

November 7, 2025

Q2FY26 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,300		1,300	
Sales (Rs. m)	3,66,296	3,94,662	3,66,453	3,97,921
% Chng.	-	(0.8)		
EBITDA (Rs. m)	76,151	83,922	75,694	84,280
% Chng.	0.6	(0.4)		
EPS (Rs.)	73.4	83.2	76.2	86.0
% Chng.	(3.7)	(3.3)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	3,17,237	3,36,451	3,66,296	3,94,662
EBITDA (Rs. m)	66,054	68,517	76,151	83,922
Margin (%)	20.8	20.4	20.8	21.3
PAT (Rs. m)	34,859	35,755	42,607	48,296
EPS (Rs.)	60.0	61.6	73.4	83.2
Gr. (%)	(1.1)	2.6	19.2	13.4
DPS (Rs.)	3.0	7.0	7.0	7.0
Yield (%)	0.3	0.6	0.6	0.6
RoE (%)	11.2	10.5	11.3	11.6
RoCE (%)	12.9	12.3	12.9	13.3
EV/Sales (x)	2.1	2.0	1.8	1.6
EV/EBITDA (x)	10.0	9.6	8.6	7.7
PE (x)	19.0	18.5	15.5	13.7
P/BV (x)	2.0	1.9	1.7	1.5

Key Data

ARBN.BO | ARBP IN

52-W High / Low	Rs.1,413 / Rs.994
Sensex / Nifty	83,311 / 25,510
Market Cap	Rs.662bn/ \$ 7,475m
Shares Outstanding	581m
3M Avg. Daily Value	Rs.1587.84m

Shareholding Pattern (%)

Promoter's	51.82
Foreign	14.21
Domestic Institution	27.60
Public & Others	6.37
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	4.0	(5.7)	(18.2)
Relative	2.1	(8.8)	(21.1)

Param Desai

paramdesai@plindia.com | 91-22-66322259

Kushal Shah

kushalshah@plindia.com | 91-22-66322490

In line EBITDA; US sales to pick-up

Quick Pointers:

- Reiterate margin guidance of 20-21% in FY26
- PenG yield improving, capacity now at 40-50% levels.

Aurobindo Pharma's (ARBP) Q2FY26 EBITDA of Rs16.8bn (up 7% YoY), was in line with our estimate. The company has maintained its 20-21% OPM guidance for FY26E. We expect US sales and margins to improve from H2FY26/FY27 with ramp up in PenG facility, Vizag pant commercialization and launches in US. We believe ARBP has multiple growth drivers in place with investments in vaccines, injectables, biosimilars and PLI which are expected to be reflected from FY26. Our FY26 and FY27E EPS stands reduced by 2-3%. The stock is currently trading at 8.6x EV/EBITDA and 15.5x P/E on FY27E. We maintain our "Buy" with TP of Rs1,300/share; valuing at 17x Sept2027E EPS.

- Revenue growth aided by EU and ARV segment:** Overall Revenue came in at Rs83bn, up 6% YoY, (we est Rs 82bn). US revenues stood at \$417mn, up 2% QoQ and down 1% YoY (we est \$420mn). Mgmt cited ex gRevlimid US sales were up 6% QoQ. EU sales up 18% YoY to Rs 24.8bn, beat our est. ARV formulations also came in higher up 68% YoY to Rs 3.3bn. RoW business was up 9% YoY. API sales declined 17% YoY.
- EBITDA in line; higher tax led to PAT miss:** Gross margins remain healthy at 59.7% (up 90bps QoQ and YoY). R&D spent stood at Rs 4.1bn (5% of revenue), up 1% YoY. Other expenses ex R&D were up 10% QoQ. Resultant EBITDA margins came in at 20.3% flat QoQ. EBITDA came at Rs16.8bn (up 7% YoY); in line with our estimate. Tax rate came in higher at 34%. Resultant PAT at Rs8.5bn; 9% below our est.

Key Conference Call Takeaways

- US:** Growth was led by base business volumes and new launches. Six launches were made during the quarter. Filed 13 ANDAs and received 7 approvals. Injectable sales were up 6% QoQ, pre disruption levels expected within 1-2 quarters. Oncology oral solids from Eugia 1 to drive near term launches. Price erosion remained low single digit.
- Europe:** Strong traction across France, Portugal, Netherlands and Germany. On track to surpass EUR 1bn annual revenues by FY26E. Injectables account for 10% of EU sales with margins in high teens. Targeting 20%.
- Growth markets:** Growth witnessed across regions. ARV formulations up YoY on higher tender volumes. China OSD facility nearing breakeven by Q3-Q4FY26 with capacity ramp up to 2bn units.
- Pen-G** facility commissioned in Jul'25. Operated at 40-50% capacity (6,000 MT annualized); yields improving. Breakeven expected once utilization rises to ~800 MT/month. Company has sought Minimum Import Price from govt to aid scaling to 15,000 MT.

- Vizag:** Several new injectable launches expected post-clearance of Eugia-3 facility. Vizag also part of specialty/oncology oral solids network (launches lined up for Q4 FY26–Q1 FY27).
- Biosimilars and Vaccines:** First EU biosimilar batch dispatched; commercial supplies to start Mar'26. Expect seven and two biosimilar approvals across EU & US markets by FY27-28. Expanded collaboration with MSD by signing second product with 15 KL bioreactor lines block added under same facility. USFDA's new draft guidance reducing comparative efficacy requirement seen as favourable. Denosumab: Phase 3 successful; EMA filing by Apr'26, USFDA filing by Jul'26. Omalizumab: Phase 3 complete; EMA filing Jun–Jul'26, US a quarter later. Tocilizumab: EMA granted Phase 3 waiver; filing by Jul'26. Bevacizumab (Bevqolva): Approved in UK; EMA filing by Apr'26; USFDA filing by end-2026.
- Capex** at \$ 106 mn spend towards capability enhancements, new business developments. Ongoing projects: TheraNym biologics facility (Rs 10bn) o commission Jun–Jul'26. No major new greenfields planned; focus on biologics, automation & compliance.
- Other highlights:** Maintained EBITDA margin guidance at 20–21% for FY26E. Pen-G, biosimilars, injectable scale-up, and China ops to drive next-2-year growth. USFDA reinspection for Eugia-III awaited; multiple launches contingent. Confident of sustaining double-digit growth in EU; China to turn profitable in H2. Company reiterates disciplined capital allocation; large M&A only if strategically accretive. Net cash inflow of \$57 mn; net cash position improved to \$170 mn. Average finance cost declined to 4.7%.

Exhibit 1: 2QFY26 Result Overview (Rs m): In line EBITDA, steady revenue momentum across markets

Y/e March	2QFY26	2QFY25	YoY gr. (%)	2QFY26E	% Var	1QFY26	QoQ gr. (%)	H1 FY26	H1 FY25	YoY gr. (%)
Net Sales	82,857	77,960	6.3	80,578	2.8	78,681	5.3	1,61,538	1,53,630	5.1
Raw Material	33,389	32,103	4.0	33,037	1.1	32,392	3.1	65,781	62,830	4.7
% of Net Sales	40.3	41.2		41.0		41.2		40.7	40.9	
Personnel Cost	12,773	11,095	15.1	12,327	3.6	12,288	3.9	25,061	21,814	14.9
% of Net Sales	15.4	14.2		15.3		15.6		15.5	14.2	
Others	19,914	19,102	4.3	18,200	9.4	17,967	10.8	37,881	37,130	2.0
% of Net Sales	24.0	24.5		22.6		22.8		23.5	24.2	
Total Expenditure	66,076	62,299	6.1	63,564	4.0	62,647	5.5	1,28,723	1,21,774	5.7
EBITDA	16,781	15,661	7.2	17,013	(1.4)	16,034	4.7	32,815	31,856	3.0
Margin (%)	20.3	20.1		21.1		20.4		20.3	20.7	
Depreciation	4,292	3,823	12.3	4,100	4.7	4,057	5.8	8,349	7,865	6.2
EBIT	12,489	11,838	5.5	12,913	(3.3)	11,977	4.3	24,466	23,992	2.0
Other Income	1,156	1,360	(15.0)	1,100	5.1	1,053	9.8	2,159	3,569	(39.5)
Forex gain / (loss)	50	(146)	(134.2)	-		-				
Interest	952	1,127	(15.5)	1,000	(4.8)	978	(2.6)	1,930	2,237	(13.7)
PBT	12,743	12,071	5.6	13,013	(2.1)	12,053	5.7	24,696	25,324	(2.5)
Extra-Ord. Inc./Exps.	-	-		-		-				
Total Taxes	4,278	3,905	9.5	3,774	13.4	3,826	11.8	8,104	7,962	1.8
ETR (%)	33.6	32.4		29.0		31.7		32.8	31.4	
Minority interest	20	3		50		25		45	(11)	
Reported PAT	8,485	8,169	3.9	9,289	(8.7)	8,252	2.8	16,637	17,351	(4.1)

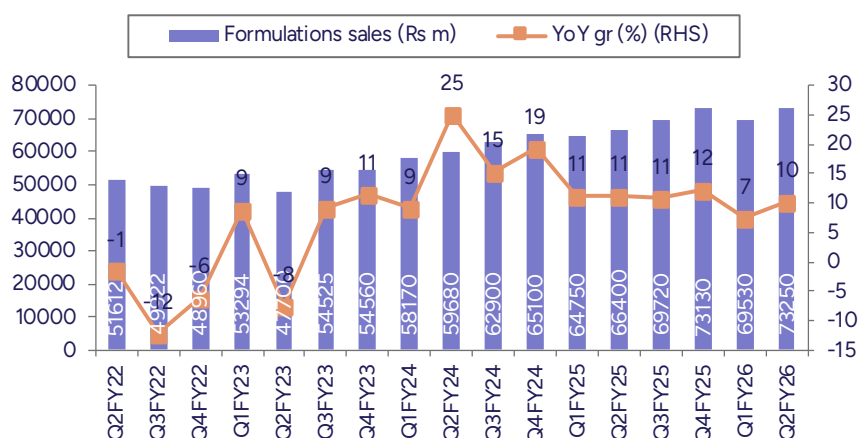
Source: Company, PL

Exhibit 2: Overall strong performance across EU and ARV segment

Major sources of revenues	2QFY26	2QFY25	YoY gr. (%)	1QFY26	QoQ gr. (%)	H1 FY26	H1 FY25	YoY gr. (%)
Formulations	73,250	66,400	10.3	69,530	5.4	1,42,780	1,31,150	8.9
% of Net Sales	88.4	85.2		88.4		88.4	85.4	
USA	36,380	35,300	3.1	34,880	4.3	71,260	70,850	0.6
% of Net Sales	43.9	45.3		44.3		44.1	46.1	
Europe & Emerging Markets	33,620	29,170	15.3	31,100	8.1	64,720	56,080	15.4
% of Net Sales	40.6	37.4		39.5		40.1	36.5	
ARV	3,250	1,930	68.4	3,550	(8.5)	6,800	4,220	61.1
% of Net Sales	3.9	2.5		4.5		4.2	2.7	
API	9,600	11,560	(17.0)	9,160	4.8	18,760	22,480	(16.5)
% of Net Sales	11.6	14.8		11.6		11.6	14.6	

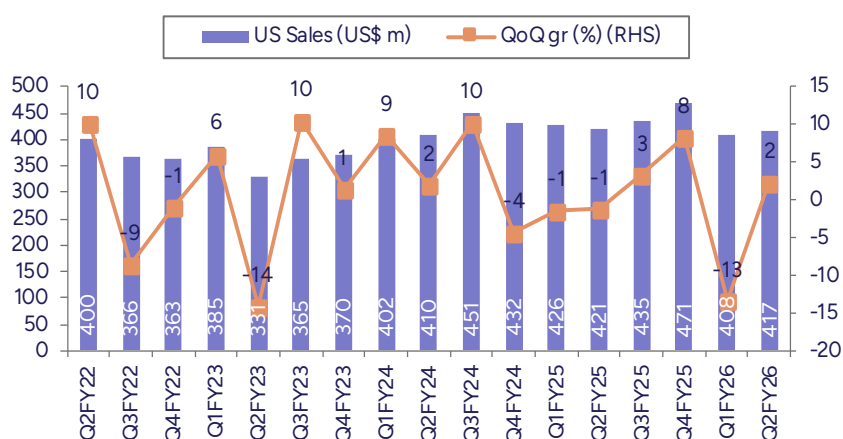
Source: Company, PL

Exhibit 3: Witnessed improvement in revenues YoY



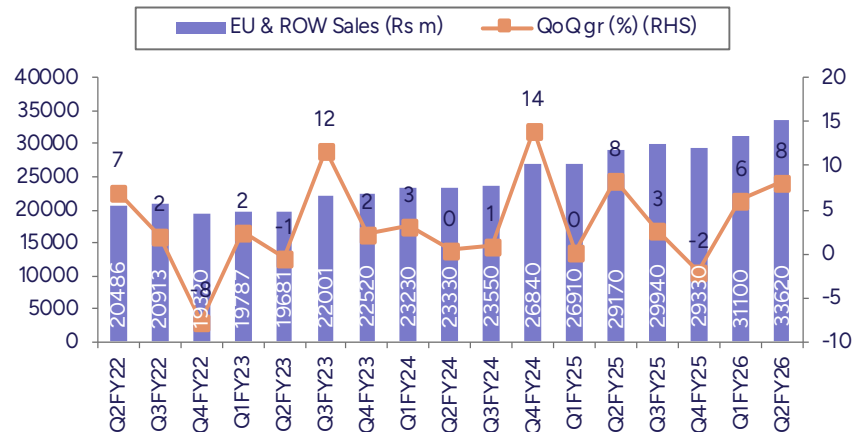
Source: Company, PL

Exhibit 4: Ex gRevlimid sales grew 6% QoQ



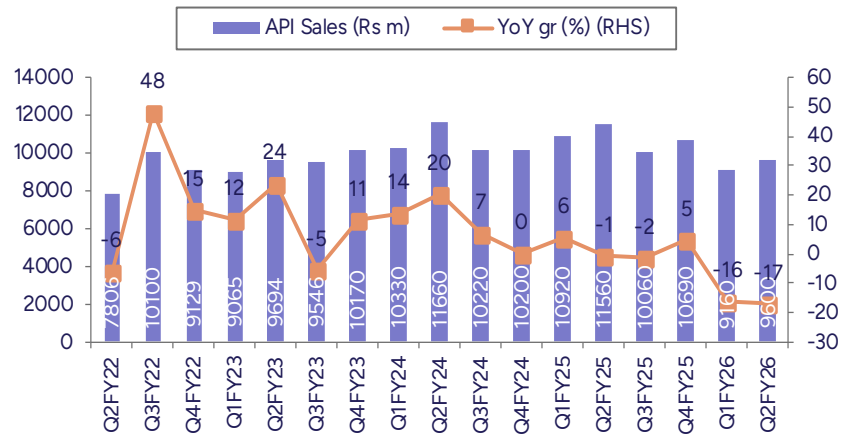
Source: Company, PL

Exhibit 5: EU performance led by key markets YoY



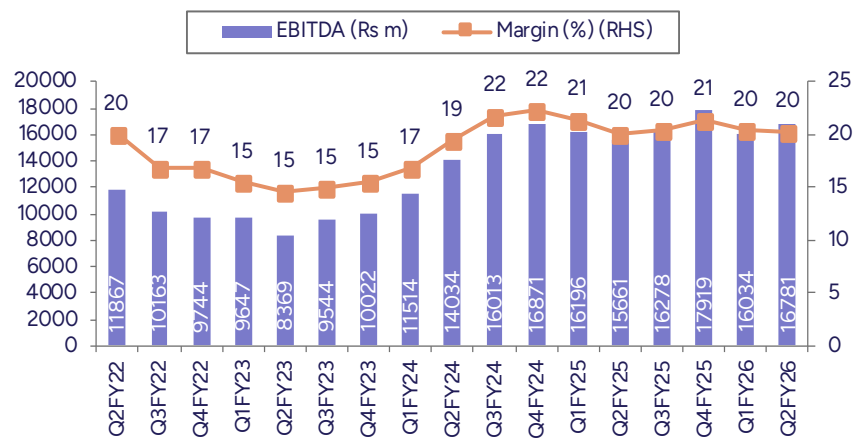
Source: Company, PL

Exhibit 6: Market conditions hampered API sales YoY



Source: Company, PL

Exhibit 7: Steady margins despite gRevlimid loss



Source: Company, PL



Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	3,17,237	3,36,451	3,66,296	3,94,662
YoY gr. (%)	9.4	6.1	8.9	7.7
Cost of Goods Sold	1,30,262	1,38,291	1,51,712	1,62,641
Gross Profit	1,86,975	1,98,160	2,14,583	2,32,021
Margin (%)	58.9	58.9	58.6	58.8
Employee Cost	44,756	50,575	55,126	60,088
Other Expenses	76,164	79,069	83,306	88,012
EBITDA	66,054	68,517	76,151	83,922
YoY gr. (%)	13.0	3.7	11.1	10.2
Margin (%)	20.8	20.4	20.8	21.3
Depreciation and Amortization	16,494	17,071	18,267	19,636
EBIT	49,560	51,445	57,884	64,286
Margin (%)	15.6	15.3	15.8	16.3
Net Interest	4,572	3,800	3,300	2,800
Other Income	5,992	4,600	5,000	6,000
Profit Before Tax	50,980	52,245	59,584	67,486
Margin (%)	16.1	15.5	16.3	17.1
Total Tax	15,827	16,196	16,684	18,896
Effective tax rate (%)	31.0	31.0	28.0	28.0
Profit after tax	35,152	36,049	42,901	48,590
Minority interest	294	294	294	294
Share Profit from Associate	-	-	-	-
Adjusted PAT	34,859	35,755	42,607	48,296
YoY gr. (%)	(2.0)	2.6	19.2	13.4
Margin (%)	11.0	10.6	11.6	12.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	34,859	35,755	42,607	48,296
YoY gr. (%)	(2.0)	2.6	19.2	13.4
Margin (%)	11.0	10.6	11.6	12.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	34,859	35,755	42,607	48,296
Equity Shares O/s (m)	581	581	581	581
EPS (Rs)	60.0	61.6	73.4	83.2

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	2,60,152	3,02,152	3,37,152	3,72,152
Tangibles	2,60,152	3,02,152	3,37,152	3,72,152
Intangibles	-	-	-	-
Acc: Dep / Amortization	95,870	1,12,942	1,31,208	1,50,845
Tangibles	95,870	1,12,942	1,31,208	1,50,845
Intangibles	-	-	-	-
Net fixed assets	1,64,282	1,89,210	2,05,944	2,21,307
Tangibles	1,64,282	1,89,210	2,05,944	2,21,307
Intangibles	-	-	-	-
Capital Work In Progress	32,660	32,660	32,660	32,660
Goodwill	-	-	-	-
Non-Current Investments	2,517	2,517	2,517	2,517
Net Deferred tax assets	9,887	9,887	9,887	9,887
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	1,05,437	1,11,823	1,21,742	1,31,170
Trade receivables	57,459	60,105	65,436	70,504
Cash & Bank Balance	82,355	76,711	75,693	83,688
Other Current Assets	-	-	-	-
Total Assets	4,84,920	5,17,257	5,52,646	5,95,366
Equity				
Equity Share Capital	581	581	581	581
Other Equity	3,25,952	3,56,951	3,94,801	4,38,340
Total Network	3,26,533	3,57,532	3,95,382	4,38,921
Non-Current Liabilities				
Long Term borrowings	63,800	58,800	53,801	48,802
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	15,617	15,617	15,617	15,617
Trade payables	41,889	47,933	50,177	54,063
Other current liabilities	47,032	47,032	47,032	47,032
Total Equity & Liabilities	4,84,920	5,17,257	5,52,646	5,95,366

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	50,980	52,245	59,584	67,486
Add. Depreciation	16,494	17,071	18,267	19,636
Add. Interest	4,572	3,800	3,300	2,800
Less Financial Other Income	5,992	4,600	5,000	6,000
Add. Other	-	-	-	-
Op. profit before WC changes	72,046	73,117	81,151	89,922
Net Changes-WC	(15,534)	(7,008)	(17,429)	(15,475)
Direct tax	(17,314)	(16,196)	(16,684)	(18,896)
Net cash from Op. activities	39,199	49,912	47,038	55,551
Capital expenditures	(25,540)	(42,000)	(35,000)	(35,000)
Interest / Dividend Income	-	-	-	-
Others	-	-	-	-
Net Cash from Invst. activities	(25,540)	(42,000)	(35,000)	(35,000)
Issue of share cap. / premium	(9,302)	-	-	-
Debt changes	16,037	(5,000)	(4,999)	(4,999)
Dividend paid	10	(4,757)	(4,757)	(4,757)
Interest paid	730	(3,800)	(3,300)	(2,800)
Others	(1,562)	0	-	-
Net cash from Fin. activities	5,912	(13,557)	(13,056)	(12,556)
Net change in cash	19,572	(5,644)	(1,018)	7,995
Free Cash Flow	14,003	7,912	12,038	20,551

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	79,785	83,821	78,681	82,857
YoY gr. (%)	8.5	10.6	4.0	6.3
Raw Material Expenses	33,154	34,279	32,392	33,389
Gross Profit	46,631	49,542	46,289	49,468
Margin (%)	58.4	59.1	58.8	59.7
EBITDA	16,278	17,919	16,034	16,781
YoY gr. (%)	1.7	6.2	(1.0)	7.2
Margin (%)	20.4	21.4	20.4	20.3
Depreciation / Depletion	4,185	4,444	4,057	4,292
EBIT	12,093	13,475	11,977	12,489
Margin (%)	15.2	16.1	15.2	15.1
Net Interest	1,185	1,150	978	952
Other Income	2,071	1,116	1,053	1,206
Profit before Tax	12,979	13,441	12,053	12,743
Margin (%)	16.3	16.0	15.3	15.4
Total Tax	3,543	4,323	3,826	4,278
Effective tax rate (%)	27.3	32.2	31.7	33.6
Profit after Tax	9,436	9,118	8,227	8,465
Minority interest	18	(315)	25	20
Share Profit from Associates	-	-	-	-
Adjusted PAT	8,458	9,035	8,252	8,485
YoY gr. (%)	(10.0)	(21.6)	(10.1)	3.9
Margin (%)	10.6	10.8	10.5	10.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	8,458	9,035	8,252	8,485
YoY gr. (%)	(10.0)	(21.6)	(10.1)	3.9
Margin (%)	10.6	10.8	10.5	10.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8,458	9,035	8,252	8,485
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	14.4	16.5	14.0	14.4

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	60.0	61.6	73.4	83.2
CEPS	88.4	91.0	104.8	117.0
BVPS	562.2	615.6	680.8	755.7
FCF	24.1	13.6	20.7	35.4
DPS	3.0	7.0	7.0	7.0
Return Ratio(%)				
RoCE	12.9	12.3	12.9	13.3
ROIC	12.3	11.7	12.1	12.6
RoE	11.2	10.5	11.3	11.6
Balance Sheet				
Net Debt : Equity (x)	0.0	0.0	0.0	0.0
Net Working Capital (Days)	139	135	137	137
Valuation(x)				
PER	19.0	18.5	15.5	13.7
P/B	2.0	1.9	1.7	1.5
P/CEPS	12.9	12.5	10.9	9.8
EV/EBITDA	10.0	9.6	8.6	7.7
EV/Sales	2.1	2.0	1.8	1.6
Dividend Yield (%)	0.3	0.6	0.6	0.6

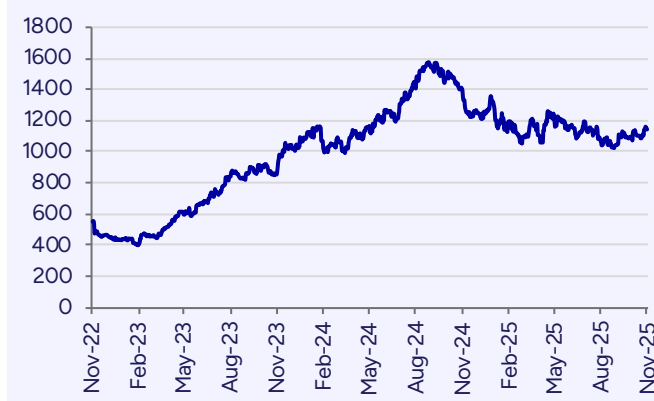
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
US Formulations	1,48,290	1,51,634	1,62,110	1,72,910
EU & ROW	1,15,347	1,27,311	1,38,499	1,51,160
ARV formulations	10,370	13,624	14,714	15,892
APIs	43,230	40,477	43,310	46,342

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Oct-25	BUY	1,300	1,092
2	06-Aug-25	BUY	1,300	1,079
3	08-Jul-25	BUY	1,440	1,185
4	27-May-25	BUY	1,440	1,191
5	08-Apr-25	BUY	1,510	1,097
6	10-Feb-25	BUY	1,510	1,192
7	08-Jan-25	Accumulate	1,475	1,298
8	12-Nov-24	Accumulate	1,475	1,286

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ajanta Pharma	BUY	3,200	2,539
2	Apollo Hospitals Enterprise	BUY	9,300	7,700
3	Aster DM Healthcare	BUY	700	662
4	Aurobindo Pharma	BUY	1,300	1,092
5	Cipla	Accumulate	1,675	1,541
6	Divi's Laboratories	Accumulate	6,550	6,105
7	Dr. Reddy's Laboratories	Reduce	1,270	1,284
8	Eris Lifesciences	BUY	1,975	1,590
9	Fortis Healthcare	BUY	1,000	1,042
10	HealthCare Global Enterprises	BUY	620	651
11	Indoco Remedies	Hold	325	290
12	Ipca Laboratories	Accumulate	1,525	1,360
13	J.B. Chemicals & Pharmaceuticals	BUY	2,030	1,657
14	Jupiter Life Line Hospitals	BUY	1,720	1,521
15	Krishna Institute of Medical Sciences	BUY	815	706
16	Lupin	BUY	2,400	1,925
17	Max Healthcare Institute	BUY	1,355	1,131
18	Narayana Hrudayalaya	BUY	2,000	1,783
19	Rainbow Children's Medicare	BUY	1,725	1,331
20	Sun Pharmaceutical Industries	BUY	1,875	1,703
21	Suntech Realty	BUY	600	432
22	Torrent Pharmaceuticals	Accumulate	4,000	3,539
23	Zydus Lifesciences	Accumulate	970	987

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Param Desai- MBA Finance, Mr. Kushal Shah- CFP, Passed CFA Level I Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Param Desai- MBA Finance, Mr. Kushal Shah- CFP, Passed CFA Level I Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (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 subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

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

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com