

Aurobindo Pharma

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	ARBP IN
Equity Shares (m)	581
M.Cap.(INRb)/(USDb)	626.9 / 7.1
52-Week Range (INR)	1593 / 994
1, 6, 12 Rel. Per (%)	-6/-13/-27
12M Avg Val (INR M)	1531

Financials & Valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	317.2	329.0	366.4
EBITDA	67.5	70.3	80.2
Adj. PAT	35.4	37.1	45.1
EBIT Margin (%)	16.1	15.9	16.7
Cons. Adj. EPS (INR)	61.0	63.8	77.7
EPS Gr. (%)	7.9	4.6	21.7
BV/Sh. (INR)	562.2	622.0	695.7

Ratios

Net D:E	-0.1	-0.1	-0.2
RoE (%)	11.4	11.7	12.3
RoCE (%)	10.5	11.0	11.8
Payout (%)	6.7	5.7	4.9

Valuations

P/E (x)	18.2	17.4	14.3
EV/EBITDA (x)	9.6	8.9	7.3
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	1.2	3.7	5.8
EV/Sales (x)	2.0	1.9	1.6

Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	51.8	51.8	51.8
DII	26.9	26.2	24.8
FII	14.4	15.3	16.7
Others	6.9	6.6	6.7

FII includes depository receipts

CMP: INR1,079 TP: INR1,300 (+20%) Buy

Growth in EU/ARV; margin contraction drags PAT

Gearing up for scaling PEN-G/biosimilar production

- Aurobindo Pharma (ARBP) delivered lower-than-expected performance for 1QFY26. While revenue was in line with estimates, EBITDA/PAT missed our estimates by 7%/8% for the quarter. Higher operational costs related to newer plants and pricing headwinds in the API segment impacted earnings for the quarter.
- That said, the global specialty and injectables sales witnessed QoQ growth in 1QFY26.
- While the g-Revlimid-driven high base from the previous year led to a YoY decline in US sales for the quarter, ARBP continues to broaden its US generics portfolio by adding products across the peptides, respiratory, dermatology, oncology, and hormone categories. The company is also increasing its offerings in dosage forms like injectables, nasal sprays, and inhalers.
- ARBP has been delivering strong execution in the EU market, driven by a higher off-take of existing products and expanding offerings. Notably, with biosimilar approvals in place, the gradual uptake of these products is expected to drive growth momentum in the EU segment.
- ARBP is ramping up production at the PEN-G plant following encouraging yield results and clearance from the pollution control board.
- We cut our earnings estimates by 8%/7% for FY26/FY27, factoring in: a) initial operational costs associated with restarting the PEN-G and China plants and b) pricing headwinds in the API business. We value ARBP at 16x 12M forward earnings to arrive at a TP of INR1,300.
- ARBP is one of the most diversified players in the generics space, catering to developed markets of the US/EU. Recent hiccups related to manufacturing plant issues and tariff uncertainties have caused volatility in earnings and, subsequently, the stock price. However, with the plants now operational and limited scope of US tariffs on the generics space—coupled with an attractive valuation, we reiterate a BUY rating on the stock.

High base affects sales growth; margins impacted by product mix/opex

- ARBP's 1QFY26 sales grew 4% YoY to INR78.7b (our estimate: INR79.3b).
- Overall formulation sales grew 7.4% YoY to INR69.5b. Europe's formulation sales grew 18% YoY to INR23.4b (29% of sales + 9% YoY in CC). Growth market sales grew ~9% YoY to INR7.7b (10% of sales). US formulations revenue declined 1.9% YoY to INR34.9b (CC: -4.2% YoY to USD408m; 44% of sales). ARV revenue grew 55% YoY to INR3.6b (5% of sales).
- API sales declined 16.1% YoY to INR9.2b (11.6% of sales).
- Gross margin (GM) contracted 60bp YoY to 58.8% due to a change in the product mix.

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

Eshita Jain - Research Analyst (Eshita Jain @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.

- EBITDA margin contracted 200bp YoY to 20.4% (our estimate: 21.7%), led by a lower GM and increased employee costs (+145bp YoY as a % of sales).
- EBITDA declined 5% YoY to INR16b (our estimate: INR17.2b).
- PAT declined 8.5% YoY to INR8.3b (our est.: INR9b), led by a higher depreciation/tax.

Highlights from the management commentary

- On Ex-Revlimid basis, EBITDA grew 12% YoY for the quarter.
- ARBP maintained its EBITDA margin guidance of 20-21% for FY26.
- With the implementation of remediation measures at Eugia III, global specialty and injectables sales have normalized (pre-USFDA inspection level). In fact, ARBP has invited the USFDA for a re-inspection.
- ARBP is confident in improving Lanett's profitability post-acquisition, driven by portfolio-level synergies and enhanced operational efficiency at Lanett's manufacturing facilities.
- ARBP is scheduled to make its first biosimilar submission in the US in FY26.

Quarterly performance (Consolidated)

Y/E March	(INR b)											
	FY25				FY26E				FY25	FY26E	FY26E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	vs Est
Net Sales	75.7	78.0	79.8	83.8	78.7	81.1	82.7	86.4	317.2	329.0	79.3	-0.8%
YoY Change (%)	10.5	8.0	8.5	10.6	4.0	4.1	3.7	3.1	9.4	3.7	4.8	
EBITDA	16.9	15.7	16.3	18.6	16.0	16.6	17.4	20.3	67.5	70.3	17.2	-6.8%
YoY Change (%)	47.2	11.6	1.7	10.4	-5.4	5.7	6.7	9.1	15.5	4.1	1.5	
Margins (%)	22.4	20.1	20.4	22.2	20.4	20.4	21.0	23.5	21.3	21.4	21.7	
Depreciation	4.0	3.8	4.2	4.4	4.1	4.6	4.6	4.8	16.5	18.0	4.4	
EBIT	12.9	11.8	12.1	14.2	12.0	12.0	12.8	15.6	51.0	52.3	12.8	
YoY Change (%)	56.5	20.1	2.6	6.4	-7.2	1.0	6.0	9.7	18.0	2.5	-0.7	
Interest	1.1	1.1	1.2	1.2	1.0	1.0	0.9	0.9	4.6	3.8	1.2	
Other Income	1.2	1.4	1.6	1.2	1.1	1.4	1.4	1.4	5.4	5.2	1.3	
PBT before EO expense	13.0	12.1	12.5	14.3	12.1	12.3	13.3	16.0	51.8	53.7	13.0	-7.0%
Forex loss/(gain)	0.0	0.0	0.5	-0.1	0.0	0.0	0.0	0.0	0.4	0.0	0.0	
Exceptional (expenses)/income	0.2	0.0	0.0	-0.7	0.0	0.0	0.0	0.0	-0.5	0.0	0.0	
PBT	13.3	12.1	12.0	13.7	12.0	12.3	13.3	16.0	51.0	53.7	13.0	-7.0%
Tax	4.1	3.9	3.5	4.3	3.8	3.6	3.6	5.3	15.8	16.3	3.9	
Rate (%)	30.6	32.3	29.6	31.6	31.8	29.0	27.0	33.2	31.0	30.4	30.0	
Minority Interest	0.0	0.0	0.0	0.3	0.0	0.1	0.1	0.1	0.3	0.3	0.1	
Reported PAT	9.2	8.2	8.5	9.0	8.2	8.6	9.6	10.6	34.9	37.1	9.0	-7.9%
Adj PAT	9.0	8.2	8.8	9.4	8.3	8.6	9.6	10.6	35.4	37.1	9.0	-7.8%
YoY Change (%)	51.9	5.1	-2.4	-6.6	-8.5	5.8	8.7	12.4	7.9	4.6	-0.7	
Margins (%)	11.9	10.5	11.0	11.3	10.5	10.7	11.6	12.3	11.2	11.3	11.3	
EPS	15.4	14.0	15.1	16.1	14.1	14.8	16.4	18.1	61.0	63.8	15.3	

E: MOFSL Estimates

Key performance indicators (Consolidated)

Y/E March	FY25				FY26E				FY25E	FY26E	FY26E	Var % vs Est.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	
Formulations	64.8	66.4	69.7	73.1	69.5	68.9	72.2	75.2	274.0	285.8	67.8	2.5%
YoY Change (%)	11.3	11.3	10.8	12.3	7.4	3.7	3.5	2.8	12.2	4.3	4.7	
ARV form.	2.3	1.9	3.1	3.1	3.6	2.3	2.5	2.3	10.4	10.7	2.6	34.8%
YoY Change (%)	20.2	-22.8	71.5	29.4	55.0	18.0	-18.0	-23.8	19.5	3.1	15.0	
US generic form.	35.6	35.3	36.7	40.7	34.9	34.9	36.5	39.2	148.3	145.5	35.1	-0.7%
YoY Change (%)	7.6	4.3	-2.3	13.5	-1.9	-1.1	-0.6	-3.7	6.9	-1.9	-1.2	
EU and ROW form.	26.9	29.2	29.9	29.3	31.1	31.7	33.2	33.6	115.4	129.6	30.1	3.4%
YoY Change (%)	15.8	25.0	27.1	9.3	15.6	8.6	10.8	14.7	19.1	12.3	11.7	
APIs	10.9	11.6	10.1	10.7	9.2	12.3	10.6	11.2	43.2	43.2	11.5	-20.1%
YoY Change (%)	5.7	-0.9	-1.6	4.9	-16.1	6.0	5.0	5.0	1.9	-0.1	5.0	
Cost Break-up												
RM Cost (% of Sales)	40.6	41.2	41.6	40.7	41.2	41.4	40.8	39.0	41.0	40.6	40.7	
Staff Cost (% of Sales)	14.2	14.2	14.2	13.9	15.6	15.2	15.1	14.6	14.1	15.1	13.8	
R&D Expenses(% of Sales)	4.5	5.3	5.6	5.0	4.7	4.9	5.0	5.0	5.1	4.9	5.4	
Other Cost (% of Sales)	18.4	19.2	18.2	18.2	18.2	18.1	18.1	17.9	18.5	18.1	18.0	
Gross Margins (%)	59.4	58.8	58.4	59.3	58.8	58.6	59.2	61.0	59.0	59.4	59.3	
EBITDA Margins (%)	22.4	20.1	20.4	22.2	20.4	20.4	21.0	23.5	21.3	21.4	22.1	
EBIT Margins (%)	17.1	15.2	15.2	16.9	15.2	14.7	15.5	18.0	16.1	15.9	17.1	

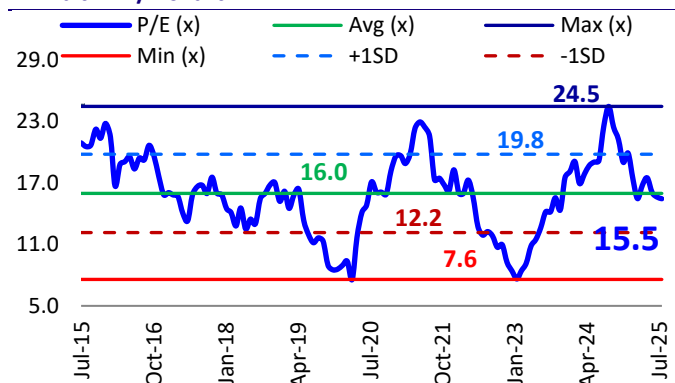
E: MOFSL Estimates



Conference call highlights

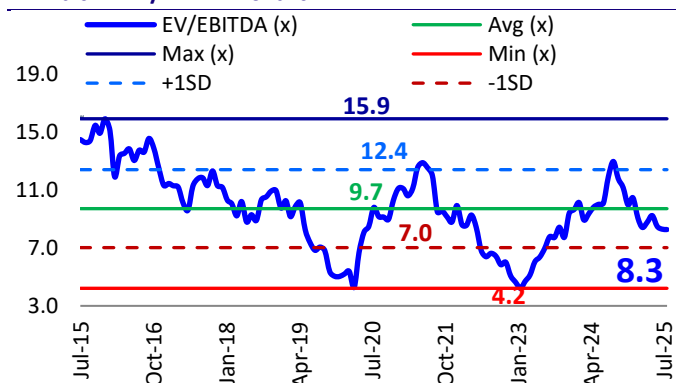
- Free cash flow was higher for the quarter due to a reduction in the working capital requirement and lower capex.
- ARBP maintains an 18-20% EBITDA margin for its Europe business. It is adding two more oncology manufacturing lines to cater to the robust demand for its products in the European market.
- PEN-G prices are currently around USD20 per unit. ARBP can achieve break-even at these levels from in-house manufacturing.
- ARBP is gearing up for launch quantities of its approved biosimilars for the EU/UK markets.
- ARBP is confident of achieving EUR1b revenue in FY26 from the EU business.
- The company aims to add two 15KL bio manufacturing lines, along with associated utilities, as part of its contract with Merck Sharp & Dohme.
- R&D was 4.7% of revenue for 1QFY26.

Exhibit 1: P/E chart



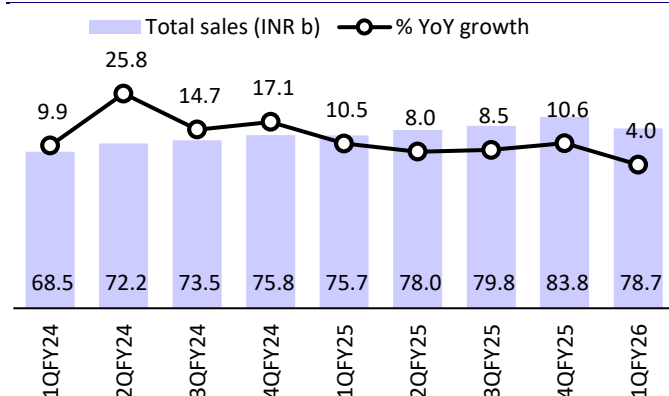
Source: MOFSL, Company, Bloomberg

Exhibit 2: EV/EBITDA chart

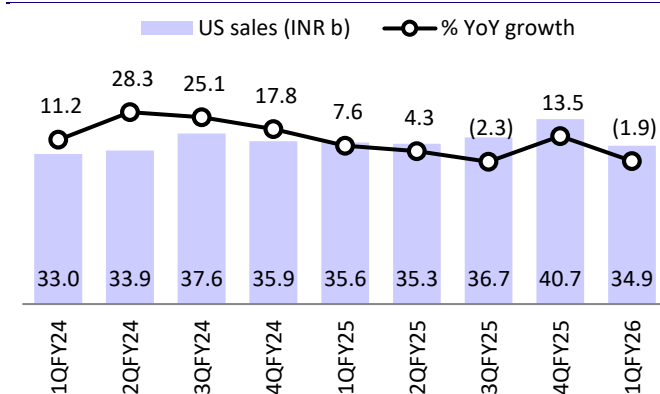


Source: MOFSL, Company, Bloomberg

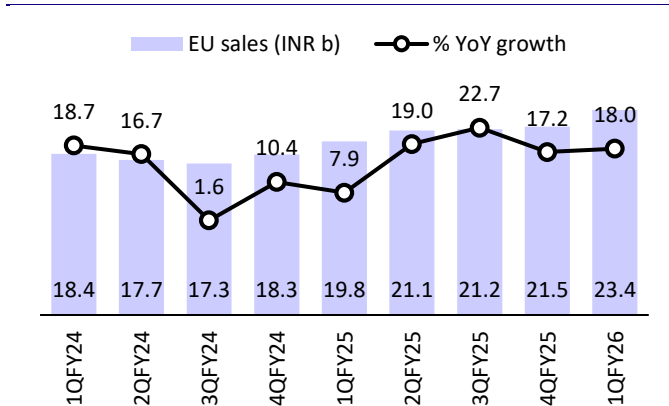
Key Exhibits

Exhibit 3: Revenue grew 4% YoY in 1QFY26


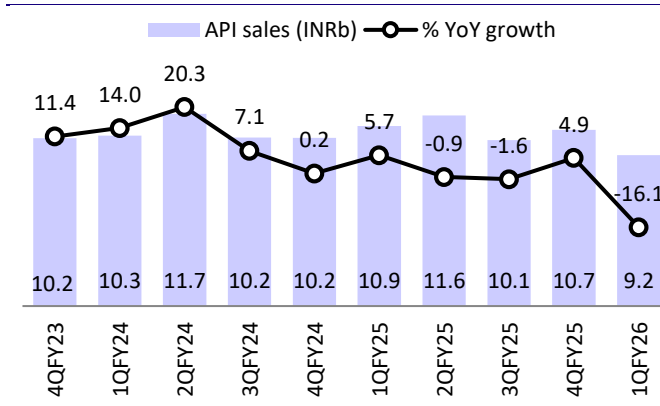
Source: MOFSL, Company

Exhibit 4: US sales declined ~2% YoY in 1QFY26 in INR terms


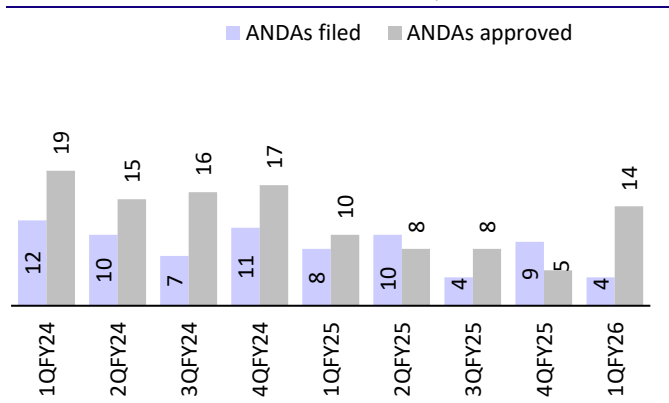
Source: MOFSL, Company

Exhibit 5: EU sales increased 18% YoY in 1QFY26


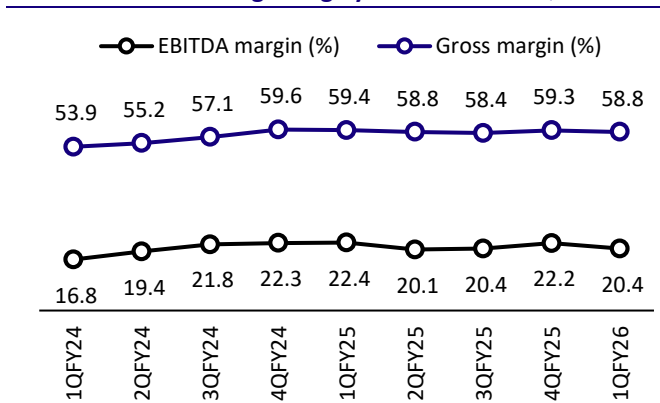
Source: MOFSL, Company

Exhibit 6: API sales declined ~16% YoY in 1QFY26


Source: MOFSL, Company

Exhibit 7: ARBP filed four ANDAs in 1QFY26


Source: MOFSL, Company

Exhibit 8: EBITDA margin largely stable YoY in 1QFY26


Source: MOFSL, Company

EU growth and diversified pipeline offset near-term US weakness

US: Broadened portfolio and regulatory tailwinds to drive better outlook

- After a moderate 3.7% YoY growth in FY25, ARBP's US sales declined 4% YoY in CC terms to USD408m for 1QFY26.
- Global specialty and injectables sales grew 11% QoQ in 1QFY26 after a moderate 4% YoY growth in FY25.
- In addition to oral solids and injectables, ARBP is expanding its US portfolio by adding products in peptides, biosimilars, vaccines, respiratory, and dermatology segments.
- As of Jun'25, ARBP had a total of 864 ANDA filings, of which 704 had final approvals, 29 had tentative approvals, and 132 were under review.
- The company has products under development in topicals/transdermal patches, nasal sprays/inhalers, biosimilars in the immunology and oncology segments, and depo injections and peptides in the oncology/diabetology space.
- A favorable outcome of the re-inspection of Eugia III is expected to facilitate product approvals from the site, thereby driving better sales prospects.
- The US generics segment is expected to post a 6% sales CAGR over FY25-27, reaching USD2b.

EU: Sustained growth momentum to receive further support from the biosimilar portfolio

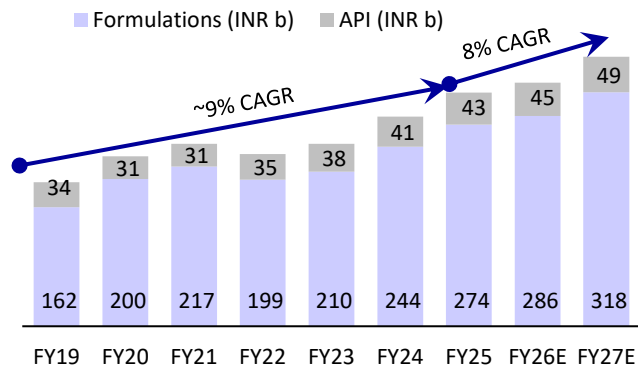
- After consistent growth in the EU region over the past two years (11% CAGR over FY23-25; 17% YoY growth in FY25), sales grew 18% YoY in 1QFY26.
- ARBP has been able to leverage the infrastructure built to connect development, manufacturing, and distribution to pharmacies as well as hospitals. It has also been able to garner benefits from the tender business.
- In addition, it has enhanced its offering through the addition of biosimilars to the portfolio.
- Specifically, it has received approval from the EU for Dazublys (b-Trastuzumab), Dyrupeg (b-Pegfilgrastim), and Zefylti (b-filgrastim). It is not only preparing for launch quantities but also adding two bioreactor production lines to become fully operational by 3QFY26.
- Accordingly, we expect a 14% sales CAGR over FY25-27, reaching INR108b.

Reiterate BUY

- We cut our earnings estimates by 8%/7% for FY26/FY27, factoring in: a) initial operational costs associated with the restarting of the PEN-G and China plants and b) pricing headwinds in the API business. We value ARBP at 16x 12M forward earnings to arrive at a TP of INR1,300.
- ARBP is one of the most diversified players in the generics space, catering to developed markets of the US/EU. Recent hiccups related to manufacturing plant issues and tariff uncertainties have led to volatility in earnings and, subsequently, the stock price. However, with plants now operational and a limited scope of tariff in the generics space, coupled with an attractive valuation, we reiterate a BUY rating on the stock.

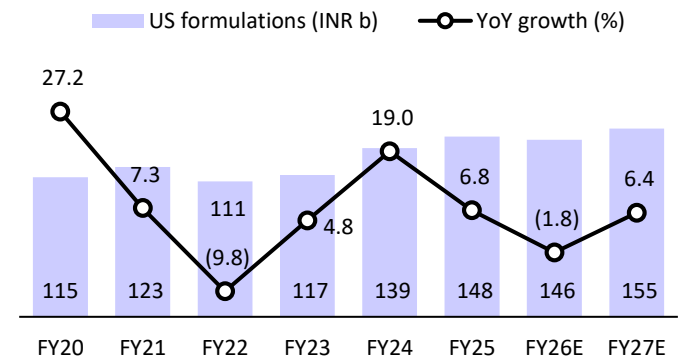
Story in charts

Exhibit 9: Expect sales CAGR of 8% over FY25-27



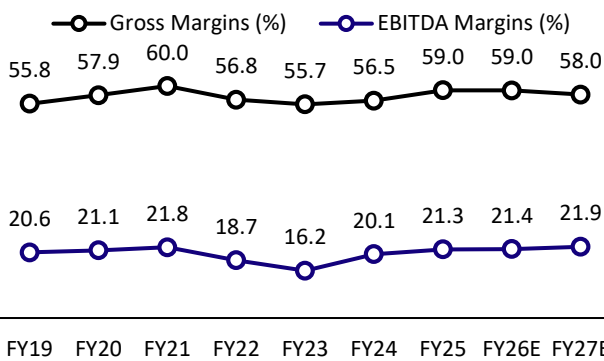
Source: Company, MOFSL

Exhibit 10: US sales to clock 2% CAGR over FY25-27



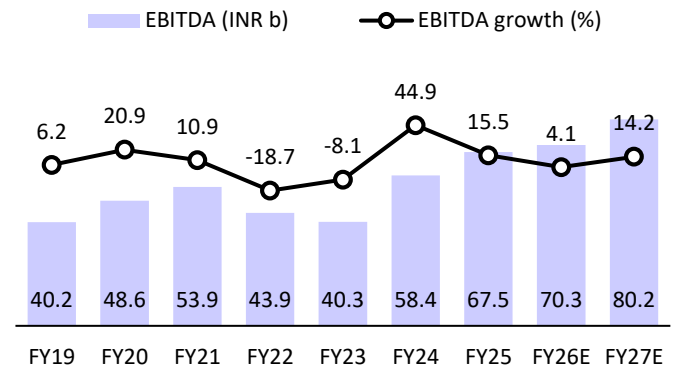
Source: Company, MOFSL

Exhibit 11: EBITDA margin to expand 60bp over FY25-27



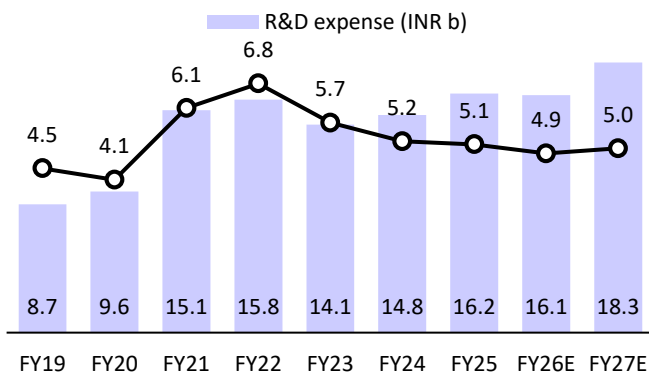
Source: Company, MOFSL

Exhibit 12: EBITDA to clock 9% CAGR over FY25-27



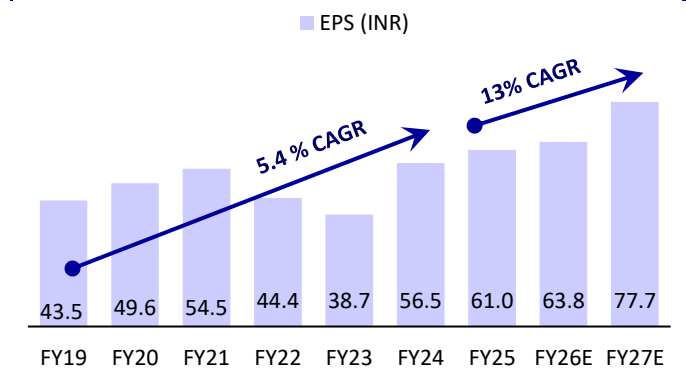
Source: Company, MOFSL

Exhibit 13: R&D expense to remain stable over FY25-27



Source: Company, MOFSL

Exhibit 14: Expect EPS CAGR of 13% over FY25-27



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	195.6	231.0	247.7	234.6	248.6	290.0	317.2	329.0	366.4
Change (%)	18.6	18.1	7.3	-5.3	6.0	16.7	9.4	3.7	11.4
Total Expenditure	155.4	182.3	193.8	190.7	208.2	231.6	249.7	258.7	286.2
EBITDA	40.2	48.6	53.9	43.9	40.3	58.4	67.5	70.3	80.2
Margin (%)	20.6	21.1	21.8	18.7	16.2	20.1	21.3	21.4	21.9
Depreciation	6.7	9.7	10.6	11.3	12.4	15.2	16.5	18.0	19.0
EBIT	33.5	39.0	43.4	32.6	27.9	43.2	51.0	52.3	61.2
Int. and Finance Charges	1.6	1.6	0.7	0.5	1.4	2.9	4.6	3.8	3.1
Other Income	1.2	0.9	2.4	2.5	2.9	5.2	5.4	5.2	5.1
PBT bef. EO Exp.	33.1	38.2	45.0	34.6	29.4	45.5	51.8	53.7	63.3
EO Items	-2.2	-0.7	29.0	-0.6	-1.0	2.3	-0.8	0.0	0.0
PBT after EO Exp.	30.9	37.6	74.0	34.0	28.4	47.8	51.0	53.7	63.3
Current Tax	7.3	9.1	20.1	7.3	6.8	12.1	18.2	16.3	18.0
Tax Rate (%)	23.5	24.3	27.2	21.3	24.1	25.3	35.6	30.4	28.5
Less: Mionrity Interest	0.0	0.1	0.6	0.3	-0.1	0.1	-0.3	0.3	0.1
Reported PAT	23.6	28.3	53.3	26.5	21.4	35.6	32.5	37.1	45.1
Adjusted PAT	25.3	28.8	31.7	25.8	22.5	32.8	35.4	37.1	45.1
Change (%)	1.1	13.9	9.9	-18.5	-12.9	46.1	7.9	4.6	21.7
Margin (%)	12.9	12.5	12.8	11.0	9.0	11.3	11.2	11.3	12.3

Consolidated - Balance Sheet

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Total Reserves	138.3	167.5	218.7	245.2	267.8	297.8	326.0	360.7	403.5
Net Worth	138.9	168.1	219.3	245.8	268.4	298.4	326.5	361.3	404.1
Minority Interest	0.0	0.0	0.0	0.0	0.1	0.1	-0.1	-0.1	-0.1
Deferred Liabilities	1.0	1.4	1.2	1.2	-2.9	-8.6	-9.9	-10.1	-10.3
Total Loans	67.5	54.2	49.7	23.7	48.6	63.2	79.4	62.8	49.6
Capital Employed	207.4	223.7	270.2	270.7	314.3	353.1	396.0	413.9	443.3
Gross Block	98.0	116.4	134.3	158.4	175.4	227.7	252.0	265.0	278.0
Less: Accum. Deprn.	18.3	28.0	38.5	49.8	62.2	77.4	93.9	111.9	130.9
Net Fixed Assets	79.7	88.4	95.8	108.7	113.2	150.3	158.1	153.1	147.1
Goodwill on Consolidation	8.3	9.2	4.3	4.8	6.0	6.0	6.2	6.2	6.2
Capital WIP	13.4	16.2	24.3	29.4	45.0	27.4	32.7	32.7	32.7
Total Investments	3.6	5.5	5.9	10.0	5.4	3.7	2.5	2.5	2.5
Curr. Assets, Loans&Adv.	157.7	168.3	203.8	183.6	222.6	251.3	285.5	288.0	330.9
Inventory	72.5	77.0	90.3	75.5	85.1	98.1	105.4	110.4	115.9
Account Receivables	34.1	43.2	35.0	40.1	44.7	48.2	58.5	62.2	75.3
Cash and Bank Balance	19.6	28.4	54.7	41.9	60.8	62.8	82.4	88.6	112.9
Loans and Advances	31.5	19.7	23.7	26.0	31.9	42.2	39.1	26.8	26.8
Curr. Liability & Prov.	55.3	63.9	63.8	65.6	77.9	85.5	88.9	68.7	76.1
Account Payables	25.5	25.4	27.9	27.0	38.7	44.5	41.9	38.0	45.4
Other Current Liabilities	26.1	33.5	32.6	35.2	35.4	36.1	41.5	30.0	30.0
Provisions	3.6	4.9	3.3	3.4	3.7	4.8	5.6	0.6	0.6
Net Current Assets	102.4	104.3	140.0	117.9	144.7	165.8	196.5	219.4	254.8
Deferred Tax assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc Expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Appl. of Funds	207.4	223.7	270.2	270.7	314.3	353.1	396.0	413.9	443.3

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)									
EPS	43.5	49.6	54.5	44.4	38.7	56.5	61.0	63.8	77.7
Cash EPS	54.6	65.7	72.0	63.3	59.7	82.0	89.4	94.7	110.4
BV/Share	237.1	286.9	374.3	419.5	458.4	509.3	562.2	622.0	695.7
DPS	2.5	2.5	2.5	3.5	4.0	4.0	4.0	4.0	4.0
Payout (%)	6.8	5.2	2.7	7.7	10.9	6.6	7.1	6.3	5.1
Valuation (x)									
P/E	25.5	22.4	20.4	25.0	28.7	19.6	18.2	17.4	14.3
Cash P/E	20.3	16.9	15.4	17.5	18.6	13.5	12.4	11.7	10.1
P/BV	4.7	3.9	3.0	2.6	2.4	2.2	2.0	1.8	1.6
EV/Sales	3.6	2.9	2.6	2.7	2.6	2.2	2.0	1.9	1.6
EV/EBITDA	17.4	13.9	12.0	14.4	15.8	11.1	9.6	8.9	7.3
Dividend Yield (%)	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.4	0.4
FCF per share	1.6	50.4	12.5	35.7	-13.5	-8.9	13.3	42.0	65.4
Return Ratios (%)									
RoE	19.8	18.8	16.3	11.1	8.7	11.6	11.3	10.8	11.8
RoCE	14.4	14.1	13.6	10.3	8.0	10.7	9.5	9.6	10.8
RoIC	16.9	17.1	17.6	13.7	10.8	14.0	12.2	12.8	15.0
Working Capital Ratios									
Fixed Asset Turnover (x)	2.0	2.0	1.8	1.5	1.4	1.3	1.3	1.2	1.3
Inventory (Days)	277	280	308	298	266	265	286	295	268
Debtor (Days)	68	61	58	58	62	58	61	67	68
Creditor (Days)	109	96	98	99	109	121	121	109	99
Working Cap. (Days)	235	246	267	258	219	203	226	253	238
Leverage Ratio (x)									
Current Ratio	2.9	2.6	3.2	2.8	2.9	2.9	3.2	4.2	4.4
Interest Cover Ratio	21	24	58	67	20	15	11	14	20
Net Debt/Equity	0.3	0.2	0.0	-0.1	0.0	0.0	0.0	-0.1	-0.2

Consolidated - Cash Flow Statement

(InR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	30.9	37.4	45.0	34.6	29.4	45.5	51.8	53.7	63.3
Depreciation	6.7	9.7	10.6	11.3	12.4	15.2	16.5	18.0	19.0
Interest / Dividend recieved	1.4	1.2	-1.6	-2.0	-1.5	-2.3	-0.8	-1.4	-2.0
Direct Taxes Paid	-7.7	-7.3	-20.1	-7.3	-6.8	-12.1	-18.2	-16.3	-18.0
(Inc)/Dec in WC	-14.8	2.8	-9.3	9.2	-7.8	-19.1	-11.2	-16.6	-11.2
CF from Operations	16.4	43.8	24.5	45.8	25.7	27.2	38.1	37.4	51.0
Others	0.1	0.0	8.7	4.4	-1.0	2.3	-0.8	0.0	0.0
CF from Operating incl EO	16.5	43.8	33.3	50.2	24.7	29.5	37.3	37.4	51.0
(inc)/dec in FA	-15.6	-14.3	-26.0	-29.2	-32.6	-34.7	-29.6	-13.0	-13.0
Free Cash Flow	0.9	29.5	7.3	20.9	-7.9	-5.2	7.7	24.4	38.0
(Pur)/Sale of Investments	-13.4	-1.4	0.4	4.1	-4.5	-1.7	-1.2	0.0	0.0
CF from Investments	-29.0	-15.7	6.0	-32.1	-39.8	-36.4	-30.8	-13.0	-13.0
Inc/(Dec) in Debt	26.2	-13.1	-4.5	-26.0	25.0	14.5	16.1	-16.7	-13.1
Interest Paid	-1.5	-1.3	-0.7	-0.5	-1.4	-2.9	-4.6	-3.8	-3.1
Dividend Paid	-1.6	-1.9	-1.5	-2.1	-2.3	-2.3	-2.3	-2.3	-2.3
Others	-3.4	-2.8	-6.9	-1.2	12.8	-0.4	3.8	4.7	4.8
CF from Fin. Activity	19.8	-19.1	-13.6	-29.7	34.0	8.9	13.1	-18.1	-13.7
Inc/Dec of Cash	7.3	9.1	25.6	-11.6	18.9	1.9	19.6	6.3	24.2
Opening Balance	12.6	19.6	28.4	54.7	41.9	60.8	62.8	82.4	88.6
Others incl. impact of fx	-0.3	-0.2	0.7	-1.2	0.0	0.0	0.0	0.0	0.0
Closing Balance	19.6	28.4	54.7	41.9	60.8	62.8	82.4	88.6	112.9

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://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

- 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
- 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
- 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.
- 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.
- 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, 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/MCK/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 dpgrievances@motilaloswal.com.