Motilal Oswal Financial Services

6 November 2025

2QFY26 Results Update | Sector: Healthcare

Sun Pharma

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	SUNP IN
Equity Shares (m)	2399
M.Cap.(INRb)/(USDb)	4054.8 / 45.7
52-Week Range (INR)	1910 / 1547
1, 6, 12 Rel. Per (%)	1/-13/-13
12M Avg Val (INR M)	4098

Financials & valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	574.7	633.5	701.1
EBITDA	159.6	183.7	207.5
Adj. PAT	118.1	137.9	155.3
EBIT Margin (%)	23.0	24.5	25.4
Adj. EPS (INR)	49.2	57.5	64.7
EPS Gr. (%)	4.4	16.8	12.6
BV/Sh. (INR)	337.6	382.7	435.1
Ratios			
Net D:E	-0.4	-0.5	-0.5
RoE (%)	15.4	16.0	15.8
RoCE (%)	15.2	15.9	15.8
Payout (%)	25.2	21.5	19.1
Valuations			
P/E (x)	34.3	29.4	26.1
EV/EBITDA (x)	24.4	20.7	17.8
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	1.8	2.1	2.6
EV/Sales (x)	6.8	6.0	5.3

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	54.5	54.5	54.5
DII	20.2	19.5	18.6
FII	16.6	17.3	18.0
Others	8.7	8.8	8.9

FII includes depository receipts

CMP: INR1,690 TP: INR1,960 (+16%) Buy

Superior show in innovative/branded portfolios

US generics sales weaken

- Sun Pharma (SUNP) delivered in-line revenue/EBITDA in 2QFY26. Earnings came in below our estimates largely due to lower other income.
- The growth momentum remained intact in global innovative medicines, driven by its increasing reach and enhanced traction in the existing markets. Interestingly, sales of innovative medicines surpassed generics in the US for the first time in 2QFY26. This implies that innovative medicines sales would be at least USD250m in the US in 2QFY26.
- Emerging markets and ROW segment saw robust growth, led by improved traction in innovative medicines and generic products.
- SUNP remains in good stead in domestic formulation (DF) market to not only hold leading position but also to gain market share gradually.
- We reduce our earnings estimates by 4%/6%/3% for FY26/FY27/FY28, factoring in marketing spends on global innovative medicines and a higher tax rate. These factors are partly offset by lower R&D spends on global innovative medicines under development.
- We value SUNP at 32x 12M forward earnings to arrive at a TP of INR1,960. SUNP continues to strengthen its branded franchise across focus markets in developed and emerging regions. Product launches and increased penetration should help SUNP sustain superior growth compared to large-cap peers in Indian pharma space. Maintain BUY.

Higher opex decelerates EBITDA growth after eight quarters

- Sales grew 8.6% YoY to INR144b (vs. our est: INR140.5b).
- DF sales grew 11% YoY to INR47.3b (33% of sales). ROW sales grew 22.7% YoY to INR20.4b (14% of sales). EM sales grew 15.7% YoY to INR28.3b (19% of sales). US sales were stable at INR43.2b (USD496m in CC terms and down 4% YoY; 30% of sales).
- Gross margin contracted 40bp YoY to 79.3%.
- EBITDA margin contracted 60bp to 28% (vs our est: 28.3%).
- EBITDA grew at 6% YoY to INR40.2b (vs. our est: INR39.7).
- Adj PAT was INR27.9b (our est: INR30.2b), down 3.8% YoY.
- For 1HFY26, revenue/EBITDA/PAT grew 9%/10%/2% YoY.

Highlights from the management commentary

- Ilumya has now been commercialized in all target geographies and is available in 35 markets globally.
- Innovative R&D accounted for 38% of total R&D spending, representing ~10% of global innovative medicine sales for the quarter.
- SUNP remains on track to launch Unloxcyt in 2HFY26 and plans to file Illumya for psoriatic arthritis in 2HFY26.
- Growth in innovative medicines was driven by Ilumya/Odomzo, though this was partially offset by lower generic sales due to intensified competition and reduced g-Revlimid volumes.
- Sales of g-Revlimid were lower YoY/stable QoQ and could decline going forward.
- R&D spends are expected at the lower end of 6-8% guidance for the year.

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

Eshita Jain - Research Analyst (Eshita.Jain@MotilalOswal.com) | **Vipul Mehta** (vipul.mehta@motilaloswal.com)

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2Q	%
Net Sales	**125,245**	**132,642**	**130,569**	**128,156**	**137,861**	**144,052**	**146,486**	**146,256**	**516,612**	**574,655**	**140,428**	**2.6**
YoY Change (%)	6.3	10.5	7.4	8.5	10.1	8.6	12.2	14.1	8.2	11.2	5.9	
EBITDA	**35,298**	**37,837**	**35,738**	**32,816**	**40,073**	**40,235**	**39,991**	**39,343**	**141,689**	**159,641**	**39,741**	**1.2**
Margins (%)	28.2	28.5	27.4	25.6	29.1	27.9	27.3	26.9	27.4	27.8	28.3	
Depreciation	6,551	6,259	6,306	6,638	7,006	7,295	6,703	6,692	25,754	27,695	6,466	
EBIT	**28,747**	**31,578**	**29,433**	**26,178**	**33,067**	**32,940**	**33,288**	**32,651**	**115,936**	**131,946**	**33,275**	
Interest	615	692	515	491	748	999	439	439	2,314	2,624	439	
Other Income	6,608	3,811	7,041	7,561	5,298	5,430	7,487	7,765	25,022	25,980	7,437	
PBT before EO expense	**34,740**	**34,697**	**35,959**	**33,248**	**37,617**	**37,371**	**40,337**	**39,977**	**138,644**	**155,303**	**40,273**	
Extra-Ord expense	505	-1,281	1,195	705	5,890	-4,305	0	0	1,123	1,585	0.0	
PBT	**34,235**	**35,978**	**34,764**	**32,543**	**31,728**	**41,676**	**40,337**	**39,977**	**137,520**	**153,718**	**40,273**	
Tax	5,523	5,672	5,589	10,937	8,702	10,305	10,084	9,794	27,720	38,885	**9,867**	
Rate (%)	16.1	15.8	16.1	33.6	27.4	24.7	25.0	24.5	20.2	25.3	25	
Minority Interest & P/L of Asso. Cos.	356	-95	142	108	240	191	130	133	511	694	120	
Reported PAT	**28,356**	**30,401**	**29,034**	**21,498**	**22,786**	**31,180**	**30,122**	**30,050**	**109,289**	**114,138**	**30,286**	**2.9**
Adj PAT	**27,494**	**29,052**	**27,637**	**28,891**	**29,961**	**27,939**	**30,123**	**30,050**	**113,075**	**118,073**	**30,287**	**-7.8**
YoY Change (%)	20.4	20.8	11.6	3.0	9.0	-3.8	3.7	8.7	13.4	4.4	10.2	
Margins (%)	22.0	21.9	21.2	22.5	21.7	19.4	20.6	20.5	21.9	20.5	21.6	

E: MOFSL Estimates

Key performance Indicators (Consolidated)

No of Shares (mn)	FY25				FY26				FY25	FY26	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE
Domestic formulations	41,445	42,652	43,004	42,129	47,211	47,348	48,680	47,816	169,229	191,055	46,917
YoY Change (%)	16.4	11.0	13.8	13.6	13.9	11.0	13.2	13.5	13.7	12.9	10.0
US sales	38,894	43,274	40,030	40,204	40,452	43,288	43,051	45,212	162,403	172,003	42,484
YoY Change (%)	0.5	21.9	0.7	1.7	4.0	0.0	7.5	12.5	5.8	5.9	(1.8)
ROW+EM	39,509	41,152	41,424	39,901	44,267	48,782	48,159	46,684	161,986	187,892	45,030
YoY Change (%)	5.4	1.7	6.9	8.9	12.0	18.5	16.3	17.0	5.7	16.0	0.1
APIs	4,946	5,338	5,678	5,330	5,404	4,299	6,132	5,970	21,292	21,805	5,498
YoY Change (%)	-8.3	7.4	21.8	28.2	9.3	-19.5	8.0	12.0	11.0	2.4	3.0
Cost Break-up											
RM Cost (% of Sales)	21.4	20.3	21.0	20.6	20.4	20.7	20.7	20.8	20.8	20.7	20.5
Staff Cost (% of Sales)	19.6	18.7	19.5	19.4	20.3	19.2	20.3	20.4	19.3	20.1	20.4
R&D Expenses(% of Sales)	6.3	6.0	6.5	6.4	5.6	5.4	5.9	5.8	6.3	5.7	6.3
Other Cost (% of Sales)	24.5	26.5	25.6	28.0	24.6	26.7	25.8	26.1	26.2	25.8	24.5
Gross Margins(%)	78.6	79.7	79.0	79.4	79.6	79.3	79.3	79.2	79.2	79.3	79.5
EBITDA Margins(%)	28.2	28.5	27.4	25.6	29.1	27.9	27.3	26.9	27.4	27.8	28.3
EBIT Margins(%)	23.0	23.8	22.5	20.4	24.0	22.9	22.7	22.3	22.4	23.0	23.7

CONFERENCE CALL

Key takeaways from the management interaction

- In emerging markets, growth was supported by healthy performance across both the generic and innovative medicine portfolios.
- While working capital requirement has increased over the past six months, it is expected to normalize in coming quarters.
- The recent regulatory guidelines have been in favor of a reduction in cost for developing biologics. SUNP intends to get further clarity for investment in this segment as a reduction in cost would also lead to an increase in competition.
- Sales force is in place for Leqselvi/Unloxcyt and marketing/promotional activities are expected to pick up. Certain marketing cost would continue in FY27 as well.
- GL0034 is manufactured using the synthetic route currently. SUNP might consider switching to the recombinant route going forward.
- SUNP continues to see healthy traction in Cequa despite competitors in Restasis.
- ETR would be 25% for FY26.
- R&D spending was 5.4% of sales at INR7.8b.
- For the quarter, SUNP received 5 ANDA approvals and filed 4 ANDA/1 NDA.

Exhibit 1: Innovative medicines pipeline

Candidate	Indication	Current Phase	Next Milestone
Unloxcyt	❖ metastatic cutaneous squamous cell carcinoma (cSCC)/locally advanced cSCC	❖ Approved in the US	❖ Launch
NidlegyTM (EU, ANZ rights with Sun)	❖ Melanoma and Melanoma Skin Cancers	❖ Phase-3 completed.	❖ Filing with EMA.
Ilumya	❖ Psoriatic Arthritis	❖ Phase-3 topline data released	❖ Regulatory filing
Fibromun	❖ soft tissue sarcomas/ glioblastoma	❖ Phase-3/Phase-2	❖ Regulatory filing
GL0034	❖ Type-2 Diabetes	❖ Phase 1 completed	❖ Phase-2 to start during 2HFY26
MM-II	❖ Pain in Osteoarthritis	❖ Phase 2 completed	❖ To enter partnership for commercialization

Source: Company, MOFSL

Specialty footprint to drive growth

Global innovative segment – Commercialized portfolio tracking well; efforts underway for new launches

- In 1HFY26, SUNP's specialty sales grew 16.6% YoY to USD644m. The contribution from global innovative portfolio has been on a steady upward trajectory, underscoring superior growth momentum.
- Notably, US sales from Innovative Medicines surpassed Generics for the first time, implying execution in Innovative medicines to be much superior to that in generics.
- Growth within the Innovative segment was primarily led by Ilumya/Odomzo, though this was partly offset by pricing pressure and declining lenalidomide volumes in the generic portfolio.
- Ilumya has now been commercialized across all target geographies, reinforcing its global presence followed by robust traction in Cequa.
- The company remains on track to launch Unloxcyt and file Ilumya for psoriatic arthritis in 2HFY26. The Phase 2 timeline for the GL0034 molecule has been revised to 2HFY26 from 2HCY25.
- We expect 11% sales CAGR in the specialty portfolio to reach USD1.7b over FY25-28.

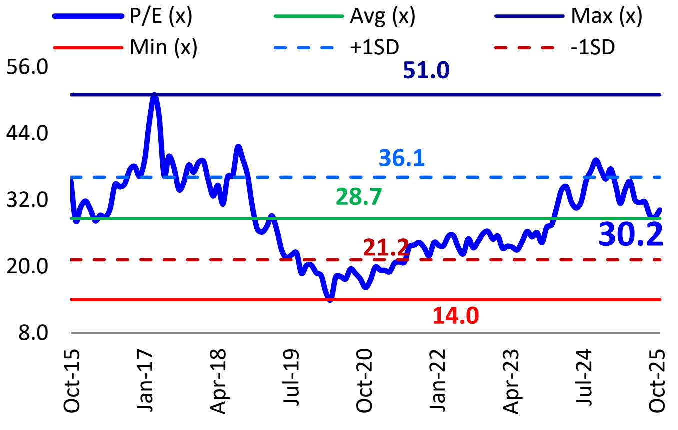
Solid ROW/EM execution supported by forex tailwinds

- In 1HFY26, DF sales grew 12% YoY to INR84b.
- SUNP has sustained its quarterly launch momentum with nine products in 2QFY26 and fifteen products in 1HFY26.
- Outperformance in Anti-diabetic/Cardiac and Neuro was partially offset by subdued performance in AI and Pain. Anti-Diabetic/Cardiac/Neuro/Gastro posted 12.3%/11.3%/8.5%/8.2 YoY growth as per IQVIA Sep'25.
- We expect SUNP to post 11% sales CAGR over FY25-28, reaching INR234b.
- In 1HFY26, EM sales grew 12% YoY to INR54b (USD623m up by 7.7% in cc terms) led by robust scale-up in branded business in innovative medicines and generics. In emerging markets, growth was supported by healthy performance across both the generic/innovative medicine portfolios.
- In 1HFY26, ROW sales grew 20.7% YoY to INR39b (USD453m up by 16.5% in cc terms), led by superior execution across key markets.
- Overall, we expect 12% sales CAGR in EM+ROW markets to reach INR225b in revenue over FY25-28.

Reiterate BUY

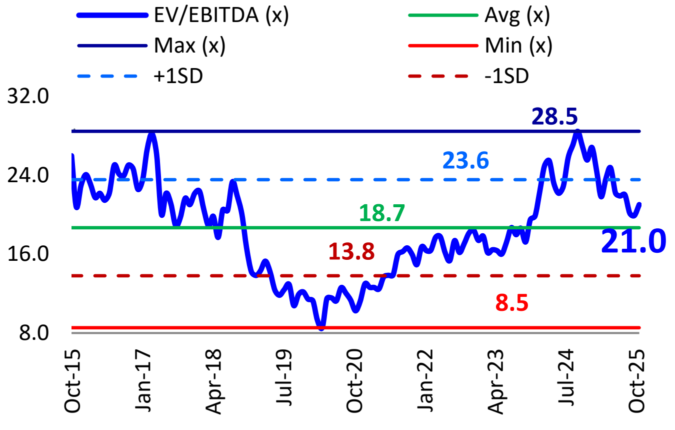
- We reduced our earnings estimates by 4%/6%/3% for FY26/FY27/FY28, factoring in marketing spends on global innovative medicines and a higher tax rate. We value SUNP at 32x 12M forward earnings to arrive at a TP of INR1,960.
- SUNP continues to fortify its branded franchise across both developed and emerging markets. Product launches and deeper market penetration are expected to help SUNP sustain its superior growth trajectory, positioning it ahead of large-cap peers in the Indian pharma space. We expect 11.2% earnings CAGR over FY25-28. Reiterate BUY.

Exhibit 2: P/E chart



Source: MOFSL, Company, Bloomberg

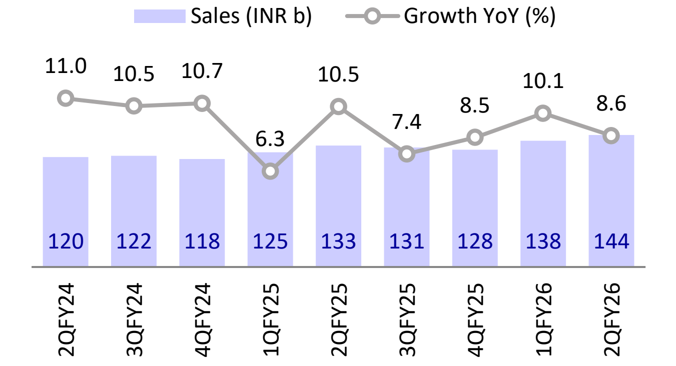
Exhibit 3: EV/EBITDA chart



Source: MOFSL, Company, Bloomberg

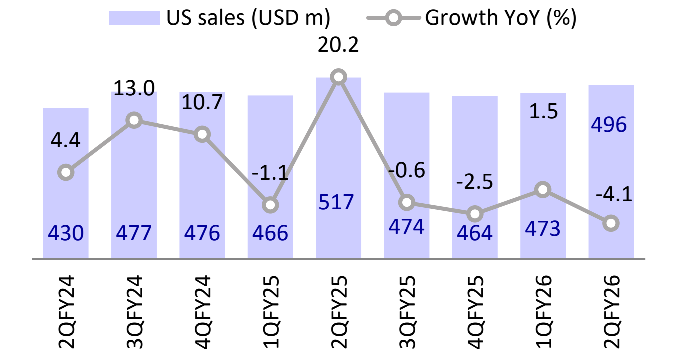
Story in charts

Exhibit 4: Revenue rose 8.6% YoY in 2QFY26



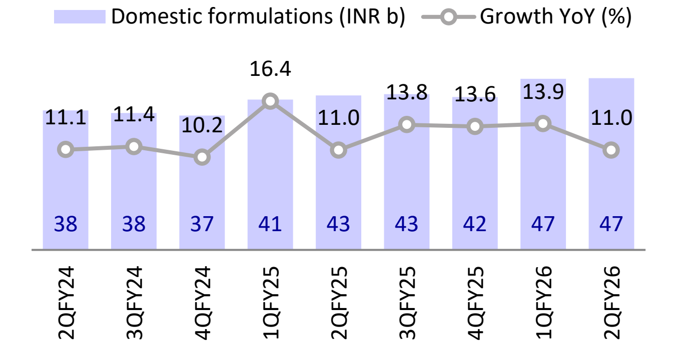
Source: Company, MOFSL

Exhibit 5: US sales down 4% YoY in CC terms



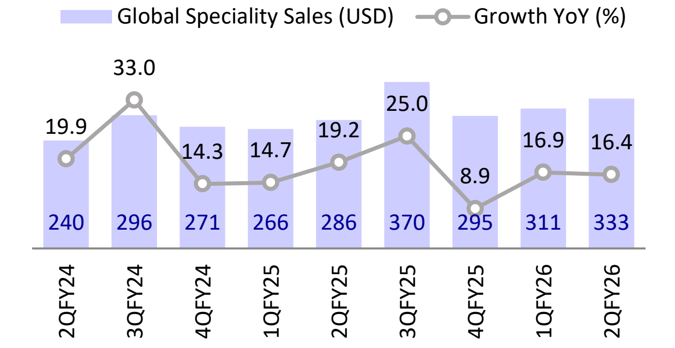
Source: Company, MOFSL

Exhibit 6: DF sales grew 11% YoY in 2QFY26



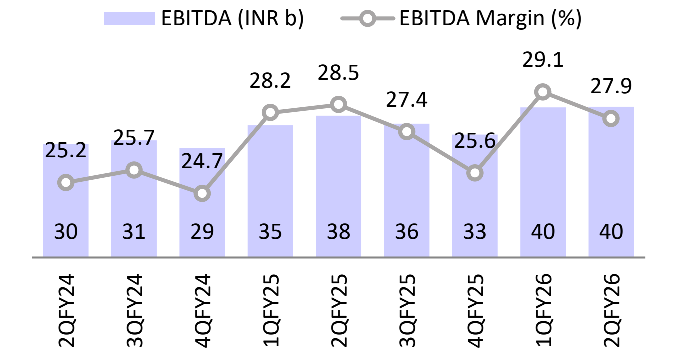
Source: Company, MOFSL

Exhibit 7: Specialty sales rose 16.4% YoY in 2QFY26



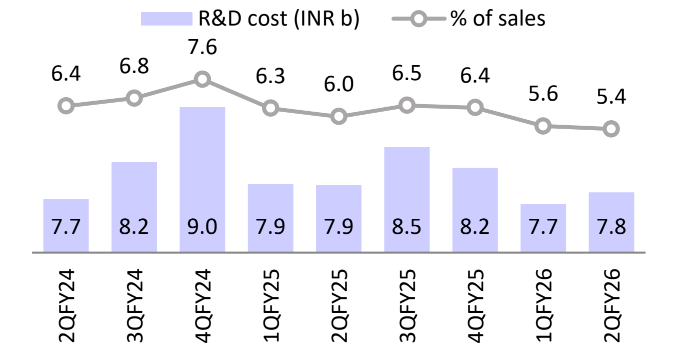
Source: Company, MOFSL

Exhibit 8: EBITDA margin contracted 60bp YoY in 1QFY26



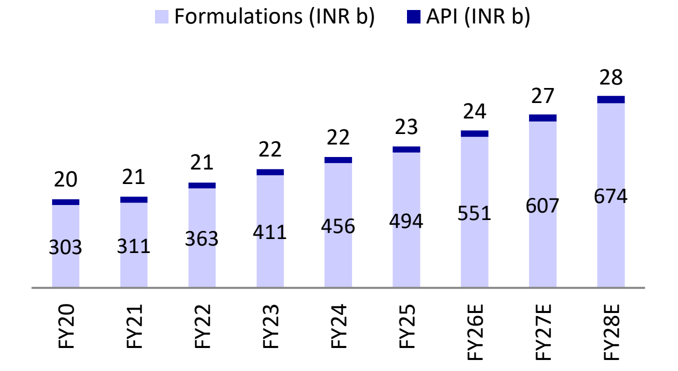
Source: Company, MOFSL

Exhibit 9: R&D costs stood at 5.4% of sales in 2QFY26



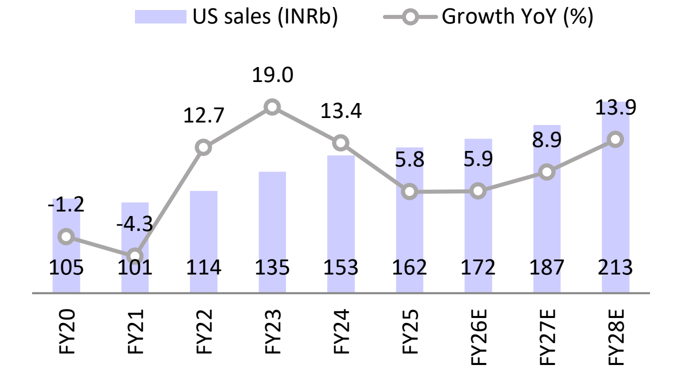
Source: Company, MOFSL

Exhibit 10: Expect 10.7% revenue CAGR over FY25-28



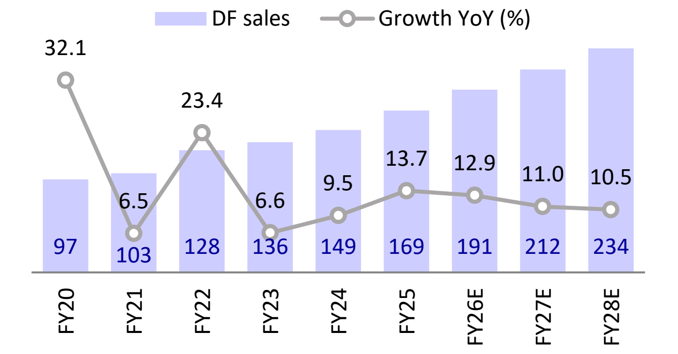
Source: Company, MOFSL

Exhibit 11: Expect 9.5% CAGR in US sales over FY25-28



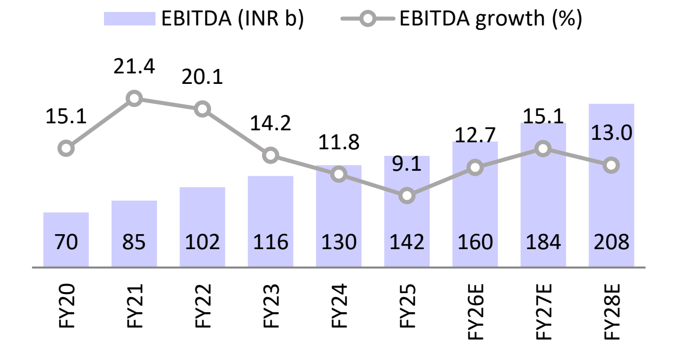
Source: Company, MOFSL

Exhibit 12: Expect DF sales CAGR of 11.5% over FY25-28



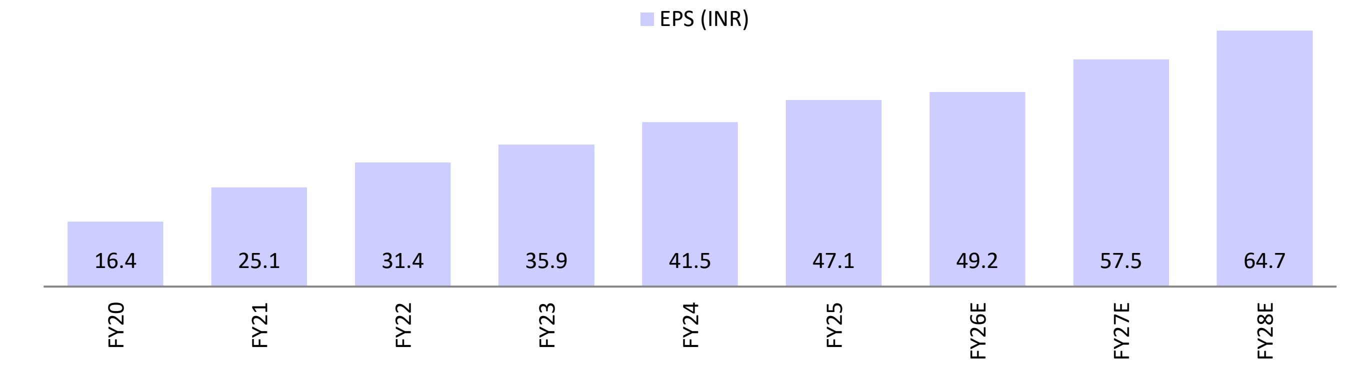
Source: Company, MOFSL

Exhibit 13: Expect EBITDA CAGR of 13.6% over FY25-28



Source: Company, MOFSL

Exhibit 14: Expect 11.2% EPS CAGR over FY25-28



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**384,264**	**432,789**	**477,585**	**516,612**	**574,655**	**633,499**	**701,125**
Change (%)	15.6	12.6	10.4	8.2	11.2	10.2	10.7
EBITDA	**101,688**	**116,142**	**129,871**	**141,689**	**159,642**	**183,715**	**207,533**
Margin (%)	26.5	26.8	27.2	27.4	27.8	29.0	29.6
Depreciation	21,437	25,294	25,566	25,754	27,695	28,654	29,317
EBIT	**80,250**	**90,847**	**104,305**	**115,936**	**131,947**	**155,061**	**178,216**
Int. and Finance Charges	1,274	1,720	2,385	2,314	2,624	1,145	795
Other Income	7,528	6,345	13,542	25,022	25,980	29,093	29,401
PBT bef. EO Exp.	**86,504**	**95,473**	**115,462**	**138,644**	**155,303**	**183,009**	**206,823**
EO Items	-43,191	-1,389	-4,581	-1,123	1,585	0	0
PBT after EO Exp.	**43,313**	**94,084**	**110,881**	**137,520**	**156,888**	**183,009**	**206,823**
Total Tax	10,755	8,476	14,395	27,720	38,885	44,471	50,878
Tax Rate (%)	24.8	9.0	13.0	20.2	24.8	24.3	24.6
Minority Interest	1,331	873	721	511	694	650	620
Reported PAT	**31,227**	**84,735**	**95,766**	**109,289**	**117,308**	**137,888**	**155,324**
Adjusted PAT	**75,265**	**86,066**	**99,688**	**113,075**	**118,073**	**137,888**	**155,324**
Change (%)	24.9	14.4	15.8	13.4	4.4	16.8	12.6
Margin (%)	19.6	19.9	20.9	21.9	20.5	21.8	22.2

Consolidated - Balance Sheet

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	2,399	2,399	2,399	2,399	2,399	2,399	2,399
Total Reserves	477,713	557,555	634,268	719,781	807,488	915,775	1,041,498
Net Worth	**480,112**	**559,954**	**636,668**	**722,180**	**809,887**	**918,174**	**1,043,897**
Minority Interest	30,549	33,201	34,392	2,679	3,374	4,024	4,644
Total Loans	12,903	68,859	32,737	18,696	13,196	9,696	6,196
Deferred Tax Liabilities	-28,177	-34,872	-39,486	-42,153	-42,153	-42,153	-42,153
Capital Employed	**495,387**	**627,141**	**664,311**	**701,403**	**784,305**	**889,741**	**1,012,584**
Gross Block	321,161	347,419	356,848	427,042	449,417	474,891	502,336
Less: Accum. Deprn.	160,422	190,345	210,723	236,477	264,172	292,826	322,143
Net Fixed Assets	**160,739**	**157,074**	**146,124**	**190,565**	**185,244**	**182,066**	**180,194**
Goodwill on Consolidation	65,913	83,580	85,990	89,394	89,394	89,394	89,394
Capital WIP	12,868	49,732	53,539	12,343	14,969	16,494	17,549
Total Investments	**128,486**	**148,243**	**150,258**	**183,538**	**183,538**	**183,538**	**183,538**
Curr. Assets, Loans&Adv.	**301,576**	**333,617**	**377,682**	**401,088**	**508,110**	**635,287**	**781,390**
Inventory	89,251	105,131	98,683	102,433	120,524	134,319	147,401
Account Receivables	104,846	114,385	112,494	130,461	146,419	164,883	182,485
Cash and Bank Balance	50,334	57,703	105,207	113,316	180,122	268,790	377,026
Loans and Advances	57,146	56,399	61,299	54,878	61,044	67,295	74,478
Curr. Liability & Prov.	**174,195**	**145,106**	**149,282**	**175,525**	**196,950**	**217,037**	**239,480**
Account Payables	50,898	59,860	60,172	61,843	70,495	77,634	85,195
Other Current Liabilities	26,372	25,185	27,279	47,480	52,815	58,223	64,438
Provisions	96,925	60,060	61,832	66,202	73,640	81,180	89,846
Net Current Assets	**127,381**	**188,512**	**228,400**	**225,563**	**311,160**	**418,250**	**541,910**
Appl. of Funds	**495,387**	**627,141**	**664,311**	**701,403**	**784,305**	**889,741**	**1,012,584**

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)							
EPS	**31.4**	**35.9**	**41.5**	**47.1**	**49.2**	**57.5**	**64.7**
Cash EPS	40.3	46.4	52.2	57.9	60.8	69.4	77.0
BV/Share	200.1	233.4	265.4	301.0	337.6	382.7	435.1
DPS	10.0	11.5	13.5	10.5	10.5	10.5	10.5
Payout (%)	90.3	41.6	39.7	27.1	25.2	21.5	19.1
Valuation (x)							
P/E	53.9	47.1	40.7	35.9	34.3	29.4	26.1
Cash P/E	41.9	36.4	32.4	29.2	27.8	24.3	22.0
P/BV	8.4	7.2	6.4	5.6	5.0	4.4	3.9
EV/Sales	10.5	9.4	8.3	7.7	6.8	6.0	5.3
EV/EBITDA	39.5	35.0	30.7	27.9	24.4	20.7	17.8
FCF per share	31.5	12.1	41.5	50.0	30.0	36.3	43.8
Return Ratios (%)							
RoE	15.9	16.6	16.7	16.6	15.4	16.0	15.8
RoCE	13.2	15.8	15.8	16.0	15.2	15.9	15.8
RoIC	19.3	24.5	25.0	24.8	24.9	28.4	31.4
Working Capital Ratios							
Fixed Asset Turnover (x)	1.2	1.2	1.3	1.2	1.3	1.3	1.4
Inventory (Days)	85	89	75	72	77	77	77
Debtor (Days)	100	96	86	92	93	95	95
Creditor (Days)	48	50	46	44	45	45	44
Leverage Ratio (x)							
Current Ratio	1.7	2.3	2.5	2.3	2.6	2.9	3.3
Net Debt/Equity	-0.3	-0.2	-0.3	-0.4	-0.4	-0.5	-0.5

Consolidated - Cash Flow Statement

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	44,813	94,084	110,879	137,520	156,888	183,009	206,823
Depreciation	21,437	25,294	25,566	25,754	27,695	28,654	29,317
Interest & Finance Charges	-4,260	-2,125	-7,844	2,314	2,624	1,145	795
Direct Taxes Paid	9,692	-15,098	-15,694	-4,768	-38,885	-44,471	-50,878
(Inc)/Dec in WC	15,591	-56,618	10,621	-3,235	-25,397	-25,121	-23,122
CF from Operations	**87,273**	**45,537**	**123,528**	**157,584**	**122,924**	**143,216**	**162,934**
Others	2,572	4,057	-2,178	-16,864	-25,980	-29,093	-29,401
CF from Operating incl EO	**89,845**	**49,593**	**121,350**	**140,721**	**96,944**	**114,123**	**133,532**
(Inc)/Dec in FA	-14,344	-20,646	-21,710	-20,648	-25,000	-27,000	-28,500
Free Cash Flow	**75,501**	**28,948**	**99,640**	**120,073**	**71,944**	**87,123**	**105,032**
(Pur)/Sale of Investments	-34,333	-9,119	10,900	-28,912	0	0	0
Others	-8,571	-49,671	3,908	-3,501	6,607	6,698	7,698
CF from Investments	**-57,248**	**-79,436**	**-6,902**	**-53,061**	**-18,393**	**-20,302**	**-20,802**
Issue of Shares	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-27,654	50,283	-35,130	-9,821	-5,500	-3,500	-3,500
Interest Paid	-732	-1,325	-2,190	-2,238	23,357	27,948	28,607
Dividend Paid	-21,692	-25,197	-29,007	-36,173	-29,601	-29,601	-29,601
CF from Fin. Activity	**-51,935**	**23,761**	**-67,102**	**-79,058**	**-11,745**	**-5,153**	**-4,495**
Inc/Dec of Cash	**-19,337**	**-6,082**	**47,347**	**8,602**	**66,806**	**88,668**	**108,235**
Opening Balance	**64,456**	**50,334**	**57,703**	**105,207**	**113,316**	**180,122**	**268,790**
Other Bank Balances	5,215	13,451	157	-492	0	0	0
Closing Balance	**50,334**	**57,703**	**105,207**	**113,316**	**180,122**	**268,790**	**377,026**

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 and BSE enlistment no. 5028. 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 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 and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.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. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

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

1. 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
2. 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
3. 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.
4. 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.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:
- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and 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, enlistment as RA with Exchange 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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@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, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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.