Motilal Oswal Financial Services

15 August 2026
1QFY27 Results Update | Sector: Healthcare

ALKEM Laboratories

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	ALKEM IN
Equity Shares (m)	120
M.Cap.(INRb)/(USDb)	645.5 / 6.8
52-Week Range (INR)	5934 / 5075
1, 6, 12 Rel. Per (%)	-5/4/2
12M Avg Val (INR M)	864

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	147.1	162.6	180.4
EBITDA	30.1	34.7	39.0
Adjusted PAT	25.5	23.0	25.8
EBIT Margin (%)	17.8	18.6	18.9
Adj EPS (INR)	213.4	192.7	216.0
EPS Gr. (%)	17.8	-9.7	12.1
BV/Sh. (INR)	1,156.0	1,283.5	1,434.3
Ratios			
Net D-E	0.0	0.0	-0.1
RoE (%)	19.8	15.8	15.9
RoCE (%)	18.0	14.7	14.9
Payout (%)	30.8	33.8	30.2
Valuations			
P/E (x)	25.3	28.0	25.0
EV/EBITDA (x)	21.6	18.6	16.3
Div. Yield (%)	0.9	1.0	1.0
FCF Yield (%)	2.3	0.9	2.5
EV/Sales (x)	4.4	4.0	3.5

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	49.7	51.2	53.0
DII	22.6	21.4	21.8
FII	10.4	10.2	9.1
Others	17.3	17.3	16.1

FII includes depository receipts

CMP: INR5,399 TP: INR5,770 (+7%) Neutral

Strong margin-led beat

Chronic momentum strong; new businesses in gestation

- ALKEM delivered in-line revenue and EBITDA/PAT beat of 16%/19% in 1QFY27, driven by improved segmental mix and higher-than-expected operating leverage.
- Notably, ALKEM achieved the highest quarterly gross margin in the past 10 years. Additional cost related to newer business (CDMO) dragged down EBITDA growth for the quarter.
- The company continued to outperform the industry in chronic therapies, led by superior marketing efforts.
- Therapy-wise, ALKEM posted industry-beating growth in anti-diabetic, pain, VMNs, respiratory and dermatology in domestic formulation (DF).
- Currency benefit supported some growth in US segment. The approval pace has improved over the past two quarters.
- ALKEM is implementing remediation measures to resolve OAI classification at its Daman site.
- We raise our earnings estimates by 4%/3% for FY27/FY28, factoring in superior growth in ROW markets and higher-than-industry growth in chronic therapies. These factors were partly offset by a) weak performance in trade generics, b) increased gestation period to achieve EBITDA breakeven in CDMO business, and c) additional time taken to consolidate med-tech business. We value ALKEM at 27x 12-month forward earnings to arrive at a TP of INR5,770.
- Considering the front-loading of opex in new business initiatives like Enzene CDMOs and enhanced efforts to improve profitability of med-tech business, we expect earnings to decline in FY27 and subsequently revive FY28 onward. The valuation leaves limited upside from the current levels. **Maintain Neutral**.

Segmental mix benefit offset by higher operational costs YoY

- 1QFY27 revenue grew 11% YoY to INR37.4b (our est.: INR37.1b).
- Gross margin expanded 260bp YoY to 67.9%.
- EBITDA margin contracted 145bp YoY to 20.5% (our est.: 17.8%) as higher gross margin was offset by higher other expenses/employee costs (up 250bp/105bp YoY as % of sales).
- EBITDA grew 3.7% YoY to INR7.6b (est. INR6.6b).
- Adj. PAT declined 20.4% YoY to INR5.2b (our est.: INR4.4b).

Ex-US/DF momentum offset by US sales YoY

- DF business grew 10.3% YoY to INR25b (67% of sales).
- International business grew 16% YoY to INR12.2b.
- Within international business, US sales grew 6.5% YoY to INR7.4b (20% of sales).
- Other international sales grew 34.6% YoY to INR4.8b (13% of sales).

Tushar Manudhane - Research Analyst (Tushar.Manudhane@MotilalOswal.com)
Eshita Jain - Research Analyst (Eshita.Jain@MotilalOswal.com) **Vipul Mehta** (vipul.mehta@motilaloswal.com)

Highlights from the management commentary

- India segment growth was impacted by weakness in trade generics, broadly flat in 1Q, due to heightened competition, tighter DSO discipline and price increases following higher API costs. Management expects primary sales to recover as channel inventories normalize, with India segment growth expected to reach ~12% YoY for FY27.
- US segment growth guidance stands at mid- to high-single digit for FY27.
- US CDMO business incurred capex of ~INR600m in 1QFY27. Annualized sales of USD25-30m should reach breakeven.
- The denosumab biosimilar approval in US has been delayed by few months.
- In Europe, the Prolia biosimilar will be commercialized via partner Theramex. Management expects a gradual ramp-up given the highly competitive market and does not anticipate a significant contribution in the near term.
- The Xgeva biosimilar launch in Europe is expected in three months.

Quarterly performance

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	%
Net Revenues	**33,711**	**40,010**	**37,368**	**36,033**	**37,402**	**43,590**	**41,177**	**40,427**	**147,123**	**162,595**	**37,140**	**0.7**
YoY Change (%)	11.2	17.2	10.7	14.6	10.9	8.9	10.2	12.2	13.5	10.5	10.2	
EBITDA	**7,391**	**9,208**	**8,280**	**5,174**	**7,661**	**10,549**	**9,347**	**7,156**	**30,052**	**34,712**	**6,611**	**15.9**
YoY Change (%)	21.4	22.3	9.0	32.2	3.7	14.6	12.9	38.3	19.6	15.5	-10.5	
Margins (%)	21.9	23.0	22.2	14.4	20.5	24.2	22.7	17.7	20.4	21.3	17.8	
Depreciation	877	936	950	1,058	1,002	1,186	1,177	1,122	3,821	4,487	1,192	
EBIT	**6,514**	**8,272**	**7,330**	**4,116**	**6,659**	**9,363**	**8,170**	**6,033**	**26,232**	**30,225**	**5,419**	
YoY Change (%)	23.3	22.7	8.7	47.6	2.2	13.2	11.5	46.6	34.8	40.3	-16.8	
Margins (%)	19.3	20.7	19.6	11.4	17.8	21.5	19.8	14.9	17.8	18.6	14.6	
Interest	298	350	421	539	466	470	475	485	1,608	1,896	475	
Other Income	1,365	1,037	1,431	2,001	1,528	1,352	1,277	1,254	5,834	5,410	1,358	
PBT before EO Exp	**7,581**	**8,958**	**8,340**	**5,578**	**7,720**	**10,244**	**8,972**	**6,802**	**30,457**	**33,739**	**6,302**	
EO Exp/(Inc)	-129	0	528	1,350	0	0	0	0	1,748	0	0	
PBT after EO Exp	**7,710**	**8,958**	**7,812**	**4,228**	**7,720**	**10,244**	**8,972**	**6,802**	**28,709**	**33,739**	**6,302**	
Tax	1,027	1,162	1,277	1,712	2,505	3,176	2,799	2,143	5,178	10,623	1,739	
Rate (%)	13.3	13.0	16.3	40.5	32.4	31.0	31.2	31.5	17.0	31.5	27.6	
PAT (pre Minority Interest)	**6,683**	**7,796**	**6,535**	**2,517**	**5,215**	**7,068**	**6,173**	**4,660**	**23,531**	**23,116**	**4,563**	
Minority Interest	41	145	175	152	15	20	21	24	513	80	200	
Reported PAT	**6,643**	**7,651**	**6,360**	**2,365**	**5,200**	**7,048**	**6,152**	**4,636**	**23,018**	**23,036**	**4,363**	
Adj Net Profit	**6,531**	**7,651**	**6,802**	**4,533**	**5,200**	**7,048**	**6,152**	**4,636**	**25,517**	**23,036**	**4,363**	**19.2**
YoY Change (%)	19.8	11.1	8.7	48.2	-20.4	-7.9	-9.6	2.3	17.8	-9.7	-33.2	

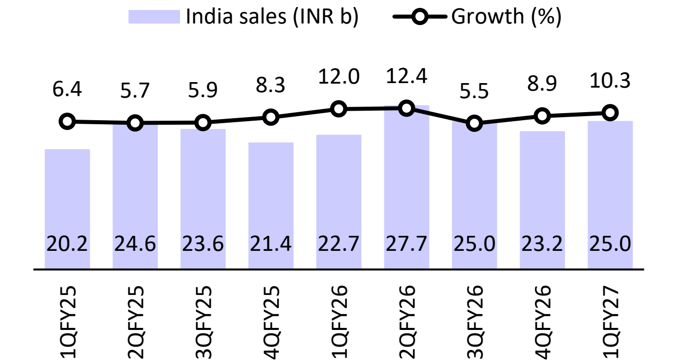
Y/E March	FY26				FY27E				FY26	FY27E	FY27
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE
India formulations	22,650	27,660	24,959	23,245	24,978	30,647	27,605	25,779	98,514	109,009	24,960
YoY Change (%)	12.0	12.4	5.5	8.9	10.3	10.8	10.6	10.9	9.7	10.7	10.2
US generics	6,982	7,649	7,533	7,681	7,439	7,103	7,407	8,388	29,845	30,336	7,877
YoY Change (%)	8.8	33.2	18.8	26.2	6.5	9.0	9.0	9.0	21.4	1.6	9.0
International (Ex-US)	3,556	4,241	4,624	4,543	4,785	4,623	4,948	5,043	16,964	19,398	4,303
YoY Change (%)	9.0	32.1	41.6	24.1	34.6	9.0	7.0	11.0	26.6	14.3	21.0
Cost Break-up											
RM Cost (% of Sales)	34.7	35.0	34.1	34.6	32.1	33.0	33.5	33.0	34.6	32.9	34.8
Staff Cost (% of Sales)	20.6	17.8	19.3	19.8	21.6	18.6	19.6	20.3	19.3	20.0	19.7
R&D Expenses(% of Sales)	3.5	3.3	3.7	6.4	4.0	4.0	4.0	5.0	4.2	4.3	4.5
Other Cost (% of Sales)	19.3	21.0	20.8	24.9	21.8	20.2	20.2	24.0	21.5	21.5	23.2
Gross Margins (%)	65.3	65.0	65.9	65.4	67.9	67.0	66.5	67.0	65.4	67.1	65.2
EBITDA Margins (%)	21.9	23.0	22.2	14.4	20.5	24.2	22.7	17.7	20.4	21.3	17.8
EBIT Margins (%)	19.3	20.7	19.6	11.4	17.8	21.5	19.8	14.9	17.8	18.6	14.6

Key highlights from the management commentary

- ETR is expected to be 30-32% at consolidated level for FY27.
- Branded generics grew 12% YoY. Excl. trade generics, India growth was driven by 6% price growth, 2% volume growth and 3% contribution from new launches.
- Biosimilars launched in India have scaled up well, with seven products generating ~INR1.5b in annual revenue. Backward integration supported margin improvement for these products.
- ALKEM does not currently intend to pursue further acquisitions in orthopedics/medtech and will focus on ramping up the existing businesses.

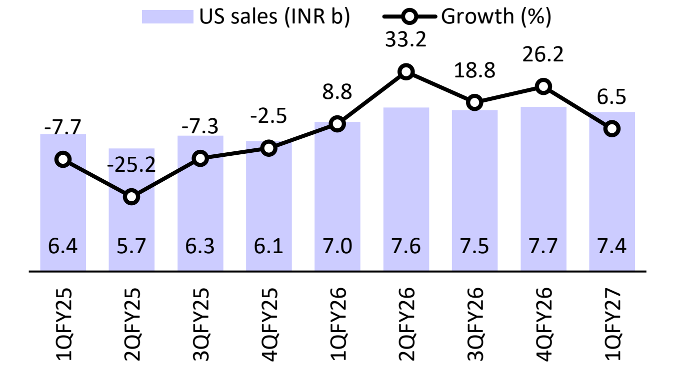
Key exhibits

Exhibit 1: DF revenue grew 10.3% YoY in 1QFY27



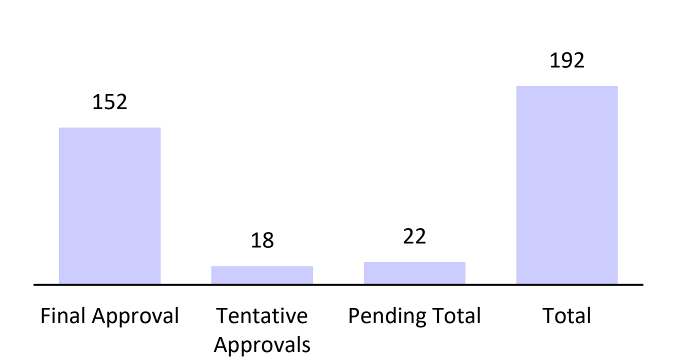
Source: MOFSL, Company

Exhibit 2: US sales grew 6.5% YoY in 1QFY27



Source: MOFSL, Company

Exhibit 3: Cumulative US ANDA filings



Source: MOFSL, Company

Exhibit 4: Robust ANDA pipeline

US Filings	# Nos.
Total ANDAs filed	192
NDAs	2

Source: MOFSL, Company

Traction in core pharma remains intact

DF: Broad-based therapy outperformance sustain momentum

- DF revenue grew 10.3% YoY to INR25b (~678% of total revenue) in 1QFY27.
- ALKEM outperformed IPM in seven focus therapies: Pain 1.8x, Respiratory 1.6x, Derma 1.6x, Anti-diabetic 1.4x, VMN 1.4x, Gastro 1.2x and Anti-infectives 1.1x.
- Branded generics grew ~12% YoY, while trade generics remained broadly flat and weighed on overall domestic growth.
- Acute/Chronic segment grew 12.3%/17.9% YoY vs. IPM growth of 10.1%/15.4%, implying 220/250bp outperformance, respectively.

- Chronic growth remained healthy in 1QFY27, supported partly by the launch of generic semaglutide following patent expiry; ALKEM is among the top three players in generics, although contribution remains small currently.
- Trade generics remained subdued due to heightened competition, tighter DSO discipline and price increases following higher API costs; management expects primary sales to recover as channel inventories normalize.
- The company remains focused on sustaining growth above industry levels in the DF segment; we estimate ALKEM to deliver ~10.7% sales CAGR in DF, scaling to ~INR120.6b over FY26-28.

Product launches drive growth in the international business

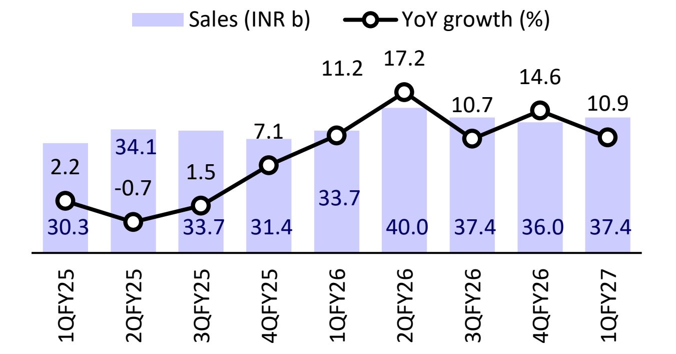
- International business delivered strong growth of 16% YoY in 1QFY27, led by robust traction in Ex-US markets.
- Ex-US markets outpaced the US in 1QFY27, registering 34.6% YoY growth vs. 6.5% YoY in the US.
- Ex-US markets continue to deliver healthy double-digit growth across key markets, with strong performance in Germany, Australia, Chile and management expects this momentum to remain sustainable.
- The US market remains challenging, with limited volume growth and muted traction from recent launches, although price erosion has bottomed out.
- While these markets remain relatively small compared with the US, they are emerging as consistent growth contributors.
- ALKEM received five ANDA approvals and launched 11 products in 1QFY27.
- Overall, we expect ALKEM to deliver an 8% sales CAGR in the international markets to INR54.4b over FY26-28.

Reiterate Neutral

- We raise our earnings estimates by 4%/3% for FY27/FY28, factoring in superior growth in ROW markets and higher-than-industry growth in chronic therapies, partly offset by a) weak performance in trade generics segment, b) increased gestation period to achieve EBITDA breakeven in CDMO business, and c) additional time taken to consolidate medtech business. We value ALKEM at 27x 12-month forward earnings to arrive at a TP of INR5,770.
- Considering the front-loading of opex in new business initiatives like Enzene CDMOs and enhanced efforts to improve profitability of medtech business, we expect earnings to decline in FY27 and subsequently revive FY28 onward. The valuation leaves limited upside from the current levels. **Maintain Neutral.**

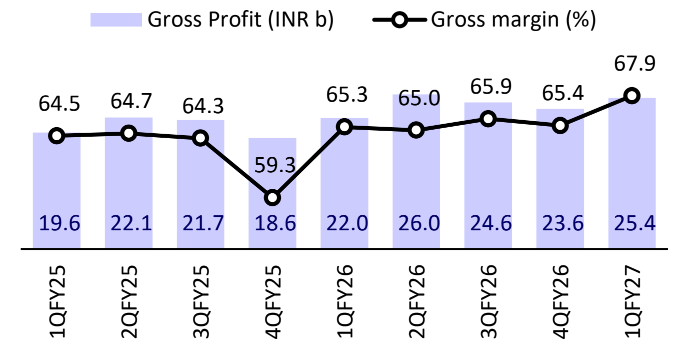
Story in charts

Exhibit 5: Total sales grew 10.9% YoY in 1QFY27



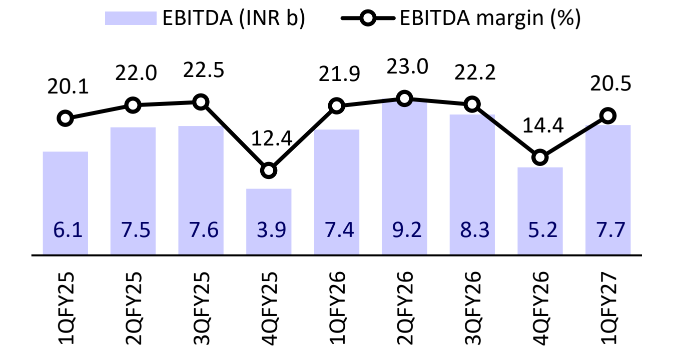
Source: Company, MOFSL

Exhibit 6: Gross margin up 260bp YoY in 1QFY27



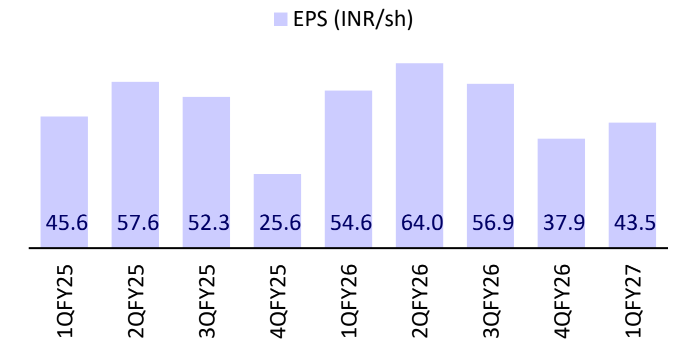
Source: Company, MOFSL

Exhibit 7: EBITDA margin down 145bp YoY in 1QFY27



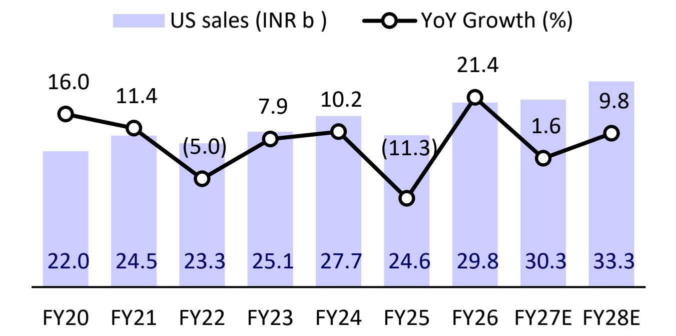
Source: Company, MOFSL

Exhibit 8: EPS down 26% YoY to INR43 in 1QFY27



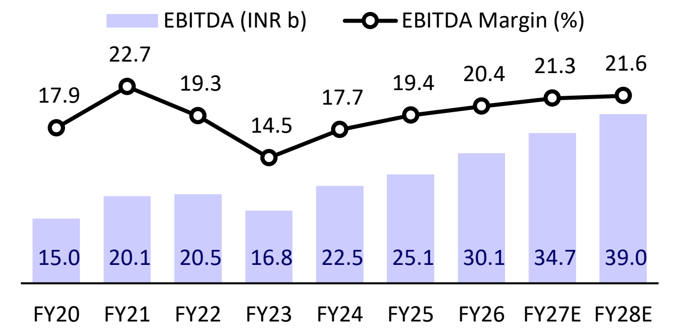
Source: Company, MOFSL

Exhibit 9: Expect 5.6% sales CAGR in the US over FY26-28



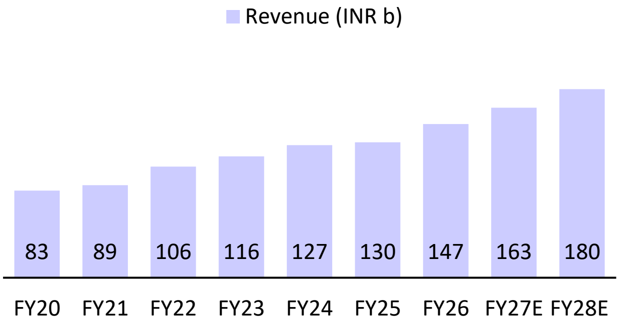
Source: Company, MOFSL

Exhibit 10: EBITDA margin to expand ~120bp over FY26-28



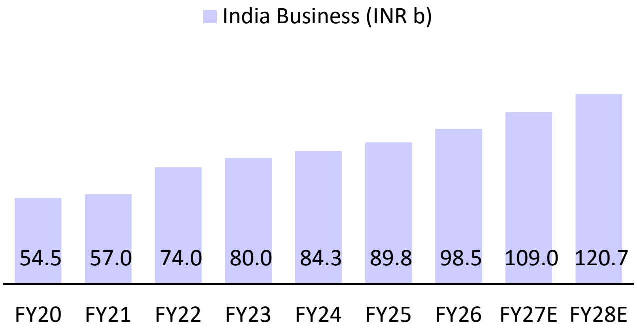
Source: Company, MOFSL

Exhibit 11: Expect revenue CAGR of 11% over FY26-28



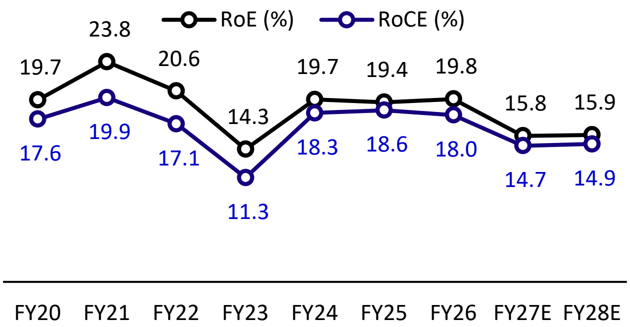
Source: Company, MOFSL

Exhibit 12: Expect India sales CAGR of 10.7% over FY26-28



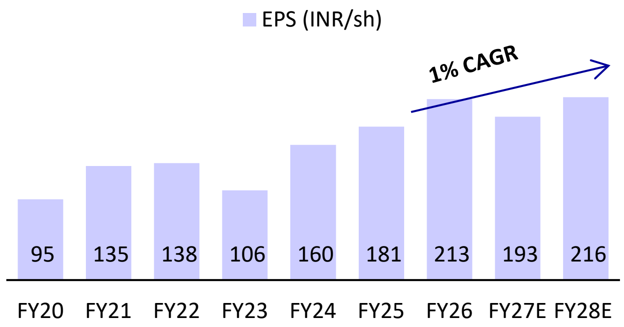
Source: Company, MOFSL

Exhibit 13: Return ratios expected to moderate going ahead



Source: Company, MOFSL

Exhibit 14: Expect earnings to remain flat over FY26-28



Source: Company, MOFSL

Financials and Valuations

Consolidated - Income Statement							INRm
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Total Income from Operations	**106,342**	**115,993**	**126,676**	**129,645**	**147,123**	**162,595**	**180,424**
Change (%)	20.2	9.1	9.2	2.3	13.5	10.5	11.0
Total Expenditure	**85,813**	**99,198**	**104,221**	**104,524**	**117,071**	**127,883**	**141,385**
EBITDA	**20,529**	**16,795**	**22,455**	**25,121**	**30,052**	**34,712**	**39,039**
Margin (%)	19.3	14.5	17.7	19.4	20.4	21.3	21.6
Depreciation	3,040	3,104	2,993	3,572	3,821	4,487	4,950
EBIT	**17,490**	**13,690**	**19,462**	**21,550**	**26,232**	**30,225**	**34,089**
Int. and Finance Charges	524	1,074	1,124	1,217	1,608	1,896	1,840
Other Income	1,627	2,161	3,108	4,937	5,834	5,410	5,605
PBT bef. EO Exp.	**18,592**	**14,778**	**21,446**	**25,270**	**30,457**	**33,739**	**37,854**
EO Items	-150	-1,730	-1,215	0	-1,748	0	0
PBT after EO Exp.	**18,443**	**13,048**	**20,231**	**25,270**	**28,709**	**33,739**	**37,854**
Current Tax	1,640	2,980	2,117	3,110	5,178	10,623	11,924
Deferred Tax	0	0	0	0	0	0	0
Tax Rate (%)	8.9	22.8	10.5	12.3	18.0	31.5	31.5
Less: Minority Interest	300	226	157	505	513	80	110
Reported PAT	**16,503**	**9,842**	**17,958**	**21,655**	**23,018**	**23,036**	**25,820**
Adjusted PAT	**16,516**	**12,678**	**19,091**	**21,655**	**25,517**	**23,036**	**25,820**
Change (%)	2.6	-23.2	50.6	13.4	17.8	-9.7	12.1
Margin (%)	15.5	10.9	15.1	16.7	17.3	14.2	14.3

Consolidated - Balance Sheet							INRm
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Equity Share Capital	239	239	239	239	239	239	239
Total Reserves	86,140	90,214	102,882	119,610	137,962	153,205	171,232
Net Worth	**86,379**	**90,453**	**103,121**	**119,849**	**138,201**	**153,444**	**171,471**
Minority Interest	2,094	3,897	4,023	4,488	5,288	5,288	5,288
Deferred Tax Liabilities	0	0	0	0	151	151	151
Total Loans	26,466	13,775	14,032	13,302	20,003	20,003	20,003
Capital Employed	**114,939**	**108,125**	**121,176**	**137,638**	**163,643**	**178,886**	**196,914**
Gross Block	35,948	36,835	43,260	46,607	60,040	74,045	85,648
Less: Accum. Deprn.	13,077	16,181	19,174	22,745	26,566	31,053	36,003
Net Fixed Assets	**22,871**	**20,654**	**24,086**	**23,862**	**33,474**	**42,993**	**49,645**
Goodwill on Consolidation	6,146	4,796	4,642	4,662	5,236	5,236	5,236
Capital WIP	3,395	3,103	1,586	5,481	2,818	12,315	4,214
Total Investments	**3,710**	**6,218**	**4,838**	**18,455**	**18,688**	**18,688**	**18,688**
Curr. Assets, Loans&Adv.	**91,477**	**89,770**	**105,449**	**107,070**	**130,320**	**135,527**	**159,943**
Inventory	30,055	26,075	26,612	29,224	33,332	36,788	40,672
Account Receivables	18,846	21,322	22,528	24,663	29,791	32,964	36,579
Cash and Bank Balance	25,786	25,786	15,694	15,631	17,329	18,678	30,430
Loans and Advances	16,790	16,587	40,616	37,552	49,868	47,096	52,261
Curr. Liability & Prov.	**25,753**	**29,442**	**34,572**	**39,273**	**45,086**	**54,066**	**59,006**
Account Payables	11,734	11,650	17,481	18,394	22,442	23,124	25,565
Other Current Liabilities	7,955	10,370	12,824	15,906	16,326	19,948	22,136
Provisions	6,064	7,421	4,267	4,973	6,319	10,994	11,305
Net Current Assets	**65,725**	**60,329**	**70,877**	**67,797**	**85,234**	**81,461**	**100,937**
Deferred Tax assets	13,093	13,025	15,148	17,383	18,194	18,194	18,194
Appl. of Funds	**114,939**	**108,125**	**121,177**	**137,638**	**163,644**	**178,886**	**196,914**

Financials and Valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)							
EPS	**138.1**	**106.0**	**159.7**	**181.1**	**213.4**	**192.7**	**216.0**
Cash EPS	163.6	132.0	184.7	211.0	245.4	230.2	257.4
BV/Share	723	757	863	1,002	1,156	1,284	1,434
DPS	59.0	50.0	40.0	45.0	50.0	55.0	55.0
Payout (%)	50.7	72.0	31.6	29.4	30.8	33.8	30.2
Valuation (x)							
P/E	39.1	50.9	33.8	29.8	25.3	28.0	25.0
Cash P/E	33.0	40.9	29.2	25.6	22.0	23.5	21.0
EV/Sales	6.1	5.5	5.1	5.0	4.4	4.0	3.5
EV/EBITDA	31.5	37.7	28.7	25.6	21.6	18.6	16.3
Dividend Yield (%)	1.1	0.9	0.7	0.8	0.9	1.0	1.0
FCF per share	65.5	121.5	147.3	106.9	123.5	47.8	132.9
Return Ratios (%)							
RoE	20.6	14.3	19.7	19.4	19.8	15.8	15.9
RoCE	17.1	11.3	18.3	18.6	18.0	14.7	14.9
RoIC	21.6	13.6	20.3	19.2	19.3	16.3	17.1
Working Capital Ratios							
Fixed Asset Turnover (x)	3.0	3.1	2.9	2.8	2.5	2.2	2.1
Inventory (Days)	103	82	77	82	83	83	82
Debtor (Days)	65	67	65	69	74	74	74
Creditor (Days)	40	37	50	52	56	52	52
Leverage Ratio (x)							
Current Ratio	3.6	3.0	3.1	2.7	2.9	2.5	2.7
Interest Cover Ratio	33.4	12.8	17.3	17.7	16.3	15.9	18.5
Debt/Equity	0.0	-0.1	0.0	0.0	0.0	0.0	-0.1

Consolidated - Cash Flow Statement

INRm

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	18,443	13,048	20,231	25,270	28,709	33,739	37,854
Depreciation	3,040	3,104	2,993	3,572	3,821	4,487	4,950
Interest & Finance Charges	-703	1,074	1,124	1,217	1,608	-3,514	-3,765
Direct Taxes Paid	-3,969	-2,734	-4,069	-5,040	-6,290	-10,623	-11,924
(Inc)/Dec in WC	-5,450	3,268	-516	-2,140	-4,152	5,122	-7,724
CF from Operations	**11,361**	**17,759**	**19,763**	**22,879**	**23,695**	**29,211**	**19,392**
CF from Operating incl EO	**11,110**	**16,825**	**19,482**	**19,128**	**19,630**	**29,211**	**19,392**
(Inc)/Dec in FA	-3,280	-2,297	-1,868	-6,348	-4,870	-23,502	-3,502
Free Cash Flow	**7,830**	**14,528**	**17,614**	**12,781**	**14,761**	**5,709**	**15,890**
(Pur)/Sale of Investments	-12,051	1,955	-10,612	-10,119	-13,025	0	0
Others	980	1,471	2,395	3,479	1,223	5,410	5,605
CF from Investments	**-14,351**	**1,128**	**-10,085**	**-12,988**	**-16,672**	**-18,092**	**2,103**
Inc/(Dec) in Debt	8,628	-11,408	-5,132	-1,941	1,141	0	0
Interest Paid	-401	-905	-913	-806	-1,235	-1,896	-1,840
Dividend Paid	-4,219	-5,295	-5,405	-5,046	-6,137	-7,793	-7,793
CF from Fin. Activity	**3,796**	**-16,388**	**-19,489**	**-8,110**	**-5,034**	**-9,769**	**-9,743**
Inc/Dec of Cash	**555**	**1,565**	**-10,093**	**-1,969**	**-2,076**	**1,350**	**11,752**
Opening Balance	1,705	2,297	3,862	-6,231	-8,200	-10,275	-8,926
Closing Cash and Cash Eq.	**2,297**	**3,862**	**-6,231**	**-8,200**	**-10,275**	**-8,926**	**2,826**
Bank Balances	23,489	21,924	21,924	23,830	27,604	27,604	27,604
Total Cash and Cash Eq.	**25,786**	**25,786**	**15,694**	**15,630**	**17,329**	**18,678**	**30,430**

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (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.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

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 MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/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 Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.

5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

****

The associates of MOFSL may have:
financial interest in the subject company
actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
received compensation/other benefits from the subject company in the past 12 months
any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
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)
received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
Served subject company as its clients during twelve months preceding the date of distribution of the research report.
The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report
Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification
The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:
This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential 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 MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:
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. This report and information herein is solely for informational purpose and may 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. 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. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. 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 MOFSL 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 certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
This report is meant for the clients of Motilal Oswal only.
Investment in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors
Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.
Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.
Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.
Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.