

Estimate change

TP change

Rating change



Bloomberg	BIOS IN
Equity Shares (m)	1337
M.Cap.(INRb)/(USDb)	459 / 5.2
52-Week Range (INR)	406 / 291
1, 6, 12 Rel. Per (%)	-2/-15/0
12M Avg Val (INR M)	1572

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	153.0	175.0	208.0
EBITDA	32.0	36.0	44.0
Adjusted PAT	2.0	5.0	11.0
EBIT Margin (%)	9.7	9.8	12.0
Cons. Adj EPS (INR)	2.0	4.1	9.0
EPS Gro. (%)	13.2	102.3	118.5
BV/Sh. (INR)	180.4	184.3	192.8

Ratios

Net D-E	0.6	0.7	0.8
RoE (%)	1.2	2.3	4.8
RoCE (%)	2.7	3.0	4.0
Payout (%)	23.2	5.6	5.6

Valuations

P/E (x)	167.4	82.8	37.9
EV/EBITDA (x)	1.9	1.8	1.7
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	4.2	-0.3	-1.5
EV/Sales (x)	3.3	2.9	2.4

Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	54.5	60.6	60.6
DII	22.8	15.7	14.3
FII	6.2	5.9	6.2
Others	16.5	17.8	18.9

FII includes depository receipts

CMP: INR343

TP: INR410 (+19%)

Buy

Temporary headwinds in generics weigh on 1Q

Biologics and Syngene continue to build strategic strengths

- Biocon (BIOS) reported lower-than-expected financial performance in 1QFY26, affected mainly by a sharp reduction in generics sales and increased opex related to new facilities.
- While it was a dismal quarter for the generics segment, BIOS has a pipeline of product approval/launches lined up for the near to medium term to improve growth prospects and profitability.
- Biologics sales witnessed improved traction from commercialized molecules in both advanced as well as emerging markets.
- In fact, the profitability also remained steady in the biologics segment (21% EBITDA margin in 1QFY26), driven by higher volume off-take and better operating leverage.
- BIOS also has a launch pipeline in the biologics segment (insulin Aspart in particular) to sustain growth momentum in this segment.
- BIOS' subsidiary, Syngene, delivered steady growth on a low base of past year. It continues to expand niche platform service offerings in research services and scale up manufacturing capabilities in small/large molecules.
- We reduce our earnings estimates by 7%/3% for FY26/FY27, factoring in a) near-term cost pressures in generics, b) lower operating leverage, and c) higher depreciation related to facilities coming online in Syngene. We value BIOS on an SOTP basis (20x 12M forward EV/EBITDA for 73% stake in Biocon Biologics, 53% stake in Syngene, and 10x EV/EBITDA for the Generics business) to arrive at a TP of INR410.
- BIOS is building growth levers across generics, biologics and Syngene. The product pipeline remains encouraging for generics/biologics. Investment in manufacturing to support commercial traction for launches/potential approval is largely in place in generics/biologics. Considering the market demand dynamics, Syngene is expanding its capabilities in CDMO space. Maintain BUY.

Biologics drive revenue growth; margins miss estimates in 1QFY26

- BIOS 1QFY26 revenues grew 15% YoY to INR39.4b (est. INR42.4b).
- Revenue growth was led by Biosimilars (61% of sales), up 28.6% YoY to INR24.5b. Research services (22% of sales) grew 11% YoY to INR8.8b. Generics sales rose 5.7% YoY to INR7b (17% of sales).
- Gross margin (GM) contracted 120bp YoY to 63.5%.
- EBITDA margin expanded 90bp YoY to 19% (est: 21.5%) due to lower R&D/employee expenses (-140bp/-60bp YoY as a % of sales).
- EBITDA margin for Biocon Biologics was 20.8% for 1QFY26 (down 200bp YoY/down 110bp QoQ).
- EBITDA margin of Syngene was 25.6% for the quarter (up 410bp YoY/down 810bp QoQ basis).
- Generic business EBITDA margin was 1.9% vs. 8.9% YoY and 23.2% QoQ.
- EBITDA grew 20.5% YoY to INR7.5b (est: INR9b) for the quarter.
- Adj. PAT came in at INR300m vs. loss of INR1.6b YoY.

Highlights from the management commentary

- While generics business was subdued for the quarter, BIOS has a line-up of product launches, which would improve profitability of generics going forward. Specifically, Liraglutide in EU, g-Entresto, and Micafungin everolimus in the US would drive near-term sales.
- BIOS awaits approval for Liraglutide in the US market. Insulin Aspart would be launched soon in the US market.
- With respect to RH-Insulin, BIOS has expanded its drug product capacity in Malaysia to cater to certain markets after regulatory approval.
- About 77% of biologics business comes from advanced markets and the remaining from emerging markets.
- There has been a small component of g-Revlimid in 1QFY26 sales for BIOS.

Quarterly performance (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	
Net Sales	34,329	35,904	38,214	44,170	39,420	42,832	45,810	47,437	1,52,617	1,75,499	42,406	-7.0%
YoY Change (%)	0.3	3.7	6.0	12.8	14.8	19.3	19.9	7.4	5.9	15.0	23.5	
Total Expenditure	28,120	29,040	30,357	33,390	31,940	34,180	35,824	37,380	1,20,907	1,39,323	33,288	
EBITDA	6,209	6,864	7,857	10,780	7,480	8,652	9,987	10,057	31,710	36,175	9,117	-18.0%
YoY Change (%)	-12.9	-7.4	36.2	17.7	20.5	26.0	27.1	-6.7	7.6	14.1	46.8	
Margins (%)	18.1	19.1	20.6	24.4	19.0	20.2	21.8	21.2	20.8	20.6	21.5	
Depreciation	4,050	4,200	4,250	4,360	4,550	4,531	4,846	5,018	16,860	18,945	4,358	
EBIT	2,159	2,664	3,607	6,420	2,930	4,121	5,141	5,038	14,850	17,230	4,759	
YoY Change (%)	-39.2	-24.4	123.1	26.1	35.7	54.7	42.5	-21.5	7.8	16.0	120.4	
Interest	2,360	2,260	2,230	2,120	2,770	1,950	1,750	1,500	8,970	7,970	2,100	
Other Income	767	330	350	370	800	650	430	445	1,817	2,325	410	
Extraordinary Income	10,893	260	-163	210	0	0	0	0	11,200	0	0	
PBT	11,459	994	1,564	4,880	960	2,821	3,821	3,983	18,897	11,585	3,069	-68.7%
Tax	2,840	710	750	280	80	663	909	956	4,580	2,608	859	
Rate (%)	24.8	71.4	47.9	5.7	8.3	23.5	23.8	24.0	24.2	22.5	28.0	
Minority Interest	2,030	430	560	1,150	580	1,135	1,140	1,160	4,170	4,015	1,120	
PAT	6,589	-146	254	3,450	300	1,023	1,771	1,867	10,147	4,962	1,090	-72.5%
Adj PAT	-1,604	365	439	3,252	300	1,023	1,771	1,867	2,452	4,962	1,090	-72.5%
YoY Change (%)	-260.4	-74.7	-125.8	128.4	-118.7	180.1	303.3	-42.6	13.2	102.3	-167.9	
Margins (%)	19.2	-0.4	0.7	7.8	0.8	2.4	3.9	3.9	6.6	2.8	2.6	

Key performance Indicators (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
Cost Break-up											
RM Cost (% of Sales)	37.2	35.6	38.0	35.5	38.4	38.0	37.2	37.3	37.2	36.1	36.5
Staff Cost (% of Sales)	20.4	20.8	19.1	17.3	19.9	19.1	18.4	18.2	19.3	18.8	18.5
R&D Expenses(% of Sales)	6.6	5.6	5.2	5.2	5.2	5.1	5.5	5.7	5.7	7.1	5.7
Other Cost (% of Sales)	17.7	18.9	17.1	17.6	17.6	17.6	17.1	17.6	17.8	17.5	17.8
Gross Margins (%)	62.8	64.4	62.0	64.5	61.6	62.0	62.8	62.7	62.8	63.9	63.5
EBITDA Margins (%)	18.1	19.1	20.6	24.4	19.0	20.2	21.8	21.2	20.8	20.6	21.5
EBIT Margins (%)	6.3	7.4	9.4	14.5	7.4	9.6	11.2	10.6	9.7	9.8	11.2



Conference call highlights

- Net debt was USD1.1b for Biocon Biologics and USD100m for generics.
- The presence of innovator in the formulary continues to hold BIOS back from gaining traction in Yesintek (b-adalimumab).
- BIOS has filed for semaglutide with Canada's health regulatory authority. Interestingly, the Canadian regulator has not approved even a single GLP product till date.
- The new facility has incremental opex of INR600m per quarter in the generics segment. There would be a further increase in opex due to additional facilities. Having said this, new launches would drive better profitability in this segment for BIOS.

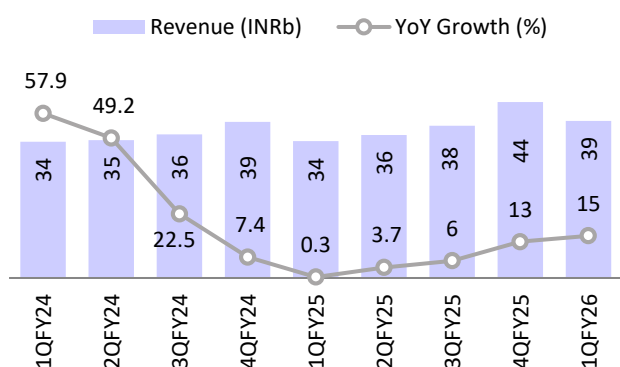
Key exhibits

Exhibit 1: Biosimilars witnessed a jump in PBT margins

Segmental PBT margin	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Generics	10.4	8.7	10.0	9.9	9.2	9.8	7.0	7.0	2.6	-1.4	-2.0	17.3	-9.6
Biosimilars	7.2	7.8	6.8	7.8	1.2	-0.8	-7.2	3.8	51.1	-0.8	0.0	1.6	3.9
Novel Biologics	NA	NA	NA	-200.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
Research Services	14.4	16.9	17.8	23.2	15.2	17.4	16.6	22.8	8.8	15.4	19.2	23.6	11.6
Total	9.2	10.6	8.4	10.0	5.4	6.9	12.1	8.4	32.4	2.0	3.6	10.6	2.5

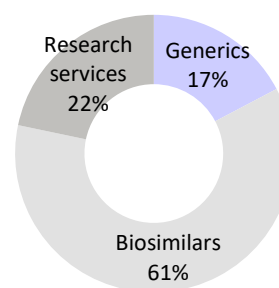
Source: MOFSL, Company

Exhibit 2: BIOS revenue grew 15% YoY in 1QFY26



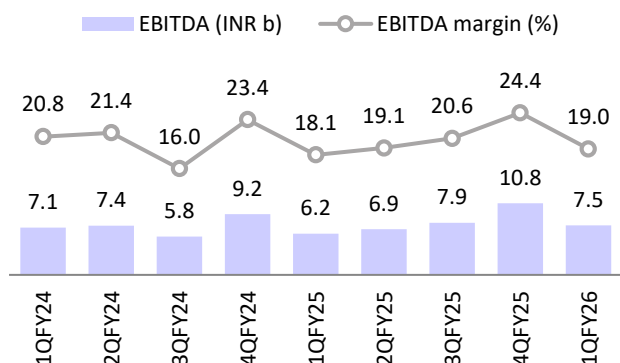
Source: MOFSL, Company

Exhibit 3: Biosimilars contributed 61% to the total revenue



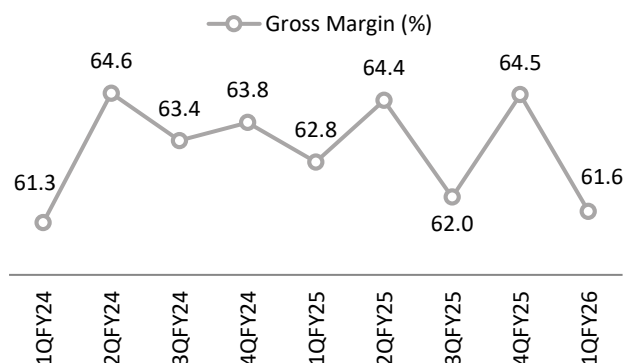
Source: MOFSL, Company

Exhibit 4: EBITDA margin expanded 90bp YoY in 1QFY26



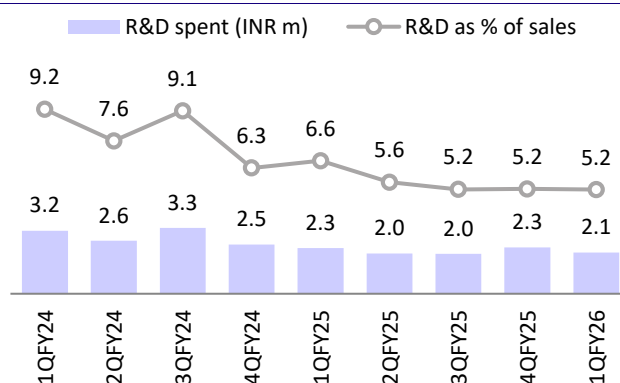
Source: MOFSL, Company

Exhibit 5: GM declines YoY/QoQ due to product mix



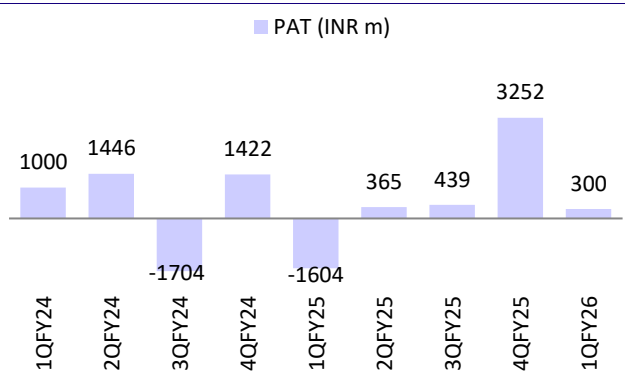
Source: MOFSL, Company

Exhibit 6: R&D expense as a % of sales stable on QoQ basis



Source: MOFSL, Company

Exhibit 7: Net profit amounts to INR300m in 1QFY26



Source: MOFSL, Company

Biologics lead; generics rebuild; Syngene expands capabilities

Biologics – healthy 1Q start; launches and tender wins to fuel further growth

- Biologics business started on a robust note with 18% YoY growth to INR24.5b in 1QFY26 (vs. 15% YoY growth in FY25).
- 1Q performance was dominated by increased traction in the commercialized products across markets.
- Particularly, Yesintek (b-Ustekinumab) has witnessed a considerable increase in prescriptions with strong formulary coverage in North America, Germany, Spain, Italy and Portugal.
- Tender wins would keep the growth momentum intact in emerging markets.
- Subsequently, BIOS' launch of Insulin Aspart in the US would be the potential growth driver in the biologics segment in the near to medium term. Based on a settlement, BIOS would be launching b-Yesafili (afibercept) before 2HCY26, paving way for potential growth in biologics segment.
- With product approval/launches, BIOS is also expanding capacity to meet business demand.
- BIOS continues to work on improving traction of b-Adalimumab for the US market, with gradual success till date.
- B-Trastuzumab/b-pegfilgrastim are steady, with 27% market share in 1QFY26.
- Further, BIOS has secured a large tender for RH-Insulin and Insulin Glargine from Malaysia's Ministry of Health, adding a growth driver to biologics segment.
- We expect 18% sales CAGR in biologics to reach INR124b over FY25-27.

Generics – Short-term blip; momentum to rebuild on launches

- After delivering revenue growth of 46% YoY in 4QFY25, generics business witnessed revenue headwinds, with 6% YoY growth and 66% QoQ decline to INR7b in 1QFY26.
- The QoQ impact was primarily due to reduced sales of g-Revlimid during the quarter.
- Having said this, BIOS is in good stead to grow this business over the medium term on the back of new launches.
- The recent launches were Micafungin and Everolimus in 1QFY26. Recent approvals for Rivaroxaban/g-Entresto would support near-term incremental business in the generics segment for the US market.
- Other potential approvals like liraglutide for the US market would further drive growth in the generics segment.
- BIOS has also filed GLP-1 products for Canada market and it is in the process of filing GLP-1 in other emerging markets as well.
- Considering the product pipeline, we expect 16% sales CAGR over FY25-27 to reach INR40b in this segment. With gross margin improving and better operating leverage, the profitability is also expected to improve considerably going forward.

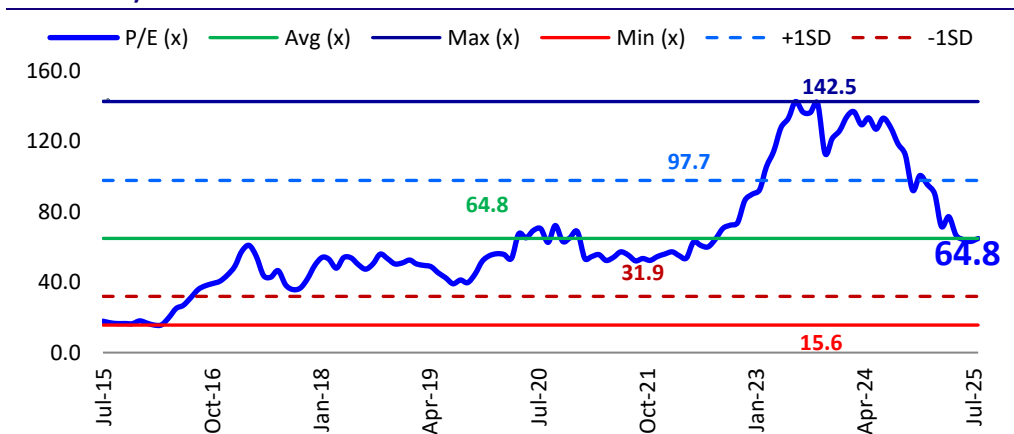
Syngene – Expands research and manufacturing capabilities

- On a low base of 1QFY25, Syngene grew 10.8% YoY in 1QFY26.
- Research services (67% of Syngene sales for 1QFY26) led growth in this segment on YoY basis.
- The escalation of pilot projects into long-term contracts within research services aided incremental business in this segment.
- To widen its research services, Syngene has inaugurated a state-of-the-art dedicated peptide laboratory, advancing its capability in high-potential growth areas.
- On the manufacturing front, Syngene has successfully delivered a clinical batch of drug substance for a US-based client, validating its manufacturing capabilities.
- Syngene is working on improving the capacity utilization at its small molecules Mangalore facility.
- Considering the efforts across research service and manufacturing, we estimate a 10% sales CAGR over FY25-27 to reach INR44b.

Reiterate BUY

- We reduce our earnings estimates by 7%/3% for FY26/FY27, factoring in a) near-term cost pressures in generics, b) lower operating leverage, and c) higher depreciation related to facilities coming online in Syngene business. We value BIOS on an SOTP basis (20x 12M forward EV/EBITDA for 73% stake in Biocon Biologics, 53% stake in Syngene, and 10x EV/EBITDA for the Generics business) to arrive at a TP of INR410.
- BIOS is building growth levers across generics, biologics and Syngene. The product pipeline remains encouraging for generics/biologics. The investment in manufacturing to support commercial traction for launches/potential approval is largely in place in generics/biologics segment. Considering the market demand dynamics, Syngene is expanding its capabilities in CDMO space. Maintain BUY.

Exhibit 8: P/E chart



Story in charts

Exhibit 9: Expect revenue CAGR of ~17% over FY25-27

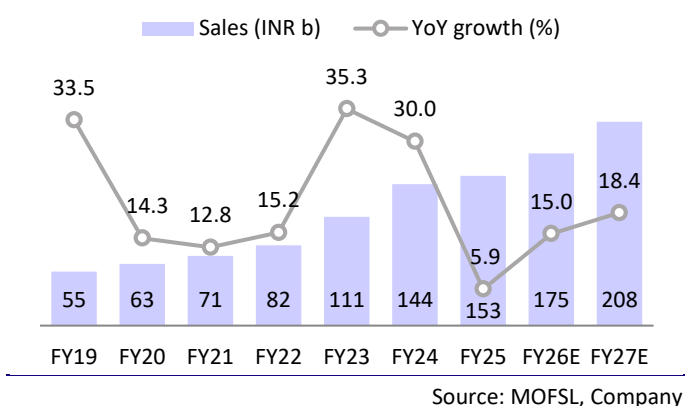


Exhibit 10: New launches/ramp-up to fuel ex-Syngene revenue

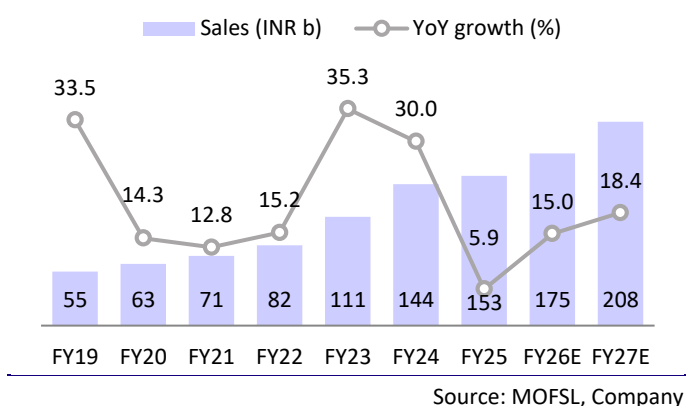


Exhibit 11: R&D spending to increase 500bp as a % of sales over FY25-27

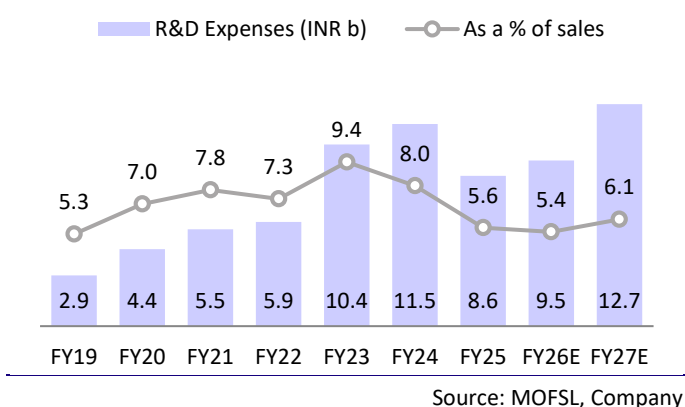


Exhibit 12: EBITDA margin to steadily expand over FY25-27

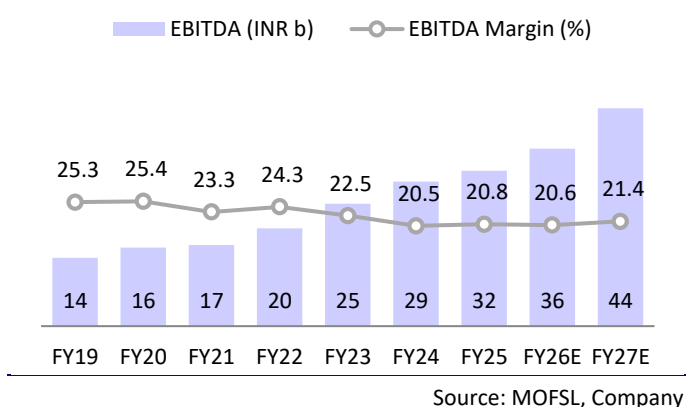


Exhibit 13: RoE expected to see a major improvement over FY25-27

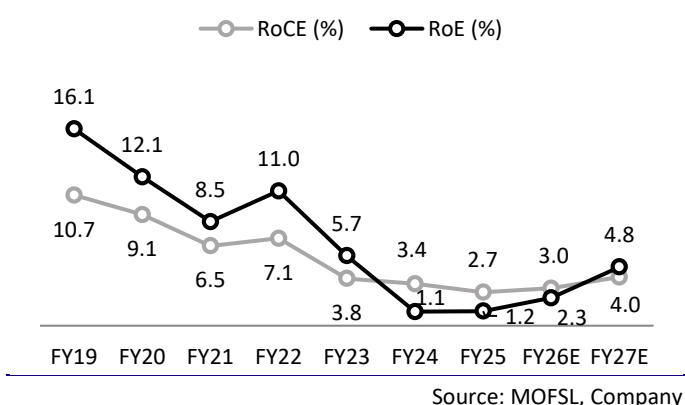
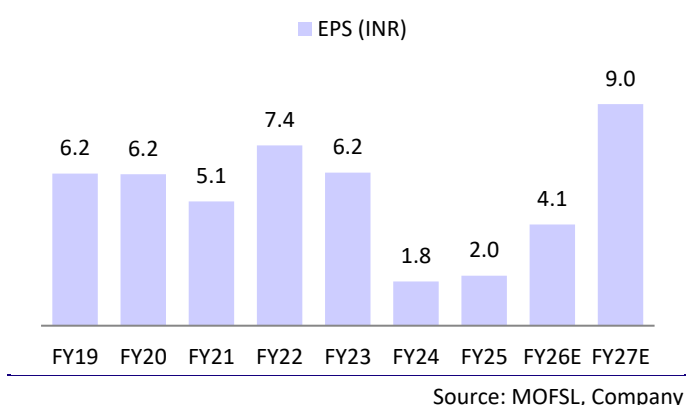


Exhibit 14: Expect EPS to scale up at CAGR of 110% over FY25-27



Financials and valuations

Income Statement (Consolidated)							(INR m)	
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Income	63,005	71,058	81,845	1,10,774	1,44,051	1,52,617	1,75,499	2,07,815
Change (%)	14.3	12.8	15.2	35.3	30.0	5.9	15.0	18.4
Total Expenditure	46,974	54,504	61,922	85,810	1,14,580	1,20,907	1,39,323	1,63,429
EBITDA	16,031	16,554	19,923	24,964	29,471	31,710	36,175	44,387
Change (%)	15.1	3.3	20.4	25.3	18.1	7.6	14.1	22.7
Margin (%)	25.4	23.3	24.3	22.5	20.5	20.8	20.6	21.4
Depreciation	5,522	7,145	8,150	11,131	15,690	16,860	18,945	19,403
EBIT	10,509	9,409	11,773	13,833	13,781	14,850	17,230	24,984
Int. & Finance Charges	649	577	686	4,183	9,750	8,970	7,970	6,030
Other Income - Rec.	1,614	1,005	2,674	2,674	4,100	1,817	2,325	2,100
Extraordinary income	675	910	-3,946	-1,042	7,940	11,200	0	0
Share in Profits in JV				-1,666	-840	2	0	0
PBT	12,149	10,747	9,815	9,616	15,231	18,899	11,585	21,054
Tax	3,151	2,222	2,116	2,560	2,280	4,580	2,608	5,375
Tax Rate (%)	25.9	20.7	21.6	26.6	15.0	24.2	23	26
Minority Interest	1227	1148	1220	1810	2748	4168	4,015	4,835
Adjusted PAT	7,410	6,077	8,825	7,491	2,166	2,452	4,962	10,844
PAT	7,769	7,341	6,479	5,246	10,203	10,147	4,962	10,844
Change (%)	-0.4	-18.0	45.2	-15.1	-71.1	13.2	102.3	118.5
Margin (%)	12.3	10.3	7.9	4.7	7.1	6.6	2.8	5.2

Consolidated Balance Sheet							(INR m)	
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	6,000	6,000	6,003	6,003	6,003	6,003	6,003	6,003
Other Reserves	61,058	70,269	78,322	1,72,667	1,91,827	2,10,437	2,15,121	2,25,357
Net Worth	67,058	76,269	84,325	1,78,670	1,97,830	2,16,440	2,21,124	2,31,360
Loans	19,797	36,783	51,466	1,80,190	1,62,760	1,77,555	1,76,055	1,74,555
Minority Interest	6,773	8,807	10,375	46,220	54,910	60,685	64,700	69,535
Deferred liabilities	13794	24212	25827	52440	17480	38945	38,945	38,945
Capital Employed	1,07,422	1,46,071	1,71,993	4,57,520	4,32,980	4,93,625	5,00,824	5,14,395
Gross Block	85,167	93,959	1,03,295	1,27,440	1,44,540	1,74,302	1,97,009	2,11,473
Less: Accum. Deprn.	31,235	38,386	46,528	54,670	70,360	87,220	1,06,165	1,25,568
Net Fixed Assets	53,932	55,573	56,767	72,770	74,180	87,082	90,843	85,905
Capital WIP	15,765	22,535	34,203	25,880	39,850	41,017	30,910	20,646
Investments	9,661	19,519	15,879	20,700	10,000	13,827	13,827	13,827
Intangibles	11,974	13,533	15,824	2,69,200	2,72,850	2,76,615	2,87,680	3,16,448
Curr. Assets	49,426	70,986	78,334	1,28,880	1,61,180	1,66,855	1,79,310	1,92,372
Inventory	14,359	18,666	22,982	42,440	49,440	49,311	56,506	64,383
Account Receivables	12,237	12,176	20,582	35,730	62,310	54,879	64,910	77,433
Cash and Bank Balance	9,986	20,154	17,475	24,010	22,590	41,202	15,592	466
Loans & Advances	12,844	19,990	17,295	26,700	26,840	21,463	42,301	50,090
Curr. Liability & Prov.	20,085	20,936	12,929	20,079	1,25,080	91,771	26,284	26,284
Account Payables	32,306	34,981	27,709	58,420	1,17,310	87,247	21,760	21,760
Provisions	1,030	1,094	1,305	1,490	7,770	4,524	4,524	4,524
Net Current Assets	16,090	34,911	49,320	68,970	36,100	75,084	1,53,026	1,66,088
Appl. of Funds	1,07,422	1,46,071	1,71,993	4,57,520	4,32,980	4,93,625	5,76,286	6,02,913

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	6.2	5.1	7.4	6.2	1.8	2.0	4.1	9.0
Cash EPS	11.1	12.0	12.2	12.3	9.0	20.6	19.7	25.2
BV/Share	55.9	63.6	70.3	148.9	164.9	180.4	184.3	192.8
DPS	0.9	0.7	0.7	1.5	0.5	0.5	0.2	0.5
Payout (%)	15.3	13.6	9.2	24.0	27.7	23.2	5.6	5.6
Valuation (x)								
P/E	55.4	67.6	46.5	54.8	189.6	167.4	82.8	37.9
Cash P/E	30.3	27.8	27.5	27.3	37.1	16.2	17.0	13.3
P/BV	6.0	5.3	4.8	2.2	2.0	1.9	1.8	1.7
EV/Sales	8.0	7.1	6.1	4.5	3.5	3.3	2.9	2.4
EV/EBITDA	31.4	30.4	25.2	20.1	17.1	15.9	13.9	11.3
Dividend Yield (%)	0.3	0.2	0.2	0.4	0.1	0.1	0.1	0.1
FCF per share	-4.6	-4.9	-6.2	1.1	8.5	14.3	-1.1	-5.1
Return Ratios (%)								
RoE	12.1	8.5	11.0	5.7	1.2	1.2	2.3	4.8
RoCE	9.1	6.5	7.1	3.8	3.4	2.7	3.0	4.0
RoIC	12.0	9.6	9.8	4.1	3.1	3.0	3.2	4.0
Working Capital Ratios								
Fixed Asset Turnover (x)	1.3	1.3	1.5	1.7	2.0	1.9	2.0	2.4
Debtor (Days)	71	63	92	118	158	131	135	136
Inventory (Days)	83	96	102	140	125	118	118	113
Creditors (Days)	110	102	52	61	297	209	45	38
Working Capital (Days)	112	154	214	279	34	81	286	291
Leverage Ratio (x)								
Current ratio	2.5	3.4	6.1	6.4	1.3	1.8	6.8	7.3
Net Debt/Equity	0.1	0.2	0.4	0.9	0.7	0.6	0.7	0.8

E: MOST Estimates

Consolidated Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
PAT for the year	8,709	8,462	7,716	6,430	12,978	14,294	4,962	10,844
Add Depreciation/amortization	5,522	7,151	8,142	11,131	15,688	16,870	18,945	19,403
Interest/Dividends paid/(Recd).	-175	-193	-445	3,066	8,131	7,859	5,645	3,930
(Inc)/Dec in WC	-5,718	-7,340	-9,513	32,349	-35,717	3,422	-7,251	-7,343
Others	4,493	3,517	5,866	-34,451	28,459	-1,833	0	0
CF from Operations	12,831	11,597	11,766	18,525	29,539	40,612	22,301	26,833
(Incr)/Dec in FA	-18,365	-17,463	-19,248	-17,263	-19,316	-23,433	-23,665	-32,968
Free Cash Flow	-5,534	-5,866	-7,482	1,262	10,223	17,179	-1,364	-6,135
(Pur)/Sale of Investments	776	-5,574	3,457	32,908	2,207	17,166	0	0
CF from investments	-15,589	-36,247	-16,991	-1,42,818	-10,045	-2,341	-44,502	-40,757
Change in Net Worth	0	0	0	0	0	0	0	0
(Inc)/Dec in Debt	186	5,872	3,213	1,24,159	-12,712	5,729	-1,500	-1,500
Interest Paid	-912	-1,160	-1,096	-4,856	-8,474	-6,342	-5,645	-3,930
Dividend Paid	-701	0	0	-718	-2,030	-829	-278	-607
Others	5,596	21,021	307	12,549	-111	-17,098	4,015	4,835
CF from Fin. Activity	4,169	25,733	2,424	1,31,134	-23,327	-18,540	-3,408	-1,202
Inc/Dec of Cash	1,411	1,083	-2,801	6,841	-3,833	19,731	-25,610	-15,126
Add: Beginning Balance	6,593	8,247	8,970	6,537	12,999	9,195	41,202	15,592
Closing Balance	8,004	9,330	6,169	13,378	9,166	28,926	15,592	466
FX	536	71	33	217	29	312	0	0
Bankc balances/Overdraft	1,446	10,753	11,273	10,415	13,395	11,964	0	0
Total Cash and cash Eq	9,986	20,154	17,475	24,010	22,590	41,202	15,592	466

E: MOFSL Estimates

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

- 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).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- 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.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- 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/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 dpgrievances@motilaloswal.com.