

Estimate change 

TP change 

Rating change 

CMP: INR1,141

TP: INR1,310 (+15%)

Buy

Niche US launches/EM led improved profitability

Clinical progress to drive R&D expense on specialty portfolio

- Sun Pharma (SUNP) delivered better-than-expected operating performance in 1QFY24. The steady traction in specialty sales, higher US generics sales and controlled opex led to 12% beat on EBITDA. The R&D expense is likely to pick-up over the coming quarter due to progress in major clinical programs.
- We raise our earnings estimates by 3.4%/5.0% for FY24/FY25 to factor in: a) better off-take in the US generics, and b) improved profitability. We value SUNP at 26x 12M forward earnings to arrive at our TP of INR1,310.
- We remain positive on SUNP backed by its: a) robust innovative products franchise targeted for global markets and b) superior execution in branded generics markets. **Reiterate BUY.**

Better product mix drives margin YoY/QoQ

- SUNP's 1QFY24 sales rose 11% YoY to INR118b (in line).
- The US sales grew 12% YoY to USD471m (33% of sales). DF sales rose 5% YoY to INR35.6b (30% of sales). EM sales increased 6.5% YoY to USD261m (18% of sales). ROW sales grew 2.7% YoY to USD195m (14% of sales). Global specialty sales jumped 21.5% YoY to USD232m during the quarter.
- GM expanded 380bp YoY to 76.6%, due to better product mix.
- R&D cost was at INR6.8b, forming 5.8% as a % of sales.
- EBITDA margin expanded 230bp YoY to 26.9% (our estimate: 23.8%), fueled by better GM and lower other expenses (down 80bp YoY as a % of sales). However, some of this benefit was offset by higher staff cost (up 90bp YoY as a % of sales). R&D cost was up 140bp YoY as a % of sales.
- EBITDA rose 21% YoY to INR31.7b (our est.: INR28.4b) in 1QFY24.
- There was an exceptional item related to: a) impairment charge (INR1.5b), b) forex loss of INR1.2b and c) impact of planned relocation of Alchemee operation (INR507m) during the quarter.
- Adjusting for this, PAT was up 19% YoY to INR22.8b (our est: INR22b) due to higher tax rate of 16.7% (vs. 8.8% in 1QFY23).

Highlights from the management commentary

- Guidance maintained for R&D expense (as a % of sales) at 7-8% for FY24.
- SUNP has taken steps to accelerate phase III trials for Ilumya in terms of enrolments of patients.
- The seasonality related to levulan affected specialty sales adversely to some extent for the quarter.
- SUNP did not witness any adverse impact of Humira biosimilar on Ilumya.
- SUNP would be starting phase II trials for GL0034 shortly.




SAVE THE DATE

21st Aug - 25th Aug, 2023

Witness the unfolding of our grandeur event, as the curtain rises!

INDIA RISING | NATION ON THE MOVE

Bloomberg	SUNP IN
Equity Shares (m)	2399
M.Cap.(INRb)/(USDb)	2737.2 / 33.1
52-Week Range (INR)	1170 / 856
1, 6, 12 Rel. Per (%)	10/2/16
12M Avg Val (INR M)	2564

Financials & valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Sales	432.3	490.0	546.5
EBITDA	111.1	129.6	149.2
Adj. PAT	86.1	97.2	113.4
EBIT Margin (%)	19.9	21.1	22.1
Cons. Adj. EPS (INR)	35.8	40.4	47.1
EPS Gr. (%)	14.4	13.0	16.7
BV/Sh. (INR)	232.7	266.2	306.6
Ratios			
Net D:E	0.02	-0.03	-0.13
RoE (%)	16.6	16.2	16.5
RoCE (%)	11.5	12.5	13.5
Payout (%)	12.5	14.2	14.2

Valuations

P/E (x)	31.9	28.2	24.2
EV/EBITDA (x)	24.2	20.6	17.4
Div. Yield (%)	0.3	0.4	0.5
FCF Yield (%)	-1.5	1.7	3.4
EV/Sales (x)	6.2	5.4	4.7

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	54.5	54.5	54.5
DII	19.8	19.3	19.7
FII	16.5	16.9	15.0
Others	9.3	9.4	10.9

FII Includes depository receipts

Tushar Manudhane - Research Analyst (Tushar.Manudhane@MotilalOswal.com)

Research Analyst: Sumit Gupta (Sumit.G@MotilalOswal.com) | **Akash Dobhada** (Akash.Dobhada@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Var %
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		4QE		
Net Revenues	106.4	108.1	110.0	106.7	117.9	120.1	123.1	129.0	432.3	490.0	119.6	-0.8
YoY Change (%)	10.1	14.0	12.1	13.7	10.7	11.1	12.0	20.9	12.7	13.4	12.4	
Total Expenditure	80.2	77.5	82.3	81.0	86.1	89.8	91.5	93.0	321.1	360.5	88.7	
EBITDA	26.2	30.5	27.6	25.7	31.7	30.3	31.6	35.9	111.1	129.6	30.9	12.3
YoY Change (%)	-2.6	19.2	7.6	21.2	21.1	-0.9	14.5	39.8	11.8	16.6	18.0	
Margins (%)	24.6	28.3	25.1	24.1	26.9	25.2	25.7	27.8	25.7	26.4	25.9	
Depreciation	5.9	6.1	6.6	6.7	6.5	6.6	6.6	6.7	25.3	26.4	6.2	
EBIT	20.3	24.5	21.0	19.0	25.2	23.7	25.0	29.2	85.8	103.2	24.7	
YoY Change (%)	-7.1	20.3	4.4	21.4	24.1	-3.1	19.1	54.1	10.1	20.2	21.5	
Interest	0.1	0.2	0.5	0.9	0.8	0.8	0.8	0.9	1.7	3.3	0.2	
Net Other Income	1.2	2.3	3.1	5.8	3.6	3.8	4.0	3.9	12.4	15.3	3.1	
PBT before EO Exp	21.4	26.5	23.7	23.8	28.0	26.7	28.2	32.3	96.5	115.2	27.6	12.8
Less: EO Exp/(Inc)	-1.5	2.4	-1.0	1.4	3.2	0.0	0.0	0.0	1.4	3.2	0.0	
PBT	22.8	24.1	24.7	22.4	24.8	26.7	28.2	32.3	95.2	112.0	27.6	
Tax	1.9	1.5	2.8	2.2	4.7	2.9	3.2	2.6	8.5	13.4	3.3	
Rate (%)	8.8	5.7	11.9	9.4	16.7	11.0	11.2	8.1	8.8	11.6	12.0	
PAT (pre Minority Interest)	21.0	22.6	21.9	20.2	20.1	23.7	25.0	29.7	86.7	98.6	24.3	
Minority Interest	0.3	0.0	0.2	0.3	-0.1	0.1	0.2	0.2	-0.9	0.4	0.8	
Reported PAT	20.6	22.6	21.7	19.8	20.2	23.7	24.9	29.5	85.8	98.2	23.5	-7.7
Adj Net Profit*	19.3	24.9	20.8	21.1	22.8	23.7	24.9	25.9	86.1	97.2	23.5	4.2
YoY Change (%)	-3.4	21.5	9.3	33.6	18.5	-4.8	19.7	22.4	14.4	13.0	21.8	
Margins (%)	18.1	23.0	18.9	19.8	19.4	19.7	20.2	20.1	19.8	20.0	19.6	

Key performance Indicators (Consolidated)

Y/E March	FY23E				FY23E				FY23	FY24E	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	
Domestic formulations (INRb)	33.9	34.6	33.9	33.6	35.6	36.7	36.6	38.0	136.0	146.9	36.6
YoY Change (%)	2.4	8.5	7.1	8.7	5.1	6.0	8.0	13.0	6.6	8.0	8.0
US sales (INRb)	32.4	32.9	34.7	35.3	38.7	36.3	37.6	41.3	135.4	153.9	37.5
YoY Change (%)	15.8	22.9	16.6	20.8	19.3	10.4	8.5	16.8	19.0	13.7	15.6
ROW (INRb)	33.6	35.1	36.7	33.9	37.5	39.8	42.2	39.1	139.4	158.5	38.0
YoY Change (%)	13.0	10.1	16.8	17.5	11.6	13.3	14.8	15.1	14.3	13.7	13.1
APIs (INRb)	6.0	4.7	5.2	3.9	5.4	6.6	6.1	7.5	19.7	25.6	7.2
YoY Change (%)	16.3	8.5	9.4	-6.9	-9.9	40.0	18.0	94.0	7.5	29.6	20.0
Cost Break-up											
RM Cost (% of Sales)	27.2	25.1	25.5	21.1	23.4	23.4	23.5	23.2	25.8	23.4	25.8
Staff Cost (% of Sales)	19.5	18.5	18.5	20.4	20.4	20.4	20.3	19.6	19.2	20.4	19.2
R&D Expenses(% of Sales)	4.3	5.3	6.1	6.2	5.8	5.8	7.2	8.0	5.5	5.8	5.5
Other Cost (% of Sales)	24.3	22.9	24.8	28.2	23.5	23.5	23.8	23.5	25.0	23.5	25.0
Gross Margin (%)	72.8	74.9	74.5	78.9	76.6	76.6	76.5	76.8	74.2	76.6	74.2
EBITDA Margin (%)	24.6	28.3	25.1	24.1	26.9	25.2	25.7	25.8	25.5	25.9	25.9
EBIT Margin (%)	19.1	22.6	19.1	17.8	21.4	19.7	20.3	20.4	19.7	20.5	20.6

Key takeaways from the management interaction

- The YoY growth in domestic formulation segment has been hit by increased competition in Sitagliptin and revision in prices of products under NLEM.
- R&D expense for specialty portfolio was 34.5% of overall R&D expense for the quarter.
- The pace of product filings has been hurt by ransom-ware issues in recent past.
- Employee expense has increased 16% YoY due to annual increment and Alchemee consolidation.
- SUNP launched two generic products in the US (ex-Taro).
- Supplies from Mohali are yet to pick up and remained adversely affected by regulatory issues at the site.

Exhibit 1: Taro – financial snapshot

USD M	1QFY24	1QFY23	% YoY	4QFY23	% QoQ
Sales	158.9	156.7	1.4	146.6	8.4
Growth (%)					
Cost of sales (incl Depn)	94.8	75.1	26.3	70.9	33.7
Gross profit	64.1	81.6	-21.5	75.7	-15.3
GP Margin (%)	40.3	52.1	(1,176)bp	51.6	(1,131)bp
Operating expenses:					
R&D	16.1	11.5	40.3	16.3	-1.0
R&D as a % of sales	10.2	7.3		11.1	
SG&A	55.9	56.1	-0.5	50.1	11.5
SG&A as a % of sales	35.2	35.8		34.2	
Operating Profit	-7.9	14.0	NA	9.3	NA
Operating Profit Margin (%)	-5.0	8.9	NA	6.3	NA
EBITDA	-7.9	14.0	-NA	9.3	-NA
EBITDA margin (%)	-5.0	8.9	NA	6.3	NA
Financial expenses	-10.9	-1.9		-8.0	
Extraordinary items incl forex	-2.1	0.3		0.5	
Other income	0.4	0.4		1.1	
PBT	5.4	16.1	-66.1	17.9	-69.6
Taxes	-4.6	2.0		10.9	
Effective tax rate (%)	-84.4	12.3		60.8	
Net income before MI	10.0	14.1	-28.7	7.0	42.8
Minority interest	0.0	0.0		0.0	
Net income (Reported)	10.0	14.1	-28.7	7.0	42.8
Forex fluctuations	2.1	-0.3		-0.5	
Net income (Adjusted)	14.9	14.4	3.7	7.5	98.8

Source: MOFSL, Company

US/EM outperformers; DF/ROW underperformers

Niche portfolio driving robust sales for the US segment

- In 1QFY24, sales of SUNP's global specialty segment grew 22% YoY to USD232m. Illumya, Cequa, and Winlevi contributed to the growth in the US. The company is focusing on increasing the patient enrollment to accelerate Ph-3 trials for Illumya.
- Except for levulan-related seasonality, the specialty portfolio has witnessed steady traction. SUNP is also focusing on adding new geographies for its specialty portfolio.
- The US generics has benefitted partly on the back of g-Revlimid sales. However, the pace of ANDA filings has reduced partly due to ransom-ware issue faced by the company in the recent past. With resolution of this issue, the pace of filing is expected to improve going forward.
- Accordingly, we expect SUNP to register overall US sales CAGR of 11% to USD2b over FY23-FY25.

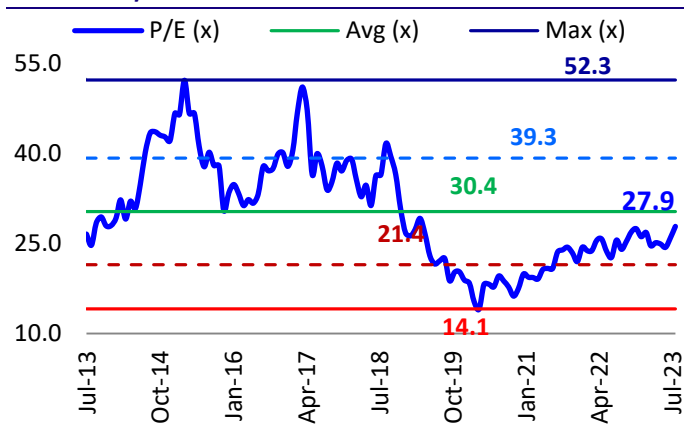
New launches/geographies to boost DF/EM/RoW sales

- In 1QFY24, DF sales increased 5% YoY to INR35.6b. The growth was driven by the top three therapy areas, namely Cardiac, Gastrointestinal (GI) and CNS leading to strong outperformance against the IPM. However, this was offset by a modest performance of Sitagliptin (Anti-Diabetic) product. SUNP launched 10 new products in DF including Cequa.
- We expect the company to exhibit 10% CAGR to INR165b over FY23-25.
- Additionally, the ROW and emerging markets will witness a CAGR of 12% (in CC terms) over FY23-25 to reach USD2.2b. This growth is expected to be driven by factors such as increasing traction in the existing products, increased reach as well as new launches.

Reiterate BUY

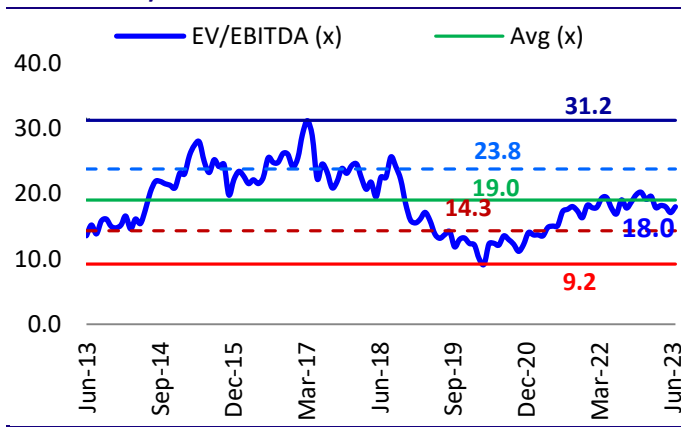
- We raise our earnings estimates by 3.4%/5.0% for FY24/FY25 to factor in: a) better off-take in the US generics, and b) improved profitability. We value SUNP at 26x 12M forward earnings to arrive at our TP of INR1,310.
- We remain positive on SUNP backed by its: a) robust innovative products franchise targeted for global markets and b) superior execution in branded generics markets. **Reiterate BUY.**

Exhibit 2: P/E chart



Source: MOFSL, Company, Bloomberg

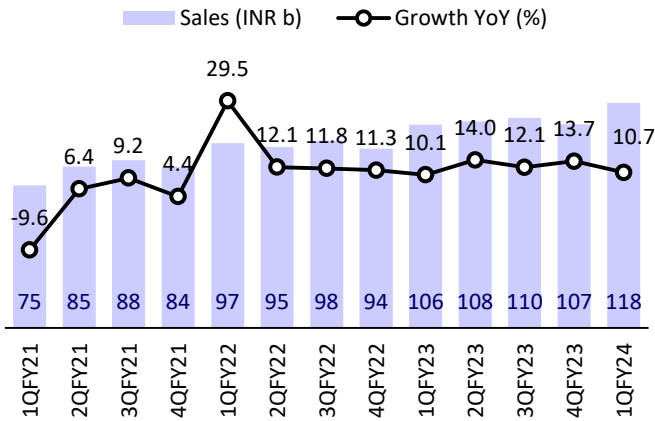
Exhibit 3: EV/EBITDA chart



Source: MOFSL, Company, Bloomberg

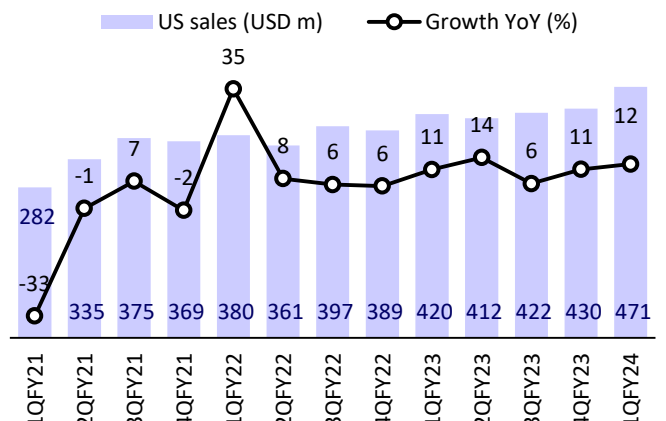
Story in charts

Exhibit 4: Revenue rose 11% YoY in 1QFY24



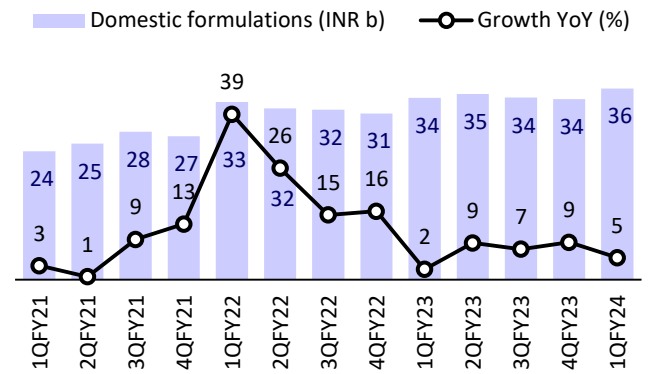
Source: Company, MOFSL

Exhibit 5: US sales grew 12% YoY in CC terms



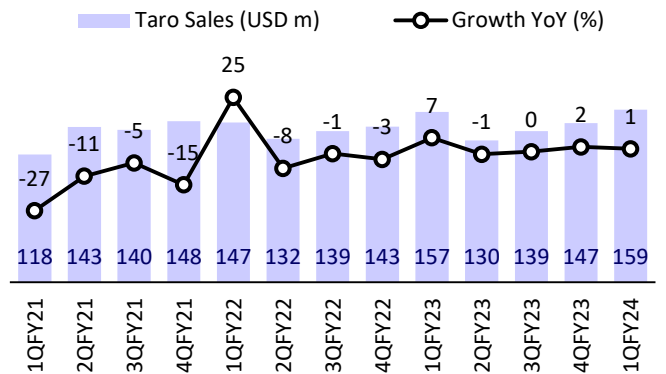
Source: Company, MOFSL

Exhibit 6: DF sales grew 5% YoY in 1QFY24



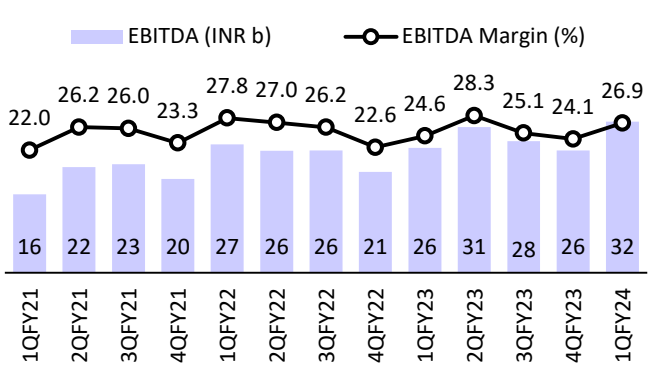
Source: Company, MOFSL

Exhibit 7: Taro sales were flat YoY in 1QFY24



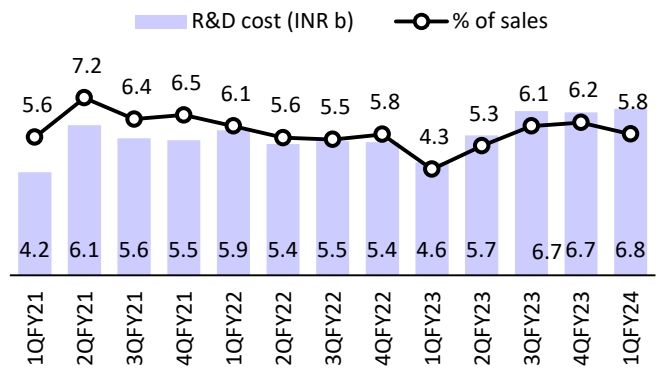
Source: Company, MOFSL

Exhibit 8: EBITDA margin expanded 230bp YoY in 1QFY24



Source: Company, MOFSL

Exhibit 9: R&D cost stood at 6% of sales in 1QFY24



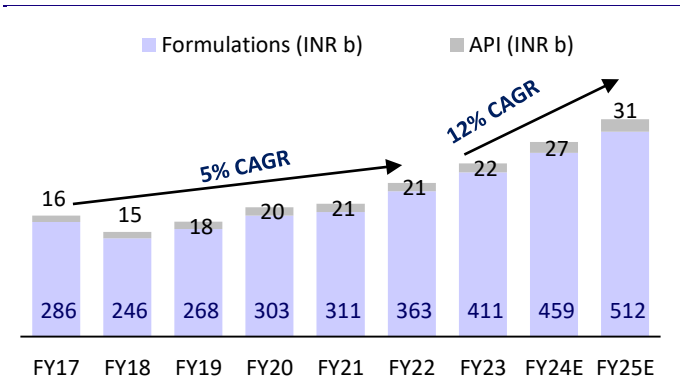
Source: Company, MOFSL

Exhibit 10: Specialty sales rose 22% YoY in 1QFY24



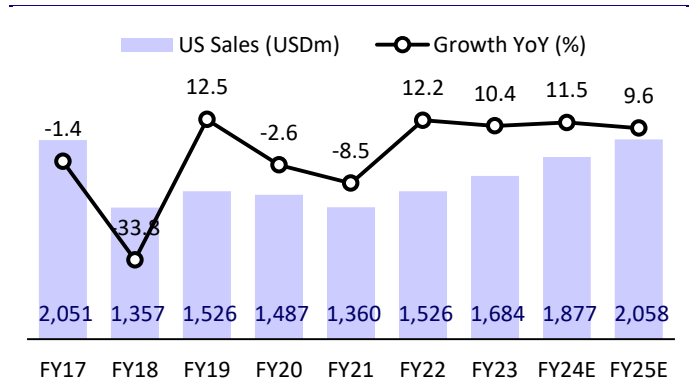
Source: Company, MOFSL

Exhibit 11: Expect 12% revenue CAGR over FY23-25



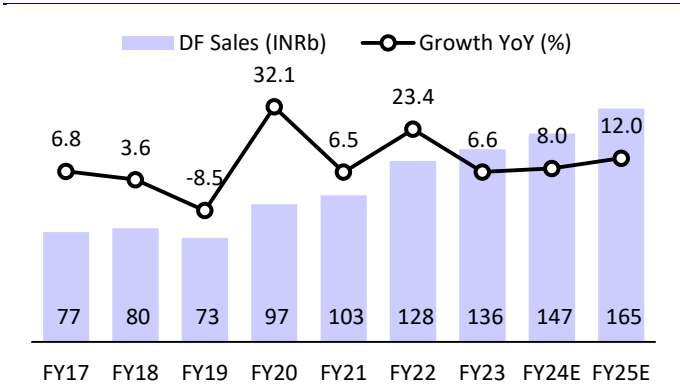
Source: Company, MOFSL

Exhibit 12: Expect 11% CAGR in US sales over FY23-25



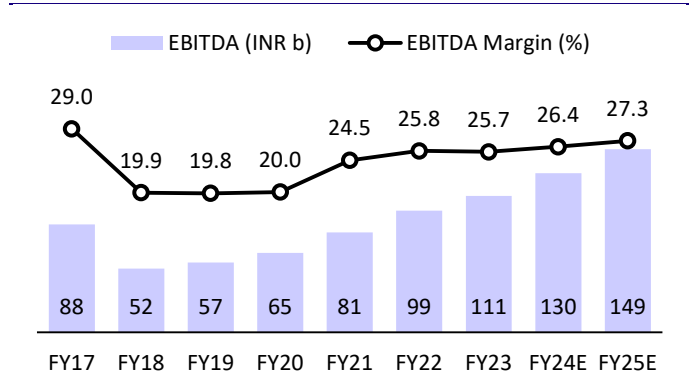
Source: Company, MOFSL

Exhibit 13: Expect DF sales CAGR of 10% over FY23-25



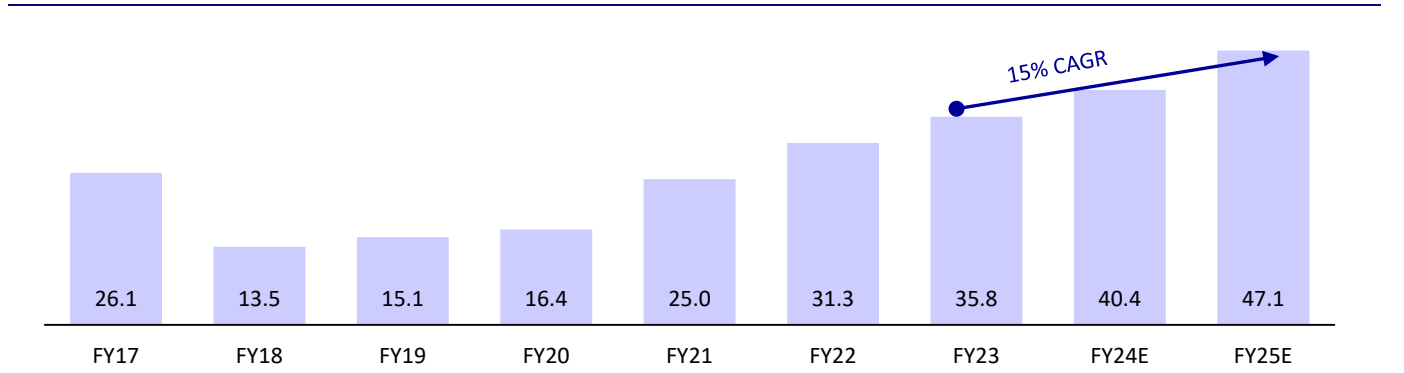
Source: Company, MOFSL

Exhibit 14: EBITDA margin to improve to ~27% by FY25E



Source: Company, MOFSL

Exhibit 15: Expect 15% EPS CAGR over FY23-25



Source: Company, MOFSL

Financials and valuations

Income Statement									(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Net Sales	302.6	260.7	286.9	323.3	331.6	383.1	432.3	490.0	546.5
Change (%)	9.1	-13.9	10.1	12.7	2.6	15.5	12.8	13.4	11.5
EBITDA (INR b)	214.9	208.8	230.1	258.6	250.3	284.1	111.1	129.6	149.2
Margin (%)	71.0	80.1	80.2	80.0	75.5	74.2	25.7	26.4	27.3
Depreciation	87.8	51.8	56.8	64.6	81.3	99.0	25.3	26.4	28.3
EBIT	29.0	19.9	19.8	20.0	24.5	25.8	85.8	103.2	120.8
Int. and Finance Charges	12.6	15.0	17.5	20.5	20.8	21.4	1.7	3.3	3.2
Other Income - Rec.	75.1	36.8	39.3	44.1	60.5	77.6	11.3	11.7	11.5
Extra-ordinary Exp	4.0	5.2	5.6	3.0	1.4	1.3	1.4	3.2	0.0
PBT	19.4	12.6	14.1	11.5	11.8	10.2	94.1	108.4	129.2
Tax	0.0	9.5	9.7	2.5	42.8	43.2	8.5	13.4	14.5
Tax Rate (%)	90.5	34.8	38.1	50.1	28.0	43.3	9.0	12.4	11.2
Profit after Tax	78.4	26.3	32.1	41.9	22.8	32.6	85.6	95.0	114.7
Change (%)	34.4	-66.4	21.9	30.5	-45.4	42.5	162.9	10.9	20.8
Margin (%)	24.3	9.6	10.7	12.5	6.7	8.3	19.3	18.9	20.6
Less: Minority Interest	8.7	4.7	5.4	4.2	-6.2	1.3	-0.9	0.4	1.3
Reported PAT	69.6	21.6	26.7	37.6	29.0	31.2	84.7	94.6	113.4
Adjusted PAT (excl. Ex. Items)	62.9	32.4	36.3	39.5	60.2	75.3	86.1	97.2	113.4

Balance Sheet									(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Total Reserves	364.0	378.6	411.7	450.2	462.2	477.7	557.6	638.0	735.2
Net Worth	366.4	381.0	414.1	452.6	464.6	480.1	560.0	640.4	737.6
Minority Interest	37.9	38.8	33.1	38.6	30.2	30.5	33.2	33.6	34.8
Deferred Liabilities	-21.8	-19.7	-24.5	-31.2	-35.1	-28.6	-31.3	-31.3	-31.3
Total Loans	80.9	97.5	98.9	75.8	33.4	11.8	67.6	47.9	34.0
Capital Employed	463.4	497.6	521.7	535.9	493.1	493.8	629.4	690.5	775.0
Gross Block	134.0	155.6	181.8	207.8	225.2	248.1	273.5	314.6	344.6
Less: Accum. Deprn.	49.0	64.0	81.6	102.1	122.9	144.3	169.6	196.0	224.3
Net Fixed Assets	85.0	91.6	100.3	105.7	102.3	103.7	103.9	118.6	120.3
Capital WIP	15.6	14.3	9.1	6.6	9.4	8.0	9.6	12.5	13.7
Goodwill	104.2	107.2	123.1	128.4	119.5	125.8	180.4	180.4	180.4
Investments	9.6	30.5	39.5	52.5	64.8	52.1	54.6	54.6	54.6
Curr. Assets	374.8	377.4	349.4	357.6	345.1	379.4	427.3	478.7	585.7
Inventory	68.3	68.8	78.9	78.7	90.0	90.0	105.1	113.4	126.3
Account Receivables	72.0	78.2	88.8	94.2	90.6	105.9	114.4	135.4	155.4
Cash and Bank Balance	151.4	99.3	72.8	64.9	64.5	50.3	57.7	67.7	128.5
L & A and Others	83.0	131.1	108.9	119.8	100.0	133.2	150.1	162.2	175.5
Curr. Liability & Prov.	125.7	123.5	99.7	114.9	148.0	175.2	146.4	154.3	179.6
Account Payables	73.5	68.3	66.1	70.1	98.9	80.0	89.4	88.8	104.3
Provisions	52.3	55.1	33.6	44.8	49.1	95.2	57.0	65.5	75.3
Net Current Assets	249.1	253.9	249.7	242.7	197.1	204.2	280.9	324.4	406.0
Appl. of Funds	463.4	497.6	521.7	535.9	493.1	493.8	629.4	690.5	775.0

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Adjusted EPS	26.1	13.5	15.1	16.4	25.0	31.3	35.8	40.4	47.1
Cash EPS	34.2	15.2	18.4	24.2	20.7	21.9	45.7	50.3	58.9
BV/Share	152.3	158.4	172.1	188.1	193.1	199.6	232.7	266.2	306.6
DPS	1.0	3.3	2.0	3.5	3.5	3.8	3.8	4.8	5.8
Payout (%)	3.7	36.5	18.0	23.5	43.0	32.8	12.5	14.2	14.2
Valuation (x)									
P/E	43.7	84.8	75.6	69.6	45.6	36.5	31.9	28.2	24.2
P/BV	7.5	7.2	6.6	6.1	5.9	5.7	4.9	4.3	3.7
EV/Sales	8.8	10.4	9.5	8.3	8.0	6.9	6.2	5.4	4.7
EV/EBITDA	30.3	52.2	48.0	41.7	32.5	26.7	24.2	20.6	17.4
Dividend Yield (%)	0.1	0.3	0.2	0.3	0.3	0.3	0.3	0.4	0.5
Return Ratios (%)									
RoE	18.1	8.7	9.1	9.1	13.1	15.9	16.6	16.2	16.5
RoCE	19.0	8.1	9.1	8.9	9.9	11.5	11.5	12.5	13.5
RolC	23.4	8.7	8.8	9.1	12.9	15.8	17.5	17.0	18.9
Working Capital Ratios									
Asset Turnover (x)	0.7	0.5	0.5	0.6	0.7	0.8	0.7	0.7	0.7
Fixed Asset Turnover (x)	3.8	3.0	3.0	3.1	3.2	3.7	4.2	4.4	4.6
Debtor (Days)	87	109	113	106	100	101	97	101	104
Creditor (Days)	330	336	307	277	415	282	306	288	292
Inventory (Days)	82	96	100	89	99	86	89	84	84
Leverage Ratio									
Debt/Equity (x)	0.2	0.3	0.3	0.0	-0.1	-0.1	0.0	0.0	-0.1

Cash Flow Statement

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) bef. Tax	87.8	42.3	47.1	62.2	38.5	55.8	109.8	126.4	149.2
Int./Dividends Recd.	19.4	12.6	14.1	11.5	11.8	10.2	11.3	11.7	11.5
Direct Taxes Paid	-3.4	-6.4	-10.8	-14.9	-9.1	-4.3	-11.2	-13.4	-14.5
(Inc)/Dec in WC	2.3	-57.0	-22.3	-1.0	45.2	-21.3	-69.3	-33.5	-20.9
CF from Operations	106.0	-8.4	28.1	57.8	86.3	40.5	40.6	91.2	125.3
(inc)/dec in FA	-36.9	-23.4	-36.8	-28.7	-11.3	-27.7	-81.8	-43.9	-31.2
Free Cash Flow	69.0	-31.8	-8.7	29.1	75.0	12.8	-41.1	47.2	94.1
(Pur)/Sale of Invest.	1.6	-20.9	-9.0	-12.9	-12.4	12.7	-2.4	0.0	0.0
CF from investments	-35.4	-44.3	-45.8	-41.7	-23.7	-15.0	-84.2	-43.9	-31.2
Change in networth	-41.8	-1.2	1.1	12.0	-9.5	-6.0	7.6	0.0	0.0
(Inc)/Dec in Debt	-2.3	16.6	1.4	-23.2	-42.4	-21.6	55.8	-19.7	-13.9
Interest Paid	-4.0	-5.2	-5.6	-3.0	-1.4	-1.3	-1.7	-3.3	-3.2
Dividend Paid	-2.9	-9.6	-5.8	-9.8	-9.8	-10.7	-10.7	-13.5	-16.3
CF from Fin. Activity	-51.0	0.6	-8.9	-24.0	-63.1	-39.6	50.9	-36.5	-33.4
Inc/Dec of Cash	19.6	-52.1	-26.5	-7.9	-0.4	-14.1	7.4	10.7	60.7
Add: Beginning Balance	131.8	151.4	99.3	72.8	64.9	64.5	50.3	57.7	67.7
Closing Balance	151.4	99.3	72.8	64.9	64.5	50.3	57.7	67.7	128.5

(INR m)

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NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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