

May 2, 2024

Q4FY24 Result update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	563		535	
Sales (Rs. m)	1,35,422	1,49,301	1,35,890	1,49,849
% Chng.	(0.3)	(0.4)		
EBITDA (Rs. m)	26,945	30,198	26,557	29,726
% Chng.	1.5	1.6		
EPS (Rs.)	11.8	13.2	11.6	13.0
% Chng.	1.5	1.8		

Key Financials - Consolidated

Y/e Mar	FY23	FY24	FY25E	FY26E
Sales (Rs. bn)	115	123	135	149
EBITDA (Rs. bn)	22	23	27	30
Margin (%)	18.8	18.9	19.9	20.2
PAT (Rs. bn)	17	18	21	23
EPS (Rs.)	9.6	10.0	11.8	13.2
Gr. (%)	(6.6)	3.7	17.7	12.5
DPS (Rs.)	5.3	5.6	6.5	7.3
Yield (%)	1.0	1.1	1.2	1.4
RoE (%)	19.7	18.8	19.9	20.2
RoCE (%)	19.0	18.1	19.3	19.9
EV/Sales (x)	8.1	7.5	6.8	6.1
EV/EBITDA (x)	43.0	39.6	34.1	30.3
PE (x)	54.5	52.5	44.6	39.7
P/BV (x)	10.4	9.4	8.4	7.6

Key Data

DABU.BO | DABUR IN

52-W High / Low	Rs.597 / Rs.489	
Sensex / Nifty	74,611 / 22,648	
Market Cap	Rs.931bn / \$ 11,152m	
Shares Outstanding	1,772m	
3M Avg. Daily Value	Rs.1157.66m	

Shareholding Pattern (%)

Promoter's	66.25
Foreign	15.83
Domestic Institution	12.56
Public & Others	5.36
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(1.2)	(1.0)	(2.1)
Relative	(2.0)	(15.6)	(19.8)

Amnish Aggarwal

arnishaggarwal@plindia.com | 91-22-66322233

Hasti Savla

hastisavla@plindia.com |

Vishwa Solanki

vishwasolanki@plindia.com | 91-22-66322244

Dabur India (DABUR IN)

Rating: ACCUMULATE | CMP: Rs525 | TP: Rs563

Rural demand bounces back

Quick Pointers:

- Rural sales up 8%, urban grew 4%, showing consistent trend after 3 years
- Double digit sales and calibrated margin expansion likely in FY25

Dabur has given cautiously optimistic outlook for FY25 led by 1) 8% growth in rural sales (~50% of domestic sales) 2) strong performance across oral care, Home care with market share gain across categories and 3) innovations and distribution led gains. Dabur expects volume/realization growth to enable high single digit to low double sales growth with calibrated margin expansion. IBD continues to face currency led headwinds while Namaste litigation expenses are likely to peak out (Rs800-900 mn in FY25).

We believe harsh summer will provide tailwind to Juices/ drinks/ Glucon-D while normal monsoons will boost rural demand and tame inflation. We believe sustained innovation, premiumisation and launches in core segments like Healthcare, oral care & HPC will help sustain double-digit growth. We increase our FY25/FY26 EPS estimates by 1.4%/1.8% and estimate 12.8% EPS CAGR over FY24-26. Dabur is trading at 39.7x Mar26 EPS. We arrive at DCF based target price of Rs563 (Rs.535 earlier) which implies a PE of 42.5, in line with LTA. Retain Accumulate for moderate returns.

Consol Revenues up 5.1%; Volumes grew 4.2%: Revenues grew by 5.1% YoY to Rs28.1bn (PLe: Rs28.4bn) Gross margins expanded by 279bps YoY to 48.6% (PLe: 48.2%) EBITDA grew by 13.9% YoY to Rs4.7bn (PLe:Rs 4.4bn); Margins expanded by 128bps YoY to 16.6% (PLe:15.6%) Adj. PAT grew by 16.6% YoY to Rs3.4bn (PLe: Rs3.2bn) IBD witnessed 12% YoY growth in constant currency. Consumer care sales grew 5.6% YoY while EBIT grew by 15.9%. Margins improved by 182bps YoY to 20.3%. Food segment revenues grew by 1.3% YoY while EBIT declined by 4.9%. Margins contracted by 83bps YoY to 13%. Retail segment revenues grew by 12.4% YoY while EBIT declined by 172.4%. Margins improved by 694bps YoY to 3%

Concall Highlights -1) Rural sales grew faster at 8% vs Urban ~4% after a gap of three years 2) HPC category saw 8.7% growth led by increased market share of Odonil (260bps) & Odomos (~600bps+) 3) Oral Care portfolio delivered ~22% sales growth with herbal segment continuing to grow faster 4) Beverages de-grew by 6.9% on account of high base & unseasonal rains in March 5) Baby care category increased its sales from Rs 200mn to Rs 450mn in FY24 6) Direct rural reach was increased by 22k villages during FY24 taking the count to 122k 7) Badshah is likely to sustain double digit growth rates 8) IBD continues to face headwinds from currency depreciation in a few geographies 9) Dabur is looking at hiking its prices by ~3-4% led by Foods-4-6%,Healthcare-4% and HPC-2% 8) FY24 litigation cost against Namaste LLC (Haircare range) stands at Rs 1bnand is expected to be Rs 800/900mn for FY25 9) EBITDAM guidance of 20% for FY25 10) Volume growth for FY 25 is expected in mid to high-single digit 11) Premium portfolio account for 18% of sales and it is expected to further expand

Exhibit 1: 4QFY24 Results: Revenues grew by 5.1%, EBITDA margins improve by ~128bps YoY

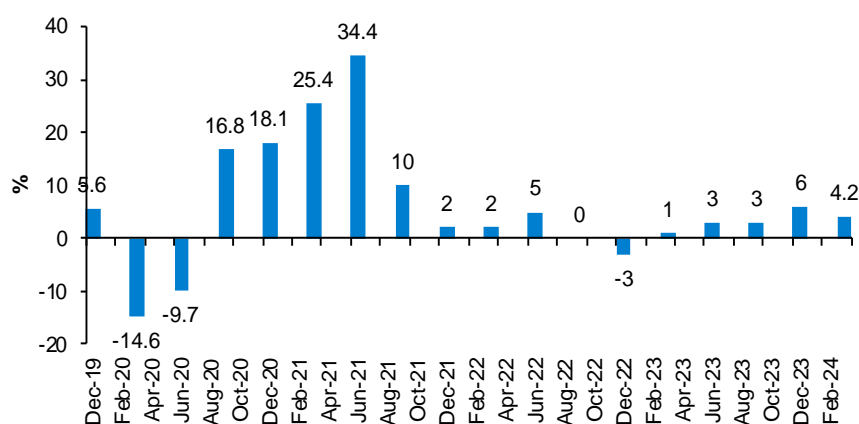
Y/e March	Q4FY24	Q4FY23	YoY gr. (%)	Q3FY24	FY24	FY23	YoY gr. (%)
Revenues	28,146	26,778	5.1	32,551	1,24,040	1,15,299	7.6
Gross Profit	13,679	12,268	11.5	15,823	59,571	52,612	13.2
% of Net Sales	48.6	45.8	2.8	48.6	48.0	45.6	2.4
Other Expenses	9,011	8,169	10.3	9,144	35,568	30,971	14.8
% of Net Sales	32.0	30.5		28.1	28.7	26.9	
EBITDA	4,668	4,098	13.9	6,678	24,002	21,641	10.9
Margins (%)	16.6	15.3	1.3	20.5	19.4	18.8	0.6
Depreciation	1,074	1,020	5.3	969	3,992	3,110	28.4
Interest	352	321	9.7	365	1,242	782	58.7
Operating Profits	3,242	2,757	17.6	5,344	18,768	17,749	5.7
Other Income	1,289	1,207	6.7	1,274	4,824	4,454	8.3
PBT	4,531	3,964	14.3	6,618	23,593	22,203	6.3
Tax	1,114	1,035	7.7	1,550	5,474	5,174	5.8
Effective tax rate (%)	24.6	26.1		23.4	23.2	23.3	
Minority interest	4	2	110.5	4	5	16	(68.7)
Adj PAT	3,412	2,928	16.6	5,064	18,113	17,013	6.5

Source: Company, PL

Exhibit 2: Low single digit growth in most segments except foods, digestives and oral care

Category Growth (%)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Hair Oils	2.6	8.1	1.8	-2.4	0.0	10.0	4.0	4.5	-2.5
Shampoos	5.6	17.0	9.0	3.6	2.0	9.0	4.1	11.3	6.1
Health Supplements	9.7	-35.5	-12.6	0.4	-3.3	5.5	0.0	0.0	-9.1
Oral Care	1.1	12.5	9.2	2.6	-3.0	13.0	4.1	8.1	22
Foods	12.5	35.7	30.5	34.5	22.0	35.0	40.4	22.0	20.7
Digestives	1.2	30.5	0.1	11.2	5.6	14.3	18.1	15.1	16.0
Skin care	-10.6	11.4	1.1	-5.6	-2.0	3.5	5.0	4.5	0.6
Home Care	11.0	51.9	20.9	18.2	10.3	14.5	15.1	6.6	7.5
OTC & Ethical	7.5	-15.4	-0.2	4.0	-0.4	24.3/7.3	8.4/7.0	-3.0/6.9	0.6
Beverages		50.7	21.2	3.7	29.0	(2.0)	(10.0)	6.9	-1.5

Source: Company, PL

Exhibit 3: 4Q volumes grow by 4.2%


Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
Net Revenues	1,15,299	1,23,335	1,35,422	1,49,301
YoY gr. (%)	5.9	7.0	9.8	10.2
Cost of Goods Sold	62,687	64,461	69,473	75,834
Gross Profit	52,612	58,874	65,949	73,466
Margin (%)	45.6	47.7	48.7	49.2
Employee Cost	11,370	12,396	14,011	15,555
Other Expenses	9,868	11,139	11,639	12,767
EBITDA	21,641	23,286	26,945	30,198
YoY gr. (%)	(4.0)	7.6	15.7	12.1
Margin (%)	18.8	18.9	19.9	20.2
Depreciation and Amortization	3,110	3,992	4,142	4,380
EBIT	18,532	19,293	22,803	25,818
Margin (%)	16.1	15.6	16.8	17.3
Net Interest	782	1,242	1,107	986
Other Income	4,454	4,824	5,058	5,405
Profit Before Tax	22,203	22,876	26,754	30,237
Margin (%)	19.3	18.5	19.8	20.3
Total Tax	5,174	5,474	6,220	7,106
Effective tax rate (%)	23.3	23.9	23.3	23.5
Profit after tax	17,030	17,401	20,534	23,131
Minority interest	(58)	(314)	(314)	(314)
Share Profit from Associate	-	-	-	-
Adjusted PAT	17,088	17,715	20,847	23,445
YoY gr. (%)	(6.4)	3.7	17.7	12.5
Margin (%)	14.8	14.4	15.4	15.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	17,088	17,715	20,847	23,445
YoY gr. (%)	(1.9)	3.7	17.7	12.5
Margin (%)	14.8	14.4	15.4	15.7
Other Comprehensive Income	(2,254)	(919)	-	-
Total Comprehensive Income	14,834	16,796	20,847	23,445
Equity Shares O/s (m)	1,772	1,772	1,772	1,772
EPS (Rs)	9.6	10.0	11.8	13.2

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
Non-Current Assets				
Gross Block	51,778	58,544	61,825	65,375
Tangibles	41,678	48,315	51,778	55,278
Intangibles	10,100	10,229	10,048	10,098
Acc: Dep / Amortization	20,044	23,948	28,089	32,469
Tangibles	18,831	22,035	25,473	29,146
Intangibles	1,213	1,913	2,616	3,323
Net fixed assets	31,734	34,596	33,736	32,906
Tangibles	22,847	26,280	26,304	26,131
Intangibles	8,887	8,316	7,431	6,775
Capital Work In Progress	1,751	2,091	1,600	1,700
Goodwill	4,053	4,051	4,051	4,051
Non-Current Investments	55,592	52,796	59,500	67,225
Net Deferred tax assets	(910)	(1,090)	(1,090)	(1,090)
Other Non-Current Assets	925	1,089	1,304	1,416
Current Assets				
Investments	7,365	16,473	17,297	18,161
Inventories	20,242	19,470	23,901	26,351
Trade receivables	8,488	8,987	9,744	10,540
Cash & Bank Balance	3,259	6,664	7,941	10,077
Other Current Assets	2,782	4,584	3,656	4,255
Total Assets	1,36,479	1,51,226	1,63,137	1,77,131
Equity				
Equity Share Capital	1,772	1,772	1,772	1,772
Other Equity	87,961	96,891	1,08,801	1,20,323
Total Network	89,733	98,663	1,10,573	1,22,095
Non-Current Liabilities				
Long Term borrowings	4,432	7,062	7,062	6,962
Provisions	644	683	813	896
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	7,002	6,589	6,289	5,989
Trade payables	21,866	24,217	25,897	28,283
Other current liabilities	7,162	8,498	7,292	8,001
Total Equity & Liabilities	1,36,480	1,51,226	1,63,137	1,77,131

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
PBT	22,187	23,581	26,754	30,237
Add. Depreciation	3,110	3,992	4,142	4,380
Add. Interest	782	1,242	1,107	986
Less Financial Other Income	4,454	4,824	5,058	5,405
Add. Other	(4,670)	(4,824)	(5,058)	(5,405)
Op. profit before WC changes	21,409	23,991	26,945	30,198
Net Changes-WC	1,773	(9,325)	(4,690)	(1,955)
Direct tax	(5,174)	(5,474)	(6,220)	(7,106)
Net cash from Op. activities	18,009	9,191	16,034	21,138
Capital expenditures	(15,893)	(7,192)	(2,791)	(3,650)
Interest / Dividend Income	4,454	4,824	5,058	5,405
Others	(1,637)	2,700	(6,573)	(7,691)
Net Cash from Invt. activities	(13,077)	332	(4,306)	(5,936)
Issue of share cap. / premium	2,611	165	1,250	3
Debt changes	1,362	2,217	(300)	(400)
Dividend paid	(9,213)	(9,656)	(10,188)	(11,925)
Interest paid	(782)	(1,242)	(1,107)	(986)
Others	-	-	-	-
Net cash from Fin. activities	(6,023)	(8,516)	(10,344)	(13,309)
Net change in cash	(1,091)	1,008	1,384	1,893
Free Cash Flow	2,115	1,999	13,243	17,488

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY23	FY24	FY25E	FY26E
Per Share(Rs)				
EPS	9.6	10.0	11.8	13.2
CEPS	11.4	12.3	14.1	15.7
BVPS	50.6	55.7	62.4	68.9
FCF	1.2	1.1	7.5	9.9
DPS	5.3	5.6	6.5	7.3
Return Ratio(%)				
RoCE	19.0	18.1	19.3	19.9
ROIC	14.7	15.1	16.5	17.3
RoE	19.7	18.8	19.9	20.2
Balance Sheet				
Net Debt : Equity (x)	0.0	(0.1)	(0.1)	(0.1)
Net Working Capital (Days)	22	13	21	21
Valuation(x)				
PER	54.5	52.5	44.6	39.7
P/B	10.4	9.4	8.4	7.6
P/CEPS	46.1	42.9	37.2	33.4
EV/EBITDA	43.0	39.6	34.1	30.3
EV/Sales	8.1	7.5	6.8	6.1
Dividend Yield (%)	1.0	1.1	1.2	1.4

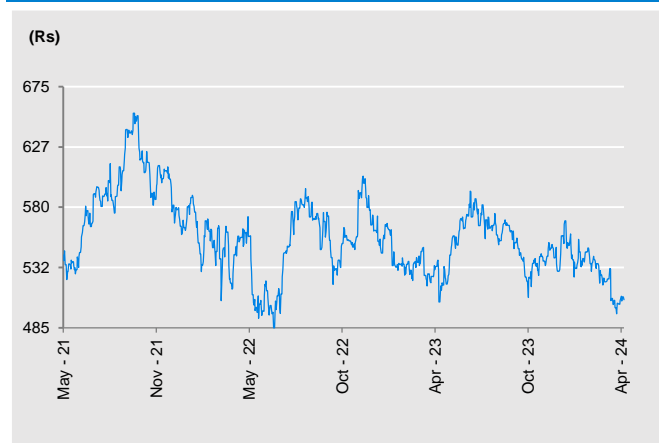
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Net Revenue	31,305	32,038	32,551	28,146
YoY gr. (%)	10.9	7.3	7.0	5.1
Raw Material Expenses	16,717	16,557	16,728	14,468
Gross Profit	14,588	15,482	15,823	13,679
Margin (%)	46.6	48.3	48.6	48.6
EBITDA	6,047	6,609	6,678	4,668
YoY gr. (%)	11.2	10.0	9.5	13.9
Margin (%)	19.3	20.6	20.5	16.6
Depreciation / Depletion	966	983	969	1,074
EBIT	5,081	5,626	5,709	3,595
Margin (%)	16.2	17.6	17.5	12.8
Net Interest	243	281	365	352
Other Income	1,098	1,164	1,274	1,289
Profit before Tax	5,936	6,508	6,618	4,531
Margin (%)	19.0	20.3	20.3	16.1
Total Tax	1,368	1,443	1,550	1,114
Effective tax rate (%)	23.0	22.2	23.4	24.6
Profit after Tax	4,568	5,066	5,068	3,416
Minority interest	2	(5)	4	4
Share Profit from Associates	-	-	-	-
Adjusted PAT	4,566	5,070	5,064	3,412
YoY gr. (%)	3.5	3.3	6.2	16.6
Margin (%)	14.6	15.8	15.6	12.1
Extra Ord. Income / (Exp)	(207)	-	118	(896)
Reported PAT	4,359	5,070	5,182	2,516
YoY gr. (%)	17.0	(0.6)	28.8	31.9
Margin (%)	13.9	15.8	15.9	8.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,359	5,070	5,182	2,516
Avg. Shares O/s (m)	1,772	1,772	1,772	1,772
EPS (Rs)	2.6	2.9	2.9	1.9

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-24	Accumulate	535	503
2	01-Feb-24	Accumulate	600	540
3	08-Jan-24	Accumulate	617	553
4	02-Nov-23	Accumulate	597	530
5	07-Oct-23	Accumulate	597	547
6	15-Sep-23	Accumulate	600	566
7	03-Aug-23	Accumulate	600	555
8	06-Jul-23	Accumulate	590	592
9	04-May-23	Accumulate	590	530

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,698	2,857
2	Avenue Supermarts	BUY	4,704	4,716
3	Britannia Industries	Hold	5,157	4,793
4	Colgate Palmolive	Reduce	2,174	2,622
5	Dabur India	Accumulate	535	503
6	Emami	Accumulate	496	457
7	Hindustan Unilever	Accumulate	2,543	2,260
8	ITC	Accumulate	488	426
9	Jubilant FoodWorks	Hold	507	448
10	Kansai Nerolac Paints	Reduce	288	281
11	Marico	Hold	554	510
12	Metro Brands	Hold	1,063	1,038
13	Mold-tek Packaging	Hold	891	871
14	Nestle India	Accumulate	2,695	2,563
15	Pidilite Industries	Accumulate	2,764	3,019
16	Restaurant Brands Asia	Accumulate	137	101
17	Titan Company	Accumulate	3,817	3,682
18	Westlife Foodworld	Hold	820	814

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Amnish Aggarwal- MBA, CFA, Ms. Hasti Savla- CA, Mr. Vishwa Solanki- PGDM - Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Amnish Aggarwal- MBA, CFA, Ms. Hasti Savla- CA, Mr. Vishwa Solanki- PGDM - Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts 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.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses 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.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., 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 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 by Prabhudas Lilladher Pvt. Ltd. only 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, Prabhudas Lilladher Pvt. Ltd. has entered into an 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.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com