

Laurus Labs

Estimate change



TP change



Rating change



Bloomberg	LAURUS IN
Equity Shares (m)	540
M.Cap.(INRb)/(USDb)	452 / 5.2
52-Week Range (INR)	846 / 390
1, 6, 12 Rel. Per (%)	27/32/92
12M Avg Val (INR M)	1502

Financials & valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	55.5	66.4	75.7
EBITDA	10.6	15.4	17.8
Adj. PAT	3.1	6.6	8.3
EBIT Margin (%)	11.3	16.3	17.0
Cons. Adj. EPS (INR)	5.8	12.2	15.4
EPS Gr. (%)	92.4	109.8	26.6
BV/Sh. (INR)	85.4	95.7	108.7

Ratios

Net D:E	0.5	0.5	0.4
RoE (%)	7.2	13.4	15.1
RoCE (%)	6.7	10.6	11.7
Payout (%)	15.6	15.6	15.6

Valuations

P/E (x)	144.4	68.8	54.4
EV/EBITDA (x)	45.2	31.1	26.9
Div. Yield (%)	0.1	0.2	0.2
FCF Yield (%)	0.6	0.8	1.1
EV/Sales (x)	8.6	7.2	6.3

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	27.6	27.6	27.2
DII	11.9	11.8	13.6
FII	25.7	25.5	25.7
Others	34.8	35.1	33.6

FII includes depository receipts

CMP: INR838

TP: INR970 (+16%)

Buy

Third consecutive earnings beat led by CDMO

Healthy pipeline/margin gains/new facilities support earnings upgrades

- Laurus Lab (LAURUS) delivered better-than-expected revenue/EBITDA/PAT (5%/23%/30% beat) for the third subsequent quarter in 1QFY26.
- The beat was led by robust execution in CDMO (small molecules) segment. The pipeline remains healthy across human/animal/crop science segments. The projects involved complex chemistries/biocatalysis across applications.
- Formulation (FDF) segment also witnessed strong YoY growth (down QoQ), led by newer contracts and some benefits from US launches.
- ARV business has been volatile (up 17% YoY/down 19% QoQ in 1QFY26) on a quarterly basis, though it is stable on an annual basis.
- We raise our earnings estimates by 16%/7% for FY26/FY27, factoring in a) strong tailwinds in CDMO segment led by 110+ active pipeline projects/ramp-up from new manufacturing facilities, b) additional contracts in generic FDF segment, and c) margin expansion from scale.
- Considering a 63% earnings CAGR over FY25-27, we value LAURUS at 56x 12M forward earnings to arrive at a TP of INR970. Reiterate BUY.

Segmental mix/scale-up of revenues drives margin expansion

- 1Q revenue grew 31.4% YoY to INR15.7b (our est. INR15b). Synthesis business (31% of sales, small molecules) was up 2.3x YoY to INR4.9b, led by improved deliveries of projects.
- FDF sales rose 50% YoY to INR4.1b (26% of sales). API sales (41% of sales) fell 4.1% YoY to INR6.4b. Bio division sales (2% of sales) fell 33% YoY to INR290m.
- Gross margin expanded 430bp YoY to 59.4% due to change in segmental mix.
- EBITDA margin expanded by ~1,000bp YoY to 24.3% (our est: 20.8%) due to better operating leverage (other expenses/employee expense down 480bp/90bp YoY as % of sales).
- EBITDA jumped 123% YoY to INR3.8b (our est. INR3.1b).
- Adj. PAT increased to INR1.6b (est. INR1.2b) vs. INR127m in 1QFY25.
- Net debt reduced from INR26b to INR23b QoQ.

Highlights from the management commentary

- LAURUS expects healthy YoY growth in CDMO segment in FY26.
- As contribution from CDMO segment rises, gross margin is expected to be at 55-60% vs. earlier guidance of 50-55%.
- Customer-specific challenges affected its bio business, though it is expected to be back on track in the coming quarters.
- ARV business grew 17% YoY, though LAURUS has maintained stable sales guidance for FY26.
- LAURUS commenced the construction of its new Gene/ADC facility in Hyderabad, and Microbial fermentation facility in Vizag.
- Its overall capex is expected to be INR50b over the next five years. Net debt-to-EBITDA ratio is expected to be in the range of 2.2x-2.5x.

Consolidated- Quarterly Earning Model

(INRM)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Net Sales	11,949	12,237	14,151	17,203	15,696	15,843	16,634	18,225	55,540	66,398	14,952	5.0
YoY Change (%)	1.1	-0.1	18.4	19.5	31.4	29.5	17.6	5.9	10.2	19.6	25.1	
EBITDA	1,712	1,783	2,852	4,206	3,821	3,470	3,693	4,374	10,553	15,358	3,110	22.9
YoY Change (%)	2.7	-5.1	57.2	74.2	123.2	94.6	29.5	4.0	35.7	45.5	81.7	
Margins (%)	14.3	14.6	20.2	24.4	24.3	21.9	22.2	24.0	19.0	23.1	20.8	
Depreciation	1,061	1,075	1,061	1,104	1,168	1,046	1,099	1,204	4,301	4,518	950	
EBIT	651	708	1,791	3,102	2,653	2,423	2,594	3,170	6,252	10,840	2,160	
YoY Change (%)	-14.5	-25.1	115.7	122.8	307.3	242.1	44.9	2.2	59.1	73.4	231.5	
Margins (%)	5.5	5.8	12.7	18.0	16.9	15.3	15.6	17.4	11.3	16.3	14.4	
Interest	492	526	578	564	515	521	521	521	2,160	2,079	521	
Other Income	25	46	94	-3	104	49	49	49	163	250	50	
PBT before EO expense	185	228	1,307	2,535	2,242	1,950	2,121	2,697	4,254	9,011	1,688	
Extra-Ord expense	0	0	0	-589	0	0	0	0	-589	0	0	
PBT	185	228	1,307	3,123	2,242	1,950	2,121	2,697	4,843	9,011	1,688	
Tax	63	51	401	785	631	507	552	715	1,299	2,405	439	
Rate (%)	33.9	22.3	30.7	25.1	28.2	26.0	26.0	26.5	26.8	26.7	26.0	
Minority Interest & Profit/Loss of Asso. Cos.	-5	-21	-17	20	7	15	15	16	30	53	15	
Reported PAT	127	198	923	2,319	1,603	1,428	1,555	1,967	3,514	6,553	1,234	29.9
Adj PAT	127	198	923	1,878	1,603	1,428	1,555	1,967	3,126	6,553	1,234	29.9
YoY Change (%)	-52.7	-46.3	298.9	148.4	1,165	619.9	68.4	4.7	92.4	109.6	873.4	
Margins (%)	1.1	1.6	6.5	10.9	10.2	9.0	9.3	10.8	5.6	9.9	8.3	

Key performance Indicators (Consolidated)

(INRb)

Y/E March	FY25				FY26E				FY25	FY26E	FY26
INRb	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
API	6.6	5.6	5.3	6.9	6.4	6.4	6.4	6.6	22.2	25.8	6.6
YoY Change (%)	11.2	(11.4)	(7.5)	(7.9)	(4.1)	15.0	21.2	(4.0)	(12.6)	24.2	0.0
Custom Synthesis	2.1	3.0	4.0	4.6	4.9	5.1	5.5	6.7	13.7	22.2	3.9
YoY Change (%)	(14.4)	33.5	88.7	95.3	130.4	70.0	37.0	45.0	49.0	61.4	80.0
Formulation	2.7	3.3	4.4	5.4	4.1	4.6	4.8	5.7	15.8	19.2	4.1
YoY Change (%)	(3.9)	(1.2)	18.8	26.5	50.0	40.0	10.0	5.1	11.9	21.4	50.0
Cost Break-up											
RM Cost (% of Sales)	44.9	44.8	43.1	45.5	40.6	45.1	44.9	44.3	44.6	43.8	45.5
Staff Cost (% of Sales)	14.6	14.6	13.4	10.3	13.7	11.5	11.4	11.2	13.0	11.9	11.7
R&D Expenses(% of Sales)	5.4	5.5	4.2	3.8	4.1	3.9	3.8	3.3	3.1	2.5	4.3
Other Cost (% of Sales)	26.2	26.0	23.4	19.7	21.4	23.0	24.0	23.5	23.4	23.0	22.0
Gross Margins (%)	55.1	55.2	56.9	54.5	59.4	54.9	55.1	55.7	55.4	56.2	54.5
EBITDA Margins (%)	14.3	14.6	20.2	24.4	24.3	20.4	19.7	21.0	19.0	21.3	20.8
EBIT Margins (%)	5.5	5.8	12.7	18.0	16.9	14.1	13.4	14.7	11.3	14.7	14.4


Other highlights from the management commentary

- Non-ARV FDF business is expected to pick up when the FDF facility is qualified by next year.
- LAURUS has multiple programs in execution covering complex chemistries, biocatalysis, flow chemistry, and peptides within CDMO segment.
- The construction of its fermentation manufacturing site (Vizag) is on track and is expected to commence operations by CY26 end.
- The company plans to invest INR5b at JV level with KRKA.
- LAURUS would invest USD25m in gene therapy. A new site will start operations by end-CY26.

Key exhibits

Exhibit 1: Revenue grew 31.4% YoY in 1QFY26

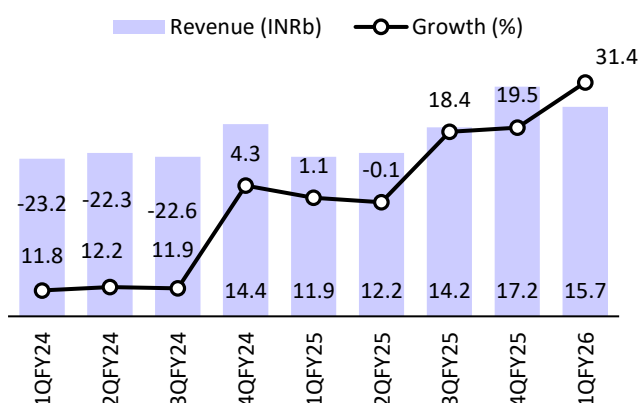


Exhibit 2: Share of FDF/CS stood at 26%/31% in 1QFY26

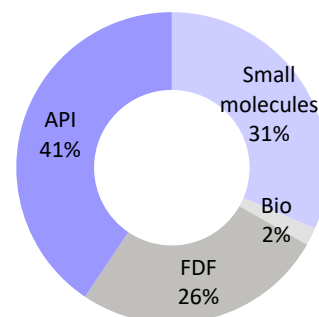


Exhibit 3: API sales declined 4% YoY

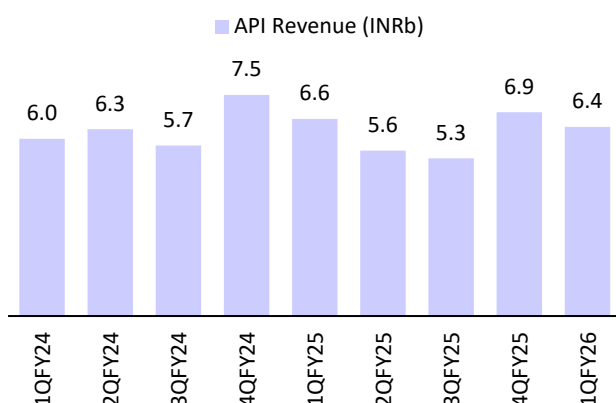


Exhibit 4: FDF sales up 50% YoY in 1QFY26

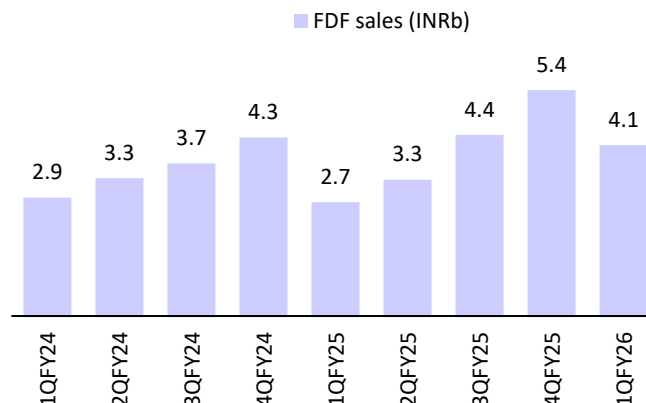
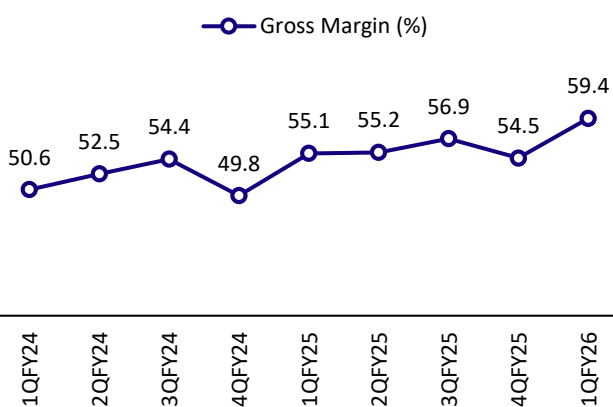
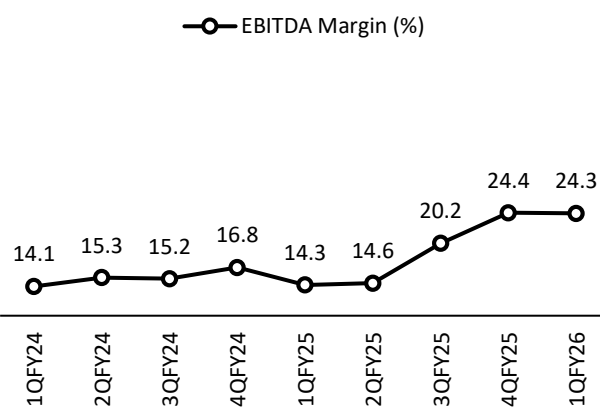


Exhibit 5: Gross margin expanded 430bp YoY in 1QFY26



Source: MOFSL, Company

Exhibit 6: EBITDA margin expanded ~1000bp YoY



Source: MOFSL, Company

CDMO growth engine gains traction; generics to pick up gradually

CDMO – Scaling up capacities/enhancing capabilities

- CDMO sales grew 2.3x YoY to INR4.9b in 1QFY26. LAURUS has multiple mid-to-late stage projects with clinical project advancements and ramp-up of new assets, leading to strong growth in CDMO sales in 1QFY26.
- In fact, continued investments in high-value specialty areas, such as complex chemistries/biologics and gene therapy, will reinforce its position as a reliable and trusted global CDMO partner.
- LAURUS is strategically strengthening its CDMO platform through the Phase 1 commissioning of its Vizag plant, enhancing its capabilities in high-value areas like gene therapy and R&D site capabilities in Hyderabad. This positions the company to capture more complex and higher-margin opportunities.
- As a part of its strategic realignment, the company is prioritizing CDMO projects by reallocating resources while gradually scaling back its focus on generic API development.
- Overall, it has ~110 active projects in the pipeline, with 90+ projects in the human health segment and the remaining in the animal health/crop protection segments.
- We expect the CDMO business to post a 38% CAGR over FY25-27E, reaching INR26b.

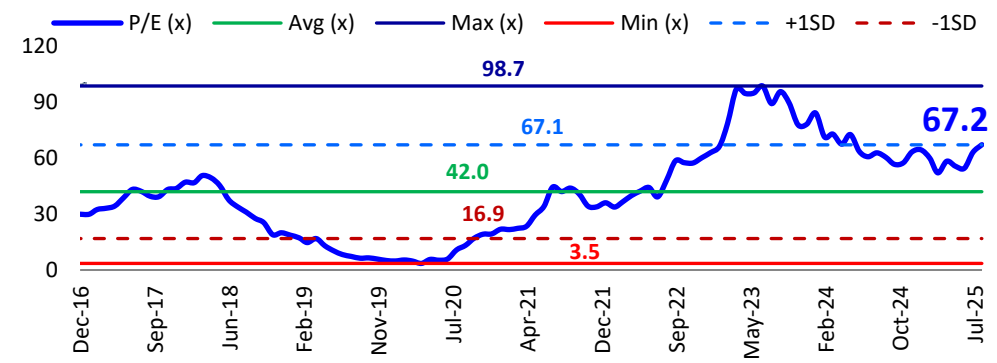
Generics – Stable ARV base; Non-ARV to scale up post capacity addition

- Generics sales grew 12% YoY to INR10.5b in 1QFY26, supported by robust contributions from the ARV and developed markets portfolio within the FDF segment. In FY25, LAURUS was able to maintain the sales run rate in ARV despite the increased competitive intensity.
- LAURUS filed one product dossier and received a total of three approvals (including tentative approvals) for FDFs in developed markets.
- KRKA JV's new Hyderabad facility marks a strategic shift toward expanding Non-ARV sales, while ARV sales are expected to remain stable.
- Accordingly, we expect a 15% sales CAGR in the FDF segment to INR21b, while the API business is likely to witness a sales CAGR of 7% over FY25-27E, reaching INR18b.

Valuation and view

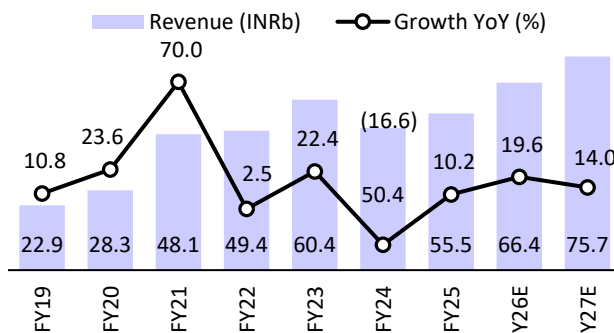
- We raise our earnings estimates by 16%/7% for FY26/FY27, factoring in a) strong tailwinds in CDMO segment led by 110+ active pipeline projects/ramp-up from new manufacturing facilities, b) additional contracts in generic FDF segment, and c) margin expansion from scale.
- Considering a 63% earnings CAGR over FY25-27, we value LAURUS at 56x 12M forward earnings to arrive at a TP of INR970. Reiterate BUY.

Exhibit 7: P/E chart



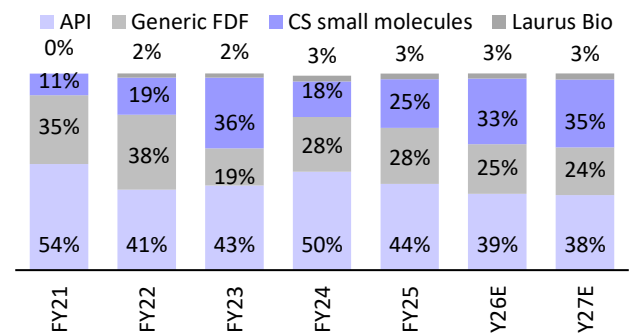
Story in charts

Exhibit 8: Likely to post a sales CAGR of 17% over FY25-27E



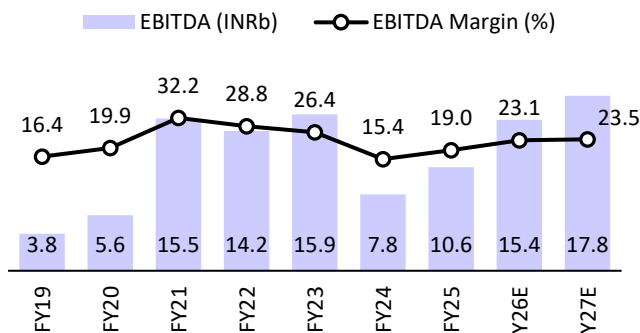
Source: MOFSL, Company

Exhibit 9: CDMO share to increase over FY25-27E



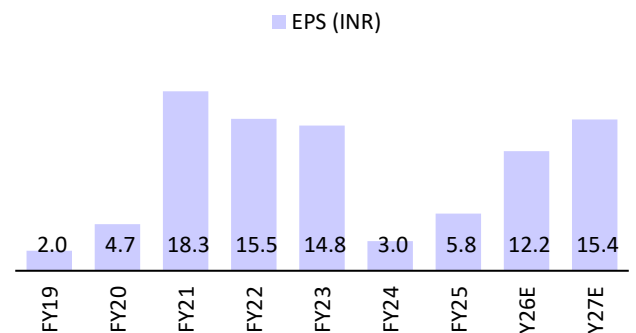
Source: MOFSL, Company

Exhibit 10: EBITDA CAGR to be 30% over FY25-27E



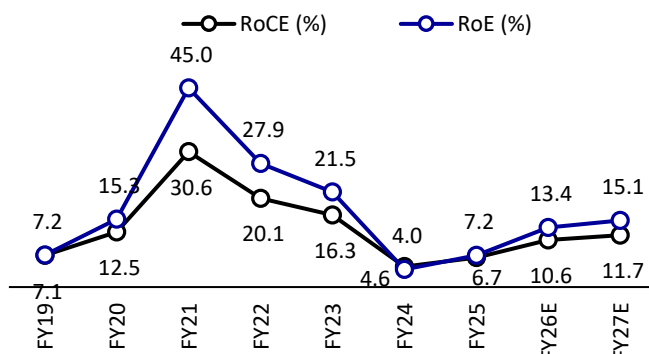
Source: MOFSL, Company

Exhibit 11: Expect a strong EPS trajectory over FY25-27



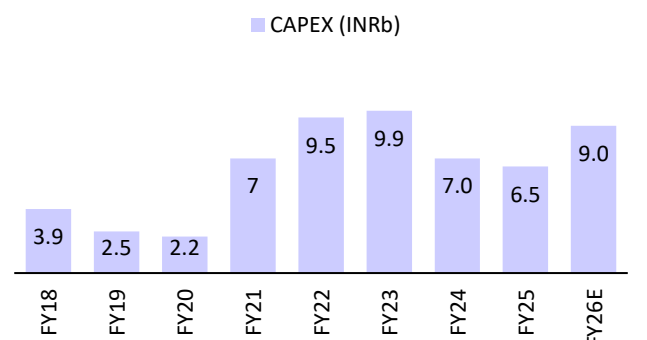
Source: MOFSL, Company

Exhibit 12: Return ratios to improve considerably over FY25-27



Source: MOFSL, Company

Exhibit 13: CAPEX intensity to increase with increasing CFO



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

(INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	28,317	48,135	49,356	60,406	50,408	55,540	66,402	75,716
Change (%)	23.6	70.0	2.5	22.4	-16.6	10.2	19.6	14.0
Total Expenditure	22,672	32,628	35,131	44,483	42,633	44,987	51,040	57,909
% of Sales	80.1	67.8	71.2	73.6	84.6	81.0	76.9	76.5
EBITDA	5,645	15,507	14,224	15,923	7,775	10,553	15,362	17,807
Margin (%)	19.9	32.2	28.8	26.4	15.4	19.0	23.1	23.5
Depreciation	1,873	2,051	2,515	3,241	3,846	4,301	4,518	4,930
EBIT	3,773	13,456	11,709	12,682	3,929	6,252	10,845	12,877
Int. and Finance Charges	896	682	1,024	1,652	1,829	2,160	2,079	1,807
Other Income	59	237	153	60	263	163	250	222
PBT bef. EO Exp.	2,936	13,011	10,839	11,090	2,364	4,254	9,016	11,291
EO Items	0	0	0	0	0	589	0	0
PBT after EO Exp.	2,936	13,011	10,839	11,090	2,364	4,843	9,016	11,291
Total Tax	383	3,173	2,514	3,123	684	1,299	2,405	2,923
Tax Rate (%)	13.1	24.4	23.2	28.2	28.9	26.8	26.7	25.9
Minority Interest	0	0	2	32	55	-23	53	69
Reported PAT	2,553	9,838	8,322	7,965	1,625	3,567	6,558	8,300
Adjusted PAT	2,553	9,838	8,322	7,965	1,625	3,126	6,558	8,300
Change (%)	132.6	285.4	-15.4	-4.3	-79.6	92.4	109.8	26.6
Margin (%)	9.0	20.4	16.9	13.2	3.2	5.6	9.9	11.0

Consolidated - Balance Sheet

(INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	1,069	1,073	1,075	1,077	1,077	1,077	1,077	1,077
Total Reserves	16,629	24,902	32,437	39,298	40,032	43,647	49,181	56,184
minority interest		32	79	111	46	1,300	1,300	1,300
Net Worth	17,698	26,007	33,591	40,487	41,155	46,024	51,557	58,561
Minority Interest	0	0	0	0	0	0	0	0
Total Loans	10,123	13,871	17,320	21,006	26,115	27,553	28,053	27,553
Deferred Tax Liabilities	-739	192	691	825	570	319	319	319
Capital Employed	27,081	40,070	51,602	62,317	67,842	73,895	79,929	86,432
Gross Block	23,821	27,949	35,283	46,085	54,745	61,378	69,545	77,628
Less: Accum. Deprn.	6,655	8,706	11,221	14,462	18,308	22,609	27,126	32,056
Net Fixed Assets	17,166	19,243	24,062	31,623	36,437	38,769	42,419	45,572
Goodwill on Consolidation	97	2,463	2,463	2,463	2,463	2,463	2,463	2,463
Capital WIP	672	3,622	8,132	5,508	4,228	4,584	5,417	4,833
Total Investments	34	34	308	993	1,714	2,819	2,819	2,819
Curr. Assets, Loans&Adv.	18,589	32,145	34,715	36,017	39,028	44,721	50,644	57,534
Inventory	9,052	15,755	17,603	16,848	18,454	19,365	22,374	25,702
Account Receivables	7,914	13,061	13,542	15,804	16,629	20,072	22,741	26,345
Cash and Bank Balance	17	485	759	485	1,417	1,442	936	250
Loans and Advances	1,605	2,845	2,811	2,880	2,528	3,842	4,593	5,237
Curr. Liability & Prov.	9,477	17,437	18,079	14,287	16,029	19,459	23,831	26,788
Account Payables	6,156	11,787	8,764	7,107	10,512	9,585	12,026	13,327
Other Current Liabilities	2,753	4,894	7,753	6,165	4,334	8,520	10,186	11,615
Provisions	568	757	1,562	1,016	1,183	1,354	1,619	1,846
Net Current Assets	9,112	14,708	16,637	21,730	22,999	25,262	26,812	30,746
Appl. of Funds	27,081	40,070	51,602	62,317	67,842	73,896	79,929	86,432

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	4.7	18.3	15.5	14.8	3.0	5.8	12.2	15.4
Cash EPS	8.2	22.1	20.1	20.8	10.2	13.8	20.6	24.6
BV/Share	32.9	48.3	62.4	75.2	76.4	85.4	95.7	108.7
DPS	0.6	2.0	2.0	1.9	0.4	0.9	1.6	2.0
Payout (%)	15.1	13.1	15.6	15.6	15.6	15.6	15.6	15.6
Valuation (x)								
P/E	176.8	45.9	54.2	56.7	277.8	144.4	68.8	54.4
Cash P/E	102.0	38.0	41.7	40.3	82.5	60.8	40.8	34.1
EV/Sales	16.3	9.7	9.5	7.8	9.4	8.6	7.2	6.3
EV/EBITDA	81.7	30.0	32.9	29.6	61.2	45.2	31.1	26.9
Dividend Yield (%)	0.1	0.2	0.2	0.2	0.0	0.1	0.2	0.2
FCF per share	2.0	0.9	0.6	0.1	-1.6	2.9	3.5	5.1
Return Ratios (%)								
RoE	15.3	45.0	27.9	21.5	4.0	7.2	13.4	15.1
RoCE	12.5	30.6	20.1	16.3	4.6	6.7	10.6	11.7
RoIC	13.0	32.7	23.0	18.6	4.8	7.3	11.7	12.8
Working Capital Ratios								
Asset Turnover (x)	1.0	1.2	1.0	1.0	0.7	0.8	0.8	0.9
Inventory (Days)	117	119	130	102	134	127	123	124
Debtor (Days)	102	99	100	95	120	132	125	127
Creditor (Days)	79	89	65	43	76	63	66	64
Leverage Ratio (x)								
Current Ratio	2.0	1.8	1.9	2.5	2.4	2.3	2.1	2.1
Interest Cover Ratio	4.2	19.7	11.4	7.7	2.1	2.9	5.2	7.1
Net Debt/Equity	0.6	0.5	0.5	0.5	0.6	0.5	0.5	0.4

Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	2,936	13,011	10,839	11,089	2,364	4,843	9,016	11,291
Depreciation	1,873	2,051	2,515	3,241	3,846	4,301	4,518	4,930
Interest & Finance Charges	837	579	862	1,455	1,750	2,100	1,829	1,586
Direct Taxes Paid	-383	-2,285	-1,823	-2,855	-1,046	-1,375	-2,405	-2,923
(Inc)/Dec in WC	-1,465	-5,941	-3,416	-3,153	-332	-2,814	-2,056	-4,620
CF from Operations	3,797	7,415	8,977	9,778	6,581	7,055	10,901	10,264
Others	-323	-85	135	161	33	-106	0	0
CF from Operating incl EO	3,474	7,330	9,111	9,939	6,615	6,949	10,901	10,264
(Inc)/Dec in FA	-2,421	-6,839	-8,767	-9,875	-7,476	-5,411	-9,000	-7,500
Free Cash Flow	1,053	491	344	64	-862	1,538	1,901	2,764
(Pur)/Sale of Investments	0	-2,584	-393	-223	-800	-1,054	0	0
Others	210	13	17	137	52	-352	250	222
CF from Investments	-2,211	-9,410	-9,143	-9,961	-8,224	-6,817	-8,750	-7,278
Issue of Shares	5	74	43	74	26	102	0	0
Inc/(Dec) in Debt	139	3,804	1,968	2,138	5,078	1,561	500	-500
Interest Paid	-896	-580	-850	-1,404	-1,743	-2,092	-2,079	-1,807
Dividend Paid	-384	-750	-859	-1,075	-862	-431	-1,024	-1,296
CF from Fin. Activity	-1,277	2,547	307	-253	2,541	-107	-2,658	-3,674
Inc/Dec of Cash	-14	467	275	-275	932	25	-507	-688
Opening Balance	28	15	483	757	482	1,415	1,442	936
Closing balance	15	483	757	482	1,415	1,442	936	250
Bank balance	2	2	2	2	1	0	0	0
Total Cash and Cash equivalent	17	485	759	485	1,417	1,442	936	250

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

- 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.