

CMP: ₹ 5595

Target: ₹ 6385 (14%)

Target Period: 12 months

November 4, 2022

Steady numbers, margins improve QoQ; focus on growth of power brands...

About the stock: Sanofi offers drugs in therapies like diabetes (insulins & orals), cardiology, pain, allergy and epilepsy.

- Around 70% of sales stem from top seven brands. Lantus, Allegra & Combiflam are in Top 100 pharmaceutical brands in India
- Sanofi enjoys strong brand recall in anti-diabetic therapy in India

Q3CY22 Results: Sanofi India reported steady numbers this quarter amid divested business in the base year.

- Revenues declined 1.1% QoQ to ₹ 692 crore
- EBITDA margins improved 325 bps QoQ to 26.3%. Subsequently, EBITDA grew 12.9% YoY to ₹ 182 crore
- Profit for the quarter increased 8.7% QoQ to ₹ 131 crore

What should investors do? Sanofi's share price has de-grown by ~0.17x over the past three years (from ~₹ 6693 in November 2019 to ~₹ 5595 in November 2022).

- Maintain **HOLD** as we wait for visible growth triggers in power brands portfolio especially in the anti-diabetic and cardiovascular therapies

Target Price and Valuation: Valued at ₹ 6385 i.e. 25x P/E on FY24E EPS on ₹ 255.5.

Key triggers for future price performance:

- Focus on high margin portfolio through divestiture of tail brands
- Strong balance sheet, good dividend payout track record and comfort on corporate governance
- Performance of flagship Lantus (~20% of the sales), especially on the volumes front since its inclusion in the NLEM list
- Price led growth on the back of 10.8% price hike in NLEM portfolio
- Access to innovative molecules from parent like anti-diabetic drug Toujeo

Alternate Stock Idea: Apart from Sanofi, among MNC coverage we like Abbott.

- Abbott India is one of the fastest growing listed MNC pharma companies in women's health, GI, metabolic, pain, CNS among others. We continue to believe in Abbott's strong growth track record in power brands and capability in new launches on a fairly consistent basis
- BUY with a target price of ₹ 19840

HOLD



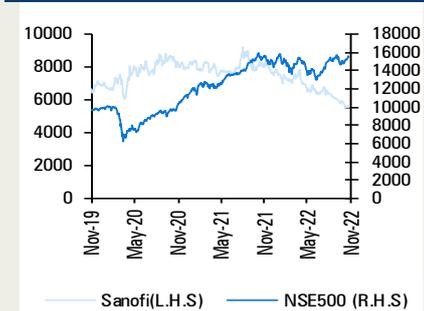
Particulars

Particular	Amount
Market Capitalisation	₹ 12885 crore
Debt (CY21)	₹ 0 crore
Cash (CY21)	₹ 1550 crore
EV	₹ 11335 crore
52 week H/L	8363/5520
Equity capital	₹ 23.0 crore
Face value	₹ 10

Shareholding pattern

(in %)	Dec-21	Mar-22	Jun-22	Sep-22
Promoter	60.4	60.4	60.4	60.4
Others	39.6	39.6	39.6	39.6

Price Chart



Recent Event & Key risks

- Sale of Soframycin, Sofradex brands
- **Key Risks:** (i) Better than expected ramp up in new launches (ii) Continued muted Lantus sales

Research Analyst

Siddhant Khandekar
siddhant.khandekar@icicisecurities.com

Utkarsh Jain
utkarsh.jain@icicisecurities.com

Key Financial Summary

Key Financials (₹ Crore)	CY19	CY20	CY21	5 year CAGR (CY16-21)	CY22E	CY23E	2 year CAGR (CY21-23E)
Revenues	3070.6	2901.9	2956.6	4.6	2842.5	3057.2	1.7
EBITDA	665.3	713.1	762.5	7.3	707.0	790.2	1.8
EBITDA margins (%)	21.7	24.6	25.8		24.9	25.8	
Net Profit	414.2	477.6	944.4	25.4	612.4	588.3	-21.1
EPS (₹)	205.6	225.5	250.6		228.7	255.5	
PE (x)	31.1	27.0	13.6		21.0	21.9	
EV to EBITDA (x)	17.7	16.4	14.9		16.8	14.7	
RoCE (%)	26.0	32.3	33.3		40.9	50.2	
ROE (%)	19.4	24.5	25.9		30.8	38.1	

Source: Company, ICICI Direct Research

Key takeaways of recent quarter

Q3CY22 Results: Divestments impact numbers

- Sanofi's Q3CY22 revenues declined 1.1% QoQ to ₹ 692 crore while EBITDA margins improved 325 bps QoQ to 26.3%. Subsequently, EBITDA grew 12.9% YoY to ₹ 182 crore. Profit for the quarter increased 8.7% QoQ to ₹ 131 crore
- Numbers were sequentially flat as expected but there was margin expansion as the company has been hiving off low margin businesses in the last few months. However, the growth momentum in both Power brands and ex-power brands is yet to reach pre-Covid levels
- Sanofi has a strong anti-diabetic franchise ~30% of turnover and remains a compelling MNC play with focused approach to 1) accelerate growth in diabetes segment, 2) select growth in established brands and 3) building key brands in consumer health portfolio

Exhibit 1: Power Brands

Brand	Therapy	Sep-19	Sep-20	Sep-21	Sep-22	GAGR 19-22	YoY
LANTUS	ANTI DIABETIC	475.9	565.1	640.8	630.0	9.8%	-1.7%
ALLEGRA	RESPIRATORY	178.5	193.4	198.6	228.5	8.6%	15.0%
COMBIFLAM	PAIN / ANALGESICS	162.4	177.3	202.2	198.3	6.9%	-2.0%
AMARYL M	ANTI DIABETIC	144.8	159.4	166.0	165.7	4.6%	-0.2%
ENTEROGERMINA	GASTRO INTESTINAL	96.8	91.5	129.0	150.0	15.7%	16.3%
Top 5 brands		1058.5	1186.7	1336.6	1372.3	9.0%	2.7%
% of IQVIA sales		40.7%	42.7%	43.2%	44.1%		

Source: IQVIA, MAT TSA Values (in ₹ crore)

Exhibit 2: Therapeutic breakup

Therapy	Sep-19	Sep-20	Sep-21	Sep-22	GAGR 19-22	YoY
ANTI DIABETIC	869.2	1002.6	1118.4	1122.3	8.9%	0.4%
CARDIAC	396.6	437.3	495.4	459.3	5.0%	-7.3%
RESPIRATORY	281.4	321.0	353.4	399.0	12.3%	12.9%
VACCINES	342.3	294.5	311.7	280.7	-6.4%	-9.9%
GASTRO INTESTINAL	188.8	196.4	251.4	283.8	14.5%	12.9%
PAIN / ANALGESICS	168.7	184.7	214.5	210.5	7.7%	-1.9%
NEURO / CNS	201.7	203.2	204.6	206.9	0.8%	1.1%
ANTI-INFECTIVES	135.5	121.4	122.7	116.7	-4.9%	-4.8%
OTHERS	6.5	7.4	10.8	11.1	19.6%	3.5%
ANTINEOPLAST/IMMUNOMODULATOR	2.2	3.3	7.8	6.7	44.9%	-14.1%
Top 5 Therapies	2078.3	2251.9	2530.2	2545.2	7.0%	0.6%
Total IQVIA Sales	2602.6	2777.2	3094.0	3114.6	6.2%	0.7%
Top 5 Therapies % sales	79.9%	81.1%	81.8%	81.7%		

Source: IQVIA, MAT TSA Values (in ₹ crore)

Exhibit 3: Financial Summary

	Revenues	Growth	EPS	Growth	P/E	EV/EBITDA	RoE	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
CY20	2902	-5.5	225.5	9.7	27.0	16.4	24.5	32.3
CY21	2957	1.9	250.6	11.1	13.6	14.9	25.9	33.3
CY22E	2842	-3.9	228.7	-8.7	21.0	16.8	30.8	40.9
CY23E	3057	7.6	255.5	11.7	21.9	14.7	38.1	50.2

Source: ICICI Direct Research

Exhibit 4: ICICI Direct Healthcare Coverage Universe

Company	I-Direct Code	CMP (₹)	TP (₹)	Rating	M Cap (₹ cr)	EPS (₹)				PE(x)				RoCE (%)			RoE (%)				
						FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E
Hospitals																					
Apollo Hospitals	APOHOS	4355	5,080	Buy	62711	7.9	59.1	79.0	101.0	554.0	73.6	55.2	43.1	6.3	15.1	15.3	18.8	2.5	15.1	17.4	18.9
Narayana Hrudalaya	NARHRU	740	800	Buy	15097	-0.7	16.7	20.6	22.7	NA	44.2	36.0	32.6	1.2	20.5	19.6	19.7	-1.3	23.0	22.3	19.9
Shalby	SHALIM	143	150	Buy	1548	3.9	5.4	7.5	9.9	36.5	26.4	19.2	14.5	6.5	8.4	11.7	14.3	5.1	6.7	8.6	10.4
Aster DM	ASTDM	271	250	Buy	13573	3.0	10.5	10.8	16.7	91.8	25.8	25.2	16.3	5.4	9.0	9.4	12.5	4.4	13.3	12.0	15.6
Healthcare Global	HEAGLO	300	345	Buy	4169	-13.9	3.9	4.5	8.8	-13.9	77.6	65.9	34.0	-0.9	5.0	9.4	12.1	-0.9	5.0	6.8	11.6
MNC Pharma																					
Abbott India	ABBIND	19600	21,140	Hold	41160	325.0	375.9	427.7	528.6	60.3	52.1	45.8	37.1	33.8	36.6	37.1	37.3	26.5	28.3	28.9	28.8
P&G Health	MERLIM	4245	4,500	Hold	7216	106.5	116.0	124.8	140.6	39.9	36.6	34.0	30.2	32.2	39.8	36.0	33.8	25.1	31.2	28.1	26.2
Sanofi India	SANOFI	5595	6,885	Hold	12869	207.4	410.1	270.5	264.8	27.0	13.6	20.7	21.1	32.3	33.3	41.1	50.7	24.5	25.9	31.2	38.7
Pfizer	PFIZER	4473	4,480	Hold	20575	108.8	133.9	140.4	149.3	41.1	33.4	31.8	30.0	27.6	26.1	22.4	21.8	20.8	21.4	17.9	17.7
Pharma																					
Ajanta Pharma	AJAPHA	1258	1,495	Buy	16096	51.0	55.6	60.1	71.1	24.6	22.6	20.9	17.7	29.0	27.0	24.4	24.5	21.8	21.8	19.9	19.9
Alembic Pharma	ALEMPHA	654	590	Reduce	12891	62.8	27.8	15.3	26.9	10.4	23.6	42.8	24.3	25.1	10.6	6.5	10.5	24.1	10.4	5.6	9.1
Aurobindo Pharma	AURPHA	552	615	Hold	32356	55.0	47.4	41.1	51.3	10.0	11.7	13.4	10.8	16.9	12.9	11.5	13.3	14.7	11.3	9.0	10.1
Biocon	BIOCON	276	320	Hold	33142	6.3	5.7	5.5	11.3	44.1	48.5	50.6	24.3	7.7	7.5	4.1	6.5	9.9	8.1	2.8	5.5
Zydus Lifesciences	CADHEA	439	405	Hold	###	23.3	21.0	21.0	23.8	18.8	20.9	20.9	18.4	13.8	12.0	11.8	11.7	18.4	12.6	11.4	11.6
Cipla	CIPLA	1158	1,135	Buy	93422	29.9	32.9	38.6	45.8	38.8	35.2	30.0	25.3	16.3	16.7	17.9	19.0	13.1	12.7	13.3	14.1
Dr Reddy's Labs	DRREDD	4526	4,750	Buy	75125	117.3	126.9	203.4	191.0	38.6	35.7	22.2	23.7	13.1	13.0	19.1	18.1	11.1	11.0	15.4	13.0
Glenmark Pharma	GLEPHA	420	440	Hold	11847	32.9	42.7	39.5	44.9	12.8	9.8	10.6	9.4	13.9	14.8	14.7	14.4	13.1	13.2	11.0	11.2
Ipca Laboratories	IPCLAB	909	985	Hold	23077	44.9	34.8	27.5	35.1	20.2	26.1	33.1	25.9	27.1	17.4	14.3	16.3	24.2	16.1	11.4	13.0
Jubilant Pharmova	JUBLIF	379	340	Hold	6026	37.4	26.0	15.9	26.1	10.1	14.6	23.9	14.5	13.7	9.0	6.1	8.6	12.6	7.8	4.6	7.0
Lupin	LUPIN	709	610	Reduce	32241	26.9	11.9	11.8	27.7	26.4	59.7	60.2	25.6	9.6	3.4	5.8	10.9	8.8	4.4	4.2	9.2
Natco Pharma	NATPHA	619	735	Hold	11328	24.2	9.3	41.6	42.3	25.6	66.5	14.9	14.6	13.1	4.6	18.1	16.9	10.7	4.0	15.5	13.9
Sun Pharma	SUNPHA	1034	1,125	Buy	248045	30.0	32.0	34.8	40.1	34.4	32.4	29.7	25.8	14.2	18.2	18.0	18.7	15.5	16.0	15.2	15.2
Torrent Pharma	TORPHA	1682	1,730	Buy	56860	37.0	32.0	40.0	46.7	45.5	52.5	42.0	36.0	17.6	19.7	19.1	21.4	21.4	18.2	19.8	19.7
Indoco Remedies	INDREM	360	525	Buy	3314	10.1	16.8	21.6	29.2	35.7	21.4	16.7	12.4	11.7	17.5	17.6	23.9	12.1	17.1	18.6	20.6
Caplin Point	CAPPOI	737	1,000	Buy	5600	81.7	85.3	70.4	73.0	9.0	8.6	10.5	10.1	25.3	23.7	22.6	0.0	20.4	20.2	18.7	17.5
Advanced Enzymes	ADVENZ	281	265	Reduce	3144	13.1	10.7	8.5	12.1	21.5	26.2	33.2	23.3	19.4	14.3	10.2	13.2	15.1	11.0	8.1	10.4
Hester Biosciences	HESPHA	2018	2,015	Reduce	1816	44.4	45.7	35.9	51.8	45.5	44.1	56.3	39.0	16.2	10.9	9.3	11.8	16.5	15.0	10.8	14.0
API/CRAMS																					
Divi's Lab	DIVLAB	3738	4,315	Buy	99066	74.7	111.5	93.0	113.5	50.0	33.5	40.2	32.9	27.6	30.2	22.8	24.4	21.3	25.2	18.4	19.2
Hikal	HIKCHE	345	290	Hold	4245	10.8	13.0	3.8	14.4	32.0	26.5	90.1	23.9	15.1	13.6	5.6	13.8	14.3	15.0	4.3	14.2
Syngene Int.	SYNINT	628	710	Buy	25189	10.1	9.9	11.5	14.6	62.1	63.7	54.5	43.1	11.5	11.7	12.8	15.2	13.5	12.9	12.4	13.7
Granules India	GRANUL	375	375	Buy	9310	22.2	16.6	21.9	26.8	16.9	22.6	17.1	14.0	24.0	15.6	18.6	20.5	25.3	16.0	17.6	17.9
Laurus Labs	LAULAB	464	675	Buy	24895	18.3	15.4	20.7	27.0	25.3	30.1	22.4	17.2	31.7	21.3	23.6	26.0	37.9	24.7	25.6	25.6
Suven Pharmaceutical	SUVPH	425	530	Hold	10825	14.2	17.8	17.0	17.6	29.8	23.8	25.0	24.1	31.2	37.5	28.7	25.0	30.7	29.7	23.0	20.0

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 5: Profit and loss statement		₹ crore			
(Year-end December)	CY20	CY21	CY22E	CY23E	
Total Operating Income	2,901.9	2,956.6	2,842.5	3,057.2	
Growth (%)	-5.5	1.9	-3.9	7.6	
Raw Material Expenses	1,253.6	1,306.8	1,239.7	1,337.4	
Gross Profit	1,648.3	1,649.8	1,602.8	1,719.7	
Gross Profit Margins (%)	56.8	55.8	56.4	56.3	
Employee Expenses	460.8	433.9	413.1	444.3	
Other Expenditure	474.4	453.4	482.6	485.3	
Total Operating Expenditure	2,188.8	2,194.1	2,135.4	2,267.0	
EBITDA	713.1	762.5	707.0	790.2	
Growth (%)	7.2	6.9	-7.3	11.8	
Interest	1.8	1.8	1.7	1.7	
Depreciation	82.2	66.7	42.3	45.3	
Other Income	89.8	74.4	63.8	68.6	
PBT before Exceptional Ite	718.9	768.4	726.8	811.7	
Less: Exceptional Items	41.7	-489.2	-118.1	0.0	
PBT after Exceptional Items	677.2	1,257.6	844.9	811.7	
Total Tax	199.6	313.2	232.5	223.3	
PAT	477.6	944.4	612.4	588.3	
Adjusted PAT	519.3	577.0	526.8	588.3	
Growth (%)	9.7	11.1	-8.7	11.7	
EPS (Adjusted)	225.5	250.6	228.7	255.5	

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement		₹ crore			
(Year-end December)	CY20	CY21	CY22E	CY23E	
Profit/(Loss) after taxation	483.9	972.7	612.4	588.3	
Add: Depreciation & Amortization	82.2	66.7	42.3	45.3	
Net Increase in Current Assets	49.0	-4.8	-410.4	397.9	
Net Increase in Current Liabilities	13.2	72.9	-80.5	41.8	
Others	-17.2	-548.7	1.7	1.7	
CF from Operating activities	611.1	558.8	165.5	1,075.1	
Investments	0.0	0.0	0.0	0.0	
(Purchase)/Sale of Fixed Assets	198.4	567.7	-25.0	-25.0	
Others	79.6	64.2	420.6	-8.3	
CF from Investing activities	278.0	631.9	395.6	-33.3	
(inc)/Dec in Loan	-4.6	-6.6	0.0	0.0	
Dividend & Dividend tax	-803.8	-840.6	-1,128.5	-755.4	
Other	-1.6	-1.8	-1.7	-1.7	
CF from Financing activities	-810.0	-849.0	-1,130.2	-757.1	
Net Cash Flow	79.1	341.7	-569.1	284.6	
Cash and Cash Equivalent	1,129.5	1,208.6	1,550.3	981.2	
Cash	1,208.6	1,550.3	981.2	1,265.8	
Free Cash Flow	809.5	1,126.5	140.5	1,050.1	

Source: Company, ICICI Direct Research

Exhibit 7: Balance Sheet		₹ crore			
(Year-end December)	CY20	CY21	CY22E	CY23E	
Equity Capital	23.0	23.0	23.0	23.0	
Reserve and Surplus	2,096.0	2,202.6	1,686.5	1,519.5	
Total Shareholders funds	2,119.0	2,225.6	1,709.5	1,542.5	
Total Debt	0.0	0.0	0.0	0.0	
Deferred Tax Liability	30.2	6.3	9.5	11.3	
Long-Term Provisions	0.0	0.0	0.0	0.0	
Other Non Current Liabilities	82.5	79.5	62.0	65.1	
Source of Funds	2,231.7	2,311.4	1,781.0	1,618.9	
Gross Block - Fixed Assets	784.5	554.6	579.6	604.6	
Accumulated Depreciation	393.5	220.5	262.8	308.1	
Net Block	391.0	334.1	316.8	296.5	
Capital WIP	10.0	12.8	12.8	12.8	
Goodwill on Consolidation	73.1	0	0	0	
Fixed Assets	474.1	346.9	329.6	309.3	
Investments	0.0	0.0	0.0	0.0	
Other non-Current Assets	7.6	7.7	16.2	17.0	
Inventory	368.0	392.4	373.6	403.1	
Debtors	148.0	142.9	128.5	138.2	
Loans and Advances	5.7	4.5	446.9	4.95	
Other Current Assets	103.0	47.8	49.0	53.9	
Cash	1,208.6	1,550.3	981.2	1,265.8	
Total Current Assets	1,833.3	2,137.9	1,979.2	1,865.9	
Creditors	318.3	376.7	288.7	311.5	
Provisions	238.6	236.7	241.4	253.5	
Other Current Liabilities	129.9	136.2	138.9	145.9	
Total Current Liabilities	686.8	749.6	669.1	710.8	
Long Term Loans and Advances	603.5	568.5	125.1	137.6	
Net Current Assets	1,146.5	1,388.3	1,310.1	1,155.1	
Application of Funds	2,231.7	2,311.4	1,781.0	1,618.9	

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios					
(Year-end December)	CY20	CY21	CY22E	CY23E	
Per share data (₹)					
Reported EPS	207.4	410.1	265.9	255.5	
Cash EPS	-103.8	-210.5	-80.9	120.2	
BV per share	920.1	966.4	742.3	669.7	
Cash per Share	524.8	673.1	426.0	549.6	
Dividend per share	365.0	490.0	328.0	155.0	
Operating Ratios (%)					
Gross Profit Margins	56.8	55.8	56.4	56.3	
EBITDA margins	24.6	25.8	24.9	25.8	
PAT Margins	17.9	19.5	18.5	19.2	
Cash Conversion Cycle	33.1	22.0	41.5	41.5	
Asset Turnover	3.7	5.3	4.9	5.1	
EBITDA conversion Rate	85.7	73.3	23.4	136.1	
Return Ratios (%)					
RoE	24.5	25.9	30.8	38.1	
RoCE	32.3	33.3	40.9	50.2	
RoIC	62.3	93.0	84.5	218.9	
Valuation Ratios (x)					
P/E	27.0	13.6	21.0	21.9	
EV / EBITDA	16.4	14.9	16.8	14.7	
EV / Net Sales	4.0	3.8	4.2	3.8	
Market Cap / Sales	4.4	4.4	4.5	4.2	
Price to Book Value	6.1	5.8	7.5	8.4	
Solvency Ratios					
Debt / EBITDA	0.0	0.0	0.0	0.0	
Debt / Equity	0.0	0.0	0.0	0.0	
Current Ratio	0.9	0.8	1.5	0.8	
Quick Ratio	0.4	0.3	0.9	0.3	
Inventory days	107.1	109.6	110.0	110.0	
Debtor days	18.6	17.6	16.5	16.5	
Creditor days	92.7	105.2	85.0	85.0	

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Siddhant Khandekar, Inter CA, Utkarsh Jain, MBA, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. 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.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. 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 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 icicidirect.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 Retail 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 Institutional 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 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.