

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	CIPLA IN
Equity Shares (m)	808
M.Cap.(INRb)/(USDb)	1237.9 / 14.3
52-Week Range (INR)	1699 / 1307
1, 6, 12 Rel. Per (%)	4/2/2
12M Avg Val (INR m)	2767

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	275.5	285.6	313.3
EBITDA	71.3	69.2	75.8
Adj. PAT	50.7	49.8	53.1
EBIT Margin (%)	21.9	20.1	20.0
Cons. Adj. EPS (INR)	62.8	61.8	65.8
EPS Gr. (%)	19.6	-1.6	6.6
BV/Sh. (INR)	386.5	444.1	504.0

Ratios

Net D:E	0.0	-0.1	-0.2
RoE (%)	16.2	13.9	13.1
RoCE (%)	18.3	15.0	14.1
Payout (%)	9.2	9.7	9.1

Valuations

P/E (x)	24.4	24.8	23.3
EV/EBITDA (x)	17.1	17.1	15.3
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	2.6	3.3	2.3
EV/Sales (x)	4.4	4.1	3.7

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	29.1	29.1	30.9
DII	29.2	28.1	24.9
FII	25.4	26.4	27.9
Others	16.3	16.3	16.3

FII Includes depository receipts

CMP: INR1,533 **TP: INR1,580 (+3%)** **Neutral**

Product mix/cost control drives earnings beat

Stable earnings as pipeline scale-up offsets g-Revlimid erosion

- Cipla delivered revenue in line with estimates for 1QFY26. There was a 9%/7.5% beat on EBITDA/PAT for the quarter, led by an improved product mix and controlled opex.
- YoY growth in North America (NA) sales decelerated for the third consecutive quarter due to rising competition in g-Revlimid. However, new launches (g-Abraxane/Nilotinib) and the scale-up of g-Lanreotide contributed to incremental sales during the quarter.
- In One-India, consumer health and trade generics posted healthy YoY growth during the quarter. However, muted YoY growth in the prescription (Rx) segment impacted the overall India business performance.
- Cipla sustained its industry outperformance in the One-Africa business during the quarter, led by a scale-up in key therapies, tender wins, and new launches.
- Cipla's first biosimilar is set to launch soon in the US market, with the company implementing an in-licensing strategy in this segment over the medium term.
- We largely maintain our estimates for FY26/FY27. We value Cipla at 24x 12M forward earnings to arrive at a TP of INR1,580. We expect stable earnings over FY25-27. The reduced business contribution from g-Revlimid is expected to be offset by incremental gains from Cipla's product pipeline in the NA market. Cipla is also focusing on adding differentiated products to its Rx portfolio in India while improving its outlook in the consumer health segment.
- Given the gestation period required to translate these efforts into commercial success across key markets of NA/India, we reiterate our Neutral stance on the stock.

Modest revenue growth; cost pressures offset gross margin gains

- Cipla's 1QFY26 revenue increased 4% YoY to INR69.5b (in line).
- DF sales (44% of sales) grew 6% YoY to INR30.7b. SAGA sales (13% of sales) grew 25% YoY to INR8.7b.
- EM sales (12% of sales) were steady YoY at INR8.6b. API sales (1% of sales) grew 4% YoY to INR1b.
- US sales (28% of sales) declined 7% YoY to INR19b (USD226m, down 10% in CC terms).
- Gross margin expanded 160bp YoY to 68.8% (our est: 66.7%).
- However, EBITDA margin was stable YoY at 25.6% (our est: 25.4%), as gains from improved gross profit were offset by higher employee/R&D expenses (up 100bp/90bp YoY as a % of sales).
- EBITDA increased 4% YoY to INR17.8b (above our est. INR16.3b).
- PAT grew 10% YoY to INR13b (our est: INR12b).
- R&D spending for the quarter stood at INR4.2b (6.3% of sales).
- Net cash at the end of Jun'25 was INR108b.

Highlights from the management commentary

- Cipla maintained its EBITDA margin guidance of 23.5-24.5% for FY26.
- G-Revlimid sales in 1Q were similar to 4QFY25. In the short- to medium-term, the loss of business from g-Revlimid is expected to be more than offset by new product launches.
- Cipla aims to achieve revenue of USD1b in FY27.
- While YoY growth in the Rx segment in India was muted in 1QFY26, Cipla remains confident of delivering stronger growth over the next three quarters.
- Cipla recorded sales of g-Abraxane and Nilotinib for part of 1QFY26, with their full-scale launches expected soon.
- Cipla is not part of the first wave of sema launches in Canada.

Quarterly Performance (Consolidated)

(INRb)

Y/E March	FY25				FY26E				FY25	FY26E	Est. 1QE	% Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Revenues	66.9	70.5	70.7	67.3	69.6	73.6	71.8	70.6	275.5	285.6	69.3	0.3
YoY Change (%)	5.8	5.6	7.1	9.2	3.9	4.4	1.4	5.0	6.9	3.7	3.6	
Total Expenditure	49.8	51.7	50.8	51.9	51.8	55.3	55.4	53.9	204.2	216.4	53.0	
EBITDA	17.2	18.9	19.9	15.4	17.8	18.3	16.4	16.7	71.3	69.2	16.3	9.1
YoY Change (%)	14.9	8.8	13.8	16.9	3.6	-2.7	-17.7	8.9	13.3	-2.9	-5.0	
Margins (%)	25.6	26.7	28.1	22.8	25.6	24.9	22.8	23.7	25.9	24.2	23.5	
Depreciation	2.5	2.7	2.8	3.1	2.5	3.2	3.1	3.0	11.1	11.8	3.0	
EBIT	14.7	16.1	17.1	12.3	15.3	15.2	13.3	13.7	60.2	57.4	13.3	
YoY Change (%)	17.1	8.5	12.9	19.6	3.8	-6.0	-22.4	11.5	14.0	-4.7	-9.3	
Margins (%)	21.9	22.9	24.2	18.3	21.9	20.6	18.5	19.4	21.9	20.1	19.2	
Interest	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.6	0.5	0.1	
Other Income	1.6	1.9	1.5	2.9	2.6	2.3	2.3	2.4	7.9	9.5	1.8	
Profit before Tax	16.1	17.9	18.5	15.0	17.7	17.3	15.5	16.0	67.5	66.5	14.9	
One-time (expense)/income	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	
PBT after EO expense	16.1	17.9	19.2	15.0	17.7	17.3	15.5	16.0	68.2	66.5	14.9	18.5
Tax	4.4	4.8	3.3	2.8	4.8	4.2	3.9	4.1	15.3	16.9	2.8	
Rate (%)	27.0	27.0	18.0	18.6	27.0	24.0	25.0	25.5	22.7	25.4	19.0	
Minority Interest	0.0	0.0	0.1	0.0	-0.1	0.0	-0.1	-0.1	0.2	-0.3	0.0	
Reported PAT	11.8	13.0	15.7	12.2	13.0	13.2	11.7	12.1	52.7	49.8	12.1	7.5
Adj PAT	11.8	13.0	13.6	12.2	13.0	13.2	11.7	12.1	50.7	49.8	12.1	7.5
YoY Change (%)	18.3	10.9	14.0	40.6	10.2	1.0	-14.6	-1.3	19.6	-1.6	2.5	

E: MOFSL Estimates

Key performance Indicators (Consolidated)

(INR b)

Y/E March	FY25				FY26E				FY25	FY26E	Est. FY26
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
Domestic formulation	29.0	29.5	31.5	26.2	30.7	32.1	33.7	28.6	116.1	125.1	26.3
YoY Change (%)	4.5	4.7	10.0	8.5	5.9	9.0	7.0	9.0	6.9	7.7	9.0
North America	20.9	19.9	19.1	19.2	19.3	17.9	15.6	18.1	79.0	71.1	18.4
YoY Change (%)	14.5	5.2	-0.5	2.3	-7.4	-9.7	-17.9	-5.4	5.3	-10.0	-1.8
South Africa	7.0	10.7	9.8	10.2	8.7	12.0	10.8	11.4	37.6	42.9	9.3
YoY Change (%)	-7.1	7.6	18.0	20.3	25.3	12.0	11.0	12.0	22.9	14.2	22.4
Emerging market	8.5	8.1	8.2	9.0	8.6	9.2	9.2	10.0	33.7	37.0	8.6
YoY Change (%)	9.0	9.8	10.5	20.6	1.4	14.6	11.4	11.3	9.3	9.6	3.9
API	1.0	1.6	1.3	1.8	1.0	1.5	1.6	1.7	5.7	5.8	1.4
YoY Change (%)	-27.9	8.8	18.0	-3.7	4.1	-5.0	25.0	-9.0	-2.6	2.0	-26.5
Cost Break-up											
RM Cost (% of Sales)	32.8	32.4	32.0	32.5	31.2	33.2	34.5	34.0	32.4	33.2	33.3
Staff Cost (% of Sales)	17.8	17.1	16.9	18.3	18.9	17.8	18.1	18.2	17.5	18.2	17.3
R&D Expenses(% of Sales)	5.3	5.5	5.1	6.3	6.2	6.1	5.8	5.7	5.3	6.3	5.4
Other Cost (% of Sales)	18.5	18.3	17.8	20.0	18.2	18.0	18.0	18.8	18.6	18.3	18.6
Gross Margins(%)	67.2	67.6	68.0	67.5	68.8	66.8	65.5	66.0	67.6	66.8	66.7
EBITDA Margins(%)	25.6	26.7	28.1	22.8	25.6	24.9	22.8	23.7	25.9	24.2	25.4
EBIT Margins(%)	21.9	22.9	24.2	18.3	21.9	20.6	18.5	19.4	21.9	20.1	21.3

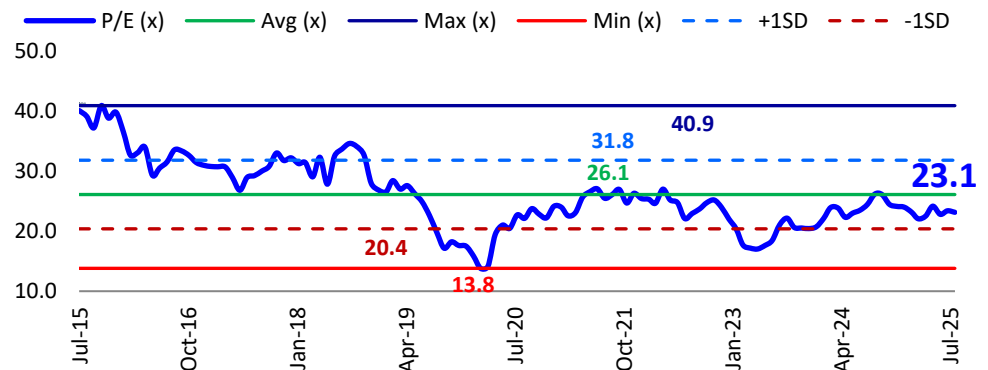
E: MOFSL Estimates



Highlights from the management commentary

- G-Lanereotide sales have already matched the average quarterly sales prior to disruption in this product.
- Given Cipla's already established institutional channel, it will be able to market biosimilar filgrastim effectively. The company intends to enhance the pipeline through in-licensing, while its own biosimilar products are expected to be launched in FY29-30. Cipla plans to invest USD100m in the biosimilar segment over the next 2-3 years.
- Cipla witnessed healthy growth in the consumer health segment. Further investment into products and channels would improve growth momentum in this segment.
- Cipla's portfolio includes products such as a triple combination in respiratory segment, positioning it to outperform the industry over medium term.
- Cipla holds a share of 61.5% in the chronic segment of India's Rx market.
- One-India will benefit from PLI as well as export incentives in the quarter.
- For g-Abraxane, there are currently two authorized generics (AGs), one ANDA-approved player, and one 505b2-approved player. Cipla remains confident of securing a reasonable share in this product.
- Net cash at the end of 1QFY26 was INR108b.

Exhibit 1: P/E Chart



Differentiated market-specific products to drive growth

NA: Market share gains/enriching pipeline to offset g-Revlimid impact and improve outlook

- Cipla started NA sales for FY26 on a weak note, with sales declining 10% YoY to USD226m for the quarter. However, it has been able to maintain the sales run-rate on a QoQ basis.
- The launch of g-Abraxane/Nilotinib, scale-up in Lanreotide, and stable sales of g-Revlimid have helped sustain the sales run rate on a QoQ basis.
- Cipla is working on strengthening the NA pipeline in the inhaler/peptide space. Notably, the company has built a biosimilar franchise through the combination of: a) in-licensing products over the medium term, and b) developing its own products pipeline.
- In the near term, additional products such as g-Advair (FY26), g-symbicort, and few inhalation assets (FY27) are expected to drive sales in the NA segment.
- Accordingly, we expect NA sales to remain stable at USD917m over FY25-27.

India: Trade generics/consumer health on steady growth path; Rx growth to revive soon

- In Q1FY26, Cipla's sales grew 6% YoY in the Indian business. The YoY growth was modest despite a low base of Q1FY25, where it delivered a 4.5% YoY growth.
- The slower industry momentum in respiratory and anti-infectives therapies impacted the Rx segment's growth for the quarter. This was offset to some extent by a strong growth in therapies like Urology, Cardiac, and Anti-diabetes.
- Cipla's trade generics segment delivered healthy growth, supported by improved execution in key therapies and technological enhancements.
- Cipla launched seven new products in Q1FY26 and marked its entry into the Orthopaedics segment to broaden therapy coverage. It is also setting up a dedicated team to drive triple combination launches in the respiratory portfolio.
- With its anchor brands of Nicotex, Omnigel, and Cipladine, Cipla is able to maintain a leadership position in its consumer health segment.
- Overall, we expect a 9% sales CAGR in this segment over FY25-27, reaching INR138b.

One Africa: Established presence/superior execution to sustain better-than-industry performance

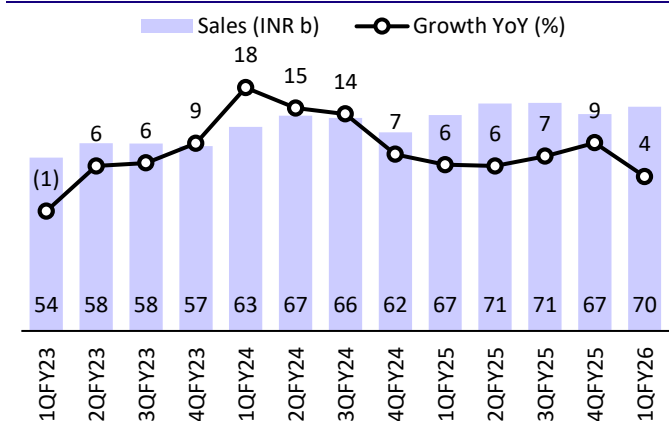
- In Q1FY26, Cipla's One Africa business grew 25% YoY to INR8.7b. The company holds the highest number of brands (seven) among the top 30 in the African generics market.
- Specifically, it grew 6.8% YoY in the prescription segment vs. industry growth of 4.8% YoY. Cipla grew 3.3% YoY in the OTC segment, much above the industry growth of 1.8% YoY.
- Cipla posted a healthy performance across key therapies like Respiratory, CNS, and Anti-infectives. This growth was propelled by an uptick in key therapies, tender wins, and five new launches across multiple therapies.
- Considering its strong positioning in Africa and its resilience in the industry, we expect a 10% sales CAGR in this segment over FY25-27, reaching INR45b.

Valuation and view

- We largely maintain our estimates for FY26/FY27. We value Cipla at 24x 12M forward earnings to arrive at a TP of INR1,580. We expect stable earnings over FY25-27. The reduced contribution from g-Revlimid is expected to be offset by incremental gains from Cipla's product pipeline in the NA market. Cipla is also focusing on adding differentiated products to its Rx portfolio in India while improving its outlook in the consumer health segment.
- Given the gestation period required to translate these efforts into commercial success across key markets of NA/India, we reiterate a Neutral stance on the stock.

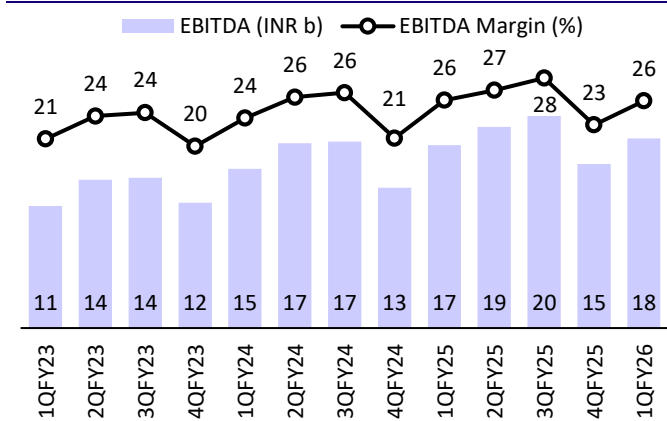
Story in charts

Exhibit 2: Revenue up 4% YoY in 1QFY26



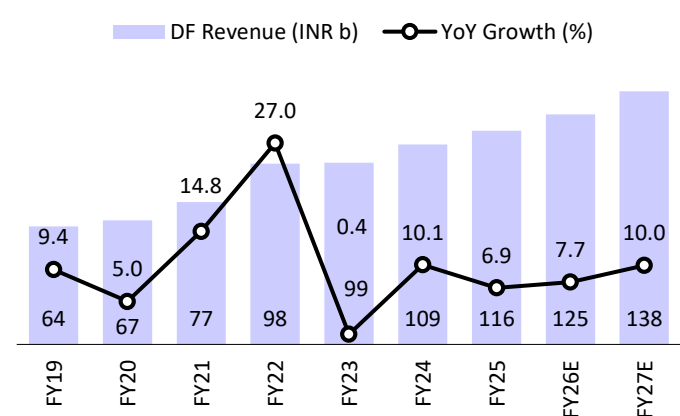
Source: MOFSL, Company

Exhibit 3: EBITDA margin stable YoY in 1QFY26



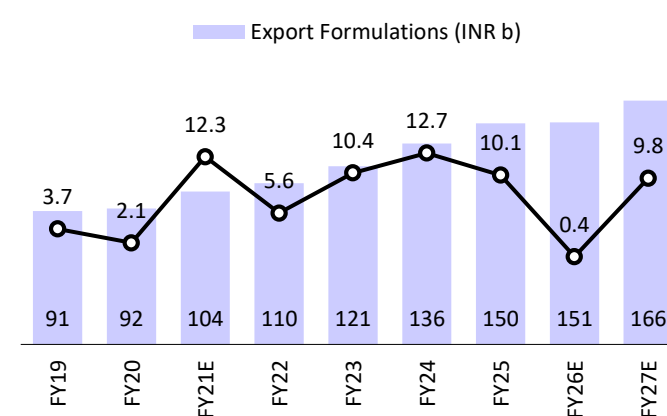
Source: MOFSL, Company

Exhibit 4: Expect ~9% DF sales CAGR over FY25-27



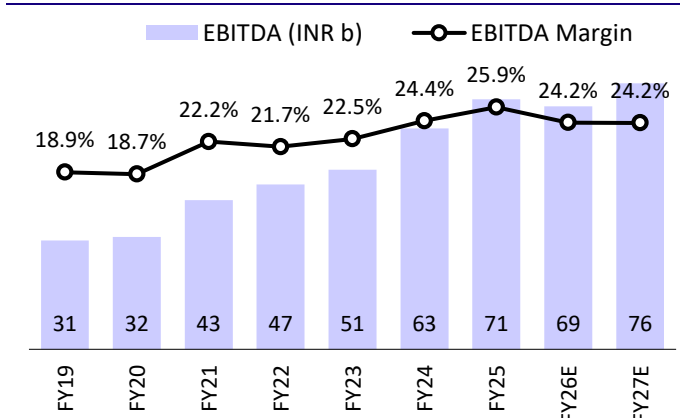
Source: MOFSL, Company

Exhibit 5: Expect 5% export sales CAGR over FY25-27



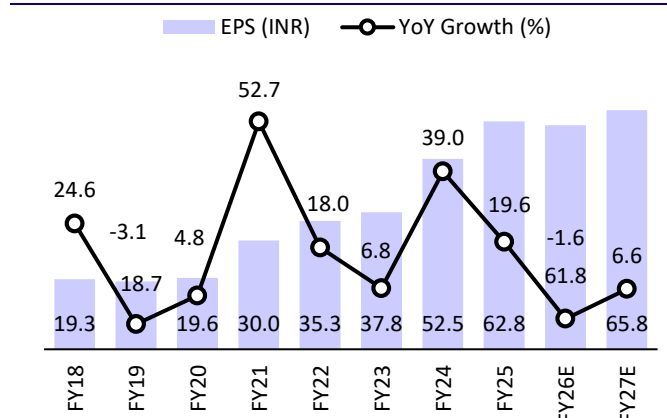
Source: MOFSL, Company

Exhibit 6: EBITDA margin to contract 170bp over FY25-27



Source: MOFSL, Company

Exhibit 7: Expect stable earnings over FY25-27



Source: MOFSL, Company

Financials and valuations

Income Statement							(INRb)	
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Income	171.3	191.6	217.1	227.5	257.7	275.5	285.6	313.3
Change (%)	4.7	11.8	13.3	4.8	13.3	6.9	3.7	9.7
EBITDA	32.1	42.5	47.0	51.1	62.9	71.3	69.2	75.8
Margin (%)	18.7	22.2	21.7	22.5	24.4	25.9	24.2	24.2
Depreciation	11.4	10.7	10.5	11.7	10.1	11.1	11.8	13.2
EBIT	20.6	31.8	36.5	39.4	52.8	60.2	57.4	62.6
Int. and Finance Charges	2.0	1.6	1.1	1.1	0.9	0.6	0.5	0.3
Other Income - Rec.	3.4	2.7	2.8	4.5	6.2	7.9	9.5	9.1
PBT before EO Items	22.1	32.9	38.2	42.8	58.2	67.5	66.5	71.4
One-time (Expense)/Income	0.3	0.0	3.3	2.5	1.1	-0.7	0.0	0.0
PBT	21.8	32.9	34.9	40.4	57.0	68.2	66.5	71.4
Tax	6.3	8.9	9.3	12.0	15.5	15.3	16.9	18.2
Tax Rate (%)	29.0	27.0	26.7	29.8	27.1	22.4	25.4	25.5
Minority Interest	-0.5	-0.2	0.3	0.3	0.3	0.0	-0.4	0.0
Income from associates	-0.5	-0.1	-0.1	0.0	0.0	-0.2	-0.1	-0.1
Profit after Tax	15.5	24.1	25.2	28.0	41.2	52.7	49.8	53.1
Change (%)	1.2	55.5	4.6	11.3	47.1	27.9	-5.5	6.6
Margin (%)	8.8	12.4	11.4	12.1	15.6	18.6	16.9	16.5
Adj PAT	15.8	24.1	28.4	30.5	42.4	50.7	49.8	53.1

Balance Sheet							(INRb)	
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Reserves	157.6	179.3	201.5	232.5	265.5	310.3	356.9	405.2
Net Worth	157.6	183.3	208.4	234.1	267.1	311.9	358.5	406.8
Loans	28.2	15.4	9.0	5.9	3.3	2.0	1.9	1.9
Deferred Liabilities	1.3	-0.2	-2.0	-2.9	-4.0	-5.9	-5.9	-5.9
Minority interest	2.9	2.6	2.8	3.1	1.0	1.0	1.0	1.0
Capital Employed	190.0	201.0	218.1	240.1	267.3	309.0	355.4	403.7
Gross Block	138.5	147.5	160.1	166.8	179.7	195.4	210.4	218.6
Less: Accum. Deprn.	38.9	49.5	60.1	71.8	81.9	92.9	104.8	117.9
Net Fixed Assets	99.6	97.9	100.1	95.0	97.8	102.5	105.7	100.7
Capital WIP	4.2	5.7	3.8	6.9	8.6	12.1	5.1	6.1
Investments	3.6	3.5	4.2	6.3	7.6	7.5	7.5	7.5
Curr. Assets	126.8	141.2	158.3	177.1	207.3	245.6	306.3	365.0
Inventory	43.8	46.7	53.5	51.6	52.4	56.4	59.8	71.3
Account Receivables	38.9	34.5	34.2	40.6	47.7	55.1	58.3	67.0
Cash and Bank Balance	10.0	14.0	19.3	15.6	8.7	8.0	44.7	67.8
Others	34.1	46.1	51.3	69.3	98.4	126.1	143.6	158.8
Curr. Liability & Prov.	44.2	47.3	48.4	49.9	54.0	58.8	69.2	75.6
Account Payables	34.8	36.5	36.2	37.1	37.8	41.6	52.0	58.4
Provisions	9.5	10.8	12.2	12.9	16.1	17.2	17.2	17.2
Net Current Assets	82.6	93.9	109.9	127.2	153.3	186.8	237.1	289.4
Appl. of Funds	190.0	201.0	218.1	240.1	267.3	309.0	355.4	403.7

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Adjusted EPS	19.6	30.0	35.3	37.8	52.5	62.8	61.8	65.8
Cash EPS	33.7	43.1	48.2	52.3	65.0	76.5	76.4	82.1
BV/Share	195.5	227.2	258.1	284.2	330.9	386.5	444.1	504.0
DPS	2.5	2.5	3.0	3.0	4.0	5.0	5.0	5.0
Payout (%)	15.6	10.0	11.5	10.3	9.4	9.2	9.7	9.1
Valuation (x)								
P/E	78.0	51.1	43.3	40.5	29.2	24.4	24.8	23.3
Cash P/E	45.4	35.6	31.8	29.3	23.6	20.0	20.0	18.6
P/BV	7.8	6.7	5.9	5.4	4.6	4.0	3.4	3.0
EV/Sales	7.3	6.4	5.6	5.3	4.7	4.4	4.1	3.7
EV/EBITDA	38.8	28.9	25.9	23.8	19.4	17.1	17.1	15.3
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
FCF per Share	25.8	36.7	32.8	26.0	34.9	39.9	49.9	35.1
Return Ratios (%)								
RoE	10.2	14.1	14.5	13.3	15.9	16.2	13.9	13.1
RoCE	8.8	12.9	13.7	13.5	17.0	18.3	15.0	14.1
RoIC	8.2	13.3	14.5	13.8	17.0	17.8	14.8	15.0
Working Capital Ratios								
Fixed Asset Turnover (x)	1.3	1.3	1.4	1.4	1.5	2.8	2.7	3.0
Debtor (Days)	83	66	58	65	68	73	74	78
Inventory (Days)	93	89	90	83	74	75	76	83
Creditors (Days)	49	39	42	39	35	38	36	38
Working Capital (Days)	128	115	105	108	107	110	114	123
Leverage Ratio (x)								
Current Ratio	2.9	3.0	3.3	3.5	3.8	4.2	4.4	4.8
Debt/Equity	0.1	0.0	0.0	0.0	0.0	0.0	-0.1	-0.2

Cash Flow Statement

(INRb)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Profit before Tax & Extraordinary Items	21.8	32.9	36.8	42.2	59.0	71.3	69.2	75.8
Interest/Dividends Recd.	1.4	1.0	0.3	-0.5	-1.3	-2.0	9.5	9.1
Direct Taxes Paid	-8.5	-10.4	-11.4	-13.0	-16.0	-16.7	-16.9	-18.2
(Inc)/Dec in WC	3.7	3.7	-1.8	-5.6	-8.1	-6.7	-13.6	-29.1
CF from Operations	30.7	37.6	33.3	32.4	41.3	47.4	48.3	37.6
others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CF from Oper. incl EO Expense	30.7	37.6	33.3	32.4	41.3	47.4	48.3	37.6
(inc)/dec in FA	-9.9	-7.9	-6.8	-11.4	-13.2	-15.1	-8.0	-9.2
Free Cash Flow	20.8	29.6	26.4	21.0	28.2	32.2	40.3	28.4
(Pur)/Sale of Investments	12.1	-12.4	1.7	-8.9	-14.3	-21.8	0.0	0.0
Other Items	-1.1	-3.4	-13.5	-3.5	-2.4	0.1	0.0	0.0
CF from Investments	1.1	-23.7	-18.6	-23.8	-29.8	-36.9	-8.0	-9.2
Inc/(Dec) in Debt	2.6	0.7	0.3	0.0	0.0	-0.9	-0.1	0.0
Interest Paid	-1.6	-1.2	-0.8	-0.7	-0.6	-0.4	-0.5	-0.3
Dividend Paid	-5.6	0.0	-4.0	-4.0	-6.9	-10.5	-4.8	-4.8
Others Items	-24.8	-11.9	-11.6	-4.9	-4.5	-1.2	1.8	-0.1
CF from Fin. Activity	-29.5	-12.4	-16.0	-9.6	-12.0	-12.9	-3.6	-5.2
Inc/Dec of Cash	2.3	1.4	-1.3	-1.0	-0.5	-2.5	36.7	23.1
Add: Beginning Balance	6.2	10.0	14.0	19.3	15.6	8.7	8.0	44.7
Bank balances and FX impact	1.5	2.6	6.6	-2.7	-6.4	1.7	0.0	0.0
Closing balance	10.0	14.0	19.3	15.6	8.7	8.0	44.7	67.8

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://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 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/NCDEX); CDSE 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 dpgrievances@motilaloswal.com.