

# Torrent Pharma

Estimate change	↔
TP change	↑
Rating change	↔

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Bloomberg	TRP IN
Equity Shares (m)	338
M.Cap.(INRb)/(USD\$b)	517.4 / 6.5
52-Week Range (INR)	1643 / 1236
1, 6, 12 Rel. Per (%)	-1/14/-9
12M Avg Val (INR M)	612

## Financials & Valuations(INR b)

Y/E March	2022	2023E	2023E
Sales	85.1	93.9	107.4
EBITDA	24.3	28.1	34.0
Adjusted PAT	11.6	14.6	18.7
EBIT Margin (%)	20.8	23.0	25.5
Cons. Adj EPS (INR)	34.3	43.2	55.3
EPS Gr. (%)	-8.4	25.8	28.0
BV/Sh. (INR)	175.9	218.2	253.5
<b>Ratios</b>			
Net D-E	0.7	0.4	0.3
RoE (%)	19.7	21.9	23.5
RoCE (%)	14.9	15.5	18.4
Payout (%)	54.0	35.5	36.1
<b>Valuation</b>			
P/E (x)	44.5	35.4	27.6
EV/EBITDA (x)	22.8	18.6	14.9
Div. Yield (%)	0.7	0.8	1.1
FCF Yield (%)	3.1	6.1	4.4
EV/Sales (x)	6.5	5.6	4.7

## Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	71.3	71.3	71.3
DII	10.0	9.7	8.4
FII	10.8	10.9	11.7
Others	8.0	8.1	8.7

FII Includes depository receipts

**CMP: INR1,529**      **TP: INR1,510 (-1%)**      **Neutral**

## Promising outlook for India and Brazil segments

### The US and Germany remain laggard in overall performance

- Torrent Pharma (TRP) delivered in-line 1QFY23 performance. Healthy growth in domestic formulation (DF)/Brazil was offset to some extent by weak show in Germany and the US generics. While TRP intends to file ANDAs for the US market, successful resolution of the USFDA issues remains the key for business improvement in the US.
- We have maintained our EPS estimates for FY23/FY24. We continue to value the stock at 26x 12M forward earnings to arrive at our TP of INR1,510. While TRP continues to deliver better-than-industry growth in branded generics market, the return ratios remain adversely impacted by lower off-take in the US market. **Maintain Neutral.**

### Product mix and increased costs hurt margins on a YoY basis

- TRP's 1QFY23 revenue grew 8% YoY to INR23b (our estimate: INR22b). Growth in India/Brazil/RoW was offset by decline in the US/Germany. DF sales grew 14% YoY to INR12.5b (54% of sales). Brazil sales were up 20% YoY to INR1.8b (8% of sales). ROW sales were flat YoY at INR2.1b (9% of sales). The US sales were steady YoY at INR2.6b (USD39m; 11% of sales). However, Germany sales declined 18% YoY to INR2.2b (9% of sales).
- Gross Margin (GM) contracted 100bp YoY to 71.4% on raw material inflation.
- Consequently, EBITDA margin contracted 250bp YoY to 29.2% (our estimate: 29.5%), owing to higher other expenses (+140bp YoY).
- EBITDA was flat YoY at INR6.7b (our estimate: INR6.5b).
- TRP received a one-time income of INR380m from an innovator in 1QFY23.
- Adj. PAT declined 4% YoY to INR3.2b (our estimate: INR2.3b).

### Highlights from the management commentary

- TRP's secondary sales in the DF segment grew 17% YoY v/s industry growth of 2% YoY in 1QFY23.
- The company intends to launch 7-8 products per quarter in the DF segment.
- TRP added 300 MRs in the DF segment totaling to 4,200 at end-1QFY23.
- The company exhibited 8% YoY growth in Brazil on constant currency basis.
- About 88% of Brazil business is branded generics in nature.
- TRP launched five products over the past six months in Brazil. It received two approvals in 1QFY23 and has 11 products pending for approval.
- Management intends to do double-digit filing in FY23E for Brazil market
- TRP also benefitted by the inflation-linked price hike of 10% YoY in the Brazil market.
- Cumulative ANDAs pending for approval stood at 60, with three tentative approvals received. One ANDA was filed during the quarter.

## Quarterly performance (Consolidated)

(INR m)

Y/E March	FY22				FY23E				FY22	FY23E	Est.	Var.
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	v/s Est
<b>Net Revenues</b>	<b>21,340</b>	<b>21,370</b>	<b>21,080</b>	<b>21,310</b>	<b>23,090</b>	<b>23,070</b>	<b>23,664</b>	<b>24,282</b>	<b>85,080</b>	<b>93,936</b>	<b>22,083</b>	<b>4.6</b>
YoY Change (%)	3.8	5.9	5.7	10.0	8.2	8.0	12.3	13.9	6.3	10.4	3.5	
<b>EBITDA</b>	<b>6,770</b>	<b>6,600</b>	<b>5,380</b>	<b>5,610</b>	<b>6,740</b>	<b>6,783</b>	<b>7,146</b>	<b>7,418</b>	<b>24,310</b>	<b>28,087</b>	<b>6,514</b>	<b>3.5</b>
YoY Change (%)	0.0	3.9	-11.4	-3.6	-0.4	2.8	32.8	32.2	-2.8	15.5	-3.8	
Margins (%)	31.7	30.9	25.5	26.3	29.2	29.4	30.2	30.5	28.6	29.9	29.5	
Depreciation	1,650	1,680	1,670	1,620	1,550	1,590	1,620	1,685	6,620	6,445	1,550	
<b>EBIT</b>	<b>5,120</b>	<b>4,920</b>	<b>3,710</b>	<b>3,990</b>	<b>5,190</b>	<b>5,193</b>	<b>5,526</b>	<b>5,733</b>	<b>17,690</b>	<b>21,642</b>	<b>4,964</b>	<b>4.5</b>
YoY Change (%)	-0.8	4.7	-15.7	-4.3	1.4	5.5	49.0	43.7	-21.9	22.3	-3.0	
Margins (%)	24.0	23.0	17.6	18.7	22.5	22.5	23.4	23.6	20.8	23.0	22.5	
Interest	680	710	620	570	550	550	540	561	2,550	2,201	580	
Other Income	400	510	480	560	300	450	550	600	1,970	1,900	400	
<b>PBT before EO Expense</b>	<b>4,840</b>	<b>4,720</b>	<b>3,570</b>	<b>3,980</b>	<b>4,940</b>	<b>5,093</b>	<b>5,536</b>	<b>5,772</b>	<b>17,110</b>	<b>21,341</b>	<b>4,784</b>	<b>3.3</b>
One-off expenses	0	0	0	4,850	-380	0	0	0	4,850	-380	0	
<b>PBT after EO Expense</b>	<b>4,840</b>	<b>4,720</b>	<b>3,570</b>	<b>-870</b>	<b>5,320</b>	<b>5,093</b>	<b>5,536</b>	<b>5,772</b>	<b>12,260</b>	<b>21,721</b>	<b>4,784</b>	
Tax	1,540	1,560	1,080	310	1,780	1,604	1,755	1,703	4,490	6,842	1,483	
Rate (%)	31.8	33.1	30.3	7.8	36.0	31.5	31.7	29.5	26.2	32.1	31.0	
<b>Reported PAT</b>	<b>3,300</b>	<b>3,160</b>	<b>2,490</b>	<b>-1,180</b>	<b>3,540</b>	<b>3,488</b>	<b>3,781</b>	<b>4,069</b>	<b>7,770</b>	<b>14,879</b>	<b>3,301</b>	<b>7.2</b>
<b>Adj PAT</b>	<b>3,300</b>	<b>3,160</b>	<b>2,490</b>	<b>2,667</b>	<b>3,287</b>	<b>3,488</b>	<b>3,781</b>	<b>4,069</b>	<b>11,617</b>	<b>14,626</b>	<b>3,301</b>	<b>-0.4</b>
YoY Change (%)	-2.1	1.9	-16.2	-17.7	-0.4	10.4	51.9	52.6	-8.4	25.9	0.0	
Margins (%)	15.5	14.8	11.8	12.5	14.2	15.1	16.0	16.8	13.7	15.6	14.9	

E: MOFSL Estimates

## Key performance Indicators (Consolidated)

Y/E March	FY22				FY23E				FY22	FY23E	Est.
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
India formulations	10,930	10,870	10,720	10,340	12,450	12,501	12,650	12,975	42,860	50,575	11,695
YoY Change (%)	18.2	12.9	15.3	12.1	13.9	15.0	18.0	25.5	14.6	18.0	7.0
US generics	2,660	2,840	2,350	2,820	2,610	2,508	2,584	2,534	10,670	10,236	2,325
YoY Change (%)	-28.7	-13.1	-19.5	4.8	-1.9	-11.7	10.0	-10.1	-15.4	-4.1	-12.6
Latin America	1,530	1,560	1,820	2,510	1,840	2,340	2,457	3,009	7,420	9,646	2,295
YoY Change (%)	9.3	20.9	5.0	32.8	20.3	50.0	35.0	19.9	17.7	30.0	50.0
Europe	2,600	2,510	2,370	2,180	2,140	2,134	2,299	2,290	9,660	8,862	2,210
YoY Change (%)	5.7	-3.8	-1.0	-18.4	-17.7	-15.0	-3.0	5.0	-7.0	-8.3	-15.0
ROW	2,106	2,190	2,270	2,180	2,127	2,146	2,202	2,271	8,746	8,746	2,127
YoY Change (%)	-10.0	9.5	19.0	11.8	1.0	-2.0	-3.0	4.2	6.6	0.0	1.0
Contract manufacturing	1,460	1,400	1,550	1,290	1,431	1,442	1,473	1,526	5,700	5,871	1,431
YoY Change (%)	5.8	0.7	0.0	35.8	-2.0	3.0	-5.0	18.3	10.4	3.0	-2.0
<b>Cost Break-up</b>											
RM Cost (% of Sales)	27.6	27.8	30.3	29.2	28.6	28.4	28.2	26.7	28.7	28.0	28.5
Staff Cost (% of Sales)	18.0	18.2	18.4	17.1	18.2	18.2	17.9	17.6	17.9	18.0	16.0
Other Cost (% of Sales)	22.7	23.1	23.1	27.4	24.0	24.0	23.7	24.5	24.8	24.1	26.0
Gross Margin (%)	72.4	72.2	69.7	70.8	71.4	71.6	71.8	73.3	71.3	72.0	71.5
EBITDA Margin (%)	31.7	30.9	25.5	26.3	29.2	29.4	30.2	30.5	28.6	29.9	29.5
EBIT Margin (%)	24.0	23.0	17.6	18.7	22.5	22.5	23.4	23.6	20.8	23.0	22.5

E: MOFSL Estimates

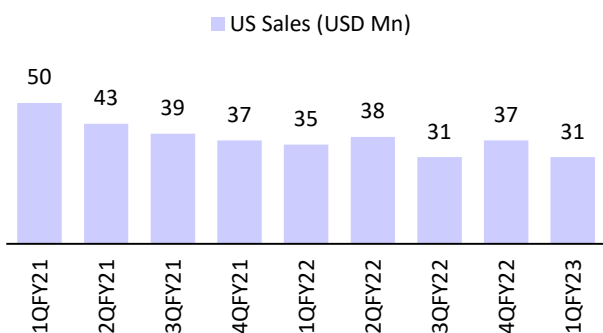


### Key takeaways from the management interaction

- TRP launched Rivaroxaban (market size: USD150m with 11 players in the market).
- It also launched Desvenlafaxine in Brazil market.
- Germany sales declined 18% YoY for 1QFY23 due to increased competition and loss of certain tenders.
- US sales growth was led by g-Dapsone for the quarter.

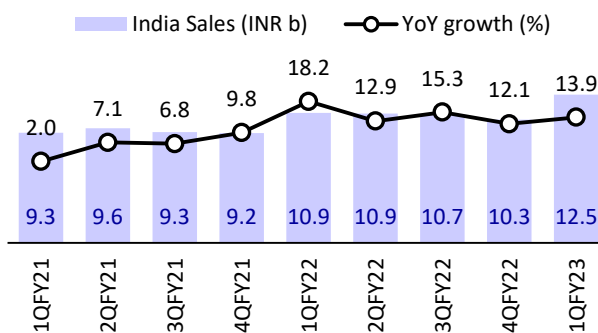
## Key exhibits

**Exhibit 1: Lack of new approvals caps US sales**



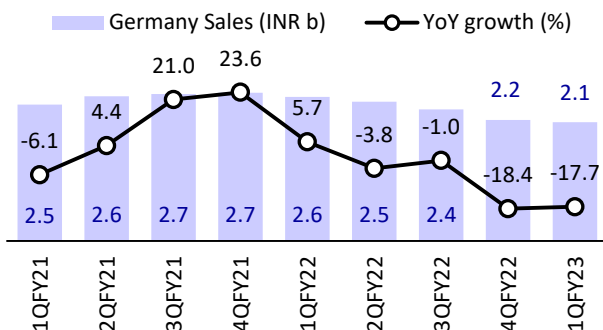
Source: MOFSL, Company

**Exhibit 2: Sales from India grew 14% YoY**



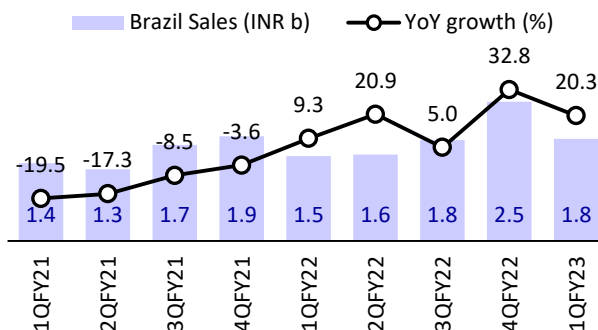
Source: MOFSL, Company

**Exhibit 3: Sales from Europe declined 18% YoY**



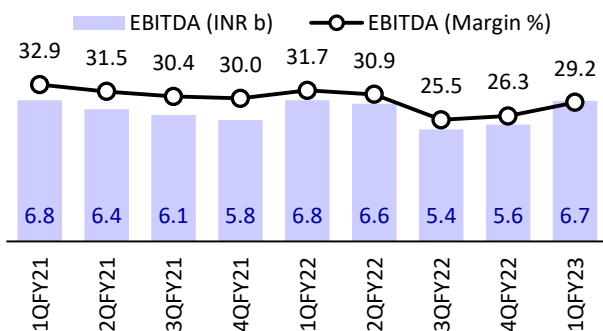
Source: Company, MOFSL

**Exhibit 4: Sales from Brazil grew ~20% YoY**



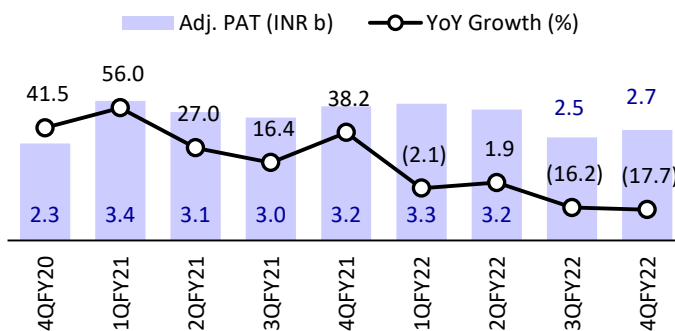
Source: Company, MOFSL

**Exhibit 5: EBITDA margin contracted 250bp YoY**



Source: MOFSL, Company

**Exhibit 6: Adjusted PAT fell ~18% YoY**



Source: MOFSL, Company

**DF/Brazil drive growth; Revival expected in Germany/US****DF: New Launches/Price growth to drive growth**

- Strong performance by TRP's top 6 therapies has helped it to consistently outperform IPM growth (17% for TRP v/s 2% of IPM) over the past twelve months. Among its top 6 therapies, Gastro/CNS/VMN/Anti-Diabetic has outperformed the IPM therapy growth whereas Cardiac/Pain therapies have grown in-line with the market.
- While the MR productivity is down by 10% due to recent addition of MRs, it is expected to come back to the normalcy of INR1m PCPM as prescription picks up from marketing by new MRs.
- The inflation linked NLEM price is also boosting the profitability for TRP.
- Overall growth in the DF segment is expected to be driven by a sustained momentum in existing products, launches, and the addition of MRs. We expect TRP to record 17% sales CAGR in DF to reach INR59bn over FY22-24.

**US: Revival hinges on the successful compliance**

- Revenue was positively impacted by the settlement amount received from an innovator. Adjusting for the same, the revenue was down on 11% on YoY basis (in CC terms). The price erosion impact was offset to some extent by strong performance from g-Dapsone.
- TRP has been implementing cost minimizing measures for US segment and update USFDA on the regulatory front. Also, TRP continues to file ANDAs for US generics market.
- Given the approvals subject to successful USFDA inspection, we expect TRP to register 5% CAGR to reach INR11.8bn in the US over FY22-24.

**Germany: Revival of tender business/new launches to drive growth**

- Sales in Germany were affected by muted demand, coupled with increased competition in the tender market and the loss of high-value tenders that started in Feb'22.
- TRP is taking measures to become more cost competitive to be more successful in future tenders.
- We expect TRP to record 2% sales CAGR in Germany over FY22-24, led by new launches and new tender wins post.

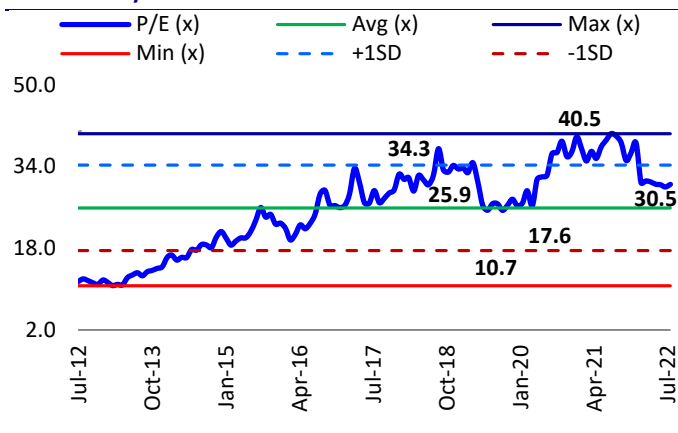
**Brazil: On a strong footing**

- Brazil business growth was driven by momentum in both the branded and generic segment. For a branded generic business, Q1 growth came primarily from new product launches as well as strong inflation linked price increases from April onwards.
- TRP has a strong presence in Brazil being amongst top 5 companies in Brazil. TRP is expected to continue the outperformance against Brazilian pharma market. Accordingly, we expect TRP to record 21% sales CAGR in Brazil over FY22-24.

**Expect 27% EPS CAGR over FY22-24; valuation adequately captures this upside**

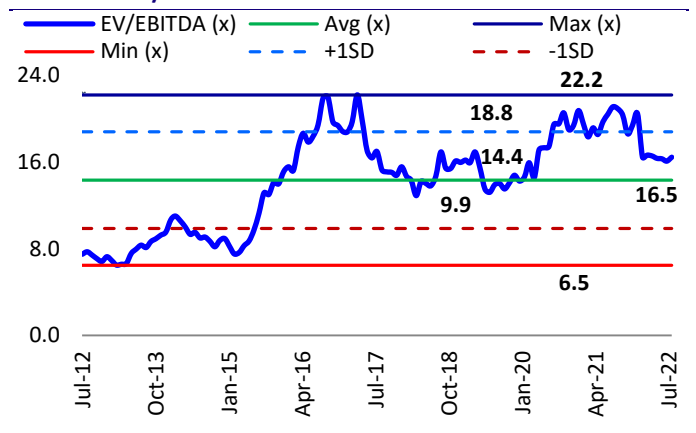
- We maintain our FY23E/FY24E EPS estimate for FY23/24 to factor in: a) prospect of better growth in Germany, b) Easing of the price erosion in US, c) New launches in Brazil, d) Chronic therapies driving DF business and e) cost savings.
- We expect 27% earnings CAGR over FY22-24, led by a 17%/21% sales CAGR in DF/LatAm segment and a 300bp margin expansion over FY22-24.
- We value TRP at 26x 12-month forward earnings and roll our TP to INR1,510.
- While TRP continues to deliver better-than-industry growth in branded generics market, the return ratios remains impacted due to lower off-take for US market. Maintain Neutral.

**Exhibit 7: P/E chart**



Source: MOFSL, Company, Bloomberg

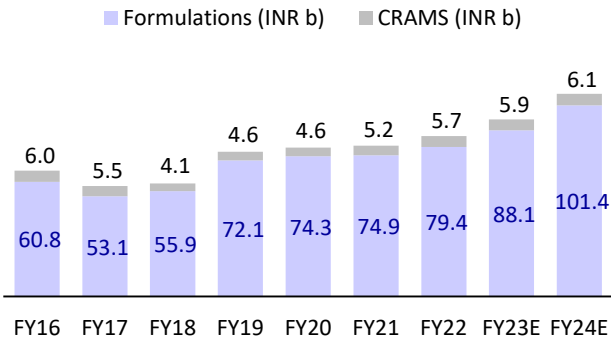
**Exhibit 8: EV/EBITDA chart**



Source: MOFSL, Company, Bloomberg

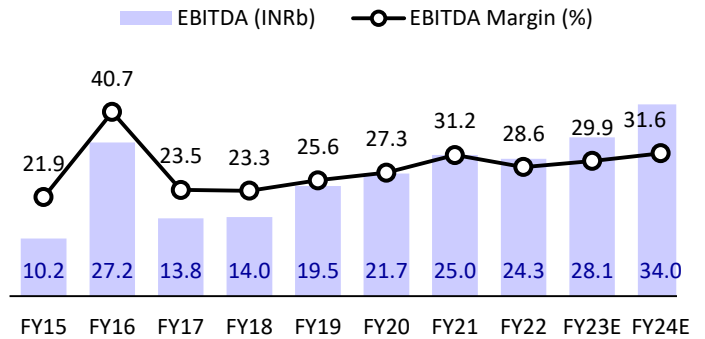
## Story in charts

**Exhibit 9: Expect Formulations CAGR of 13% over FY22-24**



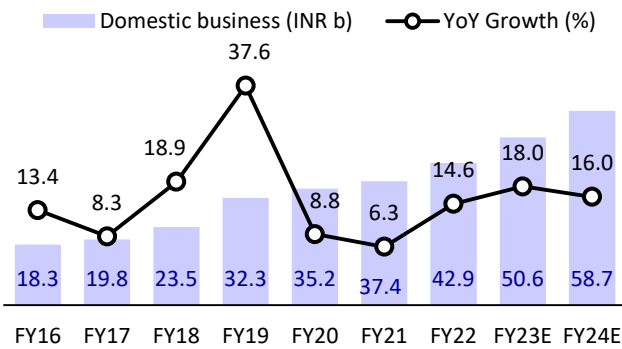
Source: Company, MOFSL

**Exhibit 10: Expect EBITDA margin expansion of 300bp over FY22-24**



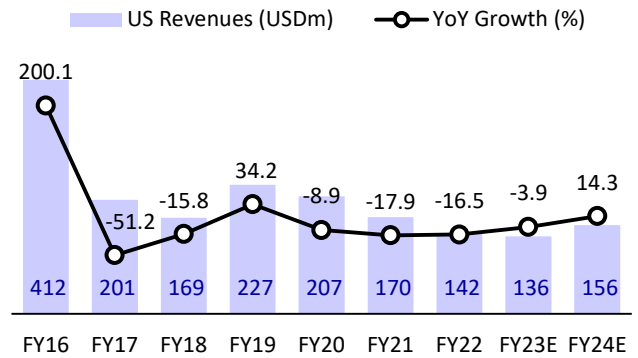
Source: Company, MOFSL

**Exhibit 11: Chronic segment to drive DF revenue**



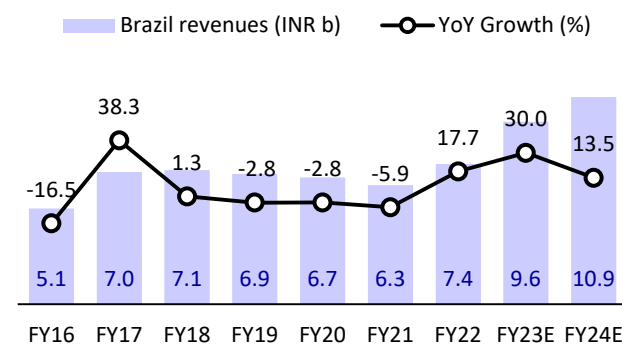
Source: Company, MOFSL

**Exhibit 12: US sales remains capped due to regulatory issues**



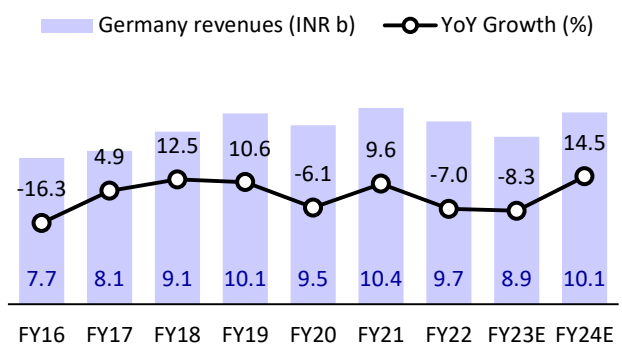
Source: Company, MOFSL

**Exhibit 13: Expect ~22% Brazil sales CAGR over FY22-24**



Source: Company, MOFSL

**Exhibit 14: Tender wins – key for growth in Germany**



Source: Company, MOFSL

## Financials and valuations

Income Statement									(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Net Sales</b>	<b>66,760</b>	<b>58,570</b>	<b>60,020</b>	<b>76,100</b>	<b>79,390</b>	<b>80,050</b>	<b>85,080</b>	<b>93,936</b>	<b>1,07,437</b>
Change (%)	43.5	-12.3	2.5	26.8	4.3	0.8	6.3	10.4	14.4
<b>EBITDA</b>	<b>27,201</b>	<b>13,774</b>	<b>13,990</b>	<b>19,490</b>	<b>21,700</b>	<b>25,010</b>	<b>24,310</b>	<b>28,087</b>	<b>33,950</b>
Margin (%)	40.7	23.5	23.3	25.6	27.3	31.2	28.6	29.9	31.6
Depreciation	2,460	1,469	1,639	1,985	2,346	2,374	6,620	6,445	6,576
<b>EBIT</b>	<b>24,741</b>	<b>12,305</b>	<b>12,351</b>	<b>17,506</b>	<b>19,354</b>	<b>22,636</b>	<b>17,690</b>	<b>21,642</b>	<b>27,375</b>
Int. and Finance Charges	1,859	2,060	3,080	5,040	4,510	3,580	2,550	2,201	2,078
Other Income - Rec.	2,156	2,230	2,990	570	1,220	570	1,970	1,900	2,150
<b>PBT before EO Expense</b>	<b>25,039</b>	<b>12,475</b>	<b>12,261</b>	<b>13,036</b>	<b>16,064</b>	<b>19,626</b>	<b>17,110</b>	<b>21,341</b>	<b>27,447</b>
EO Expense/(Income)	1,400	0	500	3,220	0	160	4,850	-380	0
<b>PBT after EO Expense</b>	<b>23,639</b>	<b>12,475</b>	<b>11,761</b>	<b>9,816</b>	<b>16,064</b>	<b>19,466</b>	<b>12,260</b>	<b>21,721</b>	<b>27,447</b>
Tax	6,414	1,540	2,530	1,260	1,620	2,740	4,490	6,842	8,727
Tax Rate (%)	-813	0	0	0	0	0	0	0	1
<b>Reported PAT</b>	<b>5,601</b>	<b>1,540</b>	<b>2,530</b>	<b>1,260</b>	<b>1,620</b>	<b>2,740</b>	<b>4,490</b>	<b>6,842</b>	<b>8,728</b>
Less: Minority Interest	22.4	12.3	20.6	9.7	10.1	14.0	26.2	32.1	31.8
<b>Net Profit</b>	<b>18,038</b>	<b>10,935</b>	<b>9,231</b>	<b>8,556</b>	<b>14,444</b>	<b>16,726</b>	<b>7,770</b>	<b>14,879</b>	<b>18,719</b>
<b>Adj. PAT</b>	<b>10,109</b>	<b>10,935</b>	<b>7,782</b>	<b>7,228</b>	<b>9,496</b>	<b>12,680</b>	<b>11,617</b>	<b>14,626</b>	<b>18,719</b>

Balance Sheet									(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	846	846	850	850	850	850	850	1,692	1,692
Total Reserves	34,095	42,655	45,370	46,390	47,390	57,530	58,680	72,149	84,109
<b>Net Worth</b>	<b>34,941</b>	<b>43,501</b>	<b>46,220</b>	<b>47,240</b>	<b>48,240</b>	<b>58,380</b>	<b>59,530</b>	<b>73,842</b>	<b>85,801</b>
Minority Interest	5	5	10	0	0	0	0	0	0
Deferred liabilities	-1114	-2085	-2760	-3630	-4330	-4210	-4940	-4940	-4940
Total Loans	18,534	22,408	57,370	48,540	44,080	36,450	40,180	33,180	26,180
<b>Capital Employed</b>	<b>52,365</b>	<b>63,830</b>	<b>1,00,840</b>	<b>92,150</b>	<b>87,990</b>	<b>90,620</b>	<b>94,770</b>	<b>1,02,082</b>	<b>1,07,041</b>
Gross Block	34,661	44,172	92,168	99,848	1,02,918	1,02,848	1,04,548	1,07,348	1,09,848
Less: Accum. Deprn.	6,070	7,288	11,378	17,558	24,098	30,678	37,298	43,742	50,318
<b>Net Fixed Assets</b>	<b>28,591</b>	<b>36,884</b>	<b>80,790</b>	<b>82,290</b>	<b>78,820</b>	<b>72,170</b>	<b>67,250</b>	<b>63,605</b>	<b>59,530</b>
Capital WIP	10,416	5,195	4,230	4,790	7,120	8,710	6,720	6,720	6,720
Investments	1	1	0	50	40	440	440	440	440
<b>Curr. Assets</b>	<b>48,739</b>	<b>56,071</b>	<b>54,650</b>	<b>50,380</b>	<b>50,070</b>	<b>55,220</b>	<b>51,650</b>	<b>81,859</b>	<b>97,753</b>
Inventory	13,580	15,592	19,660	19,350	21,480	26,810	24,620	24,311	27,308
Account Receivables	14,451	13,442	12,540	14,360	16,490	15,230	16,330	22,545	25,785
Cash and Bank Balance	6,470	8,937	8,670	8,160	6,660	6,040	4,030	27,766	36,733
Loans and Advances	14,238	18,100	13,780	8,510	5,440	7,140	6,670	7,238	7,927
<b>Curr. Liability and Prov.</b>	<b>35,382</b>	<b>34,321</b>	<b>38,830</b>	<b>45,360</b>	<b>48,060</b>	<b>45,920</b>	<b>31,290</b>	<b>50,923</b>	<b>57,781</b>
Account Payables	31,644	30,384	32,690	38,330	40,490	37,910	23,490	42,083	47,272
Provisions	3,738	3,937	6,140	7,030	7,570	8,010	7,800	8,840	10,509
<b>Net Current Assets</b>	<b>13,358</b>	<b>21,750</b>	<b>15,820</b>	<b>5,020</b>	<b>2,010</b>	<b>9,300</b>	<b>20,360</b>	<b>30,936</b>	<b>39,972</b>
<b>Appl. of Funds</b>	<b>52,365</b>	<b>63,830</b>	<b>1,00,840</b>	<b>92,150</b>	<b>87,990</b>	<b>90,620</b>	<b>94,770</b>	<b>1,02,082</b>	<b>1,07,041</b>

## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>EPS</b>	<b>29.9</b>	<b>32.3</b>	<b>23.0</b>	<b>21.4</b>	<b>28.1</b>	<b>37.5</b>	<b>34.3</b>	<b>43.2</b>	<b>55.3</b>
Cash EPS	60.6	36.6	32.1	31.1	49.6	56.4	42.5	63.0	74.7
BV/Share	103.2	128.5	136.6	139.6	142.5	172.5	175.9	218.2	253.5
DPS	20.6	5.0	6.5	9.0	16.0	11.2	10.3	13.0	16.6
Payout (%)	46.6	18.7	28.7	43.0	45.1	27.4	54.0	35.5	36.1
<b>Valuation (x)</b>									
P/E	51.2	47.3	66.5	71.6	54.5	40.8	44.5	35.4	27.6
Cash P/E	25.2	41.7	47.6	49.1	30.8	27.1	36.0	24.3	20.5
P/BV	14.8	11.9	11.2	11.0	10.7	8.9	8.7	7.0	6.0
EV/Sales	7.9	9.1	9.4	7.3	7.0	6.8	6.5	5.6	4.7
EV/EBITDA	19.5	38.5	40.5	28.6	25.6	21.9	22.8	18.6	14.9
Dividend Yield (%)	1.3	0.3	0.4	0.6	1.0	0.7	0.7	0.8	1.1
<b>Return Ratios (%)</b>									
RoE	33.8	27.9	17.3	15.5	19.9	23.8	19.7	21.9	23.5
RoCE	40.4	21.3	14.4	16.4	19.7	21.3	14.9	15.5	18.4
RoIC	54.1	25.3	14.2	18.9	22.7	26.0	16.4	19.5	28.7
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	2.3	1.8	1.0	0.9	1.0	1.1	1.2	1.4	1.7
Debtor (Days)	83	87	79	65	71	72	68	76	82
Inventory (Days)	74	97	120	93	99	122	106	94	93
Working Capital Turnover (Days)	38	80	43	-15	-21	15	70	12	11
<b>Leverage Ratio (x)</b>									
Interest Coverage Ratio	13.3	6.0	4.0	3.5	4.3	6.3	6.9	9.8	13.2
Debt/Equity ratio	0.5	0.5	1.2	1.0	0.9	0.6	0.7	0.4	0.3

### Cash Flow Statement

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Oper. Profit/(Loss) before Tax	25,810	13,950	13,396	11,794	18,410	17,634	18,880	27,786	34,023
Interest/Dividends Recd.	3,149	1,234	1,983	8,005	2,207	3,400	6,890	301	-72
Direct Taxes Paid	-5,773	-3,843	-2,836	-2,812	-2,840	-1,760	-4,210	-6,842	-8,728
(Inc.)/Dec. in WC	4,236	-1,252	-3,602	994	-3,858	-3,370	-3,530	13,160	-69
<b>CF from Operations incl. EO Expense</b>	<b>27,421</b>	<b>10,088</b>	<b>8,942</b>	<b>17,981</b>	<b>13,918</b>	<b>15,904</b>	<b>18,030</b>	<b>34,404</b>	<b>25,153</b>
(inc.)/dec. in FA	-5,925	-4,859	-7,892	-6,605	-4,028	-3,340	-1,970	-2,800	-2,500
<b>Free Cash Flow</b>	<b>21,496</b>	<b>5,230</b>	<b>1,050</b>	<b>11,376</b>	<b>9,890</b>	<b>12,564</b>	<b>16,060</b>	<b>31,604</b>	<b>22,653</b>
(Pur.)/Sale of Investments	-2,454	-3,010	-39,178	4,192	2,513	-1,150	-10	0	0
<b>CF from Investments</b>	<b>-8,379</b>	<b>-7,869</b>	<b>-47,070</b>	<b>-2,413</b>	<b>-1,516</b>	<b>-4,490</b>	<b>-1,980</b>	<b>-2,800</b>	<b>-2,500</b>
Issue of shares	0	0	0	0	0	0	0	0	0
(Inc.)/Dec. in Debt	-3,837	2,020	39,578	-5,013	-3,129	-9,220	-8,140	-2,289	-7,000
Interest Paid	-2,117	-1,913	-2,757	-5,034	-4,854	-3,610	-2,580	-301	72
Dividend Paid	-10,922	-2,037	-2,648	-3,097	-7,185	-3,380	-6,770	-5,279	-6,759
<b>CF from Fin. Activity</b>	<b>-16,877</b>	<b>-1,929</b>	<b>34,174</b>	<b>-13,145</b>	<b>-15,490</b>	<b>-16,560</b>	<b>-17,810</b>	<b>-7,868</b>	<b>-13,687</b>
<b>Inc./Dec. in Cash</b>	<b>2,166</b>	<b>290</b>	<b>-3,954</b>	<b>2,424</b>	<b>-3,088</b>	<b>-5,146</b>	<b>-1,760</b>	<b>23,736</b>	<b>8,967</b>
Opening Balance	8,650	10,499	10,676	7,020	9,401	10,812	10,234	4,030	27,766
Add/(less) Forex in Cash/Cash eq.	-316	-113	246	-43	306	362	-4,444	0	0
<b>Closing Cash and Cash Eq.</b>	<b>10,499</b>	<b>10,676</b>	<b>7,020</b>	<b>9,401</b>	<b>6,618</b>	<b>6,028</b>	<b>4,030</b>	<b>27,766</b>	<b>36,733</b>
Bank balances*	-4,029	-1,739	1,650	-1,241	42				
<b>Total Cash and Cash Eq.</b>	<b>6,470</b>	<b>8,937</b>	<b>8,670</b>	<b>8,160</b>	<b>6,660</b>	<b>6,028</b>	<b>4,030</b>	<b>27,766</b>	<b>36,733</b>

(INR m)



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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