

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	CIPLA IN
Equity Shares (m)	808
M.Cap.(INRb)/(USDb)	1227.7 / 14.4
52-Week Range (INR)	1702 / 1310
1, 6, 12 Rel. Per (%)	-4/-3/-4
12M Avg Val (INR m)	2917

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	275.5	287.7	315.6
EBITDA	71.3	67.6	76.4
Adj. PAT	50.7	47.8	52.9
EBIT Margin (%)	21.9	19.2	20.0
Cons. Adj. EPS (INR)	62.8	59.2	65.5
EPS Gr. (%)	19.6	-5.7	10.7
BV/Sh. (INR)	386.5	441.6	501.1

Ratios

Net D:E	0.0	-0.1	-0.2
RoE (%)	16.2	13.4	13.1
RoCE (%)	18.3	14.6	14.1
Payout (%)	9.2	10.1	9.2

Valuations

P/E (x)	24.2	25.7	23.2
EV/EBITDA (x)	17.1	17.6	15.2
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	2.6	3.1	2.3
EV/Sales (x)	4.4	4.1	3.7

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	29.1	29.1	33.4
DII	28.1	27.7	24.4
FII	26.4	26.8	26.0
Others	16.3	16.4	16.3

FII Includes depository receipts

CMP: INR1,520 TP: INR1,510 (-1%) Neutral

India, SAGA, and EM drive 4QFY25 performance

Earnings outlook to moderate after a strong show over FY21-25

- Cipla reported lower-than-expected revenue/EBITDA (3%/13% miss) in 4Q. While the segmental mix resulted in better-than-expected gross margin, higher-than-anticipated opex/R&D led to lower-than-expected EBITDA for the quarter. Having said this, the earnings were in line due to higher other income (due to receipt of certain settlement income) and a lower tax rate.
- Cipla's YoY growth in India business (39% of 4Q sales) improved for the second consecutive quarter, led by a steady execution in chronic therapies and a strategic reset in the trade generics segment. The company has sustained an EBITDA margin in the consumer health segment, driving better overall profitability in the India business.
- North America (NA; 29% of sales) reached an all-time high annual revenue of USD934m, with a healthy contribution from differentiated assets such as g-Revlimid. We estimate g-Revlimid sales at USD250-USD300m in FY25.
- Cipla outperformed the industry in the SAGA segment (15% of sales) on the back of new launches across multiple therapies.
- We reduce our earnings estimates by 3%/4% for FY26/FY27, factoring in 1) increased competition expected in g-Revlimid, and 2) continued seasonal headwinds in acute therapies in the domestic formulation segment. We value Cipla at 23x 12M forward earnings to arrive at our TP of INR1,510.
- After a strong 26% CAGR in earnings over FY20-25, we expect its earnings to witness a modest 2% CAGR over FY25-27. While Cipla continues to implement strategies to offset the competitive impact of g-Revlimid and to expand its presence in the North American segment, we anticipate a gestation period due to the progress of products in the pipeline. Valuation would be a key monitorable for any inorganic opportunities. Moreover, the current valuation provides limited upside. **Reiterate Neutral.**

Improved operating leverage drives margins YoY

- Cipla's 4QFY25 revenue grew 9% YoY to INR67.2b (est. INR69.7b). India sales (39% of sales) rose 8.5% YoY to INR31.5b. EM sales (15% of sales) grew 22% YoY to INR9b. SAGA sales (15% of sales) grew 33.9% YoY to INR10.2b. The US sales (29% of sales) increased 2% YoY to INR19b (USD221m, down 2% in CC terms). However, API sales (2% of sales) declined 3.7% YoY to INR1.8b.
- Gross margin expanded 70bp YoY 67.5% (our est. 66.6%). EBITDA margin expanded 150bp YoY to 22.8% (our est. 25.4%), due to better segmental mix and lower R&D expense (down 90bp YoY as a % of sales).
- EBITDA increased by 17% YoY to INR15.4bn (below our est. INR17.8bn).
- PAT grew at a higher rate of 41% YoY to INR12.2b (in-line), led by revenue growth, improved profitability, higher other income, and a lower tax rate.
- In FY25, revenue/EBITDA/PAT grew 7%/13.3%/20% YoY to INR275b/INR71b/INR50.5b.
- R&D spending for the quarter stood at INR4.3b (6.3% of sales).
- Net cash at the end of FY25 was INR104b.

Highlights from the management commentary

- Management guided an EBITDA margin of 23.5%-24.5% for FY26.
- Cipla indicated the US sales run rate to be USD220m for 1QFY26.
- Management highlighted three peptide assets to be launched in FY26.
- Cipla has filed six assets to date in the respiratory space and four more to be filed in the next 12-18 months. It has filed nine peptide assets to date and intends to file 10 more in 12-24 months.
- g-Abraxane/g-Nilotinib would be launched soon.
- The Furacort brand in India has surpassed INR9b in annual sales now.

Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY24				FY25				FY24	FY25	Est.	% Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Net Revenues	63.3	66.8	66.0	61.6	66.9	70.5	70.7	67.3	257.7	275.5	69.7	-3.4
YoY Change (%)	17.7	14.6	13.7	7.4	5.8	5.6	7.1	9.2	13.3	6.9	13.0	
Total Expenditure	48.3	49.4	48.6	48.5	49.8	51.7	50.8	51.9	194.8	204.2	51.9	
EBITDA	14.9	17.3	17.5	13.2	17.2	18.9	19.9	15.4	62.9	71.3	17.8	-13.5
YoY Change (%)	30.7	24.8	24.2	12.1	14.9	8.8	13.8	16.9	23.0	13.3	35.0	
Margins (%)	23.6	26.0	26.5	21.4	25.6	26.7	28.1	22.8	24.4	25.9	25.5	
Depreciation	2.4	2.5	2.3	2.9	2.5	2.7	2.8	3.1	10.1	11.1	2.7	
EBIT	12.5	14.9	15.1	10.3	14.7	16.1	17.1	12.3	52.8	60.2	15.1	
YoY Change (%)	41.1	36.4	33.3	24.2	17.1	8.5	12.9	19.6	34.0	14.0	46.6	
Margins (%)	19.8	22.3	22.9	16.7	21.9	22.9	24.2	18.3	20.5	21.9	21.6	
Interest	0.2	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.9	0.6	0.1	
Other Income	1.4	1.8	1.3	1.8	1.6	1.9	1.5	2.9	6.2	7.9	1.7	
Profit before Tax	13.7	16.4	16.1	11.9	16.1	17.9	18.5	15.0	58.2	67.5	16.6	
One-time (expense)/income	0.0	-0.4	-1.4	0.7	0.0	0.0	0.7	0.0	-1.1	0.7	0.0	
PBT after EO expense	13.7	15.9	14.7	12.6	16.1	17.9	19.2	15.0	57.0	68.2	16.6	-9.6
Tax	3.8	4.4	4.1	3.2	4.4	4.8	3.3	2.8	15.5	15.3	4.7	
Rate (%)	27.5	26.8	25.1	27.3	27.0	27.0	18.0	18.6	26.6	22.7	28.5	
Minority Interest	0.0	0.2	0.1	0.0	0.0	0.0	0.1	0.0	0.3	0.2	0.0	
Reported PAT	10.0	11.3	10.6	9.4	11.8	13.0	15.7	12.2	41.2	52.7	11.9	3.0
Adj PAT	10.0	11.7	12.0	8.7	11.8	13.0	13.6	12.2	42.4	50.7	11.9	3.0
YoY Change (%)	45.1	37.7	49.4	22.7	18.3	10.9	14.0	40.6	39.0	19.6	36.5	

Key performance Indicators (Consolidated)

(INR m)

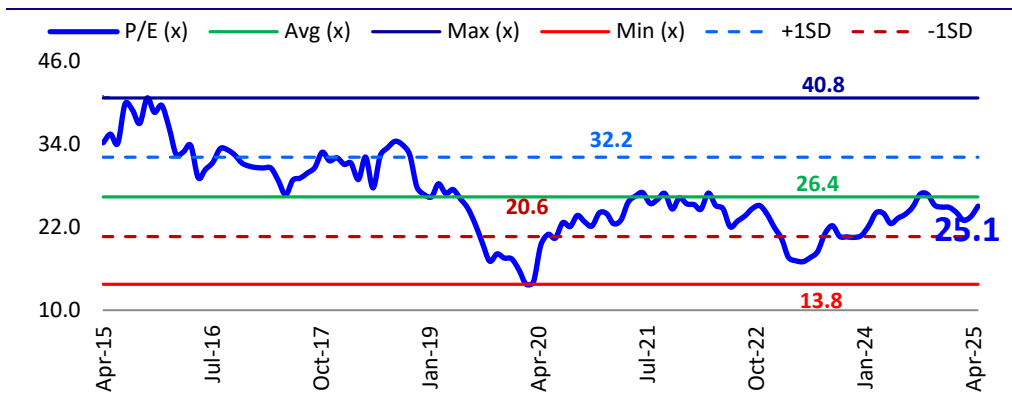
Y/E March	FY24				FY25				FY24	FY25	Est.
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE
Domestic formulation	27,720	28,170	28,590	24,170	28,980	29,480	31,460	26,220	1,08,650	1,16,140	26,336
YoY Change (%)	11.6	9.8	11.5	7.0	4.5	4.7	10.0	8.5	10.1	6.9	9.0
North America	18,220	18,870	19,160	18,750	20,870	19,860	19,060	19,190	75,010	78,980	18,416
YoY Change (%)	52.0	29.5	19.8	11.8	14.5	5.2	-0.5	2.3	26.9	5.3	-1.8
SAGA	7,480	9,930	8,150	8,470	6,950	10,680	9,750	10,190	30,580	37,570	9,316
YoY Change (%)	-5.1	13.6	19.9	1.8	-7.1	7.6	18.0	20.3	-3.4	22.9	22.4
Emerging market	7,790	7,340	7,460	7,420	8,490	8,060	8,240	8,950	30,870	33,740	8,596
YoY Change (%)	8.2	-3.1	-2.1	-5.4	9.0	9.8	10.5	20.6	1.9	9.3	3.9
API	1,360	1,470	1,080	1,890	980	1,600	1,260	1,820	5,810	5,660	1,389
YoY Change (%)	0.7	-15.9	-26.5	41.0	-27.9	8.8	18.0	-3.7	2.3	-2.6	-26.5
Cost Break-up											
RM Cost (% of Sales)	35.3	34.6	33.6	33.3	32.8	32.4	32.0	32.5	39.6	38.4	33.3
Staff Cost (% of Sales)	16.9	16.3	16.2	17.6	17.8	17.1	16.9	18.3	17.7	17.0	17.3
R&D Expenses(% of Sales)	5.5	5.7	6.1	7.2	5.3	5.5	5.1	6.3	6.0	4.5	5.4
Other Cost (% of Sales)	18.7	17.4	17.7	20.6	18.5	18.3	17.8	20.0	19.5	17.6	18.6
Gross Margins(%)	64.7	65.4	66.4	66.7	67.2	67.6	68.0	67.5	60.4	61.6	66.7
EBITDA Margins(%)	23.6	26.0	26.5	21.4	25.6	26.7	28.1	22.8	24.4	25.9	25.4
EBIT Margins(%)	19.8	22.3	22.9	16.7	21.9	22.9	24.2	18.3	20.5	21.9	21.3



Highlights from the management commentary

- Cipla expects the domestic formulation YoY growth to be 8-10% for FY26.
- Chronic mix at 61.5% of DF prescription sales in FY25. Cipla now has 26 brands with annual INR1b sales.
- Two oligonucleotides and five 505(b)(2) assets to be filed in the US over the next 12-24 months.
- Cipla has launched 19 products in the trade generics segment in FY25.
- Its prescription business in SA grew 8.3% YoY vs. industry growth of 5.6% YoY.

Exhibit 1: PE Chart



Gradual progress in enhancing visibility for niche approvals

NA: Strengthening niche product pipeline in respiratory/peptides

- In FY25, the US sales grew 5% YoY (USD934m; up 3% in CC terms) to INR79b, led by steady traction in g-Revlimid/Albuterol. The YoY growth was partly impacted by lower sales of Lanreotide for a couple of quarters.
- Cipla has resumed supplies of Lanreotide and is expected to further scale up in the coming quarters.
- Cipla continues to build a differentiated product pipeline in the respiratory/peptide/oligonucleotide space. In addition, it is also adding biosimilar assets to the portfolio.
- It has an overall 73 products awaiting approval from the USFDA.
- From a regulatory perspective, it had five manufacturing facilities audited by the USFDA in FY25, and all inspections have been classified as VAI.
- Considering competition in g-Revlimid and the time required for other limited competition product approval, we expect NA sales to be stable at USD925m over FY25-27.

India: Superior execution in chronic therapies/trade generics to fuel growth

- During FY25, Cipla posted 7% sales growth in the India business to INR116b.
- Cipla has built a strong franchise in chronic therapies (respiratory, cardiac, and urology), outpacing industry growth.
- The strategic reset in distribution in the trade generics segment has started yielding positive results for Cipla.
- It is also able to gain healthy traction in its consumer health segment, leading to double-digit revenue growth and sustained profitability.
- Overall, we expect a 10% sales CAGR in this segment over FY25-27 to INR140b.

One Africa: Consistent marketing efforts to drive better-than-industry performance

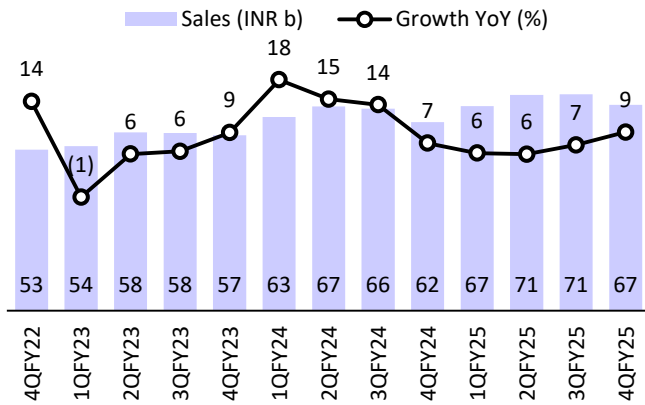
- In FY25, Cipla's One Africa business grew 23% YoY to INR36b. Cipla has a strong pace of launches (18) in the prescription market of Africa.
- Specifically, it grew 8.3% YoY in the prescription segment vs. the industry growth of 5.6% YoY. Cipla grew 3.9% YoY in the OTC segment, in line with the industry.
- Considering established presence in Africa, consistent marketing efforts, and subdued industry growth, we expect 7% sales CAGR in this segment to INR43b over FY25-27.

Valuation and view

- We reduce our earnings estimates by 3%/4% for FY26/FY27, factoring in 1) increased competition expected in g-Revlimid, and 2) continued seasonal headwinds in acute therapies in the domestic formulation segment. We value Cipla at 23x 12M forward earnings to arrive at our TP of INR1,510.
- After a strong 26% CAGR in earnings over FY20-25, we expect its earnings to witness a modest 2% CAGR over FY25-27. While Cipla continues to implement strategies to offset the competitive impact of g-Revlimid and to expand its presence in the North American segment, we anticipate a gestation period due to the progress of products in the pipeline. Valuation would be a key monitorable for any inorganic opportunities. Moreover, the current valuation provides limited upside. **Reiterate Neutral.**

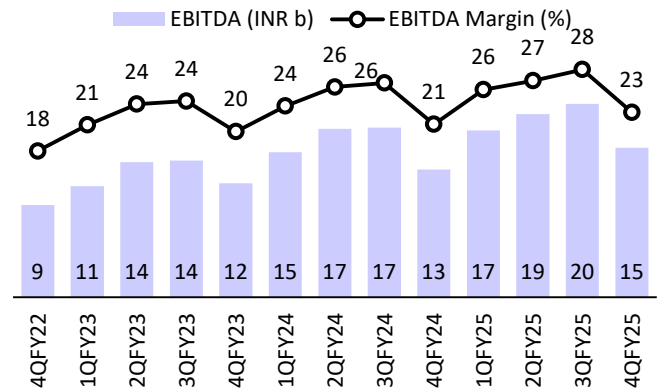
Story in charts

Exhibit 2: Revenue up 9% YoY in 4QFY25



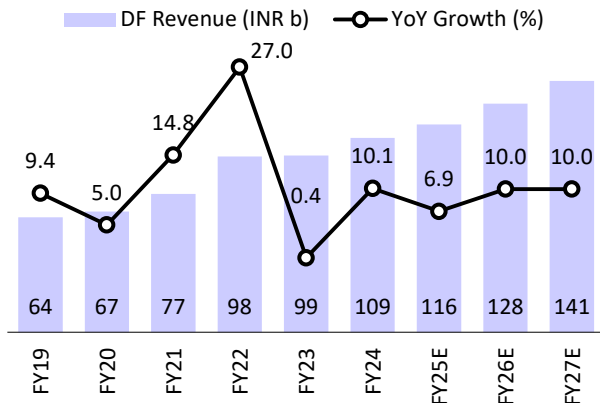
Source: MOFSL, Company

Exhibit 3: EBITDA margin expanded ~150bp YoY in 4QFY25



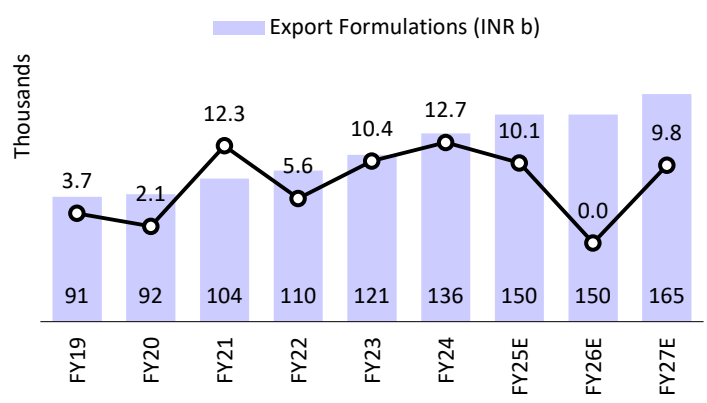
Source: MOFSL, Company

Exhibit 4: Expect 10% DF sales CAGR...



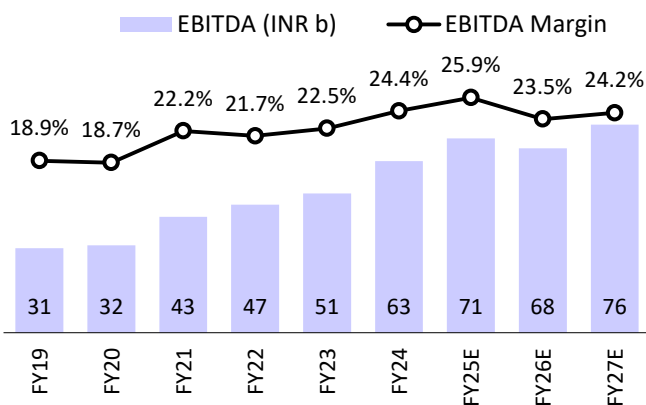
Source: MOFSL, Company

Exhibit 5: ...and 5% export sales CAGR over FY25-27



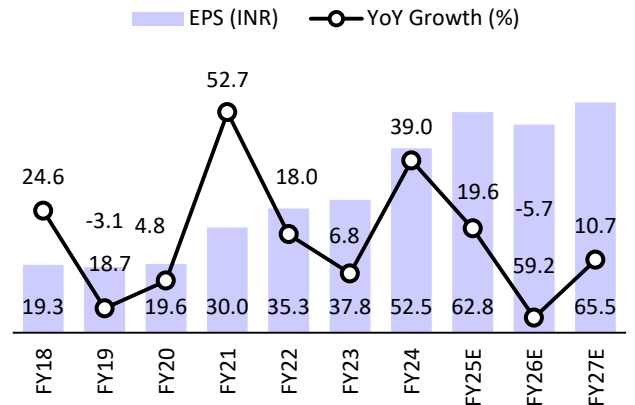
Source: MOFSL, Company

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



Source: MOFSL, Company

Exhibit 7: Expect stable earnings CAGR over FY25-27



Source: MOFSL, Company

Financials and valuations

Income Statement								(INRb)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Income	171.3	191.6	217.1	227.5	257.7	275.5	287.7	315.6
Change (%)	4.7	11.8	13.3	4.8	13.3	6.9	4.4	9.7
EBITDA	32.1	42.5	47.0	51.1	62.9	71.3	67.6	76.4
Margin (%)	18.7	22.2	21.7	22.5	24.4	25.9	23.5	24.2
Depreciation	11.4	10.7	10.5	11.7	10.1	11.1	12.2	13.2
EBIT	20.6	31.8	36.5	39.4	52.8	60.2	55.4	63.2
Int. and Finance Charges	2.0	1.6	1.1	1.1	0.9	0.6	0.5	0.3
Other Income - Rec.	3.4	2.7	2.8	4.5	6.2	7.9	8.1	8.2
PBT before EO Items	22.1	32.9	38.2	42.8	58.2	67.5	63.0	71.1
One-time (Expense)/Income	0.3	0.0	3.3	2.5	1.1	-0.7	0.0	0.0
PBT	21.8	32.9	34.9	40.4	57.0	68.2	63.0	71.1
Tax	6.3	8.9	9.3	12.0	15.5	15.3	15.1	18.1
Tax Rate (%)	29.0	27.0	26.7	29.8	27.1	22.4	24.0	25.5
Minority Interest	-0.5	-0.2	0.3	0.3	0.3	0.0	0.0	0.0
Income from associates	-0.5	-0.1	-0.1	0.0	0.0	-0.2	-0.2	-0.1
Profit after Tax	15.5	24.1	25.2	28.0	41.2	52.7	47.8	52.9
Change (%)	1.2	55.5	4.6	11.3	47.1	27.9	-9.4	10.7
Margin (%)	8.8	12.4	11.4	12.1	15.6	18.6	16.1	16.3
Adj PAT	15.8	24.1	28.4	30.5	42.4	50.7	47.8	52.9
Balance Sheet								(INRb)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Reserves	157.6	179.3	201.5	232.5	265.5	310.3	354.8	402.8
Net Worth	157.6	183.3	208.4	234.1	267.1	311.9	356.4	404.5
Loans	28.2	15.4	9.0	5.9	3.3	2.0	1.9	1.9
Deferred Liabilities	1.3	-0.2	-2.0	-2.9	-4.0	-5.9	-5.9	-5.9
Minority Interest	2.9	2.6	2.8	3.1	1.0	1.0	1.0	1.0
Capital Employed	190.0	201.0	218.1	240.1	267.3	309.0	353.3	401.4
Gross Block	138.5	147.5	160.1	166.8	179.7	195.4	210.4	218.6
Less: Accum. Deprn.	38.9	49.5	60.1	71.8	81.9	92.9	105.2	118.3
Net Fixed Assets	99.6	97.9	100.1	95.0	97.8	102.5	105.2	100.3
Capital WIP	4.2	5.7	3.8	6.9	8.6	12.1	5.1	6.1
Investments	3.6	3.5	4.2	6.3	7.6	7.5	7.5	7.5
Curr. Assets	126.8	141.2	158.3	177.1	207.3	245.6	306.0	363.5
Inventory	43.8	46.7	53.5	51.6	52.4	56.4	61.6	71.9
Account Receivables	38.9	34.5	34.2	40.6	47.7	55.1	58.7	67.5
Cash and Bank Balance	10.0	14.0	19.3	15.6	8.7	8.0	42.2	65.2
Others	34.1	46.1	51.3	69.3	98.4	126.1	143.6	158.8
Curr. Liability & Prov.	44.2	47.3	48.4	49.9	54.0	58.8	70.6	76.0
Account Payables	34.8	36.5	36.2	37.1	37.8	41.6	53.4	58.8
Provisions	9.5	10.8	12.2	12.9	16.1	17.2	17.2	17.2
Net Current Assets	82.6	93.9	109.9	127.2	153.3	186.8	235.4	287.4
Appl. of Funds	190.0	201.0	218.1	240.1	267.3	309.0	353.3	401.4

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Adjusted EPS	19.6	30.0	35.3	37.8	52.5	62.8	59.2	65.5
Cash EPS	33.7	43.1	48.2	52.3	65.0	76.5	74.3	81.8
BV/Share	195.5	227.2	258.1	284.2	330.9	386.5	441.6	501.1
DPS	2.5	2.5	3.0	3.0	4.0	5.0	5.0	5.0
Payout (%)	15.6	10.0	11.5	10.3	9.4	9.2	10.1	9.2
Valuation (x)								
P/E	77.5	50.7	43.0	40.3	29.0	24.2	25.7	23.2
Cash P/E	45.1	35.3	31.5	29.1	23.4	19.9	20.4	18.6
P/BV	7.8	6.7	5.9	5.3	4.6	3.9	3.4	3.0
EV/Sales	7.3	6.4	5.6	5.3	4.7	4.4	4.1	3.7
EV/EBITDA	38.8	28.9	25.9	23.8	19.4	17.1	17.6	15.2
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
FCF per Share	25.8	36.7	32.8	26.0	34.9	39.9	47.3	35.1
Return Ratios (%)								
RoE	10.2	14.1	14.5	13.3	15.9	16.2	13.4	13.1
RoCE	8.8	12.9	13.7	13.5	17.0	18.3	14.6	14.1
RoIC	8.2	13.3	14.5	13.8	17.0	17.8	14.5	15.2
Working Capital Ratios								
Fixed Asset Turnover (x)	1.3	1.3	1.4	1.4	1.5	2.8	2.8	3.1
Debtor (Days)	83	66	58	65	68	73	74	78
Inventory (Days)	93	89	90	83	74	75	78	83
Creditors (Days)	49	39	42	39	35	38	37	38
Working Capital (Days)	128	115	105	108	107	110	115	123
Leverage Ratio (x)								
Current Ratio	2.9	3.0	3.3	3.5	3.8	4.2	4.3	4.8
Debt/Equity	0.1	0.0	0.0	0.0	0.0	0.0	-0.1	-0.2

Cash Flow Statement

(INRb)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Profit before Tax & Extraordinary Items	21.8	32.9	36.8	42.2	59.0	71.3	67.6	76.4
Interest/Dividends Recd.	1.4	1.0	0.3	-0.5	-1.3	-2.0	8.1	8.2
Direct Taxes Paid	-8.5	-10.4	-11.4	-13.0	-16.0	-16.7	-15.1	-18.1
(Inc)/Dec in WC	3.7	3.7	-1.8	-5.6	-8.1	-6.7	-14.4	-28.9
CF from Operations	30.7	37.6	33.3	32.4	41.3	47.4	46.2	37.5
others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CF from Oper. incl EO Expense	30.7	37.6	33.3	32.4	41.3	47.4	46.2	37.5
(inc)/dec in FA	-9.9	-7.9	-6.8	-11.4	-13.2	-15.1	-8.0	-9.2
Free Cash Flow	20.8	29.6	26.4	21.0	28.2	32.2	38.2	28.3
(Pur)/Sale of Investments	12.1	-12.4	1.7	-8.9	-14.3	-21.8	0.0	0.0
Other Items	-1.1	-3.4	-13.5	-3.5	-2.4	0.1	0.0	0.0
CF from Investments	1.1	-23.7	-18.6	-23.8	-29.8	-36.9	-8.0	-9.2
Inc/(Dec) in Debt	2.6	0.7	0.3	0.0	0.0	-0.9	-0.1	0.0
Interest Paid	-1.6	-1.2	-0.8	-0.7	-0.6	-0.4	-0.5	-0.3
Dividend Paid	-5.6	0.0	-4.0	-4.0	-6.9	-10.5	-4.8	-4.8
Others Items	-24.8	-11.9	-11.6	-4.9	-4.5	-1.2	1.4	-0.1
CF from Fin. Activity	-29.5	-12.4	-16.0	-9.6	-12.0	-12.9	-4.0	-5.2
Inc/Dec of Cash	2.3	1.4	-1.3	-1.0	-0.5	-2.5	34.2	23.1
Add: Beginning Balance	6.2	10.0	14.0	19.3	15.6	8.7	8.0	42.2
Bank balances and FX impact	1.5	2.6	6.6	-2.7	-6.4	1.7	0.0	0.0
Closing balance	10.0	14.0	19.3	15.6	8.7	8.0	42.2	65.2

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://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.raiani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); 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 dp@grievances@motilaloswal.com.