

Lupin's Vision: Growth and Market Leadership

Est. vs. Actual for Q3FY25: Revenue – **INLINE**; EBITDA Margin – **BEAT**; PAT – **BEAT**

Changes in Estimates (%) post Q3FY25

FY25E/FY26E: Revenue: 0.7%/0.4%; **EBITDA Abs** 0.7%/0.4%; **PAT:** 1.0%/0.4%

Recommendation Rationale

- **A strong set of results:** Lupin reported a strong set of results that exceeded our expectations. Reported revenue grew by 11% YoY, led by the India and US businesses, which grew by 11.9% and 12.3%, respectively, YoY, and the EMEA business, which grew by 20.9% YoY. However, the Emerging Markets business declined by 4.7% YoY, and API shows a gradual recovery with 4% YoY growth.
- **Improvement in gross margin:** The company's gross margin improved by 330 bps YoY and remained flat 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 350bps YoY and remained flat QoQ. Reported PAT grew by 40.1% 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, with a market opportunity of \$500 Mn, are expected to launch within 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 Q1FY27 earnings

Current TP: Rs 2,500/share (Earlier TP: Rs 2,600/share)

Recommendation: BUY

Financial Performance

Lupin reported a strong set of results that exceeded our expectations. Reported revenue grew by 11% YoY, led by the India business as well as the US business, which grew by 11.9%/12.3% respectively YoY, and the EMEA business, which grew by 20.9% YoY. However, the Emerging Markets business declined by 4.7% YoY, and API showed a gradual recovery with 4% YoY growth.

Gross margins improved by 330 bps YoY and remained flat 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 350 bps YoY and remained flat QoQ. Reported PAT grew by 40.1% YoY, surpassing expectations.

Lupin reported U.S. sales of \$235 Mn, reflecting a 10.8% YoY growth in constant currency and an overall reported revenue of Rs 2,121 Cr, up 12.3% YoY. This growth was primarily driven by volume expansion in inline products and new product contributions, though pricing pressure and competition in Suprep and Albuterol affected performance.

Key Financials (Consolidated)

(Rs Cr)	Q3FY25	QoQ (%)	YoY (%)	Axis Est.	Variance %
Net Sales	5,768	1.7%	11%	5,747	0.4%
EBITDA	1,356	1.2%	31%	1,280	5.9%
EBITDA Margin	23.5%	-12	354	22.3%	-
Net Profit	859	-0.1%	46%	800	7.4%
EPS (Rs)	18.8	-0.1%	46%	17.6	7.2%

Source: Company, Axis Securities Research

(CMP as of 12th February 2025)

CMP (Rs)	2025
Upside /Downside (%)	23%
High/Low (Rs)	2,402/1,493
Market cap (Cr)	92,400
Avg. daily vol. (6m) Shrs.	1,20,000
No. of shares (Cr)	45.5

Shareholding (%)

	Jun-24	Sep-24	Dec-24
Promoter	47.0	47.0	47.0
FII's	19.3	21.5	22.0
MFs / UTI	16.2	16.9	16.0
Others	17.5	14.6	14.1

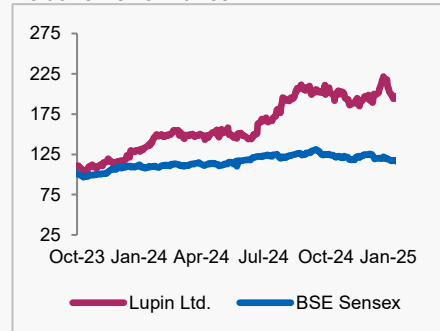
Financial & Valuations

Y/E Mar, Rs. Cr	FY24	FY25E	FY26E
Net Sales	20,011	21,503	24,038
EBITDA	3,811	4,838	5,529
Net Profit	1,915	2,980	3,490
EPS (Rs.)	42.0	65.4	76.6
PER (x)	48.2	31.0	26.4
EV/EBITDA (x)	24.7	18.9	16.0
P/BV (x)	6.4	5.4	4.6
ROE (%)	13.3	17.5	17.2

Change in Estimates (%)

Y/E Mar	FY25E	FY26E
Sales	0.7%	0.4%
EBITDA	0.7%	0.4%
PAT	1.0%	0.4%

Relative Performance



Source: Ace Equity

Ankush Mahajan

Research Analyst
 ankush.mahajan@axissecurities.in

Aman Goyal

Research Associate
 aman.goyal@axissecurities.in

Financial Performance (Cont'd)

India Business: Lupin reported Rs 1,931 Cr in Q3FY25, registering robust 11.9% YoY growth, driven by strong performance in chronic therapies such as diabetes, cardiology, and gastroenterology, which outpaced market growth. The company strengthened its portfolio by acquiring Eli Lilly's human insulin range and three trademarks from Boehringer Ingelheim. While the India formulations business grew 9.1% for the nine months, muted growth in the respiratory segment impacted overall performance. Lupin remains confident in maintaining above-market growth, backed by new product launches, in-licensed products, and an extensive 10,000-member sales force.

Valuation & Recommendation

Lupin's strong pipeline in generics, biosimilars, and specialty drugs could drive double-digit growth in the U.S. market. Additionally, the company 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 2,500/share.

Outlook

Lupin remains confident in its growth trajectory, supported by strong new launches, an expanding complex generics portfolio, and a solid pipeline. In the U.S. market, recently launched Darunavir and Spiriva have gained market shares of 30% and 25%, respectively, while the newly approved gMegabran has the potential to add \$50 Mn in annual sales. Upcoming approvals for Tolvaptan (market size: \$287 Mn) and Xyway (market size: \$958 Mn with 180-day exclusivity) are expected to contribute to revenue in the second half of the year.

Lupin continues to build a robust pipeline with products such as Cyanocobalamin, Diazepam Gel, Varenicline, Bromfenac, Glucagen, and Risperidone. The India business is projected to sustain double-digit growth, supported by a 10,000-strong MR team and new product introductions. The API segment is witnessing a demand revival, further strengthening Lupin's revenue base. Additionally, injectable products like Glucagon and Dalbavancin, both with a \$500 Mn market opportunity, are expected to launch within the next six months, reinforcing the company's strategic focus on high-value complex generics.

With strong execution, ongoing R&D investments, and a well-diversified product portfolio, Lupin is well-positioned for sustainable long-term growth and profitability across its key markets.

Key Concall Highlights

North America Business: 10.8% YoY Growth, Robust Pipeline for Future Expansion

Lupin Ltd reported U.S. sales of \$235 Mn in Q3 FY25, reflecting a 10.8% YoY growth in constant currency, with total North America revenue rising 12.3% YoY to Rs 2,121 Cr. Growth was fueled by strong performance in complex generics and respiratory products despite competition in Suprep and Doxycycline. The company successfully launched Pred Forte, while Mirabegron is expected to launch in the coming quarters pending litigation. With 40% of the U.S. business comprising complex generics, Lupin has an extensive pipeline, including 20+ respiratory products and 40+ injectables slated for launch in the coming years.

India Business Grows 11.9% YoY, Strengthened by Chronic Therapy Expansion

Lupin's India business grew 11.9% YoY, driven by strong performances in diabetes, cardiology, and gastroenterology, outpacing overall market growth. The India formulations business expanded by 9.1% for the nine months, supported by new launches and an expanded field force of 10,000 MRs. While the chronic portfolio continues to gain market share, muted growth in the respiratory segment weighed on overall performance.

Strong Global Expansion: EMEA & Emerging Markets Deliver Double-Digit Growth

Lupin's ex-India, ex-North America formulations business grew 10% YoY, with EMEA regions showing strong traction in the UK and Germany, driven by respiratory products like Luforbec and NaMuscla. The Global Institutional Business saw revenues rise significantly, supporting Lupin's presence in emerging markets.

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

Lupin remains focused on innovation and cost optimization, aiming to maintain EBITDA margins between 22%-23% while investing in complex generics, biosimilars, and specialty products. With a strong financial position and expanding product portfolio, the company is well-positioned for sustainable long-term growth across global markets.

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	21,503	24,038	21,352	23,946	0.7%	0.4%
EBITDA	4,838	5,529	4,804	5,508	0.7%	0.4%
PAT	2,980	3,490	2,950	3,475	1.0%	0.4%

Source: Company, Axis Securities Research

Results Review

Particulars (Rs Cr)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	YoY (%)	QoQ (%)
Net Sales	5,197	4,961	5,600	5,673	5,768	11.0%	1.7%
Growth (%)	20.2%	12.0%	16.3%	12.6%	11.0%		
Total Expenditure	4,160	3,964	4,359	4,332	4,412	6.1%	1.8%
Raw Material Consumed	1,107	1,094	1,146	1,118	1,084	-2.0%	-3.0%
Stock Adjustment	676	661	641	660	766		
Development Costs	-57	-182	-42	-88	-129		
% of sales	33.2%	31.7%	31.2%	29.8%	29.8%		
Gross margins (%)	66.8%	68.3%	68.8%	70.2%	70.2%	336	-6
Employee Expenses	889	900	971	1,008	984	10.7%	-2.3%
% of sales	17.1%	18.1%	17.3%	17.8%	17.1%		
Other Expenses	1,544	1,490	1,644	1,635	1,706	10.5%	4.3%
% of sales	29.7%	30.0%	29.3%	28.8%	29.6%		
EBITDA	1,038	997	1,241	1,340	1,356	30.6%	1.2%
EBITDAM (%)	20.0%	20.1%	22.2%	23.6%	23.5%	354	-12
Interest	74	71	68	71	67		
Depreciation	257	256	248	257	271		
Other Income	29	29	68	42	54		
Exceptional Items	0	0	0	0	0		
PBT	736	699	993	1,055	1,071	45.6%	1.6%
Tax	117	129	187	195	212		
Tax (%)	16.0%	18.5%	18.9%	18.5%	19.8%		
PAT	619	569	806	860	859	38.8%	-0.1%
P/L Ass	-6	-9	-4	0	0		
Reported PAT	613	561	802	860	859	40.1%	-0.1%

Source: Company, Axis Securities Research

Geographical Breakup

Particulars (Rs Cr)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	YoY(%)	QoQ(%)
US Business (USD Millions)	212	209	227	220	235	10.8%	6.8%
Geographical Revenue Breakdown							
North America	1,889	1,901	2,041	1,971	2,121	12.3%	7.6%
India	1,725	1,602	1,926	2,010	1,931	11.9%	-3.9%
APAC	473	509	515	569	625	32.1%	9.8%
EMEA	517	532	503	490	451	-12.8%	-7.9%
API	278	258	362	294	289	4.0%	-1.8%

Source: Company, Axis Securities Research

Financials (consolidated)

Profit & Loss

(Rs Cr)

Y/E Mar, Rs Cr	FY24	FY25E	FY26E	FY27E
Total Net Sales	20,011	21,503	24,038	25,813
% Change	20.2%	7.5%	11.8%	7.4%
Raw material Consumption	6,643	6,666	7,332	7,847
Staff costs	3,495	3,655	4,087	4,388
Other Expenditure	6,062	6,343	7,091	7,512
Total Expenditure	16,200	16,665	18,510	19,747
EBITDA	3,811	4,838	5,529	6,066
% Change	111.9%	27.0%	14.3%	9.7%
EBITDA Margin %	19.0%	22.5%	23.0%	23.5%
Depreciation	1,197	1,014	1,074	1,134
EBIT	2,614	3,825	4,455	4,932
EBIT Margin %	13.1%	17.8%	18.5%	19.1%
Interest	312	121	106	78
Other Income	120	117	125	146
PBT	2,422	3,821	4,475	5,000
Tax	487	841	984	1,100
<i>Tax Rate %</i>	<i>20.1%</i>	<i>22.0%</i>	<i>22.0%</i>	<i>22.0%</i>
APAT	1,936	2,980	3,490	3,900
P/L after discontinuation	-21	0	0	0
PAT after Ass.	1,915	2,980	3,490	3,900
Adj. PAT	1,915	2,980	3,490	3,900
Growth %	345.1%	55.6%	17.1%	11.7%

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	16,967	20,162	23,768
Shareholders Fund	14,373	17,058	20,254	23,859
Total Debt	2,922	2,422	1,922	1,422
- Trade Payables	2,958	3,181	3,556	3,819
- Other Long Term Liabilities	346	353	395	424
- Other Current Liabilities	2,252	2,415	2,700	2,900
TOTAL EQUITY & LIABILITIES	23,997	26,576	29,973	33,569
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	5,302	5,927	6,365
- Trade Receivables	4,692	5,066	5,664	6,082
- Cash & Cash Equivalents	1,202	3,331	5,756	8,875
- Other Current Assets	1,752	1,885	2,107	2,263
TOTAL ASSETS	23,997	26,576	29,973	33,569

Source: Company, Axis Securities Research

Cash Flow

(Rs Cr)

Y/E March	FY24	FY25E	FY26E	FY27E
PBT	2,422	3,821	4,475	5,000
Add: Depreciation	1,197	1,014	1,074	1,134
Add: Interest	312	121	106	78
Cash flow from operations	3,931	4,955	5,654	6,212
Change in working capital	-143	470	743	520
Taxes	487	841	984	1,100
Miscellaneous expenses	21	0	0	0
Net cash from operations	3,566	3,644	3,926	4,592
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	2,128	2,425	3,119
Opening cash balance	1,293	1,202	3,331	5,756
Closing cash balance	1,202	3,331	5,756	8,875

Source: Company, Axis Securities Research

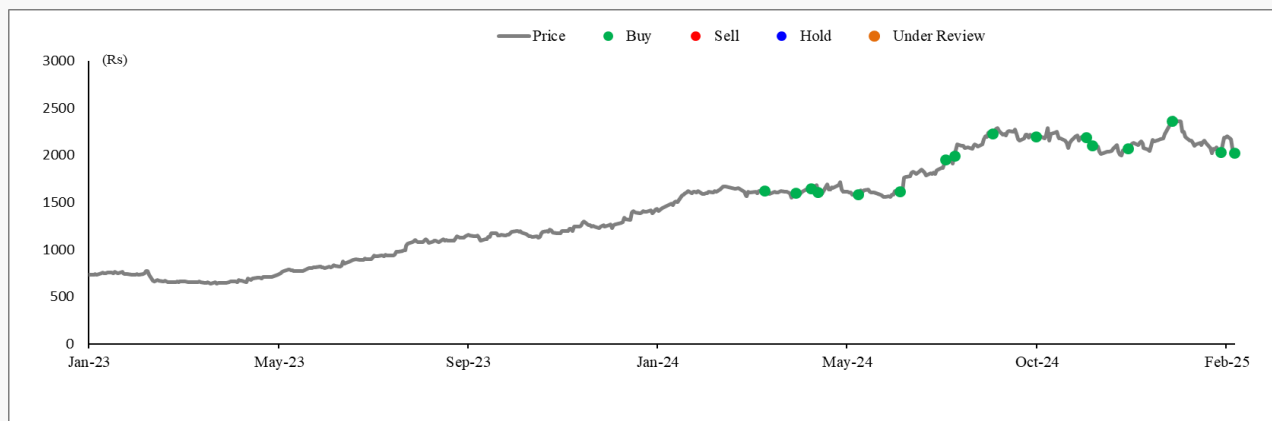
Ratio Analysis

(%)

Y/E Mar, Rs. Cr	FY24	FY25E	FY26E	FY27E
Sales growth (%)	20.2	7.5	11.8	7.4
OPM	19.0	22.5	23.0	23.5
Oper. profit growth	111.9	27.0	14.3	9.7
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	19.6	20.1	19.5
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	17.5	17.2	16.3
Payout ratio (Div/NP)	422.4	323.7	323.7	323.7
EPS (Rs.)	42.0	65.4	76.6	85.6
EPS Growth	345.1	55.6	17.1	11.7
CEPS (Rs.)	68.3	87.6	100.1	110.5
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
02-Dec-24	BUY	2,600	Top Picks
01-Jan-25	BUY	2,600	Top Picks
03-Feb-25	BUY	2,600	Top Picks
13-Feb-25	BUY	2,500	Result Update

Source: Axis Securities Research

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.

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;

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.

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 advice/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

Ratings	Expected absolute returns over 12 – 18 months
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.