MOTILAL OSWAL

11 April 2021

Update | Sector: Healthcare

Ipca Laboratories

BSE SENSEX	S&P CNX
49,591	14,835

ipca A dose of life

Stock Info

Bloomberg	IPCA IN
Equity Shares (m)	126
M.Cap.(INRb)/(USDb)	264.4 / 3.5
52-Week Range (INR)	2456 / 1443
1, 6, 12 Rel. Per (%)	10/-23/-29
12M Avg Val (INR M)	881

Financials Snapshot (INR b)

Y/E MARCH	2021E	2022E	2023E
Sales	56.5	62.3	68.5
EBITDA	16.4	16.2	18.3
Adj. PAT	11.9	11.9	12.8
EBIT Margin (%)	25.2	22.2	23.1
Cons. Adj. EPS (INR)	94.4	94.3	101.4
EPS Gr. (%)	83.8	-0.1	7.6
BV/Sh. (INR)	367.7	447.9	534.1
Ratios			
Net D:E	0.0	-0.1	-0.2
RoE (%)	28.9	23.1	20.7
RoCE (%)	26.4	21.6	19.6
Payout (%)	14.9	15.0	15.0
Valuations			
P/E (x)	22.0	22.0	20.5
EV/EBITDA (x)	15.9	15.7	11.0
Div. Yield (%)	0.7	0.7	0.7
FCF Yield (%)	2.6	2.7	3.3
EV/Sales (x)	4.6	4.1	2.7

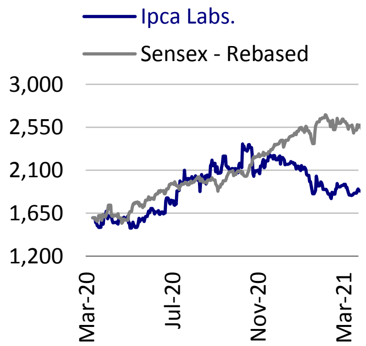
* Cons.

Shareholding pattern (%)

As On	Dec-20	Sep-20	Dec-19
Promoter	46.3	46.1	46.1
DII	24.5	28.9	25.9
FII	18.2	12.4	14.0
Others	11.0	12.6	14.0

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR2,085 TP: INR2,480 (+21%) Buy

On a steady footing

From our interaction with the management, we believe Ipca Laboratories (IPCA) has enough levers to outperform the market in Domestic Formulations (DF) and Branded Generics exports, with good visibility in the Institutional business and continued momentum in the API segment.

Superior execution, market share gains to drive growth in DF

- While doctors have resumed their clinics, partly on account of having received their vaccinations, patient footfall is yet to return to normal levels. Particularly, patient footfall remains low in the case of Pediatrics.
- IPCA has witnessed sustained growth momentum in the Pain segment. It has posted market share gains, on account of the pandemic, in products wherein smaller companies have been unable to meet supply requirements. Moreover, higher prescriptions for established brands such as Zerodol have enhanced growth prospects for IPCA in this segment.
- IPCA has outperformed in the Anti-Neoplastics, Central Nervous System (CNS), Dermatology, and Urology segments as well.
- IPCA has been a small player in Anti-Infective therapy – growth prospects have been impacted even further due to COVID. IPCA is gradually reviving sales in this therapy via new launches and increased traction in existing products.
- Overall, we expect a 14.5% sales CAGR in DF to INR27b (37% of sales) over FY21–23.

Capacity expansion, backward integration to improve API prospects

- Led by an investment of INR4b toward capacity enhancement as well as the ongoing backward integration, we believe IPCA's API business (25% of sales) would sustain the growth momentum over the next 3–5 years.

Branded export business to see growth revival

- IPCA has reported sales of ~INR3.8b (7% of sales) in the Branded export segment over the past 12M (down 5% YoY), largely due to the COVID-led disruption. However, with a reduction in daily new cases in the Middle East / West Africa, the segment is expected to see growth recovery.

Strong order book provides visibility in Institutional business

- Product diversification, customer diversification, and a healthy order-book have offered better visibility in the Institutional Anti-Malarial business over the next 12–24M. We expect a sales CAGR of 8% to INR4.3b (7.5% of sales) over FY21–23.

Valuation and view

- Adjusted for one-time business in FY21, we expect IPCA to deliver a 16% earnings CAGR over FY21–23 on a) better-than-industry growth in DF, b) recovery in the Branded business, c) increased prospects in the UK business, d) increased business opportunity in the Institutional segment, and e) a capacity enhancement exercise in the API segment.
- We value IPCA on a 24x 12M forward earnings basis to arrive at Target Price of INR2,480. Reiterate Buy.

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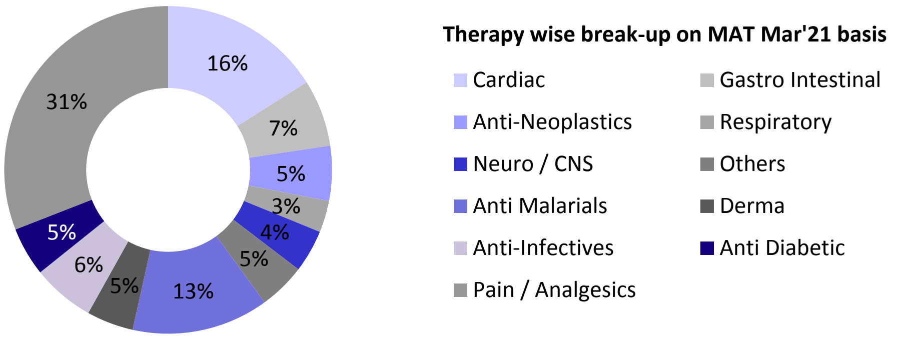
DF: IPCA to outperform market with double-digit growth

- **We expect robust traction in Pain/Analgesics and Cardiac therapies on the back of favorable demand, market share gains, and superior execution.**
- **Particularly, efforts to build the strong 'Zerodol' franchise continue to deliver much better growth vis-à-vis peers.**
- **Accordingly, we expect IPCA's overall outperformance in DF to sustain over the next 12–24M.**

Pain – key driver among therapies

- Pain/Analgesics is the largest therapy for IPCA, contributing more than 30% to secondary sales as of MAT Feb'21 (as per AIOCD).
- IPCA has delivered a 9% sales CAGR over the past five years ended Mar'21. Particularly, over the past 12M, it has delivered YoY growth of 11%. This is impressive given the COVID scenario – with lockdown disrupting patient-doctor connect as well as supply chain logistics. Growth in the Pain therapy is driven by Zerodol (Aceclofenac), which is used to treat Rheumatoid and Osteoarthritis. The company continues to increase its focus on the Zerodol family as there is a large unmet need in the Arthritis space.

Exhibit 1: Pain, IPCA's biggest therapy, contributes 30%+ to domestic sales



Source: MOFSL, AIOCD

Exhibit 2: IPCA outperforms industry in 9 of 15 therapies

Therapy (Figures in INR m)	MAT Mar'21 Sales	YoY grt, %	CAGR (%)	Industry therapy CAGR, %	Ipca Outperformance, %
Pain / Analgesics	7,174	22.3	14.0	4.4	9.6
Cardiac	3,716	12.1	7.9	10.2	-2.4
Anti Malarials	3,128	-3.0	0.0	-5.5	5.5
Gastro Intestinal	1,534	14.3	5.1	6.3	-1.2
Anti-Infectives	1,426	-6.1	9.3	3.0	6.3
Anti-Neoplastics	1257	15.7	15.3	4.6	10.6
Anti Diabetic	1120	14.0	7.0	11.0	-4.0
Derma	1071	15.8	17.3	8.0	9.2
Neuro / CNS	975	11.8	9.2	6.9	2.3
Respiratory	726	-5.9	2.3	4.5	-2.2
Urology	470	0.6	13.7	11.2	2.5
VMN	432	8.4	2.6	7.2	-4.6
Ophthal / Otologicals	92	98.2	NA	3.2	NA
Sex Stimulants / Rejuvenators	40	44.7	33.0	4.8	28.2
Hormones	19	41.1	-3.9	7.2	-11.1
Blood Related	18	-21.2	31.8	3.6	28.1

*CAGR on MAT Mar'17-21 basis; Source: MOFSL, AIOCD

- IPCA has outperformed in the Anti-Neoplastics, CNS, Dermatology, and Urology as well. IPCA has been able to grow in line with the industry in Cardiac therapy.
- Anti-Malarial is another therapy wherein IPCA leads the market. The Anti-Malarials therapy has seen continued decline over the last three years owing to initiatives to implement better hygiene, such as Swachh Bharat. Despite this, IPCA continues to maintain its leadership position and to outperform despite seeing decline in the therapy.
- As IPCA has been building up its Anti-Infectives traction, it has faced various hurdles on account of COVID. However, as the share of Anti-Infectives is marginal, it has had minimal impact on overall performance in the DF segment.
- IPCA has guided for growth of 12–14% YoY in FY22 in the DF business, adjusted for one-time business in FY21 – such as the supply of HCQS to the US and Government of India. The guidance is also subject to any extended disruption due to COVID as well as the addition of products under the new National List of Essential Medicines (NLEM).

Zerodol – mega-brand for IPCA

- Zerodol has become a mega-brand for IPCA; all sub-brands of Zerodol have outperformed their respective molecules over the last four years. The Zerodol franchise contributes ~INR6b in secondary sales for IPCA across two therapies, accounting for ~26% of total sales.

Exhibit 3: Zerodol sub-brands outperform respective molecule sales growth over last four years

Brand (Fig. in INR m)	Therapy	Molecule	MAT Mar'20	MAT Mar'21	YoY Gr. (%)	CAGR (Mar'17-21)	Molecule CAGR (Mar'17-21)
Zerodol SP	Pain / Analgesics	❖ Aceclofenac + Paracetamol + Serratiopeptidase | M1A7	1966	2621	33.3	22.1	13.7
Zerodol P	Pain / Analgesics	❖ Aceclofenac + Paracetamol | M1A3	1291	1667	29.1	15.2	9.9
Zerodol TH	Pain / Analgesics	❖ Thiocolchicoside + Aceclofenac | M3B94	543	717	32.0	21.8	9.2
Zerodol MR	Pain / Analgesics	❖ Aceclofenac + Tizanidine | M3B102	315	415	31.7	13.5	13.5
Zerodol	Pain / Analgesics	❖ Aceclofenac | M1A1	326	358	9.8	2.3	-1.1
Zerodol SPAS	Gastro Intestinal	❖ Drotaverine + Aceclofenac | A3E8	178	218	22.5	12.2	11.3
Total			**4,617**	**5,995**	29.8	12.2	

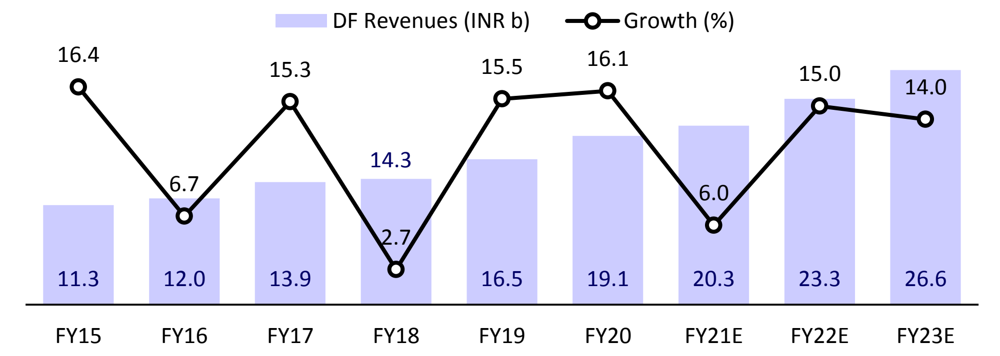
Source: MOFSL, AIOCD

- Zerodol (Aceclofenac) is a non-steroidal anti-inflammatory drug (NSAID) used as a painkiller. It is also used to treat patients with Arthritis (Rheumatoid and Osteo). Treatment with Aceclofenac does not cause acidity, unlike some other drugs used to treat Arthritis; hence, one does not require the additional use of Proton Pump Inhibitors to treat acidity. This not only reduces the cost of treatment but also proves less stressful for the patients.
- IPCA has painstakingly built the Zerodol franchise in India, especially for the treatment of Rheumatoid Arthritis, supported through the publishing of numerous research papers. IPCA's experience, brand recall, and educational support for doctors on the drug have augured well for the franchise – despite multiple products having entered the market.

Expect IPCA to deliver 14.5% sales CAGR in DF over FY21–23

- While doctors have resumed strongly on the back of healthcare workers having received their vaccinations, patient footfall now stands just 10–15% below normal levels. Segments such as Pediatrics are seeing a higher impact in terms of low patient traffic. With schools expected to re-open in Jun–Jul'21, the Pediatrics segment is expected to see an upside from late 2QFY22. Therapies wherein IPCA has a smaller presence, such as Anti-Infectives, have been majorly impacted by COVID.

Exhibit 4: Expect DF to be back on robust growth trajectory FY22 onward



Source: MOFSL, Company

- Although the industry is seeing a strong uptick in raw material and KSM prices, IPCA is less exposed to the risk of RM price increase as it is significantly backward integrated. The company may also benefit from this as its competitors are expected to be heavily impacted, with no scope to pass on the price increase to customers on products under a price cap.
- The extent of ongoing cost savings is subject to the COVID scenario shaping up over the next 8–12M. The sharp rise in COVID cases in specific states may lead to a reduction in operating cost – due to restrictions on the movement of marketing representatives (MRs). However, a strong brand recall and continuing sales of chronic medicines would drive extended benefit of superior profitability for IPCA, in our view.
- Accordingly, we expect IPCA to garner a 14.5% sales CAGR to INR27b in DF over FY21–23.

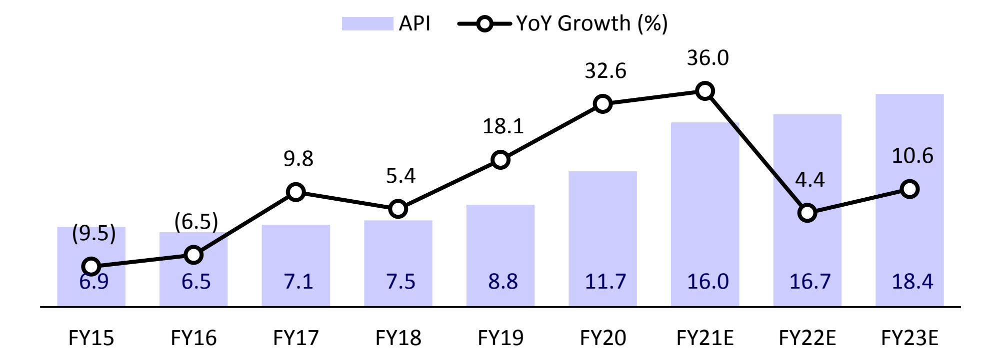
API – capacity expansion on track to address demand

- **Capacity expansion is underway at Dewas/Ratlam, with debottlenecking also being undertaken at Ratlam to increase capacity in the short term.**
- **The raw material / key starting material (KSM) price increase impact on API manufacturers is expected to be only transitional, to some extent, as sudden cost increases would be passed on to customers when new contracts are signed.**

High base of FY21, gestation period for commercialization of new capex may moderate growth over FY21–23

- The API business (25% of sales) posted growth of 39% YoY in 9MFY21, led by COVID-led off-take of HCQS and robust demand in Sartans.

Exhibit 5: Spike in FY21 sales may subdue near-term growth prospects



Source: MOFSL, Company

- IPCA is expanding its API capacity (at Dewas/Ratlam) for external sales as well as to increase backward integration. It is undertaking debottlenecking at Ratlam to increase capacity until its new facilities under development turn operational. Capex at the Ratlam and Dewas API facilities would increase capacity by 35%. IPCA has also planned for major capex for intermediates in FY23 to increase backward integration. Its proposed continued production (v/s traditional batch production) for some intermediates is expected to result in higher throughput and profitability for these products.
- RM/KSM prices have increased significantly (50%+) wherever there is dependency on China for such products. Prices of APIs are rising in both the domestic and foreign markets. Volumes are also being limited by Chinese manufacturers, leading to the lower availability of RMs/KSMs. Most of the sharp cost increase would be passed on to customers on the signing of new contracts; hence, the impact is expected to be transitional for API manufacturers.
- In Sartans, Losartan is a high-volume product for IPCA; it has high market share despite not having a presence in the US market.
- Margins in the API business in the current year have been higher than those in the past on account of the COVID-related benefit.
- The government is yet to announce allotments for the products where IPCA has applied for the PLI scheme.
- Overall, we expect IPCA to deliver a 7.4% sales CAGR to INR18.4b in the API segment over FY21–23.

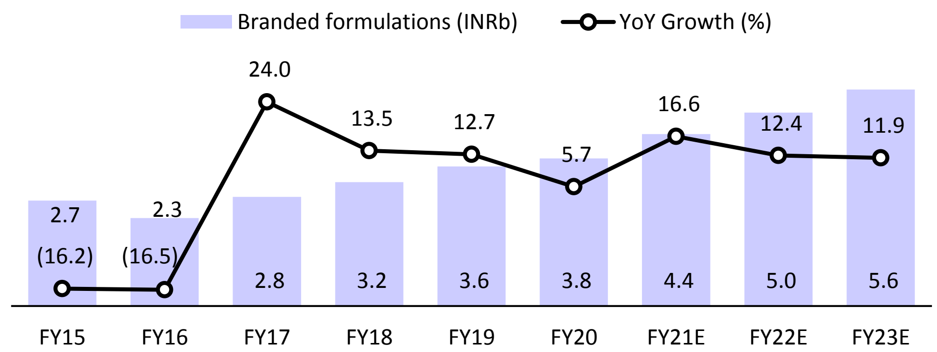
Outlook promising for Branded/Institutional biz

- **The Branded Generics export business generates one of the highest margins for IPCA. We expect a 12% sales CAGR for this segment, which also bodes well for overall margin expansion.**
- **The Institutional business is expected to continue its strong performance of FY21 in FY22 as well, with good visibility on contracts. On a high base of FY21, we expect 8% sales CAGR for the Institutional business over FY21–23.**

Branded Generics export biz to support growth with better profitability

- IPCA's Branded export business has similar operational characteristics as those of the DF business.

Exhibit 6: Expect Branded business sales to grow at 12% CAGR over FY21–23



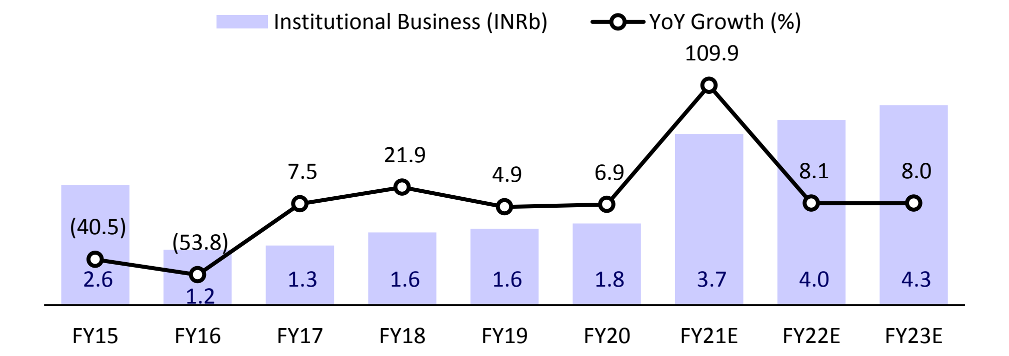
Source: MOFSL, Company

- Superior execution in the Middle East and West Africa would drive growth in the international Branded Generics business.
- Pricing power is high in these markets given that European peers in these regions are at a substantially higher price point compared with that of IPCA.
- IPCA is in the process of ramping up its own product launches in the UK. It currently has 3–4 products commercialized and is expected to launch 14–15 products over the next 12–15M. It is expected to not only revive growth in the UK segment but also contribute meaningfully to the company's overall performance.
- The Russia/CIS business has been impacted by COVID and unfavorable currency. Business is gradually recovering and would be further supported by new launches over the medium term.
- We expect IPCA's branded exports to deliver a 12% sales CAGR to INR5.6b over FY21–23E.

Strong order book provides visibility for Institutional biz over next 12–15M

- The Institutional business posted phenomenal growth of 126% YoY in 9MFY21. Orders from global funds, USAIDs, and country-specific tenders continue to drive this business – it continues to perform well in FY22 as well.
- Being backward integrated enables it to be competitive in the bidding process. The Artemether-Lumefrantine (in conventional dosage/dispersible form) and Artesunate injectable are the major contributors to institutional sales. 2–3 products are in the development phase and some are under review by institutional agencies.

Exhibit 7: Institutional biz sales may moderate on high base of FY21

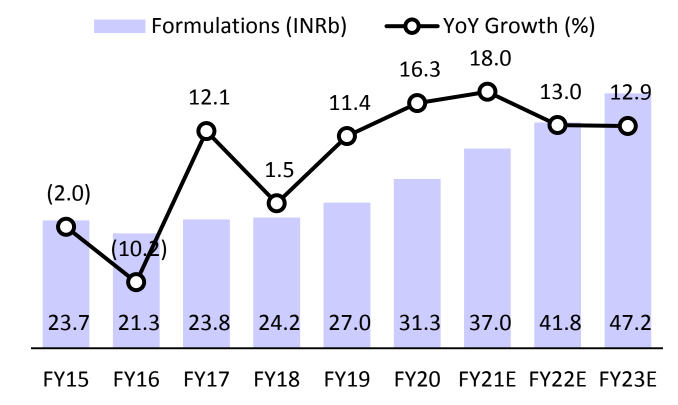


Source: MOFSL, Company

- We expect a sales CAGR of 8% to INR4.3b over FY21–23.

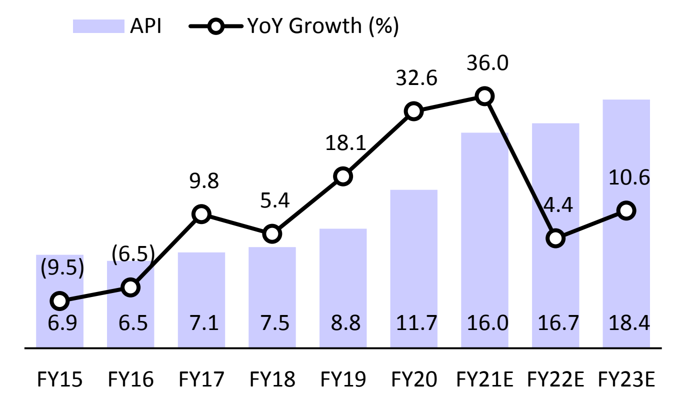
Story in charts

Exhibit 8: Formulation sales on healthy growth path



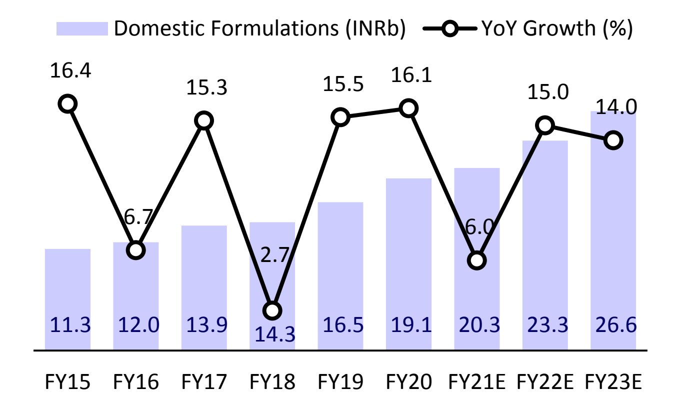
Source: Company, MOFSL

Exhibit 9: API sales to grow at 7% CAGR over FY21–23



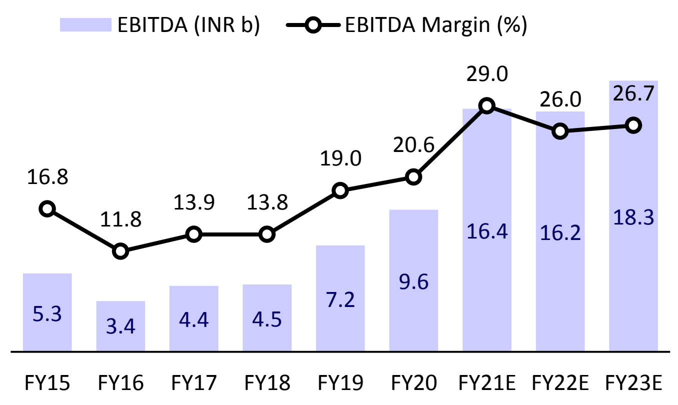
Source: Company, MOFSL

Exhibit 10: Expect DF sales CAGR of 13% over FY21–23



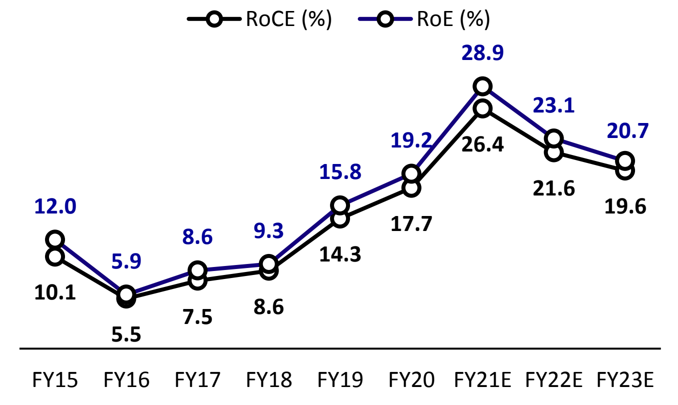
Source: Company, MOFSL

Exhibit 11: Margins to gradually improve going forward



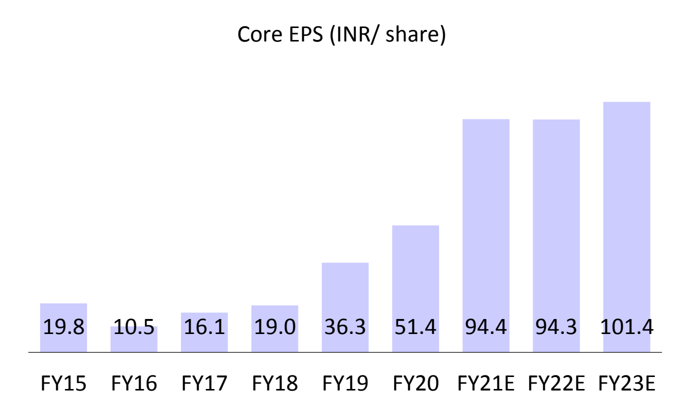
Source: Company, MOFSL

Exhibit 12: Return ratios taper over FY21–23 on high base



Source: Company, MOFSL

Exhibit 13: Expect EPS CAGR of 16% over FY21–23 (excl one-time business in FY21)



Source: Company, MOFSL

Financials and valuations

Income Statement										(INR M)
Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Net Revenues	**32,818**	**31,418**	**28,850**	**32,106**	**32,836**	**37,732**	**46,487**	**56,476**	**62,293**	**68,489**
Change (%)	16.7	-4.3	-8.2	11.3	2.3	14.9	23.2	21.5	10.3	9.9
EBITDA	**8,106**	**5,291**	**3,417**	**4,448**	**4,547**	**7,170**	**9,580**	**16,378**	**16,196**	**18,287**
Margin (%)	24.7	16.8	11.8	13.9	13.8	19.0	20.6	29.0	26.0	26.7
Depreciation	1,031	1,796	1,722	1,730	1,777	1,824	2,105	2,132	2,355	2,472
EBIT	**7,074**	**3,495**	**1,695**	**2,718**	**2,770**	**5,346**	**7,475**	**14,246**	**13,841**	**15,815**
Int. and Finance Charges	269	284	316	241	240	189	165	128	122	110
Other Income - Rec.	-500	358	169	226	418	483	578	380	450	500
PBT before EO Expense	**6,306**	**3,569**	**1,548**	**2,703**	**2,948**	**5,640**	**7,888**	**14,498**	**14,169**	**16,205**
EO Expense/(Income)	0	-42	395	0	0	157	445	-171	0	0
PBT after EO Expense	**6,306**	**3,611**	**1,153**	**2,703**	**2,948**	**5,483**	**7,442**	**14,669**	**14,169**	**16,205**
Current Tax	1,357	747	228	533	614	1,218	1,406	2,247	1,984	3,079
Deferred Tax	167	272	-42	142	-102	-176	-53	290	283	324
Tax	1,524	1,019	186	675	511	1,042	1,353	2,537	2,267	3,403
Tax Rate (%)	24.2	28.6	12.0	25.0	17.3	18.5	17.2	17.5	16.0	21.0
Reported PAT	**4,782**	**2,592**	**967**	**2,028**	**2,436**	**4,441**	**6,090**	**12,132**	**11,901**	**12,801**
Less: Minority Interest	49	49	35	0	42	18	78	70	0	0
Net Profit	**4,733**	**2,542**	**933**	**2,028**	**2,394**	**4,423**	**6,012**	**12,062**	**11,901**	**12,801**
Adj PAT	**4,733**	**2,501**	**1,328**	**2,028**	**2,394**	**4,580**	**6,485**	**11,919**	**11,902**	**12,802**
Adj PAT growth (%)	46.3	-47.2	-46.9	52.8	18.1	91.3	41.6	83.8	-0.1	7.6

Balance Sheet										(INR M)
Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Equity Share Capital	252	252	252	252	252	252	252	252	252	252
Total Reserves	19,344	21,832	22,340	24,300	26,633	30,971	35,903	46,155	56,272	67,153
Net Worth	**19,597**	**22,084**	**22,592**	**24,553**	**26,886**	**31,224**	**36,275**	**46,408**	**56,524**	**67,406**
Deferred liabilities	1471	1743	1565	1705	1580	1457	1398	1688	1971	2296
Total Loans	4,379	8,286	6,691	5,290	4,731	3,505	4,328	4,233	3,926	3,649
Capital Employed	**25,447**	**32,113**	**30,848**	**31,548**	**33,196**	**36,342**	**42,137**	**52,329**	**62,421**	**73,351**
Gross Block	19,321	25,463	22,121	23,508	24,969	26,657	30,268	32,768	35,768	39,268
Less: Accum. Deprn.	5,785	7,459	1,628	3,350	5,127	6,951	9,056	11,188	13,543	16,015
Net Fixed Assets	**13,536**	**18,004**	**20,493**	**20,158**	**19,842**	**19,706**	**21,212**	**21,580**	**22,225**	**23,253**
Capital WIP	1,649	2,672	936	621	418	361	708	708	708	708
Investments	92	162	258	1,358	869	1,204	2,719	2,719	2,719	2,719
Curr. Assets	**16,827**	**17,285**	**17,230**	**17,458**	**20,027**	**24,217**	**27,939**	**38,201**	**47,619**	**58,658**
Inventory	8,476	9,266	8,374	8,822	8,806	10,725	13,231	16,590	19,244	22,215
Account Receivables	4,495	3,530	4,459	5,002	6,023	6,815	8,952	10,258	11,711	12,940
Cash and Bank Balance	763	1,248	1,755	359	1,506	2,823	1,809	6,224	10,981	17,224
Loans & Advances	3,093	3,242	2,641	3,276	3,693	3,854	3,947	5,129	5,683	6,280
Curr. Liability & Prov.	**6,656**	**6,011**	**8,069**	**8,047**	**7,960**	**9,147**	**10,441**	**10,880**	**10,850**	**11,988**
Account Payables	5,950	5,471	7,245	7,141	7,029	8,190	9,182	9,792	9,644	10,656
Provisions	706	540	824	906	931	957	1,259	1,088	1,206	1,332
Net Current Assets	**10,171**	**11,275**	**9,160**	**9,410**	**12,068**	**15,070**	**17,498**	**27,321**	**36,769**	**46,670**
Appl. of Funds	**25,447**	**32,113**	**30,848**	**31,548**	**33,196**	**36,342**	**42,137**	**52,329**	**62,421**	**73,351**

Financials and valuations

Ratios										
Y/E March	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**FY20**	**FY21E**	**FY22E**	**FY23E**
EPS (INR)	**37.5**	**19.8**	**10.5**	**16.1**	**19.0**	**36.3**	**51.4**	**94.4**	**94.3**	**101.4**
Cash EPS	45.7	34.4	21.0	29.8	33.1	49.5	64.3	112.5	113.0	121.0
BV/Share	155.3	175.0	179.0	194.6	213.0	247.4	286.5	367.7	447.9	534.1
DPS	5.9	1.0	0.0	1.0	1.0	1.0	7.2	14.4	14.2	15.3
Payout (%)	15.4	4.9	0.0	6.2	5.2	2.8	14.8	14.9	15.0	15.0
Valuation (x)										
P/E	55.4	104.8	197.4	129.2	109.5	57.2	40.4	22.0	22.0	20.5
P/BV	13.4	11.9	11.6	10.7	9.7	8.4	7.2	5.6	4.6	3.9
EV/Sales	8.1	8.6	9.3	8.3	8.1	7.0	5.7	4.6	4.1	2.7
EV/EBITDA	32.8	50.9	78.2	60.0	58.4	36.7	27.6	15.9	15.7	11.0
Dividend Yield (%)	0.3	0.0	0.0	0.0	0.0	0.0	0.3	0.7	0.7	0.7
Return Ratios (%)										
RoE	26.9	12.0	5.9	8.6	9.3	15.8	19.2	28.9	23.1	20.7
RoCE	22.3	10.1	5.5	7.5	8.6	14.3	17.7	26.4	21.6	19.6
RoIC	24.9	9.8	5.3	7.1	7.7	14.0	18.0	29.5	25.6	24.8
Working Capital Ratios										
Fixed Asset Turnover (x)	2.7	2.0	1.5	1.6	1.6	1.9	2.3	2.6	2.8	3.0
Debtor (Days)	50	41	56	56	66	65	70	66	68	68
Inventory (Days)	94	108	106	100	98	104	104	107	113	118
Working Capital Turnover (Days)	105	116	94	103	117	118	123	136	151	157
Leverage Ratio (x)										
Interest Cover Ratio	26.3	12.3	5.4	11.3	11.5	28.3	45.3	110.9	113.1	144.0
Debt/Equity	0.2	0.3	0.2	0.2	0.1	0.0	0.1	0.0	-0.1	-0.2

Cash Flow Statement										(INR M)
Y/E March	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**FY20**	**FY21E**	**FY22E**	**FY23E**
Oper. Profit/(Loss) before Tax	8,106	5,291	3,417	4,448	4,547	7,170	9,580	16,378	16,196	18,287
Interest/Dividends Recd.	-500	358	169	226	418	483	578	380	450	500
Direct Taxes Paid	-1,357	-747	-364	-535	-636	-1,165	-1,412	-2,247	-1,984	-3,079
(Inc)/Dec in WC	-339	-619	2,622	-1,647	-1,510	-1,686	-3,442	-5,408	-4,691	-3,658
CF from Operations	**5,910**	**4,282**	**5,844**	**2,491**	**2,819**	**4,803**	**5,304**	**9,102**	**9,972**	**12,050**
Others	-687	358	1,638	328	592	365	784			
EO Expense / (Income)	0	-42	395	0	0	157	445	-171	0	0
CF from Oper. incl EO Exp.	**5,223**	**4,682**	**7,087**	**2,819**	**3,411**	**5,010**	**5,643**	**9,273**	**9,972**	**12,050**
(inc)/dec in FA	-3,887	-7,166	5,079	-1,072	-1,258	-1,632	-3,958	-2,500	-3,000	-3,500
Free Cash Flow	**1,336**	**-2,484**	**12,165**	**1,747**	**2,154**	**3,379**	**1,685**	**6,773**	**6,972**	**8,550**
(Pur)/Sale of Investments	-1	-70	-96	-1,100	489	-336	-1,515	0	0	0
Others	198	343	-7,166	684	-586	317	376	0	0	0
CF from Investments	**-3,690**	**-6,893**	**-2,183**	**-1,488**	**-1,354**	**-1,651**	**-5,097**	**-2,500**	**-3,000**	**-3,500**
Issue of shares	0	0	0	0	0	0	0	0	0	0
(Inc)/Dec in Debt	-854	3,906	-1,594	-1,401	-560	-1,070	804	-231	-307	-277
Interest Paid	-269	-284	-316	-241	-240	-189	-165	-128	-122	-110
Dividend Paid	-738	-126	0	-126	-126	-126	-902	-1,809	-1,785	-1,920
Others	500	-991	-2,705	177	-378	-447	-1,042	-190	0	0
CF from Fin. Activity	**-1,361**	**2,505**	**-4,615**	**-1,591**	**-1,304**	**-1,832**	**-1,305**	**-2,359**	**-2,215**	**-2,307**
Inc/Dec of Cash	**172**	**294**	**288**	**-260**	**753**	**1,528**	**-758**	**4,414**	**4,757**	**6,243**
Add: Beginning Balance	567	743	1,037	1,689	1,428	2,181	3,709	2,954	7,368	12,125
Forex/ Business acquisition	4	0	364	0	0	0	3	0	0	0
Closing Balance	**743**	**1,037**	**1,689**	**1,428**	**2,181**	**3,709**	**2,954**	**7,368**	**12,125**	**18,368**
Bank balances / Mutual fund (gain)/ loss	20	211	67	-1,070	-676	-886	-1,145	-1,145	-1,145	-1,145
Closing Balance	**763**	**1,248**	**1,755**	**359**	**1,506**	**2,823**	**1,809**	**6,224**	**10,980**	**17,223**

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

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