

## Recovery in sight

We maintain BUY on ALKEM following a big beat to our estimates. Our target price is at Rs 2,250 (22x FY21E EPS).

### HIGHLIGHTS OF THE QUARTER

- Despite facing several challenges, ALKEM has ended the year with 14/15/12% revenue/EBITDA/PAT growth, aided by US ramp up. The 4Q numbers surprised positively with 9% beat on the top line which grew 23% YoY. India performance (+27% YoY) was noticeable.
- 4Q is a seasonally weak quarter for India business due to 85% exposure to acute therapies. Still, the revenues were only down 2% QoQ to Rs 12.2bn and up 27% YoY. The change in distribution policy in 1QFY19 and higher traction in key therapies like anti-infectives and gastro were the major drivers. On a soft base of FY19, we expect ALKEM to report 13% revenue CAGR over FY19-21E. Despite having the highest acute exposure, it has consistently outperformed the IPM growth rate. We expect this growth leadership to continue in FY20-21E.
- At US\$ 69mn, US grew 9% YoY. The ramp up in existing products and sales from new products like gWelchol aided the growth in 4Q. Surprisingly, we did not see a significant impact of incremental competition in Mycophenolate (15% of US sales).

### Financial Summary (Consolidated)

(Rs mn)	4QFY19	4QFY18	YoY (%)	3QFY19	QoQ (%)	FY18	FY19P	FY20E	FY21E
Net Sales	18,542	15,132	22.5	19,250	(3.7)	64,312	73,572	82,964	95,241
EBITDA	2,350	1,137	106.7	3,118	(24.6)	10,284	11,148	13,523	16,381
APAT	1,705	663	157.2	2,055	(17.0)	6,884	7,736	9,509	12,213
Diluted EPS (Rs)	14.3	5.5	157.2	17.2	(17.0)	57.6	64.7	79.5	102.1
P/E (x)						30.6	27.2	22.1	17.2
RoE (%)						14.8	15.0	16.4	18.5

Source: Company, HDFC sec Inst Research

- EBITDA at Rs 2.4bn, up 107% YoY was boosted by higher India sales. EBITDA margin at 12.7% was up 516/-352bps YoY/QoQ. The margin was inline despite higher R&D at 7.5% of sales. On a favorable base, PAT grew 157% YoY.
- Near-term outlook:** Expect the stock to recover with strong 1QFY20 numbers (seasonally strong quarter).

### STANCE

Despite reporting subdued performance in FY19, we remain optimistic over Alkem as we believe the impact of raw material price hikes will alleviate in FY20E, and the domestic business is likely to recover on a softer base of FY19. We expect Alkem to return to normal business margins of 16-16.5% in FY20E. Although it is unlikely to repeat its US performance (+39% YoY) next year due to incremental competition, we do believe a 10%+ YoY growth is achievable owing to 8-10 yearly launches. With the expectation of 14/26% revenue/earnings CAGR, Alkem is available at ~17x FY21E EPS. Considering the stable branded business, healthy cashflows and reasonable return ratios, we believe this is unjustified.

INDUSTRY	PHARMA
<b>CMP (as on 30 May 2019)</b>	<b>Rs 1,760</b>
<b>Target Price</b>	<b>Rs 2,250</b>
Nifty	11,946
Sensex	39,832
<b>KEY STOCK DATA</b>	
Bloomberg	ALKEM IN
No. of Shares (mn)	120
MCap (Rs bn) / (\$ mn)	210/3,011
6m avg traded value (Rs mn)	124
<b>STOCK PERFORMANCE (%)</b>	
<b>52 Week high / low</b>	<b>Rs 2,268/1,670</b>
	3M 6M 12M
Absolute (%)	0.9 (8.0) (11.2)
Relative (%)	(10.1) (18.0) (25.4)
<b>SHAREHOLDING PATTERN (%)</b>	
	Dec-18 Mar-19
Promoters	65.98 66.02
FIs & Local MFs	5.25 5.34
FPIs	2.47 2.44
Public & Others	26.30 26.20
Pledged Shares*	- -
Source : BSE, *% of total	

### Amey Chalke

amey.chalke@hdfcsec.com  
+91-22-6171-7321

### Eshan Desai

eshan.desai@hdfcsec.com  
+91-22-6639-2476

**Alkem beat our revenue estimates by 9% led by strong growth in the domestic business**

**R&D spend was higher at Rs 1.4bn (7.5% of sales). To be maintained at 5-6% of sales going ahead**

**Capex for the year was Rs 5.25bn. Management expects capex to be at Rs 4bn for FY20E**

**MR strength increased by ~2,000 to 9,000 as on FY19-end. The co plans to add another 1,000 MRs in FY20E. The field force is split 70:30 between acute and chronic therapies**

### Quarterly Financials Snapshot (Consolidated)

Particulars (Rs mn)	4QFY19	4QFY18	YoY (%)	3QFY19	QoQ (%)
<b>Net Sales</b>	<b>18,542</b>	<b>15,132</b>	<b>22.5</b>	<b>19,250</b>	<b>(3.7)</b>
Material Expenses	7,756	6,160	25.9	8,230	(5.8)
Employee Expenses	3,488	2,987	16.8	3,464	0.7
R&D Expenses	1,392	1,117	24.6	1,195	16.5
Other Operating Expenses	3,556	3,731	(4.7)	3,244	9.6
<b>EBITDA</b>	<b>2,350</b>	<b>1,137</b>	<b>106.7</b>	<b>3,118</b>	<b>(24.6)</b>
Depreciation	573	403		477	
<b>EBIT</b>	<b>1,777</b>	<b>734</b>	<b>142.2</b>	<b>2,641</b>	<b>(32.7)</b>
Other Income	277	179		94	
Interest Cost	66	104		154	
<b>PBT</b>	<b>1,988</b>	<b>808</b>	<b>146.0</b>	<b>2,581</b>	<b>(23.0)</b>
Tax	283	145		526	
Minority Interest	-	-		-	
<b>RPAT</b>	<b>1,705</b>	<b>663</b>	<b>157.2</b>	<b>2,055</b>	<b>(17.0)</b>

Source: Company, HDFC sec Inst Research

### Margin Analysis

	4QFY19	4QFY18	YoY (%)	3QFY19	QoQ (%)
Material Expenses % Net Sales	41.8	40.7	112	42.8	(92)
Employee Expenses % Net Sales	18.8	19.7	(93)	18.0	82
R&D Expenses % Net Sales	7.5	7.4	13	6.2	130
Other Operating Expenses % Net Sales	19.2	24.7	(548)	16.9	233
EBITDA Margin (%)	12.7	7.5	516	16.2	(352)
Tax Rate (%)	14.2	18.0	(373)	20.4	(615)
APAT Margin (%)	9.2	4.4	481	10.7	(148)

Source: Company, HDFC sec Inst Research

**US sales grew at 18% YoY driven by new launches, market share gains, and favourable currency**

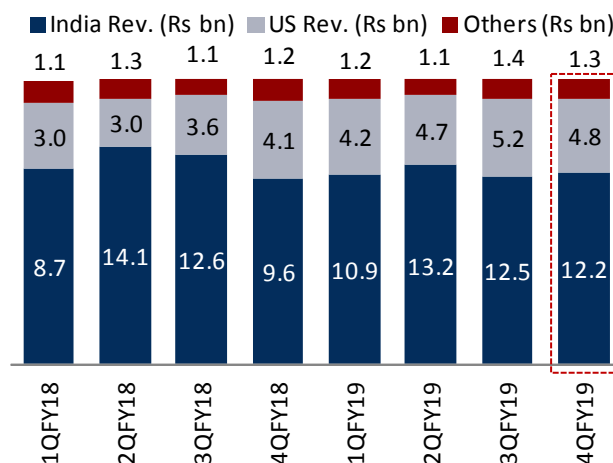
**Adjusted for the change in distribution policy, domestic revenues grew at ~13% YoY**

**In ROW, Alkem follows a focused approach on key markets like Chile, Australia, Philippines, EU, Africa, and Kazakhstan. The overall portfolio continues to grow**

**The management expects to improve gross margin to ~60% for FY20E as there is some moderation in raw material price hikes**

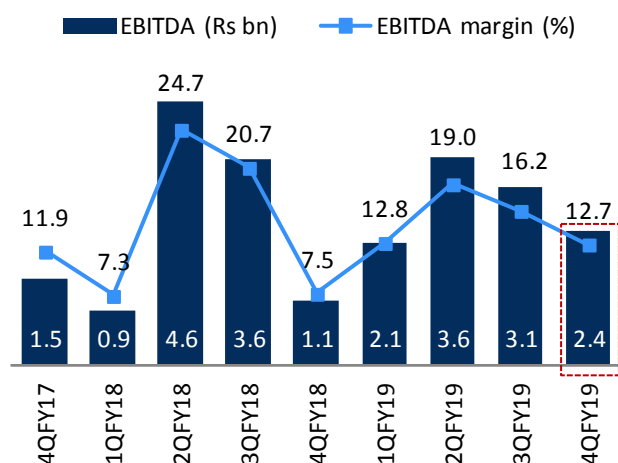
**We believe the EBITDA margin has bottomed out and an improvement of 100-150bps YoY over the next two years is achievable**

## US Contribution Has Improved Over The Quarters



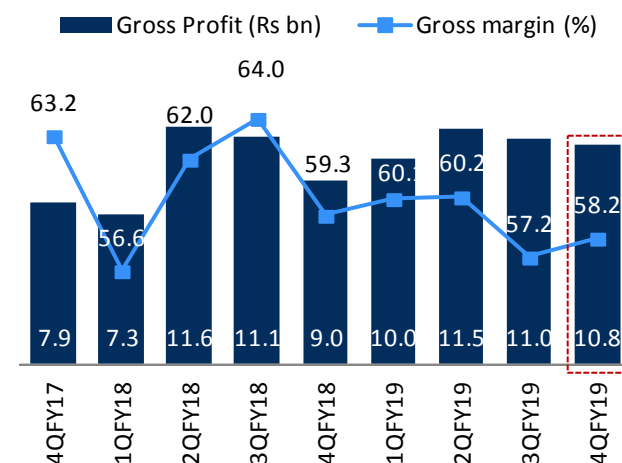
Source: Company, HDFC sec Inst Research

## EBITDA Margin: Dragged By Higher R&D



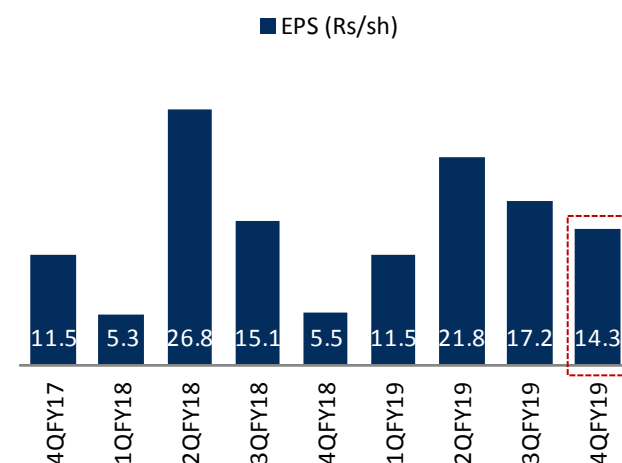
Source: Company, HDFC sec Inst Research

## Gross Margin: To Expand ~200bps In FY20E



Source: Company, HDFC sec Inst Research

## EPS: Expect 26% CAGR Over FY19-21E



Source: Company, HDFC sec Inst Research

***FY19 was muted in India due to FDC ban, muted trade generics owing to tightening of credit terms, and a weaker anti-infectives season***

***However, India sales picked up in 4QFY19 with a 20/22/9% YoY growth in generics/ chronic/ acute***

***Change in distribution channel, added field force, and new launches to drive domestic growth going ahead***

***US sales declined sequentially due to incremental competition in Mycophenolate, seasonality, and higher sales in the previous quarter***

***Price erosion in the US has moderated. Co expects low double-digit yearly launches going ahead***

### Segmental Quarterly Performance

(Rs mn)	4QFY19	4QFY18	YoY (%)	3QFY19	QoQ (%)
India	12,176	9,602	26.8	12,475	(2.4)
US	4,822	4,071	18.4	5,182	(6.9)
RoW	1,275	1,165	9.4	1,350	(5.6)
<b>Total</b>	<b>18,273</b>	<b>14,838</b>	<b>23.2</b>	<b>19,007</b>	<b>(3.9)</b>

Source: HDFC sec Inst Research

### Assumptions

Key segments (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
India	42,153	44,899	48,742	55,078	62,239
Growth (%)	15.6%	6.5%	8.6%	13.0%	13.0%
US	12,035	13,667	18,967	21,390	25,962
Growth (%)	21.5%	13.6%	38.8%	12.8%	21.4%
RoW	3,624	4,565	4,950	5,445	5,990
Growth (%)	3.4%	28.0%	8.4%	10.0%	10.0%
<b>Total</b>	<b>57,812</b>	<b>63,131</b>	<b>72,659</b>	<b>81,914</b>	<b>94,190</b>
<b>Growth (%)</b>	<b>15.9%</b>	<b>9.2%</b>	<b>15.1%</b>	<b>12.7%</b>	<b>15.0%</b>

Source: HDFC sec Inst Research

## Peer Set Comparison

	Mcap (Rs bn)	CMP (Rs/sh)	Reco	TP	Adj EPS (Rs/sh)				P/E (x)				RoE (%)			
					FY18	FY19P	FY20E	FY21E	FY18	FY19P	FY20E	FY21E	FY18	FY19P	FY20E	FY21E
Sun Pharma	990	413	BUY	600	12.7	14.9	19.2	25.5	32.5	27.7	21.6	16.2	8.2	9.0	10.6	12.8
Cipla	452	562	BUY	625	18.6	19.1	21.1	28.4	30.3	29.5	26.6	19.8	11.2	10.5	10.7	12.9
Dr Reddy's Labs	440	2,652	BUY	3,320	59.2	104.9	125.8	147.0	44.8	25.3	21.1	18.0	7.8	13.1	13.9	14.1
Divi's Labs	421	1,585	SELL	1,445	32.4	48.8	56.7	65.6	49.0	32.5	28.0	24.2	15.2	20.1	20.4	20.8
Aurobindo Pharma	401	684	BUY	800	41.7	42.9	49.3	53.2	16.4	15.9	13.9	12.9	23.2	19.7	18.9	17.2
Lupin	336	744	BUY	930	38.2	16.4	27.3	42.1	19.5	45.3	27.3	17.7	12.8	5.4	8.7	12.3
Torrent Pharma	264	1,563	NEU	1,745	37.0	40.1	52.9	72.8	42.2	39.0	29.5	21.5	14.0	14.5	17.7	20.9
Cadila Healthcare	263	257	NEU	285	12.7	11.1	12.0	15.7	20.3	23.1	21.5	16.4	16.5	11.9	11.2	13.2
<b>Alkem Laboratories</b>	<b>210</b>	<b>1,760</b>	<b>BUY</b>	<b>2,250</b>	<b>57.6</b>	<b>64.7</b>	<b>79.5</b>	<b>102.1</b>	<b>30.6</b>	<b>27.2</b>	<b>22.1</b>	<b>17.2</b>	<b>14.8</b>	<b>15.0</b>	<b>16.4</b>	<b>18.5</b>
Abbott India	167	7,837	NR	8,990	188.8	211.9	248.6	299.6	41.5	37.0	31.5	26.2	26.1	24.3	24.1	24.5
Glenmark	157	555	BUY	730	17.5	27.4	31.2	37.3	31.8	20.3	17.8	14.9	9.4	13.3	13.8	14.5
Alembic Pharma	98	517	NEU	570	21.9	25.8	25.1	31.6	23.6	20.1	20.6	16.4	20.0	19.7	16.4	18.1
Jubilant Life Sciences	81	506	BUY	1,005	45.5	53.8	60.2	76.2	11.1	9.4	8.4	6.6	19.3	19.3	18.3	19.6
Laurus Labs	39	363	BUY	535	15.8	10.7	17.0	29.4	23.0	33.9	21.3	12.4	11.9	6.2	10.8	16.7
Strides Pharma	38	429	BUY	570	13.2	6.9	29.3	35.7	32.6	62.4	14.6	12.0	2.9	2.3	9.5	10.7
Dishman Carbogen Amcis	38	233	BUY	400	13.2	16.7	20.5	26.5	17.6	13.9	11.4	8.8	14.6	15.4	15.7	17.2
Suven Life Sciences	35	277	NR	455	9.7	6.8	9.1	10.7	28.6	40.6	30.6	25.9	17.2	10.9	13.2	13.9
J B Chemicals & Pharmaceuticals	30	372	NR	485	16.6	24.1	28.8	34.6	22.5	15.4	12.9	10.7	9.9	13.3	14.7	15.6
Granules India	29	113	BUY	170	5.2	9.3	11.4	13.9	21.6	12.1	9.9	8.1	12.0	16.7	17.5	18.5
Neuland Labs	8	616	BUY	920	10.8	12.8	32.1	65.8	57.0	48.1	19.2	9.4	2.2	2.6	5.7	10.9

Source: HDFC sec Inst Research

## Change In Estimates (Consolidated)

Rs mn	Previous			New			% Chg		
	FY19P	FY20E	FY21E	FY19P	FY20E	FY21E	FY19P	FY20E	FY21E
Net Sales	72,352	81,159	93,202	73,572	82,964	95,241	1.7	2.2	2.2
EBITDA	11,287	13,229	16,031	11,148	13,523	16,381	(1.2)	2.2	2.2
APAT	7,577	9,667	12,180	7,736	9,509	12,213	2.1	(1.6)	0.3

Source: HDFC sec Inst Research

## Income Statement (Consolidated)

Year Ending March (Rs mn)	FY17	FY18	FY19P	FY20E	FY21E
<b>Net Revenues</b>	<b>58,525</b>	<b>64,312</b>	<b>73,572</b>	<b>82,964</b>	<b>95,241</b>
<b>Growth (%)</b>	<b>15.9</b>	<b>9.9</b>	<b>14.4</b>	<b>12.8</b>	<b>14.8</b>
Material Expenses	22,215	25,129	29,450	33,351	37,620
Employee Expenses	10,039	11,916	13,625	14,933	16,477
R&D Expenses	3,204	3,646	4,622	5,393	6,667
Other Operating Expenses	13,078	13,337	14,728	15,763	18,096
<b>EBITDA</b>	<b>9,990</b>	<b>10,284</b>	<b>11,148</b>	<b>13,523</b>	<b>16,381</b>
<b>EBITDA Margin (%)</b>	<b>17.1</b>	<b>16.0</b>	<b>15.2</b>	<b>16.3</b>	<b>17.2</b>
<b>EBITDA Growth (%)</b>	<b>17.1</b>	<b>2.9</b>	<b>8.4</b>	<b>21.3</b>	<b>21.1</b>
Depreciation	1,012	1,430	1,932	2,240	2,627
<b>EBIT</b>	<b>8,978</b>	<b>8,854</b>	<b>9,216</b>	<b>11,283</b>	<b>13,754</b>
Other Income (Including EO Items)	1,120	960	877	847	1,304
Interest	452	553	546	534	519
<b>PBT</b>	<b>9,646</b>	<b>9,260</b>	<b>9,547</b>	<b>11,596</b>	<b>14,539</b>
Tax (Incl Deferred)	600	2,876	1,810	2,087	2,326
Minority Interest	(126)	-	-	-	-
<b>RPAT</b>	<b>8,920</b>	<b>6,384</b>	<b>7,736</b>	<b>9,509</b>	<b>12,213</b>
EO (Loss) / Profit (Net Of Tax)	-	(500)	-	-	-
<b>APAT</b>	<b>8,920</b>	<b>6,884</b>	<b>7,736</b>	<b>9,509</b>	<b>12,213</b>
<b>APAT Growth (%)</b>	<b>20.3</b>	<b>(22.8)</b>	<b>12.4</b>	<b>22.9</b>	<b>28.4</b>
<b>Adjusted EPS (Rs)</b>	<b>74.6</b>	<b>57.6</b>	<b>64.7</b>	<b>79.5</b>	<b>102.1</b>

Source: Company, HDFC sec Inst Research

## Balance Sheet (Consolidated)

Year Ending March (Rs mn)	FY17	FY18	FY19P	FY20E	FY21E
<b>SOURCES OF FUNDS</b>					
Share Capital - Equity	239	239	239	239	239
Reserves	44,437	48,399	54,154	61,184	70,213
<b>Total Shareholders Funds</b>	<b>44,676</b>	<b>48,638</b>	<b>54,393</b>	<b>61,423</b>	<b>70,452</b>
<b>Minority Interest</b>	<b>1,152</b>	<b>1,216</b>	<b>1,326</b>	<b>1,326</b>	<b>1,326</b>
Long Term Debt	2,089	1,307	2,313	2,063	1,814
Short Term Debt	4,506	7,613	6,713	6,713	6,713
<b>Total Debt</b>	<b>6,595</b>	<b>8,920</b>	<b>9,026</b>	<b>8,776</b>	<b>8,527</b>
<b>Net Deferred Taxes</b>	<b>(6,958)</b>	<b>(6,539)</b>	<b>(7,073)</b>	<b>(7,073)</b>	<b>(7,073)</b>
<b>Other Non-current Liabilities &amp; Provns</b>	<b>1,022</b>	<b>1,646</b>	<b>2,144</b>	<b>2,025</b>	<b>2,403</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>46,487</b>	<b>53,880</b>	<b>59,816</b>	<b>66,477</b>	<b>75,635</b>
<b>APPLICATION OF FUNDS</b>					
Net Block	14,522	19,382	21,730	25,434	27,196
CWIP	4,149	3,810	4,930	2,986	2,598
Goodwill	3,448	3,454	3,574	3,574	3,574
Investments	-	985	957	957	957
Other Non-current Assets	4,841	2,338	1,653	1,864	2,140
<b>Total Non-current Assets</b>	<b>26,960</b>	<b>29,968</b>	<b>32,844</b>	<b>34,815</b>	<b>36,465</b>
<b>Cash &amp; Equivalents</b>	<b>9,523</b>	<b>9,226</b>	<b>8,895</b>	<b>14,382</b>	<b>20,368</b>
Inventories	12,060	14,421	14,999	17,122	18,364
Debtors	7,136	10,805	12,484	12,501	15,656
Other Current Assets	3,039	5,679	5,784	5,784	5,784
<b>Total Current Assets</b>	<b>22,235</b>	<b>30,905</b>	<b>33,267</b>	<b>35,407</b>	<b>39,804</b>
Creditors	7,414	9,607	9,623	10,704	12,156
Other Current Liabilities & Provns	4,817	6,613	5,567	7,425	8,847
<b>Total Current Liabilities</b>	<b>12,231</b>	<b>16,220</b>	<b>15,190</b>	<b>18,129</b>	<b>21,003</b>
<b>Net Current Assets</b>	<b>10,004</b>	<b>14,685</b>	<b>18,077</b>	<b>17,279</b>	<b>18,801</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>46,487</b>	<b>53,879</b>	<b>59,816</b>	<b>66,476</b>	<b>75,634</b>

Source: Company, HDFC sec Inst Research

## Cash Flow

Year Ending March (Rs mn)	FY17	FY18	FY19P	FY20E	FY21E
Reported PBT	9,646	9,260	9,547	11,596	14,539
Non-operating & EO items	(90)	(28)	(534)	-	-
Interest expenses	(592)	(234)	(331)	(313)	(785)
Depreciation	1,012	1,430	1,932	2,240	2,627
Working Capital Change	(2,626)	(5,635)	(2,209)	468	(1,420)
Tax Paid	(2,640)	(2,032)	(1,810)	(2,087)	(2,326)
<b>OPERATING CASH FLOW ( a )</b>	<b>4,711</b>	<b>2,762</b>	<b>6,595</b>	<b>11,904</b>	<b>12,635</b>
Capex	(6,344)	(6,770)	(5,400)	(4,000)	(4,001)
Free cash flow (FCF)	(1,633)	(4,009)	1,195	7,904	8,634
Investments	(417)	868	27	-	-
Non-operating Income	3,901	2,229	757	847	1,304
<b>INVESTING CASH FLOW ( b )</b>	<b>(2,859)</b>	<b>(3,674)</b>	<b>(4,616)</b>	<b>(3,153)</b>	<b>(2,697)</b>
Debt Issuance/(Repaid)	121	3,574	106	(250)	(249)
Interest Expenses	(636)	(553)	(546)	(534)	(519)
FCFE	(2,148)	(988)	754	7,120	7,866
Share Capital Issuance	-	-	-	-	1.00
Dividend	(863)	(2,176)	(2,267)	(2,479)	(3,184)
Others	(4,289)	5,299	397	(0)	0
<b>FINANCING CASH FLOW ( c )</b>	<b>(5,668)</b>	<b>6,144</b>	<b>(2,311)</b>	<b>(3,263)</b>	<b>(3,951)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(3,816)</b>	<b>5,232</b>	<b>(332)</b>	<b>5,488</b>	<b>5,987</b>
EO Items, Others	-	985	957	957	957
<b>Closing Cash &amp; Equivalents</b>	<b>9,523</b>	<b>9,225</b>	<b>8,894</b>	<b>14,383</b>	<b>20,369</b>

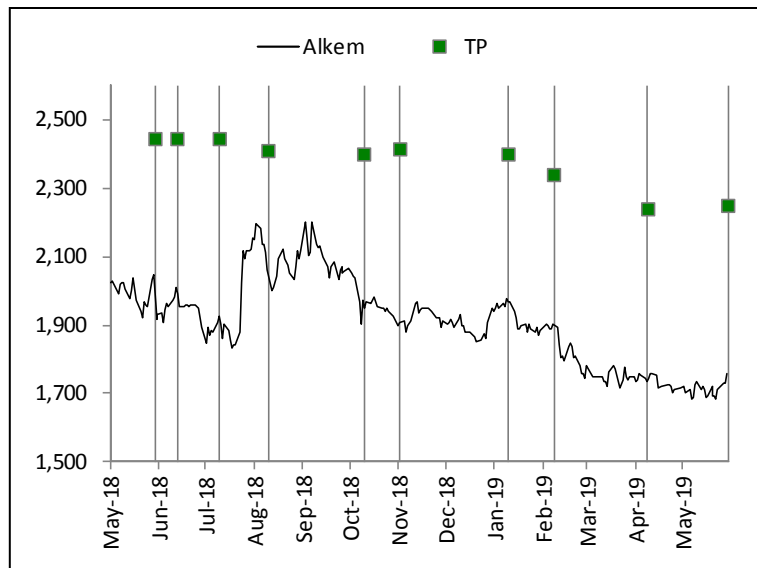
Source: Company, HDFC sec Inst Research

## Key Ratios

	FY17	FY18	FY19P	FY20E	FY21E
<b>PROFITABILITY (%)</b>					
GPM	62.0	60.9	60.0	59.8	60.5
EBITDA Margin	17.1	16.0	15.2	16.3	17.2
APAT Margin	15.2	10.7	10.5	11.5	12.8
RoE	21.9	14.8	15.0	16.4	18.5
RoIC (or Core RoCE)	30.0	16.4	16.3	18.6	22.4
RoCE	21.6	14.5	14.4	15.8	17.8
<b>EFFICIENCY</b>					
Tax Rate (%)	6.2	31.1	19.0	18.0	16.0
Fixed Asset Turnover (x)	3.6	2.8	2.7	2.5	2.6
Inventory (days)	75.2	81.8	74.4	75.3	70.4
Debtors (days)	44.5	61.3	61.9	55.0	60.0
Other Current Assets (days)	19.0	32.2	28.7	25.4	22.2
Payables (days)	46.2	54.5	47.7	47.1	46.6
Other Current Liab & Provns (days)	30.0	37.5	27.6	32.7	33.9
Cash Conversion Cycle (days)	62.4	83.3	89.7	76.0	72.1
Debt/EBITDA (x)	0.7	0.9	0.8	0.6	0.5
Net D/E (x)	(0.1)	(0.0)	0.0	(0.1)	(0.2)
Interest Coverage (x)	19.9	16.0	16.9	21.1	26.5
<b>PER SHARE DATA (Rs)</b>					
EPS	74.6	57.6	64.7	79.5	102.1
Dividend	15.0	10.1	16.0	17.5	22.5
Book Value	373.7	406.8	454.9	513.7	589.2
<b>VALUATION</b>					
P/E (x)	23.6	30.6	27.2	22.1	17.2
P/BV (x)	4.7	4.3	3.9	3.4	3.0
EV/EBITDA (x)	20.8	20.4	18.9	15.1	12.1
EV/Revenues (x)	3.5	3.3	2.9	2.5	2.1
OCF/EV (%)	2.3	1.3	3.1	5.8	6.4
FCF/EV (%)	(0.8)	(1.9)	0.6	3.9	4.3
FCFE/Mkt Cap (%)	(1.0)	(0.5)	0.4	3.4	3.7
Dividend Yield (%)	0.9	0.6	0.9	1.0	1.3

Source: Company, HDFC sec Inst Research

## RECOMMENDATION HISTORY



Date	CMP	Reco	Target
31-May-18	1,983	BUY	2,445
13-Jun-18	1,983	BUY	2,445
10-Jul-18	1,909	BUY	2,445
11-Aug-18	2,060	BUY	2,410
10-Oct-18	1,969	BUY	2,400
5-Nov-18	1,909	BUY	2,415
10-Jan-19	1,970	BUY	2,400
9-Feb-19	1,904	BUY	2,340
9-Apr-19	1,735	BUY	2,240
31-May-19	1,760	BUY	2,250

### Rating Definitions

**BUY** : Where the stock is expected to deliver more than 10% returns over the next 12 month period  
**NEUTRAL** : Where the stock is expected to deliver (-)10% to 10% returns over the next 12 month period  
**SELL** : Where the stock is expected to deliver less than (-)10% returns over the next 12 month period



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**HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066**

**Compliance Officer: Binkle R. Oza Email: [complianceofficer@hdfcsec.com](mailto:complianceofficer@hdfcsec.com) Phone: (022) 3045 3600**

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