

# Ipca Laboratories

Estimate change 

TP change 

Rating change 

**CMP: INR1,349**

**TP: INR1,310 (-3%)**

**Neutral**

## Domestic formulation drives earnings

### Muted show in exports/API segment

- IPCA delivered better-than-expected 1QFY25 earnings. The improved performance in the domestic formulation (DF) segment was offset to some extent by a subdued show in exports and API segment. Unichem also reported YoY sales growth and margin gains.
- We raise our earnings estimates by 10%/9% for FY25/FY26 factoring in a robust outperformance in DF, rising profitability of Unichem, a gradual pick-up in API segment, and extended benefits of lower RM costs. We value IPCA at 27x 12M forward earnings to arrive at a TP of INR1,310.
- IPCA continues to see robust growth in the DF segment (better than industry growth) and an improved performance of Unichem business. However, exports and the API segment affected the performance to some extent. Accordingly, we estimate a 46% earnings CAGR over FY24-26. Considering valuation of 17x EV/ FY26 EBITDA and 30x FY26E EPS, the upside is earnings is largely captured. Maintain Neutral.

### Better segmental mix partly offset by higher opex on YoY basis

- Sales grew 31.8% YoY to INR20.9b (our est: INR21.6b). Formulations sales grew 7.5% YoY to INR12.7b (61% of sales). DF sales rose 11.6% YoY to INR8.7b (69% of formulation sales). Exports sales were stable YoY at INR4b (31% of formulation sales). Generics formulation exports declined 4.5% YoY to INR2.3b (57% of export sales). Branded formulation exports declined 1.1% YoY to INR1.1b (29% of export sales). Institutional sales exports grew 19% YoY to INR577m (15% of export sales). API sales declined 2.4% YoY to INR2.9b (14% of sales). Domestic API sales grew 19% YoY to INR925m (32% of API sales). API exports declined 10.1% YoY to INR2b (68% of API sales). Revenue from subsidiaries grew 4.3x YoY to INR5.3b (25% of sales), largely led by Unichem.
- Gross margin (GM) expanded 170bp YoY to 69.2%, due to a superior product mix and lower RM costs.
- However, EBITDA margin expanded at a lower rate of 20bp YoY to 18.8% (our est: 17%), due to higher employee expenses/other expenses (+80bp/70bp YoY as % of sales).
- EBITDA grew 33.5% YoY to INR3.9b (our est: INR3.7b).
- Adj. PAT grew 25% YoY to INR1.9b (our estimate: INR1.7b).

### Highlights from the management commentary

- IPCA expects standalone revenue growth of 9% with EBITDA margins of 21-22% in FY25.
- IPCA is facing challenges in exports due to delay in shipping and supply chain issues, primarily in Australia and New Zealand.
- IPCA's MR strength grew from ~6,000 in 1QFY24 to ~6,500 in 1QFY25. MR productivity increased from INR0.42m in 1QFY24 to INR0.45m in 1QFY25.

	IPCA IN
Bloomberg	
Equity Shares (m)	254
M.Cap.(INRb)/(USDb)	342.2 / 4.1
52-Week Range (INR)	1414 / 847
1, 6, 12 Rel. Per (%)	12/6/28
12M Avg Val (INR M)	599

### Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	77.1	89.1	101.0
EBITDA	13.1	17.2	20.1
Adjusted PAT	5.3	8.5	11.3
EBIT Margin (%)	12.3	14.9	16.0
Cons. Adj EPS (INR)	20.8	33.5	44.4
EPS Gr. (%)	0.0	61.3	32.6
BV/Sh. (INR)	249.6	278.1	315.9

### Ratios

Net D-E	0.2	0.3	0.2
RoE (%)	8.7	12.7	15.0
RoCE (%)	9.2	11.3	12.5
Payout (%)	36.9	22.0	17.3

### Valuation

P/E (x)	65.1	40.4	30.4
EV/EBITDA (x)	26.4	20.1	17.2
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	-7.0	1.3	2.9
EV/Sales (x)	4.5	3.9	3.4

### Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	46.3	46.3	46.3
DII	33.8	34.4	35.2
FII	10.9	10.5	10.1
Others	9.1	8.8	8.5

FII Includes depository receipts

## Quarterly Performance

Y/E March	(INRm)											
	FY24				FY25E				FY24	FY25E	FY25E	% Chg
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE		
<b>Net Revenues (Core)</b>	<b>15,876</b>	<b>20,340</b>	<b>20,529</b>	<b>20,330</b>	<b>20,926</b>	<b>22,623</b>	<b>22,552</b>	<b>22,980</b>	<b>77,074</b>	<b>89,082</b>	<b>21,578</b>	<b>-3.0</b>
YoY Change (%)	0.1	27.0	32.8	34.5	31.8	11.2	9.9	13.0	23.2	15.6	35.9	
<b>EBITDA</b>	<b>2,941</b>	<b>3,606</b>	<b>3,310</b>	<b>3,219</b>	<b>3,927</b>	<b>4,683</b>	<b>4,420</b>	<b>4,162</b>	<b>13,076</b>	<b>17,193</b>	<b>3,668</b>	<b>7.1</b>
YoY Change (%)	3.8	32.4	42.7	77.9	33.5	29.9	33.6	29.3	33.3	31.5	24.7	
Margins (%)	18.5	17.7	16.1	15.8	18.8	20.7	19.6	18.1	17.0	19.3	17.0	
Depreciation	693	903	995	981	989	985	990	938	3,572	3,902	996	
<b>EBIT</b>	<b>2,249</b>	<b>2,702</b>	<b>2,315</b>	<b>2,238</b>	<b>2,938</b>	<b>3,698</b>	<b>3,430</b>	<b>3,224</b>	<b>9,503</b>	<b>13,290</b>	<b>2,672</b>	<b>10.0</b>
YoY Change (%)	1.4	29.6	40.0	100.7	30.7	36.9	48.2	44.1	32.0	39.9	18.8	
Margins (%)	14.2	13.3	11.3	11.0	14.0	16.3	15.2	14.0	12.3	14.9	12.4	
Interest	314	441	334	294	241	248	230	250	1,383	969	272	
Other Income	449	386	225	16	206	190	235	269	1,075	900	220	
<b>PBT before EO Expense</b>	<b>2,383</b>	<b>2,647</b>	<b>2,205</b>	<b>1,960</b>	<b>2,904</b>	<b>3,640</b>	<b>3,435</b>	<b>3,242</b>	<b>9,195</b>	<b>13,222</b>	<b>2,620</b>	
One-off (gain)/ Expense	-135	393	-684	1,194	0	0	0	0	769	0	0	
<b>PBT after EO Expense</b>	<b>2,518</b>	<b>2,254</b>	<b>2,889</b>	<b>766</b>	<b>2,904</b>	<b>3,640</b>	<b>3,435</b>	<b>3,242</b>	<b>8,426</b>	<b>13,222</b>	<b>2,620</b>	
Tax	856	879	662	737	914	1,128	1,072	1,051	3,135	4,165	760	
Rate (%)	34.0	39.0	22.9	96.2	31.5	31.0	31.2	32.4	34.1	31.5	29.0	
<b>Reported PAT</b>	<b>1,662</b>	<b>1,374</b>	<b>2,227</b>	<b>29</b>	<b>1,990</b>	<b>2,512</b>	<b>2,363</b>	<b>2,192</b>	<b>5,292</b>	<b>9,057</b>	<b>1,860</b>	<b>7.0</b>
Minority Interest	-34	76	-428	-598	-67	-90	-180	-213	-984	-550	-138	
<b>Adj PAT after Minority Int</b>	<b>1,539</b>	<b>1,690</b>	<b>1,115</b>	<b>930</b>	<b>1,922</b>	<b>2,422</b>	<b>2,183</b>	<b>1,979</b>	<b>5,274</b>	<b>8,507</b>	<b>1,723</b>	<b>11.6</b>
YoY Change (%)	0.9	-9.2	-6.1	32.7	24.9	43.3	95.8	112.8	0.0	61.3	11.9	
Margins (%)	9.7	8.3	5.4	4.6	9.2	10.7	9.7	8.6	6.8	9.5	8.0	

## Key performance Indicators

Y/E March	FY24				FY25E				FY24	FY25E	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	
<b>Domestic formulations</b>	<b>7,827</b>	<b>8,450</b>	<b>7,796</b>	<b>6,898</b>	<b>8,734</b>	<b>9,337</b>	<b>8,849</b>	<b>7,769</b>	<b>30,972</b>	<b>34,688</b>	<b>8,375</b>
YoY Change (%)	14.3	10.4	11.0	13.5	11.6	10.5	13.5	12.6	12.2	12.0	7.0
<b>Exports formulations</b>	<b>3,979</b>	<b>4,707</b>	<b>4,331</b>	<b>4,737</b>	<b>3,954</b>	<b>5,048</b>	<b>5,230</b>	<b>6,736</b>	<b>17,753</b>	<b>20,967</b>	<b>4,747</b>
YoY Change (%)	-1.0	16.4	8.2	9.5	-0.6	7.2	20.8	42.2	8.3	18.1	19.3
<b>API sales</b>	<b>2,951</b>	<b>3,349</b>	<b>2,850</b>	<b>3,343</b>	<b>2,880</b>	<b>3,076</b>	<b>3,212</b>	<b>3,425</b>	<b>12,493</b>	<b>12,593</b>	<b>3,244</b>
YoY Change (%)	-21.3	9.0	-11.6	-3.6	-2.4	-8.2	12.7	2.4	-9.3	0.8	9.9
<b>Cost Break-up</b>											
RM Cost (% of Sales)	32.5	33.3	34.0	33.7	30.8	31.5	32.0	33.6	33.4	32.0	33.7
Staff Cost (% of Sales)	22.5	20.9	22.4	22.9	23.3	21.8	22.2	22.4	22.2	22.4	21.7
Other Cost (% of Sales)	26.5	28.0	27.6	27.5	27.2	26.0	26.2	25.9	27.5	26.3	27.6
Gross Margins (%)	67.5	66.7	66.0	66.3	69.2	68.5	68.0	66.4	66.6	68.0	66.3
EBITDA Margins (%)	18.5	17.7	16.1	15.8	18.8	20.7	19.6	18.1	17.0	19.3	17.0
EBIT Margins (%)	14.2	13.3	11.3	11.0	14.0	16.3	15.2	14.0	12.3	14.9	12.4

E: MOFSL Estimates



## Highlights from the management commentary

- IPCA is expanding Unichem's business across various geographies and expects benefits in 2HFY26.
- IPCA plans to launch 5-6 products in FY25 and 6-7 products in FY26 in the US. Having said this, new filings are 6-8 months away, considering work in progress on new products.
- As per IQVIA, IPCA delivered 15% YoY growth in the DF segment vs. IPM growth of 9% in 1QYF25. IPCA's Acute grew 12% (vs. IPM growth of 8%), while chronic therapy grew 20% (vs. IPM growth of 12%).
- As of MAT Jun'24, IPCA's market share grew to 2.01% from 1.91% in MAT Jun'23.

## **Growth in DF/generic exports to be partly offset by challenges in branded exports**

### **Superior execution/additional MR force to drive the DF segment**

- In 1QFY25, the DF segment grew 12% YoY to INR8.7b, led by growth across key therapies.
- Additionally, IPCA continues to implement efforts toward increasing its field-force productivity.
- Accordingly, we expect a 12.5% sales CAGR in the DF segment to INR39.1b over FY24-26, led by increased traction in key therapies and MR productivity.

### **API segment to be driven by capacity expansion**

- In 1QFY25, API sales declined 2.4% YoY to INR2.9b due to a sharp reduction in prices.
- The prices are now stabilized for major APIs supplied by IPCA.
- We expect a 5.4% sales CAGR in this segment to INR13.8b over FY24-26.

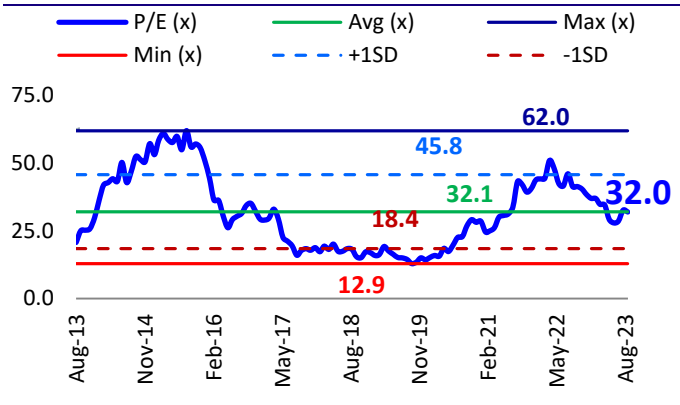
### **Portfolio expansion/synergies with Unichem to drive export growth**

- In 1QFY25, export sales declined 0.6% YoY to INR4b, led by subdued performance across generics as well as branded. However, this was partially offset by robust growth in institutional business.
- It is also working on multiple aspects to improve business prospects as well as build synergy with the Unichem acquisition.
- Accordingly, we expect overall export formulations to clock a 22% sales CAGR to reach INR26.6b over FY24-26.

## **Valuation and view**

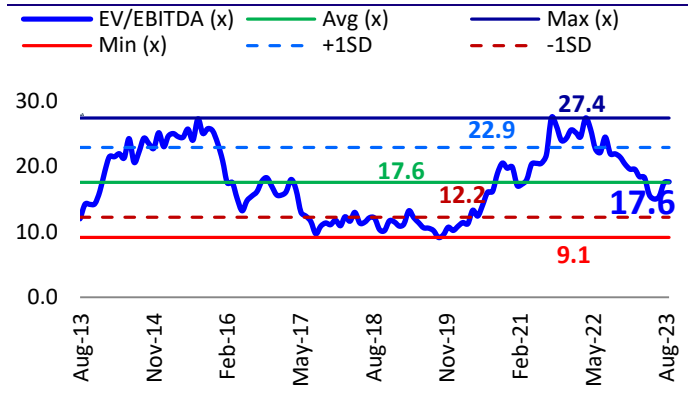
- We raise our earnings estimates by 10%/9% for FY25/FY26, factoring in IPCA's outperformance in DF, rising profitability of Unichem, a gradual pick-up in API segment, and extended benefits of lower RM costs. We value IPCA at 27x 12M forward earnings to arrive at a TP of INR1,310.
- IPCA continues to see robust growth in the DF segment (better than industry growth) and an improved performance of Unichem business. However, exports/API segment is affecting the performance to some extent. Accordingly, we build 46% earnings CAGR over FY24-26. Considering valuation of 17x EV/ FY26 EBITDA and 30x FY26 PE, the upside in earnings is largely captured. Maintain Neutral.

Exhibit 1: P/E chart



Source: MOFSL, Company, and Bloomberg

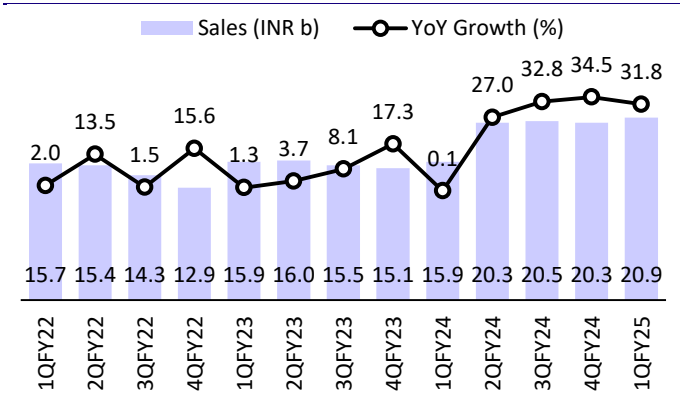
Exhibit 2: EV/EBITDA chart



Source: MOFSL, Company, and Bloomberg

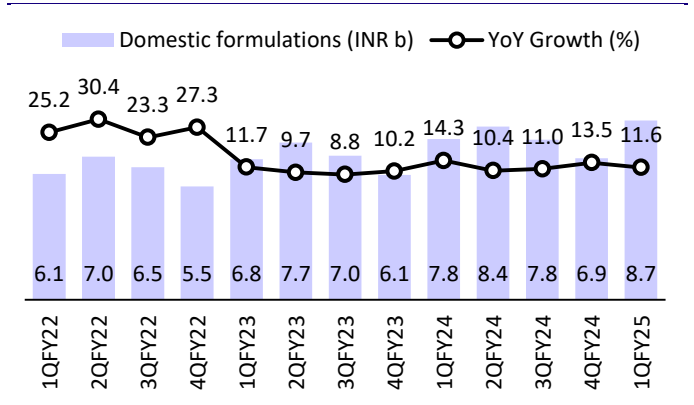
## Story in charts

Exhibit 3: Total sales grew 31.8% YoY in 1QFY25



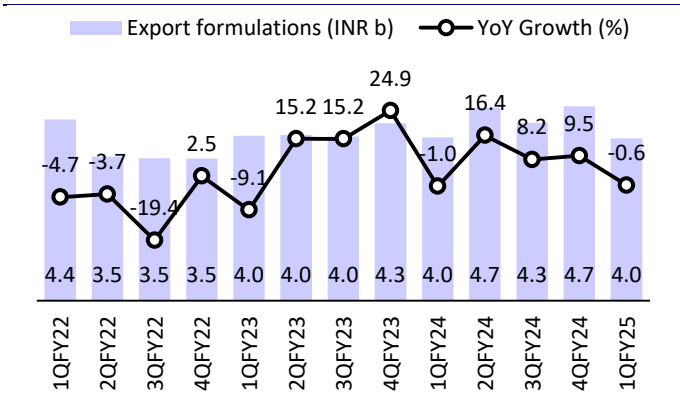
Source: Company, MOFSL

Exhibit 4: DF sales grew 11.6% YoY in 1QFY25



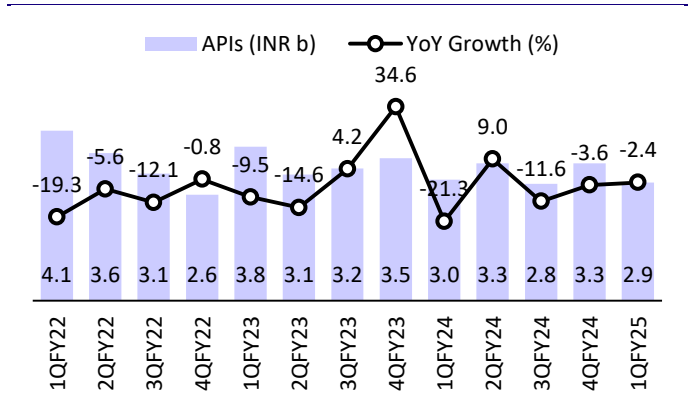
Source: Company, MOFSL

Exhibit 5: Export formulation sales de-grew 0.6% YoY



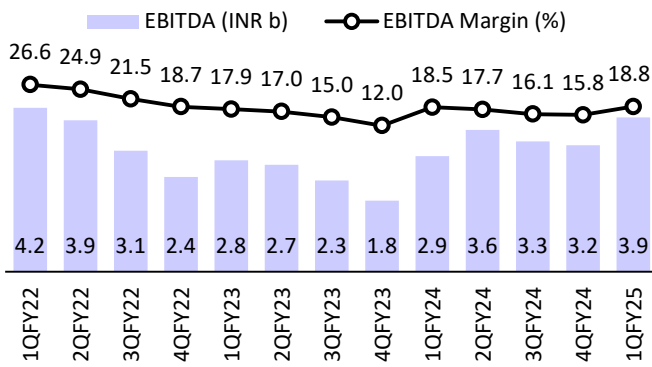
Source: Company, MOFSL

Exhibit 6: API sales declined 2.4% YoY in 1QFY25



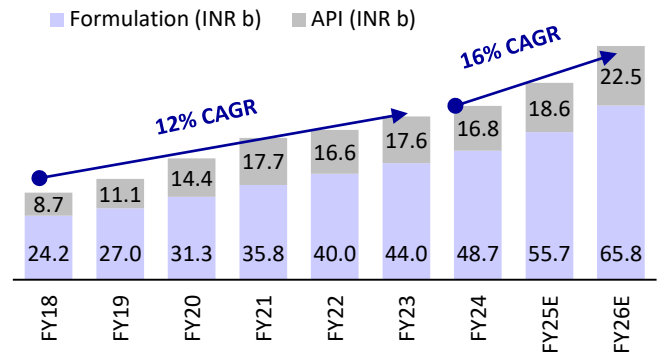
Source: Company, MOFSL

**Exhibit 7: EBITDA margin grew 20bp YoY in 1QFY25**



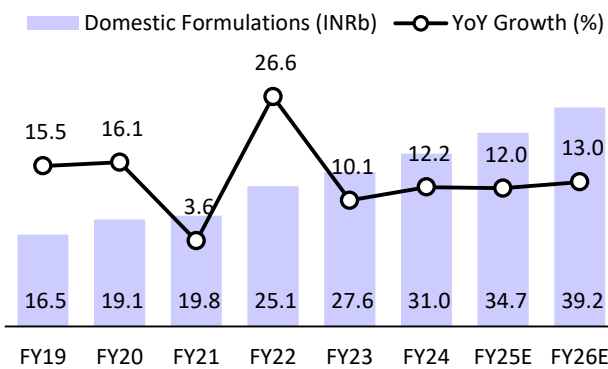
Source: Company, MOFSL

**Exhibit 8: Expect 16% sales CAGR over FY24-26**



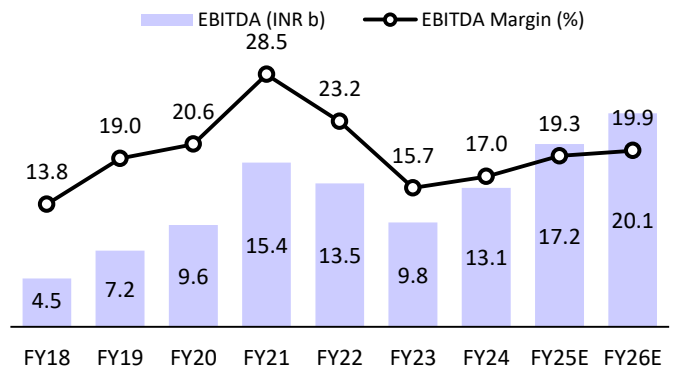
Source: Company, MOFSL

**Exhibit 9: Expect 12% DF sales CAGR over FY24-26**



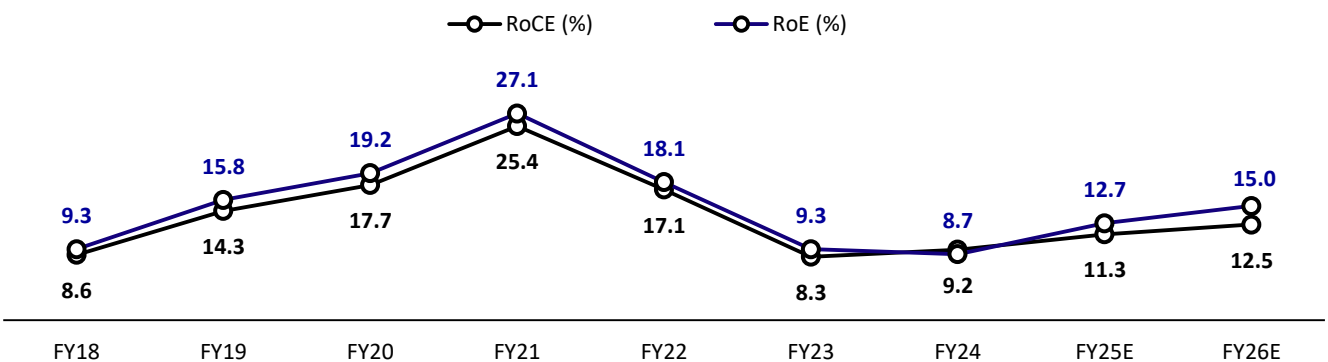
Source: Company, MOFSL

**Exhibit 10: Expect margin to expand over FY24-26**



Source: Company, MOFSL

**Exhibit 11: Expect return ratios to improve over FY24-26**



Source: Company, MOFSL

## Financials and valuations

Income Statement							(INRm)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Net Revenues</b>	<b>37,732</b>	<b>46,487</b>	<b>54,200</b>	<b>58,298</b>	<b>62,569</b>	<b>77,074</b>	<b>89,082</b>	<b>1,01,013</b>
Change (%)	14.9	23.2	16.6	7.6	7.3	23.2	15.6	13.4
<b>EBITDA</b>	<b>7,170</b>	<b>9,580</b>	<b>15,444</b>	<b>13,509</b>	<b>9,812</b>	<b>13,076</b>	<b>17,193</b>	<b>20,102</b>
Margin (%)	19.0	20.6	28.5	23.2	15.7	17.0	19.3	19.9
Depreciation	1,824	2,105	2,092	2,324	2,616	3,572	3,902	3,926
<b>EBIT</b>	<b>5,346</b>	<b>7,475</b>	<b>13,352</b>	<b>11,184</b>	<b>7,197</b>	<b>9,503</b>	<b>13,290</b>	<b>16,176</b>
Int. and Finance Charges	189	165	90	77	455	1,383	969	950
Other Income - Rec.	483	578	457	666	1,151	1,075	900	950
<b>PBT before EO Expense</b>	<b>5,640</b>	<b>7,888</b>	<b>13,719</b>	<b>11,773</b>	<b>7,892</b>	<b>9,195</b>	<b>13,222</b>	<b>16,175</b>
EO Expense/(Income)	157	445	-171	416	314	769	0	0
<b>PBT after EO Expense</b>	<b>5,483</b>	<b>7,442</b>	<b>13,890</b>	<b>11,357</b>	<b>7,579</b>	<b>8,426</b>	<b>13,222</b>	<b>16,175</b>
Current Tax	1,218	1,406	2,487	2,070	2,302	3,102	3,900	4,125
Deferred Tax	-176	-53	-85	178	230	33	264	324
Tax	1,042	1,353	2,401	2,248	2,532	3,135	4,165	4,448
Tax Rate (%)	18.5	17.2	17.5	19.1	32.1	34.1	31.5	27.5
<b>Reported PAT</b>	<b>4,441</b>	<b>6,090</b>	<b>11,488</b>	<b>9,110</b>	<b>5,047</b>	<b>5,291</b>	<b>9,056</b>	<b>11,726</b>
Less: Minority Interest	18	78	91	269	-206	984	550	450
<b>Net Profit</b>	<b>4,423</b>	<b>6,012</b>	<b>11,398</b>	<b>8,841</b>	<b>5,253</b>	<b>4,307</b>	<b>8,506</b>	<b>11,276</b>
<b>Adj PAT</b>	<b>4,580</b>	<b>6,485</b>	<b>11,255</b>	<b>9,218</b>	<b>5,275</b>	<b>5,274</b>	<b>8,506</b>	<b>11,276</b>
Adj PAT growth (%)	91.3	41.6	73.6	-18.1	-42.8	0.0	61.3	32.6

Balance Sheet							(INRm)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	252	252	254	254	254	254	254	254
Total Reserves	30,971	35,903	46,763	54,666	58,167	63,068	70,299	79,885
<b>Net Worth</b>	<b>31,224</b>	<b>36,275</b>	<b>47,017</b>	<b>54,920</b>	<b>58,420</b>	<b>63,322</b>	<b>70,553</b>	<b>80,138</b>
Deferred liabilities	1457	1398	1316	1506	1856	3062	3327	3650
Total Loans	3,505	4,328	1,988	8,027	14,746	14,274	24,474	23,047
<b>Capital Employed</b>	<b>36,342</b>	<b>42,137</b>	<b>50,466</b>	<b>65,222</b>	<b>75,755</b>	<b>94,607</b>	<b>98,354</b>	<b>1,06,836</b>
Gross Block	26,657	30,268	31,872	37,647	43,601	65,195	66,695	68,195
Less: Accum. Deprn.	6,951	9,056	11,148	13,472	16,088	19,660	23,562	27,488
<b>Net Fixed Assets</b>	<b>19,706</b>	<b>21,212</b>	<b>20,724</b>	<b>24,175</b>	<b>27,514</b>	<b>45,535</b>	<b>43,133</b>	<b>40,707</b>
Capital WIP	361	708	2,348	3,064	1,404	3,429	3,429	3,429
Investments	1,204	2,719	4,711	9,892	6,260	8,620	8,620	8,620
<b>Curr. Assets</b>	<b>24,217</b>	<b>27,939</b>	<b>32,881</b>	<b>39,237</b>	<b>51,051</b>	<b>53,386</b>	<b>58,548</b>	<b>71,515</b>
Inventory	10,725	13,231	15,948	18,580	17,434	24,713	27,579	30,719
Account Receivables	6,815	8,952	8,118	9,108	9,890	16,865	19,769	22,693
Cash and Bank Balance	2,823	1,809	3,651	6,407	18,532	2,968	983	6,517
Loans & Advances	3,854	3,947	5,164	5,143	5,194	8,840	10,217	11,585
<b>Curr. Liability &amp; Prov.</b>	<b>9,147</b>	<b>10,441</b>	<b>10,198</b>	<b>11,147</b>	<b>10,473</b>	<b>16,364</b>	<b>15,376</b>	<b>17,435</b>
Account Payables	8,190	9,182	8,781	9,704	8,923	13,050	13,667	15,498
Provisions	957	1,259	1,417	1,443	1,550	3,314	1,708	1,937
<b>Net Current Assets</b>	<b>15,070</b>	<b>17,498</b>	<b>22,682</b>	<b>28,091</b>	<b>40,577</b>	<b>37,022</b>	<b>43,172</b>	<b>54,080</b>
<b>Appl. of Funds</b>	<b>36,342</b>	<b>42,137</b>	<b>50,466</b>	<b>65,222</b>	<b>75,755</b>	<b>94,607</b>	<b>98,354</b>	<b>1,06,836</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>EPS (INR)</b>	<b>18.1</b>	<b>25.6</b>	<b>44.4</b>	<b>36.3</b>	<b>20.8</b>	<b>20.8</b>	<b>33.5</b>	<b>44.4</b>
Cash EPS	24.8	32.2	53.2	44.0	31.0	31.1	48.9	59.9
BV/Share	123.7	143.2	185.3	216.5	230.3	249.6	278.1	315.9
DPS	0.5	3.6	6.8	6.6	7.7	7.8	7.9	8.1
Payout (%)	2.8	14.8	14.9	18.3	38.3	36.9	22.0	17.3
<b>Valuation (x)</b>								
P/E	75.0	52.9	30.5	37.2	65.1	65.1	40.4	30.4
P/BV	10.9	9.4	7.3	6.3	5.9	5.4	4.9	4.3
EV/Sales	9.1	7.4	6.4	5.9	5.5	4.5	3.9	3.4
EV/EBITDA	48.1	36.0	22.3	25.5	35.1	26.4	20.1	17.2
Dividend Yield (%)	0.0	0.3	0.5	0.5	0.6	0.6	0.6	0.6
<b>Return Ratios (%)</b>								
RoE	15.8	19.2	27.1	18.1	9.3	8.7	12.7	15.0
RoCE	14.3	17.7	25.4	17.1	8.3	9.2	11.3	12.5
RoIC	14.0	18.0	28.7	21.1	10.2	9.7	11.0	13.5
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	1.9	2.3	2.6	2.6	2.4	2.1	2.0	2.4
Debtor (Days)	65	70	54	56	58	80	81	82
Inventory (Days)	104	104	107	116	102	117	113	111
Working Capital Turnover (Days)	118	123	128	136	129	161	173	172
<b>Leverage Ratio (x)</b>								
Interest Cover Ratio	28.3	45.3	147.7	145.4	15.8	6.9	13.7	17.0
Debt/Equity	0.0	0.1	0.0	0.0	-0.1	0.2	0.3	0.2

### Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Oper. Profit/(Loss) before Tax	7,170	9,580	15,444	13,509	9,812	13,076	17,193	20,102
Interest/Dividends Recd.	483	578	457	666	1,151	1,075	900	950
Direct Taxes Paid	-1,165	-1,412	-2,484	-2,058	-2,181	-1,928	-3,900	-4,125
(Inc)/Dec in WC	-1,686	-3,442	-3,343	-2,652	-361	-12,009	-8,134	-5,374
<b>CF from Operations</b>	<b>4,803</b>	<b>5,304</b>	<b>10,075</b>	<b>9,464</b>	<b>8,421</b>	<b>213</b>	<b>6,058</b>	<b>11,553</b>
Others	365	784						
EO Expense / (Income)	157	445	-171	416	314	769	0	0
<b>CF from Oper. incl EO Exp.</b>	<b>5,010</b>	<b>5,643</b>	<b>10,246</b>	<b>9,048</b>	<b>8,107</b>	<b>-556</b>	<b>6,058</b>	<b>11,553</b>
(inc)/dec in FA	-1,632	-3,958	-3,244	-6,491	-4,294	-23,618	-1,500	-1,500
<b>Free Cash Flow</b>	<b>3,379</b>	<b>1,685</b>	<b>7,002</b>	<b>2,557</b>	<b>3,813</b>	<b>-24,174</b>	<b>4,558</b>	<b>10,053</b>
(Pur)/Sale of Investments	-336	-1,515	-1,992	-5,181	3,632	-2,360	0	0
Others	317	376	0	0	0	0	0	0
<b>CF from Investments</b>	<b>-1,651</b>	<b>-5,097</b>	<b>-5,236</b>	<b>-11,672</b>	<b>-662</b>	<b>-25,979</b>	<b>-1,500</b>	<b>-1,500</b>
Issue of shares	0	0	1	0	0	0	0	0
(Inc)/Dec in Debt	-1,070	804	-2,331	6,663	6,683	12,743	-3,748	-1,427
Interest Paid	-189	-165	-90	-77	-455	-1,383	-969	-950
Dividend Paid	-126	-902	-1,710	-1,670	-1,933	-1,950	-1,989	-2,029
<b>CF from Fin. Activity</b>	<b>-1,832</b>	<b>-1,305</b>	<b>-3,169</b>	<b>5,222</b>	<b>4,681</b>	<b>10,705</b>	<b>-5,816</b>	<b>-3,338</b>
<b>Inc/Dec of Cash</b>	<b>1,528</b>	<b>-758</b>	<b>1,841</b>	<b>2,598</b>	<b>12,126</b>	<b>-15,830</b>	<b>-1,258</b>	<b>6,715</b>
Add: Beginning Balance	2,181	3,709	2,954	4,795	7,393	19,519	3,689	2,431
Forex/ Business acquisition	0	3	0	0	0	0	0	0
<b>Closing Balance</b>	<b>3,709</b>	<b>2,954</b>	<b>4,795</b>	<b>7,393</b>	<b>19,519</b>	<b>3,689</b>	<b>2,431</b>	<b>9,146</b>
Bank balances / Mutual fund (gain)/ loss	-886	-1,145	-1,145	-986	-986	-721	-741	2,629
<b>Closing Balance</b>	<b>2,823</b>	<b>1,809</b>	<b>3,650</b>	<b>6,407</b>	<b>18,533</b>	<b>2,968</b>	<b>1,690</b>	<b>6,517</b>

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

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 be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### 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 at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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

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

#### Analyst Certification

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

#### Terms & Conditions:

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

#### Disclaimer:

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

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.