

Estimate change



TP change



Rating change



Bloomberg	LPC IN
Equity Shares (m)	453
M.Cap.(INRb)/(USDb)	484 / 5.8
52-Week Range (INR)	1078 / 603
1, 6, 12 Rel. Per (%)	19/35/49
12M Avg Val (INR M)	921

#### Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Sales	166.4	190.2	213.0
EBITDA	17.6	29.5	34.9
Adj. PAT	3.9	12.6	16.1
EBIT Margin (%)	5.3	10.4	11.8
Cons. Adj. EPS (INR)	8.6	27.7	35.4
EPS Gr. (%)	-55.0	221.5	27.8
BV/Sh. (INR)	273.9	302.7	335.1

#### Ratios

Net D:E	0.3	0.2	0.2
RoE (%)	3.2	9.6	11.1
RoCE (%)	3.5	8.9	9.9
Payout (%)	24.7	9.3	8.3

#### Valuations

P/E (x)	123.2	38.3	30.0
EV/EBITDA (x)	25.1	14.9	12.4
Div. Yield (%)	0.2	0.2	0.2
FCF Yield (%)	-0.3	1.3	2.8
EV/Sales (x)	2.6	2.3	2.0

#### Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	47.1	47.1	47.1
DII	29.4	29.2	27.2
FII	13.9	13.3	14.3
Others	9.6	10.4	11.5

FII Includes depository receipts

**CMP: INR1,064**
**TP: INR820 (-23%)**
**SELL**

### Niche approval to aid further improvement in profitability

#### Valuation remains expensive

- Lupin (LPC) delivered better-than-expected 1QFY24 performance, on the back of improved traction across geographies, lower raw material costs, and reduced tax rate. The earnings performance is expected to be further boosted by niche launches (g-Spiriva) in the coming quarters.
- We raise our earnings estimate by 7%/5% for FY24/FY25 factoring a) superior growth in domestic formulation (DF) segment, b) healthy product launches in US generics, and c) lower tax rate. We value LPC at 22x 12M forward earnings to arrive at a price target of INR820.
- The earnings outlook is expected to improve with the commercialization of limited competition products and the enhancement of the base business. Having said this, the return ratios remain subdued (~10% for FY25). Further, the valuation at 39x FY24 EPS of INR28 and 31x FY25E EPS of INR35 is expensive. We reiterate our SELL rating on the stock.

#### Product mix drives better profitability YoY/QoQ

- LPC 1QFY24 revenues grew 23% YoY to INR46b (our est. INR44.4b). The revenue has been adjusted for a one-time NCE income of INR2b for the quarter. US sales grew 57.4% YoY to INR15.9b (up 50% YoY in CC to USD181m; 35% of sales). US sales are stable on a QoQ basis. Domestic formulation (DF) sales grew 9.8% YoY to INR16.3b (36% of sales). API sales grew 32% YoY to INR3.4b (7% of sales). ROW sales grew 85% YoY to INR1.6b (4% of sales). EMEA sales grew 19.6% YoY to INR4b (9% of sales). Growth market sales declined 4% YoY to INR4.1b (9% of sales).
- Gross Margin (GM) expanded 740bp YoY to 64.4%, due to a better product mix.
- EBITDA margin expanded 980bp YoY to 14.1%, largely due to a decrease in employee costs (down 250bp YoY as a percentage of sales), lower R&D spend (down 130bp YoY as a percentage of sales), offset by an increase in 'other expense' (up 140bp as a percentage of sales).
- As a result, EBITDA grew almost 4x YoY to INR6.5b (our est. INR6b).
- Adjusted for the milestone income of INR2b, PAT stood at INR2.8b (our est: INR2b).

#### Highlights from the management commentary

- LPC guided for launching g-Spiriva in 2QFY24 and the ramp-up is expected to be gradual. Interestingly, there is no authorized generic launch yet in the market.
- The filing for g-Risperdal consta is expected in 2QFY24 and the launch timeline is anticipated to 2+ years from that point.
- The API segment has witnessed a higher off-take of 7-ACA and cephalosporin, driving YoY growth in the API segment.
- USFDA compliance at Pithampur unit 2 provides improved visibility of g-Prolensa launch.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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## Quarterly Performance (Consolidated)

(INRm)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	% Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	
<b>Net Sales</b>	<b>37,438</b>	<b>41,455</b>	<b>43,222</b>	<b>44,301</b>	<b>46,087</b>	<b>48,077</b>	<b>48,728</b>	<b>47,339</b>	<b>1,66,417</b>	<b>1,90,230</b>	<b>44,402</b>	<b>3.8</b>
YoY Change (%)	-3.9	1.3	3.9	14.1	23.1	16.0	12.7	6.9	3.8	14.3	18.6	
Total Expenditure	35,799	37,114	37,662	38,260	39,574	40,961	40,980	39,229	1,48,835	1,60,745	38,452	
<b>EBITDA</b>	<b>1,639</b>	<b>4,342</b>	<b>5,560</b>	<b>6,041</b>	<b>6,513</b>	<b>7,115</b>	<b>7,748</b>	<b>8,110</b>	<b>17,582</b>	<b>29,486</b>	<b>5,950</b>	<b>9.5</b>
YoY Change (%)	-70.4	-27.2	-1.4	114.0	297.3	63.9	39.3	34.3	-11.9	67.7	262.9	
Margins (%)	4.4	10.5	12.9	13.6	14.1	14.8	15.9	17.1	10.6	15.5	13.4	
Depreciation	1,928	2,035	2,204	2,640	2,347	2,450	2,550	2,450	8,807	9,796	2,350	
<b>EBIT</b>	<b>-289</b>	<b>2,307</b>	<b>3,356</b>	<b>3,401</b>	<b>4,166</b>	<b>4,665</b>	<b>5,198</b>	<b>5,660</b>	<b>8,775</b>	<b>19,689</b>	<b>3,600</b>	<b>15.7</b>
YoY Change (%)	-108.4	-40.0	-6.9	304.1	LP	102.2	54.9	66.5	-25.3	124.4	LP	
Margins (%)	-0.8	5.6	7.8	7.7	9.0	9.7	10.7	12.0	5.3	10.4	8.1	
Interest	428	549	841	926	856	950	970	1,031	2,743	3,807	970	
Other Income	56	149	180	373	228	230	240	252	757	950	290	
EO Exp/(Inc)	-684	-188	234	263	-2,053	0	0	0	-375	-2,053	0	
<b>PBT</b>	<b>23</b>	<b>2,096</b>	<b>2,461</b>	<b>2,585</b>	<b>5,591</b>	<b>3,945</b>	<b>4,468</b>	<b>4,882</b>	<b>7,165</b>	<b>18,886</b>	<b>2,920</b>	<b>91.5</b>
Tax	891	751	885	161	1,055	967	1,139	1,384	2,688	4,545	818	
Rate (%)	3,907.5	35.8	36.0	6.2	18.9	24.5	25.5	28.4	37.5	24.1	28.0	
Minority Interest	-23	-47	-42	-64	-11	-20	-21	-44	-176	-96	-22	
<b>Reported PAT</b>	<b>-891</b>	<b>1,297</b>	<b>1,535</b>	<b>2,360</b>	<b>4,525</b>	<b>2,959</b>	<b>3,307</b>	<b>3,453</b>	<b>4,301</b>	<b>14,245</b>	<b>2,080</b>	<b>117.5</b>
<b>Adj PAT</b>	<b>-1,552</b>	<b>1,177</b>	<b>1,684</b>	<b>2,606</b>	<b>2,855</b>	<b>2,959</b>	<b>3,307</b>	<b>3,453</b>	<b>3,915</b>	<b>12,574</b>	<b>2,080</b>	<b>37.2</b>
YoY Change (%)	-164.0	-61.5	-37.5	399.9	LP	151.5	96.4	32.5	-55.0	221.1	LP	
Margins (%)	-4.1	2.8	3.9	5.9	6.2	6.2	6.8	7.3	2.4	6.6	4.7	

E: MOFSL estimates

## Key performance Indicators (Consolidated)

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E	
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
Domestic formulations	14,920	15,841	15,213	14,785	16,384	17,187	16,430	15,922	60,759	65,924	16,412
YoY Change (%)	(8.8)	2.6	3.3	9.4	9.8	8.5	8.0	7.7	1.2	8.5	10.0
US formulations	10,104	13,295	15,271	15,503	15,905	17,010	18,225	17,969	54,173	69,109	14,580
YoY Change (%)	(24.2)	(7.0)	(3.2)	9.5	57.4	27.9	19.3	15.9	(5.9)	27.6	44.3
Europe	1,936	2,159	2,119	2,575	2,601	2,548	2,564	2,491	9,023	10,204	2,517
YoY Change (%)	56.0	26.7	13.8	30.7	34.3	18.0	21.0	(3.3)	24.7	13.1	30.0
ROW	6,529	7,118	7,028	7,213	7,108	7,837	7,987	7,826	27,653	30,757	7,359
YoY Change (%)	24.4	20.1	18.3	6.1	8.9	10.1	13.6	8.5	0.0	0.0	12.7
API	2,551	2,499	2,815	3,226	3,371	2,874	2,871	2,619	11,092	11,735	2,934
YoY Change (%)	3.7	(6.7)	9.8	46.4	32.1	15.0	2.0	(18.8)	12.0	5.8	15.0
<b>Cost Break-up</b>											
RM Cost (% of Sales)	43.0	41.3	39.5	39.5	35.6	35.4	34.5	34.1	41.7	35.4	39.3
Staff Cost (% of Sales)	20.8	18.6	17.7	17.4	18.3	17.9	18.0	18.6	19.0	18.4	17.6
R&D Expenses(% of Sales)	9.3	8.1	6.7	6.9	8.0	7.7	7.7	7.4	7.9	7.8	7.7
Other Cost (% of Sales)	22.5	21.5	23.3	22.5	24.0	24.2	23.9	22.7	23.0	24.0	22.0
Gross Margins(%)	57.0	58.7	60.5	60.5	64.4	64.6	65.5	65.9	58.3	64.6	60.7
EBITDA Margins(%)	4.4	10.5	12.9	13.6	14.1	14.8	15.9	17.1	10.6	15.5	13.4
EBIT Margins(%)	-0.8	5.6	7.8	7.7	9.0	9.7	10.7	12.0	5.3	10.4	8.1

E: MOFSL Estimates

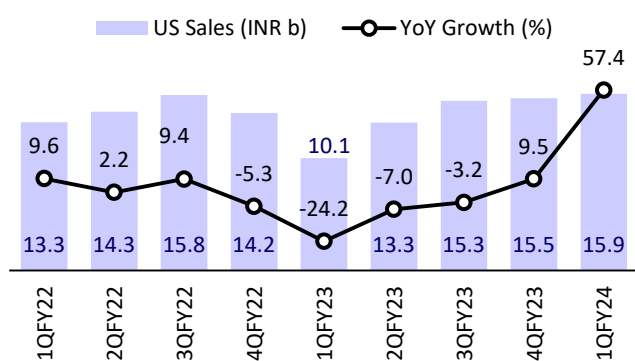


## Highlights from the management commentary

- There are about nine products under development in the injectable segment.
- About 20%/20%/10% of R&D spend is on inhalation/injectable/biosimilar segment.
- R&D spend is expected to be stable on an absolute basis at the current quarterly run-rate.
- Ondero would be off-patent over the near term, affecting DF growth to some extent. Having said this, LPC has enhanced efforts to outperform the industry, going forward. It intends to add 500MRs annually FY25 onwards.
- Three out of five sites have been cleared of the warning letter from USFDA.

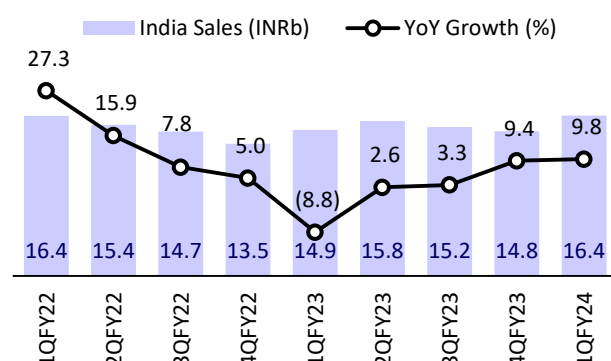
## Key exhibits

**Exhibit 1: US sales increased 57% YoY in 1QFY24**



Source: MOFSL, Company

**Exhibit 2: DF sales up 10% YoY in 1QFY24**



Source: MOFSL, Company

## Increase in new launches/revival of key therapies to improve profitability

### Reduced price erosion/niche launches to fuel growth in the US

- In 1QFY24, US sales grew 57.4% YoY to INR16b (USD181m; up 50% in CC terms) due to a one-off adjustment of discontinuation of 15 products and shelf-stock adjustments.
- However, on a QoQ basis, the US business has seen a gradual pickup, due to reduced intensity of price erosion, coupled with launches of niche products such as g-Darunavir. In 1QFY24, LPC has received 4 ANDA approvals. LPC launched three products in 1QFY24.
- LPC continues to implement its efforts on high value complex generic product in the inhaler and injectable category.
- Accordingly, we expect a 29% CAGR in US sales to USD1b over FY23-25.

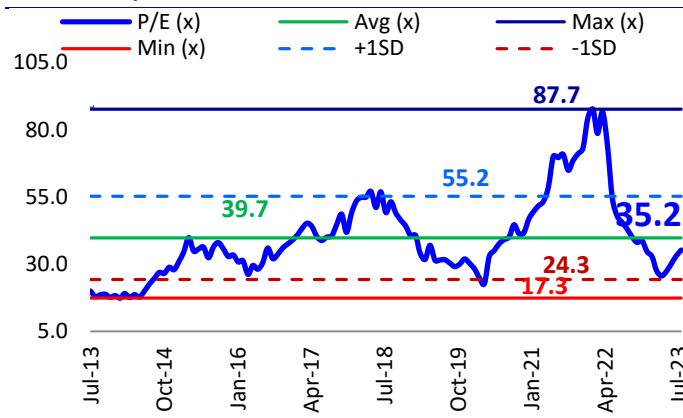
### DF – Revival in cardiac/respiratory and improved MR productivity to drive growth

- In 1QFY24, DF sales grew at 10% YoY to INR16b, due to revival of growth in key therapies such as cardiac/respiratory and strong outperformance in anti-infective therapy as per IMS.
- In 1QFY24, Anti-infective/ Respiratory/ Gynaecology outperformed IPM by 660bp/630bp/610bp, offsetting the decline in diabetics.
- LPC is witnessing the sign of recovery in diabetic portfolio as its key brand Cidmus (sacubitril valsartan) is witnessing a decline in competition.
- While ondero (Linagliptin), which is expected to go off patent in Aug'23 might hamper the sales due to generalization.
- LPC has ~9100 MRs and taken steps to improve productivity.
- Accordingly, we expect a 9% CAGR in DF sales to INR72.5b over FY23-25.

### Reiterate Sell

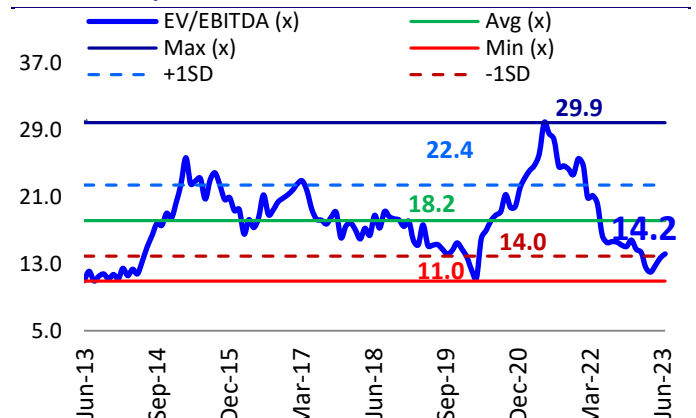
- We raise our earnings estimate by 7%/5% for FY24/FY25 factoring a) superior growth in domestic formulation (DF) segment, b) healthy product launches in US generics, and c) lower tax rate. We value LPC at 22x 12M forward earnings to arrive at a price target of INR820.
- The earnings outlook is expected to improve with the commercialization of limited competition products and the enhancement of the base business. Having said this, the return ratios remain subdued (~10% for FY25). Further, the valuation at 39x FY24 EPS of INR28 and 31x FY25E EPS of INR35 is expensive. We reiterate our SELL rating on the stock.

Exhibit 3: P/E chart



Source: MOFSL, Company, Bloomberg

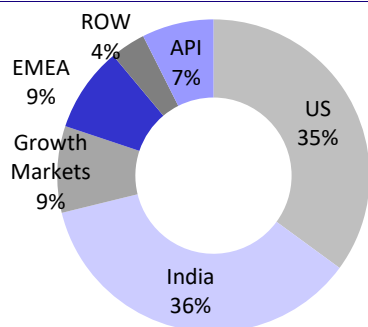
Exhibit 4: EV/EBITDA chart



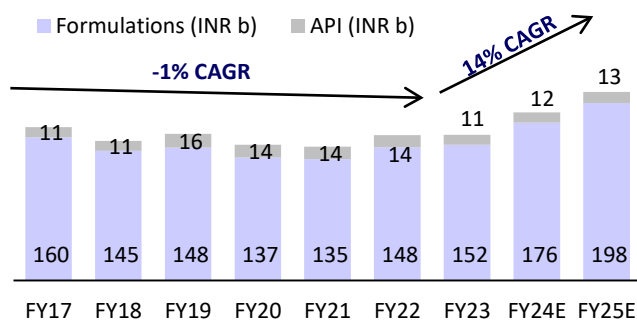
Source: MOFSL, Company, Bloomberg

## Story in charts

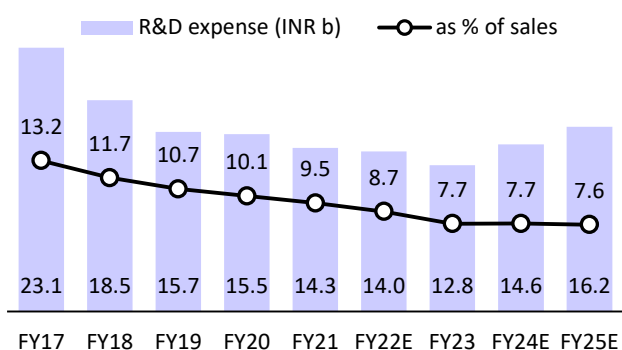
**Exhibit 5: Revenue mix in 1QFY24**



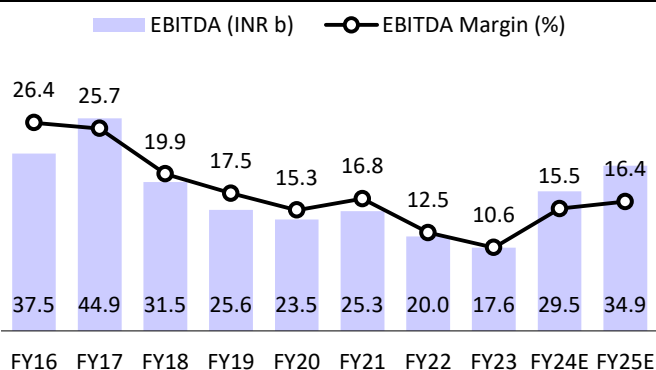
**Exhibit 6: Expect 14% sales CAGR over FY23-25**



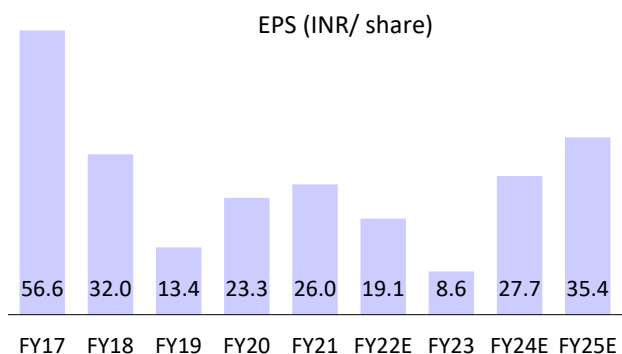
**Exhibit 7: R&D spend as a percentage of sales to moderate**



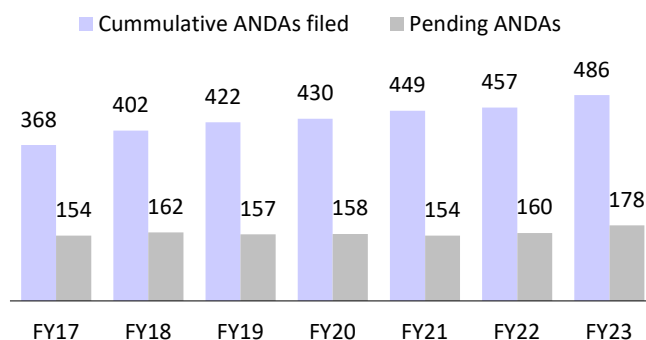
**Exhibit 8: EBITDA margin to expand 580bp over FY23-25**



**Exhibit 9: Expect EPS to be ~3x over FY23-25**



**Exhibit 10: Rich ANDA pipeline**



Source: MOFSL, Company,

## Financials and valuations

Income Statement										(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Net Sales</b>	<b>1,42,085</b>	<b>1,74,943</b>	<b>1,58,041</b>	<b>1,46,646</b>	<b>1,53,748</b>	<b>1,50,930</b>	<b>1,60,321</b>	<b>1,66,417</b>	<b>1,90,230</b>	<b>2,13,008</b>
Change (%)	11.3	23.1	-9.7	-7.2	4.8	-1.8	6.2	3.8	14.3	12.0
<b>EBITDA</b>	<b>37,534</b>	<b>44,931</b>	<b>31,475</b>	<b>25,607</b>	<b>23,548</b>	<b>25,316</b>	<b>19,968</b>	<b>17,582</b>	<b>29,486</b>	<b>34,930</b>
Margin (%)	26.4	25.7	19.9	17.5	15.3	16.8	12.5	10.6	15.5	16.4
Depreciation	4,635	9,122	10,859	8,461	9,702	8,874	8,220	8,807	9,796	9,812
<b>EBIT</b>	<b>32,899</b>	<b>35,809</b>	<b>20,616</b>	<b>17,147</b>	<b>13,846</b>	<b>16,442</b>	<b>11,748</b>	<b>8,775</b>	<b>19,689</b>	<b>25,119</b>
Int. and Finance Charges	446	1,525	2,044	3,025	3,630	1,406	1,428	2,743	3,807	3,497
Other Income - Rec.	1,877	1,065	1,504	3,330	3,578	1,479	1,504	757	950	840
<b>PBT before EO item</b>	<b>34,330</b>	<b>35,349</b>	<b>20,076</b>	<b>17,452</b>	<b>13,794</b>	<b>16,515</b>	<b>11,824</b>	<b>6,790</b>	<b>16,833</b>	<b>22,462</b>
EO Expense/(Income)	0	0	14,644	3,400	6,261	-236	25,550	-375	-2,053	0
<b>PBT after EO item</b>	<b>34,330</b>	<b>35,349</b>	<b>5,433</b>	<b>14,052</b>	<b>7,533</b>	<b>16,751</b>	<b>-13,726</b>	<b>7,165</b>	<b>18,886</b>	<b>22,462</b>
Tax	11,536	9,785	2,885	8,879	11,571	4,485	1,372	2,688	4,545	6,290
Tax Rate (%)	33.6	27.7	53.1	63.2	153.6	26.8	-10.0	37.5	24.1	28.0
Less: Minority Interest	88	-11	36	52	-43	-101	-183	-176	-96	-97
<b>Reported PAT</b>	<b>22,707</b>	<b>25,574</b>	<b>2,512</b>	<b>5,121</b>	<b>-3,995</b>	<b>12,165</b>	<b>-15,280</b>	<b>4,301</b>	<b>14,245</b>	<b>16,075</b>
<b>PAT Adj for EO items</b>	<b>22,707</b>	<b>25,574</b>	<b>14,455</b>	<b>6,066</b>	<b>10,572</b>	<b>11,790</b>	<b>8,699</b>	<b>3,915</b>	<b>12,574</b>	<b>16,075</b>
Change (%)	-5.5	12.6	-43.5	-58.0	74.3	11.5	-26.2	-55.0	221.1	27.8
Margin (%)	16.0	14.6	9.1	4.1	6.9	7.8	5.4	2.4	6.6	7.5

Consolidated Balance Sheet										(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	901	903	904	905	906	907	909	910	909	909
Total Reserves	1,08,943	1,34,072	1,34,866	1,36,517	1,24,461	1,37,124	1,20,624	1,23,695	1,36,650	1,51,399
<b>Net Worth</b>	<b>1,09,844</b>	<b>1,34,975</b>	<b>1,35,771</b>	<b>1,37,422</b>	<b>1,25,367</b>	<b>1,38,031</b>	<b>1,21,533</b>	<b>1,24,605</b>	<b>1,37,559</b>	<b>1,52,308</b>
Minority Interest	321	345	401	469	445	550	687	783	879	976
Deferred liabilities	1,239	-1,128	-4,310	-4,457	252	496	711	738	738	738
Secured Loan	53,739	61,243	67,722	70,546	25,180	6,133	6,147	4,153	2,152	152
Unsecured Loan	17,454	23,183	4,518	15,802	24,928	30,494	37,023	42,165	42,165	42,165
Total Loans	71,193	84,426	72,240	86,347	50,108	36,627	43,170	46,318	44,317	42,317
<b>Capital Employed</b>	<b>1,82,596</b>	<b>2,18,619</b>	<b>2,04,101</b>	<b>2,19,781</b>	<b>1,76,172</b>	<b>1,75,704</b>	<b>1,66,101</b>	<b>1,72,444</b>	<b>1,83,493</b>	<b>1,96,339</b>
Gross Block	55,887	55,265	63,687	72,189	76,431	85,479	95,368	1,05,127	1,13,101	1,20,113
Less: Accum. Deprn.	23,262	8,902	14,613	23,073	32,776	41,650	49,870	58,677	68,473	78,284
<b>Net Fixed Assets</b>	<b>32,625</b>	<b>46,363</b>	<b>49,074</b>	<b>49,115</b>	<b>43,656</b>	<b>43,829</b>	<b>45,498</b>	<b>46,450</b>	<b>44,628</b>	<b>41,828</b>
Capital WIP	9,812	7,150	9,563	10,186	7,582	8,515	8,475	8,948	7,824	7,262
Investments	75	21,361	14,208	22,954	23,743	24,549	9,000	5,169	5,169	5,169
Goodwill & Intangibles	73,586	78,147	70,965	67,963	37,540	37,126	31,306	40,534	40,534	40,534
<b>Curr. Assets</b>	<b>1,07,473</b>	<b>1,07,975</b>	<b>1,12,078</b>	<b>1,21,935</b>	<b>1,35,575</b>	<b>1,20,283</b>	<b>1,22,236</b>	<b>1,26,861</b>	<b>1,40,266</b>	<b>1,65,925</b>
Inventory	31,787	36,423	36,625	38,368	34,569	40,920	46,307	44,918	47,494	57,478
Account Receivables	45,498	43,073	51,922	51,498	54,459	44,743	42,619	44,807	55,501	66,407
Cash and Bank Balance	8,379	6,853	2,488	9,872	24,543	17,425	10,981	12,931	13,022	17,740
Others	21,808	21,626	21,043	22,197	22,004	17,195	22,328	24,205	24,248	24,300
<b>Curr. Liability &amp; Prov.</b>	<b>40,975</b>	<b>42,378</b>	<b>51,788</b>	<b>52,372</b>	<b>71,924</b>	<b>58,598</b>	<b>50,414</b>	<b>55,519</b>	<b>54,926</b>	<b>64,378</b>
Account Payables	32,318	34,576	43,568	41,390	59,884	47,460	42,254	46,937	46,345	55,797
Provisions	8,658	7,801	8,220	10,982	12,040	11,139	8,160	8,581	8,581	8,581
<b>Net Current Assets</b>	<b>66,498</b>	<b>65,598</b>	<b>60,290</b>	<b>69,563</b>	<b>63,651</b>	<b>61,685</b>	<b>71,822</b>	<b>71,342</b>	<b>85,339</b>	<b>1,01,546</b>
<b>Appl. of Funds</b>	<b>1,82,596</b>	<b>2,18,619</b>	<b>2,04,100</b>	<b>2,19,781</b>	<b>1,76,172</b>	<b>1,75,704</b>	<b>1,66,101</b>	<b>1,72,444</b>	<b>1,83,493</b>	<b>1,96,339</b>

E: MOSL Estimates



## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>EPS (Fully Diluted)</b>	<b>50.4</b>	<b>56.6</b>	<b>32.0</b>	<b>13.4</b>	<b>23.3</b>	<b>26.0</b>	<b>19.1</b>	<b>8.6</b>	<b>27.7</b>	<b>35.4</b>
Cash EPS (Fully Diluted)	60.7	76.8	56.0	32.1	44.8	45.5	37.2	28.0	49.2	57.0
BV/Share	243.8	298.9	300.3	303.7	276.7	304.2	267.4	273.9	302.7	335.1
DPS	7.5	7.5	5.0	5.0	9.0	7.0	9.0	2.0	2.5	2.5
Payout (%)	17.9	15.9	108.5	53.3	-119.0	30.4	-31.3	24.7	9.3	8.3
<b>Valuation (x)</b>										
P/E (Fully Diluted)	21.0	18.7	33.2	79.1	45.5	40.8	55.4	123.2	38.3	30.0
Cash P/E (Fully Diluted)	17.5	13.8	18.9	33.0	23.7	23.3	28.5	37.9	21.5	18.6
P/BV	4.3	3.5	3.5	3.5	3.8	3.5	4.0	3.9	3.5	3.2
EV/Sales	3.3	2.8	3.0	3.3	2.8	2.8	2.7	2.6	2.3	2.0
EV/EBITDA	12.5	10.8	15.2	18.9	18.4	16.8	22.0	25.1	14.9	12.4
<b>Return Ratios (%)</b>										
RoE	22.9	20.9	10.7	4.4	8.0	9.0	6.7	3.2	9.6	11.1
RoCE	16.8	13.3	4.9	3.5	4.8	7.5	8.6	3.5	8.9	9.9
RoIC	18.8	14.9	5.4	3.6	5.1	9.8	9.8	3.9	9.9	11.2
<b>Working Capital Ratios</b>										
Asset Turnover (x)	0.8	0.8	0.8	0.7	0.9	0.9	1.0	1.0	1.0	1.1
Fixed Asset Turnover (x)	4.8	4.4	3.3	3.0	3.3	3.5	3.6	3.6	4.2	4.9
Debtor (Days)	117	90	120	128	129	108	97	98	106	114
Creditor (Days)	186	189	178	184	162	137	129	136	135	139
Inventory (Days)	82	76	85	95	82	99	105	99	91	98
<b>Leverage Ratio</b>										
Current Ratio	2.6	2.5	2.2	2.3	1.9	2.1	2.4	2.3	2.6	2.6
Interest Cover Ratio	73.7	23.5	10.1	5.7	3.8	11.7	8.2	3.2	5.2	7.2
Debt/Equity (x)	0.6	0.6	0.5	0.6	0.2	0.1	0.3	0.3	0.2	0.2

### Cash Flow Statement

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
EBITDA	37,534	44,931	31,475	25,607	23,548	25,316	19,968	17,582	29,486	34,930
Interest/Dividends Recd.	1,877	1,065	1,504	3,330	3,578	1,479	1,504	757	950	840
Direct Taxes Paid	-11,479	-12,152	-6,067	-9,026	-6,862	-4,242	-1,156	-2,661	-4,545	-6,290
(Inc)/Dec in WC	-34,084	-626	942	-1,888	20,583	-5,152	-16,581	2,430	-13,906	-11,490
<b>CF from Operations</b>	<b>-6,152</b>	<b>33,219</b>	<b>27,853</b>	<b>18,023</b>	<b>40,847</b>	<b>17,401</b>	<b>3,735</b>	<b>18,108</b>	<b>11,985</b>	<b>17,991</b>
Others	2,328	7,916	4,302	2,036	-19,897	581	25,488	9,143	1	2
EO expense	0	0	14,644	3,400	6,261	-236	25,550	-375	-2,053	0
<b>CF from Op. incl EO Exp.</b>	<b>-3,824</b>	<b>41,135</b>	<b>17,512</b>	<b>16,660</b>	<b>14,688</b>	<b>18,218</b>	<b>3,673</b>	<b>27,627</b>	<b>14,039</b>	<b>17,993</b>
(inc)/dec in FA	-71,217	-24,759	-8,801	-6,123	28,785	-9,567	-4,029	-19,460	-6,850	-6,450
<b>Free Cash Flow</b>	<b>-77,369</b>	<b>8,460</b>	<b>19,053</b>	<b>11,900</b>	<b>69,631</b>	<b>7,834</b>	<b>-294</b>	<b>-1,352</b>	<b>5,135</b>	<b>11,541</b>
(Pur)/Sale of Investments	16,509	-21,286	7,153	-8,746	-788	-806	15,549	3,831	0	0
Others	-14,909	20,771	6,346	-17,956	-16,926	-4,166	1,402	-9,228	0	0
<b>CF from Investments</b>	<b>-69,617</b>	<b>-25,274</b>	<b>4,699</b>	<b>-32,825</b>	<b>11,070</b>	<b>-14,539</b>	<b>12,922</b>	<b>-24,857</b>	<b>-6,850</b>	<b>-6,450</b>
Change in Net Worth	2,459	3,669	1,028	-724	-3,286	4,403	3,888	-69	-2	0
Inc/(Dec) in Debt	66,483	13,233	-12,187	14,108	-36,240	-13,480	6,543	3,148	-2,001	-2,000
Interest Paid	-446	-1,525	-2,044	-3,025	-3,630	-1,406	-1,428	-2,743	-3,807	-3,497
Dividend Paid	-4,071	-4,076	-2,725	-2,728	-4,755	-3,788	-4,786	-1,064	-1,329	-1,329
Others	-6,061	-6,969	1,006	-189	39,005	-4,581	-19,941	-91	41	1
<b>CF from Fin. Activity</b>	<b>58,364</b>	<b>4,332</b>	<b>-14,921</b>	<b>7,441</b>	<b>-8,906</b>	<b>-18,852</b>	<b>-15,723</b>	<b>-819</b>	<b>-7,099</b>	<b>-6,826</b>
<b>Inc/Dec of Cash</b>	<b>-15,077</b>	<b>20,193</b>	<b>7,290</b>	<b>-8,724</b>	<b>16,853</b>	<b>-15,173</b>	<b>872</b>	<b>1,951</b>	<b>90</b>	<b>4,717</b>
Add: Beginning Balance	21,084	7,802	27,995	14,164	5,441	22,293	7,119	7,991	9,942	10,032
Cash and Eq. on acquisition	1,795	0	-21,120	0	0	0	0	0	0	0
Cash/Cash Eq. at year	7,802	27,995	14,164	5,441	22,293	7,119	7,991	9,942	10,032	14,749
Forex/Bank	577	-21,142	-11,677	4,431	2,250	10,305	2,990	2,990	2,990	2,990
<b>Closing Balance</b>	<b>8,379</b>	<b>6,853</b>	<b>2,488</b>	<b>9,872</b>	<b>24,543</b>	<b>17,425</b>	<b>10,981</b>	<b>12,931</b>	<b>13,022</b>	<b>17,740</b>

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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

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