

Estimate change

TP change

Rating change



Bloomberg	LAURUS IN
Equity Shares (m)	532
M.Cap.(INRb)/(USDb)	261.9 / 3.2
52-Week Range (INR)	626 / 433
1, 6, 12 Rel. Per (%)	-5/-23/-12
12M Avg Val (INR M)	1127

### Financials & valuations (INR b)

Y/E MARCH	FY22	FY23E	FY24E
Sales	49.4	64.2	73.9
EBITDA	14.2	18.8	22.5
Adj. PAT	8.3	10.5	13.5
EBIT Margin (%)	23.7	24.3	25.7
Cons. Adj. EPS (INR)	15.5	19.6	25.0
EPS Gr. (%)	-15.4	26.6	27.7
BV/Sh. (INR)	62.5	79.1	100.2

### Ratios

Net D:E	0.5	0.3	0.2
RoE (%)	27.9	27.7	27.9
RoCE (%)	20.1	21.0	22.9
Payout (%)	15.6	15.6	15.6

### Valuations

P/E (x)	31.4	24.8	19.4
EV/EBITDA (x)	19.6	14.7	12.1
Div. Yield (%)	0.4	0.5	0.7
FCF Yield (%)	0.1	2.1	3.1
EV/Sales (x)	5.6	4.3	3.7

### Shareholding pattern (%)

As On	Sep-22	Jun-22	Sep-21
Promoter	27.3	27.3	27.3
DII	9.4	9.1	4.8
FII	22.7	22.0	22.8
Others	40.7	41.7	45.1

FII includes depository receipts

**CMP: INR487**

**TP: INR610 (+25%)**

**Buy**

## Reduced ARV business impacts earnings in 2QFY23

### Superior execution witnessed in CDMO/Non-ARV API segments

- Laurus Lab (LAURUS) reported a miss on earnings for 2QFY23, led by lower-than-expected ARV formulation (FDF) sales. However, the Synthesis and Non-ARV API segment remained on robust growth track offsetting the weakness in ARV sales to some extent.
- We have cut our EPS estimates by 8%/9% for FY23/FY24 to factor in: a) steep price erosion in ARV products, b) lesser tender wins in ARV formulation, and c) increased overall operational cost. We continue to value the stock at 23x 12M forward earnings to arrive at our TP of INR610.
- While the performance was subdued for the quarter, LAURUS remains on track to: a) leverage its integrated capability in Synthesis segment and extend relationship with clients, b) have differentiated product pipeline in Non-ARV formulation aided by in-house API strength and c) enhance fermentation capacity and augment biologics CDMO growth prospects. **Maintain BUY.**

### Price erosion in ARV offsets CDMO segment benefit to some extent

- LAURUS' 2QFY23 revenue was up 31% YoY to INR15.8b (our est. INR16.4b). Synthesis business (46% of sales) surged ~4x YoY to INR7.2b driven by accelerated demand from new and existing clients. API sales (42% of sales) grew 29% YoY to INR6.8b fueled by new launches in Other API segment, whose sales almost doubled YoY to INR2.2b due to new contract supplies. ARV API sales grew 21% YoY to INR4.1b for the quarter. Onco API sales declined 35% YoY to INR476m due to less off-take of one key product. FDF sales declined 70% YoY to INR1.5b (10% of sales), mainly dragged by lower ARV business. Bio division sales (2% of sales) grew 4% YoY to INR270m in 2QFY23.
- Gross Margin (GM) contracted 60bp YoY to 55.1% (est. 57%) during 2QFY23.
- EBITDA margin contracted 20bp YoY to 28.5% (est. 30.2%) on account of lower GM, offset by lower R&D cost (down 40bp YoY as % of sales) and lower other opex (down 40bp YoY as % of sales).
- EBITDA grew 30% YoY to INR4.5b (est. INR4.9b).
- PAT grew at a slower rate of 14.4% YoY to INR2.3b (est. INR2.9b) due to higher depreciation and tax rate (28.7% in 2QFY23 v/s 22.3% YoY).
- In 1HFY23, Revenue/EBITDA/PAT grew 25%/22%/9% YoY to INR31b/INR9b/INR5b, respectively.

### Highlights from the management commentary

- Guidance for FY23 reduced to 90% of earlier guidance at USD1b revenue target (with USDINR @ 72). This was largely due to revenue moderation on account of the potential adverse impact from ARV formulation business owing to prolonged higher channel inventory, ongoing price erosion, delay in new launches and continued macroeconomic uncertainties.
- LAURUS expects stable EBITDA margin of 30% for FY23.
- While the ARV formulation sales stood much lower in 2QFY23 (INR500m v/s INR2.5b YoY), winning of newer tenders would improve the prospects of ARV formulation business in 2HFY23E.

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

## Consolidated - Quarterly Earnings Model

Y/E Mar (INR b)	FY22				FY23E				FY22	FY23E	FY23E	v/s Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE		
<b>Net Sales</b>	<b>12.8</b>	<b>12.0</b>	<b>10.3</b>	<b>14.2</b>	<b>15.4</b>	<b>15.8</b>	<b>16.5</b>	<b>16.6</b>	<b>49.4</b>	<b>64.2</b>	<b>16.4</b>	<b>-3.9</b>
YoY Change (%)	31.2	5.7	-20.2	0.9	20.4	30.9	60.3	16.5	2.5	30.1	36.2	
Total Expenditure	8.8	8.6	7.4	10.3	10.8	11.3	11.7	11.7	35.1	45.5	11.4	
<b>EBITDA</b>	<b>4.0</b>	<b>3.5</b>	<b>2.9</b>	<b>4.0</b>	<b>4.5</b>	<b>4.5</b>	<b>4.8</b>	<b>4.9</b>	<b>14.2</b>	<b>18.8</b>	<b>4.9</b>	<b>-9.3</b>
YoY Change (%)	42.0	-7.7	-33.1	-16.0	14.9	30.1	68.8	23.8	-8.3	31.9	43.4	
Margins (%)	30.9	28.7	27.7	27.8	29.5	28.5	29.2	29.6	28.8	29.2	30.2	
Depreciation	0.6	0.6	0.6	0.7	0.7	0.8	0.8	0.8	2.5	3.2	0.7	
<b>EBIT</b>	<b>3.4</b>	<b>2.8</b>	<b>2.2</b>	<b>3.3</b>	<b>3.8</b>	<b>3.7</b>	<b>4.0</b>	<b>4.1</b>	<b>11.7</b>	<b>15.6</b>	<b>4.2</b>	<b>-13.0</b>
YoY Change (%)	46.7	-12.7	-40.9	-20.9	13.8	30.2	80.6	23.2	-13.0	33.0	49.7	
Margins (%)	26.3	23.4	21.5	23.2	24.9	23.3	24.2	24.6	23.7	24.3	25.7	
Interest	0.3	0.2	0.2	0.3	0.3	0.4	0.3	0.2	1.0	1.2	0.3	
Other Income	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.1	
<b>PBT before EO expense</b>	<b>3.2</b>	<b>2.6</b>	<b>2.0</b>	<b>3.0</b>	<b>3.6</b>	<b>3.3</b>	<b>3.7</b>	<b>3.9</b>	<b>10.8</b>	<b>14.4</b>	<b>4.0</b>	<b>-17.3</b>
Extra-Ord expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>PBT</b>	<b>3.2</b>	<b>2.6</b>	<b>2.0</b>	<b>3.0</b>	<b>3.6</b>	<b>3.3</b>	<b>3.7</b>	<b>3.9</b>	<b>10.8</b>	<b>14.4</b>	<b>4.0</b>	<b>-17.3</b>
Tax	0.7	0.6	0.5	0.7	1.0	0.9	1.0	0.9	2.5	3.9	1.1	
Rate (%)	23.6	22.3	23.8	23.1	29.0	28.7	26.4	24.3	23.2	27.0	27.0	
<b>Reported PAT</b>	<b>2.4</b>	<b>2.0</b>	<b>1.5</b>	<b>2.3</b>	<b>2.5</b>	<b>2.3</b>	<b>2.7</b>	<b>2.9</b>	<b>8.3</b>	<b>10.5</b>	<b>2.9</b>	<b>-19.2</b>
<b>Adj PAT</b>	<b>2.4</b>	<b>2.0</b>	<b>1.5</b>	<b>2.3</b>	<b>2.5</b>	<b>2.3</b>	<b>2.7</b>	<b>2.9</b>	<b>8.3</b>	<b>10.5</b>	<b>2.9</b>	<b>-19.2</b>
YoY Change (%)	40.7	-15.8	-43.2	-22.0	4.5	14.6	76.3	26.7	-15.4	26.6	41.9	
Margins (%)	18.9	16.9	15.1	16.3	16.4	14.8	16.6	17.7	16.9	16.4	17.7	

## Key performance Indicators (Consolidated)

(INR b)

Y/E March	FY22				FY23E				FY22	FY23E	FY23E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE	
<b>API</b>	<b>5.5</b>	<b>5.3</b>	<b>4.2</b>	<b>5.4</b>	<b>5.8</b>	<b>6.8</b>	<b>6.6</b>	<b>5.8</b>	<b>20.4</b>	<b>25.0</b>	<b>5.9</b>
YoY Change (%)	5.2	(7.7)	(42.0)	(33.1)	6.2	29.0	55.0	7.4	(22.2)	22.6	11.5
<b>Custom Synthesis</b>	<b>2.0</b>	<b>1.6</b>	<b>2.1</b>	<b>3.6</b>	<b>5.8</b>	<b>7.2</b>	<b>6.1</b>	<b>4.8</b>	<b>9.2</b>	<b>23.8</b>	<b>6.1</b>
YoY Change (%)	95.0	33.6	63.0	104.5	195.9	364.5	194.7	32.6	76.7	160.0	293.5
<b>Formulation</b>	<b>5.2</b>	<b>5.0</b>	<b>3.7</b>	<b>4.9</b>	<b>3.5</b>	<b>1.5</b>	<b>3.5</b>	<b>5.6</b>	<b>18.8</b>	<b>14.1</b>	<b>4.1</b>
YoY Change (%)	48.0	9.5	(13.3)	14.2	(33.0)	(69.9)	(6.2)	14.5	13.0	(25.0)	(17.2)
<b>Cost Break-up</b>											
RM Cost (% of Sales)	43.3	44.3	41.2	48.0	42.4	44.9	45.0	43.6	44.4	44.0	43.0
Staff Cost (% of Sales)	10.0	10.2	11.9	9.1	9.9	10.3	9.5	11.2	10.2	10.0	10.3
R&D Expenses(% of Sales)	3.8	3.5	5.5	5.5	3.2	3.1	3.0	3.0	3.4	2.6	3.0
Other Cost (% of Sales)	15.8	16.9	19.2	15.1	18.2	16.5	16.3	15.5	16.6	16.8	16.5
Gross Margin (%)	56.7	55.7	58.8	52.0	57.6	55.1	55.0	56.4	55.6	56.0	57.0
EBITDA Margin (%)	30.9	28.7	27.7	27.8	29.5	28.5	29.2	29.6	28.8	29.2	30.2
EBIT Margin (%)	26.3	23.4	21.5	23.2	24.9	23.3	24.2	24.6	23.7	24.3	25.7



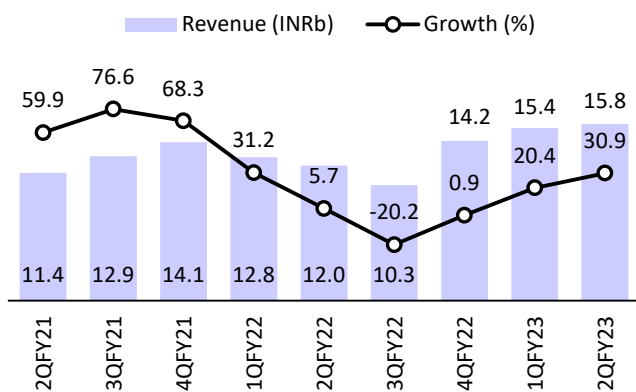
## Other highlights from the management interaction

- The company expects capacity utilization to reach 75% for the recently commenced formulation facility (5b tablet capacity) by 4QFY23.
- LAURUS witnessed 15-20% price erosion in short-term tenders for ARV business.
- The company expects stability in long-term tenders. Typically, long-term tender sales stands at 75% (last 3-4 quarters, it witnessed channel stocking but it is reversing now).

- The reduced ARV business coupled with elevated operational cost dragged overall profitability for LAURUS. This was offset to some extent by a significant off-take in Synthesis segment.
- Non-ARV formulation sales stood at INR1b for 2QFY23.
- Capex in 2HFY23 would be similar to that in 1HFY23 (INR4.2b).

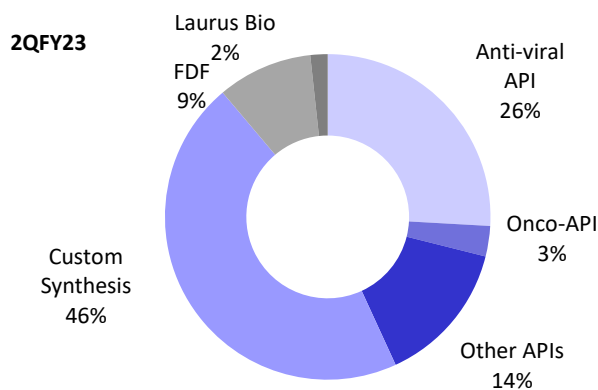
## Key exhibits

**Exhibit 1: Synthesis drove revenue growth in 2QFY23**



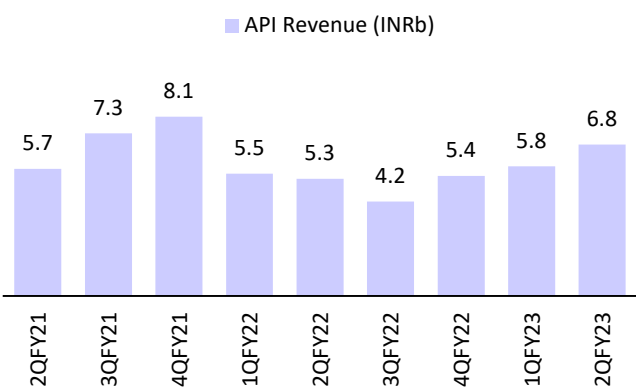
Source: MOFSL, Company

**Exhibit 2: Share of CDMO sales stood at 46% in 2QFY23**



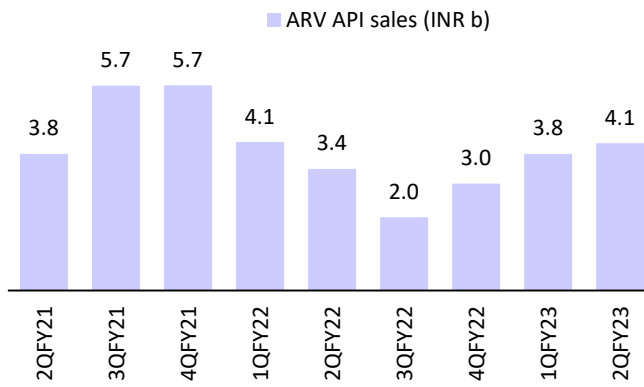
Source: MOFSL, Company

**Exhibit 3: API sales grew 29% YoY in 2QFY23**



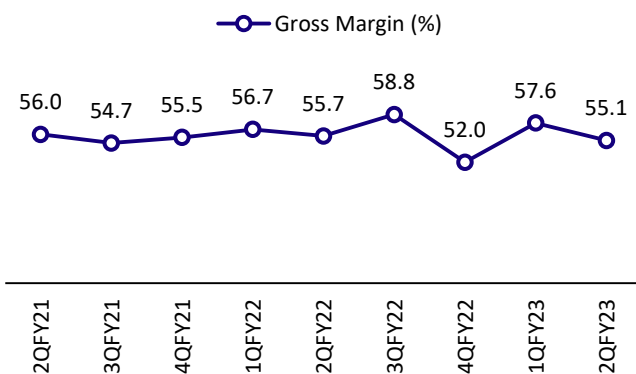
Source: MOFSL, Company

**Exhibit 4: ARV-API sales increased 21% YoY in 2QFY23**



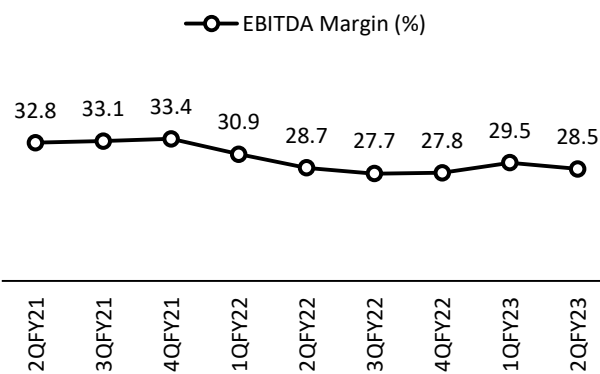
Source: MOFSL, Company

**Exhibit 5: GM contracted ~60bp YoY in 2QFY23**



Source: MOSL, Company

**Exhibit 6: EBITDA margin remained flat YoY in 2QFY23**



Source: MOSL, Company

## Synthesis/Nov-ARV the key growth drivers

### Infrastructure build-up/robust demand to drive CDMO/Bio division

- Synthesis business became 3.7x while Bio business recorded 43% growth in revenue to INR13b/INR570m for 1HFY23, respectively. The growth in CDMO business was driven by new project executions. The Bio business growth was largely driven by benefits of capacity expansion.
- LAURUS is currently working on 50 active projects at various stages of development with ongoing supplies for four commercial projects. Capex of INR10b for a new R&D center (FY24) and three manufacturing units (FY24/25) is expected to support the project execution in Synthesis segment.
- We expect 73% sales CAGR in the Synthesis segment over FY22-24 driven by: a) new client additions, b) pipeline expansions, c) favorable demand tailwinds and d) traction in Nutraceutical & Cosmeceutical areas.
- LAURUS BIO is scaling up new capacities in Alternate Food Proteins and improving synergies with parent company. LAURUS is also working on exploring land parcels for the creation of a new 1m liters fermentation capacity. We expect LAURUS BIO to be a key driver from FY24/FY25 onwards.

### Headwinds continue in the ARV business

- The ARV business (FDF+API; down 27% YoY to INR11b in 1HFY23) was affected adversely by increased competition in FDF. The API business however, has had healthy volume off-take.
- We expect the ARV business to remain under pressure due to the adverse pricing environment and lack of tender deal wins by LAURUS.
- However, the ARV business' contribution has come down to 55% (INR27b) in FY22 from 64.5% in FY17 (INR12b) implying reducing impact of ARV segment on the overall business outlook.
- We expect LAURUS' sales to be stable at INR29b over FY22-24, as the price decline would be offset by volume growth.

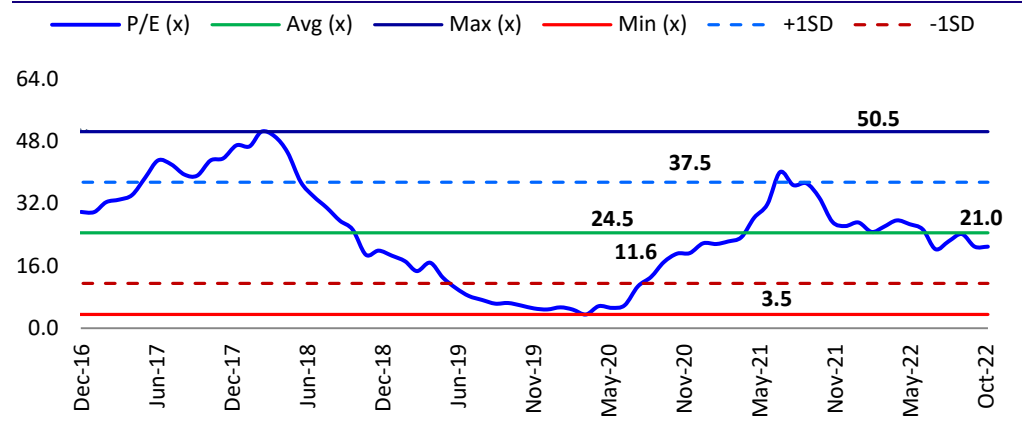
### Non-ARV API sales to ramp-up post-FY23

- The Non-ARV API business posted a strong 45% YoY growth to INR4.8b in 1HFY23 driven by the Other API segment while dragged by the muted performance in the Oncology API segment.
- LAURUS is building a portfolio of non-ARV APIs and has now filed 74 DMFs in the US to date.
- We expect 16% sales CAGR in Non-ARV API segment over FY22-24.

### Expect 27% EPS CAGR over FY22-24; Maintain BUY

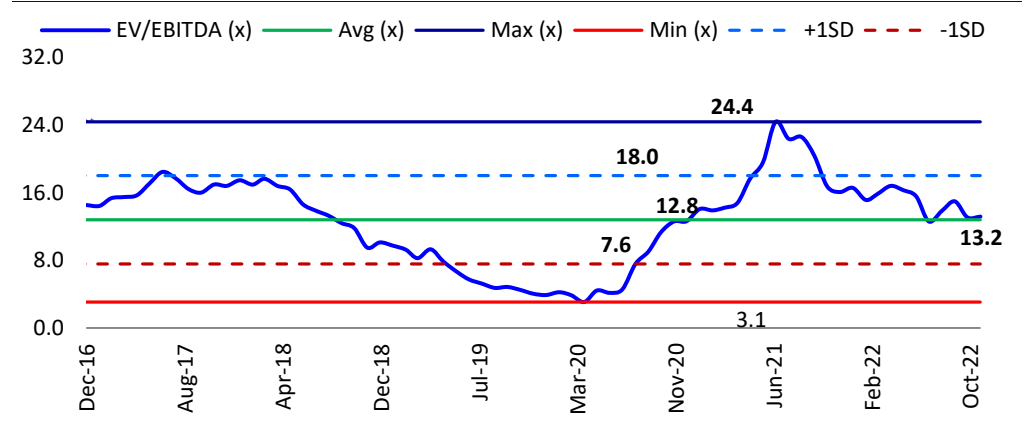
- We have cut our EPS estimates by 8%/9% for FY23/FY24 to factor in: a) steep price erosion in ARV products, b) lesser tender wins in ARV formulation, and c) increased overall operational cost. We continue to value the stock at 23x 12M forward earnings to arrive at our TP of INR610.
- We expect 27% earnings CAGR over FY22-24, led by strong traction in Synthesis, biologics and Non-ARV FDF segments.
- While the performance was subdued for the quarter, LAURUS remains on track to: a) leverage its integrated capability in Synthesis segment and extend relationship with clients, b) have differentiated product pipeline in Non-ARV formulation aided by in-house API strength and c) enhance fermentation capacity and augment biologics CDMO growth prospects. **Maintain BUY.**

**Exhibit 7: P/E chart**



Source: MOFSL, Company, Bloomberg

**Exhibit 8: EV/EBITDA chart**



Source: MOFSL, Company, Bloomberg

## Financials and valuations

Consolidated Income Statement							(INR m)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Total Income from Operations</b>	<b>19,046</b>	<b>20,690</b>	<b>22,919</b>	<b>28,317</b>	<b>48,135</b>	<b>49,356</b>	<b>64,231</b>	<b>73,922</b>
Change (%)	7.1	8.6	10.8	23.6	70.0	2.5	30.1	15.1
<b>Total Expenditure</b>	<b>14,970</b>	<b>16,557</b>	<b>19,155</b>	<b>22,672</b>	<b>32,628</b>	<b>35,131</b>	<b>45,476</b>	<b>51,450</b>
As a percentage of Sales	78.6	80.0	83.6	80.1	67.8	71.2	70.8	69.6
<b>EBITDA</b>	<b>4,076</b>	<b>4,133</b>	<b>3,764</b>	<b>5,645</b>	<b>15,507</b>	<b>14,224</b>	<b>18,756</b>	<b>22,472</b>
Margin (%)	21.4	20.0	16.4	19.9	32.2	28.8	29.2	30.4
Depreciation	1,060	1,255	1,642	1,873	2,051	2,515	3,178	3,446
<b>EBIT</b>	<b>3,016</b>	<b>2,879</b>	<b>2,122</b>	<b>3,773</b>	<b>13,456</b>	<b>11,709</b>	<b>15,577</b>	<b>19,026</b>
Int. and Finance Charges	999	796	882	896	682	1,024	1,243	1,195
Other Income	334	292	162	59	237	153	96	111
<b>PBT bef. EO Exp.</b>	<b>2,352</b>	<b>2,374</b>	<b>1,402</b>	<b>2,936</b>	<b>13,011</b>	<b>10,839</b>	<b>14,431</b>	<b>17,942</b>
EO Items	0	0	-204	0	0	0	0	0
<b>PBT after EO Exp.</b>	<b>2,352</b>	<b>2,374</b>	<b>1,198</b>	<b>2,936</b>	<b>13,011</b>	<b>10,839</b>	<b>14,431</b>	<b>17,942</b>
Total Tax	439	698	260	383	3,173	2,514	3,896	4,486
Tax Rate (%)	18.7	29.4	21.7	13.1	24.4	23.2	27.0	25.0
Minority Interest	11	0	0	0	0	2	2	2
<b>Reported PAT</b>	<b>1,903</b>	<b>1,676</b>	<b>938</b>	<b>2,553</b>	<b>9,838</b>	<b>8,322</b>	<b>10,532</b>	<b>13,455</b>
<b>Adjusted PAT</b>	<b>1,903</b>	<b>1,676</b>	<b>1,097</b>	<b>2,553</b>	<b>9,838</b>	<b>8,322</b>	<b>10,532</b>	<b>13,455</b>
Change (%)	42.3	-11.9	-34.5	132.6	285.4	-15.4	26.6	27.7
Margin (%)	10.0	8.1	4.8	9.0	20.4	16.9	16.4	18.2

Consolidated Balance Sheet							(INR m)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	1,058	1,060	1,064	1,069	1,073	1,075	1,075	1,075
Total Reserves	12,247	13,766	14,520	16,629	24,902	32,437	41,325	52,678
Minority interest					32	79	79	79
<b>Net Worth</b>	<b>13,304</b>	<b>14,826</b>	<b>15,584</b>	<b>17,698</b>	<b>26,007</b>	<b>33,591</b>	<b>42,478</b>	<b>53,832</b>
Total Loans	8,417	9,649	10,030	10,123	13,871	17,320	15,820	13,320
Deferred Tax Liabilities	-699	-529	-534	-739	192	691	691	691
<b>Capital Employed</b>	<b>21,023</b>	<b>23,946</b>	<b>25,081</b>	<b>27,081</b>	<b>40,070</b>	<b>51,602</b>	<b>58,989</b>	<b>67,843</b>
Gross Block	14,088	17,851	20,976	23,821	27,949	35,283	45,388	53,069
Less: Accum. Deprn.	1,886	3,141	4,783	6,655	8,706	11,221	14,399	17,845
<b>Net Fixed Assets</b>	<b>12,202</b>	<b>14,711</b>	<b>16,193</b>	<b>17,166</b>	<b>19,243</b>	<b>24,062</b>	<b>30,989</b>	<b>35,224</b>
Goodwill on Consolidation	97	97	97	97	2,463	2,463	2,463	2,463
Capital WIP	1,433	1,632	1,096	672	3,622	8,132	5,226	4,545
<b>Total Investments</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>308</b>	<b>308</b>	<b>308</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>12,069</b>	<b>13,165</b>	<b>15,357</b>	<b>18,589</b>	<b>32,145</b>	<b>34,715</b>	<b>46,453</b>	<b>55,605</b>
Inventory	5,090	5,848	6,819	9,052	15,755	17,603	23,049	26,500
Account Receivables	5,676	5,706	7,099	7,914	13,061	13,542	17,950	20,860
Cash and Bank Balance	41	31	30	17	485	759	1,796	4,034
Loans and Advances	1,262	1,580	1,408	1,605	2,845	2,811	3,658	4,210
<b>Curr. Liability and Prov.</b>	<b>4,812</b>	<b>5,692</b>	<b>7,697</b>	<b>9,477</b>	<b>17,437</b>	<b>18,079</b>	<b>26,450</b>	<b>30,302</b>
Account Payables	2,631	3,123	4,883	6,156	11,787	8,764	14,328	16,351
Other Current Liabilities	1,988	2,316	2,449	2,753	4,894	7,753	10,090	11,612
Provisions	193	253	365	568	757	1,562	2,033	2,339
<b>Net Current Assets</b>	<b>7,257</b>	<b>7,473</b>	<b>7,660</b>	<b>9,112</b>	<b>14,708</b>	<b>16,637</b>	<b>20,003</b>	<b>25,302</b>
<b>Appl. of Funds</b>	<b>21,023</b>	<b>23,946</b>	<b>25,081</b>	<b>27,081</b>	<b>40,070</b>	<b>51,602</b>	<b>58,989</b>	<b>67,843</b>

## Financials and valuations

### Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>3.5</b>	<b>3.1</b>	<b>2.0</b>	<b>4.8</b>	<b>18.3</b>	<b>15.5</b>	<b>19.6</b>	<b>25.0</b>
Cash EPS	5.5	5.5	5.1	8.2	22.1	20.2	25.5	31.5
BV/Share	24.8	27.6	29.0	32.9	48.4	62.5	79.1	100.2
DPS	0.3	0.0	0.3	0.6	2.0	2.0	2.5	3.3
Payout (%)	10.0	0.0	20.4	15.1	13.1	15.6	15.6	15.6
<b>Valuation (x)</b>								
P/E	139.2	156.3	238.7	102.6	26.6	31.4	24.8	19.4
Cash P/E	89.1	89.4	95.6	59.2	22.0	24.1	19.1	15.5
P/BV	19.7	17.7	16.8	14.8	10.1	7.8	6.2	4.9
EV/Sales	14.2	13.1	11.9	9.6	5.7	5.6	4.3	3.7
EV/EBITDA	66.3	65.7	72.2	48.2	17.8	19.6	14.7	12.1
Dividend Yield (%)	0.1	0.0	0.1	0.1	0.4	0.4	0.5	0.7
FCF per share	1.0	-1.0	0.7	2.0	0.9	0.6	9.9	14.7
<b>Return Ratios (%)</b>								
RoE	17.4	11.9	7.2	15.3	45.0	27.9	27.7	27.9
RoCE	13.4	9.7	7.1	12.5	30.6	20.1	21.0	22.9
RoIC	13.5	9.7	7.2	13.0	32.7	23.0	24.2	25.8
<b>Working Capital Ratios</b>								
Inventory (Days)	98	103	109	117	119	130	131	131
Debtor (Days)	109	101	113	102	99	100	102	103
Creditor (Days)	50	55	78	79	89	65	81	81
<b>Leverage Ratio (x)</b>								
Current Ratio	2.5	2.3	2.0	2.0	1.8	1.9	1.8	1.8
Interest Coverage Ratio	3.0	3.6	2.4	4.2	19.7	11.4	12.5	15.9
Net Debt/Equity ratio	0.6	0.6	0.6	0.6	0.5	0.5	0.3	0.2

### Consolidated Cash Flow Statement

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	2,352	2,374	1,198	2,936	13,011	10,839	14,431	17,942
Depreciation	1,060	1,255	1,642	1,873	2,051	2,515	3,178	3,446
Interest and Finance Charges	931	505	720	837	579	862	1,146	1,084
Direct Taxes Paid	-501	-698	-260	-383	-2,285	-1,823	-3,896	-4,486
(Inc.)/Dec. in WC	-525	-226	-187	-1,465	-5,941	-3,416	-2,330	-3,061
<b>CF from Operations</b>	<b>3,317</b>	<b>3,209</b>	<b>3,113</b>	<b>3,797</b>	<b>7,415</b>	<b>8,977</b>	<b>12,530</b>	<b>14,925</b>
Others	3	216	-136	-323	-85	135	0	0
<b>CF from Operations incl. EO</b>	<b>3,320</b>	<b>3,425</b>	<b>2,977</b>	<b>3,474</b>	<b>7,330</b>	<b>9,111</b>	<b>12,530</b>	<b>14,925</b>
(Inc.)/Dec. in FA	-2,774	-3,962	-2,589	-2,421	-6,839	-8,767	-7,200	-7,000
<b>Free Cash Flow</b>	<b>546</b>	<b>-537</b>	<b>387</b>	<b>1,053</b>	<b>491</b>	<b>344</b>	<b>5,330</b>	<b>7,925</b>
(Pur.)/Sale of Investments	-113	0	0	0	-2,584	-393	0	0
Others	0	120	60	210	13	17	96	111
<b>CF from Investments</b>	<b>-2,887</b>	<b>-3,842</b>	<b>-2,529</b>	<b>-2,211</b>	<b>-9,410</b>	<b>-9,143</b>	<b>-7,104</b>	<b>-6,889</b>
Issue of Shares	2,860	3	4	5	74	43	0	0
Inc./(Dec.) in Debt	-2,387	1,278	429	139	3,804	1,968	-1,500	-2,500
Interest Paid	-950	-796	-882	-896	-580	-850	-1,243	-1,195
Dividend Paid	-59	0	-191	-384	-750	-859	-1,645	-2,101
Others	0	-62	193	-140	0	5	-2	-2
CF from Fin. Activity	-536	422	-448	-1,277	2,547	307	-4,390	-5,798
<b>Inc./Dec. in Cash</b>	<b>-103</b>	<b>6</b>	<b>0</b>	<b>-14</b>	<b>467</b>	<b>275</b>	<b>1,036</b>	<b>2,238</b>
<b>Opening Balance</b>	<b>127</b>	<b>23</b>	<b>29</b>	<b>28</b>	<b>15</b>	<b>483</b>	<b>757</b>	<b>1,794</b>
<b>Closing balance</b>	<b>23</b>	<b>29</b>	<b>28</b>	<b>15</b>	<b>483</b>	<b>757</b>	<b>1,794</b>	<b>4,033</b>
Bank balance	18	2	2	2	2	2	2	1
<b>Total Cash and Cash equivalent</b>	<b>41</b>	<b>31</b>	<b>30</b>	<b>17</b>	<b>485</b>	<b>759</b>	<b>1,796</b>	<b>4,034</b>

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

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