

BUY **Dabur India****Better earnings delivery; focus on Q3 rebound**Consumer Goods ▶ Result Update ▶ **November 3, 2023****TARGET PRICE (Rs): 650**

We maintain our positive stance on Dabur India, encouraged by its diversified portfolio, which management is geared to leverage better, with improvement in the demand scenario. Q2FY24 topline grew 7%, with 3%/10% growth in the India/international business. Gross margin expansion of 295bps YoY absorbs the higher A&P spends (up 43% YoY) and litigation costs in USA (of Rs360mn), resulting in ~50bps expansion in EBITDA margin to 20.6%. Given the margin recovery, we forecast higher spend on brands; this would enhance brands' growth prospects. Recent innovations have fared well, set to aid incremental growth. H2 performance is likely to be better vs H1, on a low base and clustering of festivals—expected to be a better season. We cut FY24E earnings by 2%, based on the H1 show; maintain BUY with Sep-24E TP of Rs650/sh (46x P/E).

Dabur India: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	108,887	115,299	127,171	141,463	155,684
EBITDA	22,538	21,641	25,217	29,516	33,048
Adj. PAT	18,242	17,182	19,848	23,444	26,300
Adj. EPS (Rs)	10.3	9.7	11.2	13.2	14.8
EBITDA margin (%)	20.7	18.8	19.8	20.9	21.2
EBITDA growth (%)	12.5	(4.0)	16.5	17.0	12.0
Adj. EPS growth (%)	7.7	(6.0)	15.5	18.1	12.2
RoE (%)	22.7	19.8	21.1	22.8	23.2
RoIC (%)	60.7	44.3	42.9	50.2	57.7
P/E (x)	51.4	54.7	47.3	40.1	35.7
EV/EBITDA (x)	39.1	40.9	34.8	29.4	25.9
P/B (x)	11.2	10.5	9.6	8.7	7.9
FCFF yield (%)	1.6	1.1	1.7	2.1	2.5

Source: Company, Emkay Research

Domestic sees soft growth (3%); International does well (10% growth)

Dabur posted 7.3% overall sales growth, with ~3% growth in domestic sales (@~3% vol. growth), while International sales grew 10% (@23.6% constant currency growth). In the domestic business, Beverages put up a poor show, with a 10% YoY drop, hurt by intense rains in North India and delayed loading due to this year seeing shift in the festive season. Adjusted for Beverages, domestic sales grew 6%, with 5% volume growth. The management noted that 90% of the business sustained mkt-share gains. HPC segment (50% of sales) grew 5.7% YoY, with 14% growth in Homecare. Healthcare (30% of sales) saw only 5% growth, hit by a 7% slip in *Chyawanprash* sales (delayed loading). International sales were robust, credited to growth of 35% in Egypt and 79% in Turkey.

Better margins (up 50% YoY to 20.6%) aided the 10% EBITDA growth

Gross margin expanded by 295bps YoY/170bps QoQ to 48.3%, paving the way for higher A&P spend. In Q2, absolute A&P spend rose 43% YoY, implying a ~170bps YoY increase, as a % of sales, to 6.8%. With trade-related promotions, Dabur's A&P spend is ~7.5-8% of sales; the spend is likely to increase to 8-10% going ahead, as Dabur sees need for added spends on categories like Oral-care, Home-care and *Chyawanprash*. In Q2, Dabur recorded a US litigation-related spend of Rs360mn, which is likely to reduce going ahead to Rs200-220mn; such spends would linger for a couple of years. EBITDA/earnings grew 10%/7%; adjusted for litigation costs, EBITDA/earnings grew 16%/15%, respectively.

All eyes on festive-quarter delivery; maintain BUY on firm fundamentals

Our sustained constructive outlook on Dabur is on account of: 1) its focused strategy to drive share and penetration; 2) portfolio transformation for aligning with evolving trends; 3) category extensions; 4) strengthening of the distribution moat; and 5) its funding muscle for inorganic opportunities. Factoring-in the near-term weakness, we cut FY24-26E topline by 1%, leading to an almost 2% FY24E earnings cut on higher A&P spends. We maintain BUY on the stock, with target price of Rs650/share.

Target Price – 12M	Sep-24
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	22.5
CMP (02-Nov-23) (Rs)	530.4

Stock Data

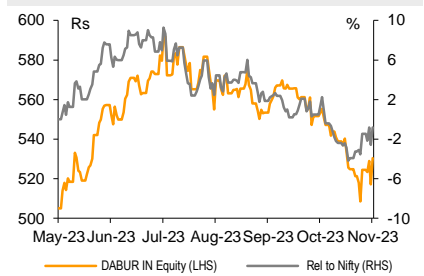
52-week High (Rs)	611
52-week Low (Rs)	504
Shares outstanding (mn)	1,772.0
Market-cap (Rs bn)	940
Market-cap (USD mn)	11,289
Net-debt, FY14E (Rs mn)	-6,434
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	1,027.3
ADTV-3M (USD mn)	12.3
Free float (%)	33.8
Nifty-50	19,133
INR/USD	83.3

Shareholding, Sep-23

Promoters (%)	66.2
FPIs/MFs (%)	18.4/9.9

Price Performance

(%)	1M	3M	12M
Absolute	(3.8)	(6.2)	(5.7)
Rel. to Nifty	(1.3)	(4.3)	(10.8)

1-Year share price trend (Rs)**Nitin Gupta**

nitin.gupta@emkayglobal.com
+91 22 6612 1257

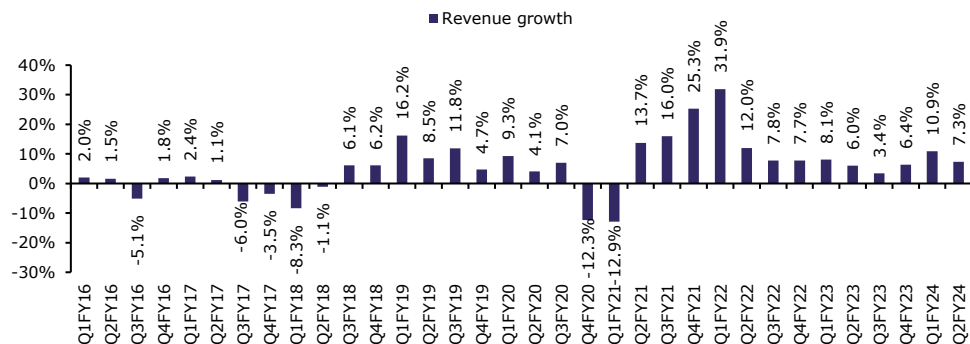
Quarterly performance

Exhibit 1: Q2FY24 performance

(Rs mn)	Q2FY24	Q2FY23	YoY (%)	Q1FY24	QoQ (%)	Q2FY24E	Var. (%)
Total income	32,038	29,865	7.3	31,305	2.3	32,375	(1.0)
Cost of goods	16,557	16,314	1.5	16,717	(1.0)	17,159	(3.5)
Employee expenses	3,155	2,876	9.7	2,972	6.1	3,150	0.2
A&P spends	2,165	1,518	42.6	2,043	6.0	2,185	(0.9)
Other expenses	3,553	3,150	12.8	3,524	0.8	3,399	4.5
EBITDA	6,609	6,007	10.0	6,047	9.3	6,482	2.0
EBITDA margin (%)	20.6	20.1	50bps	19.3	130bps	20.0	60bps
Depreciation	765	705	8.5	748	2.3	750	1.9
EBIT	5,844	5,303	10.2	5,300	10.3	5,732	2.0
EBIT margin (%)	18.2	17.8	50bps	16.9	130bps	17.7	50bps
Interest cost	281	151	86.9	243	15.8	200	40.7
Other income	1,164	1,233	(5.6)	1,098	6.0	1,300	(10.5)
PBT	6,727	6,385	5.4	6,154	9.3	6,832	(1.5)
Tax	1,443	1,473	(2.1)	1,368	5.5	1,674	(13.8)
Tax rate (%)	21.4	23.1	(7.0)	22.2	(3.5)	24.5	(12.5)
Non-recurring items	-110	0		0		0	
Minority Interest	(24)	(11)	107.0	(38)	(37.9)	(15)	57.3
PAT	5,151	4,901	5.1	4,749	8.5	5,143	0.1
Adj Profit	5,261	4,901	7.3	4,749	10.8	5,143	2.3
Net margin (%)	16.4	16.4		15.2		15.9	
EPS (Rs)	3.0	2.8	7.3	2.7	10.8	2.9	2.3

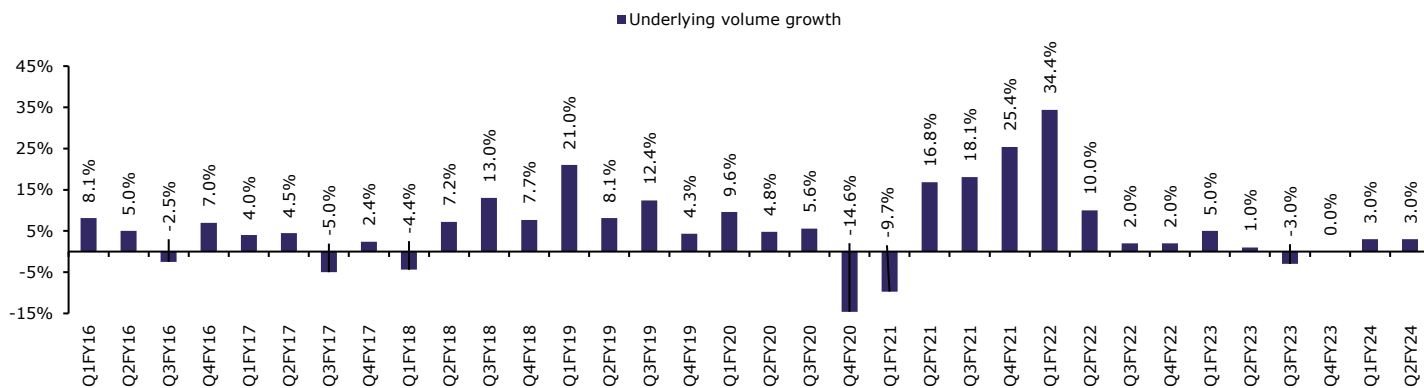
Source: Company, Emkay Research

Exhibit 2: Revenue growth (YoY)



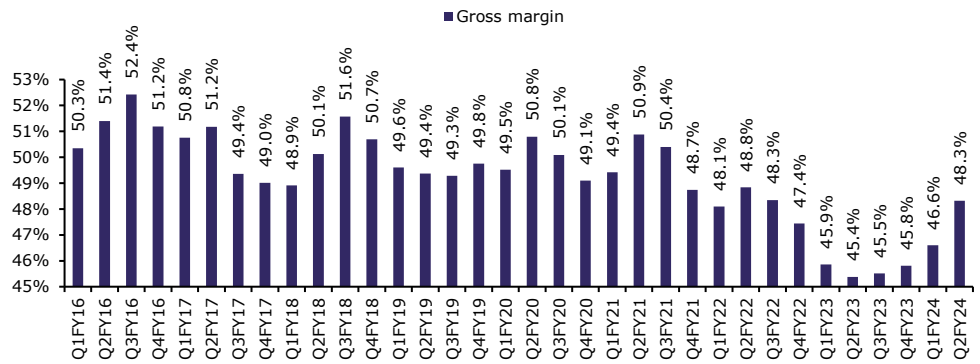
Source: Company, Emkay Research

Exhibit 3: Underlying volume growth (YoY)



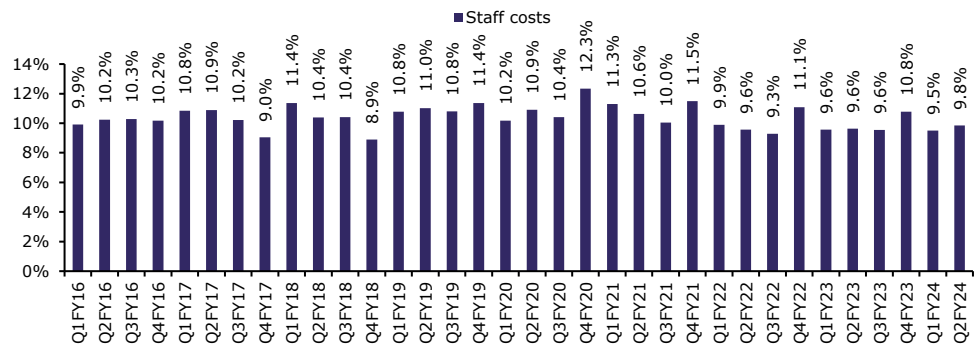
Source: Company, Emkay Research

Exhibit 4: Gross margin trend



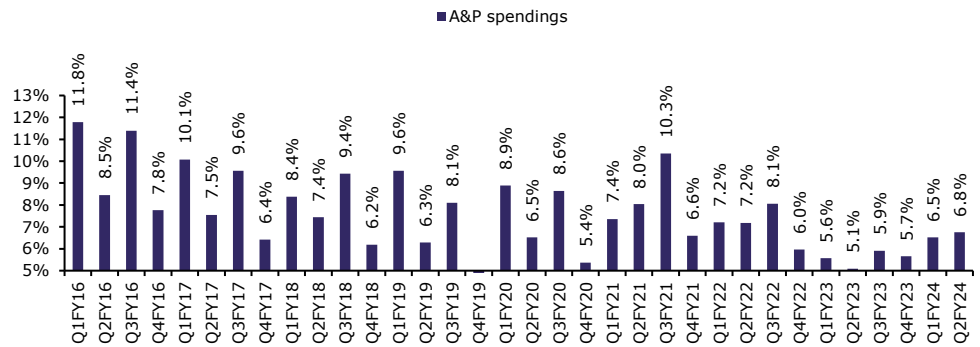
Source: Company, Emkay Research

Exhibit 5: Staff costs trend



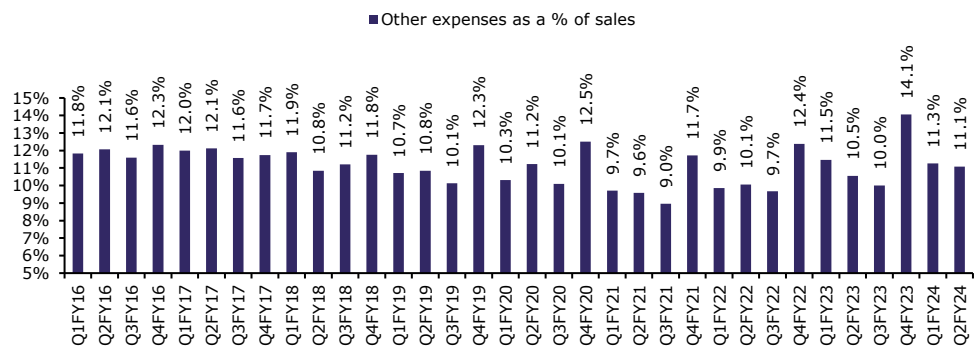
Source: Company, Emkay Research

Exhibit 6: A&P spending trend



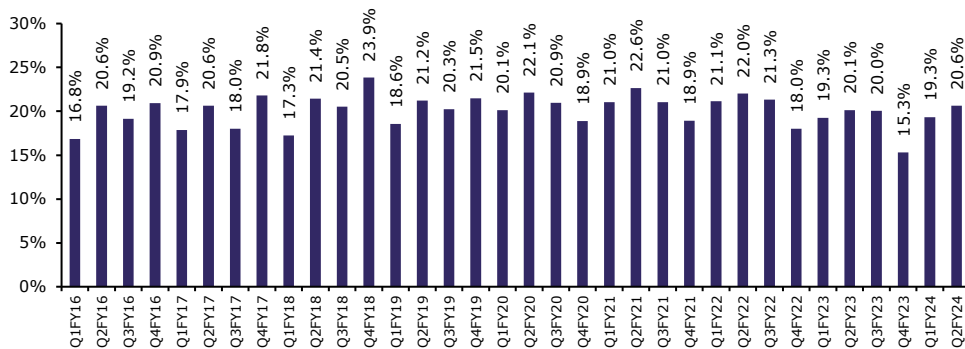
Source: Company, Emkay Research

Exhibit 7: Other operating expenses



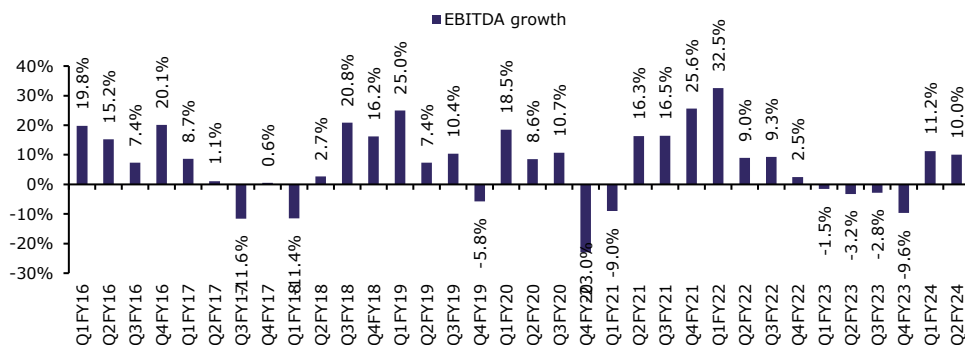
Source: Company, Emkay Research

Exhibit 8: EBITDA margin trend



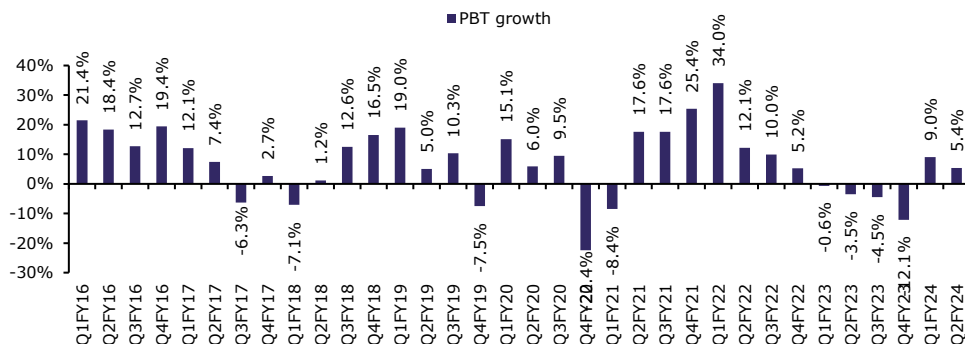
Source: Company, Emkay Research

Exhibit 9: EBITDA growth (YoY)



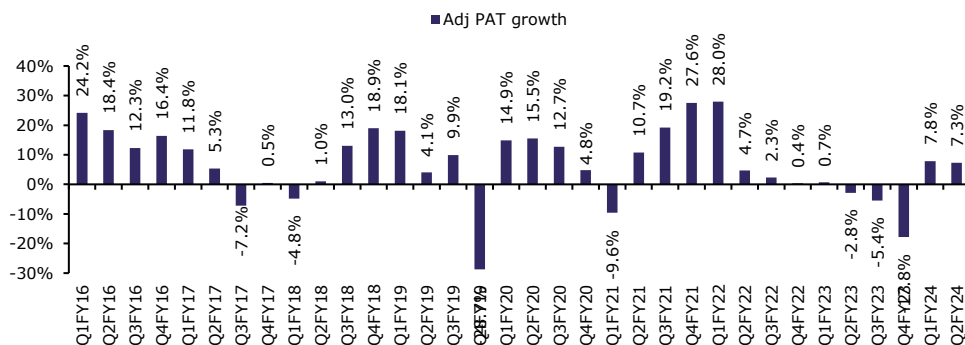
Source: Company, Emkay Research

Exhibit 10: Profit before tax growth (YoY)



Source: Company, Emkay Research

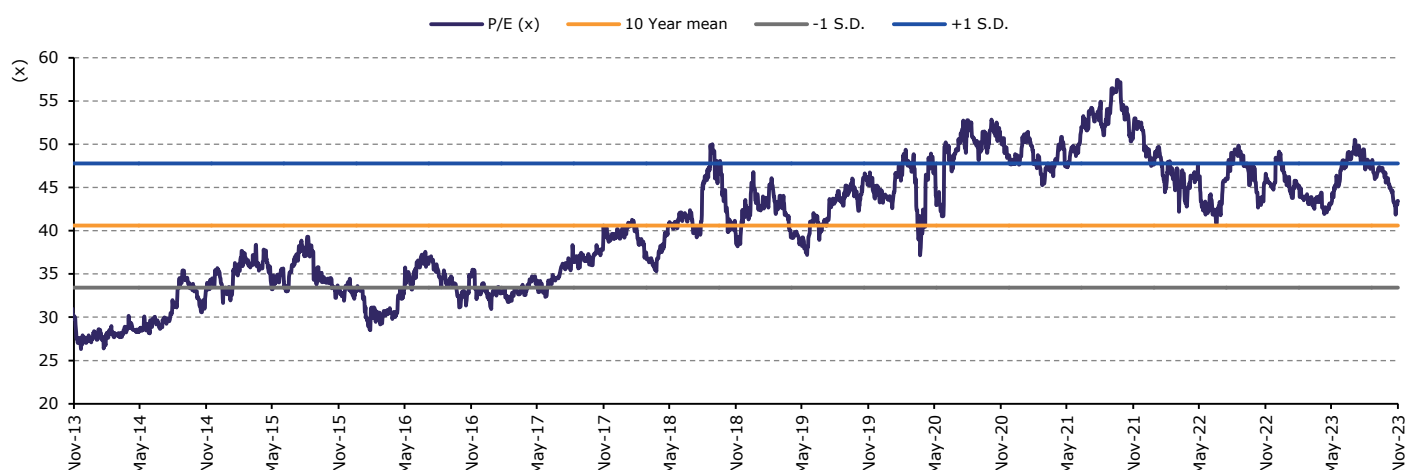
Exhibit 11: Adjusted PAT growth (YoY)



Source: Company, Emkay Research

Valuations

Exhibit 12: One-year forward PER (on Consensus)



Source: Company, Bloomberg, Emkay Research

Exhibit 13: Changes to our estimates

(Rs mn)	New estimates			Old estimates			Changes to our estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	127,171	141,463	155,684	128,906	143,557	157,963	-1%	-1%	-1%
- growth	10.3%	11.2%	10.1%	11.8%	11.4%	10.0%			
EBITDA	25,217	29,516	33,048	25,790	29,487	32,885	-2%	0%	0%
- growth	16.5%	17.0%	12.0%	19.2%	14.3%	11.5%			
- EBITDA margin	19.8%	20.9%	21.2%	20.0%	20.5%	20.8%			
Adj PAT	19,848	23,444	26,300	20,170	23,422	26,178	-2%	0%	0%
- growth	15.5%	18.1%	12.2%	17.4%	16.1%	11.8%			

Source: Company, Emkay Research

Exhibit 14: Emkay estimates vs Consensus

(Rs mn)	Emkay estimates			Consensus estimates			Emkay estimate vs Consensus		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	127,171	141,463	155,684	128,281	142,498	156,746	-1%	-1%	-1%
- growth	10.3%	11.2%	10.1%	11.3%	11.1%	10.0%			
EBITDA	25,217	29,516	33,048	25,129	29,070	32,580	0%	2%	1%
- growth	16.5%	17.0%	12.0%	16.1%	15.7%	12.1%			
- EBITDA margin	19.8%	20.9%	21.2%	19.6%	20.4%	20.8%			
Adj PAT	19,848	23,444	26,300	19,649	22,911	26,048	1%	2%	1%
- growth	15.5%	18.1%	12.2%	14.4%	16.6%	13.7%			
EPS (Rs)	11.20	13.23	14.84	11.08	12.95	14.68	1%	2%	1%

Source: Company, Bloomberg, Emkay Research

Exhibit 15: Key assumptions

	FY21	FY22	FY23	FY24E	FY25E	FY26E
Growth						
Domestic sales	13.2%	14.5%	5.5%	10.7%	11.9%	10.4%
- Home and personal care	9.5%	12.7%	5.2%	9.0%	10.1%	9.8%
- Healthcare	31.9%	4.8%	-6.9%	8.6%	10.0%	10.4%
- Foods and Beverages	-5.8%	48.8%	30.0%	17.7%	18.7%	11.9%
International sales	2.3%	20.9%	1.9%	9.4%	9.2%	8.9%
Consolidated sales	10.3%	13.7%	5.7%	10.2%	11.2%	10.0%
Consolidated EBITDA	11.7%	12.5%	-4.0%	16.5%	17.0%	12.0%
Consolidated Adj. PAT	9.6%	7.7%	-5.8%	15.5%	18.1%	12.2%
As a % of revenue						
Gross margin	50.0%	48.2%	45.6%	48.5%	49.0%	49.0%
Employee costs	10.9%	10.0%	10.0%	9.9%	9.7%	9.5%
Advertisement spend	8.3%	7.2%	5.6%	7.0%	7.7%	7.8%
Other operating costs	10.0%	10.5%	11.6%	11.5%	10.6%	10.3%
EBITDA margin	21.0%	20.7%	18.8%	19.8%	20.9%	21.2%
Effective tax rate	17.6%	22.3%	23.1%	23.5%	24.5%	25.0%
Per share data (Rs)						
Adj EPS	9.58	10.32	9.70	11.20	13.23	14.84
DPS	4.75	5.20	5.20	6.25	7.50	8.50
Pay-out	49.6%	50.4%	53.6%	55.8%	56.7%	57.3%
Balance Sheet						
Capex (Rs mn)	3.1	3.7	4.9	4.0	4.0	4.0
Inventory days (no. of)	67	65	65	65	63	60
Receivable days (no. of)	22	22	27	28	29	30
Payable days (no. of)	74	68	70	70	70	70
Avg ROE (post tax)	23.7%	22.7%	19.8%	21.1%	22.7%	23.0%
Avg ROCE (pre tax)	23.2%	22.8%	19.2%	21.1%	22.9%	23.5%
Avg ROIC (pre-tax)	47.5%	58.9%	46.7%	47.8%	56.3%	65.1%

Source: Company, Emkay Research

Dabur India: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	108,887	115,299	127,171	141,463	155,684
Revenue growth (%)	14.1	5.9	10.3	11.2	10.1
EBITDA	22,538	21,641	25,217	29,516	33,048
EBITDA growth (%)	12.5	(4.0)	16.5	17.0	12.0
Depreciation & Amortization	2,529	2,891	2,969	3,151	3,360
EBIT	20,009	18,750	22,248	26,365	29,688
EBIT growth (%)	13.5	(6.3)	18.7	18.5	12.6
Other operating income	807	1,034	1,199	1,343	1,504
Other income	3,932	4,454	4,899	5,389	5,928
Financial expense	386	782	1,000	550	450
PBT	23,555	22,422	26,147	31,204	35,166
Extraordinary items	0	0	0	0	0
Taxes	5,264	5,174	6,145	7,645	8,792
Minority interest	49	67	155	115	75
Income from JV/Associates	0	0	0	0	0
Reported PAT	17,392	17,072	19,408	23,004	25,860
PAT growth (%)	2.7	(1.8)	13.7	18.5	12.4
Adjusted PAT	18,242	17,182	19,848	23,444	26,300
Diluted EPS (Rs)	10.3	9.7	11.2	13.2	14.8
Diluted EPS growth (%)	7.7	(6.0)	15.5	18.1	12.2
DPS (Rs)	5.5	5.2	6.3	7.5	8.5
Dividend payout (%)	55.9	54.0	57.1	57.8	58.2
EBITDA margin (%)	20.7	18.8	19.8	20.9	21.2
EBIT margin (%)	18.4	16.3	17.5	18.6	19.1
Effective tax rate (%)	22.3	23.1	23.5	24.5	25.0
NOPLAT (pre-IndAS)	15,538	14,424	17,020	19,905	22,266
Shares outstanding (mn)	1,767.9	1,771.8	1,771.8	1,771.8	1,771.8

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
PBT	23,555	22,422	26,147	31,204	35,166
Others (non-cash items)	0	0	0	0	0
Taxes paid	(3,876)	(4,945)	(6,145)	(7,645)	(8,792)
Change in NWC	(968)	(1,601)	(118)	452	1,448
Operating cash flow	18,023	14,884	18,955	22,323	25,705
Capital expenditure	(3,692)	(4,857)	(3,999)	(4,000)	(4,000)
Acquisition of business	0	0	(5,000)	(10,000)	(10,000)
Interest & dividend income	0	0	0	0	0
Investing cash flow	(12,992)	(5,660)	(4,099)	(8,611)	(8,072)
Equity raised/(repaid)	1	4	0	0	0
Debt raised/(repaid)	5,408	488	0	0	0
Payment of lease liabilities	0	0	0	0	0
Interest paid	(219)	(779)	(1,000)	(550)	(450)
Dividend paid (incl tax)	(9,723)	(9,213)	(11,074)	(13,289)	(15,060)
Others	(352)	(815)	0	0	0
Financing cash flow	(4,885)	(10,315)	(12,074)	(13,839)	(15,510)
Net chg in Cash	147	(1,091)	2,781	(126)	2,123
OCF	18,023	14,884	18,955	22,323	25,705
Adj. OCF (w/o NWC chg.)	18,991	16,485	20,555	21,871	24,256
FCFF	14,331	10,027	14,956	18,323	21,705
FCFE	13,945	9,245	13,956	17,773	21,255
OCF/EBITDA (%)	80.0	68.8	75.2	75.6	77.8
FCFE/PAT (%)	76.4	53.8	70.3	75.8	80.8
FCFF/NOPLAT (%)	92.2	69.5	87.9	92.1	97.5

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	1,768	1,772	1,772	1,772	1,772
Reserves & Surplus	82,045	87,961	96,295	106,010	116,810
Net worth	83,813	89,733	98,067	107,782	118,582
Minority interests	406	4,682	4,837	4,951	5,026
Deferred tax liability (net)	823	910	910	910	910
Total debt	10,301	11,738	11,738	11,738	11,738
Total liabilities & equity	95,342	107,062	115,551	125,381	136,256
Net tangible fixed assets	20,568	31,734	32,140	32,114	31,879
Net intangible assets	0	0	0	0	0
Net ROU assets	1,780	1,869	1,962	2,061	2,164
Capital WIP	1,675	1,751	1,500	1,500	1,500
Goodwill	2,512	4,053	4,053	4,053	4,053
Investments [JV/Associates]	95	78	78	78	78
Cash & equivalents	67,803	65,833	74,050	84,358	96,915
Current assets (ex-cash)	30,194	33,094	36,680	40,130	43,069
Current Liab. & Prov.	27,503	29,482	32,949	36,851	41,239
NWC (ex-cash)	2,691	3,612	3,731	3,278	1,830
Total assets	95,342	107,062	115,551	125,381	136,256
Net debt	(57,502)	(54,096)	(62,312)	(72,620)	(85,178)
Capital employed	95,342	107,062	115,551	125,381	136,256
Invested capital	25,770	39,399	39,923	39,445	37,762
BVPS (Rs)	47.4	50.6	55.3	60.8	66.9
Net Debt/Equity (x)	(0.7)	(0.6)	(0.6)	(0.7)	(0.7)
Net Debt/EBITDA (x)	(2.6)	(2.5)	(2.5)	(2.5)	(2.6)
Interest coverage (x)	0.0	0.0	0.0	0.0	0.0
RoCE (%)	27.0	22.9	24.4	26.4	27.2

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24E	FY25E	FY26E
P/E (x)	51.4	54.7	47.3	40.1	35.7
P/CE(x)	45.1	46.8	41.2	35.3	31.7
P/B (x)	11.2	10.5	9.6	8.7	7.9
EV/Sales (x)	8.1	7.8	7.0	6.2	5.5
EV/EBITDA (x)	39.1	40.9	34.8	29.4	25.9
EV/EBIT(x)	44.0	47.2	39.4	32.9	28.8
EV/IC (x)	34.2	22.5	22.0	22.0	22.6
FCFF yield (%)	1.6	1.1	1.7	2.1	2.5
FCFE yield (%)	1.5	1.0	1.5	1.9	2.3
Dividend yield (%)	1.0	1.0	1.2	1.4	1.6
DuPont-RoE split					
Net profit margin (%)	16.8	14.9	15.6	16.6	16.9
Total asset turnover (x)	1.2	1.1	1.1	1.2	1.2
Assets/Equity (x)	1.1	1.2	1.2	1.2	1.2
RoE (%)	22.7	19.8	21.1	22.8	23.2
DuPont-RoIC					
NOPLAT margin (%)	14.3	12.5	13.4	14.1	14.3
IC turnover (x)	4.3	3.5	3.2	3.6	4.0
RoIC (%)	60.7	44.3	42.9	50.2	57.7
Operating metrics					
Core NWC days	(25.3)	(23.6)	(22.4)	(22.3)	(23.2)
Total NWC days	9.0	11.4	10.7	8.5	4.3
Fixed asset turnover	2.8	2.4	2.2	2.3	2.4
Opex-to-revenue (%)	27.5	26.9	28.2	27.7	27.3

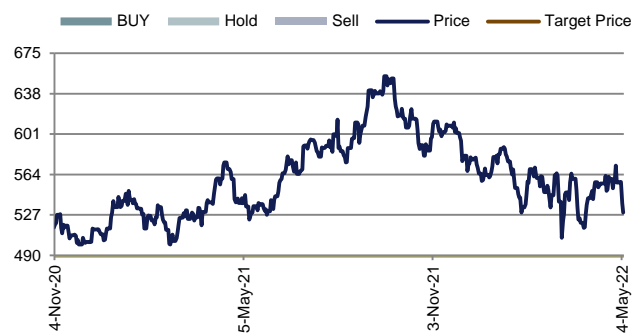
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
20-Oct-23	525	650	Buy	Nitin Gupta
20-Oct-23	525	650	Buy	Nitin Gupta
19-Oct-23	526	650	Buy	Nitin Gupta
19-Oct-23	526	650	Buy	Nitin Gupta
06-Oct-23	547	650	Buy	Nitin Gupta
06-Oct-23	547	650	Buy	Nitin Gupta
03-Oct-23	554	650	Buy	Nitin Gupta
03-Oct-23	554	650	Buy	Nitin Gupta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

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 clients simultaneously, not all clients may receive this report at the same time. 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.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. 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 research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, 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 or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of November 3, 2023
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
Disclosure of previous investment recommendation produced:
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of November 3, 2023
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the November 3, 2023
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:**Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) -:**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. 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 research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.