

27 July 2023

India | Equity research | Q1FY2024 result review

Cipla

Pharma

Margin accretion story unfolding...

Cipla's Q1FY24 performance was a beat on all fronts, driven primarily by swift uptick in the core markets of India (up 12%) and US (up ~9% QoQ). gRevlimid continues to be an important product in the US, though traction in Q1 was driven by volume growth in the base portfolio. Launch timeline of gAbraxane and gAdvair in FY25 remains unchanged, though gAdvair may be launched earlier if Indore facility status is not escalated to an 'official action indicated' (OAI). In India, MR addition in branded generics and strong position in trade generics and consumer health will likely drive 10% growth over FY23-FY25E for Cipla. Management has raised its FY24 margin guidance by 100bps to 23%. We raise our FY24E and FY25E EPS by 6.7% and 4.4% respectively. Maintain **BUY** while we raise the target price to INR 1,300, valuing the company at 23x FY25E earnings.

US and India outperformance drives beat

Revenues grew 17.7% YoY to INR 63.3bn (I-Sec: INR 60.3bn) driven by strong traction in the US markets and India. Gross margin expanded by 232bps YoY (+61bps QoQ) led by new launches in the US and product mix improvement. EBITDA margin expanded 233bps YoY to 23.6% (I-Sec: 22.4%) on the back of product mix improvement. Adjusted PAT was up 45.1% YoY to INR 10bn (I-Sec: INR 8.2bn).

FY24 margin guidance raised to 23%

Domestic revenues grew 11.6% YoY to INR 27.7bn with branded / trade generics / consumer health growing at 11% / 8% / 16% respectively. Strong traction in chronic therapies and presence in high-growth areas of trade generics and consumer health should aid growth going forward. Cipla added 200 MRs in India in Q1FY24 and will add 150-200 more in Q2. We believe the company's India business will grow at 10% over FY23-FY25E. US continues to touch newer highs – revenues were up 8.8% QoQ to USD 222mn, driven by market share gains in Lanreotide and volume growth in the base portfolio. Favourable macro-environment (drug shortages and favourable competitive dynamics) and attractive product pipeline is likely to ensure that the momentum is maintained ahead. We expect US business to register a CAGR of 20% over FY23-FY25E to USD 1bn. South Africa (including Global Access) business declined 5.1% YoY (-10.1% QoQ) to INR 7.5bn.

Financial summary

Y/E (INR mn)	FY22A	FY23A	FY24E	FY25E
Net Revenue	2,16,234	2,24,732	2,52,967	2,83,798
EBITDA	45,528	50,270	60,508	71,352
EBITDA Margin (%)	20.9	22.1	23.7	24.9
Net Profit	26,502	29,300	37,783	45,163
EPS (Rs)	32.9	36.4	46.9	56.1
EPS % Chg YoY	10.2	10.6	29.0	19.5
P/E (x)	32.5	29.4	22.8	19.0
EV/EBITDA (x)	18.1	16.2	12.9	10.6
RoCE (%)	13.2	13.3	15.2	15.9
RoE (%)	12.7	12.5	14.2	14.8

Abdulkader Puranwala

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

Rohan John

rohan.john@icicisecurities.com

Market Data

Market Cap (INR)	863bn
Market Cap (USD)	10,517mn
Bloomberg Code	CIPLA IN
Reuters Code	CIPL.BO
52-week Range (INR)	1,185 / 852
Free Float (%)	66.0
ADTV-3M (mn) (USD)	21

Price Performance (%)	3m	6m	12m
Absolute	18.2	4.0	13.3
Relative to Sensex	11.4	11.8	22.2

ESG Disclosure	2021	2022	Change
ESG score	64.3	63.6	(0.7)
Environment	44.9	43.2	(1.7)
Social	56.7	56.5	(0.2)
Governance	91.1	91.1	0.0

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: Bloomberg, I-sec research

Earnings Revisions (%)	FY24E	FY25E
Revenue	2.1	2.1
EBITDA	4.4	2.7
EPS	6.7	4.4

Previous Reports

27-04-2023: [Q3FY23 results review](#)

06-11-2022: [Q2FY23 results review](#)

Valuations and risks

Cipla's US business growth in FY24 could have been impacted due to shift in launch timeline of gAbraxane and gAdvair; however, shortages of generic drugs due to bankruptcy of a few companies drove traction in the base portfolio, thereby safeguarding the company's FY24 growth. In India, Cipla is also adding MRs and launching new products across its three business segments to drive market-beating growth. Growth across the core markets also improved its EBITDA margin in Q1 and the favourable product mix is likely to elevate it to ~25% by FY25E.

We increase our revenue estimates by ~2% over FY24E-FY25E to factor-in the healthy US business growth. We also raise our EPS estimates by 4-6% over the same period to account of the improvement in margins and cost efficiencies. Better performance in the key geographies of US and India may aid a revenue CAGR of 12.3% over FY23-FY25E while EBITDA and PAT will likely grow at 19.1% / 24.2% over FY23-FY25E. At CMP of INR 1,069, the stock currently trades at valuations of 22.8x FY24E and 19.0x FY25E earnings and EV/EBITDA multiples of 12.9x FY24E and 10.6x FY25E. Retain **BUY**. Risks: Incremental competition in niche products, delay in facility resolution.

Q1FY24 concall highlights

India

- Branded business grew 11%, driven mainly by traction in chronic therapies. Chronic segment's share stood at 60% in Q1 vs 58% last year.
- Cipla has maintained its market leadership in trade generics. It introduced 23 new products in Q1FY24.
- Consumer business grew 16% and has achieved margins in mid-teens. Seasonality impacted sales of this division.
- In the branded business, it added 200-250 MR in Q1FY24 and will add 150-200 more in Q2. Payback on this addition is likely to happen in 9-12 months.
- New product launches accounted for 2% of sales during the quarter
- Cipla has 10,000 medical representatives in India – of which 75-80% are dedicated for the chronic therapies (including respiratory).
- Trade generics account for 25-30% of Indian pharma market.

US generics

- Albuterol market share had dropped in Q4 and has now stabilised. Revenues from this product declined to some extent in Q1 and is now stable.
- Lanreotide market share increased to 18% vs 17% in Q4FY23.
- gRevlimid was not a major driver of sequential growth.
- Company is targeting launch of 4-5 peptide products in next 2 years. Peptides are filed from third-party sites and there is no dependence on Goa for any major launches ahead.
- Symbicort will be filed in Q4FY24.
- Three differentiated products are undergoing clinical trials, with filings targeted in FY24 and FY25.
- Cipla is awaiting classification of Indore by the USFDA. Company has initiated CAPA as per form 483.
- Goa facility is likely to be inspected in H2FY24.

- Advair is transferred to an in-house facility and does not expect any other player to get an approval before Cipla. It may file a major amendment in ANDA because of site transfer; approval will likely take less than 8 months. Launch timeline is FY24 if Indore is cleared and FY25 if approval will come from new site.
- Abraxane has also been filed from a CMO site. Launch is expected by FY25. Teva was the first filer in this product and has got an approval.
- Supply-chain rebalancing is happening in the US due to exit of a few players. Incremental volume share is getting distributed among many players.
- Cipla is not witnessing any increase in prices of products that are in shortage in the US.
- US quarterly run-rate ahead is expected to be USD 210mn-215mn.
- Company is targeting to file 15 products in the US and launch 10 products every year.

Guidance

- Capex at INR 10-15bn in FY24
- Management has raised FY24 margin guidance to 23% (22% earlier).
- M&A focus would be towards market share and ranking improvement in India and South Africa. Cipla may also evaluate candidates in the US, which would add niche capabilities.

Exhibit 1: Q1 result review

Y/E Mar (INR mn)	Q1FY24	Q1FY23	YoY(%)	Q4FY23	QoQ (%)	FY23	FY22	YoY(%)
Net Sales	63,289	53,752	17.7	57,393	10.3	2,27,531	2,17,633	4.5
Gross Profit	40,921	33,508	22.1	36,759	11.3	1,45,008	1,32,677	9.3
Gross Margins (%)	64.7	62.3	231.9	64.0	60.8	63.7	61.0	276.8
EBITDA	14,939	11,434	30.7	11,737	27.3	50,270	45,528	10.4
EBITDA Margins (%)	23.6	21.3	233.4	20.5	315.4	22.1	20.9	117.4
Other Income	1,363	1,034	31.8	1,346	1.2	4,755	2,809	69.3
Interest	164	178	(8.0)	344	(52.3)	1,095	1,064	3.0
Depreciation	2,392	2,544	(6.0)	3,462	(30.9)	11,721	10,520	11.4
PBT	13,746	9,746	41.0	9,278	48.2	42,208	36,754	14.8
Tax	3,780	2,680	41.1	2,223	70.1	12,029	9,338	28.8
Tax Rate (%)	27.5	27.5	0.1	24.0	354.6	28.5	25.4	309.1
PAT	9,966	7,066	41.0	7,055	41.3	30,180	27,416	10.1
Minority Interest	(9)	(202)	(95.6)	25	(134.8)	(336)	(427)	(21.4)
Adjusted Net Income	9,957	6,864	45.1	7,081	40.6	29,844	26,989	10.6
NPM (%)	15.7	12.8	296.3	12.3	339.5	13.1	12.4	71.5

Source: Company data, I-Sec research

Exhibit 2: Segmental breakup

INR mn	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	% YoY	% QoQ
Domestic business	27,100	24,160	25,180	21,830	24,830	25,630	25,630	22,590	27,720	11.6	22.7
Exports	24,570	28,700	27,540	28,940	27,070	30,620	30,420	32,930	33,490	23.7	1.7
North America	10,380	10,550	11,240	12,090	11,990	14,320	16,000	16,770	18,220	52.0	8.6
SAGA	8,370	9,940	8,920	9,530	7,880	8,670	6,800	8,320	7,480	(5.1)	(10.1)
International markets	5,820	8,210	7,380	7,320	7,200	7,630	7,620	7,840	7,790	8.2	(0.6)
API	3,020	1,720	1,500	1,370	1,350	1,530	1,470	1,330	1,360	0.7	2.3
Others	360	620	560	460	510	510	580	530	710	39.2	34.0
Total	55,050	55,200	54,780	52,600	53,760	58,290	58,100	57,380	63,280	17.7	10.3

Source: Company data, I-Sec research

Exhibit 3: Brand-wise breakdown

Brands	Therapy	Q1FY23	Q1FY24	YoY (%)	Q4FY23	QoQ (%)	FY22	FY23	YoY (%)
Foracort	Respiratory	1,571	1,957	24.6	2,014	-2.8	5,947	7,218	21.4
Duolin	Respiratory	869	974	12.0	1,327	-26.6	3,853	4,561	18.4
Budecort	Respiratory	648	821	26.6	1,233	-33.4	3,241	4,114	27.0
Seroflo	Respiratory	851	699	-17.9	812	-14.0	3,115	3,416	9.7
Montair-LC	Respiratory	529	566	7.0	804	-29.6	2,486	2,841	14.3
Asthalin	Respiratory	596	604	1.4	724	-16.5	2,383	2,802	17.6
Azee	Anti-Infectives	425	447	5.2	639	-30.0	2,563	2,455	-4.2
Dytor	Cardiac	567	663	16.9	593	11.7	1,992	2,295	15.3
Aerocort	Respiratory	458	510	11.3	524	-2.6	1,977	2,060	4.2
Galvus Met	Anti Diabetic	562	552	-1.8	521	6.0	2,193	2,121	-3.3

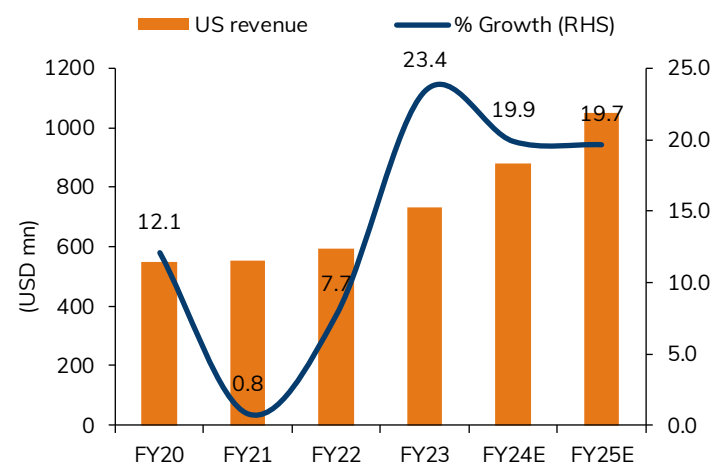
Source: IQVIA

Exhibit 4: Therapy-wise breakdown

SUPERGROUP	Q1FY23	Q1FY24	YoY (%)	Q4FY23	QoQ (%)	FY22	FY23	YoY (%)
Respiratory	8,093	9,056	11.9	11,119	-18.6	36,162	40,272	11.4
Anti-Infectives	3,328	3,593	7.9	4,010	-10.4	15,120	15,893	5.1
Cardiac	2,936	3,280	11.7	3,054	7.4	10,928	11,991	9.7
Anti Diabetic	1,684	1,636	-2.8	1,557	5.1	6,336	6,534	3.1
Gastro Intestinal	1,740	1,652	-5.0	1,475	12.0	5,589	6,463	15.6
Urology	1,228	1,324	7.8	1,193	10.9	4,713	4,860	3.1
Pain / Analgesics	922	1,059	14.9	1,005	5.4	3,316	4,078	23.0
Derma	763	920	20.6	849	8.3	3,250	3,410	4.9
Neuro / CNS	840	923	9.8	843	9.5	3,197	3,442	7.7
Antiviral	707	824	16.7	773	6.7	4,975	3,182	-36.1

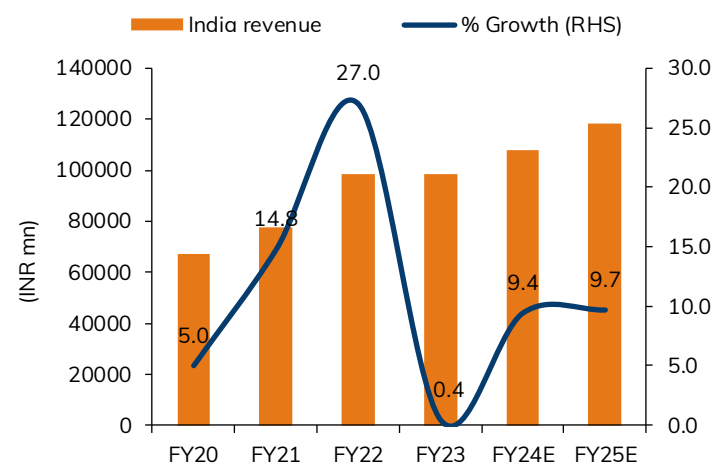
Source: IQVIA

Exhibit 5: Advair and complex launches likely to aid growth in the US



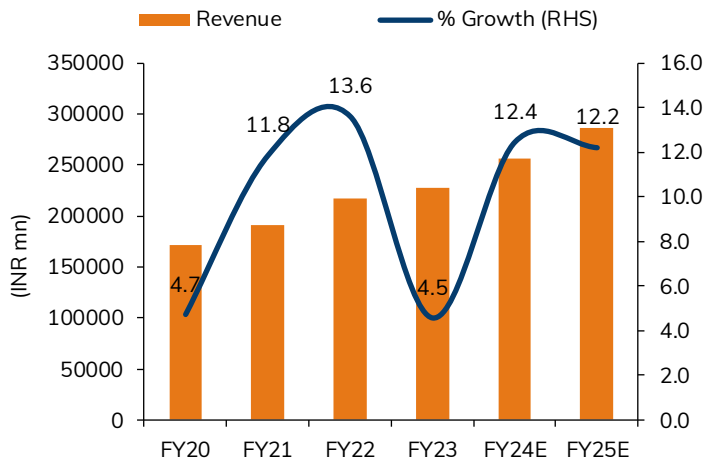
Source: Company data, I-Sec research

Exhibit 6: India revenues to be driven by healthy volume- and price-led growth



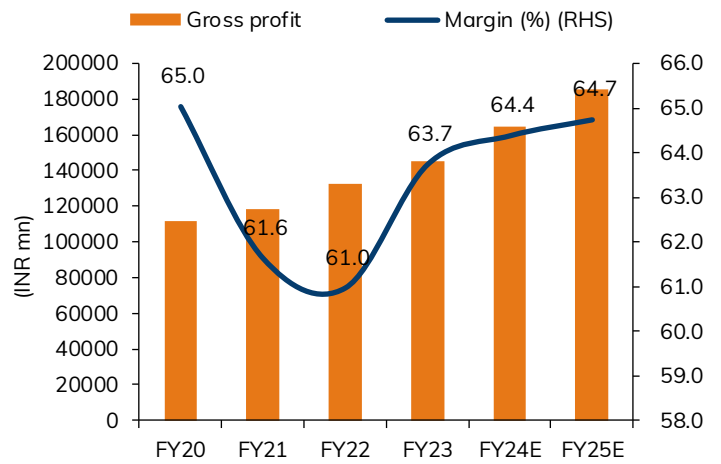
Source: Company data, I-Sec research

Exhibit 7: Revenue CAGR expected at 12.3% over FY23-FY25E



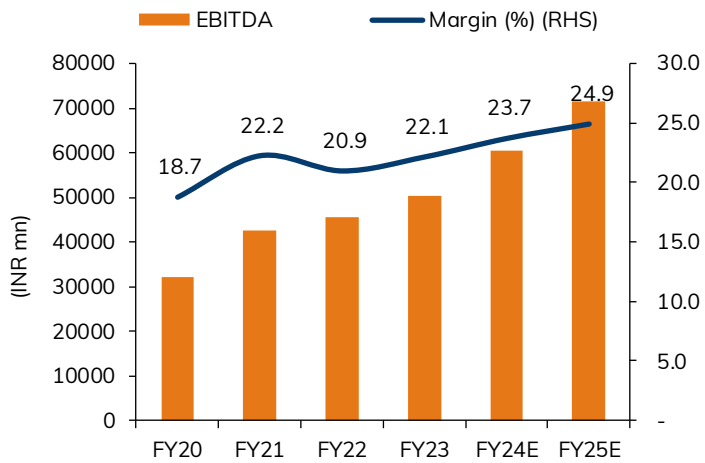
Source: Company data, I-Sec research

Exhibit 8: Gross margins to improve with improved product mix



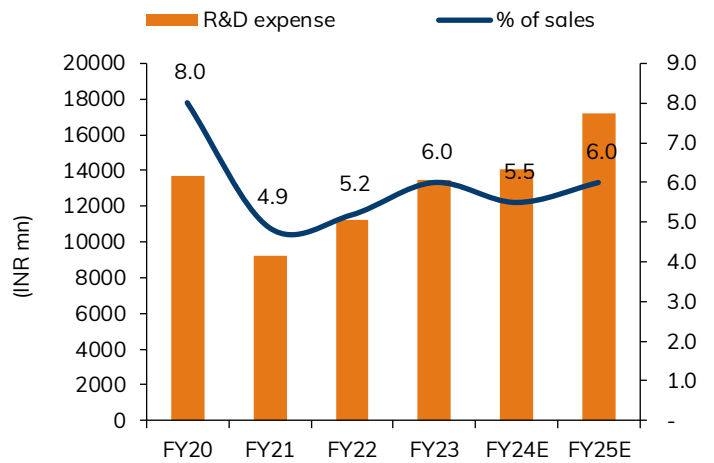
Source: Company data, I-Sec research

Exhibit 9: EBITDA margins to expand 280bps with controlled costs and healthy domestic growth



Source: Company data, I-Sec research

Exhibit 10: R&D expenses to remain at ~6% of sales



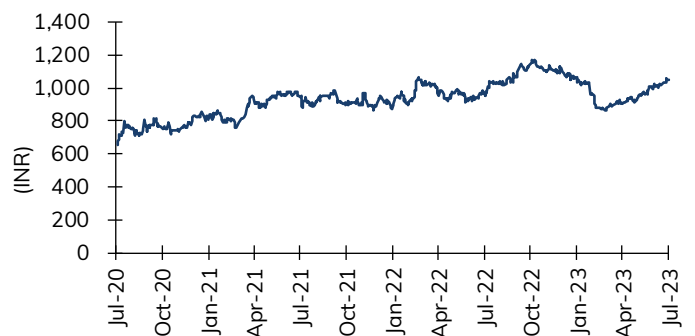
Source: Company data, I-Sec research

Exhibit 11: Shareholding pattern

%	Dec'22	Mar'23	Jun'23
Promoters	33.6	33.6	33.5
Institutional investors	49.5	49.5	49.8
MFs and others	14.1	15.0	15.4
Insurance Cos	6.8	6.7	6.3
FIIIs	28.6	27.8	28.1
Others	16.9	16.9	16.7

Source: Bloomberg, I-Sec research

Exhibit 12: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 13: Profit & Loss

(INR mn, year ending)

	FY22A	FY23A	FY24E	FY25E
Net Sales	2,16,234	2,24,732	2,52,967	2,83,798
Operating Expenses	87,150	94,739	1,04,179	1,14,433
EBITDA	45,528	50,270	60,508	71,352
EBITDA Margin (%)	20.9	22.1	23.7	24.9
Depreciation & Amortization	10,520	11,721	11,055	11,955
EBIT	35,008	38,549	49,453	59,397
Interest expenditure	1,064	1,095	1,095	1,095
Other Non-operating Income	2,809	4,755	4,585	4,891
Recurring PBT	36,754	42,208	52,943	63,193
Profit / (Loss) from Associates	(128)	(26)	(26)	(26)
Less: Taxes	9,338	12,029	14,824	17,694
PAT	25,595	28,356	38,119	45,499
Less: Minority Interest	(299)	(310)	(310)	(310)
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	25,467	28,330	38,093	45,473
Net Income (Adjusted)	26,502	29,300	37,783	45,163

Source Company data, I-Sec research

Exhibit 14: Balance sheet

(INR mn, year ending)

	FY22A	FY23A	FY24E	FY25E
Total Current Assets	1,25,326	1,41,851	1,71,422	2,12,451
of which cash & cash eqv.	19,285	15,646	47,998	74,955
Total Current Liabilities & Provisions	45,053	45,893	46,473	49,514
Net Current Assets	80,273	95,958	1,24,950	1,62,937
Investments	26,120	37,222	37,222	37,222
Net Fixed Assets	51,644	49,908	47,403	48,465
ROU Assets	-	-	-	-
Capital Work-in-Progress	7,662	10,933	10,933	10,933
Total Intangible Assets	44,575	41,099	43,376	42,359
Other assets	2,189	2,582	2,582	2,582
Deferred Tax assests	4,488	4,565	4,565	4,565
Total Assets	2,25,958	2,48,740	2,81,687	3,21,018
Liabilities				
Borrowings	8,241	5,204	5,204	5,204
Deferred Tax Liability	2,440	1,633	1,633	1,633
provisions	1,002	1,022	1,186	1,330
other Liabilities	3,101	3,746	3,746	3,746
Equity Share Capital	1,614	1,614	1,614	1,614
Reserves & Surplus	2,06,803	2,32,464	2,65,247	3,04,433
Total Net Worth	2,08,417	2,34,078	2,66,861	3,06,047
Minority Interest	2,757	3,058	3,058	3,058
Total Liabilities	2,25,958	2,48,740	2,81,687	3,21,018

Source Company data, I-Sec research

Exhibit 15: Cashflow statement

(INR mn, year ending)

	FY22A	FY23A	FY24E	FY25E
Operating Cashflow	23,683	27,878	54,182	51,935
Working Capital Changes	12,988	16,518	659	12,185
Capital Commitments	10,774	9,780	10,828	12,000
Free Cashflow	12,909	18,098	43,354	39,935
Other investing cashflow	(914)	8,949	-	-
Cashflow from Investing Activities	(9,860)	(18,729)	(10,828)	(12,000)
Issue of Share Capital	1	1	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	(7,133)	(3,038)	-	-
Dividend paid	(3,182)	(3,330)	(3,708)	(5,000)
Others	5,540	4,978	2,508	3,129
Cash flow from Financing Activities	(4,775)	(1,390)	(1,200)	(1,871)
Chg. in Cash & Bank balance	9,049	7,760	42,154	38,064

Source Company data, I-Sec research

Exhibit 16: Key ratios

(Year ending)

	FY22A	FY23A	FY24E	FY25E
Per Share Data (INR)				
Reported EPS	32.9	36.4	46.9	56.1
Adjusted EPS (Diluted)	32.9	36.4	46.9	56.1
Cash EPS	46.0	50.9	60.7	70.9
Dividend per share (DPS)	4.0	4.1	4.6	6.2
Book Value per share (BV)	258.9	290.7	331.4	380.1
Dividend Payout (%)	12.0	11.4	9.8	11.1
Growth (%)				
Net Sales	13.9	3.9	12.6	12.2
EBITDA	7.1	10.4	20.4	17.9
EPS (INR)	10.2	10.6	29.0	19.5
Valuation Ratios (x)				
P/E	32.5	29.4	22.8	19.0
P/CEPS	23.2	21.0	17.6	15.1
P/BV	4.1	3.7	3.2	2.8
EV / EBITDA	18.1	16.2	12.9	10.6
P / Sales	4.0	3.8	3.4	3.0
Operating Ratios				
Gross Profit Margins (%)	61.0	63.7	64.4	64.7
EBITDA Margins (%)	20.9	22.1	23.7	24.9
Effective Tax Rate (%)	26.7	29.8	28.0	28.0
Net Profit Margins (%)	11.8	12.5	14.9	15.9
Net Debt / Equity (x)	(0.2)	(0.2)	(0.3)	(0.3)
Net Debt / EBITDA (x)	(0.8)	(0.9)	(1.3)	(1.5)
Profitability Ratios				
RoCE (%)	13.2	13.3	15.2	15.9
RoE (%)	12.7	12.5	14.2	14.8
RoC (%)	15.4	14.9	18.8	21.8
Fixed Asset Turnover (x)	4.3	4.5	5.3	6.0
Inventory Turnover Days	95	85	93	92
Receivables Days	61	67	61	60
Payables Days	45	40	37	36

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; Rohan John, 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 an 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
