

India

**HOLD** (no change)

Consensus ratings\*: Buy 30 Hold 7 Sell 4

Current price:	Rs1,744
Target price:	Rs1,900
Previous target:	Rs2,000
Up/downside:	8.9%
InCred Research / Consensus:	-8.3%
Reuters:	SUN.NS
Bloomberg:	SUNP IN
Market cap:	US\$48,308m
	Rs4,184,218m
Average daily turnover:	US\$41.8m
	Rs3623.2m
Current shares o/s:	2,399.3m
Free float:	45.5%

\*Source: Bloomberg

**Key changes in this note**

- Revise FY25F/26F EPS by 6%/-3%.
- Lower the target price to Rs1,900 from Rs2,000 earlier.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(7.5)	(5.7)	22.9
Relative (%)	(6.3)	(3.0)	13.7

Major shareholders	% held
Promoters	54.5
ICICI Pru MF	3.4
LIC	2.9

**Research Analyst(s)**



**Praful BOHRA**

T (91) 22 4161 1552  
E praful.bohra@incredresearch.com

**Yogesh SONI**

T (91) 22 4161 1566  
E yogesh.soni@incredresearch.com

# Sun Pharmaceutical Industries

## In-line 3Q performance

- In-line 3Q results, adjusted for milestone income. US biz hit by lower gRevlimid sales, although global specialty & India businesses posted strong growth.
- Adj. margin at 28.7%, up slightly. FY25F R&D costs to be below 7% of sales.
- FY25F/26F EPS revised by 6%/-3%, respectively. We maintain our HOLD rating on the stock with a lower target price of Rs1,900 (Rs2,000 earlier).

### 3QFY25 performance in line with expectations

Sun Pharmaceutical Industries' (Sun Pharma) 3QFY25 results optically show a big beat; however, adjusting for a one-off milestone income (US\$45m vs. US\$20m YoY), margin was broadly in line at 28.7% (ex-forex loss). Notably, R&D spending continues to remain low & much below management's guidance; R&D guidance now stands revised to less than 7% of sales, which should inch up in FY26F, as clinical trials pick up pace. The US business saw a QoQ decline of 8% (at US\$474m vs. expectation of US\$520m) mostly led by lower gRevlimid contribution QoQ. The global specialty business posted robust performance (US\$325m, ex-milestone income, +14% QoQ), led by better seasonality. The gRevlimid contribution was lower QoQ, while ex-gRevlimid, the generics business dipped marginally. India business continued its double-digit growth (13.8% YoY growth vs. expectation of 11%), largely led by volume and new launches. The emerging market business grew by 11.6% YoY; however, RoW market, adjusting for milestone income, was flattish YoY. Other expenses were down QoQ due to lower S&D expenses while other operating income was high due to recognition of a certain grant from the previous quarter.

### Busy season ahead for the specialty segment

Sun Pharma has a busy season ahead in the specialty segment; with the approval for Deuroxolitinib (launch pending, given a preliminary injunction has been filed against the launch), potential approval of Nidlegly in Europe and topline data post phase-III trials for Ilumya in psoriasis arthritis indication in 2HCY25F.

### Other conference-call highlights

a) Specialty R&D expenses stood at 41% of the overall R&D spending. b) In Japan, the focus is on growing the specialty business, as generic business is witnessing price erosion challenges. c) Antibe Therapeutics acquisition - Sun Pharma is expected to conduct certain clinical studies to proceed on the clinical trial of a leading drug that was put on hold by the USFDA in Mar 2024.

### Retain HOLD rating with a lower target price of Rs1,900

Our FY25F/26F earnings stand revised by 6%/-3%, respectively. We maintain our HOLD rating on the stock with a lower target price of Rs1,900 (Rs2,000 earlier). While we remain sanguine on the specialty portfolio & margin in the medium term, we feel FY25F can be a moderate year for earnings, given the ongoing investments. Upside risk: Faster-than-expected ramp-up in the specialty portfolio. Downside risk: Slowdown in the specialty portfolio.

Financial Summary	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
Revenue (Rsm)	386,545	438,857	484,969	528,203	579,892
Operating EBITDA (Rsm)	102,438	117,729	129,870	152,595	164,967
Net Profit (Rsm)	32,727	84,736	95,764	117,718	128,622
Core EPS (Rs)	32.4	36.0	42.0	49.1	53.6
Core EPS Growth	7.7%	11.4%	16.5%	16.9%	9.3%
FD Core P/E (x)	53.90	48.40	41.55	35.55	32.53
DPS (Rs)	10.0	11.5	11.5	11.5	11.5
Dividend Yield	0.57%	0.66%	0.66%	0.66%	0.66%
EV/EBITDA (x)	39.51	35.03	31.19	26.19	23.69
P/FCFE (x)	44.05	49.65	22.54	30.53	19.06
Net Gearing	(22.6%)	(15.2%)	(24.3%)	(28.7%)	(35.6%)
P/BV (x)	8.72	7.47	6.57	5.76	5.06
ROE	16.4%	16.6%	16.8%	17.3%	16.6%
% Change In Core EPS Estimates				5.65%	(2.79%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Financial summary

(Rs m)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	Y-o-Y (%)	Q-o-Q (%)
Revenue	1,12,410	1,09,307	1,19,408	1,21,924	1,23,807	1,19,829	1,26,528	1,32,914	1,36,755	10%	3%
Consumption of raw materials	28,037	22,502	27,582	27,871	27,369	23,804	26,754	26,942	27,405	0%	2%
as % of sales	24.9%	20.6%	23.1%	22.9%	22.1%	19.9%	21.1%	20.3%	20.0%		
Employee costs	20,371	21,796	24,020	23,644	23,633	22,993	24,546	24,777	25,523	8%	3%
as % of sales	18.1%	19.9%	20.1%	19.4%	19.1%	19.2%	19.4%	18.6%	18.7%		
R&D costs	6,702	6,657	6,796	7,734	8,245	9,000	7,940	7,929	8,450	2%	7%
as % of sales	6.0%	6.1%	5.7%	6.3%	6.7%	7.5%	6.3%	6.0%	6.2%		
Other expenditure	27,232	30,059	27,713	30,541	31,037	33,116	30,706	35,157	33,453	8%	-5%
as % of sales	24.2%	27.5%	23.2%	25.0%	25.1%	27.6%	24.3%	26.5%	24.5%		
EBITDA	30,069	28,293	33,297	32,135	33,523	30,915	36,581	38,109	41,924	25%	10%
Margins (%)	26.7%	25.9%	27.9%	26.4%	27.1%	25.8%	28.9%	28.7%	30.7%		
Depreciation	6,600	6,715	6,513	6,328	6,221	6,504	6,551	6,259	6,306		
Other income	1,708	3,461	2,065	2,595	3,748	5,496	4,821	4,821	2,823		
Interest	462	927	809	493	347	736	615	692	515		
PBT	24,715	24,111	28,040	27,909	30,702	29,172	34,235	35,979	37,926	24%	5%
Total tax	2,834	2,229	4,681	3,901	4,323	1,489	5,523	5,672	5,589		
Tax rate (%)	11.5%	9.2%	16.7%	14.0%	14.1%	5.1%	16.1%	15.8%	14.7%		
PAT before MI	21,880	21,882	23,359	24,008	26,378	27,682	28,713	30,307	32,337	23%	7%
Minority interest (MI)	-220	-323	95	-253	-443	-120	-356	95	-142		
Adj. PAT before extraordinary items	21,660	21,559	23,454	23,755	25,936	27,562	28,356	30,402	32,196	24%	6%
Extraordinary expenses	0	-1,715	-3,229	0	-698	-1,016	0	0	-3,162		
Reported PAT	21,660	19,845	20,225	23,755	25,238	26,546	28,356	30,402	29,034	15%	-4%
No. of shares	2399.3	2399.3	2399.3	2399.3	2399.3	2399.3	2399.3	2399.3	2399.3		
EPS	9.0	9.0	9.8	9.9	10.8	11.5	11.8	12.7	13.4		

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Margin profile

Margins (%)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	Y-o-Y (bp)	Q-o-Q (bp)
Gross	75%	79%	77%	77%	78%	80%	79%	80%	80%	207	23
EBITDA	27%	26%	28%	26%	27%	26%	29%	29%	31%	358	198
Adj. PAT	19%	20%	20%	19%	21%	23%	22%	23%	24%	259	67
Effective tax rate	11%	9%	17%	14%	14%	5%	16%	16%	15%	65	-103

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Revenue mix

(Rs m)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	Y-o-Y (%)	Q-o-Q (%)
Total US formulations	34,660	35,343	38,709	35,504	39,736	39,544	38,894	43,274	40,030	1%	-7%
% total revenue	30.8%	32.3%	32.4%	29.1%	32.1%	33.0%	30.7%	32.6%	29.3%		
India formulations	33,919	33,641	35,604	38,425	37,785	37,078	41,445	42,652	43,004	14%	1%
% total revenue	30.2%	30.8%	29.8%	31.5%	30.5%	30.9%	32.8%	32.1%	31.4%		
EM formulations	21,158	18,204	21,452	23,499	20,946	20,348	23,695	24,519	23,384	12%	-5%
% total revenue	18.8%	16.7%	18.0%	19.3%	16.9%	17.0%	18.7%	18.4%	17.1%		
RoW formulations	15,563	15,744	16,041	17,000	17,797	16,290	15,814	16,633	17,840	23%	31%
% total revenue	13.8%	14.4%	13.4%	13.9%	14.4%	13.6%	12.5%	12.5%	16.0%		
Bulk drugs	5,154	3,852	5,396	4,972	4,661	4,158	4,946	5,338	5,678	22%	6%
% total revenue	4.6%	3.5%	4.5%	4.1%	3.8%	3.5%	3.9%	4.0%	4.2%		
Others	1,957	2,522	2,207	2,523	2,883	2,411	1,734	498	2,819	-2%	466%
% total revenue	1.7%	2.3%	1.8%	2.1%	2.3%	2.0%	1.4%	0.4%	2.1%		
Total revenue	1,12,410	1,09,307	1,19,408	1,21,924	1,23,807	1,19,829	1,26,528	1,32,914	1,36,755	10%	3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Actuals vs. estimates

	Actuals	Incred Estimates	Variance (%)	Bloomberg Estimates	Variance (%)
Revenue (Rs m)	1,36,755	1,33,936	2.1	1,33,214	2.7
EBITDA (Rs m)	41,924	36,999	13.3	37,530	11.7
Margin (%)	30.7	27.6		28.2	
PAT (Rs m)	29,034	28,853	0.6	29,318	(1.0)

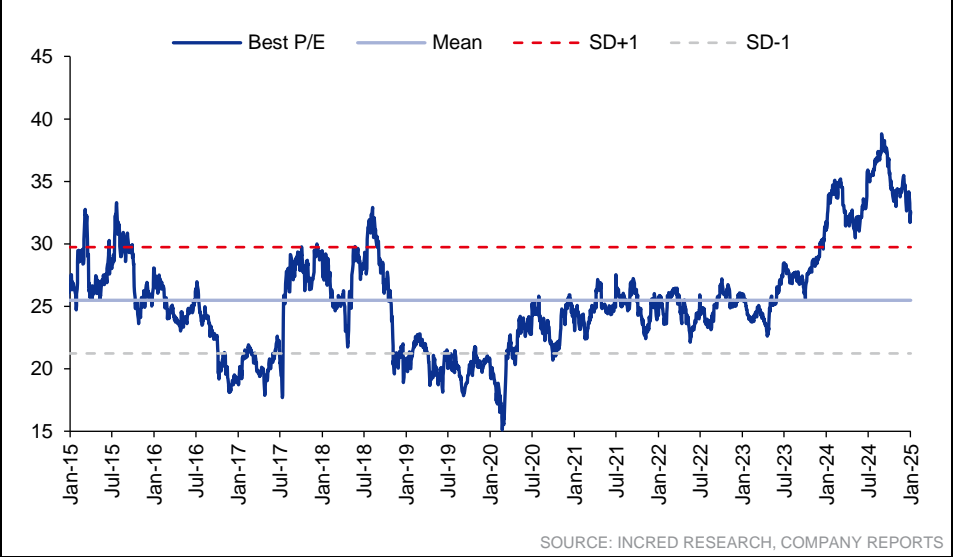
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Our revised earnings estimates

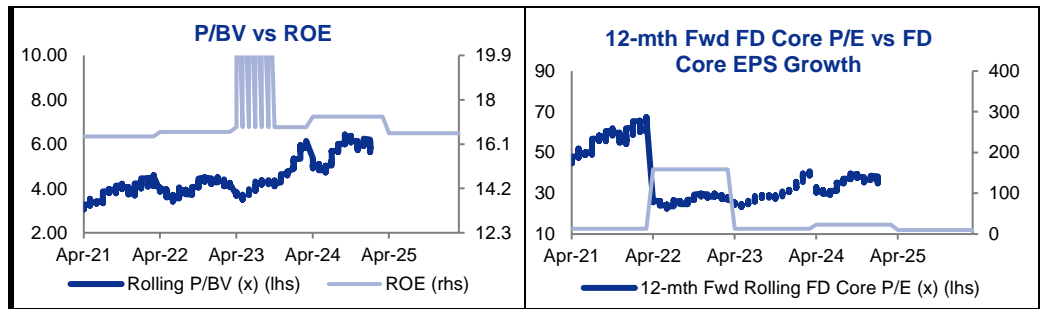
	FY25F			FY26F		
	Old	New	Variance (%)	Old	New	Variance (%)
Revenue (Rs m)	5,19,817	5,28,203	2%	5,74,620	5,79,892	1%
EBITDA (Rs m)	1,43,293	1,52,595	6%	1,67,080	1,64,967	-1%
Margin (%)	27.6	28.9		29.1	28.4	
PAT (Rs m)	1,11,422	1,17,718	6%	1,32,309	1,28,622	-3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 6: After a recent correction, Sun Pharma still trades at a valuation above the SD+1 level**



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
<b>Total Net Revenues</b>	<b>386,545</b>	<b>438,857</b>	<b>484,969</b>	<b>528,203</b>	<b>579,892</b>
<b>Gross Profit</b>	<b>283,030</b>	<b>332,235</b>	<b>378,342</b>	<b>419,922</b>	<b>461,014</b>
<b>Operating EBITDA</b>	<b>102,438</b>	<b>117,729</b>	<b>129,870</b>	<b>152,595</b>	<b>164,967</b>
Depreciation And Amortisation	(21,437)	(25,294)	(25,566)	(25,400)	(28,000)
<b>Operating EBIT</b>	<b>81,000</b>	<b>92,435</b>	<b>104,304</b>	<b>127,195</b>	<b>136,967</b>
Financial Income/(Expense)	(1,274)	(1,720)	(2,385)	(2,400)	(2,000)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	10,755	5,084	13,903	16,000	17,000
<b>Profit Before Tax (pre-EI)</b>	<b>90,481</b>	<b>95,799</b>	<b>115,822</b>	<b>140,795</b>	<b>151,967</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>90,481</b>	<b>95,799</b>	<b>115,822</b>	<b>140,795</b>	<b>151,967</b>
Taxation	(11,519)	(8,476)	(14,395)	(22,527)	(22,795)
Exceptional Income - post-tax	(44,904)	(1,715)	(4,943)		
<b>Profit After Tax</b>	<b>34,058</b>	<b>85,608</b>	<b>96,484</b>	<b>118,268</b>	<b>129,172</b>
Minority Interests	(1,331)	(873)	(721)	(550)	(550)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>32,727</b>	<b>84,736</b>	<b>95,764</b>	<b>117,718</b>	<b>128,622</b>
Recurring Net Profit	77,631	86,450	100,707	117,718	128,622
<b>Fully Diluted Recurring Net Profit</b>	<b>77,631</b>	<b>86,450</b>	<b>100,707</b>	<b>117,718</b>	<b>128,622</b>

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
<b>EBITDA</b>	<b>102,438</b>	<b>117,729</b>	<b>129,870</b>	<b>152,595</b>	<b>164,967</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	15,591	(56,618)	10,621	(44,962)	(24,594)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	83,115	64,480	149,451	123,633	157,373
Net Interest (Paid)/Received	(1,274)	(1,720)	(2,385)	(2,400)	(2,000)
Tax Paid	8,004	(13,167)	(25,717)	(36,677)	(38,345)
<b>Cashflow From Operations</b>	<b>89,845</b>	<b>49,593</b>	<b>121,350</b>	<b>84,556</b>	<b>117,028</b>
Capex	(14,344)	(20,646)	(21,710)	(15,000)	(16,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	(41,643)	(46,858)	(1,433)		
Other Investing Cashflow					
<b>Cash Flow From Investing</b>	<b>33,858</b>	<b>(17,911)</b>	<b>98,207</b>	<b>69,556</b>	<b>101,028</b>
Debt Raised/(repaid)	(28,718)	52,602	(33,899)	(17,039)	1,515
Proceeds From Issue Of Shares			(774)		
Shares Repurchased					
Dividends Paid	(21,692)	(25,197)	(28,982)	(27,592)	(27,592)
Preferred Dividends					
Other Financing Cashflow	80,469	13,976	5,308	13,600	15,000
<b>Cash Flow From Financing</b>	<b>30,059</b>	<b>41,380</b>	<b>(58,347)</b>	<b>(31,031)</b>	<b>(11,077)</b>
Total Cash Generated	63,918	23,470	39,860	38,524	89,951
<b>Free Cashflow To Equity</b>	<b>94,986</b>	<b>84,284</b>	<b>185,657</b>	<b>137,073</b>	<b>219,572</b>
<b>Free Cashflow To Firm</b>	<b>124,977</b>	<b>33,403</b>	<b>221,941</b>	<b>156,512</b>	<b>220,057</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-22A</b>	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>
Total Cash And Equivalents	128,373	151,842	191,702	230,227	320,178
Total Debtors	105,929	114,385	112,494	142,615	156,571
Inventories	89,968	105,131	98,683	126,769	144,973
Total Other Current Assets	25,880	27,476	31,871	34,333	40,592
<b>Total Current Assets</b>	<b>350,150</b>	<b>398,833</b>	<b>434,750</b>	<b>533,944</b>	<b>662,315</b>
Fixed Assets	111,689	113,537	113,001	102,601	90,601
Total Investments	52,147	3,894	4,426	4,426	4,426
Intangible Assets	125,777	180,396	172,652	172,652	172,652
Total Other Non-Current Assets	58,237	110,776	129,800	129,800	129,800
<b>Total Non-current Assets</b>	<b>347,849</b>	<b>408,603</b>	<b>419,879</b>	<b>409,479</b>	<b>397,479</b>
Short-term Debt	8,086	61,979	28,444	28,444	28,444
Current Portion of Long-Term Debt					
Total Creditors	44,793	56,815	56,533	60,426	65,744
Other Current Liabilities	119,126	80,276	84,867	96,682	105,190
<b>Total Current Liabilities</b>	<b>172,006</b>	<b>199,070</b>	<b>169,844</b>	<b>185,552</b>	<b>199,377</b>
Total Long-term Debt	4,817		13	(17,026)	(15,510)
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	10,515	15,211	13,712	13,712	13,712
<b>Total Non-current Liabilities</b>	<b>15,332</b>	<b>15,211</b>	<b>13,725</b>	<b>(3,314)</b>	<b>(1,799)</b>
Total Provisions					
<b>Total Liabilities</b>	<b>187,338</b>	<b>214,281</b>	<b>183,569</b>	<b>182,238</b>	<b>197,579</b>
Shareholders Equity	480,112	559,954	636,668	726,243	826,722
Minority Interests	30,549	33,201	34,392	34,942	35,492
<b>Total Equity</b>	<b>510,661</b>	<b>593,155</b>	<b>671,060</b>	<b>761,185</b>	<b>862,215</b>

<b>Key Ratios</b>					
	<b>Mar-22A</b>	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>
Revenue Growth	15.4%	13.5%	10.5%	8.9%	9.8%
Operating EBITDA Growth	21.0%	14.9%	10.3%	17.5%	8.1%
Operating EBITDA Margin	26.5%	26.8%	26.8%	28.9%	28.4%
Net Cash Per Share (Rs)	48.13	37.45	68.04	91.20	128.05
BVPS (Rs)	200.10	233.38	265.35	302.68	344.56
Gross Interest Cover	63.60	53.74	43.74	53.00	68.48
Effective Tax Rate	12.7%	8.8%	12.4%	16.0%	15.0%
Net Dividend Payout Ratio					
Accounts Receivables Days	92.79	91.62	85.38	88.14	94.16
Inventory Days	317.24	333.94	348.84	379.98	417.18
Accounts Payables Days	149.03	173.92	194.01	197.13	193.69
ROIC (%)	17.1%	13.4%	15.1%	17.2%	18.2%
ROCE (%)	15.4%	15.7%	15.4%	17.3%	16.6%
Return On Average Assets	11.6%	11.8%	12.4%	13.4%	13.0%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

---

## DISCLAIMER

---

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as "IRSPL"). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted "Incred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. While every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which is believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made (information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request. The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short-term views, etc.) that are inconsistent with and reach a different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

Research Analyst or his/her relative(s) or InCred Research Services Private Limited or our associate may have any financial interest in the subject company.

Research Analyst or his/her relatives or InCred Research Services Limited or our associates may have actual or beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report.

Research Analyst or his/her relative or InCred Research Services Private Limited or our associate entities may have any other material conflict of interest at the time of publication of the Research Report.



In the past 12 months, IRSPL or any of its associates may have:

- a) Received any compensation/other benefits from the subject company,
- b) Managed or co-managed public offering of securities for the subject company,
- c) Received compensation for investment banking or merchant banking or brokerage services from the subject company,
- d) Received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company

We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

Research Analyst may have served as director, officer, or employee in the subject company.

We or our research analyst may engage in market-making activity of the subject company.

#### **Analyst declaration**

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based on any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.

---

#### **InCred Research Services Private Limited**

##### **Research Analyst SEBI Registration Number: INH000011024**

Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051

Phone: +91-22-6844-6100

Corporate Office: 05<sup>th</sup> floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051

Phone: +91-22-4161-1500

Name of the Compliance Officer: Mr. Yogesh Kadam

Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539

For any queries or grievances, you may contact the Grievance Officer.

Name of the Grievance Officer: Mr. Rajarshi Maitra

Phone no. +91-022-41611546

Email ID: rajarshi.maitra@incredresearch.com

CIN: U74999MH2016PTC287535

**Recommendation Framework****Stock Ratings**

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

**Sector Ratings**

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

**Country Ratings**

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.