,450	Buy	10,195	22.3	20.1	29.0	36.2	46.9	52.1	36.0	28.8	33.0	36.0	25.6	20.7	18.0	16.3	19.0	23.5	15.6	13.2	15.6	19.4
Bajaj Electricals (BAJELE)	1,098	1,275	Hold	12,611	10.8	19.5	31.1	36.8	101.4	56.4	35.3	29.9	50.0	34.5	24.9	21.1	13.5	20.2	24.6	24.3	7.8	13.5	18.2	18.1
Crompton Greaves(CROGR)	255	335	Hold	15,983	9.2	7.3	9.0	11.3	27.6	35.0	28.5	22.6	20.9	22.0	18.4	15.2	16.2	14.3	17.6	21.4	24.0	18.5	20.5	22.6
Havells India (HAVIND)	1,218	1,425	Buy	76,283	19.1	17.2	24.9	29.4	63.8	71.0	48.9	41.4	42.2	46.4	33.4	28.2	23.7	20.6	26.9	29.8	20.0	16.3	21.9	24.2
Polycab India (POLI)	3,205	3,380	Buy	47,896	61.4	80.7	90.1	104.3	52.2	39.7	35.6	30.7	37.0	25.6	23.1	19.5	20.2	25.8	24.3	23.7	15.6	19.2	18.4	18.2
Symphony (SYMLIM)	982	1,085	Hold	6,870	17.3	22.7	28.4	36.2	56.8	43.3	34.6	27.2	41.6	36.5	28.5	22.2	15.9	21.0	25.0	28.4	14.4	21.2	24.2	26.7
V-Guard Ind (VGUARD)	246	310	Buy	10,536	5.3	4.6	6.7	8.9	46.1	53.6	36.6	27.8	31.0	33.8	21.2	17.5	21.2	16.0	22.0	23.5	16.2	14.0	17.0	18.7
Voltas Ltd (VOLTAS)	809	870	Hold	26,756	15.3	4.1	20.0	25.5	52.9	196.4	40.5	31.7	38.3	46.0	30.2	23.9	14.0	11.4	17.6	19.8	9.2	4.5	13.3	15.1
Amber Enterprises (AMBEN)	1,868	2,150	Hold	6,294	33.0	44.1	69.4	87.1	56.5	42.3	26.9	21.4	24.1	18.3	13.7	11.2	6.8	9.8	13.0	14.4	6.4	8.4	11.6	12.7
Dixon Technologies (DIXTEC)	2,908	3,055	Hold	17,259	32.1	40.4	68.1	88.5	90.7	71.9	42.7	32.9	45.9	36.0	24.2	18.9	17.7	22.0	27.9	29.1	19.1	24.6	31.7	31.0
Supreme Indus (SUPIND)	2,758	3,200	Buy	35,034	76.2	68.1	83.2	98.6	36.2	40.5	33.2	28.0	27.8	28.6	23.6	19.5	25.9	21.2	26.1	27.5	25.2	19.7	23.5	24.4
Astral Ltd (ASTPOL)	1,486	2,185	Hold	29,851	24.4	21.4	32.3	42.0	60.9	69.4	46.0	35.4	38.8	38.7	29.1	22.7	26.6	22.6	27.6	30.0	21.0	16.9	21.9	23.7
EPL (ESSPRO)	170	182	Hold	5,372	7.0	6.5	8.4	11.9	24.3	26.3	20.1	14.2	10.1	9.8	8.0	6.6	12.6	12.9	17.1	20.5	12.1	11.5	14.7	19.2
Time Techno (TIMTEC)	85	95	Hold	1,922	8.5	10.4	13.0	15.2	10.0	8.2	6.6	5.6	5.2	4.5	4.0	3.5	11.3	13.0	14.5	15.4	9.3	10.9	12.4	13.0
Moldtek Packaging (MOLPLA)	1,000	1,045	Hold	3,326	20.4	24.0	29.7	37.9	49.1	41.7	33.7	26.4	27.9	24.3	20.0	15.8	18.6	25.4	25.3	28.0	13.9	22.4	22.2	22.5

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,
Third floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

ANALYST CERTIFICATION

I/We, Hitesh Taunk, MBA (Finance), Sanjay Manyal, 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. 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 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.