

23 May 2024

India | Equity Research | Q4FY24 results review

Sun Pharmaceutical Industries

Pharma

Steady quarter, valuation quite pricey

Sun Pharma (Sun)'s Q4FY24 results were aided by higher other income, barring which, performance was marginally below our expectations. Sun is on course to file its marketing application for Nidlegly in Europe in Jun'24 while PDUFA date for deuruxolitinib is in Jul'24. Marketing investments towards its specialty portfolio is likely to rise in the near term. Further phase-2 trial of GL0034 is likely to start in H2CY24, which shall increase R&D cost. In India, the new MRs are helping Sun boost volume growth. Ahead, the company will likely grow in-line or better than the pharma market's growth rate in India. Management aims to grow its revenue in single-digit in FY25E. We raise our FY25E/26E EPS by ~1%. Retain **HOLD** due to pricey valuation (30x FY26E earnings); TP revised to INR 1,463 based on 28x FY26E earnings.

Strong growth across segments; higher R&D curbs margins

Revenues grew 10.2% YoY/-1.9% QoQ to INR 120bn (I-Sec: INR 121.1bn), led by traction across segments. Gross margins rose 80bps YoY/ 250bps QoQ to 80.1%, due to better product mix. EBITDA grew 10.5% YoY to INR 30.3bn. EBITDA margins expanded 10bps YoY/-180bps QoQ to 25.3% (I-Sec: 25.6%), impacted by higher R&D (up 35% YoY). Adj. PAT growth of 21% YoY to INR 27.6bn (I-Sec: INR 23.9bn) was aided by higher other income (up 62.3% YoY).

Specialty sales muted; further investments underway

US revenue was flat QoQ at USD 476mn. Taro revenues rose 5% QoQ/12.5% YoY to USD 165mn. While Sun's generic business is expected to have flattish growth sequentially. gRevlimid did not have a material contribution in Q4FY24 to US sales. Global specialty revenue declined 1.8% QoQ to USD 271mn on an adjusted-basis. Global Ilumya sales grew 21.7% to USD 580mn in FY24 while sales Winlevi are also on an upswing. We expect overall US sales CAGR at 8.8% over FY24-26E to ~USD 2.2bn driven by a ramp up in Ilumya and Winlevi. India business grew at 10.2% YoY driven by better volumes across therapies. Sun launched nine new brands in Q4FY24. We expect domestic business CAGR of 8.5% over FY24-26E. EMs grew 11.8% YoY at INR 20.3bn. RoW, region recorded growth of 7.3% YoY at INR 16.3bn driven by Brazil and South Africa. API sales grew 12.7% YoY to INR 4.9bn. Management aims to grow revenues in FY25E in single-digits and R&D is likely to climb to 9-10%.

Financial Summary

Y/E March (INR mn)	FY23A	FY24A	FY25E	FY26E
Net Revenue	4,37,271	4,83,309	5,28,228	5,70,832
EBITDA	1,14,882	1,28,571	1,46,654	1,64,759
EBITDA Margin (%)	26.3	26.6	27.8	28.9
Net Profit	87,894	1,02,151	1,08,315	1,23,248
EPS (INR)	36.6	42.6	45.1	51.4
EPS % Chg YoY	160.3	13.2	15.1	13.8
P/E (x)	44.4	39.2	34.1	30.0
EV/EBITDA (x)	31.4	27.5	23.6	20.5
RoCE (%)	14.8	15.0	14.6	15.2
RoE (%)	16.9	17.1	16.1	16.5

Abdulkader Puranwala

abdulkader.puranwala@icicisecurities.com
+91 22 6807 7339

Market Data

Market Cap (INR)	3,693bn
Market Cap (USD)	44,346mn
Bloomberg Code	SUNP IN
Reuters Code	SUN.BO
52-week Range (INR)	1,639 /923
Free Float (%)	45.0
ADTV-3M (mn) (USD)	47.0

Price Performance (%)	3m	6m	12m
Absolute	(1.2)	27.8	64.2
Relative to Sensex	(2.7)	15.4	44.4

Earnings Revisions (%)	FY25E	FY26E
Revenue	2.3	1.9
EBITDA	(0.2)	0.3
EPS	0.5	0.8

Previous Reports

01-02-2024: [Q3FY24 results review](#)02-11-2023: [Q2FY24 results review](#)

Valuation and risks

Steady growth in key geographies of US and India boosted FY24 revenue growth to 10.4%, ahead of the guided single-digit growth by management. Better sales from the global specialty business coupled with RM cost softening has lifted gross margins by an impressive 230bps YoY to ~78% in FY24. Ramp-up in gRevlimid has been slow while the company has initiated supplies from its Mohali plant, which should support growth in the near-term. Sun has filed deuruxolitinib with USFDA while Nidlegly will also be filed in Europe – these assets are expected to rope in sizeable delta in revenue while marketing costs inch up in the next few quarters. Besides, its branded generics across markets, including India, would help maintain momentum in revenue/margins.

We expect 8.7% revenue and 9.8% adj. PAT CAGRs over FY24–26E. We see EBITDA margin improving to 28.9% with improving revenue mix towards specialty. The stock currently trades at a pricey 34.1x FY25E and 30x FY26E earnings; and EV/EBITDA multiples of 23.6x FY25E and 20.5x FY26E, which curbs potential upside from its current levels. We retain our **HOLD** rating on the stock with a higher target price of INR 1,463 (earlier INR 1,400) based on 28x FY26E EPS (27x FY26E earlier).

Key downside risks: Higher-than-expected pricing pressures in the US; and regulatory hurdles.

Key upside risks: Faster ramp-up in specialty assets in US; and M&A.

Q4FY24 conference call: Highlights

India

- In Q4FY24 Sun launched nine new products in India.
- In FY25, it aims to grow in-line or ahead of market growth rate.

US generics

- In Q4FY24, it launched two generic products in the US (ex-Taro).
- The company filed 11 ANDA's and received two approvals during the quarter.
- Pending product pipeline: 104 ANDAs and 14 NDAs await USFDA approval.
- The company has resumed supplies from its Mohali plant.
- Management believes it has a healthy pipeline of generic products under development and a few of these will be filed with USFDA in FY25E.
- Management is hopeful of being regulatory complaint in subsequent re-inspections of its key sites Mohali and Halol.
- gRevlimid was not a major contributor to Q4 sales of its US business. Sales from this product will be lumpy ahead.

Global specialty

- Global sales of Ilumya grew by 21.7% to USD 580mn (excluding end-market sales of partners) in FY24.
- Ilumya has decent acceptability with prescribers and it should help the brand overcome the threat of cheaper substitutes.
- Winlevi had seen a strong pickup in Q4FY24; the momentum will likely continue in FY25E.
- Ilumya's success in Japan has been in-line with management's expectations.

- Ilumya's market share in psoriasis biologics market is less than 1% in US.
- Target population in Europe for Nidlegly is small, while reimbursement in the products will be decent.
- The company is already working towards launch of deuruxolitinib (PDUFA in Jul'24); ahead, marketing and promotion cost of this product is expected to rise.
- Key investments ahead include cost of specialty product launch (deuruxolitinib) in US and R&D.

Emerging markets

- Brazil and South Africa markets were the main growth drivers in the RoW markets.

Guidance

- Improvement in gross margins in Q4FY24 was aided by better contribution from specialty business.
- FY25E revenue growth is likely to be in high single-digits, aided by growth across all segments.
- R&D will likely inch up to 8–10% of sales in FY25E.
- Effective tax rate is expected to increase slightly every year.

Exhibit 1: Quarterly review

Particulars (INR mn)	Q4FY24	Q4FY23	YoY % Chg	Q3FY24	QoQ % Chg	FY24	FY23	YoY % Chg
Net Sales	1,19,829	1,08,747	10.2	1,22,147	(1.9)	4,83,309	4,37,271	10.5
Gross Profit	96,025	86,245	11.3	94,778	1.3	3,76,682	3,30,649	13.9
Gross margins(%)	80.1	79.3	80bps	77.6	250bps	77.9	75.6	230bps
EBITDA	30,352	27,462	10.5	33,108	(8.3)	1,28,571	1,14,882	11.9
EBITDA margins (%)	25.3	25.3	10bps	27.1	-180bps	26.6	26.3	30bps
Other income	6,059	3,733	62.3	2,502	142.2	13,542	6,345	113.4
PBIDT	36,411	31,195	16.7	35,610	2.2	1,42,113	1,21,227	17.2
Depreciation	6,504	6,715	(3.2)	6,221	4.5	25,566	25,294	1.1
Interest	736	927	(20.7)	347	111.8	2,385	1,720	38.6
Extra ordinary income/ (exp.)	(1,016)	(1,155)		962		(3,283)	(128)	
PBT	28,155	22,397	25.7	30,004	(6.2)	1,10,879	94,084	17.9
Tax	1,489	2,229	(33.2)	4,323	(65.6)	14,395	8,476	69.8
Minority Interest	42	(16)	(365.0)	368	(88.7)	337	394	(14.5)
Share of profit in JV	(79)	(339)		(75)		(384)	(479)	
Reported PAT	26,546	19,845	33.8	25,238	5.2	95,764	84,736	13.0
Adjusted PAT	27,562	20,885	32.0	24,414	12.9	1,02,151	87,893	16.2

Source: I-Sec research, Company data

Exhibit 2: Business mix

Particulars (INR mn)	Q4FY24	Q4FY23	YoY % Chg	Q3FY24	QoQ % Chg	FY24	FY23	YoY % Chg
Formulations	1,13,260	1,02,373	10.6	1,14,604	(1.2)	4,54,048	4,09,200	11.0
India	37,078	33,641	10.2	37,785	(1.9)	1,48,893	1,36,031	9.5
US	39,544	35,343	11.9	39,736	(0.5)	1,53,493	1,35,353	13.4
US (USD mn)	476	430	10.7	477	(0.2)	1,854	1,684	10.1
Emerging Markets	20,348	18,204	11.8	20,946	(2.9)	86,195	78,977	9.1
ROW	16,290	15,184	7.3	16,137	1.0	65,468	58,839	11.3
APIs & Others	4,873	4,324	12.7	5,305	(8.1)	19,187	19,724	(2.7)
Other Op. Income	1,696	2,051	(17.3)	2,238	(24.2)	2,690	2,279	18.0
Total Sales	1,19,829	1,08,747	10.2	1,22,147	(1.9)	4,75,925	4,31,203	10.4

Source: I-Sec research, Company data

Exhibit 3: Key growth drivers of domestic business in Q4FY24

Brands (INR mn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	MAT MAR'24	MAT MAR'23	YoY (%)
Rosuvastatin	1,162	941	23.4	1,081	7.4	4,316	3,527	-18.3
Levipil	997	914	9.1	1,031	-3.3	4,038	3,617	-10.4
Volini	737	731	0.8	920	-19.9	3,444	3,457	0.4
Gemer	776	790	-1.8	802	-3.2	3,304	3,143	-4.9
Susten	748	713	4.9	694	7.7	2,921	2,775	-5.0
Pantocid	707	651	8.7	737	-4.1	2,871	2,620	-8.7
Pantocid-D	663	602	10.1	663	0.1	2,649	2,453	-7.4
Montek-Lc	619	673	-7.9	741	-16.4	2,434	2,300	-5.5
Sompraz-D	608	487	24.9	574	5.9	2,292	1,916	-16.4
Moxclav	611	611	0.0	633	-3.5	2,256	2,295	1.8

Source: IQVIA

Exhibit 4: Growth profile of key therapies in India

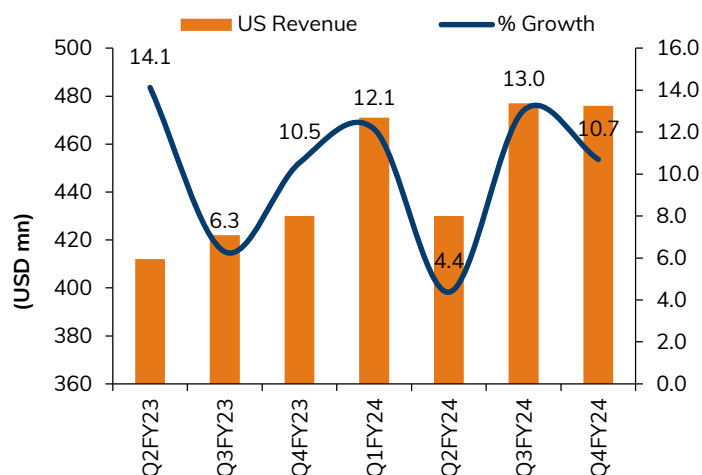
Therapies (INR mn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	MAT MAR'24	MAT MAR'23	YoY (%)
Neuro / CNS	7,377	6,722	9.7	7,350	0.4	29,200	26,497	10.2
Cardiac	7,229	6,684	8.2	7,109	1.7	28,494	25,976	9.7
Gastro Intestinal	5,413	4,931	9.8	5,435	-0.4	21,937	19,866	10.4
Anti-Infectives	3,656	3,673	-0.5	3,915	-6.6	14,632	14,187	3.1
Pain / Analgesics	3,156	2,696	17.0	3,313	-4.8	12,897	11,656	10.6
Anti-Diabetic	3,145	2,715	15.8	3,087	1.9	12,397	11,181	10.9
Respiratory	2,324	2,365	-1.7	2,546	-8.7	8,822	8,273	6.6
Derma	1,724	1,654	4.2	1,830	-5.8	7,261	7,121	2.0
Vitamins/Minerals/Nutrients	1,715	1,584	8.2	1,755	-2.3	7,056	6,824	3.4
Gynaec.	1,649	1,556	6.0	1,623	1.6	6,679	6,330	5.5

Source: IQVIA

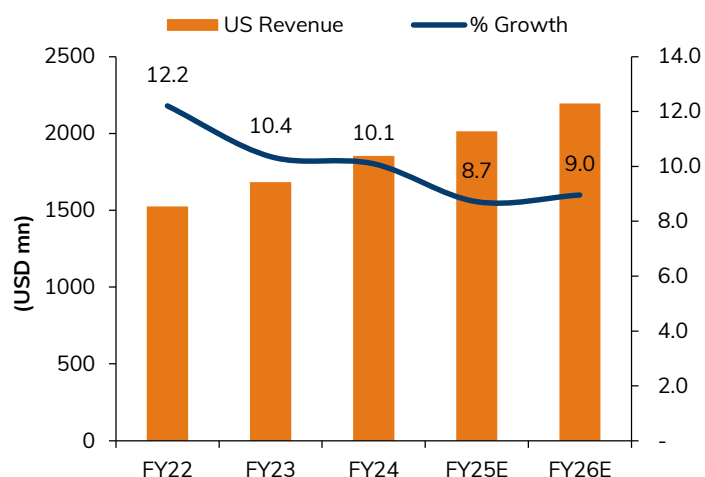
Exhibit 5: Sun's global specialty pipeline

Candidate	Indication	Current phase	Next milestone
deuruxolitinib	alopecia areata	Filed with US FDA	PDUFA date in Jul-24
Nidlegly TM (EU, ANZ rights with Sun)	skin cancer	Phase-3 completed in first indication	Submission of MA application in locally advanced fully resectable melanoma to EMA on June 3
Ilumya	psoriatic arthritis	Phase-3	Topline data during H2CY25
MM-II	pain in osteoarthritis	Phase-2 completed	Phase-3 to start in H1CY25
SCD-044	Psoriasis Atopic dermatitis	Phase 2	Topline data by H1CY25 Topline data by H2CY24
GL0034	Type-2 diabetes & obesity	Phase-1 completed	Phase-2 to start by H2CY24

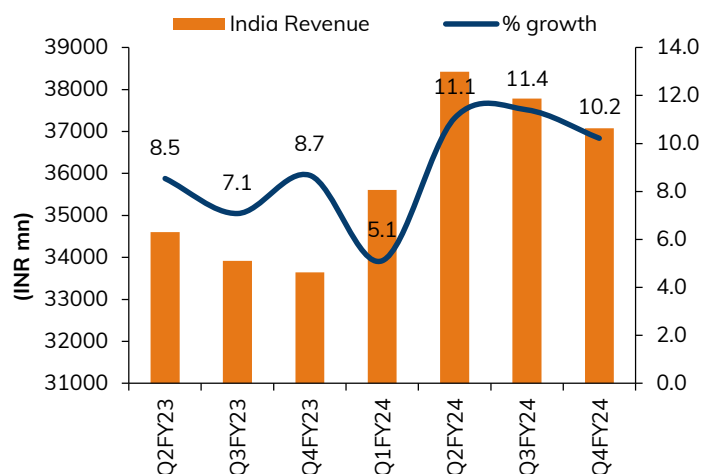
Source: Company data, I-Sec research

Exhibit 6: Growth attributed to good performance in US specialty portfolio

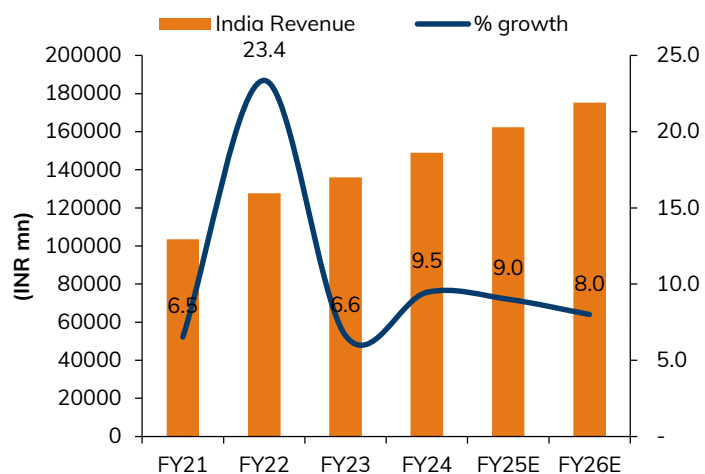
Source: I-Sec research, Company data

Exhibit 7: US revenue to touch USD 2.2bn by FY26E

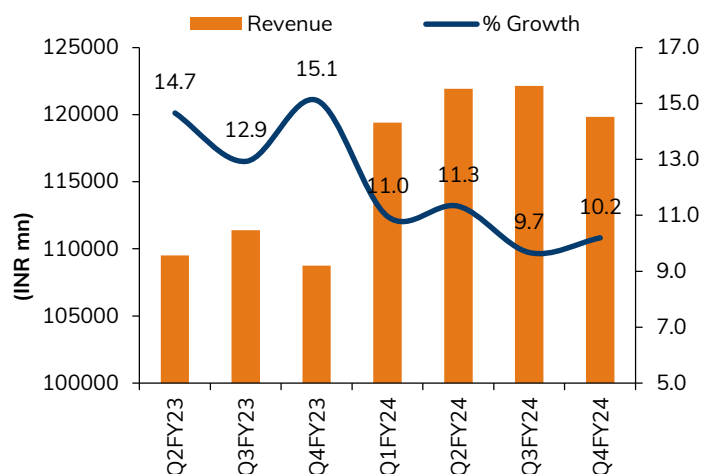
Source: I-Sec research, Company data

Exhibit 8: New product launches and better volume driving momentum in India

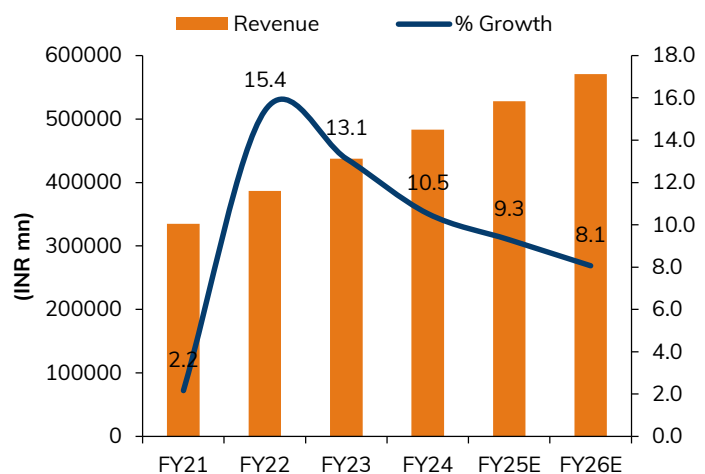
Source: I-Sec research, Company data

Exhibit 9: MR addition and calibrated pricing to drive 8.5% CAGR growth in India over FY24-26E

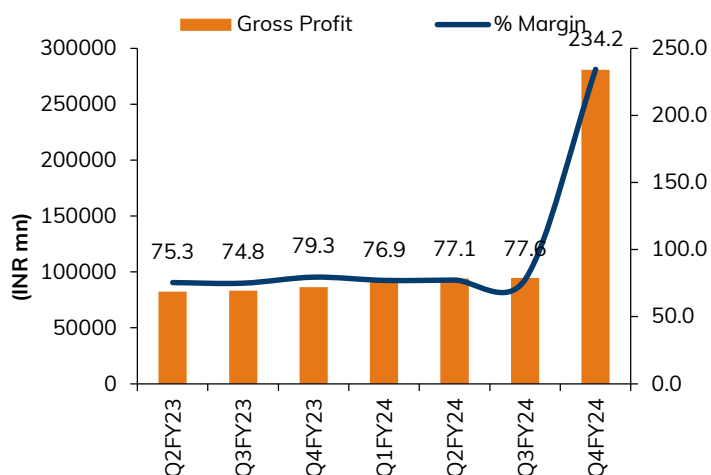
Source: I-Sec research, Company data

Exhibit 10: Traction across segments aids growth

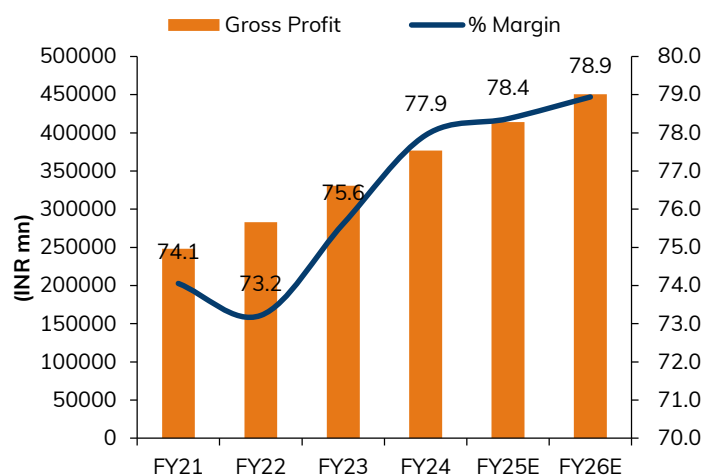
Source: I-Sec research, Company data

Exhibit 11: Revenue to grow 8.7% over FY24-26E

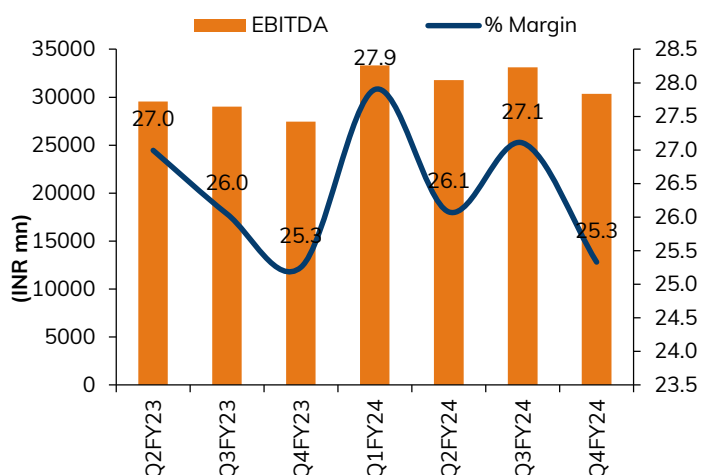
Source: I-Sec research, Company data

Exhibit 12: Gross margin expansion due to higher revenue from specialty and India branded business


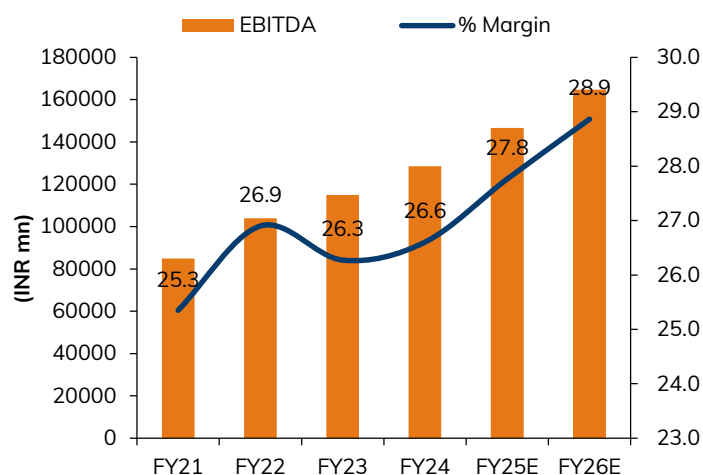
Source: I-Sec research, Company data

Exhibit 13: Gross margin is expected to improve led by better product mix


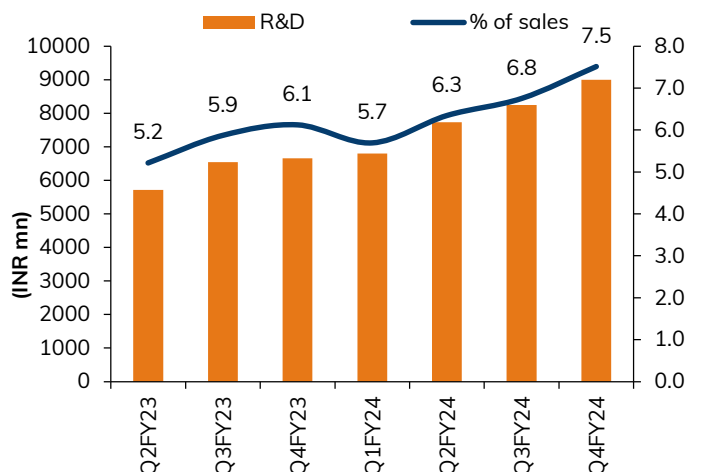
Source: I-Sec research, Company data

Exhibit 14: Higher R&D costs impacted EBITDA margin


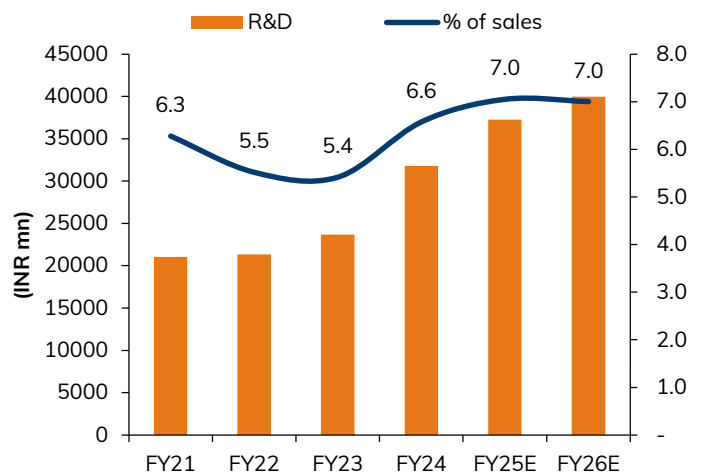
Source: I-Sec research, Company data

Exhibit 15: Higher specialty sales contribution to drive EBITDA margin going forward


Source: I-Sec research, Company data

Exhibit 16: R&D expense rose 35%YoY


Source: I-Sec research, Company data

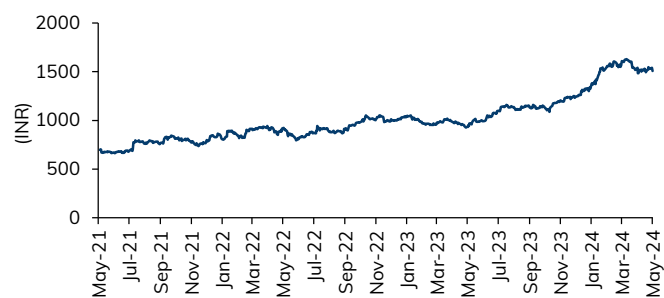
Exhibit 17: Specialty R&D to increase going forward


Source: I-Sec research, Company data

Exhibit 18: Shareholding pattern

%	Sep'23	Dec'23	Mar'24
Promoters	54.5	54.5	54.5
Institutional investors	36.5	36.6	36.5
MFs and others	13.1	12.9	12.2
FIs/Banks	0.0	0.0	0.0
Insurance	5.1	5.0	5.1
FIIIs	18.3	18.6	19.3
Others	9.0	8.9	9.0

Source: Bloomberg

Exhibit 19: Price chart


Source: Bloomberg

Financial Summary

Exhibit 20: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Net Sales	4,37,271	4,83,309	5,28,228	5,70,832
Operating Expenses	2,15,767	2,48,111	2,67,321	2,85,856
EBITDA	1,14,882	1,28,571	1,46,654	1,64,759
EBITDA Margin (%)	26.3	26.6	27.8	28.9
Depreciation & Amortization	25,294	25,566	26,468	27,942
EBIT	89,588	1,03,005	1,20,186	1,36,817
Interest expenditure	1,720	2,385	1,251	999
Other Non-operating Income	6,345	13,542	7,891	8,413
Recurring PBT	94,213	1,14,162	1,26,825	1,44,232
Profit / (Loss) from Associates	(479)	(384)	(384)	(384)
Less: Taxes	8,476	14,395	17,755	20,192
PAT	85,737	99,768	1,09,069	1,24,040
Less: Minority Interest	(394)	(337)	(370)	(407)
Extraordinaries (Net)	(1,715)	(4,943)	-	-
Net Income (Reported)	83,150	94,104	1,08,315	1,23,248
Net Income (Adjusted)	87,894	1,02,151	1,08,315	1,23,248

Source Company data, I-Sec research

Exhibit 21: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Total Current Assets	3,05,107	3,48,904	4,32,871	5,26,928
of which cash & cash eqv.	57,703	1,05,207	1,68,269	2,42,764
Total Current Liabilities & Provisions	1,35,810	1,40,144	1,51,958	1,62,491
Net Current Assets	1,69,297	2,08,761	2,80,913	3,64,437
Investments	1,48,243	1,50,258	1,50,258	1,50,258
Net Fixed Assets	1,03,904	1,01,923	96,205	89,013
ROU Assets	-	-	-	-
Capital Work-in-Progress	9,634	11,077	11,077	11,077
Total Intangible Assets	1,76,849	1,72,652	1,72,652	1,72,652
Other assets	5,434	5,919	5,919	5,919
Deferred Tax Assets	58,259	63,887	63,887	63,887
Total Assets	6,71,626	7,14,485	7,80,919	8,57,253
Liabilities				
Borrowings	68,859	32,737	26,737	20,737
Deferred Tax Liability	317	1,551	1,551	1,551
provisions	3,429	4,139	4,524	4,888
other Liabilities	5,866	4,999	4,999	4,999
Equity Share Capital	5,59,954	6,36,668	7,08,347	7,89,908
Reserves & Surplus	33,201	34,392	34,762	35,170
Total Net Worth	5,93,155	6,71,060	7,43,109	8,25,078
Minority Interest	-	-	-	-
Total Liabilities	6,71,626	7,14,485	7,80,919	8,57,253

Source Company data, I-Sec research

Exhibit 22: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Operating Cashflow	49,593	1,21,350	1,27,699	1,43,931
Working Capital Changes	(9,730)	12,014	(13,877)	(13,569)
Capital Commitments	(78,178)	(13,109)	(20,750)	(20,750)
Free Cashflow	1,27,771	1,34,458	1,48,449	1,64,681
Other investing cashflow	(1,259)	6,207	-	-
Cashflow from Investing Activities	(79,437)	(6,902)	(20,750)	(20,750)
Issue of Share Capital	-	-	-	-
Interest Cost	(1,720)	(2,385)	(1,251)	(999)
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	(25,197)	(28,982)	(36,636)	(41,687)
Others	64,130	(35,735)	(6,000)	(6,000)
Cash flow from Financing Activities	37,213	(67,102)	(43,887)	(48,685)
Chg. in Cash & Bank balance	7,369	47,346	63,062	74,496
Closing cash & balance	57,703	1,05,049	1,68,269	2,42,764

Source Company data, I-Sec research

Exhibit 23: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
Per Share Data (INR)				
Reported EPS	34.7	39.2	45.1	51.4
Adjusted EPS (Diluted)	36.6	42.6	45.1	51.4
Cash EPS	47.2	53.2	56.2	63.0
Dividend per share (DPS)	11.5	13.5	15.3	17.4
Book Value per share (BV)	233.4	265.4	295.2	329.2
Dividend Payout (%)	33.2	34.4	33.8	33.8
Growth (%)				
Net Sales	13.1	10.5	9.3	8.1
EBITDA	10.5	11.9	14.1	12.3
EPS (INR)	160.3	13.2	15.1	13.8
Valuation Ratios (x)				
P/E	44.4	39.2	34.1	30.0
P/CEPS	32.6	28.9	27.4	24.4
P/BV	6.6	5.8	5.2	4.7
EV / EBITDA	31.4	27.5	23.6	20.5
P / Sales	8.4	7.6	7.0	6.5
Dividend Yield (%)	0.0	0.0	0.0	0.0
Operating Ratios				
Gross Profit Margins (%)	75.6	77.9	78.4	78.9
EBITDA Margins (%)	26.3	26.6	27.8	28.9
Effective Tax Rate (%)	9.2	12.8	14.0	14.0
Net Profit Margins (%)	20.1	21.1	20.5	21.6
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	(0.2)	(0.3)	(0.4)	(0.5)
Net Debt / EBITDA (x)	(1.2)	(1.7)	(2.0)	(2.3)
Profitability Ratios				
RoCE (%)	14.8	15.0	14.6	15.2
RoE (%)	16.9	17.1	16.1	16.5
RoC (%)	18.1	18.9	19.8	22.4
Fixed Asset Turnover (x)	4.2	4.7	5.3	6.2
Inventory Turnover Days	93	78	77	75
Receivables Days	101	89	89	88
Payables Days	50	45	44	42

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Abdulkader Puranwala, MBA; 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. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

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

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

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

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Prabodh Avadhoot](mailto:Mr.Prabodh.Avadhoot) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
