

# Ajanta Pharma

Estimate change



TP change



Rating change


**CMP: INR1,442**
**TP: INR1,700 (+18%)**
**Buy**
**Earnings growth led by US/Asia and better operating leverage**
**Toward end of major capex program**

	AJP IN
Bloomberg	
Equity Shares (m)	88
M.Cap.(INRb)/(USD\$b)	125.8 / 1.6
52-Week Range (INR)	1578 / 840
1, 6, 12 Rel. Per (%)	12/68/62
12M Avg Val (INR M)	217

**Financials & Valuations (INR b)**

Y/E MARCH	2020	2021E	2022E
Sales	25.9	28.4	32.1
EBITDA	7.0	7.5	8.8
Adj. PAT	4.5	5.0	6.1
EBIT Margin (%)	23.3	22.4	24.1
Cons. Adj. EPS (INR)	51.1	56.9	69.4
EPS Gr. (%)	15.1	11.2	22.1
BV/Sh. (INR)	293.8	339.6	391.9

**Ratios**

Net D:E	-0.1	-0.1	-0.1
RoE (%)	18.7	18.0	19.0
RoCE (%)	19.0	18.2	19.2
Payout (%)	16.3	19.5	24.7

**Valuations**

P/E (x)	28.5	25.6	21.0
EV/EBITDA (x)	18.2	16.8	14.1
Div. Yield (%)	0.6	0.8	1.2
FCF Yield (%)	0.5	0.7	2.3
EV/Sales (x)	4.9	4.5	3.9

**Shareholding pattern (%)**

As On	Mar-20	Dec-19	Mar-19
Promoter	70.5	70.5	70.5
DII	11.4	12.3	10.0
FII	8.9	7.9	9.8
Others	9.2	9.3	9.7

FII Includes depository receipts

■ Ajanta Pharma (AJP) ended FY20 on a healthy note with 15% earnings growth (v/s 12% compounded earnings decline over FY17-19), led by sales revival in Asia, Africa and new introductions in the US market. The company's major capex program would conclude in FY21 and only maintenance capex would be required FY22E onwards, indicating better free cash flow situation for AJP.

■ We reduce our EPS estimate for FY21 by 6% to factor in the COVID-19 led slowdown in the branded generics segment. Rollover to 22x (unchanged) 12M forward earnings gives us a price target of INR1,700 (from INR1,635 earlier). Maintain **Buy**.

**Higher revenue offsets impact of lower gross margins on earnings**

■ 4QFY20 revenues at INR6.8b (v/s est. INR6.3b) grew 32% YoY, led by exports (+43%YoY; 74% of sales). Within exports, US generic sales were up 88% YoY (INR1.4b) and emerging markets sales grew 38% YoY (INR3b). Domestic formulation sales grew 11% YoY to INR1.8b (~26% of sales).

■ Gross Margin (GM) came in at 74% and contracted 550bp YoY due to change in the product mix. AJP had forex loss of INR150m in other expenses. Adjusting for the same, EBITDA margin at 24.4% (v/s est. 25%) contracted ~30bp YoY due to lower Employee/Other expenses (-190bp/-340bp YoY as % of sales). EBITDA grew 31% YoY to INR1.7b (v/s est. INR1.6b).

■ During the quarter, AJP had forex gain of INR400m in other income. Adjusting for the same, PAT came in at INR1.1b (in-line), up 27% YoY.

■ FY20 revenue/EBITDA/Adj. PAT stood at INR25.9b/INR7b/INR4.5b, up 26%/22%/15% YoY, led by strong traction in exports (US/Asia/Africa).

**Highlights from management commentary**

■ During the year, AJP launched 7 new products in the US and has guided for ~10-12 filings for FY21. It had 23 ANDAs pending approval at end-FY20.

■ AJP has launched ~35 products in India with ~40% being first-to-market.

■ AJP launched 12/15 new products in Africa/Asia market in FY20.

■ AJP incurred capex of INR2.5b for FY20 and has guided for capex of INR2b for FY21 (INR750m for Guwahati Ophthalmology block and INR1.3b for maintenance). Considering AJP is in the last phase of capex, the company would have largely maintenance capex of INR1.2-1.3b FY22E onwards.

**Valuation and view**

■ We remain positive on AJP due to strong ANDA pipeline for the US market, new launches in the branded generics segment of Asia/Africa/India and better operating leverage.

■ We expect 17% earnings CAGR over FY20-22E. The COVID led disruption could be a dampener for earnings growth in FY21, and accordingly, we have cut our EPS estimate for FY21 by 6%; our EPS estimate for FY22E remains unchanged. Rolling our price target to 22x 12M forward earnings, we arrive at price target of INR1,700. Re-iterate **Buy**.

**Tushar Manudhane - Research Analyst** (Tushar.Manudhane@MotilalOswal.com); +91 22 6129 1536

**Hitakshi Chandrani - Research Analyst** (Hitakshi.Chandrani@motilalosal.com); +91 226129 1557/ **Bharat Hegde - Research Analyst**
**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

 Motilal Oswal research is available on [www.motilalosal.com/Institutional-Equities](http://www.motilalosal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

## Consol. - Quarterly perf.

(INR Million)

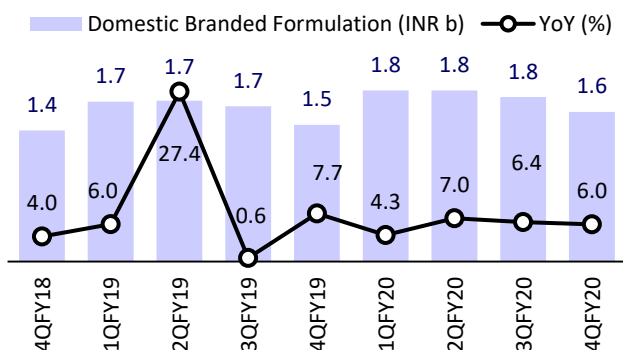
Y/E March	FY19				FY20				FY19	FY20	FY20	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>5,110</b>	<b>5,441</b>	<b>4,851</b>	<b>5,152</b>	<b>6,119</b>	<b>6,428</b>	<b>6,512</b>	<b>6,820</b>	<b>20,554</b>	<b>25,879</b>	<b>6,269</b>	<b>8.8</b>
YoY Change (%)	8.0	0.7	-17.4	-2.9	19.8	18.1	34.2	32.4	-3.5	25.9	21.7	
Total Expenditure	3,452	3,779	3,698	3,881	4,436	4,651	4,652	5,156	14,809	18,895	4,699	9.7
<b>EBITDA</b>	<b>1,658</b>	<b>1,662</b>	<b>1,153</b>	<b>1,271</b>	<b>1,684</b>	<b>1,776</b>	<b>1,860</b>	<b>1,663</b>	<b>5,744</b>	<b>6,983</b>	<b>1,569</b>	<b>6.0</b>
YoY Change (%)	26.9	-9.5	-41.6	-8.9	1.6	6.9	61.3	30.9	-11.8	21.6	23	
Depreciation	172	175	187	188	228	233	236	260	721	957	245	6.1
<b>EBIT</b>	<b>1,486</b>	<b>1,487</b>	<b>966</b>	<b>1,083</b>	<b>1,456</b>	<b>1,543</b>	<b>1,624</b>	<b>1,403</b>	<b>5,024</b>	<b>6,026</b>	<b>1,324</b>	<b>6</b>
YoY Change (%)	26.8	-12.1	-47.0	-11.8	-2.0	3.8	68.0	29.5	-15.1	20.0	22	
Interest	2	1	1	8	18	49	16	36	12	119	16	
Other Income	-2	152	44	16	76	132	146	167	211	522	101	65.4
<b>PBT before EO expense</b>	<b>1,483</b>	<b>1,638</b>	<b>1,010</b>	<b>1,092</b>	<b>1,515</b>	<b>1,626</b>	<b>1,754</b>	<b>1,534</b>	<b>5,223</b>	<b>6,429</b>	<b>1,409</b>	<b>8.9</b>
Extra-Ord expense	0	0	80	0	0	11	3	-225	80	-211	0	
<b>PBT</b>	<b>1,483</b>	<b>1,638</b>	<b>930</b>	<b>1,092</b>	<b>1,515</b>	<b>1,616</b>	<b>1,751</b>	<b>1,759</b>	<b>5,143</b>	<b>6,640</b>	<b>1,409</b>	<b>24.8</b>
Tax	425	385	261	203	368	452	676	467	1,273	1,963	328	42.3
Rate (%)	28.7	23.5	28.0	18.6	24.3	28.0	38.6	26.6	24.8	29.6	23.3	
MI & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>1,058</b>	<b>1,254</b>	<b>669</b>	<b>889</b>	<b>1,146</b>	<b>1,164</b>	<b>1,076</b>	<b>1,292</b>	<b>3,870</b>	<b>4,677</b>	<b>1,080</b>	<b>19.5</b>
<b>Adj PAT</b>	<b>1,058</b>	<b>1,254</b>	<b>727</b>	<b>889</b>	<b>1,146</b>	<b>1,171</b>	<b>1,078</b>	<b>1,126</b>	<b>3,930</b>	<b>4,522</b>	<b>1,080</b>	<b>4.3</b>
YoY Change (%)	11.6	-4.9	-50.7	-5.9	8.4	-6.6	48.3	26.7	-16.1	15.1	21.5	
Margins (%)	20.7	23.0	15.0	17.3	18.7	18.2	16.5	16.5	19.1	17.5	17.2	

## Key performance Indicators (Consolidated)

Y/E March	FY19				FY20				FY19	FY20
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>INRm</b>										
Domestic formulations	1,780	1,790	1,740	1,590	1,940	2,030	1,950	1,770	6,890	7,665
YoY Change (%)	24.5	0.6	8.7	7.4	9	13.4	12.1	11.3	9.5	11.2
Asia	1,290	1,350	1,210	1,430	1,260	1,810	1,580	2,090	5,290	6,295
YoY Change (%)	34.4	29.8	-24.8	8.3	-2.3	34.1	30.6	46.2	7.3	19
Africa	1,310	1,360	1,140	1,210	1,730	1,540	1,290	1,380	5,030	5,940
YoY Change (%)	-22	-37.6	-36.7	-29.7	32.1	13.2	13.2	14	-31.8	18.1
US	610	790	660	770	1,020	1,110	1,590	1,430	2,830	5,202
YoY Change (%)	13	203.8	-7	83.3	67.2	40.5	140.9	85.7	46.6	83.8
<b>Cost Break-up</b>										
RM Cost (% of Sales)	16.5	17.6	20.2	20.5	23.3	25.9	26	26	18.7	25.3
Staff Cost (% of Sales)	20.5	19.4	23.2	20.8	19.3	18.3	18.5	19	21	18.8
R&D Expenses (% of Sales)	8	9.2	9.3	7.8	6.5	6.2	5.4	7.2	8.6	6.3
Other Cost (% of Sales)	30.6	32.4	32.8	34	29.9	28.2	27	30.6	32.4	28.9
Gross Margins(%)	83.5	82.4	79.8	79.5	76.7	74.1	74	74	81.3	74.7
EBITDA Margins(%)	32.4	30.5	23.8	24.7	27.5	27.6	28.6	24.4	27.9	27
EBIT Margins(%)	29.1	27.3	19.9	21	23.8	24	24.9	20.6	24.4	23.3

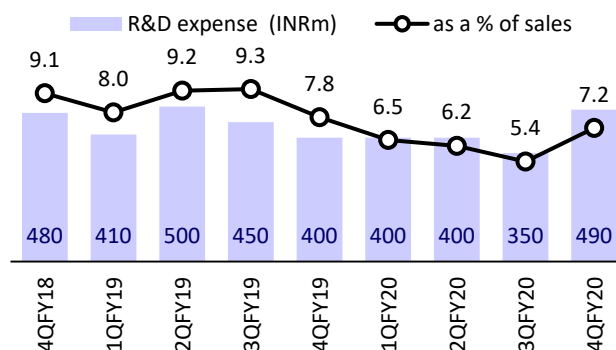
## Key exhibits

**Exhibit 1: Domestic branded segment grew 6% YoY in 4QFY20**



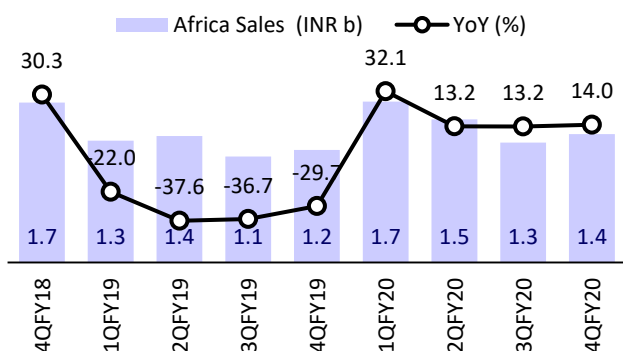
Source: MOFSL, Company

**Exhibit 2: Stable R&D spends toward building US generics**



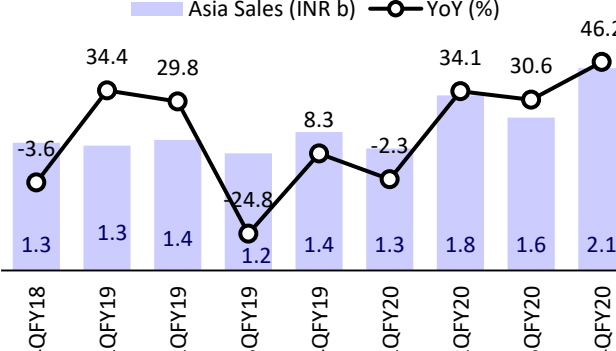
Source: MOFSL, Company

**Exhibit 3: Africa sales grew 14% in 4QFY20**



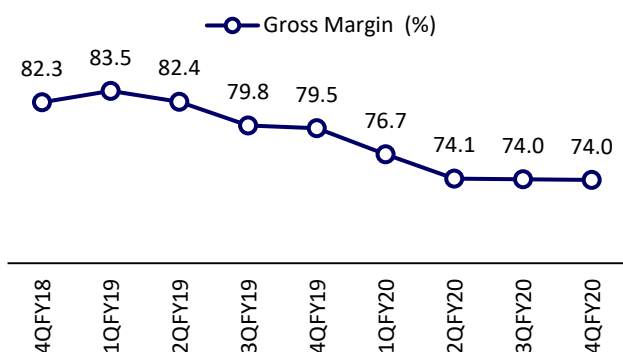
Source: MOFSL, Company

**Exhibit 4: Asia business grew at robust rate of 46% YoY**



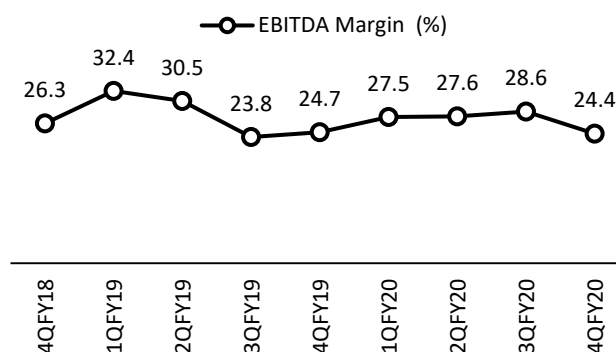
Source: MOFSL, Company

**Exhibit 5: Gross margin contracted 550bp YoY...**



Source: MOFSL, Company

**Exhibit 6: ...while EBITDA margin contracted only 30bp YoY**



Source: MOFSL, Company

### Valuation and view

#### Branded generics: Near term to be impacted by COVID-19; Medium-to-long-term outlook remains promising

- AJP exhibited revival in the branded generics segment in FY20 growing 27%/14% YoY in Asia/Africa (v/s subdued 7% growth in Asia/decline of 14% in Africa for FY19).
- Further, the domestic formulation segment maintained an uptrend in the growth trajectory with 9.6% YoY growth in FY20.
- The branded generics segment in Asia/Africa/India forms about 70% of sales for AJP.
- With new launches, increased market share in existing products and better MR productivity, we expect AJP to sustain its growth momentum with 10% sales CAGR over FY20-22E.
- While there could be near-term headwinds for the branded generic segment due to the COVID-19 led disruption, AJP should be back on strong growth path as the lockdown eases.

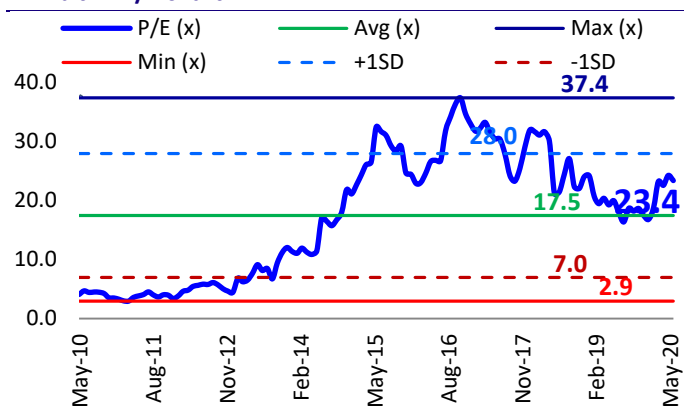
#### Tracking well in US with healthy ANDA pipeline and minimal regulatory risk

From USD2.7m in FY16, AJP has reached USD70m in FY20. This is on the back of 30 commercial launches in US generics. With 23 ANDAs pending for approval, we expect the company to post 15% sales CAGR to USD96m over FY20-22E. AJP has also sound record of USFDA inspection, implying minimal regulatory risk.

### Valuation and view

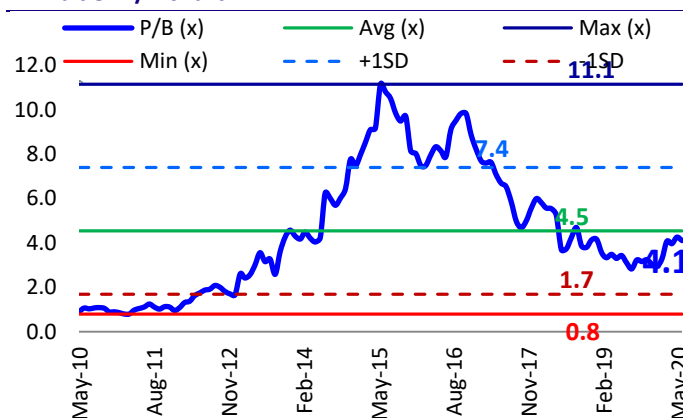
We expect 17% earnings CAGR over FY20-22E. The COVID-19 led disruption could be a dampener for earnings growth in FY21. Accordingly, we have cut our estimate for FY21 by 6%. We have maintained our EPS estimate for FY22E and rolled our price target to 22x 12M forward earnings to arrive at price target of INR1,700. We remain positive on AJP on the back of strong ANDA pipeline for the US market, new launches in branded generics segment of Asia/Africa/India and better operating leverage. Reiterate **Buy**.

Exhibit 7: P/E chart



Source: MOFSL, Company, Bloomberg

Exhibit 8: P/B chart



Source: MOFSL, Company, Bloomberg

## Financials and Valuations

### Consolidated - Income Statement

(INR Million)

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
<b>Total Income from Operations</b>	<b>12,160</b>	<b>14,852</b>	<b>17,494</b>	<b>20,016</b>	<b>21,309</b>	<b>20,554</b>	<b>25,879</b>	<b>28,384</b>	<b>32,066</b>
Change (%)	29.8	22.1	17.8	14.4	6.5	-3.5	25.9	9.7	13.0
<b>EBITDA</b>	<b>3,688</b>	<b>5,052</b>	<b>5,871</b>	<b>6,890</b>	<b>6,584</b>	<b>5,744</b>	<b>6,983</b>	<b>7,522</b>	<b>8,818</b>
Margin (%)	30.3	34.0	33.6	34.4	30.9	27.9	27.0	26.5	27.5
Depreciation	439	516	444	612	596	721	957	1,171	1,094
<b>EBIT</b>	<b>3,249</b>	<b>4,536</b>	<b>5,426</b>	<b>6,278</b>	<b>5,988</b>	<b>5,024</b>	<b>6,026</b>	<b>6,350</b>	<b>7,724</b>
Int. and Finance Charges	87	59	49	35	4	12	119	111	111
Other Income	137	168	212	239	242	211	522	511	577
<b>PBT bef. EO Exp.</b>	<b>3,299</b>	<b>4,645</b>	<b>5,589</b>	<b>6,482</b>	<b>6,226</b>	<b>5,223</b>	<b>6,429</b>	<b>6,750</b>	<b>8,190</b>
EO Items	0	-85	0	0	0	80	211	0	0
<b>PBT after EO Exp.</b>	<b>3,299</b>	<b>4,560</b>	<b>5,589</b>	<b>6,482</b>	<b>6,226</b>	<b>5,143</b>	<b>6,640</b>	<b>6,750</b>	<b>8,190</b>
Total Tax	960	1,462	1,433	1,413	1,539	1,273	1,963	1,721	2,048
Tax Rate (%)	29.1	32.0	25.6	21.8	24.7	24.8	29.6	25.5	25.0
<b>Reported PAT</b>	<b>2,339</b>	<b>3,099</b>	<b>4,156</b>	<b>5,068</b>	<b>4,686</b>	<b>3,870</b>	<b>4,677</b>	<b>5,029</b>	<b>6,143</b>
<b>Adjusted PAT</b>	<b>2,339</b>	<b>3,156</b>	<b>4,156</b>	<b>5,068</b>	<b>4,686</b>	<b>3,930</b>	<b>4,522</b>	<b>5,029</b>	<b>6,143</b>
Change (%)	108.6	34.9	31.7	21.9	-7.5	-16.1	15.1	11.2	22.1
Margin (%)	19.2	21.3	23.8	25.3	22.0	19.1	17.5	17.7	19.2

### Consolidated - Balance Sheet

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Equity Share Capital	177	177	177	177	175	175	175	175	175
Total Reserves	5,756	8,234	11,732	15,500	20,237	22,277	25,813	29,862	34,487
<b>Net Worth</b>	<b>5,933</b>	<b>8,411</b>	<b>11,909</b>	<b>15,677</b>	<b>20,412</b>	<b>22,452</b>	<b>25,989</b>	<b>30,037</b>	<b>34,662</b>
Total Loans	1,305	724	814	10	11	7	7	7	7
Deferred Tax Liabilities	230	152	107	29	244	271	558	558	558
<b>Capital Employed</b>	<b>7,468</b>	<b>9,286</b>	<b>12,829</b>	<b>15,716</b>	<b>20,667</b>	<b>22,730</b>	<b>26,553</b>	<b>30,601</b>	<b>35,227</b>
Gross Block	4,903	5,499	7,157	8,949	14,172	16,152	20,045	22,550	25,021
Less: Accum. Deprn.	2,109	2,618	2,650	3,058	3,646	4,366	5,324	6,495	7,589
<b>Net Fixed Assets</b>	<b>2,794</b>	<b>2,881</b>	<b>4,507</b>	<b>5,892</b>	<b>10,527</b>	<b>11,786</b>	<b>14,721</b>	<b>16,055</b>	<b>17,432</b>
Capital WIP	936	1,702	2,398	3,393	613	2,613	1,319	1,714	1,443
<b>Total Investments</b>	<b>635</b>	<b>595</b>	<b>860</b>	<b>1,909</b>	<b>2,044</b>	<b>888</b>	<b>476</b>	<b>476</b>	<b>476</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>5,130</b>	<b>6,286</b>	<b>7,028</b>	<b>7,039</b>	<b>11,077</b>	<b>11,357</b>	<b>16,417</b>	<b>17,825</b>	<b>22,005</b>
Inventory	1,554	1,590	2,046	2,110	3,506	4,357	4,957	6,573	7,516
Account Receivables	2,022	2,588	3,724	3,232	4,920	4,595	7,753	6,999	8,082
Cash and Bank Balance	604	1,368	434	713	932	1,005	2,053	2,320	4,223
Loans and Advances	949	740	825	985	1,719	1,400	1,655	1,933	2,184
<b>Curr. Liability &amp; Prov.</b>	<b>2,026</b>	<b>2,177</b>	<b>1,965</b>	<b>2,516</b>	<b>3,592</b>	<b>3,913</b>	<b>6,379</b>	<b>5,468</b>	<b>6,128</b>
Account Payables	1,245	1,298	1,650	1,781	2,852	2,251	3,623	3,172	3,535
Other Current Liabilities	325	188	176	562	321	1,278	2,230	1,765	1,994
Provisions	455	691	139	173	419	384	526	530	599
<b>Net Current Assets</b>	<b>3,104</b>	<b>4,108</b>	<b>5,063</b>	<b>4,524</b>	<b>7,485</b>	<b>7,444</b>	<b>10,038</b>	<b>12,358</b>	<b>15,877</b>
<b>Appl. of Funds</b>	<b>7,468</b>	<b>9,286</b>	<b>12,829</b>	<b>15,716</b>	<b>20,667</b>	<b>22,730</b>	<b>26,553</b>	<b>30,601</b>	<b>35,227</b>

## Financials and Valuations

Ratios	(INR Million)								
Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>26.4</b>	<b>35.7</b>	<b>47.0</b>	<b>57.3</b>	<b>53.0</b>	<b>44.4</b>	<b>51.1</b>	<b>56.9</b>	<b>69.4</b>
Cash EPS	31.4	41.5	52.0	64.2	59.7	52.6	61.9	70.1	81.8
BV/Share	67.1	95.1	134.6	177.2	230.8	253.8	293.8	339.6	391.9
DPS	4.0	6.0	13.9	12.9	0.0	9.0	8.6	11.1	17.2
Payout (%)	17.6	18.9	29.6	22.6	0.0	20.5	16.3	19.5	24.7
<b>Valuation (x)</b>									
P/E	55.1	40.9	31.0	25.4	27.5	32.8	28.5	25.6	21.0
Cash P/E	46.4	35.1	28.0	22.7	24.4	27.7	23.5	20.8	17.8
P/BV	21.7	15.3	10.8	8.2	6.3	5.7	5.0	4.3	3.7
EV/Sales	10.7	8.6	7.4	6.4	6.0	6.2	4.9	4.5	3.9
EV/EBITDA	35.2	25.4	22.0	18.6	19.4	22.3	18.2	16.8	14.1
Dividend Yield (%)	0.3	0.4	1.0	0.9	0.0	0.6	0.6	0.8	1.2
FCF per share	2.8	19.9	3.2	34.8	-1.6	7.8	7.5	9.6	33.4
<b>Return Ratios (%)</b>									
RoE	47.4	44.0	40.9	36.7	26.0	18.3	18.7	18.0	19.0
RoCE	38.7	39.0	38.4	35.9	26.0	18.4	19.0	18.2	19.2
RoIC	45.9	56.5	54.7	52.1	33.7	21.4	20.7	19.4	21.0
<b>Working Capital Ratios</b>									
Asset Turnover (x)	1.6	1.6	1.4	1.3	1.0	0.9	1.0	0.9	0.9
Inventory (Days)	47	39	43	38	60	77	66	85	86
Debtor (Days)	61	64	78	59	84	82	109	90	92
Creditor (Days)	37	32	34	32	49	40	51	41	40
<b>Leverage Ratio (x)</b>									
Net Debt/Equity	0.0	-0.1	0.0	-0.2	-0.1	-0.1	-0.10	-0.09	-0.14

Consolidated - Cash Flow Statement	(INR Million)								
Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
OP/(Loss) before Tax	3,299	4,560	5,589	6,482	6,226	5,303	6,218	6,750	8,190
Depreciation	439	516	444	612	596	721	957	1,171	1,094
Interest & Finance Charges	87	59	49	35	-238	-199	-403	-400	-466
Direct Taxes Paid	-937	-1,461	-1,615	-1,428	-1,539	-1,273	-1,963	-1,721	-2,048
(Inc)/Dec in WC	-745	-817	-1,243	285	-2,742	115	-1,548	-2,052	-1,617
<b>CF from Operations</b>	<b>2,142</b>	<b>2,858</b>	<b>3,224</b>	<b>5,986</b>	<b>2,302</b>	<b>4,667</b>	<b>3,262</b>	<b>3,749</b>	<b>5,154</b>
Others	-18	-64	38	95	0	0	0	0	0
<b>CF from Operating incl EO</b>	<b>2,124</b>	<b>2,794</b>	<b>3,262</b>	<b>6,081</b>	<b>2,302</b>	<b>4,667</b>	<b>3,262</b>	<b>3,749</b>	<b>5,154</b>
(Inc)/Dec in FA	-1,878	-1,036	-2,975	-3,002	-2,444	-3,979	-2,599	-2,900	-2,200
<b>Free Cash Flow</b>	<b>246</b>	<b>1,759</b>	<b>287</b>	<b>3,079</b>	<b>-141</b>	<b>688</b>	<b>663</b>	<b>849</b>	<b>2,954</b>
(Pur)/Sale of Investments	0	-45	-36	-914	-135	1,155	413	0	0
Others	97	102	-11	182	241	211	522	511	577
<b>CF from Investments</b>	<b>-1,781</b>	<b>-979</b>	<b>-3,022</b>	<b>-3,734</b>	<b>-2,338</b>	<b>-2,613</b>	<b>-1,664</b>	<b>-2,389</b>	<b>-1,623</b>
Inc/(Dec) in Debt	57	-581	218	-746	1	-5	1	0	0
Interest Paid	-87	-60	-49	-35	-4	-12	-119	-111	-111
Dividend Paid	-171	-411	-1,342	-1,287	b	-792	-762	-981	-1,517
<b>CF from Fin. Activity</b>	<b>-201</b>	<b>-1,052</b>	<b>-1,173</b>	<b>-2,068</b>	<b>253</b>	<b>-1,979</b>	<b>-551</b>	<b>-1,092</b>	<b>-1,628</b>
<b>Inc/Dec of Cash</b>	<b>142</b>	<b>764</b>	<b>-934</b>	<b>279</b>	<b>218</b>	<b>74</b>	<b>1,047</b>	<b>268</b>	<b>1,903</b>
Opening Balance	462	604	1,368	434	713	931	1,005	2,053	2,320
<b>Closing Balance</b>	<b>604</b>	<b>1,368</b>	<b>434</b>	<b>713</b>	<b>930</b>	<b>1,005</b>	<b>2,053</b>	<b>2,320</b>	<b>4,223</b>

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 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.

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.: INP00004409) 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](mailto: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.