

United Spirits (UNITDSPR)

Alco-Bev | Annual Report Analysis

BUY

CMP: Rs1,298 | Target Price (TP): Rs1,665 | Upside: 28%

August 12, 2025

Structural opportunity strong; price correction leads to attractive entry points

Key Points

- In FY24-25, sales volume reached 64mn cases, up 4.1% from the previous year. Net sales (excluding excise duties and taxes) rose 8.2% to ~Rs116bn from ~Rs107bn. The prestige & above segment accounted for 83% of volumes and 89% of net sales, with segment sales growing 9.9%, driven by strong double-digit growth in the higher value sub-segments. The popular segment contributed 17% of volumes and 10% of net sales, maintaining its share from the previous year.
- Net Sales Value (NSV) contribution from the luxury & premium segment surpassed one-third in FY25, reinforcing the company's leadership position in premium spirits.
- The recently announced Free Trade Agreement between the UK and India is expected to reduce tariffs across several industries, with whisky being a key beneficiary. Given that India is the world's largest whisky market and Diageo India holds a strong position with a broad portfolio of brands, the agreement is likely to enhance scotch whisky accessibility and support growth in the alco-bev and hospitality sectors.
- In FY25, the company expanded and diversified its portfolio with Royal Challenge American Pride and JW Blonde each contributing 7% to their respective trademarks by NSV, McDowell's X Series entering multiple new spirit categories, Smirnoff launching Indian-inspired flavors, and a focus on the fast-growing white spirits segment (16% 3-year CAGR) across price points to capture the evolving consumer demand.
- In line with the 'Made in India' strategy, the company made strategic minority investments in select craft and innovative ventures. These include Inspired Hospitality, which owns Maya Pistola, an Indian agave spirit; V9 Beverages, the maker of Sober, a non-alcoholic spirit; and Indie Brews & Spirits, known for Quaffine, a coffee liqueur.
- We continue to value UNSP at 55x Jun-27E standalone EPS (5-year average ~53x, 10-year average ~65x) and attribute Rs170 per share value to its 100% stake in RCB giving us a target price of Rs1,665, ~28% upside to the CMP.

Est Change	No change
TP Change	No change
Rating Change	No change

Company Data and Valuation Summary

Reuters:	UNSP.BO
Bloomberg:	UNSP IN Equity
Mkt Cap (Rsbn/US\$bn):	944.0 / 10.8
52 Wk H / L (Rs):	1,700 / 1,271
ADTV-3M (mn) (Rs/US\$):	1,980.2 / 23.0
Stock performance (%) 1M/6M/1yr:	(4.4) / (7.1) / (8.5)
Nifty 50 performance (%) 1M/6M/1yr:	(3.4) / (1.8) / 1.4

Shareholding	3QFY25	4QFY25	1QFY26
Promoters	56.7	56.7	56.7
DII's	13.6	14.6	14.4
FII's	15.9	15.0	15.1
Others	13.8	13.7	13.9
Pro pledge	84.6	84.6	84.6

Financial and Valuation Summary

Particulars (Rsmn)	FY24	FY25	FY26E	FY27E
Net Sales	1,06,920	1,15,730	1,18,697	1,34,184
Growth YoY %	3.1	8.2	2.6	13.0
Gross margin (%)	43.4	44.7	45.3	46.1
EBITDA	17,080	20,580	20,143	24,448
EBITDA margin (%)	16.0	17.8	17.0	18.2
Adjusted PAT	13,253	16,077	15,292	18,978
Growth YoY %	57.3	21.3	-4.9	24.1
Adj EPS (Rs)	18.3	22.2	21.1	26.2
RoCE (%)	21.3	22.0	18.3	20.1
RoE (%)	19.0	20.4	17.4	19.5
RoIC	20.7	22.3	18.8	21.6
P/E (x)	71.0	58.5	61.5	49.6
EV/EBITDA (x)	54.4	44.9	45.8	37.5
P/BV	13.5	12.0	10.7	9.7

Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research

Key Links: [FY25 Annual Report](#)

Please refer to the disclaimer towards the end of the document.

➤ Key highlights from the FY25 annual report

- In FY24-25, sales volume reached 64mn cases, up 4.1% from the previous year. Net sales (excluding excise duties and taxes) rose 8.2% to ~Rs116bn from ~Rs107bn. The prestige & above segment accounted for 83% of volumes and 89% of net sales, with segment sales growing 9.9% driven by strong double-digit growth in higher value sub-segments. The popular segment contributed 17% of volumes and 10% of net sales, maintaining its share from the previous year.
- Consolidated EBITDA grew 12.1%, while standalone EBITDA rose 20.5% to Rs20.6bn. Profitability remained healthy with consolidated PAT of ~Rs15.6bn and a net profit margin of 13.1%. Standalone PAT stood at ~Rs15.6bn with a margin of 13.5%, expanding by 119bps year-on-year.
- The recently announced Free Trade Agreement between the UK and India is expected to reduce tariffs across several industries, with whisky being a key beneficiary. Given that India is the world's largest whisky market and Diageo India holds a strong position with a broad portfolio of brands, the agreement is likely to enhance scotch whisky accessibility and support growth in the alco-bev and hospitality sectors.
- In FY24-25, Diageo India faced headwinds from a slowdown in urban consumption and moderated momentum in its premium portfolio.
- Looking ahead, the company remains cautiously optimistic in the short term, while retaining confidence in the long-term potential of the Indian consumer market. As it enters the new fiscal year, it does so with a clear strategic direction, aligning its approach with evolving consumer preferences and aiming to stay ahead of the curve.
- The macroeconomic environment remained complex and volatile during the year. Globally, businesses faced challenges arising from political and economic uncertainty, changes in trade policies and tariffs, commodity price fluctuations, and currency volatility. In India, companies across sectors continued to navigate inflationary pressures, supply chain disruptions, and their impact on consumer behavior and demand.
- The company's digital transformation remains focused on backend optimization and front-end innovation. Efforts to streamline processes and enhance operational efficiency have delivered strong results. Notably, the re-entry into Andhra Pradesh showcased effective execution in a complex market.
- Diageo India launched the 'Spirit of Progress' ESG action plan in 2020, aligned with the UN Sustainable Development Goals (UN SDGs).
- India is expected to become the world's third-largest economy and consumer market by 2030, supported by its youthful, rapidly growing population and strong structural fundamentals. Over the past five years, the country has led global spirits volume growth by contributing 49% - the highest share globally, and positioning itself as the fastest-growing large spirits market in the world.
- In line with the 'Made in India' strategy, the company made strategic minority investments in select craft and innovative ventures. These include Inspired Hospitality, which owns Maya Pistola, an Indian agave spirit; V9 Beverages, the maker of Sober, a non-alcoholic spirit; and Indie Brews & Spirits, known for Quaffine, a coffee liqueur.

➤ **Change in management**

○ **Resignations and retirements:**

- **Hina Nagarajan** resigned as MD & CEO effective 31-Mar-25 to take up a new role within the Diageo group, ceasing to be a key managerial personnel.
- **M K Sharma** completed his second term and stepped down as Chairperson & Independent Director on 31-Mar-25 after 10 years of service.
- **Rajiv Gupta** resigned as Independent Director on 31-Jul-24 after nearly 10 years of service, as part of a planned transition.
- **D Sivanandhan** resigned as Independent Director on 31-Jul-24 after over 11 years, in line with the planned transition.
- **Indu Shahani** completed her second term and ceased to be an Independent Director on 29-Sep-24 after a decade of service.
- **Mamta Sundara** resigned as Non-Executive, Non-Independent Director effective 30-Sep-24 following her exit from the Diageo group.
- **Emily Kathryn Gibson** resigned as Non-Executive, Non-Independent Director effective 31-Oct-24 following her exit from the Diageo group.

○ **Appointments**

- **Praveen Someshwar** was appointed as Additional Director, MD, CEO, and KMP of the company effective 1-Apr-25. With over 30 years of experience in media and FMCG, the Board considers his appointment in the company's best interest.
- **V K Viswanathan**, an Independent Director since 2016, was appointed Chairperson of the Board effective 1-Apr-25.
- **Amrita Gangotra** was appointed as Independent Director for five years from 1-Sep-24, bringing global expertise in technology, innovation, and digital transformation.
- **Preeti Arora** was appointed as Non-Executive, Non-Independent Director effective 1-Oct-24, with shareholder approval via postal ballot on 18-Dec-24. She is Managing Director for Diageo's South-East Asia business, with 25 years' experience in delivering strong results across developed and emerging markets.

- **Dividend:** For FY24-25, the Board recommended a final dividend of Rs8 per share (face value Rs2), with a record date of 1-Aug-25 and payment on or after 4-Sep-25, subject to shareholder approval. An interim dividend of Rs4 per share was paid on 21-Apr-25, bringing the total dividend to Rs12 per share, representing a 56% payout ratio.

- **View and valuation:** UNSP has done extremely well on operating parameters over the last decade with PAT CAGR of ~24% over this period and an extremely healthy PAT CAGR of ~15% over the last 5 years as well. A combination of factors like: (1) focus on the high growth and high margin prestige and above segment, (2) better execution on brand building compared to the past, (3) exiting commoditized popular business in most states, (4) significantly better operating efficiency, (5) relatively favorable operating environment in the last 5 years, and (6) significant deleveraging has meant not only robust earnings growth but phenomenal improvement in return ratios from mid-single digits at the end of FY15 to over 20% at the end of FY25. Consequently, the stock has generated formidable returns of ~17% CAGR in the last 5 years. The sharp increase in excise in Maharashtra in Jun-25 has been a setback, and therefore, as part of our 1QFY26 preview, we had assumed that EPS growth is likely to be flat in FY26 (we are assuming EBITDA from Maharashtra will halve over FY25 levels in the current year); the 20% stock price correction following the excise increase announcement provides as attractive entry point as: (a) the above factors which led to strong earnings growth over the last decade are still very much at play, (b) demand environment for alcobev outside Maharashtra remains strong, (c) recent policy changes in Andhra, Uttar Pradesh, and Karnataka are actually providing a tailwind for spirits category growth, (d) material cost outlook is favorable, and (e) benefits of India UK FTA on volume growth and raw material savings are likely in FY27. Consequently, robust earnings growth trajectory should be back from FY27. We continue to value UNSP at 55x Jun-27E standalone EPS (5-year average ~53x, 10-year average ~65x) and attribute Rs170 per share value to its 100% stake in RCB giving us a target price of Rs1,665, ~28% upside to the CMP.
- **Annual General Meeting (AGM):** The company will hold its 26th AGM on Thursday, 29-Aug-25 at 03.30pm through video conference/other audio-visual means.

From cask to cashflow: United Spirits annual deep dive

Industry overview

- India is expected to become the world's third-largest economy and consumer market by 2030, supported by its youthful, rapidly growing population and strong structural fundamentals. Over the past five years, the country has led global spirits volume growth, contributing 49% - the highest share globally, and positioning itself as the fastest-growing large spirits market in the world.
- The macroeconomic environment remained complex and volatile during the year. Globally, businesses faced challenges arising from political and economic uncertainty, changes in trade policies and tariffs, commodity price fluctuations, and currency volatility. In India, companies across sectors continued to navigate inflationary pressures, supply chain disruptions, and their impact on consumer behavior and demand.
- **India: The rising giant in the global spirits market – key drivers**
 - By 2030, an estimated 100mn Indians will reach the legal drinking age, accounting for 25% of the projected global increase in alcohol consumers.
 - By 2030, India is expected to have 700mn middle-class and affluent consumers. This rise in disposable income is driving increased demand for premium alcoholic beverages.
 - Shifting socio-cultural norms in India are driving greater consumer openness to new experiences and increasing experimentation in alcohol consumption.
 - India's low market penetration and modest per capita alcohol consumption present a significant opportunity for future growth and category expansion.
 - Consumers are increasingly gravitating toward premium and craft alcoholic beverages that deliver quality, authenticity, and distinctiveness.
 - The growing use of digital platforms is driving stronger consumer engagement, improving brand positioning, and enabling more targeted marketing efforts.
- **UNSP's strategic priorities for future growth in India**
 - Strengthening premium and luxury portfolio through brand expansion, localized innovation (e.g., flavored spirits, Indian craft, low-alcohol beverages), and disruptive formats targeting young LDA consumers.
 - Expanding distribution and retail footprint across metros and tier II/III cities via network transformation and strategic partnerships to deepen market penetration.
 - Driving sustainability through water conservation, eco-friendly packaging, responsible consumption, and enhanced consumer engagement via digital platforms.

Brand innovation aligned with evolving consumer preferences

During the year, whisky remained the core growth driver for the company, supported by portfolio premiumisation and innovation aligned with evolving consumer trends. The scotch segment was strengthened through Johnnie Walker's expansion across price points and the launch of JW Blonde for younger LDA consumers, while Black Dog was repositioned, and Black & White targeted casual, food-paired occasions. Building on this momentum, the company expanded its premium offerings with Godawan's international debut in the UK, the launch of McDowell's & Co Distiller's Batch (triple cask matured Indian single malt), and entry into the luxury segment through India Rare Spirits—the country's first personalized cask program. In tequila, the launch of Don Julio with multiple variants marked an entry into a high-potential category with positive early consumer response. White spirits also saw strong innovation traction with the McDowell's X Series (vodkas, gins, rums) tailored for cocktail consumers, and Smirnoff scaling up unique localized flavors like Mirchi Mango, Minty Jamun, and Zesty Lime, supporting portfolio expansion and influencing modern cocktail culture.

- **Royal Challenge American Pride** emerged as the fastest-growing upper prestige brand, with ~400K cases sold in FY25, accounting for 7% of the Royal Challenge trademark by NSV.
- **JW Blonde** positioned between Red and Black Label, contributed 7% to the Johnnie Walker trademark by NSV during the year.
- **McDowell's X Series** extended the brand into new categories including rum, gin, vodka, and Indian single malt whisky.
- **Smirnoff Flavors** introduced Indian-inspired variants: Minty Jamun, Mango Mirchi, and Zesty Lime.
- The company expanded its portfolio in white spirits including vodka, gin, tequila, and agave-based offerings across various price points to align with evolving consumer preferences and capture growth opportunities across segments. White spirits is the fastest growing segment in P&A with 16% 3-year CAGR.

Exhibit 1: Strong brand portfolio of 50+ brands

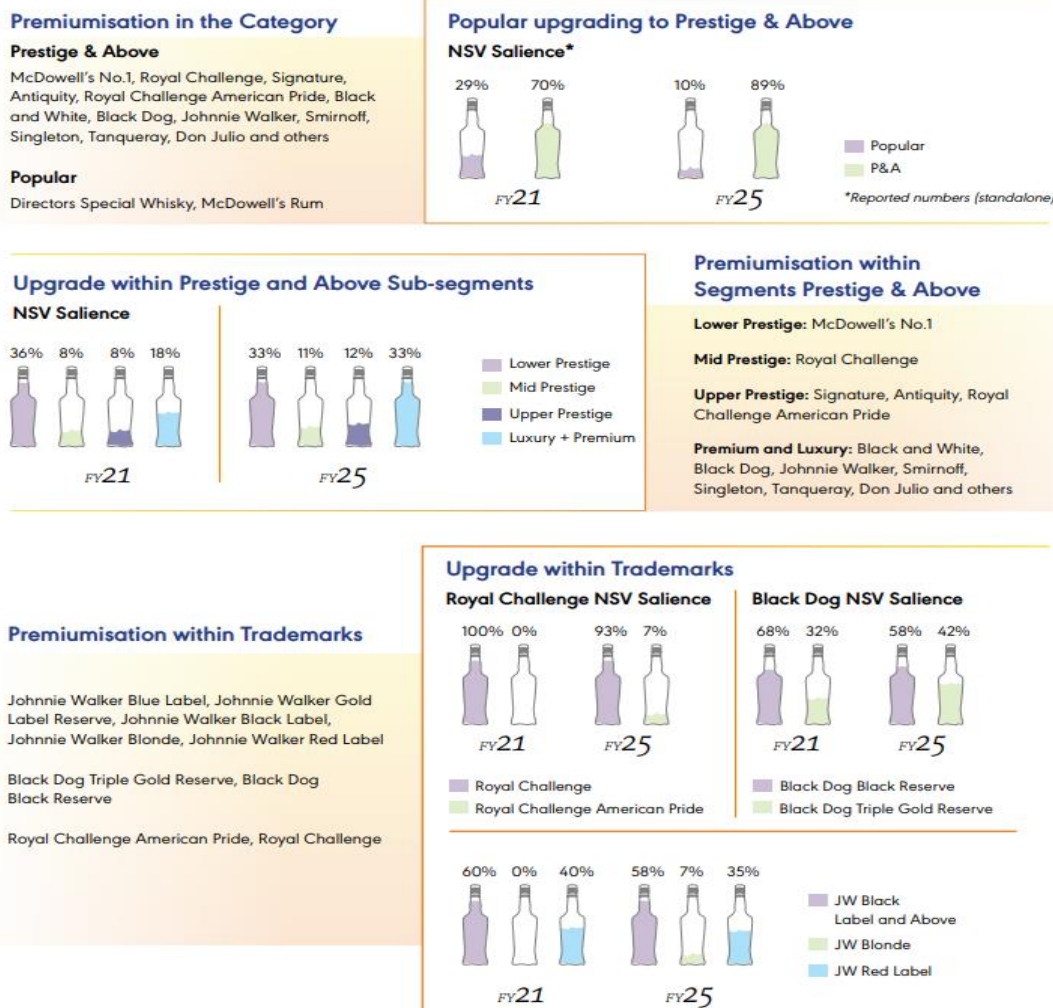


Source: Company, Nirmal Bang Institutional Equities Research

Strong momentum toward prestige & above:

- There is a strong shift toward premiumisation, with Prestige and Above (P&A) brands gaining significant NSV salience from 29% in FY21 to 89% in FY25.
- Popular brands like McDowell's No.1 and McDowell's Rum are witnessing upgrades to prestige and above categories including Royal Challenge, Signature, Antiquity, Black and White, Johnnie Walker, and others.
- Within P&A, there is a visible shift from lower to higher segments from FY21 to FY25 —lower prestige fell from 36% to 33%, while mid prestige rose from 8% to 11%, upper prestige increased from 8% to 12%, and luxury and premium rose from 18% to 33%.
- This reflects a broader trend of consumers upgrading within sub-segments. Similarly, within trademarks, Royal Challenge's share moved from 100% in FY21 to a more distributed mix in FY25 with Royal Challenge American Pride gaining 7%.
- Black Dog saw a shift from Reserve to higher-value Triple Gold Reserve.
- The Johnnie Walker portfolio also reflects premiumisation with a move from JW Red Label and Blonde to higher variants like Black and Gold Label.
- This trend reinforces rising consumer preference for premium offerings across the portfolio.

Exhibit 2: Shifting consumer preference from lower to higher segments continue



Source: Company, Nirmal Bang Institutional Equities Research

Operational challenges

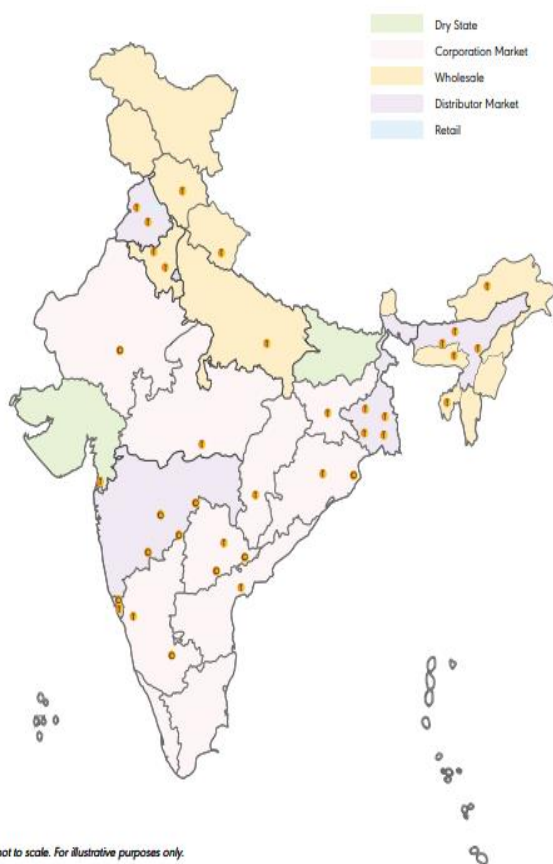
- The macroeconomic environment remained complex and volatile during the year. Globally, businesses faced challenges arising from political and economic uncertainty, changes in trade policies and tariffs, commodity price fluctuations, and currency volatility. In India, companies across sectors continued to navigate inflationary pressures, supply chain disruptions, and their impact on consumer behavior and demand. High taxes and regulatory restrictions on manufacturer pricing continue to hinder business expansion and profit margins.
- In FY24-25, Diageo India faced headwinds from a slowdown in urban consumption and moderated momentum in its premium portfolio.

Manufacturing network

Exhibit 3: Manufacturing footprint across India

Extensive Manufacturing Footprint

We have an extensive manufacturing presence across India, with products sold across 28 states and 6 union territories nationally and in 24 countries globally.



All figures are as on March 31, 2025

Imports (During FY 2024-25)



Exports (During FY 2024-25)



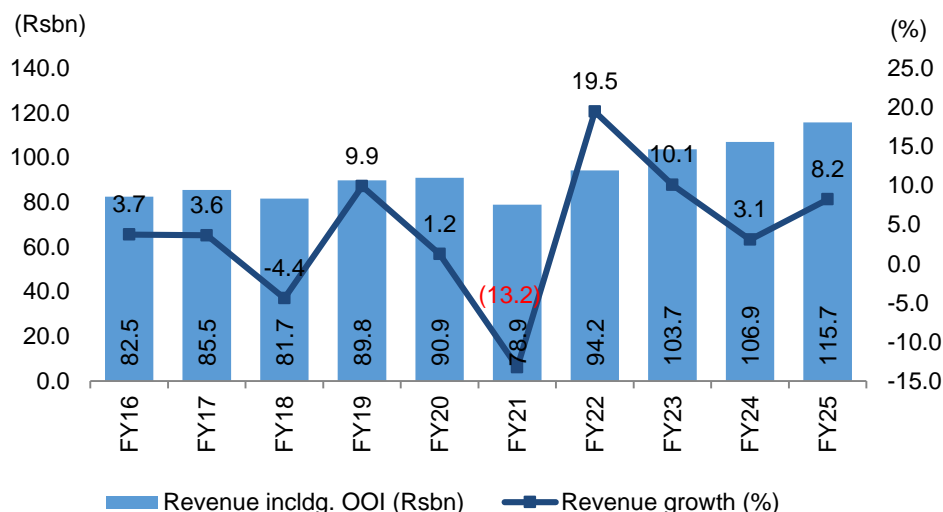
Source: Company, Nirmal Bang Institutional Equities Research

Financials

Revenue – Premium continues to grow faster than the rest of the portfolio

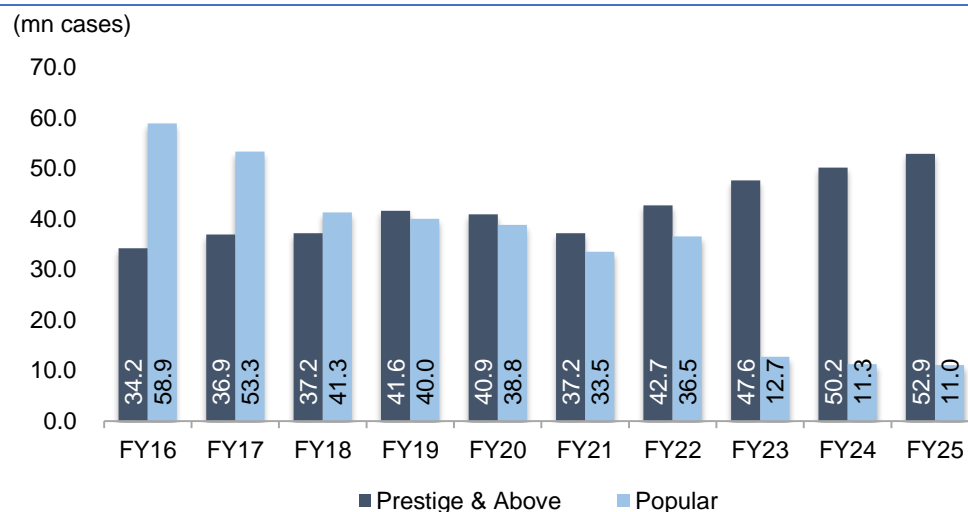
- In FY24-25, sales volume reached 64 million cases, up 4.1% from the previous year. Net sales (excluding excise duties and taxes) rose 8.2% to ~Rs116bn from Rs~107bn. The prestige & above segment accounted for 83% of volumes and 89% of net sales, with segment sales growing 9.9% driven by strong double-digit growth in higher value sub-segments. The popular segment contributed 17% of volumes and 10% of net sales, maintaining its share from the previous year. The company sold 202mn cases of beer in FY25.
- NSV per case increased from Rs1,141 in FY20 to Rs1,810 in FY26, implying a 5-year CAGR of 10%.

Exhibit 4: UNITDSPR's revenue grew 8.2% in FY25



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: UNITDSPR's sold ~64mn cases in FY25



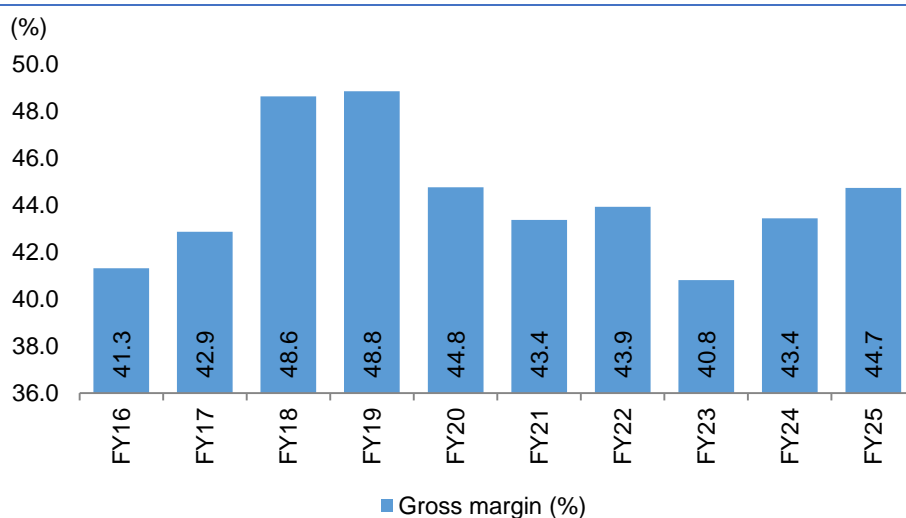
Source: Company, Nirmal Bang Institutional Equities Research

Accelerated premiumisation driving portfolio performance

- The net sales contribution of the premium and above (P&A) segment rose to 89% in FY24-25, up from 87% in FY23-24 and 65% in FY19-20. This consistent increase reflects the company's successful efforts in brand refreshes, impactful marketing initiatives, and the strength of its distinctive portfolio. As a result of these strategies, the company has delivered a strong 5-year compound annual growth rate of 12% in P&A net sales value.
- Prestige & Above (P&A) contributed 89% of Net Sales Value (NSV) in FY25, reflecting successful premiumisation efforts led by strong performance of brands like McDowell's No.1, Royal Challenge, Signature, and Antiquity.
- Net Sales Value (NSV) contribution from the luxury & premium segment surpassed one-third in FY25, reinforcing the company's leadership position in premium spirits.
 - **Johnnie Walker:** Focused on attracting next-generation consumers and enhancing cultural relevance.
 - **Black & White:** Recognized as the fastest-growing primary scotch globally with India emerging as the largest market.
 - **Black Dog:** Undergoing transformation from a classic to a contemporary scotch brand.
 - **Godawan:** Positioned as India's most-awarded luxury artisanal single malt with over 85 accolades.
 - **Singleton:** Marketed as an accessible single malt targeting young, affluent LDA consumers.
 - **Tanqueray:** Leveraging the increasing consumer demand for gin.
 - **Tequila & Agave Spirits:** Responding to global and domestic growth trends through the launch of Don Julio's full tequila range and investment in Maya Pistola, India's first aged 100% agave spirit, targeting multiple price segments.

Comments on key cost items

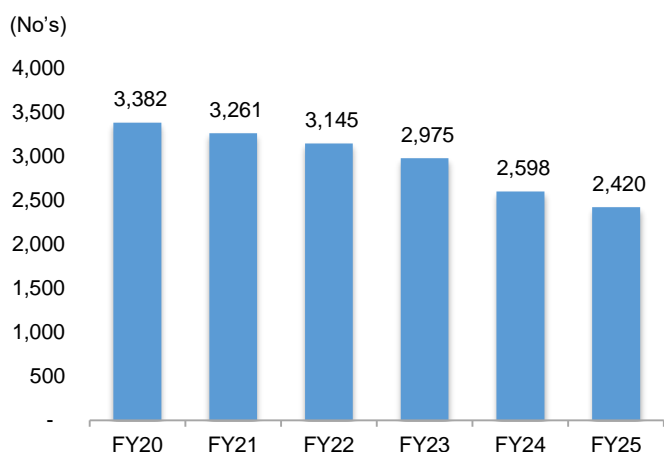
Exhibit 6: Gross margin improved by ~130bps YoY to 44.7%



Source: Company, Nirmal Bang Institutional Equities Research

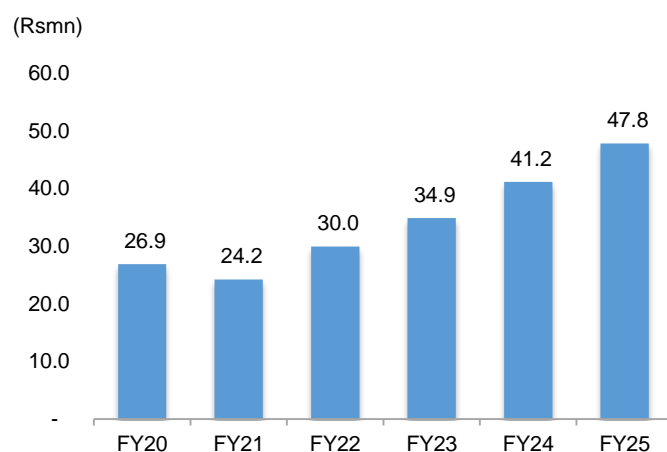
- Staff cost remained largely flat at 5.2% (lower than the 5-year average of ~6%).

Exhibit 7: Number of permanent employees decreasing consistently year on year



Source: Company, Nirmal Bang Institutional Equities Research

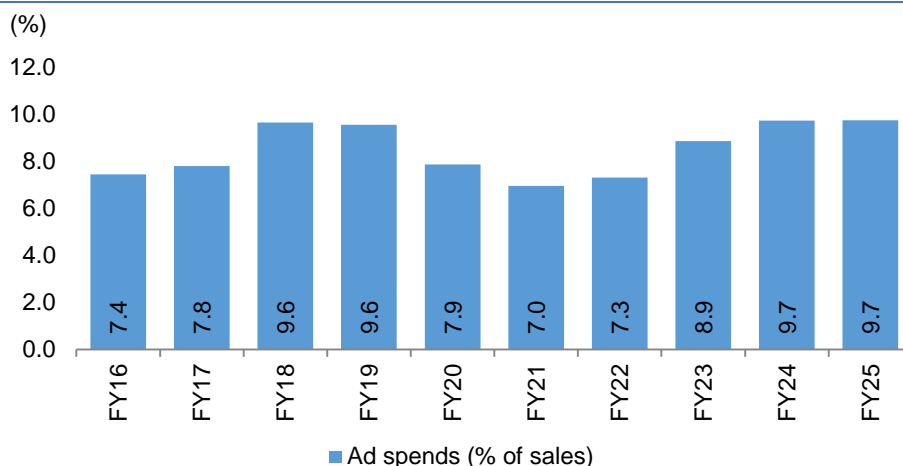
Exhibit 8: Revenue (Incl. OOI) per employee seeing a gradual increase



Source: Company, Nirmal Bang Institutional Equities Research

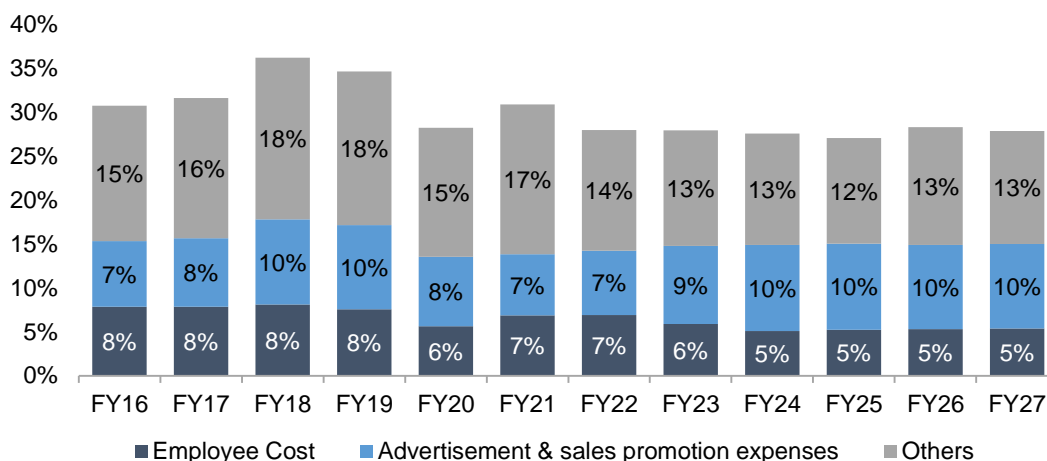
- Advertisement expenses remain stable in FY25 at 9.7% (higher than the 10-year average of ~8.5%).

Exhibit 9: Advertisement & sales promotion expensess remains flat at 9.7% (as a percentage of sales) in FY25



Source: Company, Nirmal Bang Institutional Equities Research

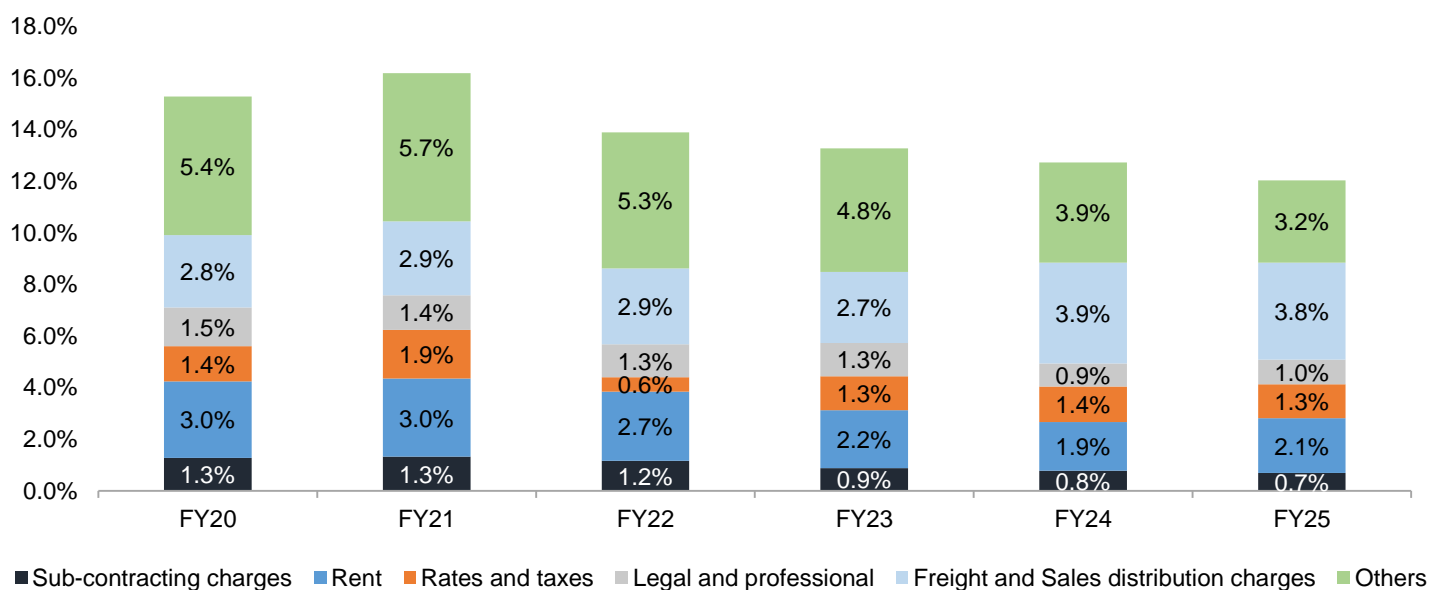
Exhibit 10: Breakdown of key operating expenses (as a % of sales)



Source: Company, Nirmal Bang Institutional Equities Research

- **Sub-contracting charges:** Gradually declined from 1.3% in FY20–22 to 0.7% in FY25.
- **Rent:** Eased from 3.0% in FY20-21 to 2.1% in FY25, reflecting cost optimization in premises usage.
- **Rates and taxes:** Fell sharply from 1.9% in FY21 to 1.0% in FY25 after a peak in early years.
- **Legal and professional:** Stayed stable around 1.3-1.5% till FY23, then dipped to 0.9-1.0% in FY24-FY25.
- **Freight and sales distribution charges:** Remained steady at ~2.7-2.9% till FY23, then jumped to ~3.8-3.9% in FY24-FY25, showing higher distribution spending.
- **Others:** Steadily fell from 5.7% in FY21 to 3.2% in FY25, driving much of the total operating expense reduction.

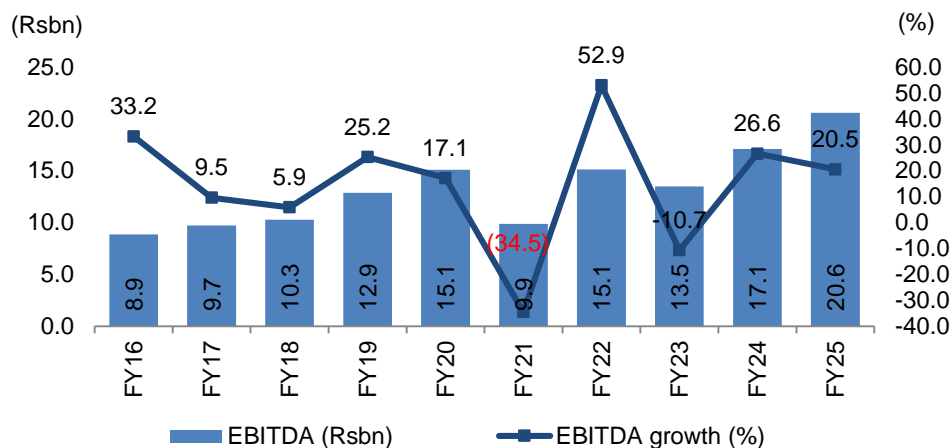
Exhibit 11: Breakdown of key other operating expenses (as a % of sales)



Source: Company, Nirmal Bang Institutional Equities Research

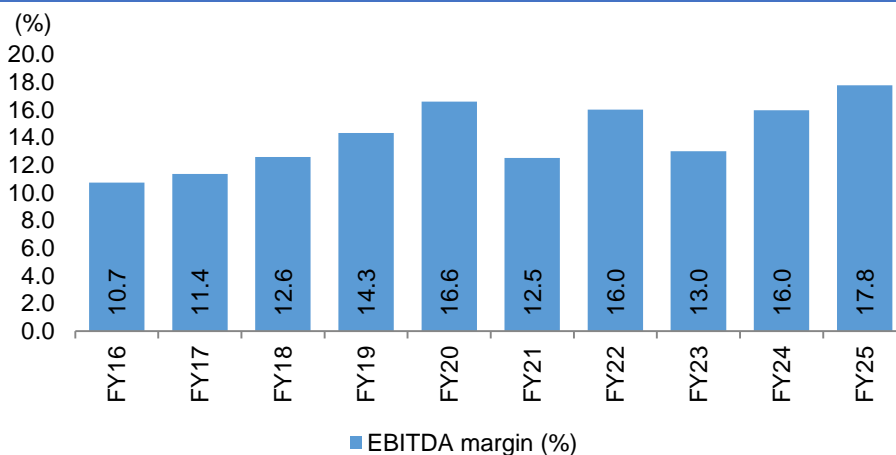
- Higher gross margin (+130bps) aided by lower manufacturing and other expenses (-60bps) with staff cost and ad-spends being largely stable meant that EBITDA margin saw an expansion of ~180bps in FY25 to 17.8%
- Over a 6-year period, EBITDA margin has seen an improvement from 14.3% (FY19) to 17.8% (FY25), driven by a sharp fall in manufacturing & other expenses from 17.4% (FY19) to 12% (FY25), and employee expenses from 7.5% (FY19) to 5.2% (FY25).

Exhibit 12: EBITDA increased 20.5% to Rs20.6bn in FY25



Source: Company, Nirmal Bang Institutional Equities Research

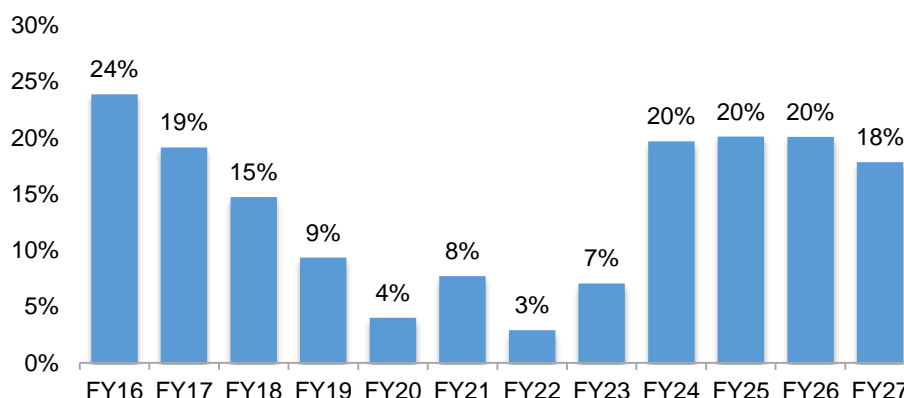
Exhibit 13: EBITDA margin increased by 180bps to 17.8% in FY25



Source: Company, Nirmal Bang Institutional Equities Research

Other income

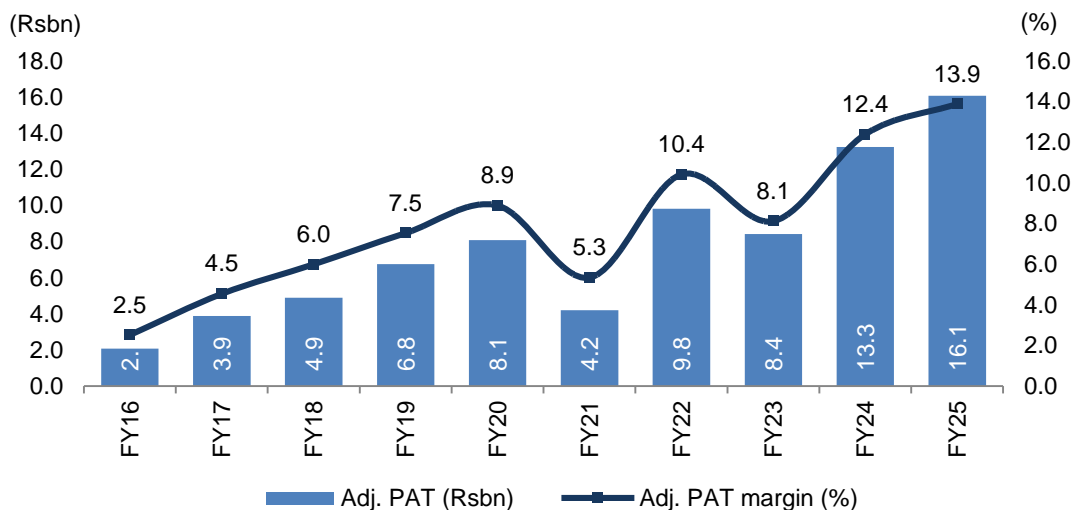
Exhibit 14: Other income as percentage of PBT reduced by 200bps to 18% in FY25



Source: Company, Nirmal Bang Institutional Equities Research

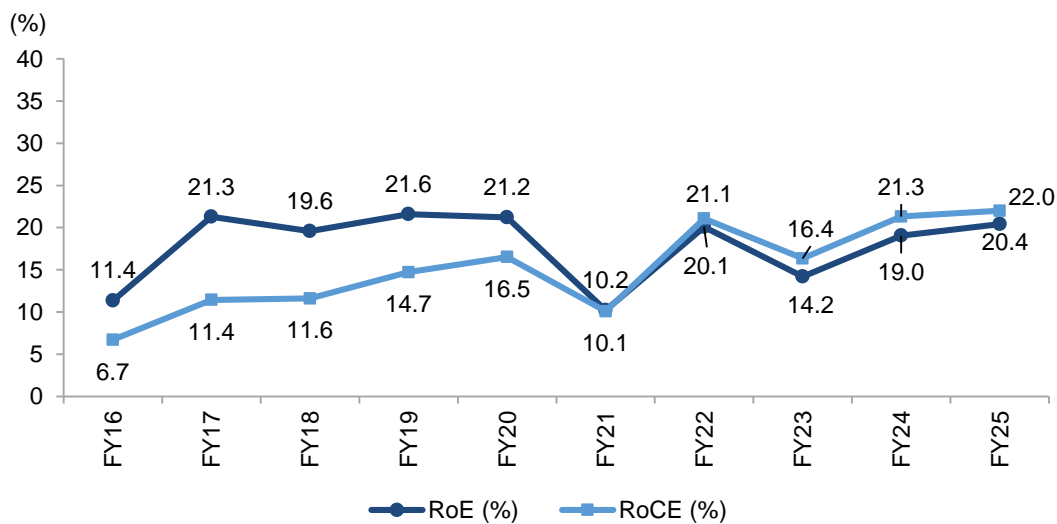
APAT inching up

Exhibit 15: Adj. PAT increased to Rs16.1bn in FY25 with improvement in margin from 12.4% in FY24 to 13.9% in FY25



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 16: Return ratios increased marginally in FY25

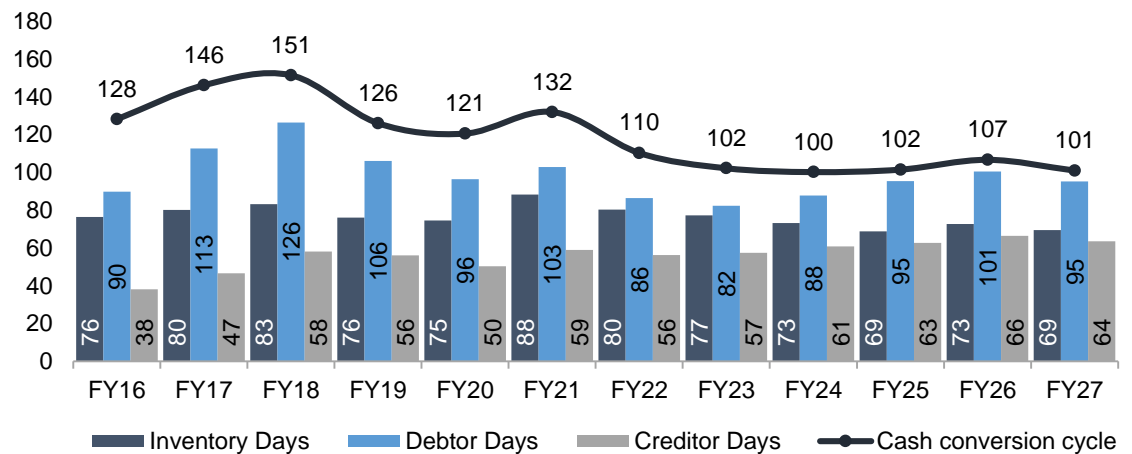


Source: Company, Nirmal Bang Institutional Equities Research

Working capital cycle

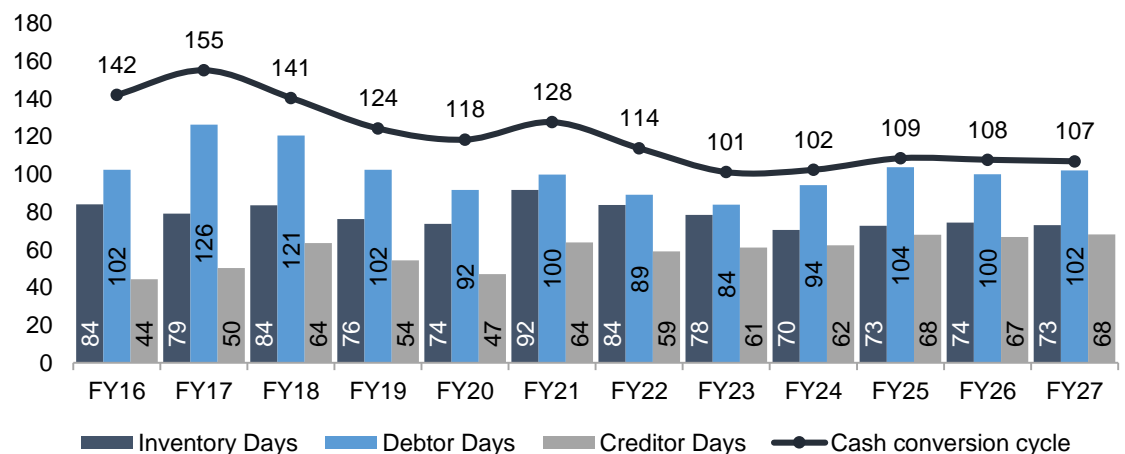
- **Debtor days:** Declined from 113 in FY17 to 95 in FY25, indicating improved receivables collection efficiency
- **Creditor days:** Increased from 47 in FY17 to 61 in FY25, reflecting extended payment cycles to suppliers.
- **Inventory days:** Reduced from 83 in FY18 to 73 in FY25, showing better inventory management.
- **Cash conversion cycle:** Improved from a peak of 151 days in FY18 to 102 days in FY25, driven by better working capital efficiency.

Exhibit 17: On an average basis, CCC decreased by ~6 days in FY25



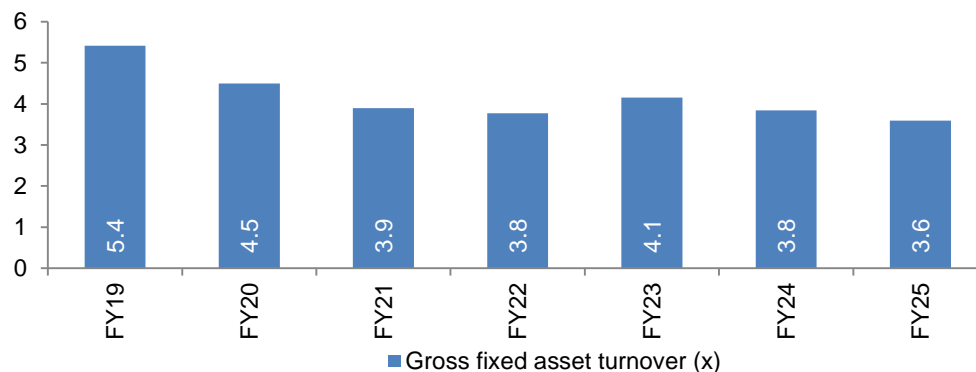
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 18: On a year-end basis, CCC decreased marginally by a day to 107 in FY25



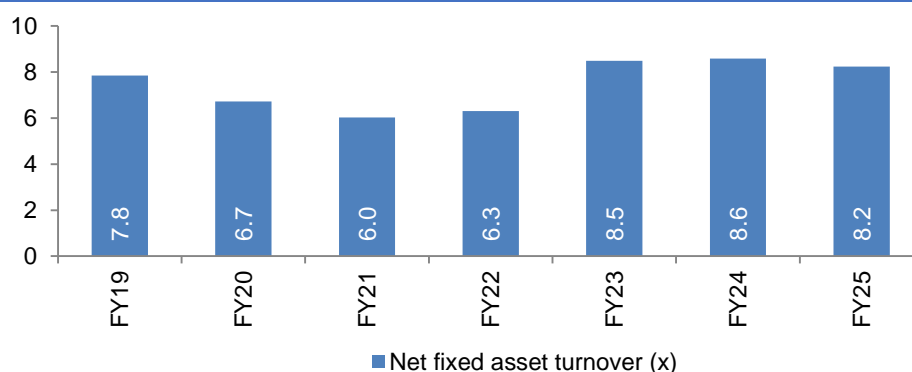
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 19: Gross fixed asset turnover remains stable in FY25 at 3.6x



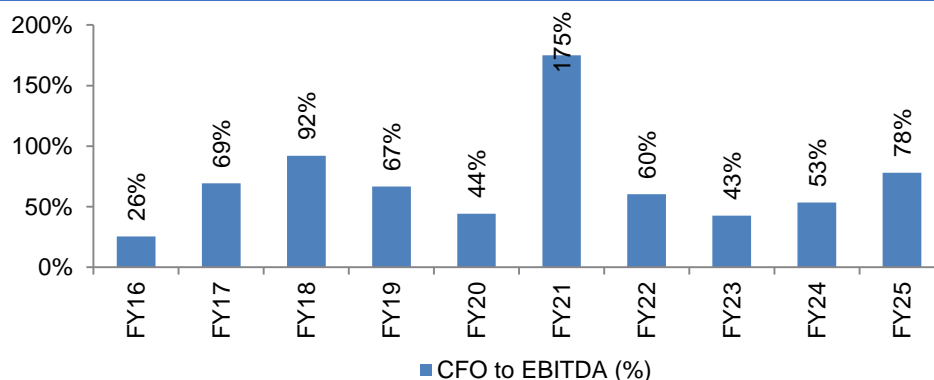
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 20: Net fixed asset turnover ratio improved from 6.3x in FY22 to 8.2x in FY25, indicating stronger asset utilization in recent years



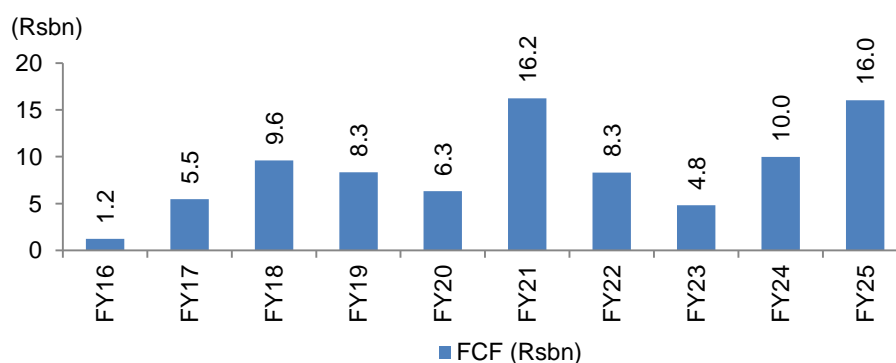
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 21: CFO to EBITDA stood at 78% in FY25, improving from 53% in FY24



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 22: Free cash flow stood at Rs16bn in FY25, matching the peak level achieved in FY21 after a recovery from ~Rs5bn in FY23



Source: Company, Nirmal Bang Institutional Equities Research; Note: *Includes interest income but excludes lease payments

Supply chain

- United Spirit's retail outlet footprint increased from approximately 70,000 outlets in the past three years to around 90,000 outlets in FY25. 280 distributors across 25 states.

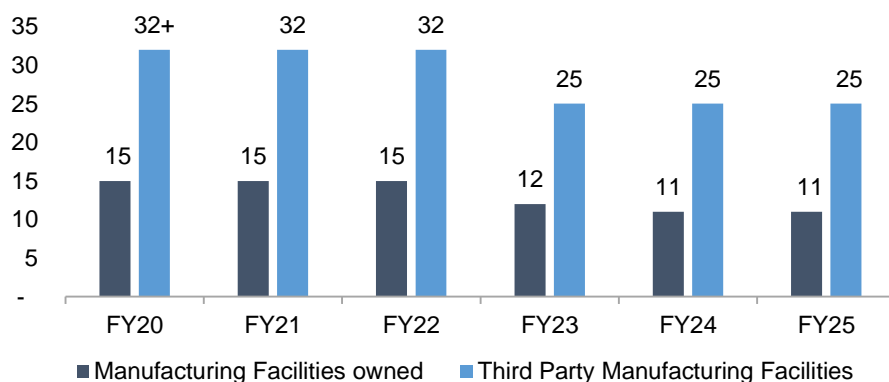
Exhibit 23: Number of outlets jumped significantly from 70,000 to 90,000 in FY25



Source: Company, Nirmal Bang Institutional Equities Research

- Diageo India has undertaken a multi-year supply chain optimization program aimed at becoming asset-light and improving capital efficiency. Manufacturing facilities have been consolidated from 93 in FY14-15 to 46 in FY21-22 and further to 36 in FY24-25, supported by the FSD (Factory-SKU-Depot) linear programming model to optimize manufacturing and distribution. The strategy targets one scaled facility per state to enhance localization, reduce interstate movement, and lower associated costs and taxes.
- Diageo India operates two DSIR-certified and Karnataka State Excise-licensed R&D centers in Bengaluru — Whitefield (~19,500sqft) and Kumbalgotu (~9,000sqft).

Exhibit 24: Owned manufacturing facilities and third party manufacturing facilities



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 25: Other key stats reported in the annual report

General Stats	FY20	FY21	FY22	FY23	FY24	FY25
Recyclable material used in packaging	99%	99%	99%	99%	99%	99%
Recycled input material used	31%	NA	56%	57%	55%	59%
Distributors	NA	NA	NA	NA	NA	280+
Suppliers	NA	NA	NA	NA	NA	2,300+
Sourced directly from MSMEs	NA	NA	NA	NA	NA	32%
Input material sourced from within India	NA	NA	NA	NA	NA	90%

Source: Company, Nirmal Bang Institutional Equities Research

Managerial remuneration

Exhibit 26: Remuneration to Hina Nagrajan, MD & CEO

Particulars (Rsmn)	FY20	FY21	FY22*	FY23	FY24	FY25
Gross Salary	-	-	47.06	98.74	91.48	272.22
Value of Perquisites	-	-	2.06	3.42	3.98	4.73
Profits in lieu of salary	-	-	-	-	-	-
Stock Options/other stock	-	-	-	16.88	43.46	26.95
Total		-	49.12	119.04	138.93	303.91

Source: Company, Nirmal Bang Institutional Equities Research

Note: *Hina Nagrajan was appointed as an MD & CEO effective 1-Jul-21

Exhibit 27: Remuneration to Pradeep Jain, CFO & ED

Particulars (Rsmn)	FY20	FY21	FY22	FY23*	FY24	FY25
Gross Salary	22.91	21.05	34.14	35.16	37.29	42.76
Value of Perquisites	-	-	-	-	2.38	3.05
Profits in lieu of salary	-	-	-	-	-	-
Stock Options/other stock	-	-	-	-	1.81	0.92
Total	22.91	21.05	34.14	35.16	41.48	46.73

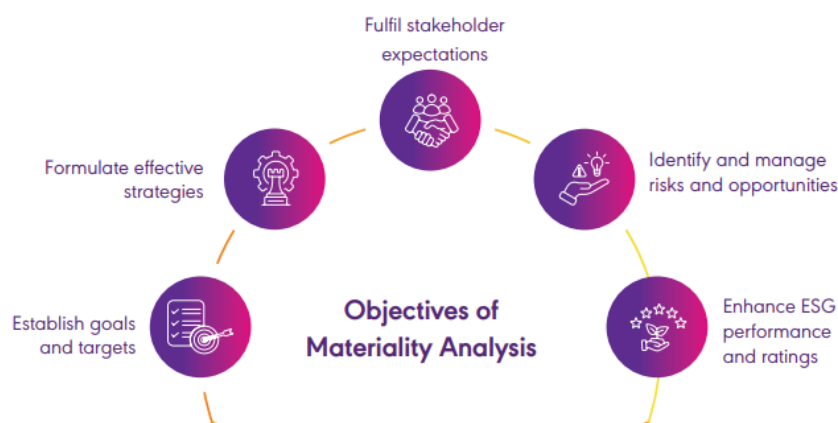
Source: Company, Nirmal Bang Institutional Equities Research

Note: * Pradeep Jain, Chief Financial Officer (CFO) was appointed as an Executive director with effect from 1-Feb-23 designated as Executive Director and Chief Financial Officer.

Spirit of Progress: ESG strategy aligned with global standards

- Diageo India launched the 'Spirit of Progress' ESG action plan in 2020, aligned with the **UN Sustainable Development Goals (UN SDGs)**.
- The plan was based on a **comprehensive materiality assessment** conducted in 2019 by Diageo Plc in collaboration with global and Indian teams.
- The assessment included **external trend analysis** and **stakeholder consultations**, with workshops across multiple business functions.
- The findings were reviewed and finalized with the **Executive Committee and Board**.
- In FY23-24, the company **updated its material issues** through fresh consultations to reflect changes in the business environment.
- These insights continue to inform **business strategy and value creation priorities**.

Exhibit 28: Objectives of materiality analysis



Source: Company, Nirmal Bang Institutional Equities Research

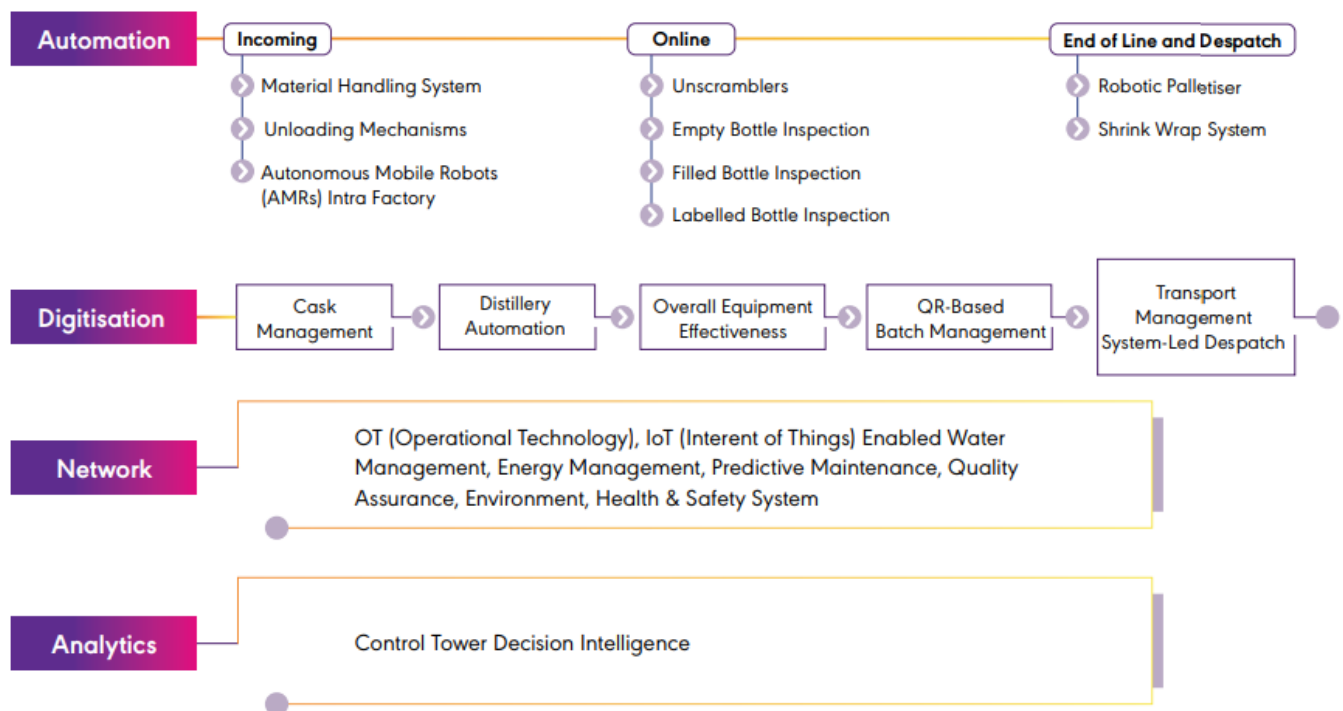
Driving digital transformation and operational efficiency

- The company's digital transformation remains focused on backend optimization and front-end innovation. Efforts to streamline processes and enhance operational efficiency have delivered strong results. Notably, the re-entry into Andhra Pradesh showcased effective execution in a complex market.
- On the front-end, the company is building a stronger connect with bartenders and consumers by scaling first-party data capabilities to enable personalized communication. Leveraging data science, automation, and predictive analytics, it is improving marketing efficiency through more targeted campaigns and optimized investment.

Transitioning to smart manufacturing

- Diageo India is enhancing plant efficiency and product consistency through advanced technologies that streamline operations, reduce waste, and ensure high-quality output. Key innovations include:
 - **Line monitoring:** Enables real-time production tracking to quickly detect and resolve issues, thereby reducing downtime.
 - **End-of-line automation:** Uses pick-and-place machines to streamline the bottle packing process and boost efficiency.
 - **Bottle inspection system:** Fully automated checks of empty and filled bottles to ensure product safety and quality.
 - **Cask management system:** Barcode-based tracking of barrels for better monitoring of cask fills and maintenance, supported by a web-based app for real-time access.

Exhibit 29: End-to-end digital transformation framework



Source: Company, Nirmal Bang Institutional Equities Research

Sustainability, responsibility, and inclusive growth highlights

- **Sustainability milestones:** Eliminated coal from all distilleries; reduced GHG emissions by 93%; achieved 99% renewable energy usage in direct operations since FY20.
- **Water stewardship:** Replenished over 1.1mn cubic meters of water—exceeding targets three years early; improved water-use efficiency by 54% in distillation and 35% in packaging; Alwar distillery remains the only AWS-certified site in Asia.
- **Packaging circularity:** Eliminated mono-cartons from 95% of the portfolio; introduced lightweight packaging and PET bottles to reduce waste and emissions; engaging suppliers to lower Scope 3 emissions.
- **Responsible consumption:** Scaled education initiatives like Act Smart India, Wrong Side of the Road, and DRINKiQ to promote safe and informed alcohol consumption.
- **Inclusive development:** Trained 1,922 youth, including PwDs, under the 'Learning for Life' program for hospitality careers, with over 50% participation from women.

Driving growth and impact in a transforming India

- Contributed to India's transformation journey aligned with the 'Viksit Bharat 2047' vision.
- Created over 100,000 direct jobs and supported 375,000 allied livelihoods.
- Exporting brands to 24 countries, showcasing Indian alco-bev products globally.
- Focused on shaping change through purpose-led growth, brand strength, and stakeholder trust.

Integrated value creation model

- **End-to-end value chain:** Diageo operates across the full value chain—from consumer insights to production, backed by strong ESG principles.
- **Brand portfolio:** 7 brands cross 1 million cases. 3 brands with over Rs10bn NSV. Prestige & above contributes 89% to NSV.
- **Innovation-led growth:** Rs270mn in R&D spend. 10 products renovated or innovated. Innovation drives 10% of NSV growth.
- **Manufacturing efficiency:** 61 million cases produced. ~Rs10bn matured malt inventory. Rs3.9bn in productivity gains.
- **Sustainability at the core:** 99% energy from renewables. 93% GHG emission reduction. 99% recyclable packaging. 54% better water efficiency vs FY20.
- **Inclusive human capital:** 2,400+ employees. 89% engagement score. 28% women's representation. Zero fatalities reported.
- **Social impact:** 70,000+ CSR beneficiaries. 469,000 consumers educated on responsible drinking. Over 0.1mn jobs created.

Investments in craft and innovation: In line with the 'Made in India' strategy, the company made strategic minority investments in select craft and innovative ventures. These include Inspired Hospitality, which owns Maya Pistola, an Indian agave spirit; V9 Beverages, the maker of Sober, a non-alcoholic spirit; and Indie Brews & Spirits, known for Quaffine, a coffee liqueur.

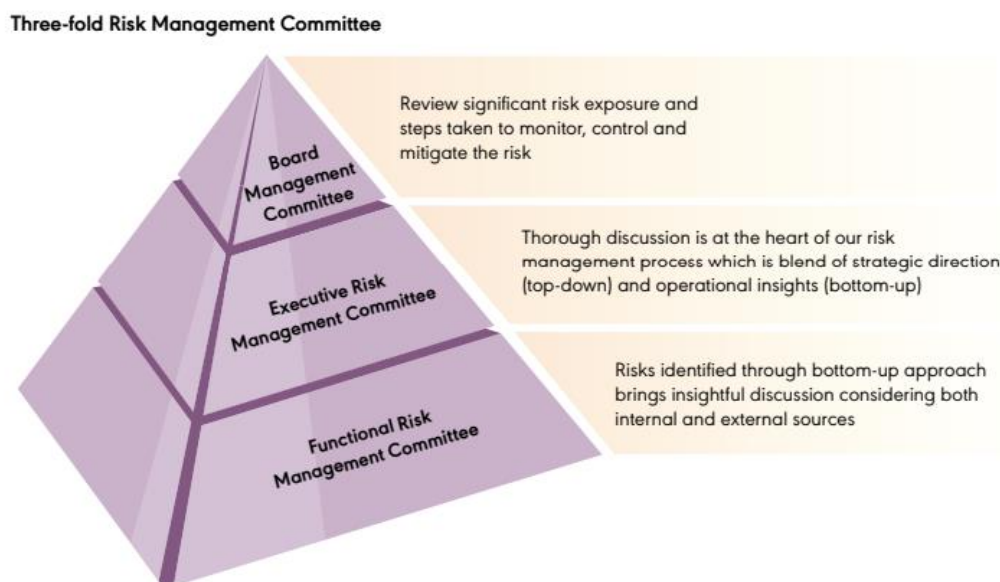
Ecosystem-led innovation and strategic partnerships: The company's innovation efforts are increasingly ecosystem-driven. The launch of The Good Craft Co. (TGCC) created a platform to spotlight India's emerging craft spirits and creators, offering deeper engagement with the craft of spirit-making. TGCC serves as both an experiential space and a catalyst for elevating homegrown craft standards. Through its investment arm, Diageo India Ventures, the company has made

strategic investments in startups such as Nao Spirits, Pistola, Sober, and Quaffine, supporting the development of premium, responsible, and lifestyle-driven brands. Together, TGCC and Ventures are contributing to the strengthening of India's alco-bev ecosystem and driving forward-looking growth.

Structured risk governance framework

- **Three-tier risk management framework:** Structured into board, executive, and functional committees to ensure comprehensive oversight and mitigation of enterprise-wide risks.
- **Integrated risk dialogue:** Risk evaluation blends top-down strategic direction with bottom-up operational insights for a holistic approach.
- **Bottom-up risk identification:** Functional teams contribute valuable insights from both internal and external sources to proactively identify emerging risks.
- **Holistic capital and strategy mapping:** Risks and mitigations mapped across financial, human, natural, intellectual, and brand capital aligned with key strategies (S1–S3).
- **Focus on 11 material ESG topics:** Includes responsible marketing, climate adaptation, diversity, water access, agri-food chain resilience, and waste reduction.

Exhibit 30: Risk management framework



Source: Company, Nirmal Bang Institutional Equities Research

Quality assurance

- The company maintains a comprehensive quality assurance framework covering suppliers, manufacturing, distribution, and consumer feedback. Approved suppliers are onboarded through strict audits and performance monitoring, ensuring high-quality raw and packaging materials. FSSAI-certified manufacturing units conduct material inspections, monitor quality throughout production, and inspect every truck before dispatch. The company also supports third-party manufacturers with process improvements and capability building.
- Finished goods quality is independently assessed under Diageo's global standards, along with annual on-shelf audits and competitor benchmarking. A third-party-managed complaint system enables consumers to report issues, which are promptly resolved through a tiered governance process. Insights from across the value chain are fed back into operations, driving continuous quality improvement focused on consumer satisfaction.
- 87% of the 674 consumer complaints received in FY24-25 were resolved with the rest currently in progress.

Expanding consumer engagement through cultural platforms: The company continued to strengthen brand experience beyond the product through active participation in cultural and lifestyle events. Brand presence at platforms such as Lollapalooza, Dua Lipa's India debut, and India Cocktail Week positioned Diageo at the intersection of music, culture, and community. These events served as impactful brand-building avenues, enhancing consumer aspiration and fostering emotional connection.

Subsidiaries, associates and joint ventures

- **Royal Challengers Sports Private Limited (RCSPL)**, a wholly-owned subsidiary, reported revenue from operations of ~Rs5bn in the financial year, a 21% decline due to fewer Men's Indian Premier League (IPL) matches played by Royal Challengers Bengaluru (RCB). Profit for the year stood at ~Rs1.4bn, down from Rs2.2bn in the previous year for the same reason. An interim dividend of Rs1.2bn was declared and paid during the year.
- On 4-Apr-24, the Board of Directors approved an investment in **Inspired Hospitality Private Limited ('Pistola')** through the subscription of 3,494 Compulsory Convertible Preference Shares ('CCPS') and 10 equity shares, representing 15% of its issued and paid-up share capital on a fully-diluted basis, for a total consideration of Rs56.5mn. The transaction was completed on 9-May-24 and the management has classified Pistola as a joint venture.
- On 23-Jul-24, the Board of Directors approved the investment in **V9 Beverages Private Limited ('Sober')** by subscribing to 1,972 CCPS and 10 equity shares, representing 15% of its issued and paid-up share capital on a fully-diluted basis, for a total consideration of Rs22.9mn. The transaction was completed on 26-Sep-24, and the management has classified Sober as a joint venture.
- The Board of Directors, at their meeting held on 23-Jul-24, approved an investment in **Indie Brews and Spirits Private Limited ('Quaffine')** by subscribing to 4,016 CCPS and 10 equity shares, representing 25% of its issued and paid-up share capital on a fully-diluted basis, for an aggregate consideration of Rs50mn. The transaction was completed on 27-Sep-24, and the management has classified Quaffine as a joint venture. During the financial year, the company extended a secured loan of Rs180mn to **Nao Spirits & Beverages Private Limited ('Nao Spirits')**, in which it holds a 30% ownership interest on a fully-diluted basis as on 31-Mar-25.

Exhibit 31: Joint ventures

Particulars	Nao Spirits	Inspired Hospitality	V9 Beverages	Indie Brew & Spirits
Acquisition or Associated date	29/04/2022	04/04/2024	26/09/2024	27/09/2024
Number of Equity Shares	4,670	10	10	10
Number of CCPS	14,172	3,494	1,972	4,016
Amount Invested (Rsmn)	460	60	20	50
Extent of Holding	30%	15%	15%	25%
Net Worth attributable to shareholding (Rsmn)	20	90	(40)	-
Profit/Loss for the year				
Considered in Consol. (Rsmn)	(60)	(10)	-	-
Not considered in Consol. (Rsmn)	(140)	(40)	(10)	(10)

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 32: Associates

Company Name (Rsmn)	% holding	Country	Share Capital	R&S	Total Assets	Total Liabilities	Turnover	PAT
Asian Opportunities & Investments Limited (AOIL)	100	Mauritius	430	(1,360)	10	(940)	-	(10)
Palmer Investment Group Limited (PIG)	100	British Virgin Islands	1,280	(690)	590	-	-	550
Shaw Wallace Overseas Limited (SWOL)	100	U.K.	40	(20)	20	-	-	-
USL Holdings Limited (UHL)	100	British Virgin Islands	65,580	(7,275)	30	(7,210)	-	-
USL Holdings (UK) Limited (UHUKL)	100	U.K.	-	(7,288)	-	(7,288)	-	1,860
United Spirits (UK) Limited (USUKL)	100	U.K.	-	(2,913)	-	(2,913)	-	-
United Spirits (Great Britain) Limited (USGBL)	100	U.K.	-	(2,910)	-	(2,910)	-	-
McDowell & Co. (Scotland) Limited (MSL)	100	Scotland, U.K.	170	(30)	150	-	-	-
Royal Challengers Sports Private Limited (RCSPL)	100	India	-	3,210	6,400	(3,190)	5,040	1,400

Source: Company, Nirmal Bang Institutional Equities Research

RCB: A legacy of passion and loyalty

- Royal Challengers Bengaluru (RCB), owned by United Spirits Ltd, was founded in 2008 and rebranded in 2024 to reflect local identity, and continuing to play at M. Chinnaswamy Stadium. Known for its flamboyant cricket and star players, it enjoys one of the most passionate fanbases in IPL history despite not winning the title.
- Since adopting the 'Play Bold' philosophy in 2015, RCB has promoted fearless cricket and purpose-led initiatives like 'Her Game Too' and 'Go Green'. Positioned as a lifestyle brand, it engages youth through events, collaborations, and experiential spaces like the RCB Bar & Café.

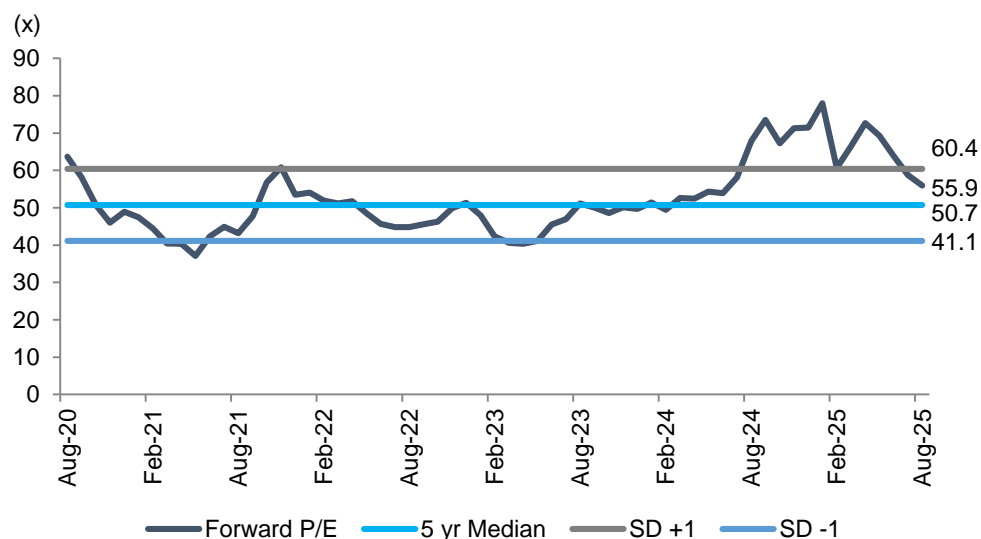
Exhibit 33: RCB financials

Income Statement (Rsmn)	FY21	FY22	FY23	FY24	FY25
Revenue from operation	2,319	2,916	2,442	6,347	5,044
(% Change)	-	-20%	19%	-62%	26%
Expenses	1,370	1,826	2,503	3,413	3,180
EBITDA	949	1,090	(61)	2,934	1,864
EBITDA Margin	41%	37%	-2%	46%	37%
Amortization	93	106	80	113	86
Interest	212	125	42	4	3
PBT (excl. OOI)	644	859	(183)	2,817	1,775
Other Income	90	22	32	148	105
PBT	734	881	(151)	2,965	1,880
Tax Expense	192	220	(35)	747	480
PAT	542	661	(116)	2,218	1,400
PAT Margin	23%	23%	-5%	35%	28%

Balance Sheet (Rsmn)	FY21	FY22	FY23	FY24	FY25
Equity Share Capital	-	-	-	-	-
Reserves	1,491	2,152	2,036	3,005	3,206
Total Equity	1,491	2,152	2,036	3,005	3,206
Non-Current Liabilities	362	485	450	732	723
Current Liabilities	2,445	2,150	1,869	2,841	2,470
Total Equity & Liabilities	4,298	4,787	4,355	6,578	6,399
Non-Current Assets	3,890	3,890	3,510	3,253	3,284
Current Assets	408	897	845	3,325	3,115
Total Assets	4,298	4,787	4,355	6,578	6,399

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 34: One-year forward P/E



Source: Company, Nirmal Bang Institutional Equities Research

Financials (Consolidated)

Exhibit 35: Income statement

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
Net Sales	103,737	106,920	115,730	118,697	134,184
Growth YoY %	10.1	3.1	8.2	2.6	13.0
Gross profit	42,328	46,440	51,760	53,770	61,859
Gross margin %	40.8	43.4	44.7	45.3	46.1
Staff costs	6,071	5,430	6,050	6,291	7,246
% of sales	5.9	5.1	5.2	5.3	5.4
A&P	9,200	10,410	11,280	11,395	12,882
% of sales	8.9	9.7	9.7	9.6	9.6
Other expenses	13,562	13,520	13,850	15,941	17,283
% of sales	13.1	12.6	12.0	13.4	12.9
EBITDA	13,495	17,080	20,580	20,143	24,448
Growth YoY %	-10.7	26.6	20.5	-2.1	21.4
EBITDA margin %	13.0	16.0	17.8	17.0	18.2
Depreciation	2,710	2,640	2,740	3,107	3,202
EBIT	10,785	14,440	17,840	17,036	21,246
Interest	1,039	760	890	700	400
Other income	739	3,350	4,260	4,100	4,516
PBT (bei)	10,485	17,030	21,210	20,435	25,362
PBT	12,571	16,897	20,713	20,435	25,362
ETR	19.7	22.2	24.2	25.2	25.2
PAT	10,509	13,120	15,580	15,292	18,978
Adj PAT	8,423	13,253	16,077	15,292	18,978
% Growth	-14.2	57.3	21.3	-4.9	24.1

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 36: Balance sheet

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
Share capital	1,450	1,450	1,450	1,450	1,450
Reserves	57,989	68,180	77,340	86,505	95,994
Net worth	59,439	69,630	78,790	87,955	97,444
Total debt	11	0	0	0	0
Net debt	-8,485	-12,090	-17,730	-18,488	-24,586
Other non-current liabilities	243	630	3250	3250	3250
Total Equity & Liabilities	59,693	70,260	82,040	91,205	100,694
Gross block	24,997	27,857	32,207	33,207	34,207
Accumulated depreciation	12,767	15,407	18,147	21,254	24,456
Net block	12,230	12,450	14,060	11,953	9,751
CWIP	670	370	720	720	720
Investments	4,628	8,230	11,070	19,620	19,620
Trade receivables	23,828	27,630	32,880	32,520	37,498
Inventories	22,300	20,630	23,050	24,214	26,837
Cash & Cash Equivalents	8,496	12,090	17,730	18,488	24,586
Loans & advances	16,968	20,410	20,340	22,340	24,340
Other current assets	5,030	3,840	5,780	6,069	6,372
Total current assets	76,622	84,600	99,780	103,631	119,633
Trade payables	17,380	18,270	21,520	21,713	25,041
Other current liabilities	17,077	17,120	22,070	23,006	23,989
Total current liabilities	34,457	35,390	43,590	44,719	49,030
Total assets	59,693	70,260	82,040	91,205	100,694

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 37: Cash flow

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
PBT	12,893	16,860	20,560	20,435	25,362
Depreciation	2,706	2,640	2,740	3,107	3,202
Interest	697	(500)	(110)	700	400
Other adjustments	(1,810)	(980)	(1,860)	(4,100)	(4,516)
Change in Working capital	(5,755)	(5,760)	(3,540)	(1,964)	(5,593)
Tax paid	(2,965)	(3,130)	(1,730)	(5,144)	(6,384)
Operating cash flow	5,766	9,130	16,060	13,035	12,472
Capex	(1,132)	(790)	(1,610)	(1,000)	(1,000)
Free cash flow	4,838	9,980	16,030	16,134	15,987
Other investing activities	8,543	(356)	(3,540)	(4,460)	4,516
Investing cash flow	7,411	(1,146)	(5,150)	(5,460)	3,516
Issuance of share capital	0	0	0	0	0
Movement of Debt	(3,392)	0	0	0	0
Dividend paid (incl DDT)	0	(2,910)	(3,500)	(6,117)	(9,489)
Other financing activities	(1,617)	(1,480)	(1,770)	(700)	(400)
Financing cash flow	(5,009)	(4,390)	(5,270)	(6,817)	(9,889)
Net change in cash flow	8,168	3,594	5,640	758	6,098
Opening C&CE	328	8,496	12,090	17,730	18,488
Closing C&CE	8,496	12,090	17,730	18,488	24,586

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 38: Key ratios

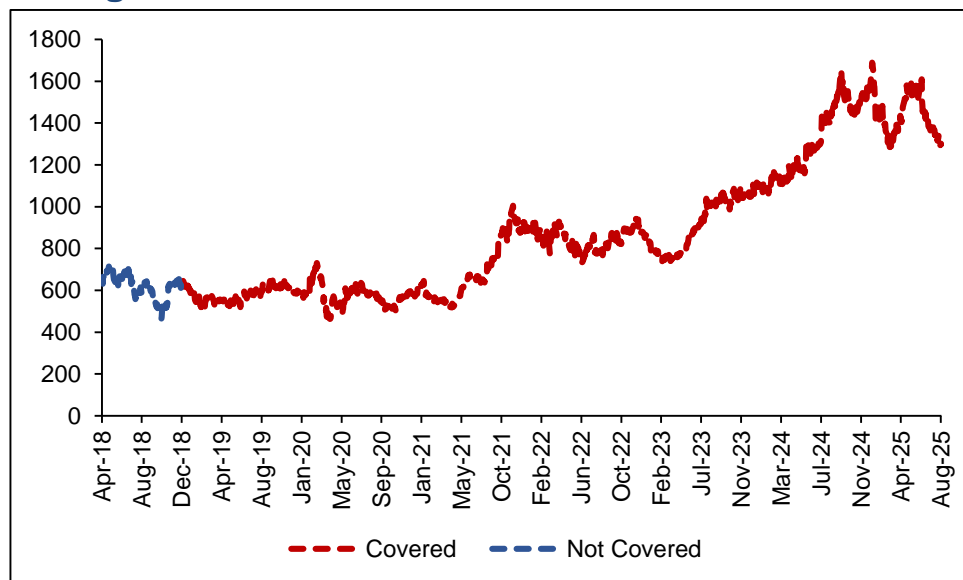
Y/E March	FY23	FY24	FY25	FY26E	FY27E
Per share (Rs)					
Adj EPS	11.6	18.3	22.2	21.1	26.2
Book value	81.8	95.8	108.5	121.1	134.1
DPS	0.0	9.0	8.0	8.4	13.1
Valuation (x)					
P/Sales	9.1	8.9	8.2	7.9	7.0
EV/EBITDA	69.1	54.4	44.9	45.8	37.5
P/E	111.7	71.0	58.5	61.5	49.6
P/BV	15.9	13.5	12.0	10.7	9.7
Return ratios (%)					
RoCE	16.4	21.3	22.0	18.3	20.1
RoCE (pre-tax)	20.4	27.4	29.0	24.4	26.8
RoE	14.2	19.0	20.4	17.4	19.5
RoIC	16.8	20.7	22.3	18.8	21.6
Profitability ratios (%)					
Gross margin	40.8	43.4	44.7	45.3	46.1
EBITDA margin	13.0	16.0	17.8	17.0	18.2
PAT margin	8.1	12.4	13.9	12.9	14.1
Liquidity ratios (x)					
Current ratio	2.2	2.4	2.3	2.3	2.4
Quick ratio	1.6	1.8	1.8	1.8	1.9
Solvency ratio (%)					
Net Debt to Equity ratio	-0.1	-0.2	-0.2	-0.2	-0.3
Turnover ratios					
Fixed asset turnover ratio (x)	8.5	8.6	8.2	9.9	13.8
Debtor days	82	88	95	101	95
Inventory days	77	73	69	73	69
Creditor days	57	61	63	66	64
Net Working capital days	102	100	102	107	101

Source: Company, Nirmal Bang Institutional Equities Research

Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
13 December 2018	Buy	641	760
25 January 2019	Buy	572	740
9 April 2019	Buy	535	710
31 May 2019	Buy	540	660
24 July 2019	Buy	579	675
29 October 2019	Buy	634	780
29 January 2020	Buy	656	785
30 March 2020	Buy	488	670
02 June 2020	Buy	591	695
29 July 2020	Buy	589	675
22 September 2020	Buy	515	675
6 November 2020	Buy	534	660
8 January 2021	Buy	616	715
28 January 2021	Buy	594	715
9 April 2021	Buy	546	715
24 May 2021	Buy	573	685
26 July 2021	Hold	658	680
23 September 2021	Hold	774	760
29 October 2021	Hold	893	890
27 January 2022	Hold	840	885
21 February 2022	Buy	836	965
31 May 2022	Hold	823	920
28 July 2022	Hold	793	855
14 September 2022	Hold	853	930
26 October 2022	Hold	864	870
26 December 2022	Hold	874	880
26 January 2023	Hold	769	815
22 March 2023	Buy	766	905
20 May 2023	Hold	817	830
22 July 2023	Hold	1,039	995
10 November 2023	Hold	1,097	1,040
24 January 2024	Hold	1,112	1,130
28 May 2024	Hold	1,158	1,180
10 July 2024	Hold	1,288	1,235
24 July 2024	Hold	1,383	1,505
27 August 2024	Buy	1,429	1,725
9 October 2024	Buy	1,523	1,775
25 October 2024	Buy	1,460	1,735
21 November 2024	Buy	1,493	1,735
9 January 2025	Buy	1,576	1,830
25 January 2025	Buy	1,471	1,855
7 March 2025	Buy	1,328	1,670
11 April 2025	Buy	1,474	1,750
23 May 2025	Buy	1,579	1,845
09 July 2025	Buy	1,365	1,665
12 August 2025	Buy	1,298	1,665

Rating chart



DISCLOSURES

This Report is published by Nirmal Bang Equities Private Limited (hereinafter referred to as “NBEPL”) for private circulation. NBEPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001436. NBEPL is also a registered Stock Broker with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments.

NBEPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBEPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBEPL, its associates or analyst or his relatives do not hold any financial interest in the subject company. NBEPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBEPL or its associates or Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report

NBEPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBEPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company and NBEPL / analyst has not been engaged in market making activity of the subject company.

Analyst Certification: I, Krishnan Sambamoorthy, research analyst and Sunny Bhadra, research associate, the author(s) of this report, hereby certify that the views expressed in this research report accurately reflects my/our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst is principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Disclaimer

Stock Ratings Absolute Returns

BUY > 15%

HOLD -5% to 14%

SELL < -5%

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. NBEPL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of NBEPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NBEPL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBEPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBEPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NBEPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. NBEPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBEPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBEPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither NBEPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

Copyright of this document vests exclusively with NBEPL.

*"Registration granted by SEBI and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors."

Our reports are also available on our website www.nirmalbang.com

Access all our reports on Bloomberg, Thomson Reuters and Factset.

Team Details:			
Name		Email Id	Direct Line
Rahul Arora	CEO	rahul.arora@nirmalbang.com	-
Krishnan Sambamoorthy	Head of Research	krishnan.s@nirmalbang.com	+91 22 6273 8210
Dealing			
Ravi Jagtiani	Dealing Desk	ravi.jagtiani@nirmalbang.com	+91 22 6273 8230, +91 22 6636 8833
Michael Pillai	Dealing Desk	michael.pillai@nirmalbang.com	+91 22 6273 8102/8103, +91 22 6636 8830

Nirmal Bang Equities Pvt. Ltd.

Correspondence Address

B-2, 301/302, Marathon Innova,
 Nr. Peninsula Corporate Park,
 Lower Parel (W), Mumbai-400013.

Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010