10 March 2023

Company Update | Sector: Healthcare

Ajanta Pharma

BSE SENSEX	S&P CNX
59,135	17,413

Bloomberg	AJP IN
Equity Shares (m)	129
M.Cap.(INRb)/(USDb)	155.8 / 1.9
52-Week Range (INR)	1426 / 1062
1, 6, 12 Rel. Per (%)	3/-11/-1
12M Avg Val (INR M)	129

Financials & Valuations (INR b)

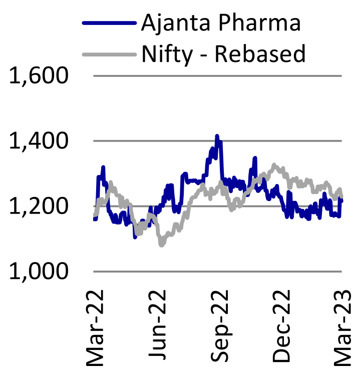
Y/E March	FY23E	FY24E	FY25E
Sales	37.6	41.8	47.7
EBITDA	8.7	10.3	12.0
Adjusted PAT	6.7	7.7	8.9
EBIT Margin (%)	19.6	21.3	22.3
Cons. Adj EPS (INR)	51.7	59.5	69.0
EPS Gr. (%)	-3.7	14.9	16.0
BV/Sh. (INR)	290.4	335.2	386.6
Ratios			
Net D-E	-0.2	-0.2	-0.3
RoE (%)	19.0	19.0	19.1
RoCE (%)	19.1	19.1	19.2
Payout (%)	24.7	24.7	25.5
Valuation			
P/E (x)	23.7	20.7	17.8
EV/EBITDA (x)	17.6	14.5	11.8
Div. Yield (%)	1.0	1.2	1.4
FCF Yield (%)	2.2	3.2	5.3
EV/Sales (x)	4.1	3.6	3.0

Shareholding pattern (%)

As On	Dec-22	Sep-22	Dec-21
Promoter	66.1	70.5	70.3
DII	15.8	13.1	12.6
FII	10.1	8.2	9.0
Others	8.0	8.2	8.1

FII Includes depository receipts

Stock performance (one-year)



CMP: INR1,216 TP: INR1,410 (+16%) BUY

Healthy Work-in-progress on reducing cost pressure to boost outlook

- **We met with the management of Ajanta Pharma (AJP) recently to understand its business outlook in further details.**
- **AJP has enhanced its efforts to improve profitability over the next 2-3 years.**
- **Superior execution in the branded generics segment across domestic formulation (DF), Asia and Africa would result in industry outperformance. This will be further supported by relief on the cost front, which would pave the way for at least 200bp margin expansion over FY23-25E.**
- **However, the US generics growth prospects might moderate due to slowdown in the pace of approvals over the near term.**
- **We expect 15% earnings CAGR over FY23-25 v/s 4% YoY earnings decline in FY23.**
- **We continue to value AJP at 22x 12M forward earnings to arrive at our TP of INR1,410. AJP had multiple headwinds such as higher raw material costs and operating deleverage over the past 12-15M, leading to historically lower margins in 9MFY23. However, with efforts in place to overcome these hurdles, there is scope of better margins from FY24 onwards. Maintain BUY.**
- **Inferior execution in branded generics market of India/Asia/Africa, untoward regulatory outcome at Dahej, Paithan site and adverse currency headwinds are the key risk to our rating/estimates.**

Margin recovery – key for earnings growth

- Over 9MFY23, the various factors that hit AJP were: a) inventory write-off (1% of 9MFY23 sales), b) adverse currency (EUR-INR) movement that impacted 0.5% of 9MFY23 sales and c) a spike in raw material prices (0.7% of 9MFY23 sales).
- Historically, AJP had taken inventory write-off to such extent only twice so far and it has been one-time in nature. The INR depreciation is expected to reverse the impact of currency movement from 1QFY24. Further, there is scope of passing some increase in raw material cost in the branded generics segment, thereby improving its overall gross margin going forward.
- Further, the freight cost (which was ~6x from pre-Covid to post-Covid phase) has fallen considerably, providing comfort on the cost front as well.

DF – new launches/better MR productivity to drive industry outperformance

- AJP has delivered consistent 20%+ YoY growth in revenue over the past two years on 9M basis.
- In ophthalmology and cardiology, AJP has been gaining market share over the past five years. Particularly, in cardiology, there has been a shift towards trade generics at the industry level, thus moderating the growth prospects of this therapy. Despite this, AJP has been able to outperform in this therapy.
- The benefit from restructuring exercise is now reflected in dermatology therapy (strong 24% YoY growth v/s +4% for IPM over 12M ending Dec'22).
- In addition, AJP has reduced the field force by 200 to 2,800 and still managed to deliver robust growth in the DF segment, thereby driving sales and profitability. We expect 16% sales CAGR in DF to INR15.6b over FY23-25.

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Asia/Africa – newer geographies/MR additions to boost outlook

- AJP has increased the field force by 50% over the past 9M to 1,500 to cater to Asia/Africa's branded generics segment.
- Further, the increased penetration to newer geographies in Africa (Uganda/ Kenya/Tanzania) as well as in Asia (Uzbekistan/Kazakhstan/Krygzsthan) would brighten the growth outlook in these geographies.
- Besides, the favorable currency in Africa would have a positive impact on AJP's sales growth and margins in the branded generics segment.
- We expect 12% sales CAGR in Asia/Africa's branded generics segment to INR22b over FY23-25.

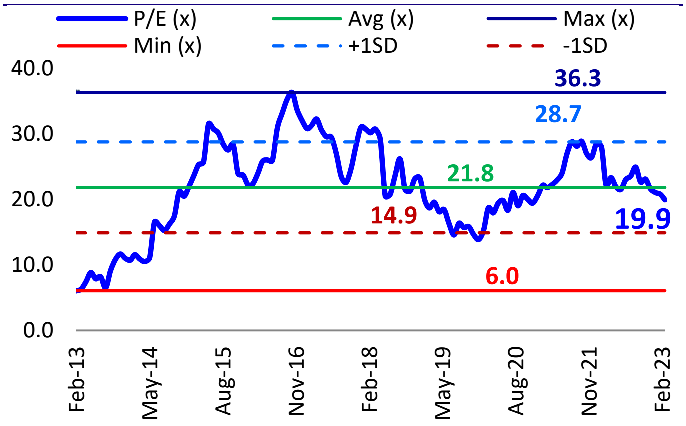
The US generics – yet to revive!

- AJP had two approvals (including one tentative approval) and filed just four ANDAs in 9MFY23. While AJP intends to improve the pace of filing ANDAs, the gestation period would be there for a meaningful pick-up in the US generics business.
- Management indicated the US sales to be flat YoY for FY24E.

Valuation

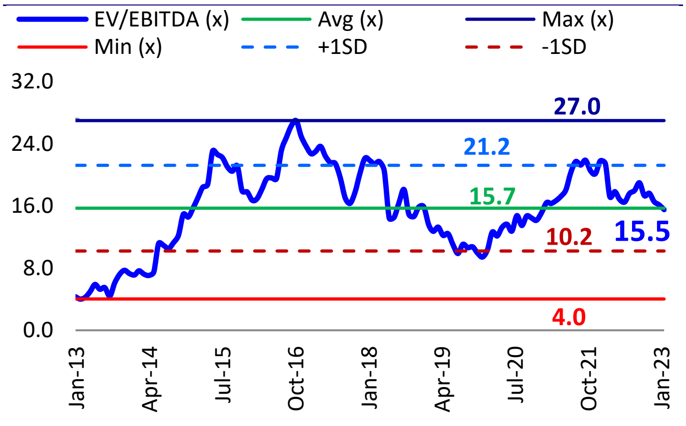
- The overall investments in terms of field force additions in Asia/Africa and manufacturing capacity expansion to cater to focus markets are already in place. Further, the cost pressures are likely to ease from FY24 onwards. AJP has cash to the tune of INR6b for inorganic growth opportunities.
- Further, AJP is trading at 20x FY24E EPS of INR60 and 17x FY25E EPS of INR69. We continue to value AJP at 22x 12M forward earnings to arrive at our TP of INR1,410. **Maintain BUY.**

Exhibit 1: P/E ratio chart



Source: MOFSL, Company, Bloomberg

Exhibit 2: EV/EBITDA ratio chart

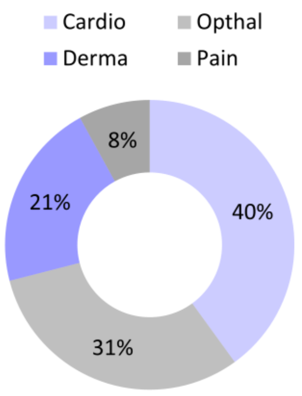


Source: MOFSL, Company, Bloomberg

DF – new launches/better MR productivity to drive industry outperformance

- **AJP's DF business is outperforming IPM by launching new products, strengthening the current brands and enhancing MR productivity by expanding the reach.**
- **During 9MFY23, AJP grew at 15% YoY v/s 7% YoY growth for overall IPM, aided by strong traction in Cardiac, Derma and Pain categories.**
- **Pain/Dermatology/Ophthal/Cardiac are the promising therapies over the next 2-3 years for the company.**

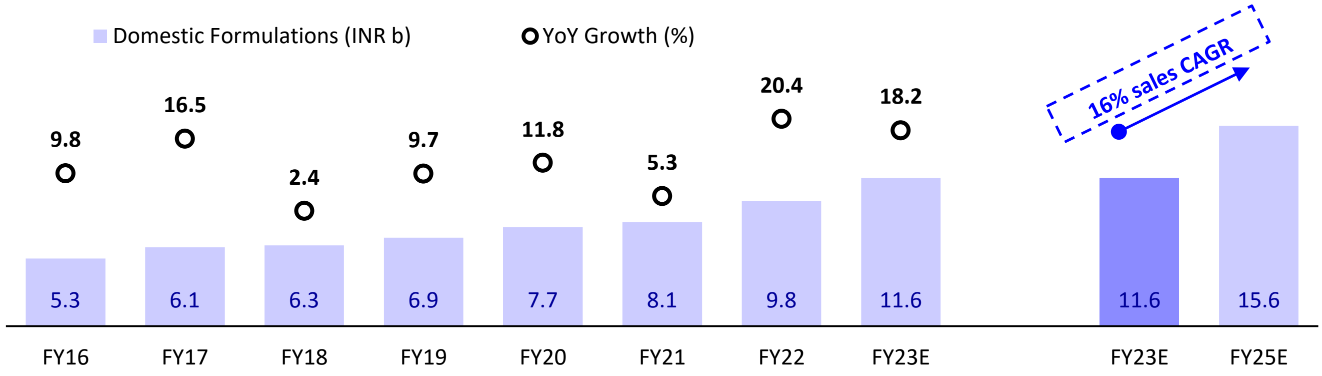
DF branded – Therapeutic contribution (IQVIA MAT 2022)



Enhancing brand franchise across derma/cardio therapies

- AJP's DF business is projected to grow at 18% YoY in FY23. Management expects DF sales to grow at mid-teens YoY in FY24.
- Additionally, AJP mostly outperformed IPM growth over FY19-FY21, while its performance was in line with IPM in FY22. The company is well poised to outperform IPM in FY23 too.

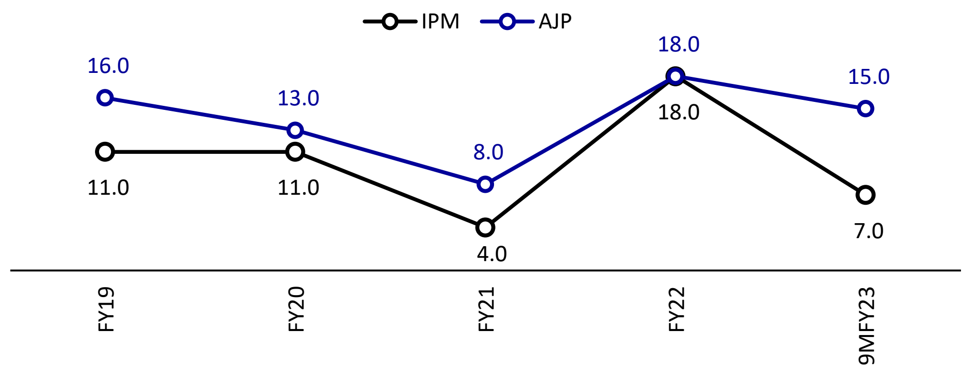
Exhibit 3: DF is expected to grow at 16% CAGR over FY23-25



Source: Company, MOFSL

- This growth would primarily be led by Pain management, Cardio, Dermatology and Ophthal categories.

Exhibit 4: AJP grew 15% YoY, while IPM grew 7% YoY in 9MFY23



Source: Company, MOFSL

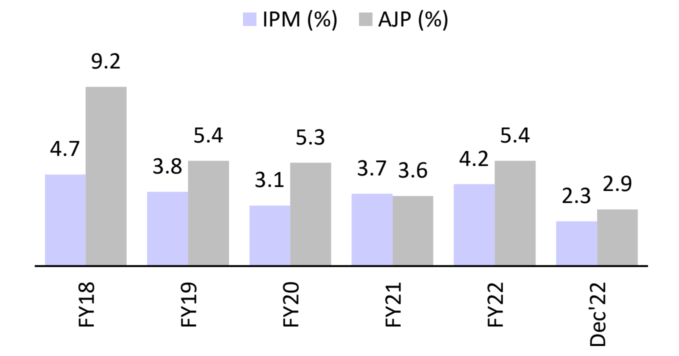
- Specialization in cosmo-dermatology (21% of MAT 2022 DF sales) and strong traction in flagship Melacare, PACROMA, Peroclin and their combinations, AJP is able to exhibit much superior growth in this segment than the industry.

- Cardio's flagship brand, Met XL, and its combinations with the other brands have demonstrated strong growth and outperformed IPM, accounting for 40% of MAT 2022 DF sales.
- With new brand launches such as Olopat, Soft Drops and Brinzox, the ophthal segment growth is in line with the industry.

Aggressive 'new launch' strategy – key to remain ahead of market

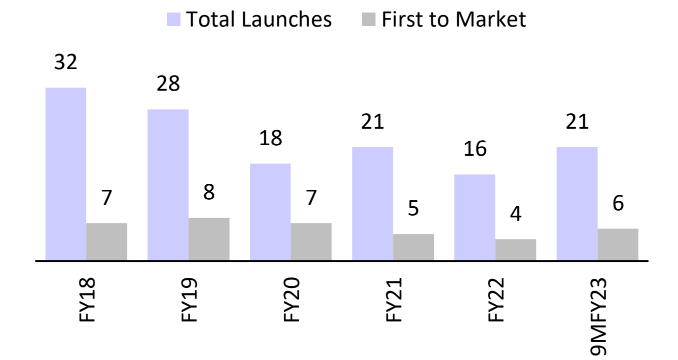
- AJP has outperformed IPM by launching Novel first-to-market products consistently since FY18.
- During 9MFY23, AJP has launched six Novel first-to-market products.
- This strategy of focusing on niche, first-to-market products renders AJP with an early mover advantage.

Exhibit 5: Growth from new launches superior to IPM



Note: MAT growth from New launches; Source: Company, MOFSL

Exhibit 6: Robust pace of new launches over past five years



Source: Company, MOFSL

- The first-to-market launches have either been with a differentiated delivery system or combinations of existing molecules.

Promising growth prospects in the dermatology segment

- AJP's derma business outperformed IPM by a huge margin of 2,000bp YoY for 9MFY23 as a result of the new launches, success of key brands, low base effect and an industry-wide price increase of 6%.
- AJP had restructured the entire derma division in terms of MR resource as well as renewed the strategy to enhance business opportunities in this therapy.

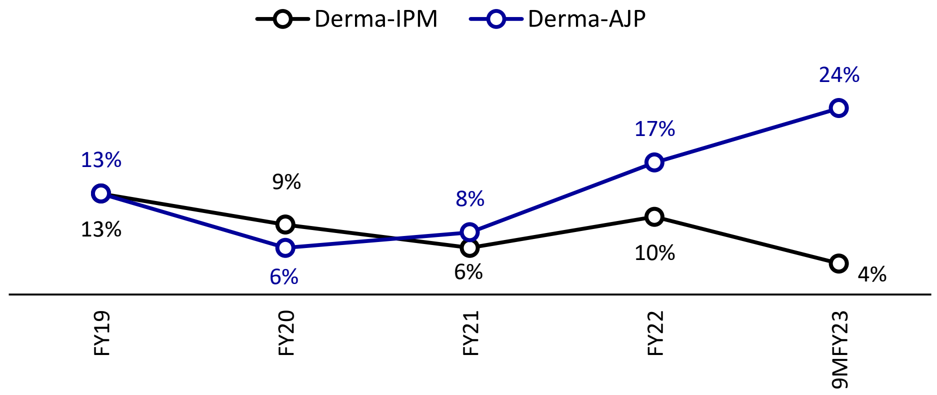
Exhibit 7: Melacare driving the Dermatology segment

Brand	Molecule	MAT Dec'22 (INR m)	3Y CAGR (%)	3Y Therapy CAGR (%)
MELACARE	Hydroquinone + Mometasone +Tretinoin	735	3%	5%
PACROMA	Pimecrolimus	153	13%	5%
AQUASOFT	Emollients	129	7%	5%
PEROCLIN	Clindamycin + Benzoyl Peroxide	122	19%	5%
SALISIA KT	Ketoconazole	87	8%	5%
AQUASOFT FC	Glycerol	115	38%	5%
AQUASOFT MAX	Glycerol	83	14%	5%
TRILAST	Emollients	38	27%	5%
ELYN	Eflornithine	40	9%	5%
PEROBAR	Benzoyl Peroxide	23	8%	5%

Source: Industry, MOFSL

- The effort has started yielding results in the form of accelerated growth over the past three years.

Exhibit 8: Accelerated pace of growth exhibited by AJP over the past three years



Source: Company, MOFSL

Exhibiting superior performance in moderating Cardiac therapy

- Cardio therapy that accounted for 40% of the MAT 2022 DF sales, has registered an 11% YoY growth during 9MFY23. The therapy has been slowing down despite a favorable increase in overall patient pool.
- The shift towards trade generics at the industry level is dragging growth of prescription-based cardiac therapy.
- Having said this, AJP has outperformed IPM growth consistently from FY21 majorly driven by METXL, CINOD and their combinations.

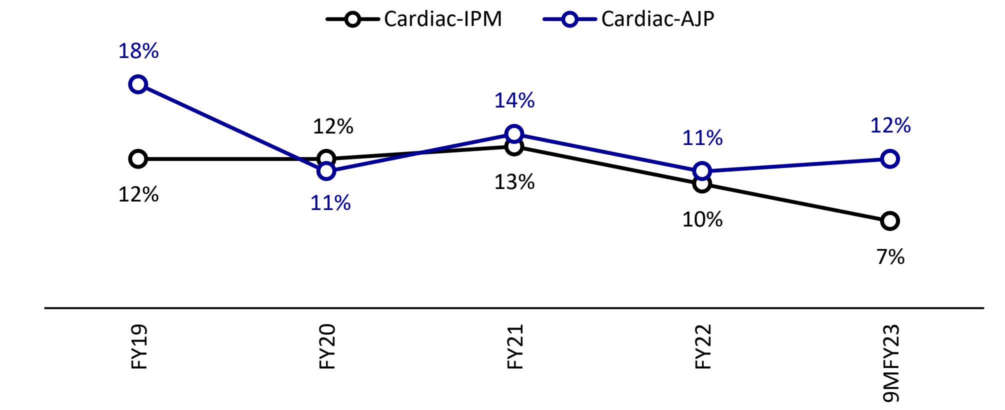
Exhibit 9: MET and CINOD brands are leading the outperformance in Cardiac Therapy

Brand	Molecule	MAT Dec'22 (INR m)	3Y CAGR (%)	3Y Therapy CAGR (%)
MET XL	Metoprolol	1,668	15%	10%
ATORFIT CV	Atorvastatin + Clopidogrel	653	4%	10%
CINOD	Cilnidipine	367	14%	10%
ROSUTOR GOLD	Aspirin + Rosuvastatin + Clopidogrel	260	5%	10%
MET XL AM	Metoprolol + Amlodipine	363	11%	10%
ROSUFIT CV	Rosuvastatin + Clopidogrel	310	5%	10%
METXL TRIO	Cilnidipine + Metoprolol + Telmisartan	322	49%	10%
MET XL 3D	Telmisartan + Chlorthalidone + Metoprolol	220	45%	10%
CILAMET	Cilnidipine + Metoprolol	214	18%	10%
CINOD-T	Cilnidipine+Telmisartan	165	18%	10%

Source: Industry, MOFSL

- Except in FY20, AJP was able to deliver better-than-industry growth in cardiac therapy over the past five years.

Exhibit 10: AJP's cardiac therapy outperformed



Source: Company, MOFSL

Ophthal segment growing in line with IPM

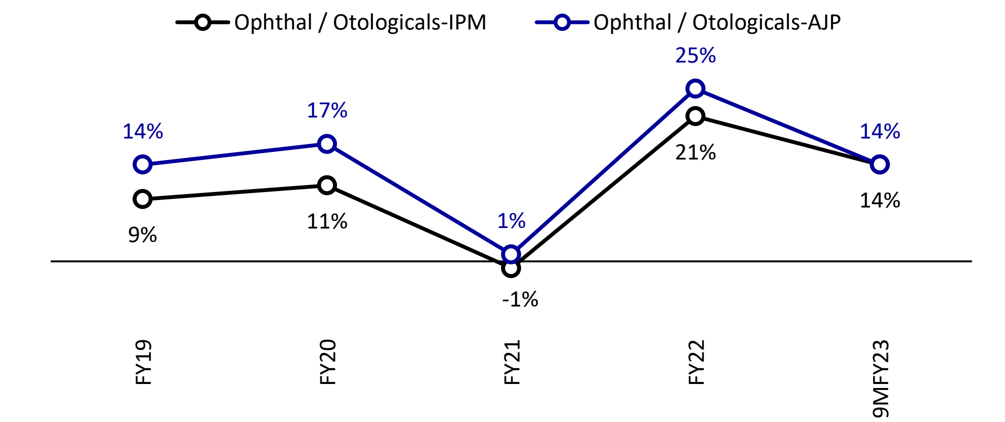
- The ophthalmic therapy for AJP grew 14% YoY in 9MFY23, in line with IPM.
- It was driven by successful products such as Olopat, Soft Drops, Brinzox, Olapatadien, and Abropts.
- However, the legacy brands like Nepaflam, maxmoist, and bimat underperformed, thus affecting the performance of Ophthalmology therapy adversely to some extent.

Exhibit 11: Top brands growing at a much higher rate than the therapy

Brand	Molecule	MAT Dec'22 (INR m)	3Y CAGR (%)	3Y Therapy CAGR (%)
OLOPAT	Olopatadine Hydrochloride	239	14%	3%
SOFT DROPS	Carboxymethylcellulose+Glycerin	258	11%	3%
MAXMOIST	D panthenol+Hyaluronic acid	186	16%	3%
BRINZOX	Brinzolamide	145	18%	3%
NEPAFLAM	Nepafenac	194	19%	3%
APDROPS LP	Loteprednol+Moxifloxacin	126	10%	3%
BRIVEX	Brimonidine + Brinzolamide	112	29%	3%
APDROPS	Moxifloxacin	114	10%	3%

Source: Industry, MOFSL

Exhibit 12: In line performance with IPM

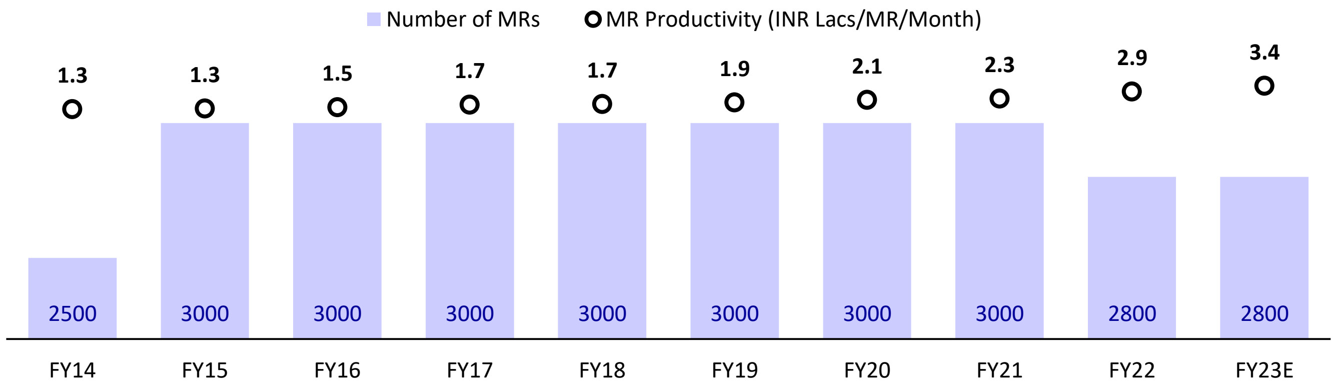


Source: Company, MOFSL

MRs trimmed keeping sales growth intact

- The company's MR strength has been stable at ~3,000 since FY17, implying improved MR productivity with 10% sales CAGR over FY17-22.
- Interestingly, the management has reduced its MR strength by 200 in FY22 leading to further improvement in productivity.
- The management said that its current MR strength is ideal and it would not be looking to add to its field force over the near term. Revenue growth will be driven by its existing MR strength only.

Exhibit 13: MR productivity is continuously improving over FY14-23E



Source: MOFSL, Company

- With new launches, increasing MR productivity and gaining traction in key therapies we expect DF revenue to report 16% CAGR to reach INR15.6b during FY23-25.

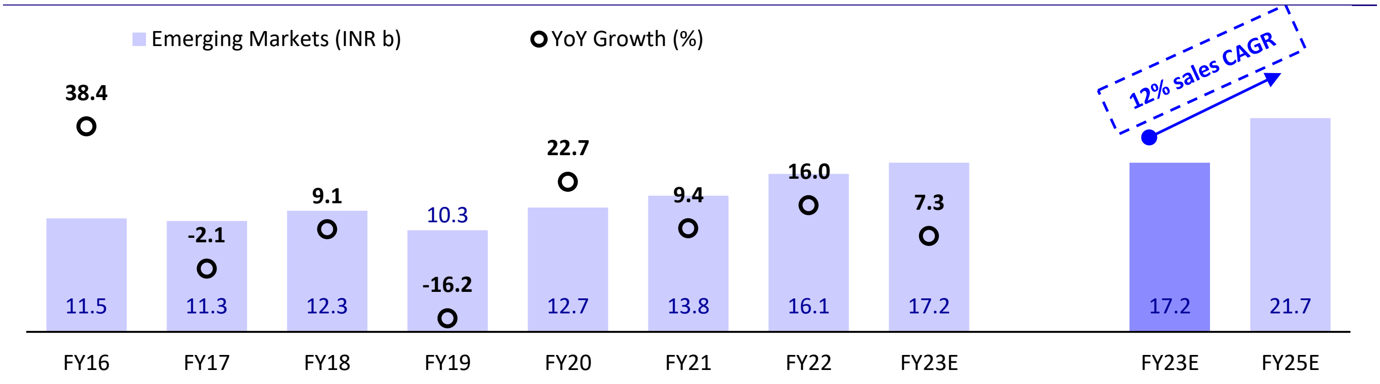
Asia/Africa – newer geographies/MR additions to boost outlook

- **AJP has built a strong branded generics business in Asia and Africa. The business contributes 48% of FY22 revenue.**
- **While AJP has performed better than industry in both Asia and the African branded generics segment, this was offset to some extent by deterioration in the Institutional Anti-Malarial segment.**
- **Considering: a) launches and a gradual recovery in non-Covid therapies in Asia/Africa, and b) a stable Anti-Malarial business, we expect 12% sales CAGR over FY23-25.**

Branded Generics: Formidable pillars of growth in the EM segment

- The Emerging Markets (EM) business comprises branded generics in Asia and Africa and the Institutional Anti-Malarial business that contributes ~48% to total sales.
- While AJP continues to build a strong branded franchise in Asia and Africa, the EM segment sales have been reporting 12% CAGR over FY17-22. This strong growth is, however, offset by decline in the institutional Anti-Malarial business.
- During 9MFY23, AJP has grown by 14% YoY led by strong growth in Asia segment. This was offset by a decline in the African branded and anti-malarial business owing to pricing pressure.

Exhibit 14: Expect EM business to deliver 12% CAGR over FY23-25



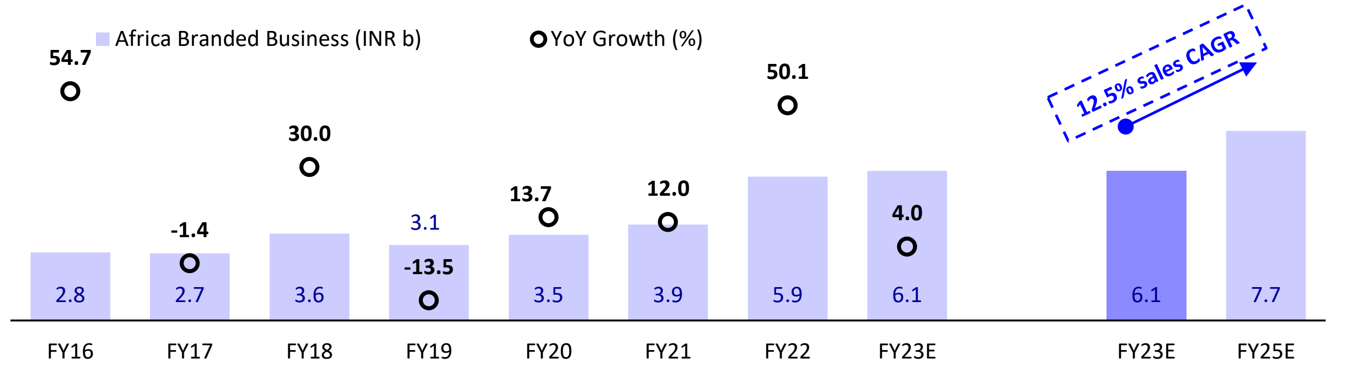
Source: MOFSL, Company

- The branded generics segment across DF, Asia, and Africa has been the key focus area for AJP to revive earnings growth over the next 2-3 years.

AJP building itself to tap the USD3.5b opportunity in Asia/Africa

- Africa Branded Generics business has exhibited 16.5% CAGR over FY17-22 to reach INR5.9b.
- In African branded business, AJP is present across Cardiac, Diabetes, Ophthal, Pain, Antibiotics, Gastro, Anti-histamines, and Respiratory and spread over 20 countries.

Exhibit 15: Africa's branded generics business to clock 12% sales CAGR over FY23-25E



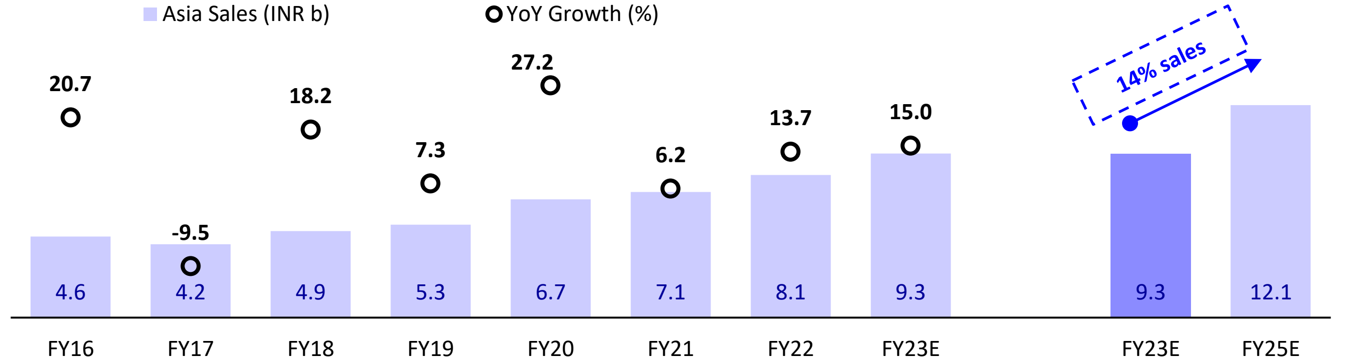
Source: MOFSL, Company

- With USD1b market opportunity in English-speaking African nations such as Tanzania, Kenya, and Uganda, AJP is attempting to establish itself in the market and seize the growing opportunity.
- We expect the Africa branded business to exhibit 12.5% CAGR over FY23-25 to reach INR7.6b.

Recovery in Asian markets

- The Asia branded generics business has exhibited 14% CAGR over FY17-22 to reach INR8.1b.
- However, during 9MFY23 the company saw a huge growth with strong traction across all the brands.
- AJP is attempting to penetrate the Asian market, where there is USD2b opportunity in places like Central Asia's Uzbekistan, Kazakhstan, and Kyrygzstan.

Exhibit 16: Asia's branded generics business to clock 14% sales CAGR over FY23E-25E



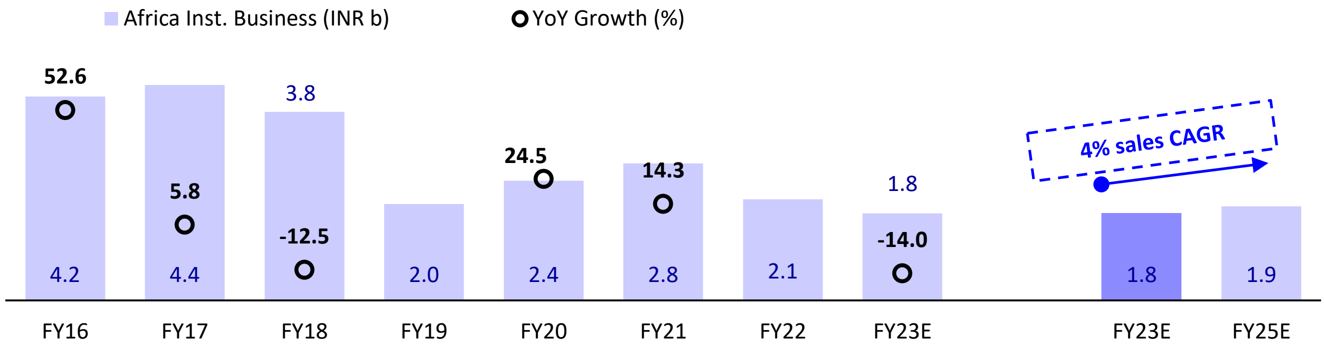
Source: MOFSL, Company

- The management is focused on branded generics in Ophthalmology, Dermatology, and Cardiology in South East Asia and premium Antibiotic and Cardiology in the Middle East and Asia.
- We expect the business to continue its growth trend by exhibiting 14% CAGR over FY23-25 on the back of new launches and marketing efforts that are driving existing product sales.

Outlook muted for Institutional Anti-Malarial business

- Africa's institutional business declined to INR2.1b in FY22 from INR4.4b in FY17.
- Decrease in global funding, increased hygienic conditions, and lack of meaningful launches have led to reduced business for AJP in this segment.

Exhibit 17: Expect Institutional Anti-Malarial business to grow at4% CAGR over FY23-25



Source: MOFSL, Company

- We expect the Institutional Anti-Malarial business to exhibit 4% CAGR over FY23-25 given its lumpy nature.

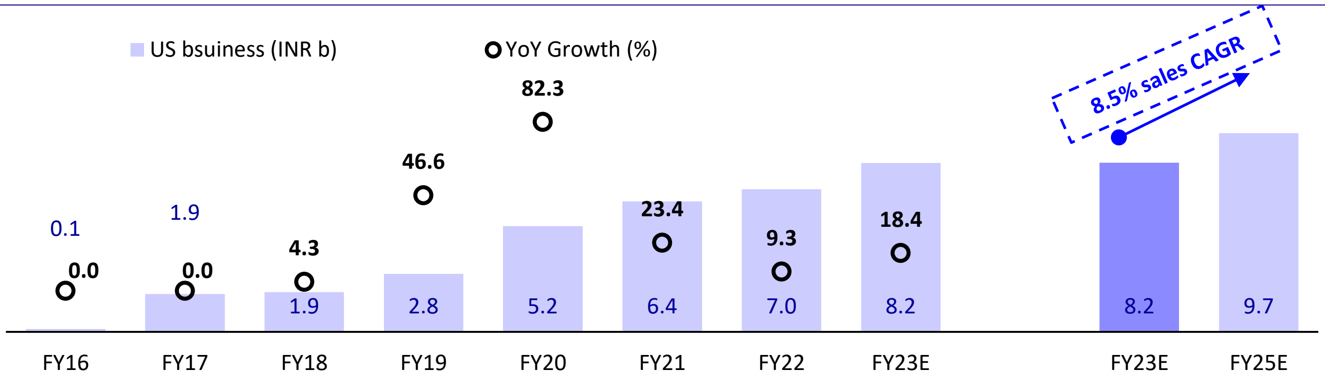
The US Generics: Yet to see a pick-up in the pace of filings/approvals

- **AJP delivered 30% CAGR during FY17-22 to reach INR7b (20% of sales).**
- **This was largely led by a robust pace of launches (~39 over FY17-22).**
- **Its compliance track record remained sound, implying minimal regulatory risk in the US business.However, there has been some slowdown in the pace of filings in 9MFY23. Likewise, the FY24 sales are expected to be flat on YoY basis.**
- **With pick-up in filings/approvals over medium term, we expect 9% sales CAGR in the US over FY23-25**.

Pricing pressure and lack of new launches drag near-term outlook

- AJP had robust pace of launches (~39 over FY17-22) that drove a solid performance and made the US a meaningful contributor to the company's overall earnings growth over FY17-22.
- However, the management anticipates a flat US business in constant currency terms over next 12-15M, due to severe price erosion and slowdown in new launches. It had filed four ANDAs only in 9MFY23.
- Having said this, it intends to file 10-12 ANDAs annually going forward.
- The management expects that with increased pace of approvals AJP would accelerate new launches in the US.

Exhibit 18: The US business expects to clock 8.5% CAGR over FY23-25

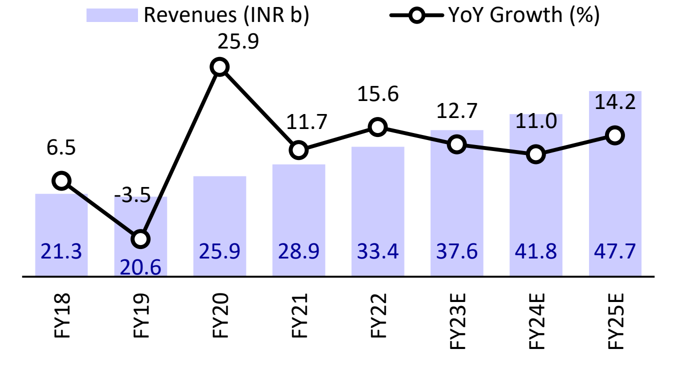


Source: MOFSL, Company

- Given the price erosion in the US, lack of fillings in the past nine months, reduced product launches and delayed approvals, we expect AJP to deliver 9% sales CAGR over FY23-25 to INR9.7b.

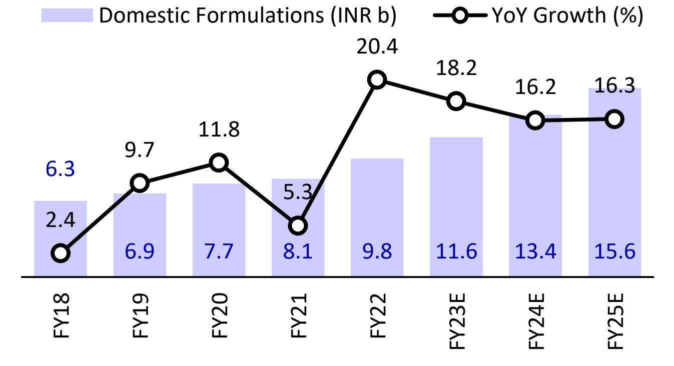
Story in charts

Exhibit 19: Total sales to post 13% CAGR over FY23E-25E



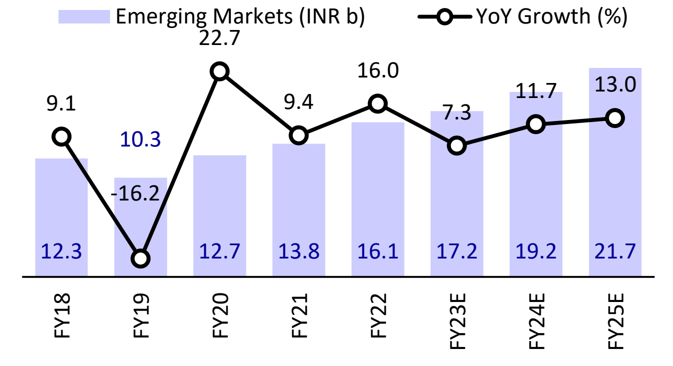
Source: Company, MOFSL

Exhibit 20: DF sales to report 16% CAGR over FY23E-25E



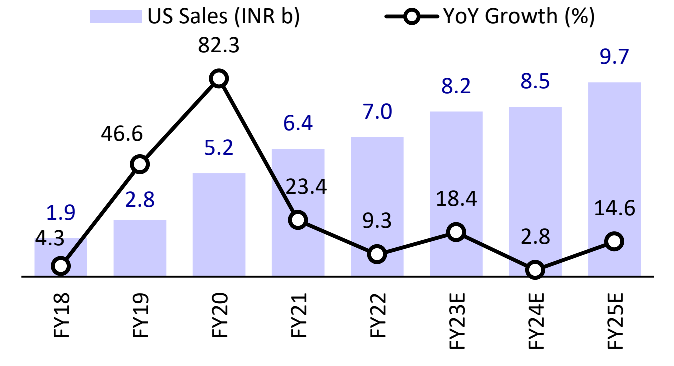
Source: Company, MOFSL

Exhibit 21: EM sales to clock 12% CAGR over FY23E-25E



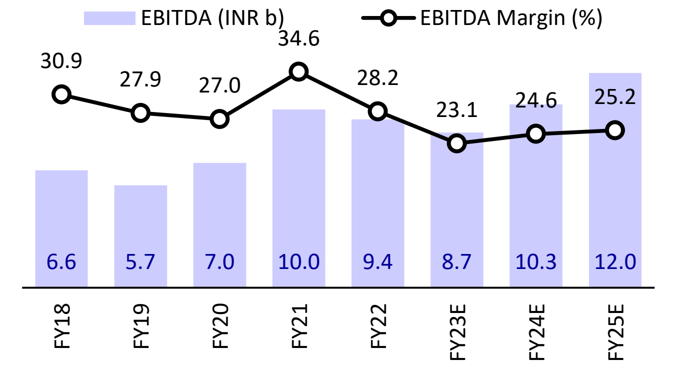
Source: Company, MOFSL

Exhibit 22: US sales to record 8.5% CAGR over FY23E-25E



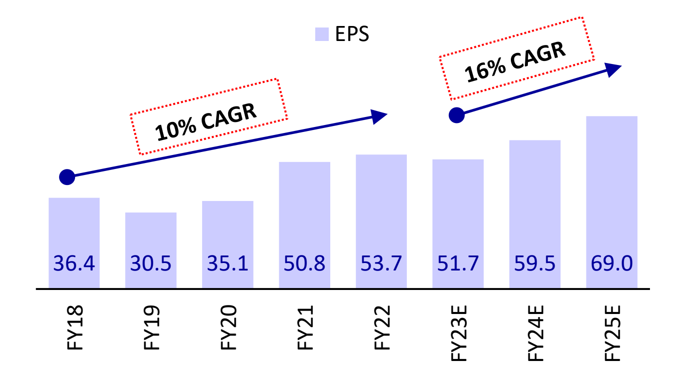
Source: Company, MOFSL

Exhibit 23: Expects 210bp margin expansion by FY25



Source: Company, MOFSL

Exhibit 24: Expects 15.5% earnings CAGR over FY23-25



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement (INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Total Income from Operations	**20,016**	**21,309**	**20,554**	**25,879**	**28,897**	**33,410**	**37,644**	**41,771**	**47,712**
Change (%)	14.4	6.5	-3.5	25.9	11.7	15.6	12.7	11.0	14.2
Total Expenditure	**13,126**	**14,725**	**14,809**	**18,895**	**18,911**	**23,986**	**28,948**	**31,496**	**35,688**
% of Sales	65.6	69.1	72.1	73.0	65.4	71.8	76.9	75.4	74.8
EBITDA	**6,890**	**6,584**	**5,744**	**6,983**	**9,986**	**9,424**	**8,696**	**10,276**	**12,023**
Margin (%)	34.4	30.9	27.9	27.0	34.6	28.2	23.1	24.6	25.2
Depreciation	612	596	721	957	1,161	1,253	1,318	1,377	1,383
EBIT	**6,278**	**5,988**	**5,024**	**6,026**	**8,825**	**8,171**	**7,378**	**8,899**	**10,641**
Int. and Finance Charges	35	4	12	119	83	102	56	37	37
Other Income	239	242	211	522	260	757	1,129	1,149	1,241
PBT bef. EO Exp.	**6,482**	**6,226**	**5,223**	**6,429**	**9,002**	**8,826**	**8,451**	**10,010**	**11,844**
EO Items	0	0	80	211	0	269	-587	0	0
PBT after EO Exp.	**6,482**	**6,226**	**5,143**	**6,640**	**9,002**	**9,095**	**7,864**	**10,010**	**11,844**
Total Tax	1,413	1,539	1,273	1,963	2,463	1,968	1,667	2,352	2,961
Tax Rate (%)	21.8	24.7	24.8	29.6	27.4	21.6	21.2	23.5	25.0
Reported PAT	**5,068**	**4,686**	**3,870**	**4,677**	**6,539**	**7,127**	**6,197**	**7,658**	**8,883**
Adjusted PAT	**5,068**	**4,686**	**3,930**	**4,522**	**6,539**	**6,918**	**6,663**	**7,658**	**8,883**
Change (%)	21.9	-7.5	-16.1	15.1	44.6	5.8	-3.7	14.9	16.0
Margin (%)	25.3	22.0	19.1	17.5	22.6	20.7	17.7	18.3	18.6

Consolidated - Balance Sheet (INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	177	175	175	175	174	172	258	258	258
Total Reserves	15,500	20,237	22,277	25,813	29,782	32,472	37,138	42,904	49,522
Net Worth	**15,677**	**20,412**	**22,452**	**25,989**	**29,956**	**32,644**	**37,395**	**43,162**	**49,779**
Total Loans	10	11	7	7	16	19	19	19	19
Deferred Tax Liabilities	29	244	271	558	421	463	463	463	463
Capital Employed	**15,716**	**20,667**	**22,730**	**26,553**	**30,393**	**33,125**	**37,877**	**43,643**	**50,261**
Gross Block	8,949	14,172	16,152	20,045	21,896	22,857	25,080	26,875	28,434
Less: Accum. Deprn.	3,058	3,646	4,366	5,324	6,485	7,738	9,056	10,433	11,815
Net Fixed Assets	**5,892**	**10,527**	**11,786**	**14,721**	**15,411**	**15,120**	**16,024**	**16,442**	**16,618**
Capital WIP	3,393	613	2,613	1,319	1,082	1,529	1,306	1,011	952
Total Investments	**1,909**	**2,044**	**888**	**476**	**517**	**707**	**707**	**707**	**707**
Curr. Assets, Loans&Adv.	**7,039**	**11,077**	**11,357**	**16,417**	**20,276**	**22,645**	**29,055**	**35,338**	**43,191**
Inventory	2,110	3,506	4,357	4,957	7,665	7,911	9,517	9,923	11,538
Account Receivables	3,232	4,920	4,595	7,753	7,384	10,198	11,654	13,161	12,026
Cash and Bank Balance	713	932	1,005	2,053	2,096	2,118	5,159	9,231	16,175
Loans and Advances	985	1,719	1,400	1,655	3,131	2,418	2,724	3,023	3,453
Curr. Liability & Prov.	**2,516**	**3,592**	**3,913**	**6,379**	**6,893**	**6,875**	**9,215**	**9,854**	**11,207**
Account Payables	1,781	2,852	2,251	3,623	3,739	3,272	5,155	5,350	6,062
Other Current Liabilities	562	321	1,278	2,230	2,858	3,302	3,720	4,128	4,715
Provisions	173	419	384	526	296	301	339	377	430
Net Current Assets	**4,524**	**7,485**	**7,444**	**10,038**	**13,383**	**15,770**	**19,840**	**25,483**	**31,984**
Appl. of Funds	**15,716**	**20,667**	**22,730**	**26,553**	**30,393**	**33,126**	**37,877**	**43,643**	**50,261**

Financials and valuations

Ratios									
Y/E March	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23E**	**FY24E**	**FY25E**
Basic (INR)									
EPS	**39.4**	**36.4**	**30.5**	**35.1**	**50.8**	**53.7**	**51.7**	**59.5**	**69.0**
Cash EPS	44.1	41.0	36.1	42.5	59.8	63.5	62.0	70.2	79.7
BV/Share	121.7	158.5	174.4	201.8	232.6	253.5	290.4	335.2	386.6
DPS	8.9	0.0	6.2	8.8	6.4	6.3	11.9	14.7	17.6
Payout (%)	22.6	0.0	20.6	24.8	12.7	11.4	24.7	24.7	25.5
Valuation (x)									
P/E	31.2	33.8	40.3	35.0	24.2	22.9	23.7	20.7	17.8
Cash P/E	27.9	30.0	34.0	28.9	20.5	19.4	19.8	17.5	15.4
P/BV	10.1	7.8	7.0	6.1	5.3	4.8	4.2	3.7	3.2
EV/Sales	7.9	7.4	7.6	6.0	5.4	4.7	4.1	3.6	3.0
EV/EBITDA	22.9	23.9	27.4	22.4	15.6	16.6	17.6	14.5	11.8
Dividend Yield (%)	0.7	0.0	0.5	0.7	0.5	0.5	1.0	1.2	1.4
FCF per share	24.0	2.9	-1.8	15.3	33.9	32.7	26.5	37.7	62.2
Return Ratios (%)									
RoE	36.7	26.0	18.3	18.7	23.4	22.1	19.0	19.0	19.1
RoCE	35.9	26.0	18.4	19.0	23.6	22.3	19.1	19.1	19.2
RoIC	52.1	33.7	21.4	20.7	25.9	23.1	19.5	21.5	24.5
Working Capital Ratios									
Asset Turnover (x)	1.3	1.0	0.9	1.0	1.0	1.0	1.0	1.0	0.9
Inventory (Days)	38	60	77	66	97	86	92	87	88
Debtor (Days)	59	84	82	109	93	111	113	115	92
Creditor (Days)	32	49	40	51	47	36	50	47	46
Leverage Ratio (x)									
Net Debt/Equity	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.3

Consolidated - Cash Flow Statement									(INR m)
Y/E March	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23E**	**FY24E**	**FY25E**
OP/(Loss) before Tax	6,482	6,226	5,303	6,218	9,002	9,095	7,864	10,010	11,844
Depreciation	612	596	721	957	1,161	1,253	1,318	1,377	1,383
Interest & Finance Charges	35	-238	-199	-403	-177	-655	-1,073	-1,111	-1,203
Direct Taxes Paid	-1,428	-1,539	-1,273	-1,963	-2,463	-1,968	-1,667	-2,352	-2,961
(Inc)/Dec in WC	285	-2,742	115	-1,548	-1,708	-2,427	-1,029	-1,572	443
CF from Operations	**5,986**	**2,302**	**4,667**	**3,262**	**5,815**	**5,298**	**5,413**	**6,352**	**9,506**
Others	106	509	-922	1,306	169	323	0	0	0
CF from Operating incl EO	**6,092**	**2,811**	**3,745**	**4,568**	**5,983**	**5,620**	**5,413**	**6,352**	**9,506**
(Inc)/Dec in FA	-3,002	-2,444	-3,979	-2,599	-1,614	-1,409	-2,000	-1,500	-1,500
Free Cash Flow	**3,090**	**367**	**-234**	**1,969**	**4,369**	**4,212**	**3,413**	**4,852**	**8,006**
(Pur)/Sale of Investments	-914	-135	1,155	413	-41	-190	0	0	0
Others	85	17	596	-58	-1,169	857	1,129	1,149	1,241
CF from Investments	**-3,831**	**-2,562**	**-2,228**	**-2,244**	**-2,824**	**-741**	**-871**	**-351**	**-259**
Issue of Shares	0	-2	0	0	-2	-2	86	0	0
Inc/(Dec) in Debt	-746	1	-5	1	9	3	0	0	0
Interest Paid	-35	-4	-12	-119	-83	-102	-56	-37	-37
Dividend Paid	-1,287	b	-796	-1,159	-829	-816	-1,531	-1,891	-2,265
Others	50	4	-664	-405	-1,832	-3,873	0	0	0
CF from Fin. Activity	**-2,017**	**-1**	**-1,476**	**-1,683**	**-2,737**	**-4,790**	**-1,501**	**-1,929**	**-2,303**
Inc/Dec of Cash	**244**	**248**	**41**	**640**	**422**	**89**	**3,041**	**4,072**	**6,944**
Opening Balance	414	658	906	952	1,592	2,014	2,103	5,145	9,216
Closing Balance	**658**	**906**	**948**	**1,592**	**2,014**	**2,103**	**5,145**	**9,216**	**16,160**
Unrealised loss / (gain) on forex		0	4	432	82	14	14	14	14
Total Cash & Cash Eq	**713**	**932**	**1,005**	**2,053**	**2,096**	**2,118**	**5,159**	**9,231**	**16,175**

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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