

Pharmaceuticals | Q4FY24 Result Update

Limited upside

- Sun Pharma's Q4FY24 operating performance was below our estimate on account of higher R&D and other expenses. Excluding exceptional expenses, APAT came above our estimate due to higher other income and lower tax rate.
- The company guided high single digit revenue growth in FY25 and R&D expense in the range of 8-10% of sales, as FY25 will be an investment year.
- We downgrade our FY25E/FY26E EPS estimates by 3.1%/3.5% assuming higher R&D expenses. We expect Revenue/PAT CAGR of 11%/13% over FY24-26E and ascribe 30xFY26E P/E (earlier 28x) with revised TP of Rs1,615 (earlier Rs1,563). We increase our multiple on back of consistent traction in Specialty business. However, given recent rally in the stock price, we see limited upside from current levels despite increasing multiple. Consequently, we revise our rating to 'Reduce' from Accumulate. We recommend investors to Accumulate on dips. Key upside will be higher-than-expected traction in specialty sales and key downside will be further escalation of regulatory issues on plants.

Steady India growth

Sun Pharma's India revenues demonstrated strong growth of 10.2%/9.5% YoY in Q4/FY24, driven by growth across all product categories. The company launched nine new products in the Indian market during Q4FY24 and holds no.1 position for prescriptions in 12 different doctor categories. Management guided that India business will grow in-line or above the IPM in subsequent quarters. We expect Revenue CAGR of 10% for India business over FY24-26E led by increasing sales force productivity, volume growth & new launches.

Specialty sales drives US growth

In Q4/FY24, US sales grew by 10.7%/10.1% YoY at US\$476mn/US\$1,854mn due to higher Specialty sales offset by lower generic sales since only limited supplies had resumed from Mohali plant. gRevlimid sales were not significant during the quarter and may likely be lumpy next year too. With ramp-up in specialty segment & gradual resumption of supplies from Mohali plant, we expect total US revenue CAGR of 10% in US\$ terms over FY24-26E.

Q4FY24 Result (Rs Mn)

Particulars	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)
Revenue	1,19,829	1,09,307	9.6	1,23,807	(3.2)
Total Expense	88,914	81,014	9.8	90,284	(1.5)
EBITDA	30,915	28,293	9.3	33,523	(7.8)
Depreciation	6,504	6,715	(3.2)	6,221	4.5
EBIT	24,412	21,578	13.1	27,301	(10.6)
Other Income	6,059	3,733	62.3	2,502	142.2
Interest	736	927	(20.7)	347	111.8
EBT	28,155	22,397	25.7	30,004	(6.2)
Tax	1,489	2,229	(33.2)	4,323	(65.6)
RPAT	26,546	19,845	33.8	25,238	5.2
APAT	27,562	21,559	27.8	25,238	9.2
			(bps)		(bps)
Gross Margin (%)	80.1	79.4	72	77.9	224
EBITDA Margin (%)	25.8	25.9	(8)	27.1	(128)
NPM (%)	22.2	18.2	400	20.4	177
Tax Rate (%)	5.3	10.0	(466)	14.4	(912)
EBIT Margin (%)	20.4	19.7	63	22.1	(168)

CMP	Rs 1,539		
Target / Upside	Rs 1,615 / 5%		
NIFTY	22,598		
Scrip Details			
Equity / FV	Rs 2,399mn / Rs 1		
Market Cap	Rs 3,693bn		
	USD 44.6bn		
52-week High/Low	Rs 1,639/ 929		
Avg. Volume (no)	24,47,710		
Bloom Code	SUNP IN		
Price Performance			
1M	3M	12M	
Absolute (%)	0	(1)	64
Rel to NIFTY (%)	(1)	(3)	41

Shareholding Pattern

	Sep'23	Dec'23	Mar'24
Promoters	54.5	54.5	54.5
MF/Banks/FIs	19.7	19.5	18.8
FII	16.8	17.1	17.7
Public / Others	9.1	8.9	9.0

Valuation (x)

	FY24A	FY25E	FY26E
P/E	36.7	32.3	28.9
EV/EBITDA	27.2	23.4	20.6
ROE (%)	16.8	16.8	16.6
RoACE (%)	14.6	15.3	15.3

Estimates (Rs bn)

	FY24A	FY25E	FY26E
Revenue	485.0	538.6	599.8
EBITDA	129.9	148.1	164.9
PAT	100.7	114.5	127.9
EPS (Rs.)	42.0	47.7	53.3

Director Research: Rashmi Shetty

Tel: +9122 40969724

E-mail: rashmis@dolatcapital.com

Associate: Candice Pereira

Tel: +9122 61764808

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)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	FY23	FY24	YoY (%)
India formulations	37,078	33,641	10.2	37,785	(1.9)	1,36,031	1,48,893	9.5
US	39,544	35,343	11.9	39,736	(0.5)	1,35,353	1,53,493	13.4
Emerging market	20,348	18,204	11.8	20,946	(2.9)	78,977	86,195	9.1
ROW	16,290	15,744	3.5	17,797	(8.5)	60,426	67,128	11.1
API	4,158	3,852	7.9	4,661	(10.8)	19,724	19,187	(2.7)
Others	715	471	51.7	644	10.9	2,279	2,690	18.0
Total Sales	1,18,133	1,07,256	10.1	1,21,569	(2.8)	4,32,789	4,77,585	10.4

Source: Company, DART

Exhibit 2: Actual vs Dart estimates

Particulars (Rs mn)	Q4FY24	Q4FY24E	Variance (%)	Comment
Revenue	1,19,829	1,24,439	(3.7)	Below estimate
EBITDA	30,915	33,964	(9.0)	Below estimate due to higher R&D and other
EBITDA margin (%)	25.8	27.3	(149bps)	expenses
APAT	27,562	25,166	9.5	APAT was above estimate excluding exceptional items
EPS (Rs)	11.5	10.5	9.5	due to higher other income & lower tax rate

Source: Company, DART

Exhibit 3: Change in estimates

Particulars (Rs mn)	FY25E			FY26E		
	Old	New	Chg. (%)	Old	New	Chg. (%)
Revenue	5,48,183	5,38,576	(1.8)	6,09,315	5,99,757	(1.6)
EBITDA	1,54,588	1,48,108	(4.2)	1,71,827	1,64,933	(4.0)
EBITDA Margin (%)	28.2	27.5	(70bps)	28.2	27.5	(70bps)
PAT	1,18,193	1,14,500	(3.1)	1,32,549	1,27,864	(3.5)
EPS (Rs)	49.3	47.7	(3.1)	55.2	53.3	(3.5)

Source: Company, DART

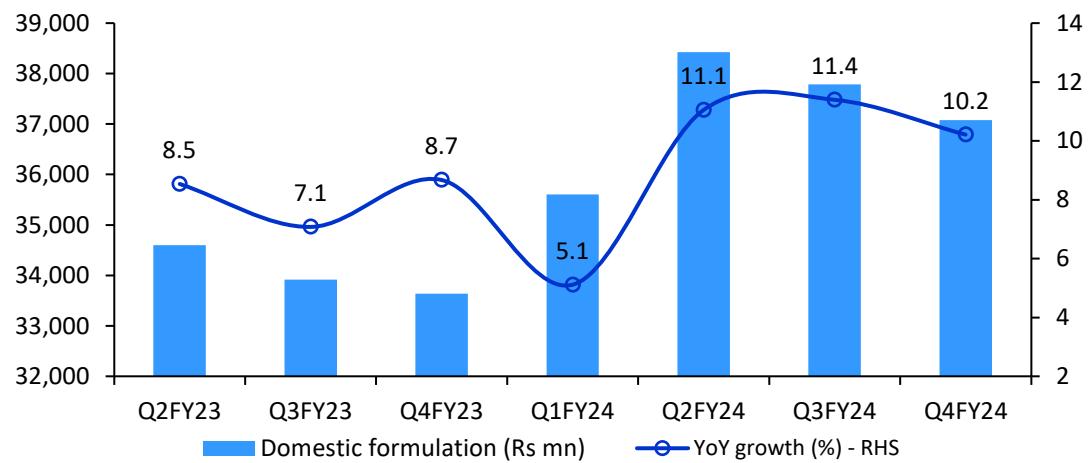
Exhibit 4: Annual revenue assumption table

Particulars (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
India	1,27,593	1,36,031	1,48,893	1,63,782	1,81,798
% of Sales	33.2	31.4	31.2	30.8	30.7
% YoY	23.4	6.6	9.5	10.0	11.0
US	1,13,737	1,35,353	1,53,493	1,69,843	1,85,385
% of Sales	29.6	31.3	32.1	32.0	31.3
% YoY	12.8	19.0	13.4	10.7	9.2
Emerging Market	67,432	78,977	86,195	99,124	1,13,992
% of Sales	17.5	18.2	18.0	18.7	19.2
% YoY	16.6	17.1	9.1	15.0	15.0
ROW	54,545	60,426	67,128	75,184	86,461
% of Sales	14.2	14.0	14.1	14.2	14.6
% YoY	13.2	10.8	11.1	12.0	15.0
API	18,354	19,724	19,187	20,146	21,153
% of Sales	4.8	4.6	4.0	3.8	3.6
% YoY	(5.9)	7.5	(2.7)	5.0	5.0
Others	2,604	2,279	2,690	3,040	3,435
% of Sales	0.7	0.5	0.6	0.6	0.6
% YoY	63.5	(12.5)	18.0	13.0	13.0
Total Revenue	3,84,264	4,32,789	4,77,585	5,31,118	5,92,225

Source: Company, DART

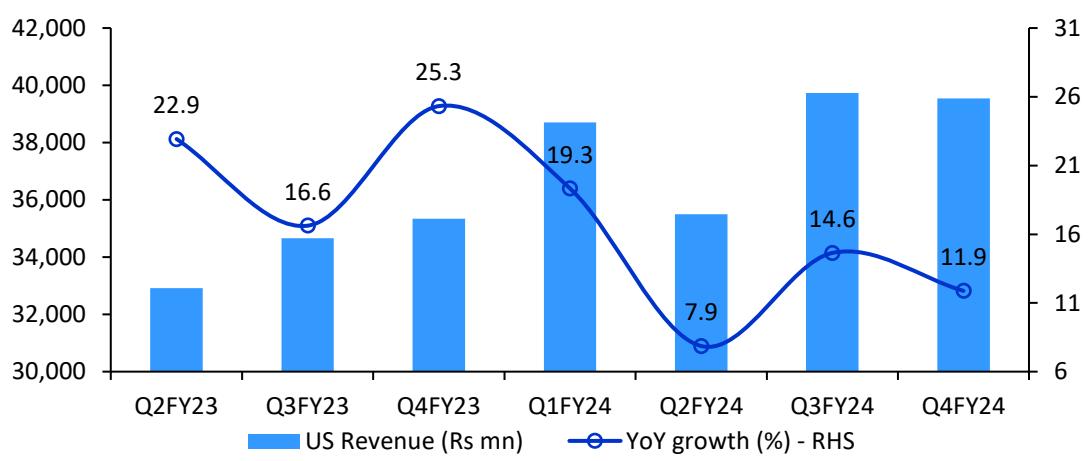
Story in Charts

Exhibit 5: Domestic growth driven by growth in all product categories



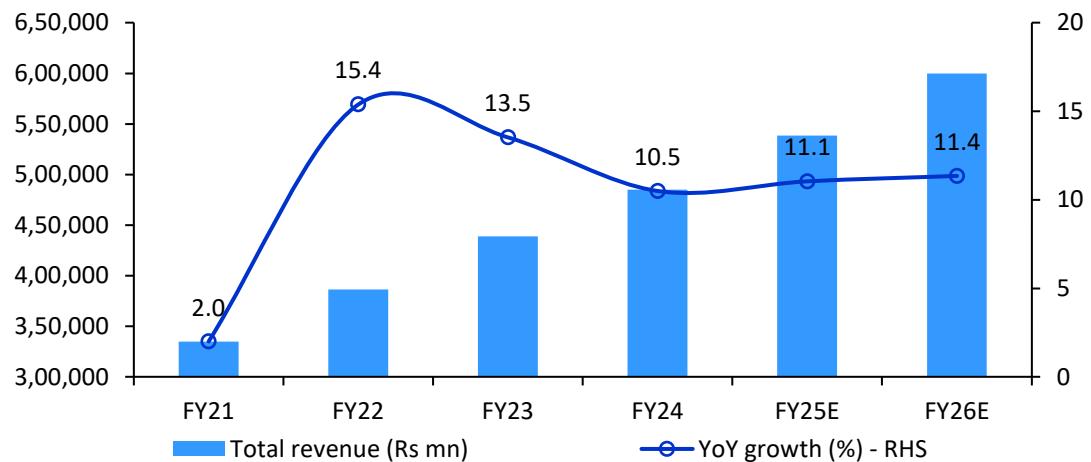
Source: Company, DART

Exhibit 6: US growth driven by traction in specialty sales

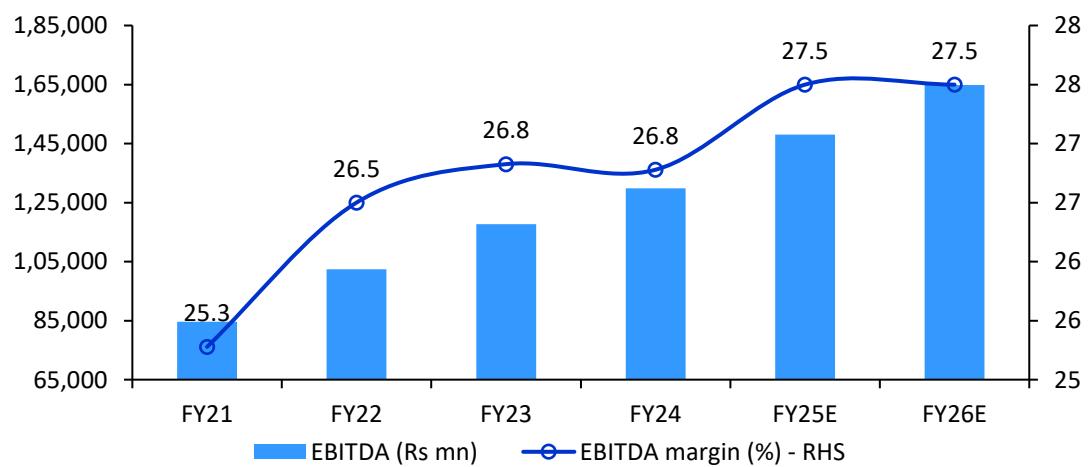


Source: Company, DART

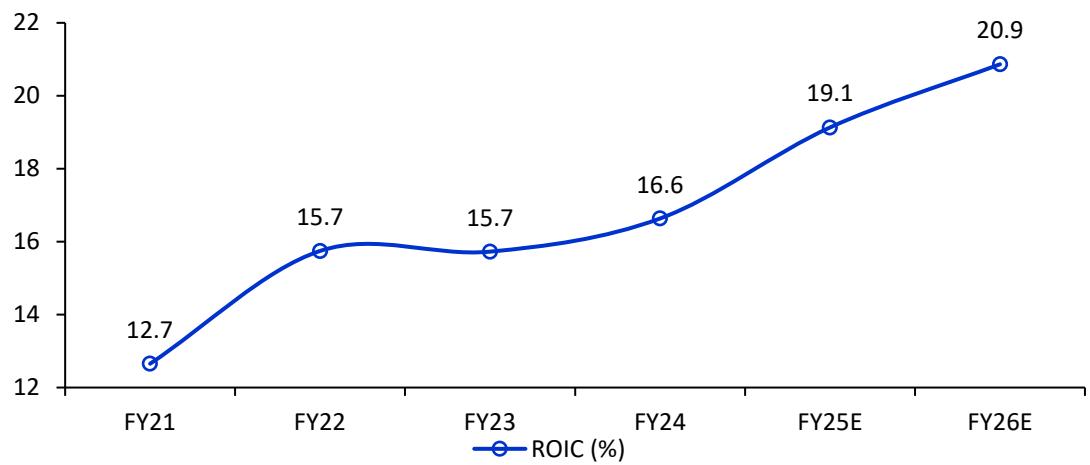
Exhibit 7: Expect revenue CAGR of 11% over FY24-26E



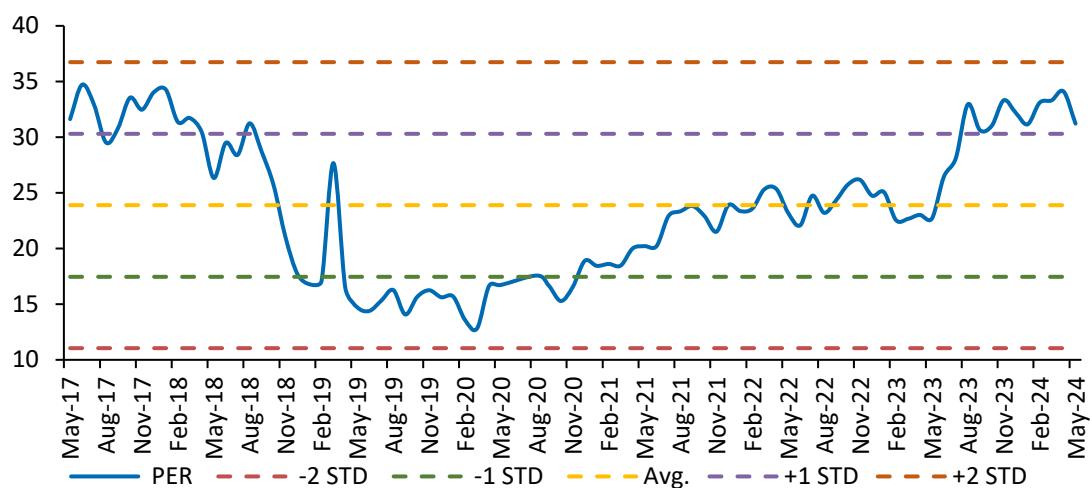
Source: Company, DART

Exhibit 8: EBITDA margin to expand over FY24-26E with better product mix


Source: Company, DART

Exhibit 9: ROIC to expand with improving profitability


Source: Company, DART

Exhibit 10: One year forward P/E band


Source: Company, DART

Earning call KTA

Guidance –

- Revenue guidance for FY25 is high single digit growth.
- R&D guided to be in the range of 8-10% of sales for FY25.
- Tax rate to increase annually going forward.
- FY25 will be an investment phase for most of the businesses.
- Pipeline for generic launches in FY25 looks healthy.

Specialty business

- Global specialty business surpassed US\$1bn annual sales. The company expects to continue to build its specialty portfolio and invest further to gain scale across businesses.
- Global specialty sales grew by 11.1% to US\$271mn in Q4FY24. Growth was driven by specialty products with major contributions from Cequa, Odomzo, Winlevi and Ilumya.
- Prescription trend for specialty continues to remain strong.
- Management believes specialty will become an important part of the business. However, initial focus is towards the US. It will also launch in other geographies and expect to see demand from other markets. Despite this, the US is expected to account for major portion of the specialty business.
- Post Taro integration, the company will be actively involved in managing the business. As it is not a pure acquisition, the company does not see any dramatic changes in running the business.
- Winlevi witnessed very strong quarter growth. Management believes sales to pick up going forward.
- Ilumya –
 - Strong growth of 21.7% in global market with overall sales of US\$580mn in FY24.
 - Majority of sales comes from US market.
 - Despite competition in Humira, management expects it to continue to grow.
 - Management plans to launch in the non-US market as well.
 - Market share of Ilumya in Biologic market for psoriasis is less than 1%.

Pipeline products –

- Nidlegy – phase 3 completed in first indication. If successful can directly file in the US.
- Deuruxolitinib – filed with USFDA and next milestone is the PDUFA date, which is expected in Jul'24. Launch is expected post PDUFA date. The company is incurring minimal costs towards this product currently, but the major expenses will come in post launch. These expenses will be towards promotion and manpower. This product will have five years exclusivity.
- Ilumya – currently in phase 3 for psoriatic arthritis and topline data expected in H2CY25.
- MM-II – phase 2 completed & phase 3 to start in H1CY25.
- SCD-044 – in phase 2 and topline data expected in H2CY24 and H1CY25.
- GL0034 – phase 1 completed & phase 2 to start in H2CY24.

US business

- US formulation business grew by 10.9% YoY to US\$476mn.
- US business accounts for about 33.5% of total sales in Q4FY24.
- Taro grew by 12.5% YoY to US\$165mn, excluding the impact of GTN adjustments, sales growth was in high single digits.
- gRevlimid contribution to sales was very small in Q4FY24.
- Supplies from Mohali plant have resumed but have not picked up much. Supplies are expected to pick up gradually over time.
- The management has done enough corrections in Mohali & Dadra facility, hopes for positive outcome in subsequent USFDA audit.
- The company launched two new generics during the quarter on ex-Taro basis.
- The pricing environment in the US is product specific, some products witnessed huge pricing pressure while some witnessed less.

India business

- India sales grew by 10.2% in Q4FY24 & accounted for 33.5% of consolidated sales.
- Sun Pharma is ranked No. 1 and continues to hold market share of 8.5%, as per AIOCD avacs.
- As per SMSRC MAT Feb-2024 report, Sun pharma ranked no.1 by prescriptions with 12 different doctor categories.
- For Q4FY24, the company launched nine new products in the Indian market.
- Management expects to grow inline or higher than the Indian Pharma Market in FY25.

Others

- Emerging market growth in cc terms was 17% YoY in Q4FY24. Accounted for 17.2% of total sales in Q4FY24.
- The company is happy with the Nidlegy clinical data. It is a useful & important product for the European market. Although the number of patients is in thousands, it will remain an interesting product.
- Amongst the larger markets in local currency terms, Brazil & South Africa performed well.
- Forex loss as on Q4FY24 was – Rs564mn
- Net cash as on 31st Mar'24 was US\$2.4bn
- Net Cash on ex-Taro – US\$1.1bn
- Staff costs in Q4FY24 was high due to increase in merit, head count and consolidation of Concert Pharma.
- Gross margin improvement in Q4FY24 was due to product mix and geography mix.
- Sun Pharma continues to invest in R&D pipeline for global generics & specialty business.
- Specialty R&D accounts for 42% of total R&D spent for the quarter.

Financial Performance

Profit and Loss Account

(Rs Mn)	FY23A	FY24A	FY25E	FY26E
Revenue	4,38,857	4,84,969	5,38,576	5,99,757
Total Expense	3,21,128	3,55,099	3,90,468	4,34,824
COGS	1,06,622	1,06,626	1,18,487	1,31,947
Employees Cost	82,960	94,291	1,04,484	1,16,353
Other expenses	1,31,546	1,54,182	1,67,497	1,86,524
EBIDTA	1,17,729	1,29,870	1,48,108	1,64,933
Depreciation	25,294	25,566	26,956	28,126
EBIT	92,435	1,04,304	1,21,152	1,36,807
Interest	1,720	2,385	1,694	1,609
Other Income	6,345	13,542	14,219	14,930
Exc. / E.O. items	(2,976)	(4,582)	0	0
EBT	94,084	1,10,879	1,33,678	1,50,128
Tax	8,476	14,395	18,046	21,018
RPAT	84,736	95,764	1,14,500	1,27,864
Minority Interest	394	337	785	935
Profit/Loss share of associates	(479)	(384)	(346)	(311)
APAT	86,450	1,00,707	1,14,500	1,27,864

Balance Sheet

(Rs Mn)	FY23A	FY24A	FY25E	FY26E
Sources of Funds				
Equity Capital	2,399	2,399	2,399	2,399
Minority Interest	33,201	34,392	35,178	36,112
Reserves & Surplus	5,57,555	6,34,268	7,20,799	8,16,989
Net Worth	5,59,954	6,36,668	7,23,199	8,19,389
Total Debt	65,182	32,737	31,100	29,545
Net Deferred Tax Liability	31,514	23,234	20,566	18,659
Total Capital Employed	6,89,850	7,27,031	8,10,042	9,03,705

Applications of Funds

Net Block	2,84,299	2,74,575	2,64,742	2,53,846
CWIP	9,634	11,077	11,077	11,077
Investments	58,299	69,152	75,556	82,602
Current Assets, Loans & Advances	4,23,562	4,58,788	5,56,123	6,65,907
Inventories	1,05,131	98,683	1,09,591	1,22,040
Receivables	1,14,385	1,12,494	1,24,929	1,39,120
Cash and Bank Balances	57,703	1,05,207	1,65,345	2,36,913
Loans and Advances	32,787	33,860	41,152	45,724
Other Current Assets	19,831	22,699	24,969	27,466
Less: Current Liabilities & Provisions	85,944	86,562	97,457	1,09,727
Payables	56,815	56,533	62,782	69,914
Other Current Liabilities	29,128	30,029	34,674	39,813
<i>sub total</i>				
Net Current Assets	3,37,619	3,72,227	4,58,666	5,56,181
Total Assets	6,89,850	7,27,031	8,10,042	9,03,705

E – Estimates

Important Ratios

Particulars	FY23A	FY24A	FY25E	FY26E
(A) Margins (%)				
Gross Profit Margin	75.7	78.0	78.0	78.0
EBIDTA Margin	26.8	26.8	27.5	27.5
EBIT Margin	21.1	21.5	22.5	22.8
Tax rate	9.0	13.0	13.5	14.0
Net Profit Margin	19.3	19.7	21.3	21.3
(B) As Percentage of Net Sales (%)				
COGS	24.3	22.0	22.0	22.0
Employee	18.9	19.4	19.4	19.4
Other	30.0	31.8	31.1	31.1
(C) Measure of Financial Status				
Gross Debt / Equity	0.1	0.1	0.0	0.0
Interest Coverage	53.7	43.7	71.5	85.0
Inventory days	87	74	74	74
Debtors days	95	85	85	85
Average Cost of Debt	4.6	4.9	5.3	5.3
Payable days	47	43	43	43
Working Capital days	281	280	311	338
FA T/O	1.5	1.8	2.0	2.4
(D) Measures of Investment				
AEPS (Rs)	36.0	42.0	47.7	53.3
CEPS (Rs)	46.6	52.6	59.0	65.0
DPS (Rs)	11.5	13.5	15.0	17.0
Dividend Payout (%)	31.9	32.2	31.4	31.9
BVPS (Rs)	233.4	265.4	301.4	341.5
RoANW (%)	16.6	16.8	16.8	16.6
RoACE (%)	14.1	14.6	15.3	15.3
RoAIC (%)	15.7	16.6	19.1	20.9
(E) Valuation Ratios				
CMP (Rs)	1539	1539	1539	1539
P/E	42.7	36.7	32.3	28.9
Mcap (Rs Mn)	36,93,242	36,93,242	36,93,242	36,93,242
MCap/ Sales	8.4	7.6	6.9	6.2
EV	36,06,995	35,34,926	34,68,860	33,91,230
EV/Sales	8.2	7.3	6.4	5.7
EV/EBITDA	30.6	27.2	23.4	20.6
P/BV	6.6	5.8	5.1	4.5
Dividend Yield (%)	0.7	0.9	1.0	1.1
(F) Growth Rate (%)				
Revenue	13.5	10.5	11.1	11.4
EBITDA	14.9	10.3	14.0	11.4
EBIT	14.1	12.8	16.2	12.9
PBT	109.9	17.9	20.6	12.3
APAT	12.8	16.5	13.7	11.7
EPS	12.8	16.5	13.7	11.7

E – Estimates

Cash Flow

Particulars	FY23A	FY24A	FY25E	FY26E
Profit before tax	94,084	1,05,072	1,76,764	1,98,109
Depreciation & w.o.	25,294	25,566	26,956	28,126
Net Interest Exp	1,720	2,385	1,694	1,609
Direct taxes paid	(10,293)	(21,525)	(18,046)	(21,018)
Change in Working Capital	(53,357)	7,131	(26,954)	(25,807)
Non Cash	0	0	0	0
(A) CF from Operating Activities	57,448	1,18,629	1,60,413	1,81,019
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(58,493)	(18,424)	(17,123)	(17,229)
Free Cash Flow	(1,045)	1,00,205	1,43,290	1,63,790
(Inc.)/ Dec. in Investments	(19,815)	(1,958)	(10,696)	(11,552)
Other	(835)	(1,016)	0	0
(B) CF from Investing Activities	(79,144)	(21,397)	(27,819)	(28,781)
Issue of Equity/ Preference	0	0	0	0
Inc./ (Dec.) in Debt	55,753	(34,841)	(1,637)	(1,555)
Interest exp net	(1,720)	(2,385)	(1,694)	(1,609)
Dividend Paid (Incl. Tax)	(25,193)	(32,391)	(35,990)	(40,789)
Other	224	19,889	(33,135)	(36,718)
(C) CF from Financing	29,064	(49,728)	(72,455)	(80,670)
Net Change in Cash	7,369	47,504	60,138	71,568
Opening Cash balances	50,334	57,703	1,05,207	1,65,345
Closing Cash balances	57,703	1,05,207	1,65,345	2,36,913

E – Estimates

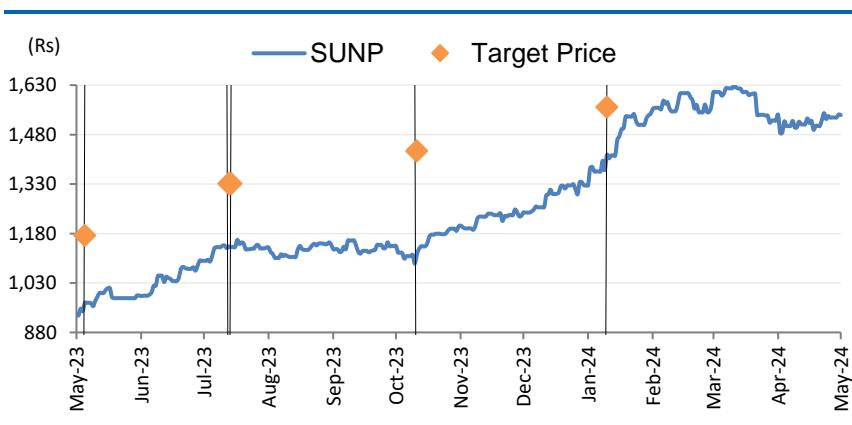
Notes

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-23	BUY	1,174	970
Aug-23	BUY	1,331	1,141
Aug-23	BUY	1,331	1,139
Nov-23	BUY	1,430	1,116
Jan-24	Accumulate	1,563	1,418

*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
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
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	bhavim@ 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. persons only: This research report is a product of Dolat Capital Market Private Limited, under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Research reports are intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Dolat Capital Market Private Limited has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer.

**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: INH000014012

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