

Alembic Pharma

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	ALPM IN
Equity Shares (m)	197
M.Cap.(INRb)/(USDb)	212.3 / 2.5
52-Week Range (INR)	1304 / 710
1, 6, 12 Rel. Per (%)	-9/-3/21
12M Avg Val (INR M)	320

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	65.3	72.2	80.7
EBITDA	10.4	11.9	14.3
Adj. PAT	6.2	7.4	9.3
EBIT Margin (%)	11.6	12.4	13.8
Cons. Adj. EPS (INR)	31.7	37.9	47.5
EPS Gr. (%)	0.7	19.6	25.4
BV/Sh. (INR)	271.1	303.3	345.1

Ratios

Net D:E	0.0	0.0	0.0
RoE (%)	12.1	13.1	14.5
RoCE (%)	12.3	12.8	14.2
Payout (%)	18.7	15.9	12.7

Valuations

P/E (x)	33.9	28.3	22.6
EV/EBITDA (x)	17.7	15.3	12.7
Div. Yield (%)	0.5	0.5	0.5
FCF Yield (%)	0.3	3.1	3.7
EV/Sales (x)	2.8	2.5	2.2

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	69.6	69.6	69.6
DII	16.1	15.5	14.2
FII	3.9	4.3	4.5
Others	10.4	10.6	11.7

FII Includes depository receipts

CMP: INR1,080 TP: INR1,110 (+3%) Neutral

API/India trim earnings growth

Making efforts to revive performance across segments

- Alembic Pharma's (ALPM) 2QFY25 results came in below our estimates due to the deterioration in API business and higher operational costs. Weak seasonality impacted acute category of its domestic formulation (DF) business, which affected the overall 2Q performance.
- We cut our earnings estimates by 15%/8%/5% for FY25/FY26/FY27 to factor in a) the loss of some customers in API business, b) muted demand in acute therapies, c) slower execution in specialty DF segment, and d) higher operational costs. We value ALPM at 25x 12M forward earnings to arrive at a TP of INR1,110.
- ALPM is implementing efforts to a) scale up US generics with new launches, b) build capabilities/capacities in GLP-1 set of products, and c) improve growth prospects in specialty products. Considering a CAGR of 11%/17%/22% in sales/EBITDA/PAT for FY25-27 and valuation at 28x/23x FY26/FY27 PE, there is limited upside from current levels. Maintain Neutral.

Improved product mix offset by reduced operating leverage

- ALPM sales grew 3.3% YoY to INR16.5b (in line). DF sales rose 5.5% YoY to INR6b (37% of sales). US generics sales increased 5.2% YoY to INR4.7b (USD56m; 28% of sales). Excl. US generics, export sales grew 18.3% YoY to INR3b (18% of sales). API sales declined 15% YoY to INR2.7b (17% of sales).
- Gross margin expanded 290bp YoY to 74% due to a superior product mix and lower RM costs.
- EBITDA margin expanded by 150bp YoY to 14.5% (our est: 16.8%), as a favorable product mix and lower other expenses (-60bp as % of sales) were offset by higher employee costs (+200bp as % of sales).
- Consequently, EBITDA grew 15% YoY to INR2.4b (our est: INR2.7b).
- After adjusting an extraordinary gain of INR129m regarding an insurance claim received for its Sikkim plant, PAT grew 4% YoY to INR1.4b (our est: INR1.7b).
- 1HFY25 revenue/EBITDA/PAT grew 4%/17%/7% YoY to INR32b/INR4.8b/INR2.8b.

Highlights from the management commentary

- In 1HFY25, API business was weak due to the loss of customers and price erosion. ALPM expects the API business to return to growth in FY26.
- ALPM expects the ROW market to grow ~15-20% YoY in 2HFY25.
- It is building capacity for in-house manufacturing of GLP-1 products.
- ALPM expects 2HFY25 to be stronger for US business, led by new launches and market share gains.

Tushar Manudhane - Research Analyst (Tushar.Manudhane@MotilalOswal.com)

Research Analyst: Akash Dobhada (Akash.Dobhada@MotilalOswal.com) | **Viraj Shah** (Viraj.Shah@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Quarterly perf. (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Net Sales	14,862	15,949	16,309	15,170	15,617	16,480	16,981	16,267	62,290	65,345	16,260	1.4%
YoY Change (%)	17.7	8.1	8.1	7.9	5.1	3.3	4.1	7.2	10.2	4.9	1.9	
Total Expenditure	12,874	13,867	13,642	12,569	13,249	14,087	14,298	13,321	52,953	54,955	13,528	
EBITDA	1,987	2,083	2,667	2,601	2,368	2,393	2,683	2,946	9,337	10,390	2,732	-12.4%
YoY Change (%)	73.3	-10.5	7.2	16.5	19.2	14.9	0.6	13.3	14.0	11.3	31.2	
Margins (%)	13.4	13.1	16.4	17.1	15.2	14.5	15.8	18.1	15.0	15.9	16.8	-228.2
Depreciation	662	676	695	695	690	705	705	709	2,727	2,810	695	
EBIT	1,325	1,407	1,973	1,906	1,678	1,688	1,978	2,237	6,611	7,580	2,037	-17.1%
YoY Change (%)	111.9	-22.3	8.9	-2.4	26.6	19.9	0.3	17.4	12.4	14.7	44.8	
Interest	144	157	152	109	132	188	182	120	562	622	115	
Other Income	117	102	29	36	21	167	80	72	283	340	42	
PBT before EO expense	1,298	1,352	1,850	1,832	1,567	1,667	1,876	2,188	6,332	7,298	1,964	-15.1%
Extra-Ord expense	0	0	0	0	0	-129	0	0	0	129	0	
PBT	1,298	1,352	1,850	1,832	1,567	1,796	1,876	2,188	6,332	7,426	1,964	-8.6%
Tax	92	-19	41	46	225	273	263	261	160	1,022	255	
Rate (%)	7.0	-1.4	2.2	2.5	14.4	15.2	14.0	11.9	2.5	13.8	13.0	
MI & P/L of Asso. Cos.	0	-5	-1	-4	-5	-11	-11	96	-10	69	-5	
Reported PAT	1,207	1,376	1,809	1,790	1,347	1,534	1,625	1,830	6,182	6,336	1,713	-10.5%
Adj PAT	1,207	1,376	1,809	1,790	1,347	1,425	1,625	1,830	6,182	6,227	1,713	-16.8%
YoY Change (%)	160.9	-6.7	36.6	73.1	11.6	3.6	-10.2	2.3	43.9	0.7	24.5	
Margins (%)	8.1	8.6	11.1	11.8	8.6	8.6	9.6	11.3	9.9	9.5	10.5	
EPS	6	7	9	9	7	7	8	9	31	32	9	-16.8%

E: MOFSL Estimates

Key performance Indicators (Consolidated)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
India	5,240	5,770	5,960	5,030	5,720	6,090	6,318	5,206	22,000	23,333
YoY Change (%)	9.2	5.1	9.4	2.9	9.2	5.5	6.0	3.5	6.6	6.1
Exports	6,570	6,960	7,460	6,850	7,320	7,650	7,918	8,124	27,820	31,012
YoY Change (%)	19.7	10.0	16.9	13.4	11.4	9.9	6.1	18.6	14.8	11.5
APIs	3,050	3,220	2,890	3,300	2,590	2,740	2,746	2,924	12,460	10,999
YoY Change (%)	30.9	9.5	(11.3)	5.4	(15.1)	(14.9)	(5.0)	(11.4)	6.9	(11.7)
Cost Break-up										
RM Cost (% of Sales)	27.8	28.9	28.3	25.0	25.2	26.0	25.6	24.3	27.5	25.3
Staff Cost (% of Sales)	23.4	21.8	21.4	26.5	24.3	23.8	23.0	23.8	23.2	23.7
R&D Expenses (% of Sales)	8.0	7.6	7.0	8.0	7.0	8.0	8.2	6.7	7.6	7.5
Other Cost (% of Sales)	27.4	28.7	27.0	23.4	28.3	27.7	27.4	27.1	26.6	27.6
Gross Margins (%)	72.2	71.1	71.7	75.0	74.8	74.0	74.4	75.7	72.5	74.7
EBITDA Margins (%)	13.4	13.1	16.4	17.1	15.2	14.5	15.8	18.1	15.0	15.9
EBIT Margins (%)	8.9	8.8	12.1	12.6	10.7	10.2	11.6	13.7	10.6	11.6

E: MOFSL Estimates



Key takeaways from the management commentary

- ALPM plans to launch 10 products in 2H.
- The price erosion is in the range of high single digits to low double digits for US business.
- The filings for the year to be lower compared to earlier due to reduced R&D. It has cancelled multiple projects due to non-viability of drugs.
- APLM expects 15-20 filings in ANDA in FY26.
- ALPM expects ~15% growth in DF business in 2HFY25, taking YoY growth to high single digits in FY25.
- During the quarter, cough and cold therapy witnessed single-digit growth.
- The company expects R&D expenses of ~INR5b for FY25, with 70% of expenses for formulation and the remaining for API.
- Gross borrowings stood at INR9.9b as of Sept'24.
- ALPM has built up inventory due to new launches and supply chain issues. As a result, debt has increased.
- Forex gain was ~INR100-120m.
- R&D spend was INR1.3b or 8% of sales.

Key exhibits

Exhibit 1: DF sales grew 5.5% YoY in 2QFY25

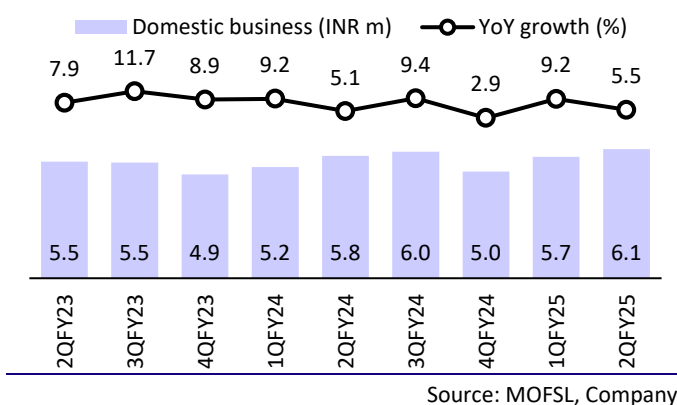


Exhibit 2: International business grew 9.9% YoY in 2QFY25

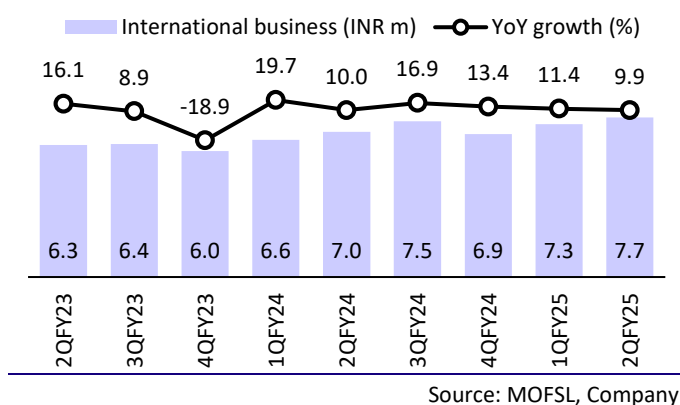


Exhibit 3: Sales increased 3.3% YoY in 2QFY25

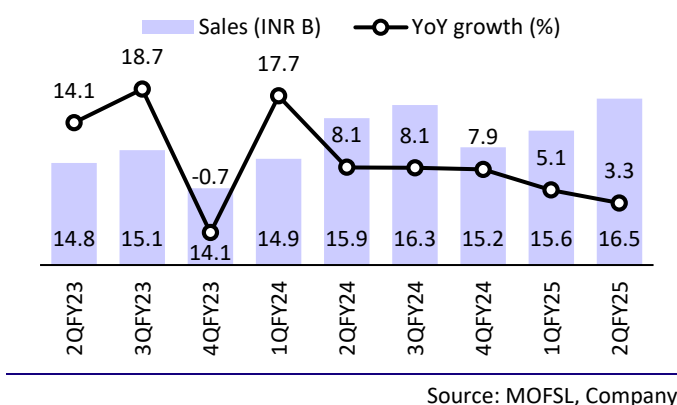
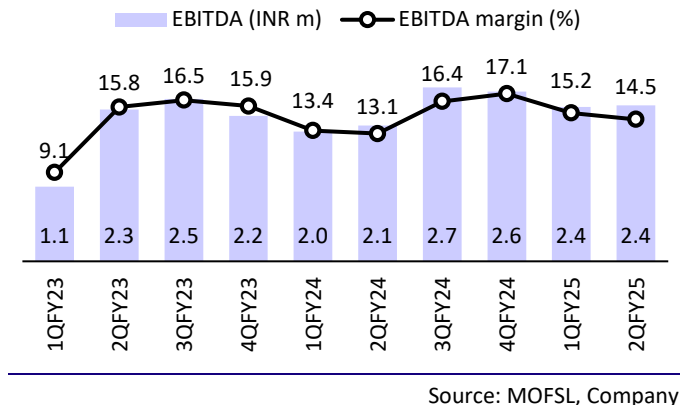


Exhibit 4: EBITDA margin expanded 150bp YoY in 2QFY25



Scale-up across geographies remains the key

US: Building product pipeline to improve business prospects

- In 1HFY25, ALPM's US business grew 10% YoY to USD112m, led by market share gains in a few products and the scale-up of recently commercialized products, offset by price erosion.
- ALPM filed four ANDAs in 1HFY25 and received approval for 16 products in the US market. ALPM is investing more in complex injectable, ophthalmic, oncology, and inhalation products. It plans to file 15-20 products in FY26.
- It plans to launch 10 products in 2HFY25. Moreover, the launch of new products from the new facilities to drive growth in the coming quarters.
- Further, due to increased demand, ALPM is raising its capacity in oral solids to drive growth over the medium term.
- The company is also investing in GLP-1 capacity and capabilities and plans to file Semaglutide/Trizepatide and other GLP-1 products, which would drive growth over the medium term.
- Considering the new launches of complex products and a scale-up in existing products, we expect a 13.5% sales CAGR to USD305m over FY25-27.

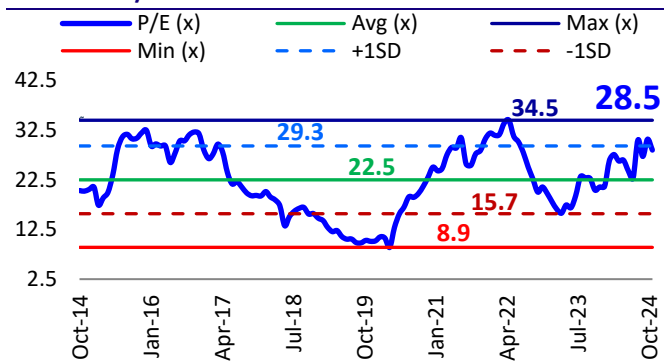
India: Expect 2H to be better; animal health on a robust growth mode

- In 1HFY25, ALPM's overall India business grew 7% YoY to INR11.8b. The growth was led by ~8% YoY growth in the specialty segment, largely driven by strong performance in gynaec/cardio/anti-diabetic/ophthalmology.
- In 1HFY25, ALPM's animal health segment registered a growth of 25% YoY to INR2.2b, led by strong brand recall and enhanced efforts by MRs.
- The acute segment registered a decline of 2.5% YoY in 1HFY25, led by a muted performance in anti-infective and respiratory segments.
- In MAT Jun'24, ALPM's prescription base was stable at 129m. Additionally, the company plans to launch key products in FY25 and improve the depth of the products launched in FY24, which would drive growth.
- Further, the company plans to invest in a new facility, which would be commercialized by the end of FY25, which would drive growth for overall India business.
- Accordingly, we expect a 10.2% sales CAGR to INR28.4b over FY25-27.

Reiterate Neutral

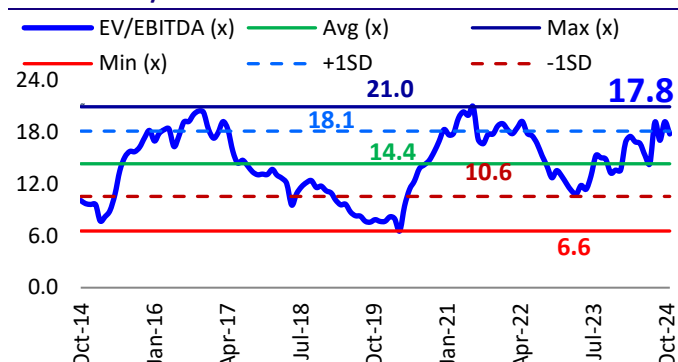
- We cut our earnings estimates by 15%/8%/5% for FY25/FY26/FY27 to factor in a) the loss of some customers in API business, b) muted demand in acute therapies, c) slower execution in specialty DF segment, and d) higher operational costs. We value ALPM at 25x 12M forward earnings to arrive at a TP of INR1,110.
- ALPM is implementing efforts to a) scale up US generics with new launches, b) build capabilities/capacities in GLP-1 set of products, and c) improve growth prospects in specialty products. Considering a CAGR of 11%/17%/22% in sales/EBITDA/PAT for FY25-27 and valuation at 28x/23x FY26/FY27 PE, there is limited upside from current levels. Maintain Neutral.

Exhibit 5: P/E chart



Source: MOFSL, Company, Bloomberg

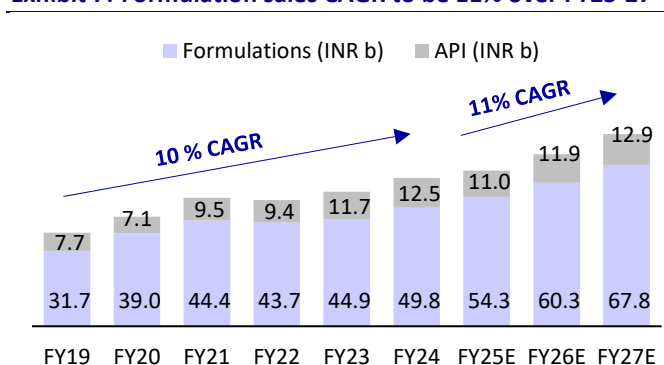
Exhibit 6: EV/EBITDA chart



Source: MOFSL, Company, Bloomberg

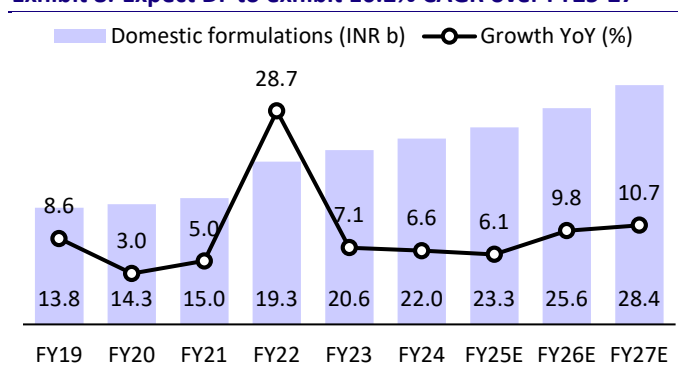
Story in charts

Exhibit 7: Formulation sales CAGR to be 11% over FY25-27



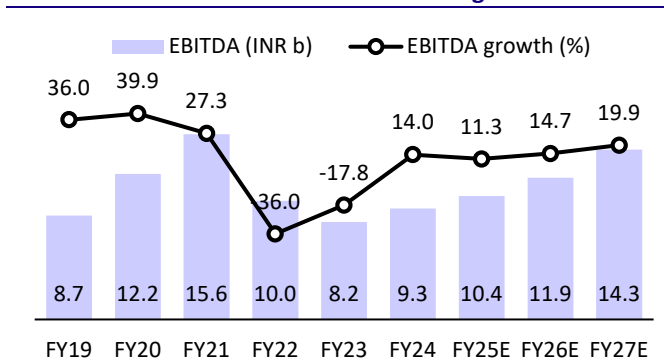
Source: MOFSL, Company

Exhibit 8: Expect DF to exhibit 10.2% CAGR over FY25-27



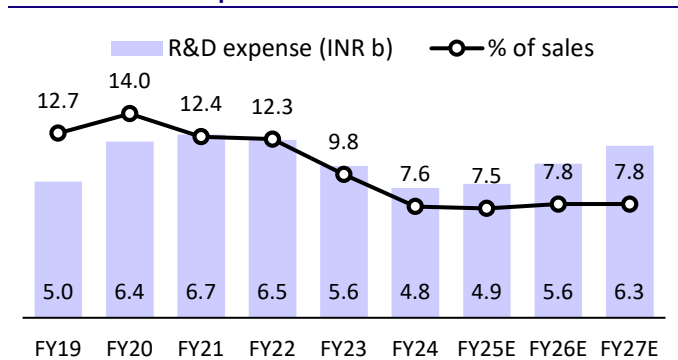
Source: MOFSL, Company

Exhibit 9: EBITDA CAGR to be 17.3% during FY25-27



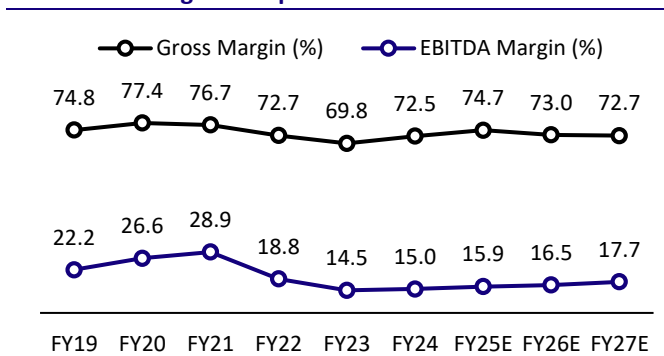
Source: MOFSL, Company

Exhibit 10: R&D expenses as a % of sales to decline



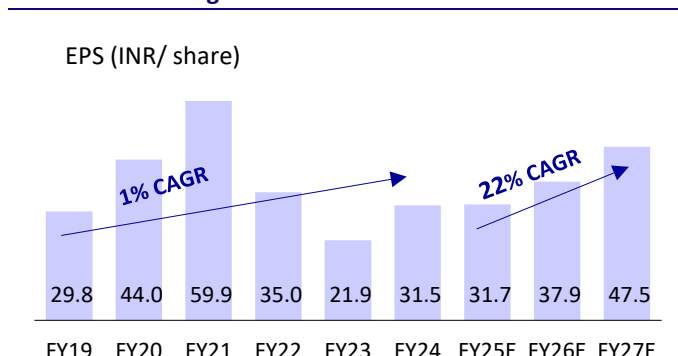
Source: MOFSL, Company

Exhibit 11: Margin to improve over FY25-27



Source: MOFSL, Company

Exhibit 12: Earnings CAGR to be 22% over FY25-27



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

(INRm)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	39,357	46,060	53,931	53,058	56,526	62,290	65,345	72,209	80,741
Change (%)	25.7	17.0	17.1	-1.6	6.5	10.2	4.9	10.5	11.8
EBITDA	8,746	12,233	15,575	9,972	8,194	9,337	10,390	11,914	14,291
Change (%)	36.0	39.9	27.3	-36.0	-17.8	14.0	11.3	14.7	19.9
Margin (%)	22.2	26.6	28.9	18.8	14.5	15.0	15.9	16.5	17.7
Depreciation	1,152	1,573	1,835	2,218	2,314	2,727	2,810	2,943	3,172
EBIT	7,594	10,660	13,741	7,754	5,880	6,611	7,580	8,972	11,119
Int. and Finance Charges	184	272	160	177	502	562	622	379	375
Other Income - Rec.	94	49	100	505	27	283	340	195	190
PBT bef. EO Exp.	7,503	10,437	13,681	8,081	5,405	6,332	7,298	8,788	10,934
EO Expense/(Income)	0	436	0	1,880	1,550	0	-129	0	0
PBT after EO Exp.	7,503	10,001	13,681	6,201	3,855	6,332	7,426	8,788	10,934
Current Tax	1,781	2,046	2,629	1,279	42	658	1,678	2,021	2,515
Deferred Tax	-214	-54	-96	-235	84	-498	-657	-747	-984
Tax Rate (%)	20.9	19.9	18.5	16.8	3.3	2.5	13.8	14.5	14.0
MI & P/L of Asso. Cos.	82.0	-284.7	-633.5	-300.3	309.2	-9.8	69.0	69.0	69.0
Reported PAT	5,854	8,294	11,781	5,457	3,420	6,182	6,336	7,444	9,335
PAT Adj for EO items	5,854	8,643	11,781	6,889	4,296	6,182	6,227	7,444	9,335
Change (%)	41.8	47.7	36.3	-41.5	-37.6	43.9	0.7	19.6	25.4
Margin (%)	14.9	18.8	21.8	13.0	7.6	9.9	9.5	10.3	11.6

Consolidated - Balance Sheet

(INRm)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	377	377	393	393	393	393	393	393	393
Total Reserves	26,811	31,820	50,883	51,982	43,312	47,789	52,882	59,213	67,433
Preference Capital	0	0	0	0	0	0	0	0	0
Net Worth	27,188	32,197	51,276	52,375	43,705	48,182	53,275	59,606	67,827
Minority Interest	-8	-290	-606	0	0	0	0	0	0
Deferred Liabilities	188	122	42	0	0	0	-657	-1,404	-2,388
Total Loans	9,284	18,208	2,715	7,021	7,051	4,933	4,835	4,737	4,639
Capital Employed	36,652	50,237	53,426	59,397	50,756	53,115	57,454	62,939	70,078
Gross Block	15,156	20,700	24,909	27,221	35,532	39,741	46,718	51,375	56,141
Less: Accum. Deprn.	3,608	5,181	7,016	9,234	11,548	14,274	17,084	20,027	23,199
Net Fixed Assets	11,585	15,518	17,893	17,987	23,985	25,467	29,634	31,348	32,942
Capital WIP	15,512	18,462	21,817	23,034	6,013	5,244	3,267	3,610	4,844
Total Investments	488	179	2,363	1,184	963	930	930	930	930
Curr. Assets, Loans&Adv.	20,193	25,734	25,017	29,015	30,868	32,815	34,821	39,988	46,082
Inventory	9,673	11,875	14,862	16,097	14,753	16,435	15,853	18,695	21,740
Account Receivables	4,889	8,648	3,486	8,071	10,464	10,248	10,921	12,266	14,378
Cash and Bank Balance	2,056	808	1,058	694	823	1,266	3,152	4,063	4,915
Loans and Advances	3,576	4,404	5,612	4,153	4,828	4,866	4,896	4,964	5,049
Curr. Liability & Prov.	11,125	9,656	13,663	11,824	11,073	11,341	11,198	12,937	14,721
Account Payables	6,443	6,259	6,688	7,064	6,798	7,356	7,202	8,600	9,964
Other Current Liabilities	3,838	2,270	5,601	3,165	2,512	2,237	2,346	2,593	2,899
Provisions	844	1,127	1,375	1,595	1,763	1,748	1,651	1,744	1,857
Net Current Assets	9,068	16,078	11,354	17,192	19,795	21,474	23,623	27,051	31,362
Misc Expenditure	0	0	0	0	0	0	0	0	0
Appl. of Funds	36,652	50,238	53,426	59,397	50,756	53,115	57,454	62,939	70,078

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)									
EPS	29.8	44.0	59.9	35.0	21.9	31.5	31.7	37.9	47.5
Cash EPS	37.2	54.2	69.3	46.3	33.6	45.3	46.0	52.8	63.6
BV/Share	144.2	170.8	260.9	266.5	222.4	245.1	271.1	303.3	345.1
DPS	5.5	10.0	10.4	10.4	4.2	5.2	5.2	5.2	5.2
Payout (%)	21.3	27.4	20.1	43.4	27.7	19.1	18.7	15.9	12.7
Valuation (x)									
P/E	36.0	24.4	17.9	30.6	49.1	34.1	33.9	28.3	22.6
Cash P/E	28.9	19.8	15.5	23.2	31.9	23.7	23.3	20.3	16.9
P/BV	7.4	6.3	4.1	4.0	4.8	4.4	4.0	3.5	3.1
EV/Sales	4.8	4.3	3.4	3.5	3.3	3.0	2.8	2.5	2.2
EV/EBITDA	21.6	16.3	11.8	18.9	23.0	19.9	17.7	15.3	12.7
Dividend Yield (%)	0.5	0.9	1.0	1.0	0.4	0.5	0.5	0.5	0.5
Return Ratios (%)									
RoE	23.4	30.1	29.7	13.9	8.3	13.5	12.1	13.1	14.5
RoCE	18.5	19.7	21.6	12.1	10.4	12.9	12.3	12.8	14.2
RoIC	31.8	34.6	38.0	20.6	14.7	14.5	13.7	14.7	16.8
Working Capital Ratios									
Asset Turnover (x)	1.1	0.9	1.0	0.9	1.1	1.2	1.1	1.1	1.2
Inventory (Days)	90	94	101	111	95	96	89	95	98
Debtor (Days)	45	69	24	56	68	60	61	62	65
Creditor (Days)	60	50	45	49	44	43	40	43	45
Leverage Ratio (x)									
Net Debt/Equity	0.3	0.5	0.0	0.1	0.1	0.1	0.0	0.0	0.0

Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Profit / (Loss) Before Tax	7,493	9,998	13,681	6,201	3,546	6,318	7,298	8,788	10,934
Depreciation	1,152	1,573	1,835	2,868	2,754	2,727	2,810	2,943	3,172
Interest & Finance Charges	184	272	160	131	502	562	282	184	185
Direct Taxes Paid	1,665	2,361	2,454	1,234	607	199	1,678	2,021	2,515
(Inc)/Dec in WC	1,116	-5,844	2,395	-3,673	-576	-957	-262	-2,517	-3,459
CF from Operations	8,281	3,638	15,617	4,292	5,619	8,452	8,449	7,376	8,318
Others	-161	853	-983	1,231	1,620	-819	0	0	0
CF from Operating incl EO	8,119	4,491	14,634	5,524	7,239	7,633	8,449	7,376	8,318
(inc)/dec in FA	-6,539	-6,726	-6,592	-4,243	-4,434	-3,159	-5,000	-5,000	-6,000
Free Cash Flow	1,580	-2,235	8,041	1,281	2,805	4,474	3,449	2,376	2,318
(Pur)/Sale of Investments	39	23	-1,796	523	-64	-63	0	0	0
Others	-1,055	-613	0	17	22	32	340	195	190
CF from Investments	-7,556	-7,316	-8,388	-3,702	-4,476	-3,190	-4,660	-4,805	-5,810
Issue of Shares	0	0	0	0	0	0	0	0	0
(Inc)/Dec in Debt	2,206	5,919	-12,398	1,300	-172	-2,312	-98	-98	-98
Interest Paid	-703	-1,111	6,611	-519	-497	-494	-622	-379	-375
Dividend Paid	-909	-3,260	0	-2,752	-1,966	-1,573	-1,183	-1,183	-1,183
Others	-1	27	-208	-214	0	0	0	0	0
CF from Fin. Activity	592	1,576	-5,994	-2,186	-2,635	-4,379	-1,903	-1,660	-1,656
Inc/Dec of Cash	1,156	-1,249	252	-364	129	64	1,886	911	852
Add: Beginning Balance	900	2,055	807	1,059	694	823	1,266	3,152	4,064
Closing Balance	2,055	807	1,058	694	823	887	3,152	4,063	4,915
Total Cash and Cash Eq	2,056	807	1,059	694	823	1,266	3,152	4,063	4,915

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

NOTES

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. 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 (erstwhile Motilal Oswal Securities Limited - MOSL) 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. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.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>

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 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do 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 director/officer/employee in the subject company
- 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 in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from 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 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

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. 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 dp@grievances@motilaloswal.com.