

Pharmaceuticals | Q4FY23 Result Update

FDA uncertainty to weigh on earnings

- Cipla's Q4FY23 revenue was inline while EBITDA and PAT came above our estimates on higher than expected gross margins and lower other expenses.
- Revenues at Rs57.4bn (+9.1% YoY) was inline. Strong US sales at US\$204mn (27% YoY, 14% QoQ) was led by traction in core respiratory formulation. EBITDA at Rs11.7bn (+23.6% YoY) and EBITDA margin at 20.5%, (+240bps YoY) on account of 182bps YoY expansion in gross margins. Adj for one time goodwill impairment loss of Rs1.8bn, APAT stood at Rs7.0bn (+14% YoY) above our estimates on better than expected operating performance.
- We downgrade our earnings estimates by 12.7%/15.9% in FY24E/FY25E assuming delay in gAdvair launch and higher than expected operating cost. Downgrade to Accumulate with the revised target price of Rs1,060.

Delay in key launches to restrict US growth

We believe delay in key launches like gAdvair, gAbraxane and other peptide products due to its key facilities- Indore (8 observations) and Goa (OAI status) under USFDA scanner will lead to high product concentration risk and restrict US revenue CAGR to 4% over FY23-FY25E. Management's plan to de-risk the portfolio by shifting key products and filings from alternate sites is likely to take time beyond 12 months. The Indore facility awaits USFDA classification in mid-May'23. Probability of getting clearance which would pave way for gAdvair launch is low in our view.

Consistent traction in one India portfolio

Ex Covid sales, India growth was 13% in FY23. Branded business continued its volume traction and market share expansion across therapies. Supported by the ramp-up of chronic therapies, a stronger respiratory franchise and new launches, we expect India revenue CAGR of 12% over FY23-25E.

Valuation

We downgrade our rating to Accumulate with a revised target price of Rs1,060 ascribing 22x FY25E P/E. We cut our multiple to 22x from 23x factoring delay in marquee drug launches and near term uncertainty on clearance of key facilities. While we see the above, clearance of Indore plant could be an upside trigger for Cipla. Key risks: Price erosion in the US market, escalation of regulatory issues relating to its facilities and adverse pricing regulations in India by NPPA.

Q4FY23 Result (Rs Mn)

Particulars	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)
Revenue	57,393	52,603	9.1	58,101	(1.2)
Total Expense	45,656	43,106	5.9	44,025	3.7
EBITDA	11,737	9,497	23.6	14,076	(16.6)
Depreciation	3,462	2,903	19.3	2,721	27.2
EBIT	8,275	6,594	25.5	11,354	(27.1)
Other Income	1,346	640	110.3	1,144	17.6
Interest	344	181	89.8	318	8.0
EBT	7,454	4,478	66.4	12,181	(38.8)
Tax	2,223	711	212.5	4,100	(45.8)
RPAT	5,257	3,621	45.2	8,010	(34.4)
APAT	7,081	6,196	14.3	8,010	(11.6)
			(bps)		(bps)
Gross Margin (%)	64.0	62.2	182	65.5	(145)
EBITDA Margin (%)	20.5	18.1	240	24.2	(378)
NPM (%)	9.2	6.9	228	13.8	(463)
Tax Rate (%)	29.8	15.9	1394	33.7	(384)
EBIT Margin (%)	14.4	12.5	188	19.5	(512)

CMP	Rs 937		
Target / Upside	Rs 1,060 / 13%		
NIFTY	18,315		
Scrip Details			
Equity / FV	Rs 1,614mn / Rs 2		
Market Cap	Rs 756bn		
	USD 9.2bn		
52-week High/Low	Rs 1,185 / 852		
Avg. Volume (no)	23,46,370		
Bloom Code	CIPLA IN		
Price Performance			
1M	3M	12M	
Absolute (%)	2	(9)	2
Rel to NIFTY (%)	(1)	(12)	(15)

Shareholding Pattern

	Sep'22	Dec'22	Mar'23
Promoters	33.6	33.6	33.6
MF/Banks/FIs	21.7	21.1	22.1
FIs	27.7	28.4	27.4
Public / Others	17.0	16.9	16.9

Valuation (x)

	FY23A	FY24E	FY25E
P/E	25.8	21.9	19.5
EV/EBITDA	14.2	12.6	11.0
ROE (%)	12.7	14.1	14.5
RoACE (%)	13.2	13.7	14.1

Estimates (Rs bn)

	FY23A	FY24E	FY25E
Revenue	227.5	252.7	271.6
EBITDA	50.3	55.9	62.2
PAT	29.3	34.5	38.8
EPS (Rs.)	36.3	42.8	48.1

VP Research: Rashmi Shetty

Tel: +9122 40969724

E-mail: rashmis@dolatcapital.com

Associate: Candice Pereira

Tel: +9122 40969633

E-mail: candicep@dolatcapital.com

Associate: Zain Gulam Hussain

Tel: +9122 40969790

E-mail: zain@dolatcapital.com

Exhibit 1: Quarterly revenue mix

Particulars (Rs mn)	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY22	FY23	YoY (%)
India	22,590	21,830	3.5	25,630	(11.9)	98,280	98,690	0.4
North America	16,770	12,090	38.7	16,000	4.8	44,310	59,090	33.4
SAGA	8,320	9,530	(12.7)	6,800	22.4	36,770	31,660	(13.9)
International Markets	7,840	7,320	7.1	7,620	2.9	28,740	30,280	5.4
Global APIs	1,340	1,370	(2.2)	1,470	(8.8)	7,600	5,680	(25.3)
Others	530	460	15.2	580	(8.6)	1,930	2,130	10.4
Total	57,390	52,600	9.1	58,100	(1.2)	2,17,630	2,27,530	4.5

Source: Company, DART

Exhibit 2: Actual vs DART estimates

Particulars (Rs mn)	Q4FY23	Q4FY23E	Variance (%)	Comments
Revenue	57,393	55,542	3.3	In line with our estimates
EBITDA	11,737	10,220	14.9	Higher gross margin and lower than expected cost led to higher
EBITDA Margin (%)	20.5	18.4	205bps	than expected margin
PAT	7,081	6,265	13.0	Higher than expected operating performance
EPS (Rs)	8.8	7.8	13.0	

Source: Company, DART

Exhibit 3: Change in estimates

Particulars (Rs mn)	FY24E			FY25E		
	Old	New	Chg (%)	Old	New	Chg (%)
Revenue	2,58,605	2,52,748	(2.3)	2,93,381	2,71,647	(7.4)
EBITDA	63,358	55,857	(11.8)	72,758	62,207	(14.5)
EBITDA Margin (%)	24.5	22.1	(240bps)	24.8	22.9	(190bps)
PAT	39,529	34,519	(12.7)	46,086	38,775	(15.9)
EPS (Rs)	49.0	42.8	(12.7)	57.1	48.0	(15.9)

Source: Company, DART

We downgrade our earnings estimates by 12.7%/15.9% in FY24E/FY25E assuming delay in gAdvair launch, other peptide assets and assuming higher than expected operating cost.

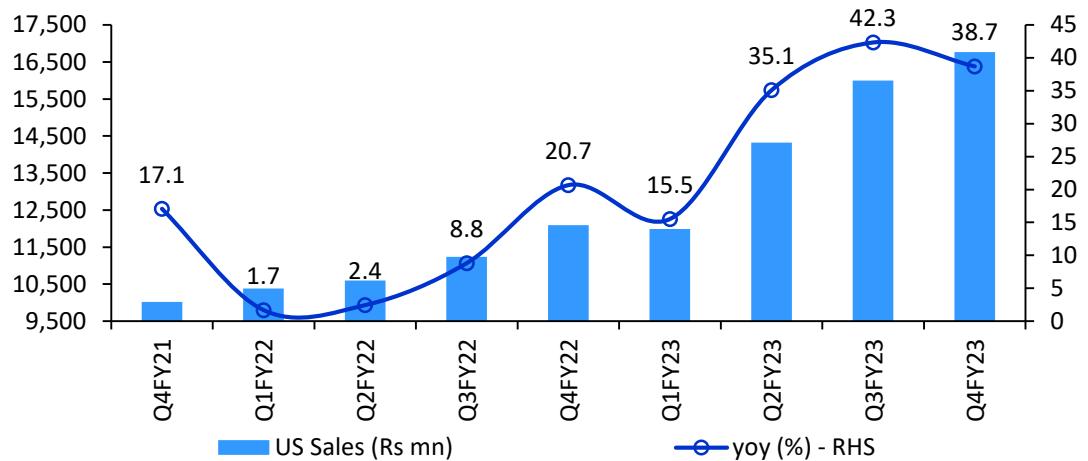
Exhibit 4: Annual revenue mix

Particulars (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
India	77,360	98,280	98,690	1,10,533	1,23,797
% of Sales	40.4	45.2	43.4	44.2	46.0
% YoY	14.8	27.0	0.4	12.0	12.0
North America	40,910	44,310	59,090	64,633	64,904
% of Sales	35.8	37.1	45.9	46.4	44.7
% YoY	5.6	8.3	33.4	9.4	0.4
SAGA	34,480	36,770	31,660	34,483	36,866
% of Sales	18.0	16.9	13.9	13.8	13.7
% YoY	11.7	6.6	(13.9)	8.9	6.9
International Market	28,400	28,740	30,280	32,097	34,665
% of Sales	14.8	13.2	13.3	12.8	12.9
% YoY	24.5	1.2	5.4	6.0	8.0
APIs	7,980	7,600	5,680	5,964	6,262
% of Sales	4.2	3.5	2.5	2.4	2.3
% YoY	6.1	(4.8)	(25.3)	5.0	5.0
Others	2,460	1,930	2,130	2,237	2,348
% of Sales	1.3	0.9	0.9	0.9	0.9
% YoY	(38.0)	(21.5)	10.4	5.0	5.0
Total sales	1,91,590	2,17,630	2,27,530	2,49,946	2,68,842

Source: Company, DART

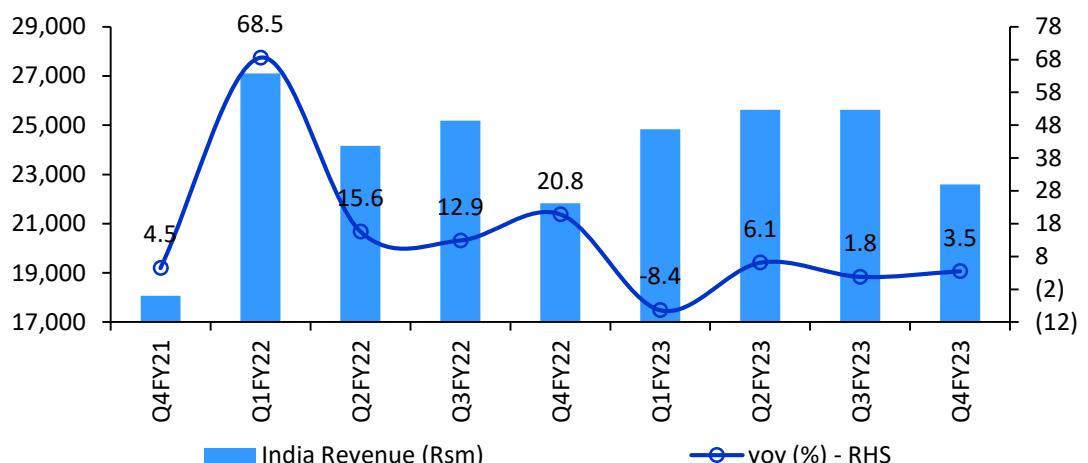
Story in Charts

Exhibit 5: US growth is led by strong momentum in respiratory and peptide products



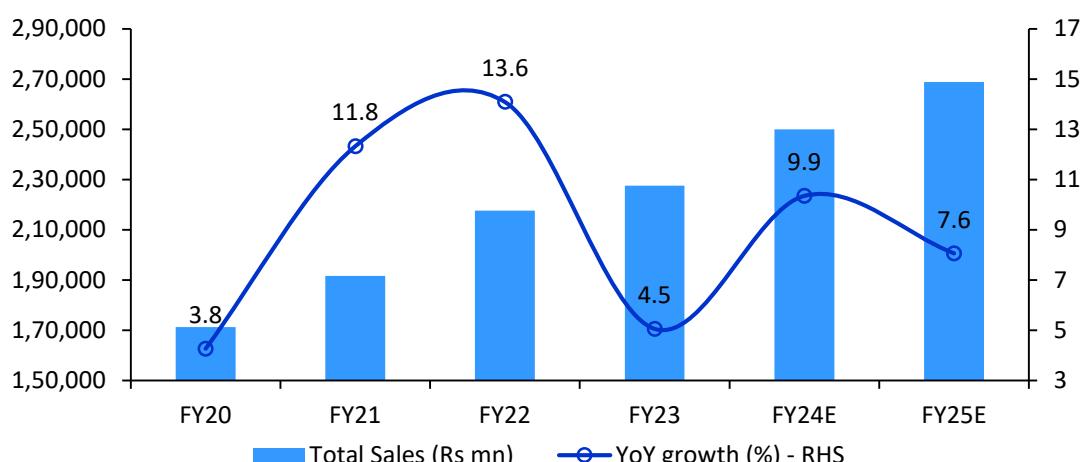
Source: Company, DART

Exhibit 6: Traction across all therapies drives India growth

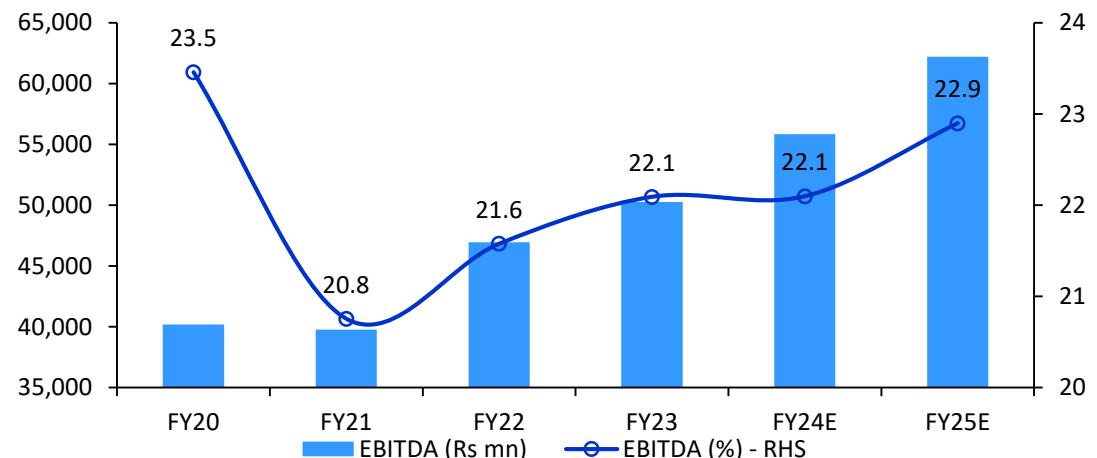


Source: Company, DART

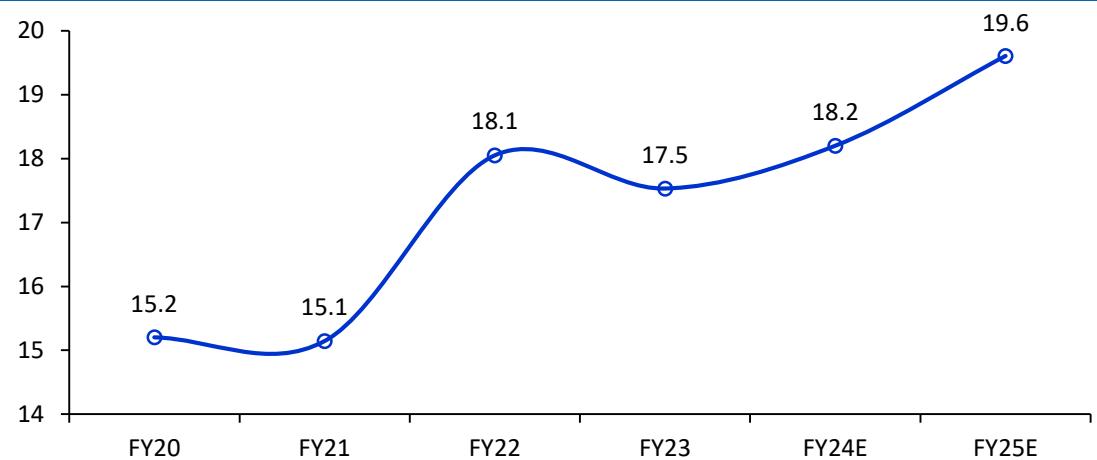
Exhibit 7: Expect revenue CAGR of 9% over FY23-25E



Source: Company, DART

Exhibit 8: Higher opex to restrict expansion in EBITDA margin


Source: Company, DART

Exhibit 9: ROIC to expand gradually over FY23-FY25E with improving profitability


Source: Company, DART

Exhibit 10: One year forward P/E band


Source: Company, DART

Earning KTA's

Guidance

- Guided EBITDA margin guidance of ~22% for FY24.
- R&D cost is expected to be 6.5% of sales in FY24, on back of respiratory, peptide and biosimilar products under clinical trials.
- New base for US quarterly sales to be around US\$190mn-US\$195mn in FY24.
- The management guided for three filings in the US in FY24, which will be mainly in respiratory and also some peptides filings, including partnered products.

US business

- Highest ever quarterly revenue in the US was driven by expansion in market share of key launches. Robust momentum in differentiated portfolio.
- Lanreotide market share has increased from 14.1% in Q3FY23 to 17%+ in Q4FY23.
- gAdvair – Indore plant audit has already happened and Cipla has responded to USFDA minor queries and is awaiting response in May'23, if Indore plant receives clearance then there would be imminent gAdvair launch or else will get delayed beyond 12 months. The management is planning to transfer gAdvair to another site outside of India and will have to set up additional manufacturing line.
- Currently the company has three products on-going clinical trials of which two are in respiratory therapy and one is a peptide that is being done through a partner.
- gAbraxane is being transferred to another facility (partner site). Commercial supply can begin by 2025.
- In the US business, gAlbuterol market is constantly growing and Cipla is likely to be part of that growth.
- Revlimid – Volume share is limited as per agreement with innovator.
- Going forward, all major respiratory US filings will be done from two facilities to derisk the portfolio.
- Symbicort is expected to be filed by Q4FY24.
- Respiratory franchise revenue was around US\$160mn in FY23.

India business –

- India formulation grew 3% YoY in Q4FY23, adjusting for Covid the business grew 16% YoY.
- Trade generic business continues to witness strong volume traction. The company saw strong demand for flagship brands in key therapeutic categories and continued its focus on customer engagement as well as 50+ new launches
- India branded business showed sustained momentum across therapies in core portfolio. Branded business achieved healthy market share and ranks across therapies.
- In Consumer health, robust traction across anchor and transitioned brands drove growth. Revenue is achieved at Rs10bn+ in FY23 with improved profitability including transitioned brands.
- Consumer health business was impacted in Q4FY23 due to seasonality and expect to recover from Q1FY24 onwards. Expects EBITDA margin to achieve mid-teens in FY24. Post which it will come back to company average in next two to three years.
- The company had launched 50+ products in trade generic segment in FY23.
- The company added field force of 800 MRs in FY23 and plans to increase additional 200 MRs in FY24. Total fieldforce stands at 7,000 and 10,000 including sales managers.

- Management sees huge opportunity in Tier 2 to 6 towns, on the back of respiratory and anti-infective traction and a very strong growth in the generic market. In Tier 1 market, company sees migration to better efficacy drugs while Tier 2 to 6 towns show deepening of healthcare. Cipla's is focusing expansion in tier 2 to 6 towns mainly in the area of respiratory & anti-infective therapies.
- Galvus is one of the larger brands in diabetic market and the company expects to ramp up sales based on Cipla's reach and penetration in the market.
- Goa plant CAPA inspection remediation cost are already added in Q3FY23 and Q4FY23.
- The company has introduced a point of care device in its One India business-diagnostic segment. Management expects this to grow into a meaningful business but currently it is at a nascent stage.
- The company's branded prescription business in its core portfolio, showed market beating performance in seven consecutive quarters. Sustained momentum is visible across respiratory, cardiac & anti-diabetic segment.
- Branded prescription business demonstrated double digit growth in chronic therapies in the core portfolio driven by continued demand. Overall chronic share has expanded by 300bps YoY and chronic to acute split stands at 59:41.
- The company has launched over 10 products during the quarter across therapies such as cardiac, anti-diabetic and injectables.

SAGA business

- Overall SAGA region faced headwinds earlier in FY23 due to supply challenges, however, business has picked up in private market with QoQ growth of 5% in ZAR terms.
- South Africa private business continues to grow at three year CAGR of 8.9% vs market growth at 4.4% as per IQVIA.
- Cipla continues to maintain leadership positions in key therapy areas along with 30+ new launches in FY23.
- The company expects to see growth in SAGA market with focus on margins and further improvement in market share.

Other highlights

- The R&D pipeline will majorly consist of respiratory products and peptides. The company is looking to file more complex products.
- Cipla has filed for Dulera in Europe.
- Goodwill impairment charge of Rs1.8bn on non-core assets in Africa impacted net earnings for the quarter.
- Management is looking for inorganic opportunity with the cash flows generated.

Financial Performance

Profit and Loss Account

(Rs Mn)	FY22A	FY23A	FY24E	FY25E
Revenue	2,17,633	2,27,531	2,52,748	2,71,647
Total Expense	1,70,669	1,77,262	1,96,891	2,09,439
COGS	83,356	82,523	90,989	96,706
Employees Cost	35,299	38,301	41,451	43,463
Other expenses	52,014	56,438	64,451	69,270
EBIDTA	46,964	50,270	55,857	62,207
Depreciation	10,520	11,721	12,301	12,880
EBIT	36,444	38,549	43,557	49,327
Interest	1,064	1,095	612	600
Other Income	2,809	4,755	4,802	4,850
Exc. / E.O. items	(3,821)	(1,824)	0	0
EBT	34,369	40,384	47,746	53,576
Tax	9,338	12,029	12,891	14,466
RPAT	24,604	28,019	34,519	38,775
Minority Interest	427	336	336	336
Profit/Loss share of associates	0	0	0	0
APAT	28,425	29,300	34,519	38,775

Balance Sheet

(Rs Mn)	FY22A	FY23A	FY24E	FY25E
Sources of Funds				
Equity Capital	1,614	1,614	1,614	1,614
Minority Interest	2,757	3,058	3,058	3,058
Reserves & Surplus	2,06,803	2,32,464	2,53,490	2,79,426
Net Worth	2,08,417	2,34,078	2,55,105	2,81,040
Total Debt	8,241	5,204	5,104	5,004
Net Deferred Tax Liability	6,543	6,401	6,401	6,401
Total Capital Employed	2,25,958	2,48,740	2,69,667	2,95,502

Applications of Funds

Net Block	96,219	91,007	85,706	79,825
CWIP	3,829	6,892	6,892	6,892
Investments	23,229	23,076	26,297	29,976
Current Assets, Loans & Advances	1,47,765	1,73,659	2,00,580	2,31,216
Inventories	53,502	51,564	57,279	61,562
Receivables	34,244	40,570	45,066	48,436
Cash and Bank Balances	19,285	15,646	24,168	37,889
Loans and Advances	525	985	985	985
Other Current Assets	18,258	33,995	39,094	44,958
Less: Current Liabilities & Provisions	45,084	45,893	49,808	52,408
Payables	32,874	33,026	36,684	39,022
Other Current Liabilities	12,210	12,867	13,124	13,387
<i>sub total</i>				
Net Current Assets	1,02,681	1,27,765	1,50,772	1,78,808
Total Assets	2,25,958	2,48,740	2,69,667	2,95,502

E – Estimates

Important Ratios

Particulars	FY22A	FY23A	FY24E	FY25E
(A) Margins (%)				
Gross Profit Margin	61.7	63.7	64.0	64.4
EBIDTA Margin	21.6	22.1	22.1	22.9
EBIT Margin	16.7	16.9	17.2	18.2
Tax rate	27.2	29.8	27.0	27.0
Net Profit Margin	11.3	12.3	13.7	14.3
(B) As Percentage of Net Sales (%)				
COGS	38.3	36.3	36.0	35.6
Employee	16.2	16.8	16.4	16.0
Other	23.9	24.8	25.5	25.5
(C) Measure of Financial Status				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	34.3	35.2	71.1	82.2
Inventory days	90	83	83	83
Debtors days	57	65	65	65
Average Cost of Debt	8.2	16.3	11.9	11.9
Payable days	55	53	53	52
Working Capital days	172	205	218	240
FA T/O	2.3	2.5	2.9	3.4
(D) Measures of Investment				
AEPS (Rs)	35.2	36.3	42.8	48.1
CEPS (Rs)	48.3	50.9	58.1	64.1
DPS (Rs)	5.0	8.5	10.5	11.8
Dividend Payout (%)	14.2	23.4	24.5	24.5
BVPS (Rs)	258.4	290.3	316.3	348.5
RoANW (%)	12.6	12.7	14.1	14.5
RoACE (%)	13.7	13.2	13.7	14.1
RoAIC (%)	18.1	17.5	18.2	19.6
(E) Valuation Ratios				
CMP (Rs)	937	937	937	937
P/E	26.6	25.8	21.9	19.5
Mcap (Rs Mn)	7,56,007	7,56,007	7,56,007	7,56,007
MCap/ Sales	3.5	3.3	3.0	2.8
EV	7,23,013	7,14,665	7,02,954	6,85,734
EV/Sales	3.3	3.1	2.8	2.5
EV/EBITDA	15.4	14.2	12.6	11.0
P/BV	3.6	3.2	3.0	2.7
Dividend Yield (%)	0.5	0.9	1.1	1.3
(F) Growth Rate (%)				
Revenue	13.6	4.5	11.1	7.5
EBITDA	18.1	7.0	11.1	11.4
EBIT	25.3	5.8	13.0	13.2
PBT	14.0	17.5	18.2	12.2
APAT	33.5	3.1	17.8	12.3
EPS	33.5	3.1	17.8	12.3

E – Estimates

Cash Flow

Particulars	FY22A	FY23A	FY24E	FY25E
Profit before tax	31,560	35,629	42,944	48,726
Depreciation & w.o.	10,520	11,721	12,301	12,880
Net Interest Exp	1,064	1,095	612	600
Direct taxes paid	(11,369)	(12,648)	(12,891)	(14,466)
Change in Working Capital	(9,571)	(17,239)	(14,135)	(14,066)
Non Cash	0	0	0	0
(A) CF from Operating Activities	22,202	18,559	28,831	33,675
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(10,922)	(9,571)	(7,000)	(7,000)
Free Cash Flow	11,281	8,988	21,831	26,675
(Inc.)/ Dec. in Investments	0	0	0	0
Other	2,809	4,755	4,802	4,850
(B) CF from Investing Activities	(8,112)	(4,817)	(2,198)	(2,150)
Issue of Equity/ Preference	1	1	0	0
Inc./ (Dec.) in Debt	(9,314)	(3,038)	(100)	(100)
Interest exp net	(1,064)	(1,095)	(612)	(600)
Dividend Paid (Incl. Tax)	0	0	0	0
Other	1,560	(13,249)	(17,399)	(17,104)
(C) CF from Financing	(8,817)	(17,381)	(18,112)	(17,805)
Net Change in Cash	5,273	(3,639)	8,521	13,721
Opening Cash balances	14,012	19,285	15,646	24,168
Closing Cash balances	19,285	15,646	24,168	37,889

E – Estimates

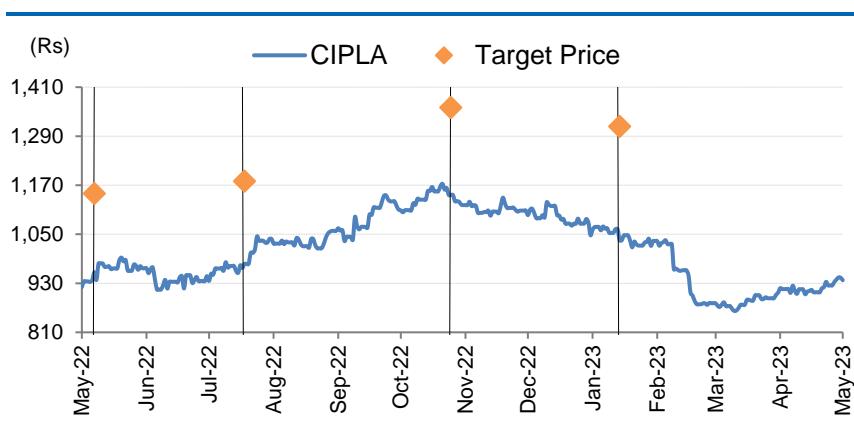
Notes

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
May-22	BUY	1,150	957
Jul-22	BUY	1,180	977
Nov-22	BUY	1,360	1,146
Jan-23	BUY	1,314	1,035

*Price as on recommendation date

DART Team

Purvag Shah	Managing Director	purvag@dolatcapital.com	+9122 4096 9747
Amit Khurana, CFA	Head of Equities	amit@dolatcapital.com	+9122 4096 9745
CONTACT DETAILS			
Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	VP - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Girish Raj Sankunny	VP - Equity Sales	girishr@dolatcapital.com	+9122 4096 9625
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Equity Trading	Designation	E-mail	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Dolat Capital Market Private Limited.

Naman Midtown, A-1203, 12th Floor, Senapati Bapat Marg, Prabhadevi, Mumbai 400013

Analyst(s) Certification

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)**II. Disclaimer:**

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. 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 Dolat Capital Market Private Limited. and/or its affiliated company(ies) 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 a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

For U.S. Entity/ persons only: "This Report is considered independent third-party research and was prepared by Dolat Capital Market Private Limited, with headquarters in India. The distribution of this Research is provided pursuant to the exemption under Rule 15a-6(a) (2) and is only intended for an audience of Major U.S. Institutional Investors (MUSIs) as defined by Rule 15a-6(b)(4). This research is not a product of StoneX Financial Inc. Dolat Capital Market Private Limited has sole control over the contents of this research report. StoneX Financial Inc. does not exercise any control over the contents of, or the views expressed in, any research reports prepared by Dolat Capital Market Private Limited and under Rule 15a-6(a) (3), any U.S. recipient of this research report wishing to affect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through StoneX Financial Inc. Please contact Gene Turok at +1 (212) 379-5463 or email gene.turok@stonex.com. Under no circumstances should any U.S. recipient of this research report effect any transaction to buy or sell securities or related financial instruments through the Dolat Capital Market Private Limited."



Dolat Capital Market Private Limited.

Corporate Identity Number: U65990GJ993PTC116741

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000000685

Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com