

Ipcap Laboratories

Estimate change	
TP change	
Rating change	

Bloomberg	IPCA IN
Equity Shares (m)	254
M.Cap.(INRb)/(USDb)	349.2 / 4
52-Week Range (INR)	1758 / 1168
1, 6, 12 Rel. Per (%)	-2/-9/-1
12M Avg Val (INR M)	584

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	89.4	97.2	108.0
EBITDA	17.3	18.0	22.4
Adjusted PAT	9.1	10.4	12.9
EBIT Margin (%)	14.9	14.3	16.7
Cons. Adj EPS (INR)	36.0	41.1	51.0
EPS Gr. (%)	44.8	14.2	24.2
BV/Sh. (INR)	273.9	308.8	352.1
Ratios			
Net D-E	0.1	0.1	0.0
RoE (%)	13.7	14.1	15.4
RoCE (%)	13.2	12.4	14.2
Payout (%)	11.2	12.3	15.8
Valuation			
P/E (x)	38.2	33.5	27.0
EV/EBITDA (x)	20.3	19.5	15.7
Div. Yield (%)	0.3	0.4	0.6
FCF Yield (%)	1.3	1.4	3.0
EV/Sales (x)	3.9	3.6	3.2

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	44.7	44.7	46.3
DII	36.2	36.1	33.8
FII	10.7	10.8	10.9
Others	8.4	8.5	9.1

FII Includes depository receipts

CMP: INR1,377

TP: INR1,610 (+17%)

Buy

DF strength intact; Unichem drag weighs on 1QFY26 performance

Growth revival measures in place across key geographies

- Ipcap Laboratories (IPCA) delivered lower-than-expected 1QFY26 performance with a miss on revenue/EBITDA/PAT by 3%/15%/18%, largely due to an inferior show by Unichem for the quarter. This was further fueled by subdued sales growth in branded formulation exports and a decline in domestic API sales.
- That said, Unichem is working to revive sales through new launches in the US/EU markets. IPCA is also in the process of building a product pipeline from its own site for the US market.
- The domestic formulation (DF) business remains a strong backbone for IPCA, delivering better-than-industry growth in 1QFY26. The company is not only working on enhancing its portfolio but has also restructured its cardiology division to support superior growth.
- The lack of global funding has been impacting the institutional anti-malaria business.
- We reduce our earnings estimates by 2%/4% for FY26/FY27, factoring in: a) disruption of the Unichem business in Asia/Africa/Brazil, b) some delay in the US business from IPCA's own site, and c) some hiccup in the DF segment on account of restructuring. We value IPCA 30x 12M forward earnings to arrive at a TP of INR1,610.
- IPCA is implementing geography-specific measures to improve growth prospects, such as: a) the addition of MRs in select therapies in DF, b) strengthening its product pipeline for the US/other export markets, and c) implementing synergy measures while integrating the Unichem business. Accordingly, we estimate a 10%/14%/19% CAGR in sales/EBITDA/PAT for FY25-27. Reiterate BUY.

Segmental mix benefit offset by higher opex on YoY basis

- IPCA's 1QFY26 sales grew 10.3% YoY to INR23b (our est: INR23.7b).
- Formulation sales increased 11% YoY to INR14b (62% of sales).
- DF sales grew 10% YoY to INR9.6b (42% of total sales). Exports formulation sales grew 13.7% YoY to INR4.4b (20% of total sales).
- API sales grew 13% YoY to INR3.3b (14% of sales). Domestic API sales grew 18% YoY to INR760m (23% of API sales). Export API sales grew 28% YoY to INR2.5b (77% of API sales).
- Revenue from subsidiaries grew 7% YoY to INR5.6b (24% of sales).
- Gross margin (GM) expanded 80bp YoY to 70% due to a superior product mix/lower RM costs.
- However, EBITDA margin contracted 70bp YoY to 18% (our est: 20.7%), as higher GM was offset by higher opex (other expenses up 130bp YoY as % of sales).
- EBITDA grew 6% YoY to INR4.2b (our est: INR4.9b).
- PAT grew 21% YoY to INR2.3b (our estimate: INR2.8b).

Highlights from the management commentary

- IPCA guided for 9-10% YoY revenue growth in FY26. EBITDA margin is expected to improve gradually by 70-75bp YoY in FY26.
- Unichem lost market share in four products due to competition, while its business was also impacted in Asia/Africa/Brazil. Additionally, a provision of INR120m was made in 1QFY26 due to currency fluctuation. The closure of the Ireland facility further led to an expense of INR100m.
- IPCA restructured its cardiovascular division and added 400MRs, which temporarily impacted business in this therapy during 1QFY26. However, this is expected to improve going forward.
- The company expects about 3-4% addition in the field force on an annual basis over the next 3-5 years, largely for chronic therapies.
- IPCA has filed one product with the USFDA, and 15-16 products are under various stages of development.

Quarterly Performance

Y/E March	(INRm)											
	FY25				FY26				FY25	FY26E	FY26E	% Chg
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Revenues (Core)	20,926	23,549	22,454	22,467	23,089	25,130	24,802	24,185	89,396	97,205	23,720	-2.7
YoY Change (%)	31.8	15.8	9.4	10.5	10.3	6.7	10.5	7.6	16.0	8.7	13.4	
EBITDA	3,927	4,425	4,631	4,289	4,164	4,649	4,687	4,498	17,271	17,999	4,910	-15.2
YoY Change (%)	33.5	22.7	39.9	33.2	6.0	5.1	1.2	4.9	32.1	4.2	25.0	
Margins (%)	18.8	18.8	20.6	19.1	18.0	18.5	18.9	18.6	19.3	18.5	20.7	
Depreciation	989	1,004	985	1,001	1,001	1,063	1,049	1,023	3,978	4,135	981	
EBIT	2,938	3,421	3,646	3,287	3,164	3,586	3,638	3,476	13,293	13,864	3,929	-19.5
YoY Change (%)	30.7	26.6	57.5	46.9	7.7	4.8	-0.2	5.7	39.9	4.3	33.7	
Margins (%)	14.0	14.5	16.2	14.6	13.7	14.3	14.7	14.4	14.9	14.3	16.6	
Interest	241	226	168	215	185	131	131	131	849	580	131	
Other Income	206	263	201	258	327	350	376	390	928	1,443	238	
PBT before EO Expense	2,904	3,458	3,679	3,331	3,305	3,805	3,883	3,734	13,372	14,727	4,035	
One-off (gain)/ Expense	0	0	0	2,051	0	0	0	0	2,051	0	0	
PBT after EO Expense	2,904	3,458	3,679	1,280	3,305	3,805	3,883	3,734	11,321	14,727	4,035	
Tax	914	994	906	622	961	1,119	1,149	1,120	3,436	4,349	1,211	
Rate (%)	31.5	28.7	24.6	48.6	29.1	29.4	29.6	30.0	25.7	29.5	30.0	
Reported PAT	1,990	2,464	2,773	658	2,344	2,686	2,734	2,614	7,885	10,378	2,825	-17.0
Minority Interest	-67	-160	-292	20	-12	16	19	20	-499	43	12	
Adj PAT after Minority Int	1,922	2,305	2,481	2,418	2,332	2,702	2,753	2,634	9,127	10,421	2,837	-17.8
YoY Change (%)	24.9	36.4	122.5	23.4	21.3	17.2	10.9	8.9	44.8	14.2	47.6	
Margins (%)	9.2	9.8	11.1	10.8	10.1	10.8	11.1	10.9	10.2	10.7	12.0	

Key Performance Indicators

Y/E March	(INRm)											
	FY25				FY26				FY25	FY26E	FY26E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Domestic formulations	8,734	9,405	8,772	7,641	9,610	10,515	9,789	8,596	34,551	38,510	9,721	
YoY Change (%)	11.6	11.3	12.5	10.8	10.0	11.8	11.6	12.5	11.5	12.0	11.3	
Exports formulations	3,954	5,415	4,582	5,235	4,496	5,123	5,362	5,637	19,186	20,619	4,969	
YoY Change (%)	-0.6	15.0	5.8	10.5	13.7	-5.4	17.0	7.7	8.1	7.5	25.7	
API sales	2,880	3,186	3,179	3,414	3,263	3,580	3,688	3,833	12,658	14,364	3,260	
YoY Change (%)	-2.4	-4.9	11.6	2.1	13.3	12.4	16.0	12.3	1.3	13.5	13.2	
Cost Break-up												
RM Cost (% of Sales)	30.8	32.2	29.8	31.5	30.0	30.5	30.0	31.0	31.1	30.4	30.7	
Staff Cost (% of Sales)	23.3	21.7	21.6	22.3	23.5	23.0	23.2	22.7	22.2	23.1	21.6	
Other Cost (% of Sales)	27.2	27.4	28.0	27.1	28.5	28.0	27.9	27.7	27.4	28.0	27.0	
Gross Margins(%)	69.2	67.8	70.2	68.5	70.0	69.5	70.0	69.0	68.9	69.6	69.3	
EBITDA Margins(%)	18.8	18.8	20.6	19.1	18.0	18.5	18.9	18.6	19.3	18.5	20.7	
EBIT Margins(%)	14.0	14.5	16.2	14.6	13.7	14.3	14.7	14.4	14.9	14.3	16.6	



Highlights from the management commentary

- API prices are now stable, and the outlook is gradually improving.
- IPCA witnessed 15% YoY growth in chronic therapies vs 9.9% YoY growth exhibited by IPM.
- IPCA witnessed 9.8% YoY growth in acute therapies vs 6.8% YoY growth exhibited by IPM.
- IPCA delivered 13% YoY growth in pain therapy for 1QFY26.
- The institutional business is expected to remain stable due to a lack of global funding.
- GM expansion is largely due to the product mix.
- Onyx reported a loss due to limited projects as a result of inadequate funding from big pharma/smaller innovators.

Strategic measures in place to drive growth in focus markets

DF: Chronic focus; volume uptick propels DF momentum

- IPCA delivered 10% YoY growth in 1QFY26, after delivering 12% YoY growth in FY25.
- Therapy-wise, IPCA exhibited strong YoY growth in the antineoplast/immunomodulator and gastro-intestinal segments for the quarter. The pain-analgesic/cardiac segment were steady; however, derma/anti-infectives dragged overall YoY growth to some extent.
- Interestingly, temporary disruptions in the cardiology therapy, driven by the restructuring of the division and addition of MRs, affected YoY growth to some extent for the quarter.
- IPCA has largely been in line with the industry in 1QFY26. That said, chronic therapies grew 15% YoY vs 9.9% YoY growth for the industry in 1QFY26, according to IMS.
- IPCA remains one of the leading company, where considerable portion of domestic formulation growth is driven by volume. Almost 5% YoY growth has been attributed to volume growth for the past 12M.
- There has been consistent efforts toward improving the share of metro cities in the overall DF segment. There is also a focus to enhance the share of chronic therapies in the overall portfolio. Interestingly, if rheumatoid arthritis is clubbed under chronic, given the medicine in-take is for a prolonged period of time, the overall chronic share is greater than IPM.
- We expect a 12.2% sales CAGR in the DF segment to INR43.5b over FY25-27.

Exports: growth driven by generics/API/Unichem's US sales for the quarter

- In 1QFY26, IPCA's exports sales stood at INR7b, up 18% YoY. Specifically, formulation sales grew 13.7% YoY to INR4.5b (64% of exports) and API sales stood at INR2.5b, up 28% YoY (36% of exports) for 1QFY26.
- Within formulation sales, generics grew 19% YoY to INR2.7b and branded generics grew 9.6% YoY to INR1.3b. The institutional anti-malaria business came in at INR580m, stable YoY for 1QFY26.
- Despite increased competition, Unichem delivered 12% YoY growth in the US market in 1QFY26. Unichem continues to progress well in the EU market with 37% YoY growth in sales for the quarter. This was offset by a muted show in other geographies like Asia, Africa and Brazil.

- Subsidiary sales grew 7% YoY to INR5.6b, primarily led by Unichem.
- With a significant reduction in the overlap of R&D, Unichem is also developing its product pipeline independently.
- Considering a gradual revival in IPCA sales for the US market, we expect some moderation in the branded generics business and disruption in Unichem's performance.
- Accordingly, we expect the overall export formulations (including Unichem) business to clock a 8.5% sales CAGR, reaching INR60b over FY25-27.

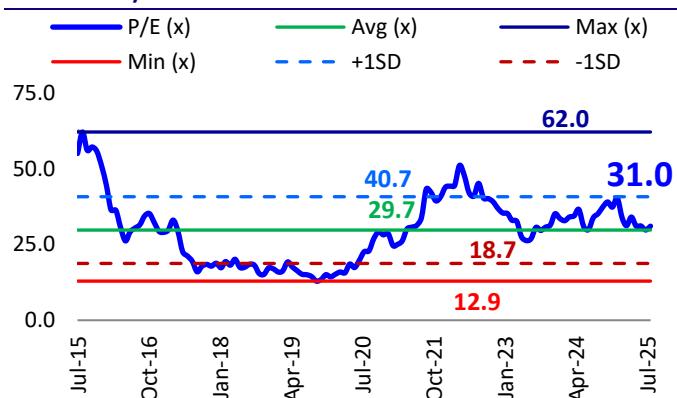
API: Exports-led volume gains help stabilize sales amid pricing pressure

- The API segment has been undergoing a challenging time, with sales on a declining trend for past three years.
- The industry has been facing pricing pressure due to excess inventory in the channel. The demand remains stable.
- Considering this backdrop, IPCA's performance of stable YoY sales in FY25 and 1QFY26 business is quite comforting.
- In fact, IPCA delivered 13% YoY growth in API sales, backed by strong exports for the quarter.
- IPCA continues to optimize the cost of production to maintain market share and gain traction in newer products.
- Accordingly, we expect 10.5% sales CAGR over FY25-27 to reach INR15.5b.

Valuation and view

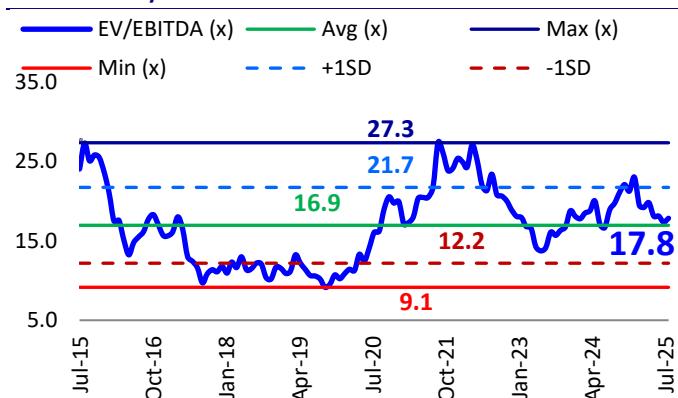
- We reduce our earnings estimate by 2%/4% for FY26/FY27, factoring in: a) disruption of the Unichem business in Asia/Africa/Brazil, b) some delay in the US business from IPCA's own site, and c) some hiccup in the DF segment on account of restructuring. We value IPCA 30x 12M forward earnings to arrive at a TP of INR1,610.
- IPCA is implementing geography-specific measures to improve growth prospects, such as: a) adding MRs in select therapies in DF, b) strengthening the product pipeline for the US/other exports market, and c) implementing synergy measures while integrating the Unichem business. Accordingly, we estimate 10%/14%/19% CAGR in sales/EBITDA/PAT for FY25-27. Reiterate BUY.

Exhibit 1: P/E chart



Source: MOFSL, Company, and Bloomberg

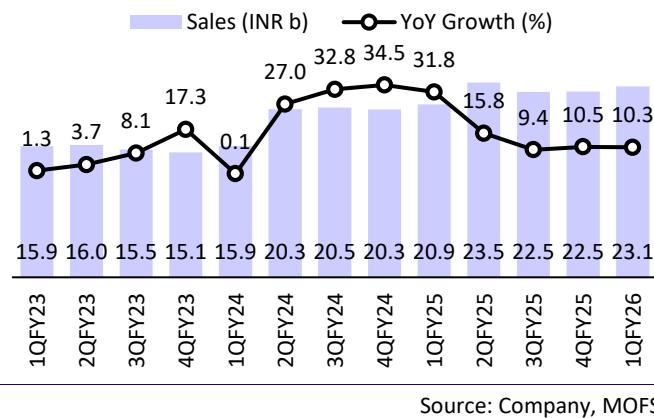
Exhibit 2: EV/EBITDA chart



Source: MOFSL, Company, and Bloomberg

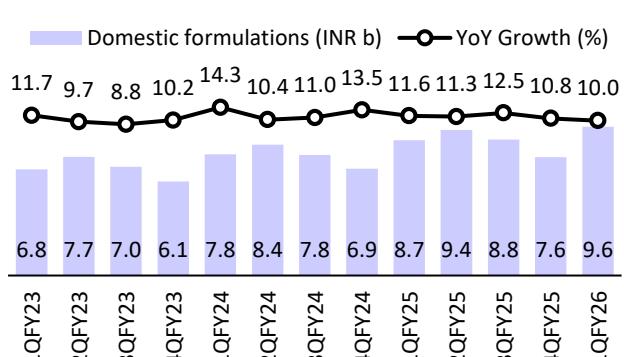
Story in charts

Exhibit 3: Total sales grew 10.3% YoY in 1QFY26



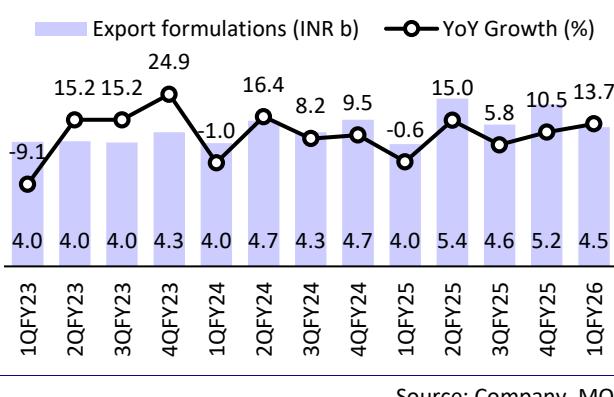
Source: Company, MOFSL

Exhibit 4: DF sales grew 10% YoY in 1QFY26



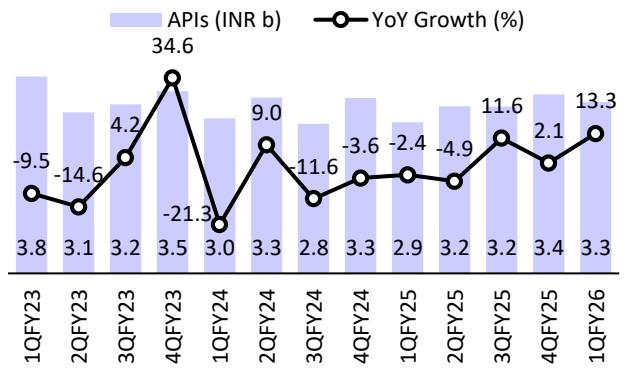
Source: Company, MOFSL

Exhibit 5: Export formulation sales rose 13.7% YoY



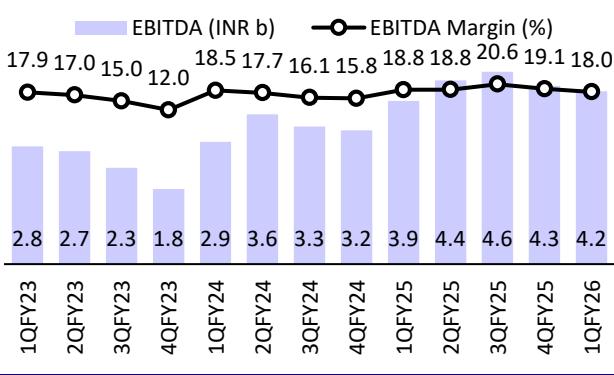
Source: Company, MOFSL

Exhibit 6: API sales increased 13.3% YoY in 4QFY25



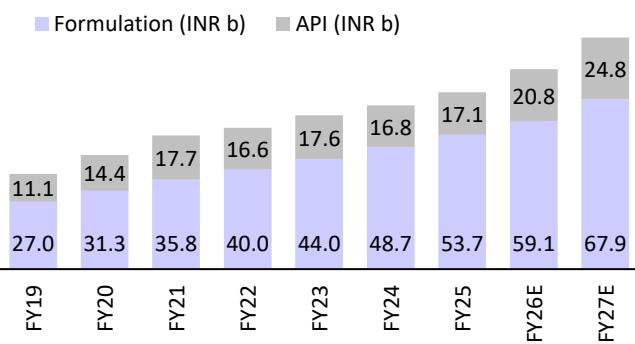
Source: Company, MOFSL

Exhibit 7: EBITDA margin contracted 70bp YoY in 1QFY26



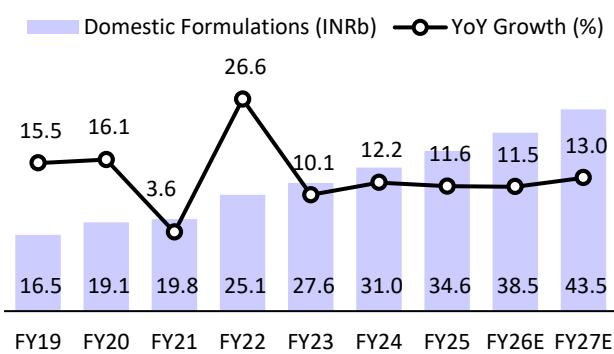
Source: Company, MOFSL

Exhibit 8: Expect 12% sales CAGR over FY25-27



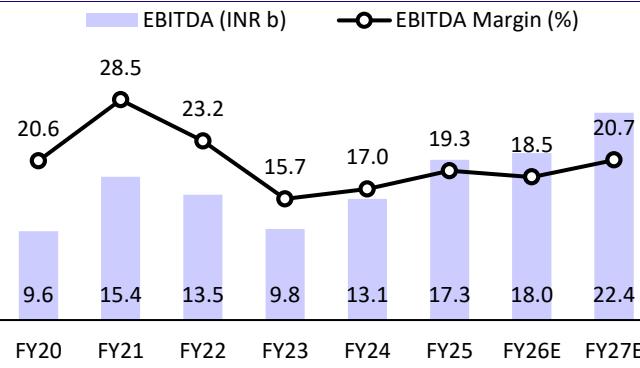
Source: Company, MOFSL

Exhibit 9: Expect 13% DF sales CAGR over FY25-27



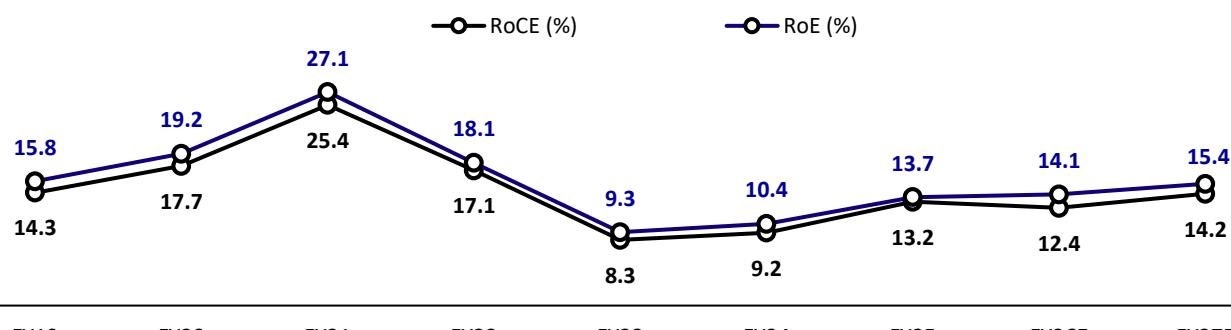
Source: Company, MOFSL

Exhibit 10: Expect margin to expand over FY25-27



Source: Company, MOFSL

Exhibit 11: Expect return ratios to gradually improve over FY25-27



Source: Company, MOFSL

Financials and valuations

Income Statement										(INRm)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	
Net Revenues	37,732	46,487	54,200	58,298	62,569	77,074	89,396	97,205	1,08,037	
Change (%)	14.9	23.2	16.6	7.6	7.3	23.2	16.0	8.7	11.1	
EBITDA	7,170	9,580	15,444	13,509	9,812	13,076	17,271	17,999	22,364	
Change (%)	57.7	33.6	61.2	-12.5	-27.4	33.3	32.1	4.2	24.2	
Margin (%)	19.0	20.6	28.5	23.2	15.7	17.0	19.3	18.5	20.7	
Depreciation	1,824	2,105	2,092	2,324	2,616	3,572	3,978	4,135	4,325	
EBIT	5,346	7,475	13,352	11,184	7,197	9,503	13,293	13,864	18,039	
Int. and Finance Charges	189	165	90	77	455	1,383	849	580	497	
Other Income - Rec.	483	578	457	666	1,151	1,075	928	1,443	1,550	
PBT before EO Expense	5,640	7,888	13,719	11,773	7,892	9,195	13,372	14,727	19,092	
EO Expense/(Income)	157	445	-171	416	314	769	2,051	0	0	
PBT after EO Expense	5,483	7,442	13,890	11,357	7,579	8,426	11,321	14,727	19,092	
Tax	1,042	1,353	2,401	2,248	2,532	3,135	3,436	4,349	5,804	
Tax Rate (%)	18.5	17.2	17.5	19.1	32.1	34.1	25.7	29.5	30.4	
Reported PAT	4,441	6,090	11,488	9,110	5,047	5,291	7,885	10,377	13,287	
Less: Minority Interest	18	78	91	269	-206	984	499	-43	350	
Net Profit	4,423	6,012	11,398	8,841	5,253	4,307	7,387	10,420	12,937	
Adj PAT	4,580	6,485	11,255	9,218	5,275	6,304	9,127	10,420	12,937	
Adj PAT growth (%)	91.3	41.6	73.6	-18.1	-42.8	19.5	44.8	14.2	24.2	

Balance Sheet										(INRm)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	
Equity Share Capital	252	252	254	254	254	254	254	254	254	
Total Reserves	30,971	35,903	46,763	54,666	58,167	63,068	69,231	78,088	89,085	
Net Worth	31,224	36,275	47,017	54,920	58,420	63,322	69,485	78,342	89,339	
Deferred Liabilities+A55:Z80	1457	1398	1316	1506	1856	3062	2781	2781	3162	
Total Loans	3,505	4,328	1,988	8,027	14,746	14,274	13,526	12,768	12,085	
Capital Employed	36,342	42,137	50,466	65,222	75,755	94,607	1,00,189	1,08,288	1,18,985	
Gross Block	26,657	30,268	31,872	37,647	43,601	65,195	66,306	70,306	73,306	
Less: Accum. Deprn.	6,951	9,056	11,148	13,472	16,088	19,660	23,638	27,774	32,098	
Net Fixed Assets	19,706	21,212	20,724	24,175	27,514	45,535	42,668	42,533	41,208	
Capital WIP	361	708	2,348	3,064	1,404	3,429	6,218	6,218	6,218	
Investments	1,204	2,719	4,711	9,892	6,260	8,620	9,797	9,797	9,797	
Curr. Assets	24,217	27,939	32,881	39,237	51,051	53,386	58,753	65,986	81,298	
Inventory	10,725	13,231	15,948	18,580	17,434	24,713	25,604	28,762	32,855	
Account Receivables	6,815	8,952	8,118	9,108	9,890	16,865	18,738	20,773	23,679	
Cash and Bank Balance	2,823	1,809	3,651	6,407	18,532	2,968	3,442	5,303	12,373	
Loans & Advances	3,854	3,947	5,164	5,143	5,194	8,840	10,969	11,148	12,391	
Curr. Liability & Prov.	9,147	10,441	10,198	11,147	10,473	16,364	17,247	16,245	19,535	
Account Payables	8,190	9,182	8,781	9,704	8,923	13,050	13,592	14,381	17,463	
Provisions	957	1,259	1,417	1,443	1,550	3,314	3,655	1,864	2,072	
Net Current Assets	15,070	17,498	22,682	28,091	40,577	37,022	41,506	49,741	61,762	
Appl. of Funds	36,342	42,137	50,466	65,222	75,755	94,607	1,00,189	1,08,288	1,18,985	

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Adj. EPS (INR)	18.1	25.6	44.4	36.3	20.8	24.9	36.0	41.1	51.0
Cash EPS	24.8	32.2	53.2	44.0	31.0	31.1	44.8	57.4	68.0
BV/Share	123.7	143.2	185.3	216.5	230.3	249.6	273.9	308.8	352.1
DPS	3.0	5.0	8.1	8.1	4.0	4.0	4.0	5.0	8.1
Payout (%)	16.8	19.7	18.2	22.2	19.4	16.2	11.2	12.3	15.8
Valuation (x)									
P/E	76.2	53.8	31.0	37.9	66.2	55.4	38.2	33.5	27.0
P/BV	11.1	9.6	7.4	6.4	6.0	5.5	5.0	4.5	3.9
EV/Sales	9.3	7.5	6.5	6.0	5.6	4.6	3.9	3.6	3.2
EV/EBITDA	48.9	36.6	22.7	26.0	35.7	26.8	20.3	19.5	15.7
Dividend Yield (%)	0.2	0.4	0.6	0.6	0.3	0.3	0.3	0.4	0.6
Return Ratios (%)									
RoE	15.8	19.2	27.1	18.1	9.3	10.4	13.7	14.1	15.4
RoCE	14.3	17.7	25.4	17.1	8.3	9.2	13.2	12.4	14.2
RoIC	14.0	18.0	28.7	21.1	10.2	9.7	12.3	11.7	14.1
Working Capital Ratios									
Fixed Asset Turnover (x)	1.9	2.3	2.6	2.6	2.4	2.1	2.0	2.3	2.6
Debtor (Days)	65	70	54	56	58	80	77	78	80
Inventory (Days)	104	104	107	116	102	117	105	108	111
Working Capital Turnover (Days)	118	123	128	136	129	161	155	167	167
Leverage Ratio (x)									
Interest Cover Ratio	28.3	45.3	147.7	145.4	15.8	6.9	15.7	23.9	36.3
Debt/Equity	0.0	0.1	0.0	0.0	-0.1	0.2	0.1	0.1	0.0

Cash Flow Statement (INRm)									
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Oper. Profit/(Loss) before Tax	7,170	9,580	15,444	13,509	9,812	13,076	17,271	17,999	22,364
Interest/Dividends Recd.	483	578	457	666	1,151	1,075	928	1,443	1,550
Direct Taxes Paid	-1,165	-1,412	-2,484	-2,058	-2,181	-1,928	-3,718	-4,349	-5,422
(Inc)/Dec in WC	-1,686	-3,442	-3,343	-2,652	-361	-12,009	-4,010	-6,374	-4,952
CF from Operations	4,803	5,304	10,075	9,464	8,421	213	10,471	8,719	13,540
Others	365	784							
EO Expense / (Income)	157	445	-171	416	314	769	2,051	0	0
CF from Oper. incl EO Exp.	5,010	5,643	10,246	9,048	8,107	-556	8,421	8,719	13,540
(inc)/dec in FA	-1,632	-3,958	-3,244	-6,491	-4,294	-23,618	-3,900	-4,000	-3,000
Free Cash Flow	3,379	1,685	7,002	2,557	3,813	-24,174	4,521	4,719	10,540
(Pur)/Sale of Investments	-336	-1,515	-1,992	-5,181	3,632	-2,360	-1,177	0	0
Others	317	376	0	0	0	0	0	0	0
CF from Investments	-1,651	-5,097	-5,236	-11,672	-662	-25,979	-5,077	-4,000	-3,000
Issue of shares	0	0	1	0	0	0	0	0	0
(Inc)/Dec in Debt	-1,070	804	-2,331	6,663	6,683	12,743	-298	-758	-683
Interest Paid	-189	-165	-90	-77	-455	-1,383	-849	-580	-497
Dividend Paid	-761	-1,269	-2,030	-2,030	-1,015	-1,015	-1,015	-1,269	-2,030
Others	188	-675	1,281	306	-532	719	-831	1,561	1,168
CF from Fin. Activity	-1,832	-1,305	-3,169	4,863	4,681	11,065	-2,993	-1,046	-2,041
Inc/Dec of Cash	1,528	-758	1,841	2,238	12,126	-15,470	351	3,673	8,499
Add: Beginning Balance	2,181	3,709	2,954	4,795	7,033	19,159	2,969	3,442	5,303
Forex/ Business acquisition	0	3	0	0	0	0	0	0	0
Closing Balance	3,709	2,954	4,795	7,033	19,159	3,690	3,319	7,116	13,802
Bank balances / Mutual fund (gain)/ loss	-886	-1,145	-1,145	-627	-627	-721	123	1,813	1,429
Closing Balance	2,823	1,809	3,650	6,407	18,533	2,969	3,442	5,303	12,373

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

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://onlinereports.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. 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 alterations 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, nor 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/NCDEX); 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 dpgrivances@motilaloswal.com.