

BSE SENSEX	S&P CNX
48,174	14,146



Bloomberg	LPC IN
Equity Shares (m)	453
M.Cap.(INRb)/(USDb)	453.8 / 6.5
52-Week Range (INR)	1122 / 505
1, 6, 12 Rel. Per (%)	0/-18/13
12M Avg Val (INR M)	3164

#### Financials & Valuations (INR b)

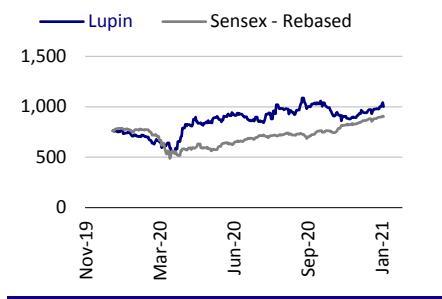
Y/E MARCH	2020	2021E	2022E
Sales	153.7	158.3	179.0
EBITDA	23.5	26.0	33.5
Adj. PAT	10.6	10.5	16.6
EBIT Margin (%)	9.0	10.8	13.6
Cons. Adj. EPS (INR)	23.3	23.3	36.8
EPS Gr. (%)	74.1	0.0	58.0
BV/Sh. (INR)	276.7	292.6	318.9
<b>Ratios</b>			
Net D:E	0.0	0.1	0.0
RoE (%)	8.0	8.2	12.1
RoCE (%)	4.8	6.6	10.1
Payout (%)	-119.0	35.4	28.6
<b>Valuations</b>			
P/E (x)	42.8	42.9	27.1
EV/EBITDA (x)	19.3	18.0	13.6
Div. Yield (%)	0.9	0.7	0.9
FCF Yield (%)	15.4	-1.4	3.5
EV/Sales (x)	3.0	2.9	2.6

#### Shareholding pattern (%)

As On	Sep-20	Jun-20	Sep-19
Promoter	46.9	46.9	47.0
DII	20.1	18.9	13.3
FII	20.4	21.3	25.7
Others	12.6	12.9	14.1

FII Includes depository receipts

#### Stock Performance (1-year)


**CMP: INR1000**
**TP: INR1,130 (+13%)**
**Buy**

#### Observations out for Somerset facility; enhanced efforts needed to resolve regulatory issues

- The 13 observations in Form 483 issued by the USFDA post the inspection over Sep–Nov 2020 largely pertain to cleanliness and equipment maintenance, out-of-specification (OOS) samples, the stability program, and the lack of training given to employees.
- The Somerset facility currently contributes <5% to Lupin's revenues globally. Ongoing sales from Somerset (currently under OAI) are not impacted, but future approvals are likely to get delayed.
- We remain positive on LPC owing to (a) a ramp-up in recent niche launches and (b) its outperformance in Domestic Formulations (DF). We value LPC at 25x 12M forward earnings to arrive at Target Price of INR1,130. Reiterate Buy.

#### Highlights from observations sited in Form 483

- The 13 observations issued by the USFDA pertain to a) the lack of cleanliness and equipment maintenance, particularly for non-dedicated equipment, b) inadequate root cause analysis of OOS samples (repeat observation), c) standard operating procedure not being followed for the stability program, d) accuracy and sensitivity related to test methods, e) the responsibility of the Quality unit to approve/reject procedures/specifications on the identity/strength/quality and purity of drug products, f) maintenance of the buildings, g) the lack of isolated areas to prevent contamination, and h) controls on computer systems. Based on the nature of observations, we expect enhanced efforts by LPC to resolve the regulatory concerns at this site.

#### Recap of regulatory statuses at other sites

- Currently, four of Lupin's facilities at Pithampur Unit-2, Goa, Somerset, and Tarapur have the Official Action Indicated (OAI) status, and the Mandideep plant has a Warning Letter. With the USFDA unable to conduct overseas inspections, we expect the resolution of regulatory sanctions to be delayed.

#### Valuation and view

- We expect a 24% earnings CAGR over FY20–23E, led by differentiated launches in the US/EU – particularly the recently launched g-Albuterol Sulfate and pipeline product g-Spiriva – and better-than-industry growth in DF. Accordingly, we expect RoE to improve to 13.3% by FY23E from 8% in FY20.
- We value LPC at 25x 12M forward earnings to arrive at Target Price of INR1,130. Maintain **Buy**.

## Financials and valuations

### Income Statement

	(INR m)									
Y/E March	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>Net Sales</b>	<b>112,866</b>	<b>127,700</b>	<b>142,085</b>	<b>174,943</b>	<b>158,041</b>	<b>146,646</b>	<b>153,748</b>	<b>158,287</b>	<b>179,025</b>	<b>193,979</b>
Change (%)	17.1	13.1	11.3	23.1	-9.7	-7.2	4.8	3.0	13.1	8.4
<b>EBITDA</b>	<b>30,028</b>	<b>36,196</b>	<b>37,534</b>	<b>44,931</b>	<b>31,475</b>	<b>25,607</b>	<b>23,548</b>	<b>25,959</b>	<b>33,478</b>	<b>37,437</b>
Margin (%)	26.6	28.3	26.4	25.7	19.9	17.5	15.3	16.4	18.7	19.3
Depreciation	2,610	4,347	4,635	9,122	10,859	8,461	9,702	8,916	9,137	8,994
<b>EBIT</b>	<b>27,418</b>	<b>31,849</b>	<b>32,899</b>	<b>35,809</b>	<b>20,616</b>	<b>17,147</b>	<b>13,846</b>	<b>17,044</b>	<b>24,341</b>	<b>28,443</b>
Int. and Finance Charges	267	98	446	1,525	2,044	3,025	3,630	1,562	1,595	1,535
Other Income - Rec.	165	2,398	1,877	1,065	1,504	3,330	3,578	1,450	1,850	1,950
<b>PBT before EO item</b>	<b>27,317</b>	<b>34,148</b>	<b>34,330</b>	<b>35,349</b>	<b>20,076</b>	<b>17,452</b>	<b>13,794</b>	<b>16,931</b>	<b>24,596</b>	<b>28,858</b>
EO Expense/(Income)	-1,000	0	0	0	14,644	3,400	6,261	204	0	0
<b>PBT after EO item</b>	<b>28,317</b>	<b>34,148</b>	<b>34,330</b>	<b>35,349</b>	<b>5,433</b>	<b>14,052</b>	<b>7,533</b>	<b>16,727</b>	<b>24,596</b>	<b>28,858</b>
Tax	9,622	9,704	11,536	9,785	2,885	8,879	11,571	6,189	7,871	8,658
Tax Rate (%)	34.0	28.4	33.6	27.7	53.1	63.2	153.6	37.0	32.0	30.0
Less: Minority Interest	331	412	88	-11	36	52	-43	-85	85	85
<b>Reported PAT</b>	<b>18,364</b>	<b>24,032</b>	<b>22,707</b>	<b>25,574</b>	<b>2,512</b>	<b>5,121</b>	<b>-3,995</b>	<b>10,453</b>	<b>16,640</b>	<b>20,115</b>
<b>PAT Adj for EO items</b>	<b>17,364</b>	<b>24,032</b>	<b>22,707</b>	<b>25,574</b>	<b>14,455</b>	<b>6,066</b>	<b>10,572</b>	<b>10,534</b>	<b>16,640</b>	<b>20,115</b>
Change (%)	32.1	38.4	-5.5	12.6	-43.5	-58.0	74.3	-0.4	58.0	20.9
Margin (%)	15.4	18.8	16.0	14.6	9.1	4.1	6.9	6.7	9.3	10.4

### Consolidated Balance Sheet

	(INR m)									
Y/E March	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Equity Share Capital	897	899	901	903	904	905	906	903	903	903
Other Reserves	68,419	87,842	108,943	134,072	134,866	136,517	124,461	131,216	143,101	157,934
Total Reserves	68,419	87,842	108,943	134,072	134,866	136,517	124,461	131,216	143,101	157,934
<b>Net Worth</b>	<b>69,316</b>	<b>88,741</b>	<b>109,844</b>	<b>134,975</b>	<b>135,771</b>	<b>137,422</b>	<b>125,367</b>	<b>132,119</b>	<b>144,004</b>	<b>158,837</b>
Minority Interest	669	241	321	345	401	469	445	530	615	700
Deferred Liabilities	1,779	1,182	1,239	-1,128	-4,310	-4,457	252	252	252	252
Secured Loan	1,968	1,018	53,739	61,243	67,722	70,546	25,180	18,179	9,179	7,179
Unsecured Loan	4,024	3,692	17,454	23,183	4,518	15,802	24,928	24,928	24,928	24,928
Total Loans	5,992	4,710	71,193	84,426	72,240	86,347	50,108	43,107	34,107	32,107
<b>Capital Employed</b>	<b>77,756</b>	<b>94,874</b>	<b>182,596</b>	<b>218,619</b>	<b>204,101</b>	<b>219,781</b>	<b>176,172</b>	<b>176,008</b>	<b>178,977</b>	<b>191,895</b>
Gross Block	45,638	45,445	55,887	55,265	63,687	72,189	76,431	83,722	90,292	96,252
Less: Accum. Deprn.	19,283	19,174	23,262	8,902	14,613	23,073	32,776	41,691	50,828	59,822
<b>Net Fixed Assets</b>	<b>26,355</b>	<b>26,271</b>	<b>32,625</b>	<b>46,363</b>	<b>49,074</b>	<b>49,115</b>	<b>43,656</b>	<b>42,031</b>	<b>39,464</b>	<b>36,430</b>
Capital WIP	3,041	5,760	9,812	7,150	9,563	10,186	7,582	7,141	6,920	6,810
Investments	1,785	16,584	75	220	267	1,856	361	361	361	361
Goodwill & Intangibles	7,202	17,411	73,586	78,147	70,965	67,963	37,540	37,540	37,540	37,540
<b>Curr. Assets</b>	<b>62,970</b>	<b>64,510</b>	<b>107,473</b>	<b>129,117</b>	<b>126,019</b>	<b>143,033</b>	<b>158,957</b>	<b>148,426</b>	<b>158,745</b>	<b>178,780</b>
Inventory	21,295	25,036	31,787	36,423	36,625	38,368	34,569	41,416	45,541	48,829
Account Receivables	24,641	26,566	45,498	43,073	51,922	51,498	54,459	55,679	61,183	64,354
Cash and Bank Balance	7,975	4,814	8,379	27,994	16,429	30,971	47,926	29,259	29,875	43,369
<b>Curr. Liability &amp; Prov.</b>	<b>23,597</b>	<b>35,662</b>	<b>40,975</b>	<b>42,378</b>	<b>51,788</b>	<b>52,372</b>	<b>71,924</b>	<b>59,489</b>	<b>64,052</b>	<b>68,025</b>
Account Payables	18,818	28,299	32,318	34,576	43,568	41,390	59,884	47,449	52,012	55,985
Provisions	4,779	7,363	8,658	7,801	8,220	10,982	12,040	12,040	12,040	12,040
<b>Net Current Assets</b>	<b>39,374</b>	<b>28,848</b>	<b>66,498</b>	<b>86,739</b>	<b>74,231</b>	<b>90,661</b>	<b>87,034</b>	<b>88,937</b>	<b>94,693</b>	<b>110,755</b>
<b>Appl. of Funds</b>	<b>77,756</b>	<b>94,874</b>	<b>182,596</b>	<b>218,619</b>	<b>204,100</b>	<b>219,782</b>	<b>176,172</b>	<b>176,007</b>	<b>178,977</b>	<b>191,895</b>

## Financials and valuations

### Ratios

Y/E March	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>EPS (Fully Diluted)</b>	<b>38.7</b>	<b>53.5</b>	<b>50.4</b>	<b>56.6</b>	<b>32.0</b>	<b>13.4</b>	<b>23.3</b>	<b>23.3</b>	<b>36.8</b>	<b>44.5</b>
Cash EPS (Fully Diluted)	44.5	63.1	60.7	76.8	56.0	32.1	44.8	43.1	57.1	64.5
BV/Share	154.6	197.4	243.8	298.9	300.3	303.7	276.7	292.6	318.9	351.7
DPS	6.0	7.5	7.5	7.5	5.0	5.0	9.0	7.0	9.0	10.0
Payout (%)	16.0	16.9	17.9	15.9	108.5	53.3	-119.0	35.4	28.6	26.3
<b>Valuation (x)</b>										
P/E (Fully Diluted)	25.8	18.7	19.8	17.7	31.3	74.6	42.8	42.9	27.1	22.4
EV/Sales	4.0	3.5	3.6	2.9	3.2	3.5	3.0	2.9	2.6	2.3
EV/EBITDA	15.0	12.5	13.7	11.3	16.1	19.8	19.3	18.0	13.6	11.8
<b>Return Ratios (%)</b>										
RoE	28.6	30.4	22.9	20.9	10.7	4.4	8.0	8.2	12.1	13.3
RoCE	26.5	29.1	16.8	13.3	4.9	3.5	4.8	6.6	10.1	11.5
RoIC	29.7	34.4	18.8	14.9	5.4	3.6	5.1	8.3	11.8	14.1
<b>Working Capital Ratios</b>										
Asset Turnover (x)	1.5	1.3	0.8	0.8	0.8	0.7	0.9	0.9	1.0	1.0
Fixed Asset Turnover (x)	4.5	4.9	4.8	4.4	3.3	3.0	3.3	3.7	4.4	5.1
Debtor (Days)	80	76	117	90	120	128	129	128	125	121
Creditor (Days)	152	172	186	189	178	184	162	183	183	172
Inventory (Days)	69	72	82	76	85	95	82	96	93	92
<b>Leverage Ratio</b>										
Current Ratio	2.7	1.8	2.6	3.0	2.4	2.7	2.2	2.5	2.5	2.6
Interest Cover Ratio	102.9	324.7	73.7	23.5	10.1	5.7	3.8	10.9	15.3	18.5
Debt/Equity (x)	0.0	0.0	0.6	0.4	0.4	0.4	0.0	0.1	0.0	-0.1

### Cash Flow Statement

Y/E March	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA	30,028	36,196	37,534	44,931	31,475	25,607	23,548	25,959	33,478	37,437
Interest/Dividends Recd.	165	2,398	1,877	1,065	1,504	3,330	3,578	1,450	1,850	1,950
Direct Taxes Paid	-9,475	-10,300	-11,479	-12,152	-6,067	-9,026	-6,862	-6,189	-7,871	-8,658
(Inc)/Dec in WC	-4,368	7,364	-34,084	-626	942	-1,888	20,583	-20,570	-5,141	-2,568
<b>CF from Operations</b>	<b>16,349</b>	<b>35,657</b>	<b>-6,152</b>	<b>33,219</b>	<b>27,853</b>	<b>18,023</b>	<b>40,847</b>	<b>650</b>	<b>22,316</b>	<b>28,161</b>
Others	2,690	-8,327	2,328	7,916	4,302	2,036	-19,897	0	0	0
EO expense	-1,000	0	0	0	14,644	3,400	6,261	204	0	0
<b>CF from Op. incl EO Exp.</b>	<b>20,039</b>	<b>27,331</b>	<b>-3,824</b>	<b>41,135</b>	<b>17,512</b>	<b>16,660</b>	<b>14,688</b>	<b>446</b>	<b>22,316</b>	<b>28,161</b>
(inc)/dec in FA	-6,098	-17,191	-71,217	-24,759	-8,801	-6,123	28,785	-6,850	-6,350	-5,850
<b>Free Cash Flow</b>	<b>10,251</b>	<b>18,466</b>	<b>-77,369</b>	<b>8,460</b>	<b>19,053</b>	<b>11,900</b>	<b>69,631</b>	<b>-6,200</b>	<b>15,966</b>	<b>22,311</b>
(Pur)/Sale of Investments	-1,764	-14,799	16,509	-145	-47	-1,589	1,496	0	0	0
Others	-723	21,446	-14,909	-371	13,546	-25,113	-19,210	0	0	0
<b>CF from Investments</b>	<b>-8,585</b>	<b>-10,545</b>	<b>-69,617</b>	<b>-25,274</b>	<b>4,699</b>	<b>-32,825</b>	<b>11,070</b>	<b>-6,850</b>	<b>-6,350</b>	<b>-5,850</b>
Change in Net Worth	1,593	-1,389	2,459	3,669	1,028	-724	-3,286	167	0	1
Inc/(Dec) in Debt	-4,248	-1,282	66,483	13,233	-12,187	14,108	-36,240	-7,001	-9,000	-2,000
Interest Paid	-267	-98	-446	-1,525	-2,044	-3,025	-3,630	-1,562	-1,595	-1,535
Dividend Paid	-2,939	-4,058	-4,071	-4,076	-2,725	-2,728	-4,755	-3,788	-4,755	-5,283
Others	-2,710	4,859	-6,061	-6,969	1,006	-189	39,005	-79	0	0
<b>CF from Fin. Activity</b>	<b>-8,571</b>	<b>-1,969</b>	<b>58,364</b>	<b>4,332</b>	<b>-14,921</b>	<b>7,441</b>	<b>-8,906</b>	<b>-12,263</b>	<b>-15,350</b>	<b>-8,817</b>
<b>Inc/Dec of Cash</b>	<b>2,883</b>	<b>14,817</b>	<b>-15,077</b>	<b>20,193</b>	<b>7,290</b>	<b>-8,724</b>	<b>16,853</b>	<b>-18,667</b>	<b>616</b>	<b>13,494</b>
Add: Beginning Balance	3,109	6,066	21,084	7,802	27,995	14,164	5,441	22,293	3,626	4,242
Cash and Eq. onacquisition	74	202	1,795	0	-21,120	0	0	0	0	0
Cash and Cash Equivalents at end of the year	6,066	21,084	7,802	27,995	14,164	5,441	22,293	3,626	4,242	17,736
Forex/Bank	1,909	-16,271	577	0	2,265	25,530	25,632	25,632	25,632	25,632
<b>Closing Balance</b>	<b>7,975</b>	<b>4,814</b>	<b>8,379</b>	<b>27,994</b>	<b>16,429</b>	<b>30,971</b>	<b>47,926</b>	<b>29,258</b>	<b>29,874</b>	<b>43,368</b>

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 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, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://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") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

#### 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
- received compensation/other benefits from the subject company in the past 12 months
- 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.

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 warranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Disclaimer:

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

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website [www.motilaloswal.com](http://www.motilaloswal.com); CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)\*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579; PMS: INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP00000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.: 022-71881085.

\* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.