

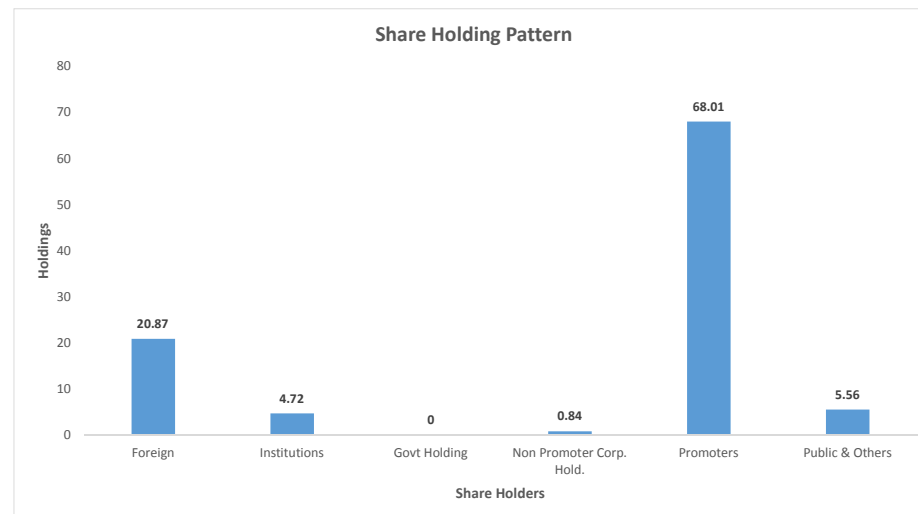
<h1>Research Report</h1>	 <p><b>Spearhead FinServe</b> PRIVATE LIMITED A subsidiary of Spearhead Services Pvt Ltd</p>																
<h2>Dabur India Ltd</h2>	<table> <tr> <td><b>Recommendation</b></td><td><b>Accumulate</b></td></tr> <tr> <td><b>Current Market Price</b></td><td><b>265</b></td></tr> <tr> <td><b>Target</b></td><td><b>318</b></td></tr> <tr> <td><b>Accumulation Price Band</b></td><td><b>265-275</b></td></tr> <tr> <td><b>Time Frame</b></td><td><b>6 Months</b></td></tr> <tr> <td><b>Derivative Segment</b></td><td><b>Yes</b></td></tr> </table>	<b>Recommendation</b>	<b>Accumulate</b>	<b>Current Market Price</b>	<b>265</b>	<b>Target</b>	<b>318</b>	<b>Accumulation Price Band</b>	<b>265-275</b>	<b>Time Frame</b>	<b>6 Months</b>	<b>Derivative Segment</b>	<b>Yes</b>				
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<h3>Company Overview</h3> <p>»Incorporated in 1884,Dabur India Ltd is a world leader in Ayurveda with a portfolio of over 250 Herbal/Ayurvedic products with the domestic market contributing 70% of revenues while the rest is contributed by International markets.</p> <p>»Dabur India's key consumer products categories include Hair Care, Oral Care, Health Supplements, Digestives, OTC &amp; Ethicals, Skin Care, Home Care and Foods.</p> <p>»The company's FMCG portfolio includes five flagship brands such as Vatika for premium personal care, Hajmola for digestives, Real for fruit juices and beverages and Fem for fairness bleaches and skin care products.</p>	<h3>Financials</h3> <table> <tr> <td>EPS ( Rs )</td><td>5.26</td></tr> <tr> <td>Book Value ( Rs )</td><td>10.84</td></tr> <tr> <td>P/E</td><td>50.38</td></tr> <tr> <td>P/BV</td><td>24.45</td></tr> <tr> <td>ROE</td><td>34.51</td></tr> <tr> <td>ROCE ( % )</td><td>45.27</td></tr> <tr> <td>Dividend Yeild ( % )</td><td>0.66</td></tr> <tr> <td>Debt - Equity</td><td>0.02</td></tr> </table>	EPS ( Rs )	5.26	Book Value ( Rs )	10.84	P/E	50.38	P/BV	24.45	ROE	34.51	ROCE ( % )	45.27	Dividend Yeild ( % )	0.66	Debt - Equity	0.02
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<h3>Industry Overview</h3> <p>»The Overall FMCG market expected to increase at a CAGR of 14.7 per cent to USD110.4 billion during 2012–20</p> <p>»The The rural FMCG market expected to increase at a CAGR of 17.7 per cent to USD100 billion during 2012–25</p> <p>»The Total consumption expenditure to reach nearly USD3,600 billion by 2020 from USD1,328 billion in 2012</p> <p>»Domestic Rural India's per capita disposable income is estimated to rise to USD631 in 2020 from USD411 in 2010</p> <p>»India's middle income population estimated to reach 267 million by 2016 from 160 million in 2011</p> <p>»Food Products is the leading segment, accounting for 43.0 per cent of the overall market in terms of revenues followed by Personal Care segment which accounts for 22%</p>	<h3>Highlights</h3> <table> <tr> <td>Debt ( Rs Cr )</td><td>708.14</td></tr> <tr> <td>Reserves ( Rs Crs )</td><td>2,481.58</td></tr> <tr> <td>FII Holdings ( % )</td><td>20.87</td></tr> <tr> <td>MF Holdings ( % )</td><td>4.72</td></tr> <tr> <td>Free Float Market Capitaliation ( Rs Cr )</td><td>14,812.22</td></tr> <tr> <td>Beta</td><td>0.38</td></tr> <tr> <td>Avg Volume Per day ( no. of shares )</td><td>369,358</td></tr> <tr> <td>Avg Volume Per Month ( no. of shares )</td><td>32,125,860.00</td></tr> </table>	Debt ( Rs Cr )	708.14	Reserves ( Rs Crs )	2,481.58	FII Holdings ( % )	20.87	MF Holdings ( % )	4.72	Free Float Market Capitaliation ( Rs Cr )	14,812.22	Beta	0.38	Avg Volume Per day ( no. of shares )	369,358	Avg Volume Per Month ( no. of shares )	32,125,860.00
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<h3>Key Highlights</h3> <p>»Dabur India has created a sub-brand Dabur Baby to step up its presence in the baby care segment, which is now a sub-vertical for the company.</p> <p>»Dabur is also also looking at the entire range of the baby care products from healthcare to hygiene products such as diapers and swipes.</p>																	
<h3>Key Risks</h3> <p>»Rural India is largely dependent on monsoons and Dabur's approximately 50% of the domestic sales comes from rural Indiaand any below normal rainfall can affect the volumes.</p> <p>»Geopolitical tensions in Africa and Middle East could impact the company as major portion of its international business are from this region.</p>																	

## Financial Highlights

Income Statement ( Annual )					
Particulars ( Rs Cr )	2014	2013	2012	2011	2010
Net Sales	7,094.43	6,176.12	5,305.42	4,104.51	3,404.15
<b>Operating Profit</b>	<b>1,156.43</b>	<b>1,029.80</b>	<b>890.17</b>	<b>800.05</b>	<b>648.03</b>
<b>Operating Profit Margin</b>	<b>16.30</b>	<b>16.67</b>	<b>16.78</b>	<b>19.49</b>	<b>19.04</b>
Depreciation	97.49	112.4	103.24	95.2	50.27
Interest	54.15	58.9	53.84	29.13	12.32
Other Income	130.74	89.92	57.4	32.15	23.02
PBT	1,135.53	948.42	790.49	707.87	602.52
<b>APAT</b>	<b>916.45</b>	<b>765.79</b>	<b>644.11</b>	<b>568.89</b>	<b>500.46</b>
<b>PAT Margin ( % )</b>	<b>12.92</b>	<b>12.40</b>	<b>12.14</b>	<b>13.86</b>	<b>14.70</b>
Earnings Per Share	5.26	4.39	3.7	3.27	5.77

Balance Sheet					
Particulars ( Rs Cr )	2014	2013	2012	2011	2010
Equity Share Capital	174.38	174.29	174.21	174.07	86.76
Reserves and Surplus	2,481.58	1,950.09	1,542.97	1,217.04	848.49
<b>Net Worth</b>	<b>2,655.96</b>	<b>2,124.38</b>	<b>1,717.18</b>	<b>1,391.11</b>	<b>935.39</b>
Deferred Tax Liability :	-	-	-	-	-
Long Term Debt	428.85	561.56	422.56	445.5	70.23
ShortTerm Debt	279.29	589.79	645.53	575.3	104.48
<b>Total Debt</b>	<b>708.14</b>	<b>1,151.35</b>	<b>1,068.09</b>	<b>1,020.80</b>	<b>174.71</b>
Current Liabilities	1,620.78	1,212.59	1,012.61	788.55	508.52
Total Provisions	310.99	236.03	399.42	718.4	453.29
<b>Total Liabilities</b>	<b>3,380.01</b>	<b>3,287.79</b>	<b>2,788.30</b>	<b>2,415.99</b>	<b>1,113.86</b>
Gross Block	2,379.08	2,103.06	2,120.40	1,912.84	985.71
Net Fixed Assets	1,766.90	1,581.88	1,641.23	1,498.70	646.64
<b>Investments</b>	<b>1,076.47</b>	<b>631.88</b>	<b>482.52</b>	<b>419.66</b>	<b>264.11</b>
<b>Current Assets</b>	<b>2,166.97</b>	<b>1,840.80</b>	<b>1,704.02</b>	<b>1,344.45</b>	<b>600.46</b>
Deferred Tax Asset :	0	0	0	0	0
Receivables	675.3	484.13	461.68	355.47	119.84
Inventories	972.29	843.86	823.92	708.53	426.22
Cash	519.38	512.81	418.42	280.45	54.4
<b>Total Assets</b>	<b>3,380.01</b>	<b>3,287.79</b>	<b>2,788.30</b>	<b>2,415.99</b>	<b>1,113.86</b>

Income Statement ( Quarterly )								
Particulars ( Rs Cr )	2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	1,387.90	1,498.31	1,289.68	1,243.03	1,247.20	1,339.07	1,148.14	1,122.39
<b>Operating Profit</b>	<b>260.09</b>	<b>247</b>	<b>209.68</b>	<b>155.76</b>	<b>216.55</b>	<b>207.44</b>	<b>204.42</b>	<b>143.41</b>
<b>Operating Profit Margin</b>	<b>18.74</b>	<b>16.49</b>	<b>16.26</b>	<b>12.53</b>	<b>17.36</b>	<b>15.49</b>	<b>17.80</b>	<b>12.78</b>
Depreciation	17.14	16.36	16.24	16.23	14.85	13.47	13.18	18.47
Interest	2.81	2.44	1.32	3.32	6.72	4.14	4.66	3.83
Other Income	38.7	32.86	33.36	32.93	30.67	30.16	18.61	30.14
PBT	272.02	277.42	241.72	185.37	240.5	233.46	218.37	169.72
<b>APAT</b>	<b>212.94</b>	<b>216.87</b>	<b>188.65</b>	<b>144.12</b>	<b>187.95</b>	<b>182.57</b>	<b>170.74</b>	<b>130.89</b>
<b>PAT Margin ( % )</b>	<b>15.34</b>	<b>14.47</b>	<b>14.63</b>	<b>11.59</b>	<b>15.07</b>	<b>13.63</b>	<b>14.87</b>	<b>11.66</b>
Earnings Per Share	1.2	1.23	1.07	0.82	1.07	1.04	0.97	0.75

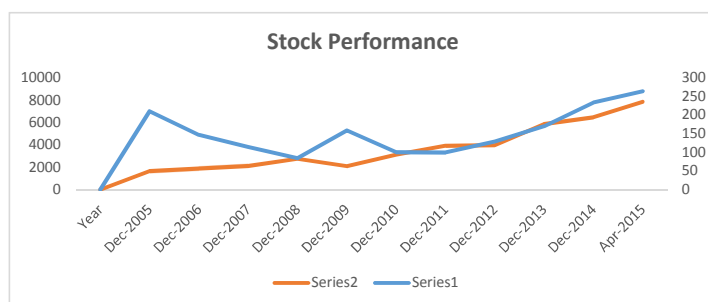


Key Financial Indicators						
Particulars	Units	2014	2013	2012	2011	2010
Revenue	Crs	7,094.43	6,176.12	5,305.42	4,104.51	3,404.15
EBITDA Margins	%	16.30	16.67	16.78	19.49	19.04
PAT	Crs	916.45	765.79	644.11	568.89	500.46
PAT Margins	%	12.92	12.40	12.14	13.86	14.70
Revenue Growth	%	14.87	16.41	29.26	20.57	16.64
Operating Profit Growth	%	12.30	15.69	11.26	23.46	32.25
PAT Growth	%	19.67	18.89	13.22	13.67	28.06
Gearing	times	0.02	0.15	0.21	0.23	0.14
ROCE	%	45.27	41.82	40.51	44.16	61.62
ROE	%	34.51	36.05	37.51	40.89	53.50

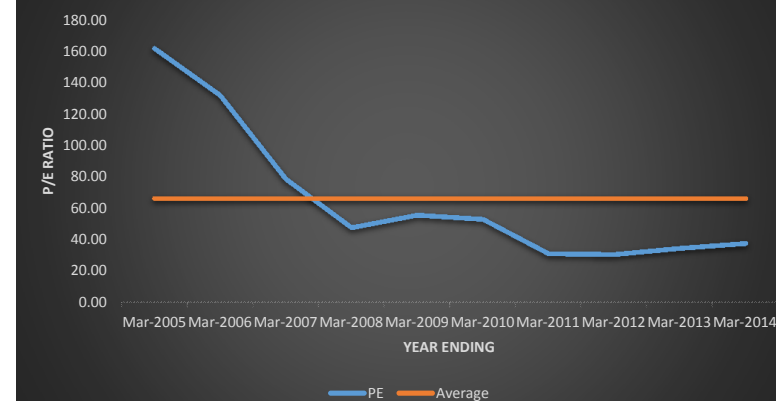
Peer Comparison				
Particulars	Units	Dabur	HUL	Marico
Revenue	Rs Cr	7,094.43	29,066.10	4,686.52
EBITDA Margins	%	16.30	15.74	15.96
PAT	Rs Cr	916.45	3,955.74	504.10
PAT Margins	%	12.92	13.61	10.76
Gearing	%	0.02	0.10	0.21
EPS	Rs / Share	5.26	40.84	7.82
PE	times	50.38	51.28	50.77
P/BV	times	24.45	57.33	18.82
ROCE	%	45.27	140.03	38.64
ROE	%	34.51	111.54	35.67
EV/EBITDA	times	36.60	32.93	33.12

#### Stock Performance vis-a-vis Index

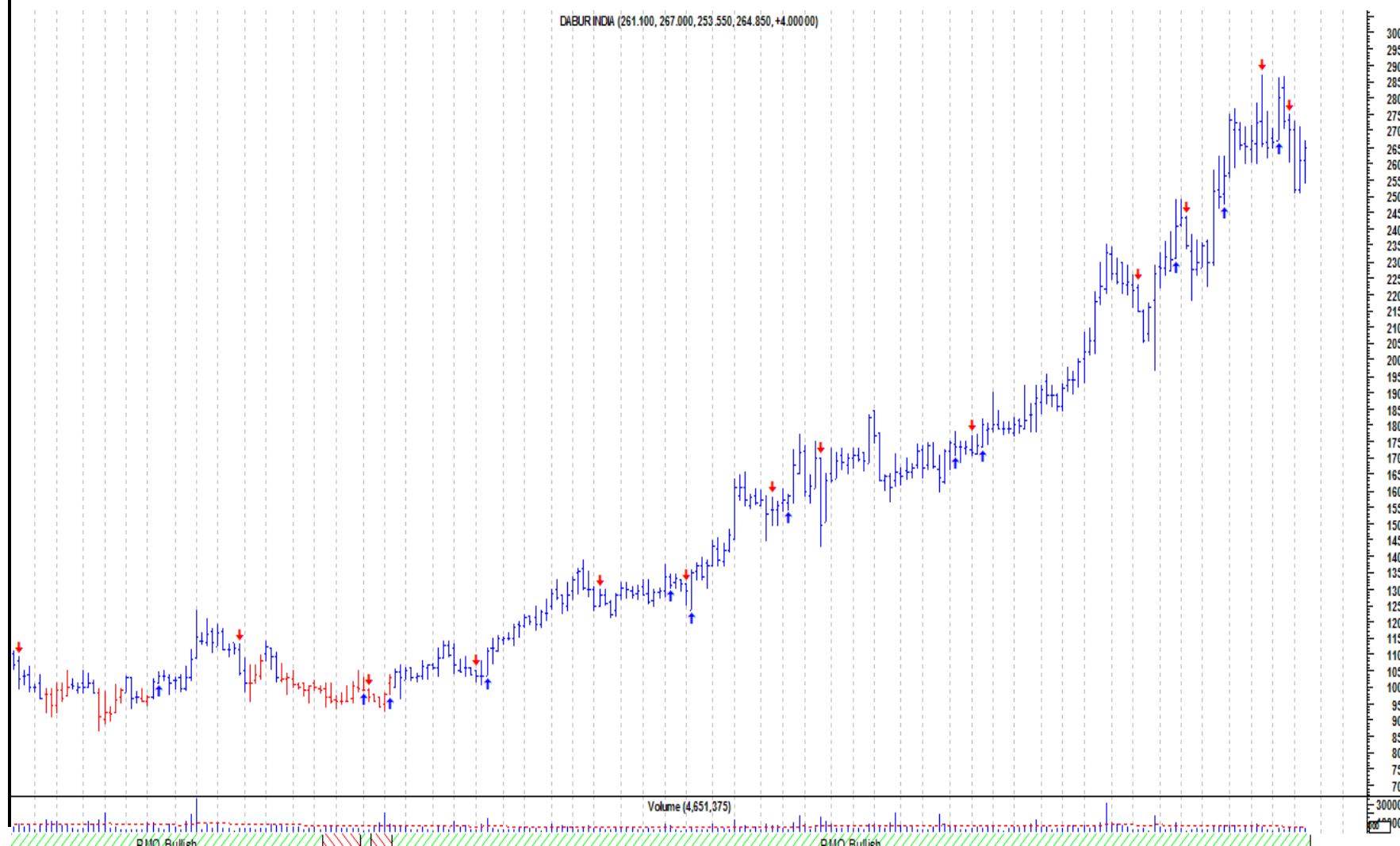
Particulars	Return	
	YTD	QTD
Dabur India	14%	-1%
S&P BSE FMCG	1%	-1%



#### Valuation Chart



## Technical Outlook



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