

# IPCA Laboratories

BSE SENSEX  
60,131

S&P CNX  
17,769


Bloomberg	IPCA IN
Equity Shares (m)	254
M.Cap.(INRb)/(USDb)	188 / 2.3
52-Week Range (INR)	1035 / 740
1, 6, 12 Rel. Per (%)	-10/-21/-31
12M Avg Val (INR M)	286

## Financials & Valuations (INR b)

Y/E March	FY23E	FY24E	FY25E
Sales	61.7	76.4	94.2
EBITDA	9.9	11.9	16.6
Adjusted PAT	5.7	6.7	9.1
EBIT Margin (%)	11.8	11.4	13.5
Cons. Adj EPS (INR)	22.3	26.4	35.9
EPS Gr. (%)	-38.7	18.6	35.6
BV/Sh. (INR)	233.2	255.7	286.2

## Ratios

Net D-E	0.0	0.1	0.1
RoE (%)	9.9	10.8	13.2
RoCE (%)	9.1	9.9	12.2
Payout (%)	37.2	28.6	30.3

## Valuation

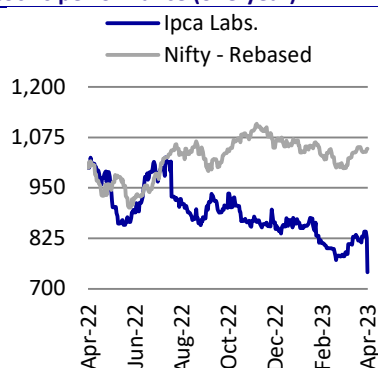
P/E (x)	33.2	28.0	20.6
EV/EBITDA (x)	19.2	15.9	11.4
Div. Yield (%)	1.0	1.0	1.5
FCF Yield (%)	0.7	-7.1	2.7
EV/Sales (x)	3.1	2.5	2.0

## Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	46.3	46.3	46.3
DII	34.1	33.7	32.9
FII	10.6	10.8	11.0
Others	9.1	9.2	9.8

FII Includes depository receipts

## Stock's performance (one-year)


**CMP: INR741 TP: INR760 (+3%) Downgrade to Neutral**

## Risk-reward less favorable toward acquisition

We attended the analyst/investor call hosted by IPCA Laboratories (IPCA) regarding the Unichem Lab (Unichem) acquisition.

- The acquisition would enable IPCA's re-entry into the US generics market and aid synergy through cross-selling the portfolio in the export market.
- However, we believe that increased competition in the oral solids US generics market and no USFDA inspections at Unichem sites since Feb'20 put the outlook for the US generics business at risk.
- We cut our FY24/FY25 EPS estimates by 11.7%/5% to factor in the Unichem acquisition and a subsequent reduction in other income.
- We also reduce the PE multiple to 21x (from 24x) due to the utilization of capital toward the high-gestation/low-return generics business and expensive valuations. Accordingly, we arrive at a TP of INR760. We downgrade IPCA to Neutral on limited upside from current levels.

## Key highlights

- IPCA indicated a revenue target of INR18b and EBITDA of INR3b (16.6% margin) over the next two years from the Unichem acquisition.
- IPCA would work on new launches (~10 ANDAs to be launched over next 12-15 months), improving traction in existing products, enhancing operational efficiencies and gaining synergy benefits to improve the sales/profitability outlook in the next two years. Lower R&D spending would also aid margins.
- The peak sales from the current Unichem gross block would be INR27-28b.
- A shift from the GST rebate process to the GST refund could unlock INR2.5b in Unichem. Further, it has a land parcel at Jogeshwari, Mumbai, which can also be monetized.
- The transaction is expected to be completed in 4-6 months. IPCA does not plan to increase its stake in Unichem after the open offer.
- Unichem has 76 ANDA filings, with 54 approvals and ~44 products in the market. Top 10 products account for about 70-75% of current business.
- Unichem has filed 78 DMFs till date.
- The current capacity utilization of Unichem's Goa II site is about 20-30%. IPCA's Pithampur/Pipariya sites are at 30% capacity utilization.
- The last USFDA inspection at Unichem's sites was conducted in Feb'20.

## Enhanced efforts required to improve profitability of Unichem

- Considering the GST refund of INR2.5b and divestment of non-core assets (Jogeshwari land worth ~INR5b), the EV would be INR24b and FY25E EV/EBITDA would be 8x (on INR3b EBITDA guidance).
- While Unichem would add capacity for formulation/API for IPCA, the return ratios would be in check at the consolidated level due to a gradual improvement in Unichem's profitability. Given an operational loss of INR600m in 9MFY23, considerable efforts are needed toward the product pipeline and cost management.
- Given that Unichem sites were inspected by USFDA in FY20, regulatory risk is high.

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

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Downgrade to Neutral**

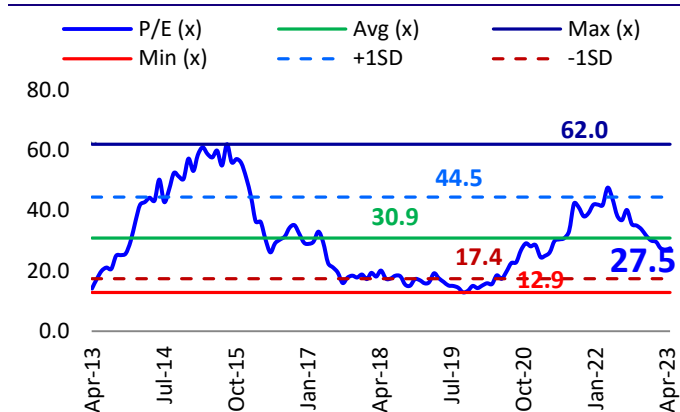
- We cut our FY24/FY25 EPS estimates by 11.7%/5% to factor in Unichem's operations and a reduction in other income due to the use of cash to fund the Unichem acquisition.
- We reduce the PE multiple from 24x to 21x 12M forward earnings to factor in capital allocation toward the low-ROCE generics business (compared to branded generics business) and expensive valuation. Accordingly, we arrive at a TP of INR760 (INR940 earlier). We downgrade IPCA to Neutral as the current valuation adequately factors in the earnings upside.

**Exhibit 1: IPCA's past acquisitions**

Subsidiary	Relationship	Stake	Amount paid (INR m)	Acquisition Year	Sales FY22 (INR m)	PAT FY22 (INR m)	Comment
Lyka Labs Ltd. (w.e.f 24th November 2021)	Associate	31%	979	FY22	1,836	390	❖ IPCA made inroads into manufacturing of injectables, lyophilized injectables and topical formulations through Lyka. Sales/EBITDA in FY22 was INR1.8b/INR1b
Ramdev Chemical Pvt. Ltd.	Subsidiary	100%	1,085	FY20	485	-106	❖ IPCA got API/intermediates manufacturing unit with this acquisition. Sales/EBITDA in FY19 was INR759m/INR92m
Bayshore Pharmaceuticals LLC	Subsidiary	100%	730	80% stake in FY19 and 20% stake in FY22	1,560	-179	❖ Bayshore would commercialise IPCA's generics products in the US market. Sales in FY17 was INR458m
Pisgah Labs	Subsidiary	100%	695	FY18	59	-148	❖ CDMO for APIs and intermediates. Sales/EBITDA in FY17 was INR188m/INR74m
Krebs Biochemicals & Industries Ltd.	Associate	50%		FY15			❖ Contract manufacturing and develops products for sale in global markets.
Avik Pharmaceutical Ltd.	JV	50%	65	FY14			❖ Avik is manufacturing APIs, primarily Cortico Steroids and Hormones since 1980.
<b>Cum. Investment till date</b>			<b>3,554</b>				

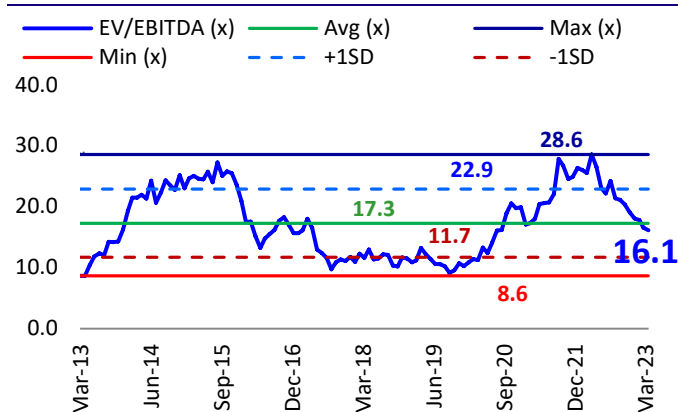
Source: Company, MOFSL

Exhibit 2: P/E ratio chart



Source: MOFSL, Company, Bloomberg

Exhibit 3: EV/EBITDA ratio chart



Source: MOFSL, Company, Bloomberg

Exhibit 4: Unichem Laboratories P&amp;L snapshot

Y/E March (INR m)	FY20	FY21	FY22	9MFY23
<b>Total Revenue</b>	<b>11,037</b>	<b>12,351</b>	<b>12,698</b>	<b>9,409</b>
YoY Growth %		11.9	2.8	4.6
<b>Gross Profit</b>	<b>7,165.3</b>	<b>8,557.2</b>	<b>8,539.6</b>	<b>5,781</b>
Gross Margin %	64.9	69.3	67.3	61.4
<b>EBITDA</b>	<b>-508</b>	<b>910</b>	<b>800</b>	<b>-603</b>
YoY Growth %		-279.1	-12.1	NA
Margin %	-4.6	7.4	6.3	-6.4
Depreciation	817	844	912	838
Finance Cost	79	51	61	118
Other income	913	502	475	334
<b>Profit/(loss) before tax</b>	<b>-482</b>	<b>515</b>	<b>220</b>	<b>-1,292</b>
YoY Growth %		-206.8	-57.3	NA
Margin %	-4.4	4.2	1.7	-13.7
<b>Profit/(loss) after tax</b>	<b>-602</b>	<b>343</b>	<b>331</b>	<b>-1,580</b>
YoY Growth %		157.0	-3.5	NA
Margin %	-5.5	2.8	2.6	-16.8
<b>R&amp;D</b>	<b>1,564</b>	<b>1,127</b>	<b>1,299</b>	<b>800</b>
R&D as % of revenue	14.2	9.1	10.2	8.5

Source: Company, MOFSL

**Exhibit 5: Unichem Laboratories Balance sheet snapshot - (INR m)**

<b>Consolidated - Balance Sheet</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>1HFY23</b>
Equity Share Capital	141	141	141	141	141
Total Reserves	26,058	25,173	25,428	26,043	25,304
<b>Net Worth</b>	<b>26,199</b>	<b>25,314</b>	<b>25,568</b>	<b>26,184</b>	<b>25,445</b>
Total Loans	1,997	2,065	1,191	3,492	3,448
<b>Capital Employed</b>	<b>28,104</b>	<b>27,349</b>	<b>26,757</b>	<b>29,632</b>	<b>28,854</b>
Gross Block	9,784	11,007	11,798	13,674	16,684
Less: Accum. Deprn.	1,700	2,326	2,974	3,789	4,319
<b>Net Fixed Assets</b>	<b>8,084</b>	<b>8,681</b>	<b>8,824</b>	<b>9,885</b>	<b>12,365</b>
Capital WIP	924	3,305	5,675	4,938	2,105
<b>Total Investments</b>	<b>9,263</b>	<b>5,499</b>	<b>3,920</b>	<b>2,639</b>	<b>1,719</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>13,043</b>	<b>13,918</b>	<b>12,683</b>	<b>15,667</b>	<b>15,364</b>
Inventory	3,387	3,965	5,383	6,002	5,909
Account Receivables	4,361	3,901	2,503	4,954	4,331
Cash and Bank Balance	2,010	2,338	825	1,141	3,386
Loans and Advances	3,286	3,713	3,972	3,570	1,738
<b>Curr. Liability &amp; Prov.</b>	<b>3,226</b>	<b>4,069</b>	<b>4,361</b>	<b>3,512</b>	<b>2,699</b>
Account Payables	2,384	2,991	3,080	2,153	1,592
Other Current Liabilities	561	738	796	778	938
Provisions	280	340	485	582	169
<b>Net Current Assets</b>	<b>9,818</b>	<b>9,849</b>	<b>8,322</b>	<b>12,155</b>	<b>12,665</b>
<b>Appl. of Funds</b>	<b>28,104</b>	<b>27,349</b>	<b>26,757</b>	<b>29,632</b>	<b>28,854</b>

Source: Company, MOFSL

**Exhibit 6: Unichem derives major revenue from exports**

<b>Geographical split (INR m)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Exports	10,204	11,529	12,067
Growth YoY (%)		13.0	4.7
US	6,377	7,076	7,343
Growth YoY (%)		11.0	3.8
Ex-US	3,827	4,452	4,724
Growth YoY (%)		16.3	6.1
India	292	371	413
Growth YoY (%)		26.9	11.3

Source: Company, MOFSL

**Exhibit 7: Formulations contributed 88% of FY22 revenue**

<b>Segment Split (INR m)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Formulations	9,358	10,526	10,969
Growth YoY (%)		12.5	4.2
API	1,138	1,373	1,511
Growth YoY (%)		20.7	10.1

Source: Company, MOFSL

**Exhibit 8: Unichem facilities**

<b>Facility</b>	<b>Capacity Mn units/Annum</b>		
	<b>Tablets</b>	<b>Capsule</b>	<b>Dry Syrup</b>
Goa	7,000	200	
Baddi	3,708	335	6.7
Ghaziabad	2,750	250	

Source: Company, MOFSL

**Exhibit 9: ANDA approvals over past 24M**

<b>ANDA Approved</b>	<b>Approval timeline</b>	<b>No of Competitor</b>
Baclofen	Mar'23	5+
Ranolazine	Mar'23	5+
Phenytoin Sodium	Oct'22	5
Carbamazepine	Aug'22	5+
Guanfacine Hydrochloride	Mar'21	5+
Zonisamide	Jan'21	5+
Atenolol; Chlorthalidone	Nov'20	5+
Tolterodine Tartrate	Aug'20	5+
Cyclobenzaprine Hydrochloride	Jul'20	5+
Amiodarone Hydrochloride	Jul'20	5+

Source: Company, MOFSL

**Exhibit 10: USFDA inspection history of Unichem**

Sr No	Plant	Inspection End Date	Classification
1	Roha	Feb'20	NAI
2	Goa	Jan'20	VAI
3	Kolhapur	Sept'19	NAI
4	Roha	Sept'19	NAI
5	Pithampur	Sept'19	NAI
6	Ghaziabad	Aug'19	VAI
7	Goa	Jul'19	VAI
8	Ghaziabad	Mar'19	NAI

Source: Company, MOFSL

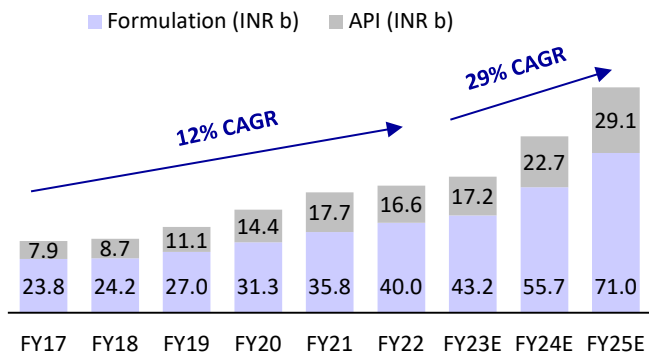
**Exhibit 11: Import alert restricted US business from IPCA's sites**

Sr No	Site	Date	Inspection Conclusion
1	Ratlam	Jan'15	Import Alert
2	Silvassa	Mar'15	Import Alert
3	Pithampur	Mar'15	Import Alert

Source: Company, MOFSL

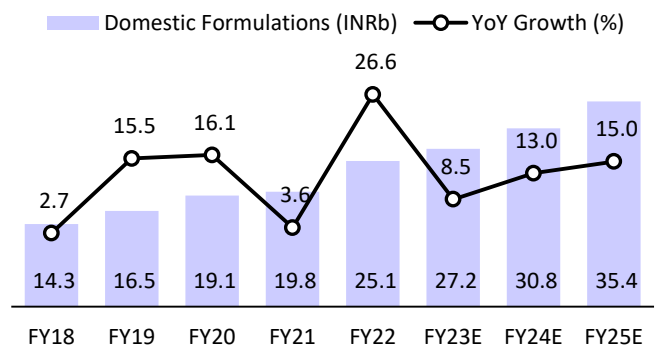
## Story in charts

**Exhibit 12: Total sales to see 29% CAGR over FY23-25**



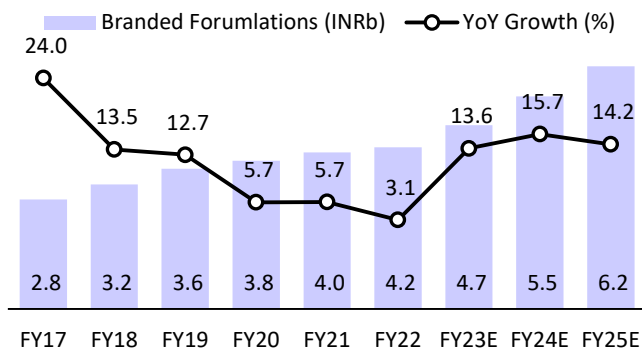
Source: Company, MOFSL

**Exhibit 13: DF sales to post 15% CAGR over FY23-25**



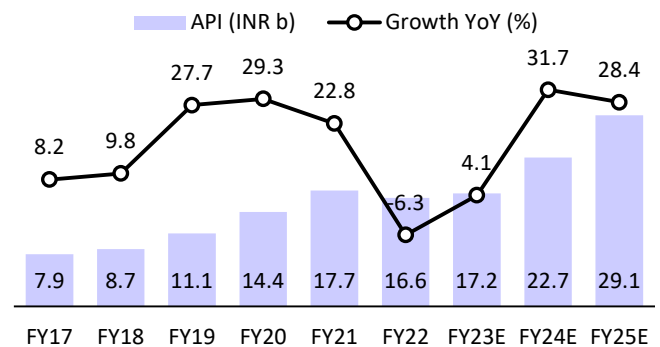
Source: Company, MOFSL

**Exhibit 14: BF sales to record 15% CAGR over FY23-25**



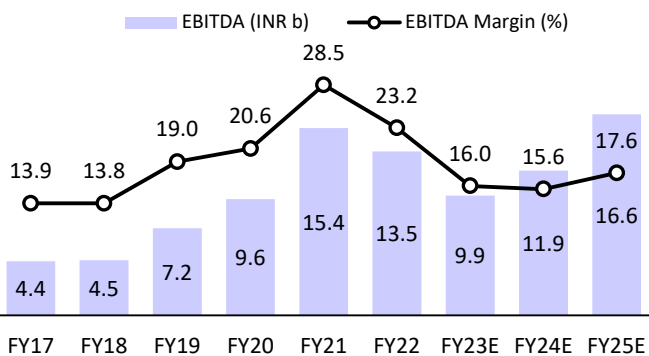
Source: Company, MOFSL

**Exhibit 15: API sales to clock 16% CAGR over FY23-25**



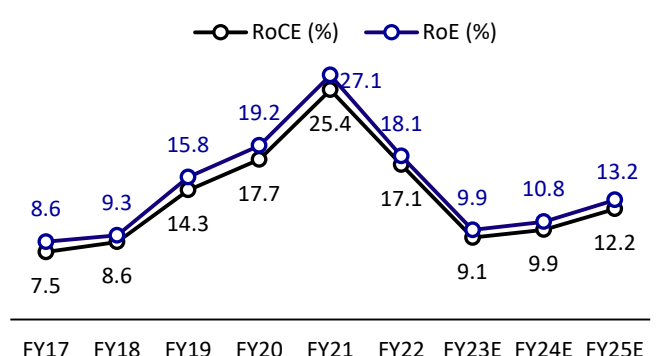
Source: Company, MOFSL

**Exhibit 16: Expect margin to decrease in FY24**



Source: Company, MOFSL

**Exhibit 17: Return ratios to remain in check**



Source: Company, MOFSL

## Financials and valuations

Income Statement								(INR m)		
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
<b>Net Revenues</b>	<b>28,850</b>	<b>32,106</b>	<b>32,836</b>	<b>37,732</b>	<b>46,487</b>	<b>54,200</b>	<b>58,298</b>	<b>61,715</b>	<b>76,395</b>	<b>94,227</b>
Change (%)	-8.2	11.3	2.3	14.9	23.2	16.6	7.6	5.9	23.8	23.3
<b>EBITDA</b>	<b>3,417</b>	<b>4,448</b>	<b>4,547</b>	<b>7,170</b>	<b>9,580</b>	<b>15,444</b>	<b>13,509</b>	<b>9,874</b>	<b>11,918</b>	<b>16,584</b>
Margin (%)	11.8	13.9	13.8	19.0	20.6	28.5	23.2	16.0	15.6	17.6
Depreciation	1,722	1,730	1,777	1,824	2,105	2,092	2,324	2,564	3,176	3,901
<b>EBIT</b>	<b>1,695</b>	<b>2,718</b>	<b>2,770</b>	<b>5,346</b>	<b>7,475</b>	<b>13,352</b>	<b>11,184</b>	<b>7,310</b>	<b>8,742</b>	<b>12,683</b>
Int. and Finance Charges	316	241	240	189	165	90	77	384	256	457
Other Income - Rec.	169	226	418	483	578	457	666	1,200	1,050	550
<b>PBT before EO Expense</b>	<b>1,548</b>	<b>2,703</b>	<b>2,948</b>	<b>5,640</b>	<b>7,888</b>	<b>13,719</b>	<b>11,773</b>	<b>8,126</b>	<b>9,536</b>	<b>12,775</b>
EO Expense/(Income)	395	0	0	157	445	-171	416	419	0	0
<b>PBT after EO Expense</b>	<b>1,153</b>	<b>2,703</b>	<b>2,948</b>	<b>5,483</b>	<b>7,442</b>	<b>13,890</b>	<b>11,357</b>	<b>7,708</b>	<b>9,536</b>	<b>12,775</b>
Current Tax	228	533	614	1,218	1,406	2,487	2,070	2,357	2,527	3,322
Deferred Tax	-42	142	-102	-176	-53	-85	178	163	191	256
Tax	186	675	511	1,042	1,353	2,401	2,248	2,519	2,718	3,577
Tax Rate (%)	12.0	25.0	17.3	18.5	17.2	17.5	19.1	31.0	28.5	28.0
<b>Reported PAT</b>	<b>967</b>	<b>2,028</b>	<b>2,436</b>	<b>4,441</b>	<b>6,090</b>	<b>11,488</b>	<b>9,110</b>	<b>5,189</b>	<b>6,817</b>	<b>9,197</b>
Less: Minority Interest	35	0	42	18	78	91	269	190	110	100
<b>Net Profit</b>	<b>933</b>	<b>2,028</b>	<b>2,394</b>	<b>4,423</b>	<b>6,012</b>	<b>11,398</b>	<b>8,841</b>	<b>4,999</b>	<b>6,707</b>	<b>9,097</b>
<b>Adj PAT</b>	<b>1,328</b>	<b>2,028</b>	<b>2,394</b>	<b>4,580</b>	<b>6,485</b>	<b>11,255</b>	<b>9,218</b>	<b>5,655</b>	<b>6,708</b>	<b>9,097</b>
Adj PAT growth (%)	-46.9	52.8	18.1	91.3	41.6	73.6	-18.1	-38.7	18.6	35.6

Balance Sheet								(INR m)		
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	252	252	252	252	252	254	254	254	254	254
Total Reserves	22,340	24,300	26,633	30,971	35,903	46,763	54,666	58,915	64,617	72,351
<b>Net Worth</b>	<b>22,592</b>	<b>24,553</b>	<b>26,886</b>	<b>31,224</b>	<b>36,275</b>	<b>47,017</b>	<b>54,920</b>	<b>59,168</b>	<b>64,871</b>	<b>72,604</b>
Deferred liabilities	1565	1705	1580	1457	1398	1316	1506	1668	1859	2114
Total Loans	6,691	5,290	4,731	3,505	4,328	1,988	8,027	7,631	9,414	8,879
<b>Capital Employed</b>	<b>30,848</b>	<b>31,548</b>	<b>33,196</b>	<b>36,342</b>	<b>42,137</b>	<b>50,466</b>	<b>65,222</b>	<b>68,468</b>	<b>76,143</b>	<b>83,598</b>
Gross Block	22,121	23,508	24,969	26,657	30,268	31,872	37,647	41,147	60,747	62,247
Less: Accum. Deprn.	1,628	3,350	5,127	6,951	9,056	11,148	13,472	16,036	19,212	23,113
<b>Net Fixed Assets</b>	<b>20,493</b>	<b>20,158</b>	<b>19,842</b>	<b>19,706</b>	<b>21,212</b>	<b>20,724</b>	<b>24,175</b>	<b>25,111</b>	<b>41,535</b>	<b>39,134</b>
Capital WIP	936	621	418	361	708	2,348	3,064	3,064	1,564	1,564
Investments	258	1,358	869	1,204	2,719	4,711	9,892	9,892	1,392	1,392
<b>Curr. Assets</b>	<b>17,230</b>	<b>17,458</b>	<b>20,027</b>	<b>24,217</b>	<b>27,939</b>	<b>32,881</b>	<b>39,237</b>	<b>41,053</b>	<b>44,838</b>	<b>57,771</b>
Inventory	8,374	8,822	8,806	10,725	13,231	15,948	18,580	19,771	24,070	29,172
Account Receivables	4,459	5,002	6,023	6,815	8,952	8,118	9,108	10,483	13,605	17,296
Cash and Bank Balance	1,755	359	1,506	2,823	1,809	3,651	6,407	5,219	885	3,558
Loans & Advances	2,641	3,276	3,693	3,854	3,947	5,164	5,143	5,580	6,279	7,745
<b>Curr. Liability &amp; Prov.</b>	<b>8,069</b>	<b>8,047</b>	<b>7,960</b>	<b>9,147</b>	<b>10,441</b>	<b>10,198</b>	<b>11,147</b>	<b>10,652</b>	<b>13,186</b>	<b>16,264</b>
Account Payables	7,245	7,141	7,029	8,190	9,182	8,781	9,704	9,469	11,721	14,457
Provisions	824	906	931	957	1,259	1,417	1,443	1,184	1,465	1,807
<b>Net Current Assets</b>	<b>9,160</b>	<b>9,410</b>	<b>12,068</b>	<b>15,070</b>	<b>17,498</b>	<b>22,682</b>	<b>28,091</b>	<b>30,401</b>	<b>31,652</b>	<b>41,507</b>
<b>Appl. of Funds</b>	<b>30,848</b>	<b>31,548</b>	<b>33,196</b>	<b>36,342</b>	<b>42,137</b>	<b>50,466</b>	<b>65,222</b>	<b>68,468</b>	<b>76,143</b>	<b>83,598</b>

E: MOSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
<b>EPS (INR)</b>	<b>5.2</b>	<b>8.0</b>	<b>9.4</b>	<b>18.1</b>	<b>25.6</b>	<b>44.4</b>	<b>36.3</b>	<b>22.3</b>	<b>26.4</b>	<b>35.9</b>
Cash EPS	10.5	14.9	16.5	24.8	32.2	53.2	44.0	29.8	39.0	51.2
BV/Share	89.5	97.3	106.5	123.7	143.2	185.3	216.5	233.2	255.7	286.2
DPS	0.0	0.5	0.5	0.5	3.6	6.8	6.6	7.7	7.8	11.1
Payout (%)	0.0	6.2	5.2	2.8	14.8	14.9	18.3	37.2	28.6	30.3
<b>Valuation (x)</b>										
P/E	141.4	92.6	78.4	41.0	28.9	16.7	20.4	33.2	28.0	20.6
P/BV	8.3	7.6	6.9	6.0	5.2	4.0	3.4	3.2	2.9	2.6
EV/Sales	6.6	5.9	5.8	5.0	4.1	3.5	3.2	3.1	2.5	2.0
EV/EBITDA	55.4	42.6	41.6	26.4	19.8	12.3	14.0	19.2	15.9	11.4
Dividend Yield (%)	0.0	0.1	0.1	0.1	0.5	0.9	0.9	1.0	1.0	1.5
<b>Return Ratios (%)</b>										
RoE	5.9	8.6	9.3	15.8	19.2	27.1	18.1	9.9	10.8	13.2
RoCE	5.5	7.5	8.6	14.3	17.7	25.4	17.1	9.1	9.9	12.2
RoIC	5.3	7.1	7.7	14.0	18.0	28.7	21.1	10.5	10.2	12.2
<b>Working Capital Ratios</b>										
Fixed Asset Turnover (x)	1.5	1.6	1.6	1.9	2.3	2.6	2.6	2.5	2.3	2.3
Debtor (Days)	56	56	66	65	70	54	56	62	65	67
Inventory (Days)	106	100	98	104	104	107	116	117	115	113
Working Capital Turnover (Days)	94	103	117	118	123	128	136	149	147	147
<b>Leverage Ratio (x)</b>										
Interest Cover Ratio	5.4	11.3	11.5	28.3	45.3	147.7	145.4	19.1	34.2	27.7
Debt/Equity	0.2	0.2	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.1

### Cash Flow Statement

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Oper. Profit/(Loss) before Tax	3,417	4,448	4,547	7,170	9,580	15,444	13,509	9,874	11,918	16,584
Interest/Dividends Recd.	169	226	418	483	578	457	666	1,200	1,050	550
Direct Taxes Paid	-364	-535	-636	-1,165	-1,412	-2,484	-2,058	-2,357	-2,527	-3,322
(Inc)/Dec in WC	2,622	-1,647	-1,510	-1,686	-3,442	-3,343	-2,652	-3,498	-5,585	-7,182
<b>CF from Operations</b>	<b>5,844</b>	<b>2,491</b>	<b>2,819</b>	<b>4,803</b>	<b>5,304</b>	<b>10,075</b>	<b>9,464</b>	<b>5,220</b>	<b>4,855</b>	<b>6,631</b>
EO Expense / (Income)	395	0	0	157	445	-171	416	419	0	0
<b>CF from Oper. incl EO Exp.</b>	<b>7,087</b>	<b>2,819</b>	<b>3,411</b>	<b>5,010</b>	<b>5,643</b>	<b>10,246</b>	<b>9,048</b>	<b>4,801</b>	<b>4,855</b>	<b>6,631</b>
(inc)/dec in FA	5,079	-1,072	-1,258	-1,632	-3,958	-3,244	-6,491	-3,500	-18,100	-1,500
<b>Free Cash Flow</b>	<b>12,165</b>	<b>1,747</b>	<b>2,154</b>	<b>3,379</b>	<b>1,685</b>	<b>7,002</b>	<b>2,557</b>	<b>1,301</b>	<b>-13,245</b>	<b>5,131</b>
(Pur)/Sale of Investments	-96	-1,100	489	-336	-1,515	-1,992	-5,181	0	8,500	0
Others	-7,166	684	-586	317	376	0	0	0	0	0
<b>CF from Investments</b>	<b>-2,183</b>	<b>-1,488</b>	<b>-1,354</b>	<b>-1,651</b>	<b>-5,097</b>	<b>-5,236</b>	<b>-11,672</b>	<b>-3,500</b>	<b>-9,600</b>	<b>-1,500</b>
Issue of shares	0	0	0	0	0	1	0	0	0	0
(Inc)/Dec in Debt	-1,594	-1,401	-560	-1,070	804	-2,331	6,663	-1,165	1,782	-535
Interest Paid	-316	-241	-240	-189	-165	-90	-77	-384	-256	-457
Dividend Paid	0	-126	-126	-126	-902	-1,710	-1,670	-1,933	-1,950	-2,790
<b>CF from Fin. Activity</b>	<b>-4,615</b>	<b>-1,591</b>	<b>-1,304</b>	<b>-1,832</b>	<b>-1,305</b>	<b>-3,169</b>	<b>5,222</b>	<b>-2,488</b>	<b>475</b>	<b>-2,482</b>
<b>Inc/Dec of Cash</b>	<b>288</b>	<b>-260</b>	<b>753</b>	<b>1,528</b>	<b>-758</b>	<b>1,841</b>	<b>2,598</b>	<b>-1,187</b>	<b>-4,270</b>	<b>2,649</b>
Add: Beginning Balance	1,037	1,689	1,428	2,181	3,709	2,954	4,795	7,393	6,206	1,870
Forex/ Business acquisition	364	0	0	0	3	0	0	0	0	0
<b>Closing Balance</b>	<b>1,689</b>	<b>1,428</b>	<b>2,181</b>	<b>3,709</b>	<b>2,954</b>	<b>4,795</b>	<b>7,393</b>	<b>6,206</b>	<b>1,870</b>	<b>4,545</b>
Bank balances/Mutual fund (gain)/ loss	67	-1,070	-676	-886	-1,145	-1,145	-986	-986	-986	-986
<b>Closing Balance</b>	<b>1,755</b>	<b>359</b>	<b>1,506</b>	<b>2,823</b>	<b>1,809</b>	<b>3,650</b>	<b>6,407</b>	<b>5,219</b>	<b>885</b>	<b>3,558</b>



Explanation of Investment Rating	
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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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