



## Steady Outlook on Product Development; Maintain ADD

**Est. vs. Actual for Q2FY25:** Revenue – **INLINE**; EBITDA Margin – **BEAT**; PAT – **BEAT**

### Changes in Estimates (%) post Q2FY25

**FY25E/FY26E:** Revenue: 2.4%/2.2%; EBITDA Abs: 9.7%/6.8%; PAT: 12.6%/8.6%

### Recommendation Rationale

- **A strong set of results:** Lupin reported a strong set of results, exceeding our expectations. Reported revenue grew by 12.6% YoY, led by the India business, which grew by 18.8% YoY, and the Asia-Pacific business, which grew by 30% YoY. However, the U.S. business grew by only 5.6% YoY, while the API business declined by 18.1% YoY.
- **Improvement in gross margin:** The company's gross margin improved by 293 bps YoY and 58 bps QoQ, driven by a favourable product mix, lower input costs, a reduced share of in-licensed products, and increased cost efficiencies.
- **EBITDA margins improved** by 437bps YoY and 207bps QoQ. Reported PAT grew by 74% YoY, surpassing expectations.

### Sector Outlook: Positive

**Company Outlook & Guidance:** Lupin has a strong pipeline of niche products that could support double-digit growth in the U.S. market. Injectable products like Glucagon and Dalbavancin, both with a market opportunity of \$500 Mn are expected to launch within the next six months. Additionally, Liraglutide and Risperidone could contribute to revenue in FY27E. Lupin is exploring opportunities in biosimilars, including Ranibizumab and Aflibercept, with Tolvaptan expected to add revenue in the generic segment.

**Current Valuation:** PE32x for Sep FY27 earnings (Earlier Valuation: PE 30x)

**Current TP:** Rs 2,600/share (Earlier TP: Rs 2,200/share)

**Recommendation:** BUY

### Financial Performance

Lupin reported a strong set of results, exceeding our expectations. Reported revenue grew by 12.6% YoY, led by the India business, which grew by 18.8% YoY, and the Asia-Pacific business, which grew by 30% YoY. However, the U.S. business grew by only 5.6% YoY, while the API business declined by 18.1% YoY.

Gross margins improved by 293bps YoY and 58bps QoQ, driven by a favourable product mix, lower input costs, a reduced share of in-licensed products, and increased cost efficiencies. EBITDA margins improved by 437bps YoY and 207bps QoQ. Reported PAT grew by 74% YoY, surpassing expectations.

**North America Business:** Lupin reported U.S. sales of \$220 Mn, slightly lower due to competition in Suprep and Doxycycline. Lupin has already launched Pred Forte, while Mirabegron could be launched in upcoming quarters pending litigation. Approximately 40% of the U.S. business comprises complex generics, with an exciting pipeline of over 20 respiratory products and 40 injectable products expected to launch in the coming years. Non-U.S. business grew by 20% YoY, driven by new product launches.

**India Business:** Lupin reported Rs. 2,010 Cr in Q2FY25 with robust 19% YoY growth, led by the formulation business and additional tenders in the global institutional business. The prescription business grew by 10.9% YoY, outpacing market growth. The India business is supported by a strong portfolio of innovative and in-licensed products and extensive reach through a 10,000-person sales force.

### Key Financials (Consolidated)

(Rs Cr)	Q2FY25	QoQ (%)	YoY (%)	Axis Est.	Variance %
Net Sales	5,673	1.3%	13%	5,550	2.2%
EBITDA	1,340	8.0%	46%	1,200	11.7%
EBITDA Margin	23.6%	147	541	21.6%	-
Net Profit	860	7.2%	67%	700	22.8%
EPS (Rs)	18.9	7.2%	67%	15.4	22.6%

Source: Company, Axis Securities Research

(CMP as of 8<sup>th</sup> November 2024)

CMP (Rs)	2097
Upside /Downside (%)	24%
High/Low (Rs)	2,312/1,153
Market cap (Cr)	96,004
Avg. daily vol. (6m) Shrs.	1,20,000
No. of shares (Cr)	45.5

### Shareholding (%)

	Mar-24	Jun-24	Sep-24
Promoter	47.0	47.0	47.0
FII's	16.8	19.3	21.5
MF's / UTI	18.3	16.2	16.9
Others	17.9	17.5	14.6

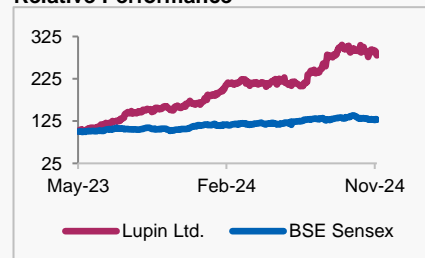
### Financial & Valuations

Y/E Mar (Rs Cr)	FY24	FY25E	FY26E
Net Sales	20,011	21,352	23,946
EBITDA	3,811	4,804	5,508
Net Profit	1,915	2,950	3,475
EPS (Rs)	42.0	64.7	76.3
PER (x)	49.9	32.4	27.5
P/BV (x)	25.5	19.7	16.7
EV/EBITDA (x)	6.6	5.6	4.7
ROE (%)	13.3	17.3	17.2

### Change in Estimates (%)

Y/E Mar	FY25E	FY26E
Sales	2.4%	2.2%
EBITDA	9.7%	6.8%
PAT	12.6%	8.6%

### Relative Performance



Source: Ace Equity

**Ankush Mahajan**  
 Research Analyst

Email: [ankush.mahajan@axissecurities.in](mailto:ankush.mahajan@axissecurities.in)

**Aman Goyal**  
 Research Associate

Email: [aman.goyal@axissecurities.in](mailto:aman.goyal@axissecurities.in)

## Valuation & Recommendation

Lupin's strong pipeline in generics, biosimilars, and specialty drugs could deliver double-digit growth in the U.S. market. Additionally, Lupin is continuously gaining market share in the diabetes and cardiac segments in India, supported by a 10,000-strong medical representative team that is outpacing industry growth. **We recommend a BUY rating with a target price of Rs 2,600/share.**

## Outlook

*We have confidence in Lupin's business, supported by the following factors:*

- New launches in the US market, such as Darunavir and Spiriva, have gained market shares of up to 30% and 25%, respectively. The recent launch approval of gMegabran has the potential to add yearly incremental sales of \$50 Mn.
- Recent approvals for Tolvaptan (market size \$287 Mn) and Xyway (market size \$958 Mn with 180 days exclusivity) could add business in the second half.
- A strong pipeline of products, including Cynocobalamin, Diazepam Gel, Vereniciline, Bromfenac, Glucagen, and Risperidone.
- Double-digit growth in the India business is expected, as the company has already increased its MR (Medical Representative) numbers to 10,000.
- An uptick in the API (Active Pharmaceutical Ingredient) business, as the API industry is witnessing a demand revival.
- Injectable products like Glucagon and Dalbavancin, both with a market opportunity of \$500 Mn, are expected to launch within the next six months.

## Key Concall Highlights

### **Lupin Ltd's North American Business Sees 3% YoY Growth, Optimistic for Double-Digit Growth in FY25:**

In Q2FY25, Lupin Ltd's North American business reported sales of \$220 Mn, reflecting a 3% year-on-year growth on a constant currency basis. This growth was driven by strong volume increases in base products and higher sales of respiratory products, despite challenges from increased competition in generics like Suprep and Doxycycline, as well as low single-digit price declines. The company faced high channel inventory for some new product launches, which it expects to normalize soon. Looking ahead, Lupin is optimistic about achieving close to double-digit revenue growth in North America for the fiscal year, particularly with new product launches such as Mirabegron 50 mg and Pred Forte.

### **Achieves 18.8% YoY Growth in India, Outperforming IPM**

In India, the company achieved impressive growth of 18.8% year-on-year in Q2FY25, with the prescription business growing by 10.9%, significantly outperforming the Indian pharmaceutical market (IPM) growth by 1.4 times. The chronic segment also performed well, growing by 13.5%, exceeding the IPM growth of 9.7%. Lupin ranked third in new product introductions within the IPM, reinforcing its competitive position. The share of in-licensed products decreased to 12% from 15% last year, which is expected to positively impact profitability.

### **Robust Performance Across EMEA and Growth Markets, with Strong Revenue Increases**

In other regions, including EMEA (Europe, the Middle East, and Africa) and growth markets, Lupin's performance remained strong. Revenues from its ex-India, ex-North India formulations business increased by 10% year-on-year to Rs. 1,222 crores, representing 22% of total sales. Additionally, the Global Institutional Business outside of India saw revenues rise to Rs. 208 crores, compared to Rs. 66 crores in Q2 last year. Overall, these results highlight Lupin's robust performance across various geographies, contributing to a positive outlook for sustained growth.

### **Focus on R&D for Growth; Confident of Maintaining EBITDA Margins Between 22%-23%**

Lupin's focus on R&D is aimed at driving future growth, while the improvements in margins indicate effective cost management and operational efficiencies. The company remains confident in its ability to maintain EBITDA margins in the range of 22% to 23% for the remainder of the fiscal year, underscoring its strategy of balancing investment in R&D with a commitment to profitability.

### Key Risks to Our Estimates and TP

- USFDA inspection and issuing of WL/OAI or 483 observations may impact the revenue growth
- Entry of new players may increase pricing pressure in the injectables portfolio
- Delay in launching Biosimilars in the market

### Change in Estimates

(Rs Cr)	New		Old		% Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Sales	21,352	23,946	20,854	23,433	2.4%	2.2%
EBITDA	4,804	5,508	4,379	5155	9.7%	6.8%
PAT	2,950	3,475	2,620	3200	12.6%	8.6%

Source: Company, Axis Securities Research

## Results Review

Particulars (Rs Cr)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (%)	QoQ (%)
<b>Net Sales</b>	<b>5,039</b>	<b>5,197</b>	<b>4,961</b>	<b>5,600</b>	<b>5,673</b>	12.6%	1.3%
<b>Growth (%)</b>	<b>21.5%</b>	<b>20.2%</b>	<b>12.0%</b>	<b>16.3%</b>	<b>12.6%</b>		
Total Expenditure	4,121	4,160	3,964	4,359	4,332	5.1%	-0.6%
Raw Material Consumed	991	1,107	1,094	1,146	1,118	12.8%	-2.4%
Stock Adjustment	855	676	661	641	660		
Development Costs	-143	-57	-182	-42	-88		
<b>% of sales</b>	<b>33.8%</b>	<b>33.2%</b>	<b>31.7%</b>	<b>31.2%</b>	<b>29.8%</b>		
<b>Gross margins (%)</b>	<b>66.2%</b>	<b>66.8%</b>	<b>68.3%</b>	<b>68.8%</b>	<b>70.2%</b>	400	136
Employee Expenses	861	889	900	971	1,008	17.1%	3.8%
% of sales	17.1%	17.1%	18.1%	17.3%	17.8%		
Other Expenses	1,557	1,544	1,490	1,644	1,635	5.0%	-0.5%
% of sales	30.9%	29.7%	30.0%	29.3%	28.8%		
<b>EBITDA</b>	<b>918</b>	<b>1,038</b>	<b>997</b>	<b>1,241</b>	<b>1,340</b>	46.0%	8.0%
<b>EBITDAM (%)</b>	<b>18.2%</b>	<b>20.0%</b>	<b>20.1%</b>	<b>22.2%</b>	<b>23.6%</b>	541	147
Interest	81	74	71	68	71		
Depreciation	248	257	256	248	257		
Other Income	40	29	29	68	42		
Exceptional Items	0	0	0	0	0		
<b>PBT</b>	<b>630</b>	<b>736</b>	<b>699</b>	<b>993</b>	<b>1,055</b>	67.5%	6.2%
Tax	134	117	129	187	195		
<b>Tax (%)</b>	<b>21.3%</b>	<b>16.0%</b>	<b>18.5%</b>	<b>18.9%</b>	<b>18.5%</b>		
PAT	496	619	569	806	860	73.4%	6.7%
P/L Ass	-6	-6	-9	-4	0		
<b>Reported PAT</b>	<b>490</b>	<b>613</b>	<b>561</b>	<b>802</b>	<b>860</b>	75.4%	7.2%

Source: Company, Axis Securities Research

## Geographical Breakup

Particulars (Rs Cr)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY(%)	QoQ(%)
<b>US Business (USD Millions)</b>	<b>213</b>	<b>212</b>	<b>209</b>	<b>227</b>	<b>220</b>	3.3%	-3.1%
<b>Geographical Revenue Breakdown</b>							
North America	1,867	1,889	1,901	2,041	1,971	5.6%	-3.4%
India	1,692	1,725	1,602	1,926	2,010	18.8%	4.3%
APAC	438	473	509	515	569	30.0%	10.5%
EMEA	476	517	532	503	490	2.9%	-2.7%
API	268	278	258	362	294	9.7%	-18.7%

Source: Company, Axis Securities Research

## Financials (consolidated)

### Profit & Loss

(Rs Cr)

Y/E Mar, Rs Cr	FY24	FY25E	FY26E	FY27E
<b>Total Net Sales</b>	<b>20,011</b>	<b>21,352</b>	<b>23,946</b>	<b>25,678</b>
% Change	20.2%	6.7%	12.2%	7.2%
Raw material Consumption	6,643	6,619	7,304	7,806
Staff costs	3,495	3,630	4,071	4,365
Other Expenditure	6,062	6,299	7,064	7,472
Total Expenditure	16,200	16,547	18,438	19,644
<b>EBITDA</b>	<b>3,811</b>	<b>4,804</b>	<b>5,508</b>	<b>6,034</b>
% Change	111.9%	26.1%	14.6%	9.6%
<b>EBITDA Margin %</b>	<b>19.0%</b>	<b>22.5%</b>	<b>23.0%</b>	<b>23.5%</b>
Depreciation	1,197	1,014	1,074	1,134
EBIT	2,614	3,791	4,434	4,901
EBIT Margin %	13.1%	17.8%	18.5%	19.1%
Interest	312	121	106	78
Other Income	120	113	127	139
<b>PBT</b>	<b>2,422</b>	<b>3,782</b>	<b>4,455</b>	<b>4,962</b>
Tax	487	832	980	1,092
Tax Rate %	20.1%	22.0%	22.0%	22.0%
APAT	1,936	2,950	3,475	3,870
P/L after discontinuation	-21	0	0	0
PAT after Ass.	1,915	2,950	3,475	3,870
<b>Adj. PAT</b>	<b>1,915</b>	<b>2,950</b>	<b>3,475</b>	<b>3,870</b>
<b>Growth %</b>	<b>345.1%</b>	<b>54.1%</b>	<b>17.8%</b>	<b>11.4%</b>

Source: Company, Axis Securities Research

### Balance Sheet

(Rs Cr)

Y/E Mar, Rs. Cr	FY24	FY25E	FY26E	FY27E
Share Capital	91	91	91	91
Reserves & Surplus	14,282	16,938	20,118	23,693
Shareholders Fund	14,373	17,029	20,209	23,784
Total Debt	2,922	2,422	1,922	1,422
- Trade Payables	2,958	3,159	3,543	3,799
- Other Long Term Liabilities	346	351	394	422
- Other Current Liabilities	2,252	2,398	2,690	2,884
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>23,997</b>	<b>26,505</b>	<b>29,903</b>	<b>33,457</b>
Gross Block	9,535	10,135	10,735	11,335
Depreciation	4,951	5,965	7,038	8,172
% of GB	51.9%	58.9%	65.6%	72.1%
- Fixed Assets(incl. Capital Work in Progress)	9,677	9,264	8,790	8,257
- Other Non-Current Assets	872	881	881	881
- Current Investments	847	847	847	847
- Inventories	4,954	5,265	5,905	6,332
- Trade Receivables	4,692	5,031	5,642	6,050
- Cash & Cash Equivalents	1,202	3,345	5,739	8,839
- Other Current Assets	1,752	1,872	2,099	2,251
<b>TOTAL ASSETS</b>	<b>23,997</b>	<b>26,505</b>	<b>29,903</b>	<b>33,457</b>

Source: Company, Axis Securities Research

**Cash Flow**

(Rs Cr)

Y/E March	FY24	FY25E	FY26E	FY27E
PBT	2,422	3,782	4,455	4,962
Add: Depreciation	1,197	1,014	1,074	1,134
Add: Interest	312	121	106	78
Cash flow from operations	3,931	4,917	5,635	6,173
Change in working capital	-143	426	761	508
Taxes	487	832	980	1,092
Miscellaneous expenses	21	0	0	0
Net cash from operations	3,566	3,659	3,894	4,574
Capital expenditure	-1,251	-600	-600	-600
Change in Investments	-407	0	0	0
Net cash from investing	-1,658	-600	-600	-600
Increase/Decrease in debt	-1,620	-500	-500	-500
Dividends	-385	-295	-295	-295
Proceedings from equity	0	0	0	0
Interest	-312	-121	-106	-78
Others	317	-0	0	-0
Net cash from financing	-1,999	-916	-901	-873
Net Inc./(Dec.) in Cash	-91	2,143	2,393	3,101
Opening cash balance	1,293	1,202	3,345	5,739
Closing cash balance	1,202	3,345	5,739	8,839

Source: Company, Axis Securities Research

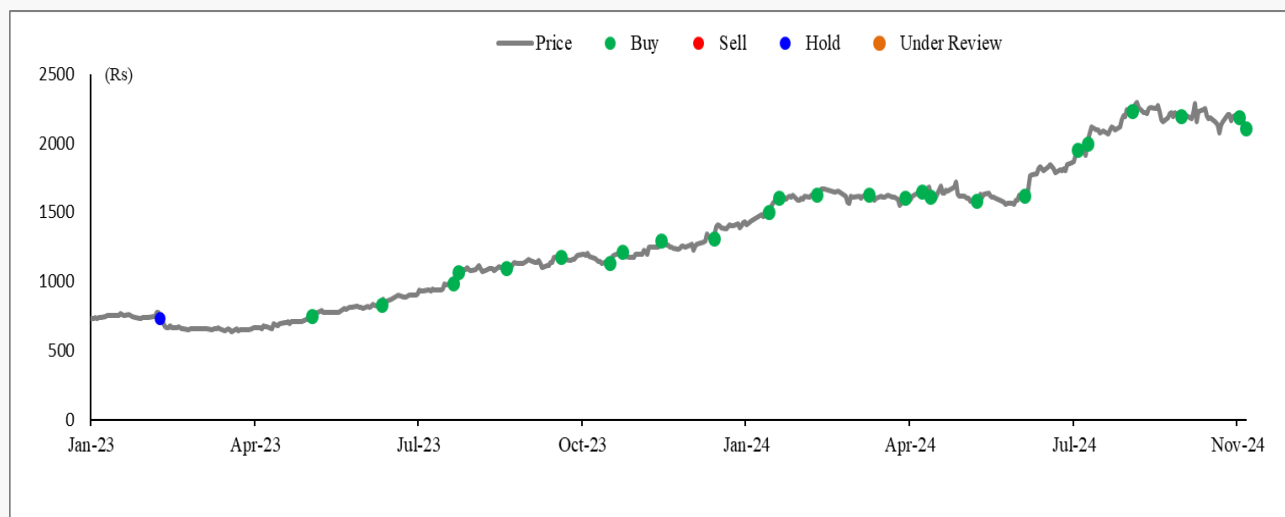
**Ratio Analysis**

(%)

Y/E Mar, Rs. Cr	FY24	FY25E	FY26E	FY27E
Sales growth (%)	20.2	6.7	12.2	7.2
OPM	19.0	22.5	23.0	23.5
Oper. profit growth	111.9	26.1	14.6	9.6
COGS / Net sales	33.2	31.0	30.5	30.4
Overheads/Net sales	-	-	-	-
Depreciation / G. block	12.6	10.0	10.0	10.0
Effective interest rate	20.1	22.0	22.0	22.0
Net kg.cap / Net sales (%)	29.1	29.2	29.2	29.2
Net sales / Gr block (x)	2.1	2.1	2.2	2.3
RoCE	15.1	19.5	20.0	19.4
Debt/equity (x)	0.2	0.1	0.1	0.1
Effective tax rate	20.1	22.0	22.0	22.0
RoE	13.3	17.3	17.2	16.3
Payout ratio (Div/NP)	422.4	323.7	323.7	323.7
EPS (Rs.)	42.0	64.7	76.3	84.9
EPS Growth	345.1	54.1	17.8	11.4
CEPS (Rs.)	68.3	87.0	99.8	109.8
DPS (Rs.)	8.4	6.5	6.5	6.5

Source: Company, Axis Securities Research

## Lupin Ltd Price Chart and Recommendation History



Date	Reco	TP	Research
13-Feb-23	HOLD	780	Result Update
11-May-23	BUY	800	Result Update
21-Jun-23	BUY	950	Result Update
01-Aug-23	BUY	1,082	Top Picks
07-Aug-23	BUY	1,200	Result Update
01-Sep-23	BUY	1,210	Top Picks
03-Oct-23	BUY	1,290	Top Picks
01-Nov-23	BUY	1,290	Top Picks
09-Nov-23	BUY	1,300	Result Update
01-Dec-23	BUY	1,470	Top Picks
01-Jan-24	BUY	1,470	Top Picks
02-Feb-24	BUY	1,670	Top Picks
09-Feb-24	BUY	1,770	Result Update
01-Mar-24	BUY	1,785	Top Picks
01-Apr-24	BUY	1,785	Top Picks
23-Apr-24	BUY	1,770	Company Update
02-May-24	BUY	1,815	Top Picks
08-May-24	BUY	1,800	Result Update
03-Jun-24	BUY	1,764	Top Picks
01-Jul-24	BUY	1,785	Top Picks
01-Aug-24	BUY	2,105	Top Picks
08-Aug-24	BUY	2,200	Result Update
02-Sep-24	BUY	2,105	Top Picks
01-Oct-24	BUY	2,500	Top Picks
04-Nov-24	BUY	2,600	Top Picks
11-Nov-24	BUY	2,600	Result Update

Source: Axis Securities

**DISCLAIMER:**

Axis Securities Limited is a subsidiary company of Axis Bank Ltd. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks and has various subsidiaries engaged in businesses of Asset Management, NBFC, Merchant Banking, Trusteeship, Venture Capital, Stock Broking, the details in respect of which are available on [www.axisbank.com](http://www.axisbank.com).

Axis Securities Limited, is registered as a

- Stock Broker, Depository Participant, Portfolio Manager, Investment Adviser and Research Analyst with Securities and Exchange Board of India
- Corporate Agent with Insurance Regulatory and Development Authority of India
- Point of Presence with Pension Fund Regulatory and Development Authority
- Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE, MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP000000654 | Investment Advisor Reg No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073| PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

Compliance Officer Details: Name – Mr. Maneesh Mathew, Tel No. – 022-68555574, Email id – [compliance.officer@axisdirect.in](mailto:compliance.officer@axisdirect.in);

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

In case of any grievances please call us at 022-40508080 or write to us [helpdesk@axisdirect.in](mailto:helpdesk@axisdirect.in).

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However, SEBI, Exchanges, Clearing Corporations and Depositories etc. have conducted the routine inspection and based on their observations have issued advise/warning/show cause notices/deficiency letters/ or levied penalty or imposed charges for certain deviations observed in inspections or in normal course of business, as a Stock Broker / Depository Participant/Portfolio Manager. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

By referring to any particular sector, Axis Securities does not provide any promise or assurance of favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors. Our research should not be considered as an advertisement or advice, professional or otherwise. This research report and its respective content by Axis Securities made available on this page or otherwise do not constitute an offer to sell or purchase or subscribe for any securities or solicitation of any investments or investment services for the residents of Canada and / or USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company(ies) may have been client during twelve months preceding the date of distribution of the research report. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by ASL and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

The information and opinions in this report have been prepared by Axis Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Axis Securities. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite, investment objective or the particular circumstances of an individual investor. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

While we would endeavour to update the information herein on a reasonable basis, Axis Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Axis Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Axis Securities policies, in circumstances where Axis Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained in good faith from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Axis Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Axis Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Axis Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Axis Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction. Axis Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months. Axis Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Axis Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Axis Securities nor Research Analysts and / or their relatives have any material conflict of interest at the time of publication of this report. Please note that Axis Securities has a



proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Research Analyst may have served as an officer, director or employee of subject company(ies). Axis Securities or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. Since associates of Axis Securities and Axis Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report. Axis Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centres on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of 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 subject company/company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Axis Securities may have proprietary long/short position in the above mentioned scrip(s) and therefore may be considered as interested. This should not be construed as invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation.

**RATING SCALE: Definitions of ratings**

<b>Ratings</b>	<b>Expected absolute returns over 12 – 18 months</b>
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stock, but we refrain from assigning valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

Note: Returns stated in the rating scale are our internal benchmark.