



3R MATRIX

	+	=	-
Right Sector (RS)	✓	✗	✗
Right Quality (RQ)	✓	✗	✗
Right Valuation (RV)	✓	✗	✗
	+ Positive	= Neutral	- Negative

What has changed in 3R MATRIX

	Old		New
RS	✓	↔	✓
RQ	✓	↔	✓
RV	✓	↔	✓

ESG Disclosure Score NEW

ESG RISK RATING 35.74
Updated Oct 08, 2022

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

Source: Morningstar

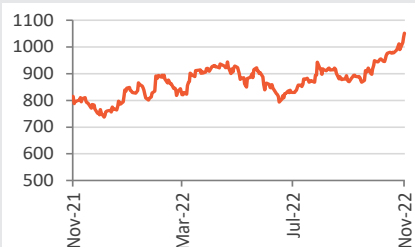
Company details

Market cap:	Rs. 252,350 cr
52-week high/low:	Rs. 1,071 / 734
NSE volume: (No of shares)	30.9 lakh
BSE code:	524715
NSE code:	SUNPHARMA
Free float: (No of shares)	109.2 cr

Shareholding (%)

Promoters	54.5
FII	16.3
DII	19.7
Others	9.5

Price chart



Price performance

(%)	1m	3m	6m	12m
Absolute	11.4	14.5	16.7	29.0
Relative to Sensex	4.1	10.0	7.3	27.5

Sharekhan Research, Bloomberg

Sun Pharmaceutical Industries Ltd

Robust Q2; growth prospects strong

Pharmaceuticals

Sharekhan code: SUNPHARMA

Reco/View: Buy



Upgrade



Maintain



Downgrade

CMP: Rs. 1,052

Price Target: Rs. 1,300



Summary

- Sun Pharmaceutical Industries Limited (Sun Pharma) reported strong numbers for Q2FY2023 with revenues growing by 14% and 109 bps y-o-y improvement in EBITDA margins led by market share gains in India, sustained ramp-up of global specialty business and growth in emerging markets.
- Global specialty business grew by 27.5% y-o-y driven by Ilumya, Cequa and Winlevi. The business will maintain strong growth momentum. In India, the company is gaining market share, which will help to achieve good growth in the coming quarters.
- R&D spends as a percentage of sales stood at ~5%; management expects it to increase to 8% in H2FY23. Overall R&D spends will be 6-8% of sales for FY2023.
- Improved earnings visibility and strengthening balance sheet makes it a better pick in the pharma space. We retain a Buy with a revised price target of Rs. 1,300.

Sun Pharmaceutical Industries Limited (Sun Pharma) reported yet another quarter of strong performance with an over 25% growth in the global specialty business and double-digit like-to-like growth in the India business in Q2FY2023. Overall revenues grew by 14% y-o-y with India business (ex-COVID) growing by 11%; US formulation grew by 23% (led by higher specialty sales) and emerging markets grew by 15%. Gross margins improved by 147 bps y-o-y and EBITDA margins (excluding forex expenses) improved by 109 bps y-o-y to 29.2%. Operating profit and Adjusted PAT grew by 18.2% y-o-y to Rs. 3,198 crore and 17.9% y-o-y to Rs. 2,503.7 crore, respectively. Reported PAT (including forex expenses) grew by 10.5% y-o-y to Rs. 2,262.2 crore. The company has maintained strong growth outlook with India expected to perform well led by market share gains and new launches while the global specialty business will maintain a strong growth momentum.

Key positives

- Global specialty sales grew by 27.5% y-o-y to \$201 million.
- Emerging market sales grew in double digits – 15% y-o-y.
- India business sales on like-to-like basis grew by ~11%; market share increased by 0.5% to 8.6% in last one year.
- Higher specialty sales and efficiencies aided in 109 bps y-o-y improvement in EBITDA margins to 29.2%.

Key negatives

- Taro underperformed with sales marginally declining to \$130 million and registered net loss of \$2.8 million.

Management Commentary

- Global specialty business posted strong performance in H1FY2023 with revenues growing by over 25%. The specialty portfolio consisting of Ilumya, Cequa, Odomzo and Winlevi will continue to gain good traction in US and Canada business. Management expects momentum to continue in the quarters ahead.
- The India formulation business grew in low double digits on like-to-like basis. The company continued to witness good growth across multiple chronic and sub-chronic therapies, which includes CNS, Gastrointestinal and cardiac therapies (contributed majorly to domestic formulation).
- R&D spends in H1FY2023 stood at ~5% of sales to Rs. 1,032 crore. Management has maintained its guidance of 6-8% R&D spends for FY2023. Investments are expected to increase in both specialty and generic divisions. R&D spend for specialty product was 22% of total R&D spends in Q2FY2023.
- Sun Pharma has a strong product pipeline for the US with 92 ANDAs and 13 NDAs awaiting USFDA approval. Strong product pipeline could enable Sun to offset the competitive pressures. Specialty R&D pipeline includes 4 molecules undergoing clinical trials.

Revision in estimates – Sun Pharma reported strong growth for H1FY2023 on y-o-y basis driven by strong growth in the specialty business and improving India formulation business. Given the strong growth outlook for the specialty business and India business we have increased our earnings estimates for FY2023/24. We have also introduced FY2025 earnings estimates through this note.

Our Call

View: Retain Buy with revised PT of Rs. 1,300 – Sun Pharma's key geographies, US and India, are witnessing improved traction. Growth in the US business would be driven by sustained strong growth in the specialty business and traction from product launches and steady growth in US generics, while strong growth across therapies and field-force expansion would drive India sales. Margins are likely to remain higher on back of higher contribution from specialty business. At CMP, the stock trades at 28.9x/24.4x its FY2023E/FY2024E EPS, respectively, which is below the historical long-term average multiple. Improved earning visibility and strengthening balance sheet makes it one of the best plays in the pharmaceutical space. We maintain a Buy recommendation on the stock with an upwardly revised PT of Rs. 1,300.

Key Risks

1) Regulatory compliance risks including delay in product approvals; 2) Currency risk; and 3) Delay in resolution of USFDA observations at the Halol plant.

Valuation (Consolidated)

Particulars	FY21	FY22	FY23E	FY24E	FY25E
Net sales	33498.1	38654.5	43383.9	48867.8	55267.1
EBITDA Margin (%)	25.35	26.90	27.95	28.70	29.60
Adj. PAT	6801.1	7839.5	8728.4	10350.3	12333.9
EPS (Rs)	28.3	32.7	36.4	43.1	51.4
PER (x)	37.1	32.2	28.9	24.4	20.5
EV/Ebitda (x)	29.5	23.9	18.7	15.4	12.4
ROCE (%)	12.7	17.3	16.8	17.2	17.7
RONW (%)	14.6	16.3	15.5	15.7	15.9

Source: Company; Sharekhan estimates

Strong Q2 - Revenue in line; better margins led to strong PAT growth

Sales at Rs. 10,952.3 crore grew strongly by 13.8% y-o-y driven by a strong 27.5% y-o-y growth in the global specialty sales driven by Ilumya, Cequa and Winlevi. Domestic business grew by 8.5% y-o-y while the US business staged a 14.1% y-o-y growth. Emerging markets grew by 6.7% y-o-y, while RoW declined by 3.8% y-o-y, impacted by adverse currency movements. EBITDA margins at 29.2% grew by 109 bps y-o-y, with the growth in EBITDA margin attributable to a 147 bps y-o-y increase in gross margins, marginally mitigated by increase in the other expenses. Operating profit at Rs. 3,198 crore grew by 18.2% y-o-y. R&D investments were at Rs. 571 crore against Rs. 536.4 crore in Q2FY22. Lower interest expenses and lower taxes led to a 17.9% y-o-y growth in the adjusted PAT to Rs. 2,503.7 crore. Forex loss for Q2FY2023 came in at Rs. 241.5 crore compared to a loss of Rs. 76.4 crore in Q2FY2022 due to adverse movement across various currencies. Consequently, reported profit grew by 10.5% y-o-y to Rs. 2,262.2 crore. For H1FY2023, revenue and adjusted PAT grew by 12.2% and 7.3% y-o-y to Rs. 21,714 and 4,418.9 crore, respectively. EBITDA margin declined marginally by 82 bps y-o-y.

Region-wise performance update

India Business – Steady growth on high base of Q2FY2022

India formulations revenues grew by 8.5% y-o-y to Rs. 3,460 crore. Revenue grew by 10.9% y-o-y on a like-to-like basis, excluding COVID product sales of Q2FY2022. India formulation sales accounted for about 32% of total consolidated sales in Q2FY2023. For H1FY2023, sales were at Rs. 6,847.1 crore, up 5.4% y-o-y (up by 11.9% y-o-y on like-to-like basis excluding COVID product sales of H1FY2022). India business continued to witness good growth in its core business across multiple therapy areas in the chronic and the sub-chronic segments in Q2FY2023. The therapies which did well for the company in Q2FY2023 includes CNS, Gastro, gynecology, Urology, Respiratory and ophthalmology. The company continued to outperform the average industry growth which has led to a 0.5% increase in overall market share over 1 year to 8.6%, as per the AIOCD AWACS MAT Sept-2022 report. For Q2FY23, the company launched 34 new products in the Indian market.

US Formulations (including Taro) – Double-digit revenue growth in Q2

US formulation sales (accounting for over 30% of total consolidated sales) reported a y-o-y growth of 14.1% to US\$ 41.2 crore driven by strong performance by Ilumya, Cequa and Winlevi. For H1FY2023, sales were US\$ 83.3 crore, recording a y-o-y growth of 12.4%. With new indication expected in the future, the management expects the current growth of the Ilumya to sustain. Also, with improving access coupled with geographical expansion into other markets, Winlevi is expected to continue to grow. The US generic business has recorded growth on a year-on-year basis driven by a combination of new launches, market share gains for existing products and better supply chain management. For Q2FY2023, the company launched three new generic products in the US.

Emerging markets – Subdued performance impacted by adverse currency movement

Formulation sales in emerging markets were at US\$ 25.9 crore in Q2FY2023, registering a y-o-y growth of 6.7% (cc growth at ~13%) and accounting for about 19% of total consolidated sales. For H1FY2023, sales were US\$ 50.4 crore, up by 9.5% y-o-y. Growth was impacted by adverse currency movements.

Rest of World (RoW) Markets – Revenue down by 3.8% y-o-y in Q2

Rest of World (ROW) formulation revenue, excluding revenue from US and Emerging Markets, declined by 3.8% y-o-y to \$18.1 crore in Q2FY2023 and accounted for ~13% of total consolidated sales. For H1FY2023, sales were \$37.1 crore, marginally lower by 0.6% y-o-y. Performance was impacted by adverse currency movements.

Q2FY2023 Conference Call Highlights:

- ♦ **Weak Q2 for Taro:** Taro Pharma, the US arm of Sun Pharma, reported a net loss of \$0.28 crore compared to a profit of \$2.33 crore in the corresponding quarter last year. Despite the addition of brands, Taro's sales during the quarter remained flat at \$13.05 crore, compared to \$13.2 crore last year. Sales were lower due to continued price erosion, particularly in the US generics business. Taro reported an operating loss of \$0.68 crore during the quarter versus operating profit of \$2.44 crore last year on account of price erosions and the ongoing impact of integrating the recent acquisition Alchemee.
- ♦ **API growth at high single digits in Q2:** For Q2FY2023, external sales of Active Pharmaceutical Ingredients (API) were at Rs. 473 crore, up by 8.5% y-o-y. For H1FY2023, API sales were at Rs. 1,071.7 crore, up by ~13% y-o-y. API business imparts benefits of vertical integration and continuity of supply chain for its formulations business. The management has indicated that the company will continue to focus on increasing API supply for captive consumption for key products.

- ♦ **R&D to gain momentum in H2:** Consolidated R&D investment for Q2FY23 was Rs. 571 crore as compared to Rs. 536.4 crore in Q2FY2022. For H1FY2023, R&D expense was Rs. 1,031.8, crore or 4.8% of sales. The company's R&D efforts span across both specialty and generic businesses, with specialty contributing 22% of R&D spend for the quarter. The management has stated that the company will continue to invest in building the pipeline for various markets including the US, Emerging Markets, RoW Markets and for India. Sun Pharma's specialty R&D pipeline includes four molecules undergoing clinical trials. The company has a comprehensive product offering in the US market consisting of approved ANDAs for 517 products while filings for 92 ANDAs await USFDA approval, including 28 tentative approvals. For Q2FY2023, two approvals were received. Additionally, the portfolio includes 54 approved NDAs while 13 NDAs await USFDA approval. The company's R&D investments have increased q-o-q and the company expects the R&D spend to gain momentum in the coming quarters both for specialty and generic businesses. The management has maintained its guidance of R&D spends at 6-8% of sales for FY2023.
- ♦ **Strong margin expansion in Q2 aided by multiple factors:** Gross margins expanded by 147 bps y-o-y to 75.3% in 2QFY2023, supported by better product mix, benefits from the PLI scheme, and a favorable currency. EBITDA margin expanded by 109 bps y-o-y to 29.2%, largely driven by higher gross margin and lower employee cost (down 46 bps y-o-y as a percentage of sales) but was partially offset by higher other expenses (up 85 bps y-o-y as a percentage of sales).

Results (Consolidated)

Particulars	Q2FY23	Q2FY22	YoY %	Q1FY23	QoQ %
Total sales	10,952.3	9,625.9	13.8	10,761.8	1.8
Expenditure	7,754.3	6,919.6	12.1	8,023.0	-3.4
Operating profit	3,198.0	2,706.3	18.2	2,738.7	16.8
Other Income	85.2	222.9	-61.8	2.1	3882.2
EBITDA	3,283.2	2,929.2	12.1	2,740.9	19.8
Interest	19.4	36.0	-46.1	13.7	41.6
Depreciation	610.0	530.4	15.0	588.0	3.7
PBT	2,653.9	2,362.9	12.3	2,139.2	24.1
Taxes	152.3	197.8	-23.0	189.0	-19.4
Adjusted PAT	2,503.7	2,123.4	17.9	1,915.2	30.7
Exceptional Item	241.5	76.4	-	-145.7	-
Reported PAT	2,262.2	2,047.0	10.5	2,060.9	9.8
EPS	10.4	8.8	17.9	8.0	30.7
			BPS		BPS
GPM %	75.3	73.8	147	73.1	222
EBITDA Margin %	29.2	28.1	109	25.4	375
PATM %	20.7	21.3	-61	19.2	151
Tax rate %	5.7	8.4	-263	8.8	-310

Source: Company, Sharekhan Research

Revenue Mix

Particulars	Q2FY23	Q2FY22	y-o-y %	Q1FY23	q-o-q %
Formulations	10,265.8	9,058.2	13.3	9,989.6	2.8
India	3,460.0	3,187.8	8.5	3,387.1	2.2
US	3,291.3	2,677.3	22.9	3,243.7	1.5
Emerging Market	2,070.4	1,800.5	15.0	1,891.0	9.5
ROW	1,444.1	1,392.6	3.7	1,467.8	-1.6
API	473.0	435.8	8.5	598.7	-21.0
Others	70.4	62.7	12.4	55.5	26.9
Total	10,809.2	9,556.7	13.1	10,643.8	1.6
Other Op Inc	143.1	69.2	106.8	117.8	21.5
Total Sales	10,952.3	9,625.9	13.8	10,761.6	1.8

Source: Company, Sharekhan Research

Outlook and Valuation

■ Sector view - Healthy growth momentum to sustain

Indian pharmaceutical companies are better placed to harness opportunities and post healthy growth going ahead. They are among the most competitive ones globally and hold a sizeable market share in most developed as well as other markets. Moreover, factors such as easing of pricing pressures (especially in the US generics market), rise in product approvals, plant resolutions by the USFDA, strong growth prospects in domestic markets, and emerging opportunities in the API space would be key growth drivers. This would be complemented by strong capabilities developed by Indian companies (leading to a shift towards complex molecules and biosimilars) and commissioning of expanded capacities by select players over the medium term. Collectively, this points towards a strong growth potential going ahead for pharmaceutical companies.

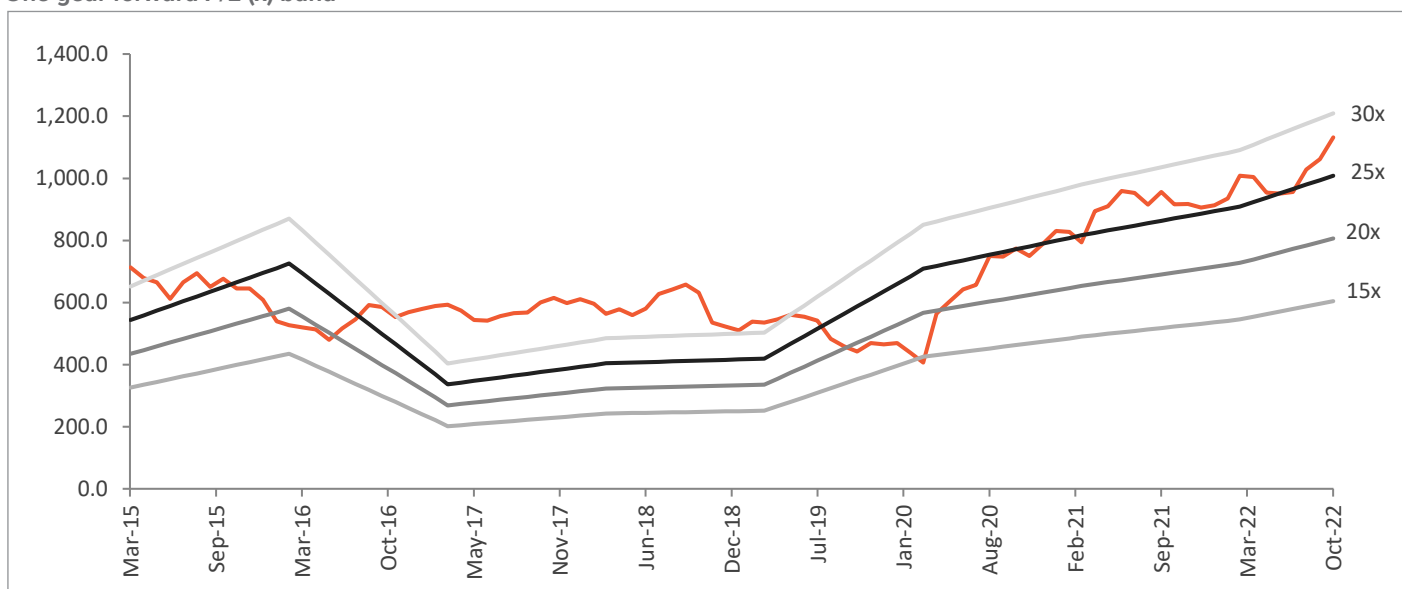
■ Company outlook - Strong growth prospects

Sun Pharma, a global pharmaceutical company, is present across a broad spectrum of chronic and acute therapies, which include generics, branded generics, and complex drugs. India and the US are key markets for the company and constitute around 60% of the total topline. Sun Pharma's US business is on the path to improvement, largely backed by marked improvement in the specialty portfolio due to growth in existing geographies as well as tapping new geographies and product portfolio expansion/launches. This coupled with a strong product pipeline, which would unfold going ahead, would be the key growth driver for the US business. Domestic formulations are on a strong footing as the chronic portfolio has reported healthy growth. The acute therapies portfolio has also gathered traction and is expected to sustain the strong growth traction. The management expects the domestic formulations business to continue its strong growth on account of new launches, growth in existing business, and field force productivity improvement, and aims to outpace the industry's growth. Therefore, improved outlook across both key geographies, India and US, and increasing penetration in other geographies would drive growth for Sun Pharma.

■ Valuation - Retain Buy with a revised PT of Rs. 1,300

Sun Pharma's key geographies, US and India, are witnessing improved traction. Growth in the US business would be driven by sustained strong growth in the specialty business and traction from product launches and steady growth in US generics, while strong growth across therapies and field-force expansion would drive India sales. Margins are likely to remain higher on back of higher contribution from specialty business. At CMP, the stock trades at 28.9x/24.4x its FY2023E/FY2024E EPS, respectively, which is below the historical long-term average multiple. Improved earning visibility and strengthening balance sheet makes it one of the best plays in the pharmaceutical space. We maintain a Buy recommendation on the stock with an upwardly revised PT of Rs. 1,300.

One-year forward P/E (x) band



Source: Sharekhan Research

Peer Comparison

Companies	CMP (Rs / Share)	O/S Shares (Cr)	MCAP (Rs Cr)	P/E (x)			EV / EBITDA (x)			RoE (%)		
				FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
Sun Pharma	1,051.8	239.9	252,350.1	32.2	28.9	24.4	23.9	18.7	15.4	16.3	15.5	15.7
Torrent Pharma	1691.9	33.8	57,261.6	45.6	40.9	33.9	25.2	22.0	18.3	21.1	21.8	22.9
Cipla	1,159.3	80.7	93,551.7	34.1	30.1	23.7	20.3	18.3	14.7	14.6	13.9	15.4

Source: Company, Sharekhan Research

About company

Sun Pharma is the fourth largest specialty generic pharmaceutical company in the world. Founded in 1983, Sun Pharma has grown to become India's largest pharmaceutical company with global revenue of over \$4 billion. The company manufactures and markets a large basket of pharmaceutical formulations, covering a broad spectrum of chronic and acute therapies, which include generics, branded generics, complex or difficult-to-make technology-intensive products, over-the-counter (OTC) products, anti-retroviral (ARVs), APIs, and intermediates. The company's global presence is supported by over 40 manufacturing facilities. India and the US are predominant markets, accounting for nearly 65% of revenue.

Investment theme

Sun Pharma is a leading pharmaceutical company present across a broad spectrum of chronic and acute therapies, which include generics, branded generics, and complex drugs. India and US are the key markets for the company and constitute around 60% of the total topline. Outlook for the US business has improved on account of a likely revival in the US specialty business coupled with a strong product pipeline, which would unfold going ahead and would be the key growth driver for the US business. Moreover, price erosion is largely stable in the US generic business. Domestic formulations are on a strong footing as the chronic portfolio (50% of India sales) has reported healthy growth. The acute portion of the portfolio was impacted, but now has revived. Management sees the domestic formulations business to sustain the strong growth momentum and outpace the industry's growth. While driven by the specialty segment's sales, the US business also has healthy growth prospects.

Key Risks

1) Regulatory compliance risk; 2) Delay in product approvals; 3) Currency risk; 4) Worsening of corporate governance issues; and 5) Negative outcome of ongoing litigations in the US with regards to price collusion.

Additional Data

Key management personnel

Israel Makov	Chairman
Dilip S. Shanghvi	Managing Director
Abhay Gandhi	CEO, North America
Kirti Ganorkar	CEO, India
C. S. Muralidharan	Chief Financial Officer
Anoop Deshpande	Company Secretary & Compliance Officer

Source: BSE; Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Life Insurance Corp India	5.02
2	ICICI Prudential AMC	2.81
3	SBI Funds Management	2.44
4	Vanguard Group Inc	1.5
5	BlackRock Inc	1.33
6	Lakshdeep Investments and Finance	1.18
7	Mirae Asset Global Investments	0.86
8	Nippon Life India AMC	0.84
9	HDFC AMC	0.82
10	Norges Bank	0.81

Source: Bloomberg

Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.

Understanding the Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Sharekhan Research

Know more about our products and services

For Private Circulation only

Disclaimer: This document has been prepared by Sharekhan Ltd. (SHAREKHAN) and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation and any review, retransmission, or any other use is strictly prohibited. This Document is subject to changes without prior notice. This document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. SHAREKHAN will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable and SHAREKHAN has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on reasonable basis, SHAREKHAN, its subsidiaries and associated companies, their directors and employees ("SHAREKHAN and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent SHAREKHAN and affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Sharekhan may have issued other reports that are inconsistent with and reach different conclusions from the information presented in this report.

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 SHAREKHAN 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.

The analyst certifies that the analyst has not dealt or traded directly or indirectly in securities of the company and that all of the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of SHAREKHAN. The analyst and SHAREKHAN further certifies that neither he or his relatives or Sharekhan associates has any direct or indirect financial interest nor have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report nor have any material conflict of interest nor has served as officer, director or employee or engaged in market making activity of the company. Further, the analyst has also not been a part of the team which has managed or co-managed the public offerings of the company and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Limited or its associates or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from third party in the past twelve months in connection with the research report.

Either, SHAREKHAN or its affiliates or its directors or employees / representatives / clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. SHAREKHAN may from time to time solicit from, or perform investment banking, or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall SHAREKHAN, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Compliance Officer: Ms. Binkle Oza; Tel: 022-61150000; email id: compliance@sharekhan.com;

For any queries or grievances kindly email igc@sharekhan.com or contact: myaccount@sharekhan.com.

Registered Office: Sharekhan Limited, The Ruby, 18th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, INDIA, Tel: 022 - 67502000/ Fax: 022 - 24327343. Sharekhan Ltd.: SEBI Regn. Nos.: BSE / NSE / MSEI (CASH / F&O/ CD) / MCX - Commodity: INZ000171337; DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669; Research Analyst: INH000006183.

Disclaimer: Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com; Investment in securities market are subject to market risks, read all the related documents carefully before investing.