

**Lupin**

Refer to important disclosures at the end of this report

# Generic business model unravelling

<b>CMP</b> Rs 1,228 as of (5/24/2017)	<b>Target Price</b> Rs 1,292 (▼) 12 months
<b>Rating</b> HOLD (■)	<b>Upside</b> 5.2 %

- Bleak earnings outlook for FY18 due to high US base business price erosion as well as loss of value in gGlumetza and gFortamet. FY19 growth at mid double digits is also subject to high uncertainties.
- No end in sight to US business price erosion of low teens. Our structural concerns on generic industry fragmentation against consolidation amongst the channel partners coming to the fore. Overall US generic business model seems to be unravelling.
- Growth outlook in other key markets namely Japan and India is no better. We see significant regulatory headwinds building in both the markets for the generics industry.
- Lower our estimates by 14/9% for FY18/19 to Rs60/72. We see further downside risk to our estimates with structural headwinds building further. Maintain HOLD.

## Key takeaways

- **All round revenue outlook bleak for Lupin** Overall generic business seeing multiple headwinds with growth to be impacted across all markets including US, Japan and India. Lupin's US business faces significant headwinds from price erosion (~10-12%) in the base business as well as high value products. In Japan, Lupin could be hit by a pincer where authorities not only mandate more frequent price revisions (annually) across all product categories but also want to direct business to the top 5 generic companies in each product category. On the India front frequent regulatory intervention is already taking a toll on the overall domestic business growth.
- **US structural weakness is the biggest risk** The US market which is the mainstay for most Indian generic companies has huge structural fault lines with increasing fragmentation of the generic industry on one hand against a rapidly consolidating distribution channel. This is leading to higher annual price erosion (10-12%) from under 7% earlier. We believe this could accelerate further as the impact of GDUFA with faster generic approval timelines comes fully into play over the next 2 years. This will effectively mean lower launch timelines for new filings, effectively lowering the entry barriers in the business. The entire US generic business model as it exists seems to be completely unravelling.
- **Cut estimates and target price** We lower our estimates by 9-12% over FY18/19 mainly due to higher erosion in the US business. We see further downside risks to our estimates given uncertainties surrounding India growth as well as in Japan. Cut our target multiple to 18x FY19 earnings with lower TP of Rs1292/share.

## Financial Snapshot (Consolidated)

(Rs mn)	FY15	FY16	FY17	FY18E	FY19E
Net Sales	127,700	142,085	174,943	187,837	216,460
EBITDA	36,196	37,535	47,130	44,997	54,028
EBITDA Margin (%)	28.3	26.4	26.9	24.0	25.0
APAT	24,032	22,707	29,372	26,915	32,348
EPS (Rs)	53.5	50.4	65.2	59.7	71.8
EPS (% chg)	27.0	(5.7)	29.4	(8.4)	20.2
ROE (%)	30.4	22.9	24.0	18.4	18.7
P/E (x)	23.0	24.4	18.8	20.6	17.1
EV/EBITDA (x)	14.9	16.6	13.1	13.7	11.0
P/BV (x)	6.2	5.0	4.1	3.5	2.9

Source: Company, Emkay Research

## Change in Estimates

EPS Chg FY18E/FY19E (%)	(14.1)/(9.2)
Target Price change (%)	(18.2)
Target Period (Months)	12
Previous Reco	HOLD

## Emkay vs Consensus

EPS Estimates		
	FY18E	FY19E
Emkay	59.7	71.8
Consensus	70.8	81.2
Mean Consensus TP (12M)	Rs 1,656	

## Stock Details

Bloomberg Code	LPC IN
Face Value (Rs)	2
Shares outstanding (mn)	452
52 Week H/L	1,750 / 1,168
M Cap (Rs bn/USD bn)	554 / 8.55
Daily Avg Volume (nos.)	1,031,194
Daily Avg Turnover (US\$ mn)	21.9

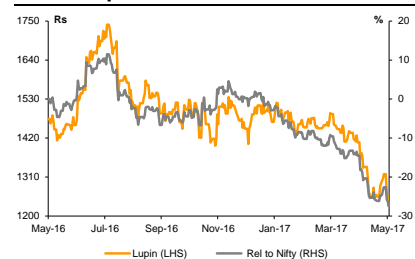
## Shareholding Pattern Mar '17

Promoters	46.7%
FIIIs	31.9%
DIIIs	9.1%
Public and Others	12.3%

## Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	(10)	(15)	(16)	(16)
<b>Rel. to Nifty</b>	(12)	(19)	(28)	(30)

## Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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## Exhibit 1: Actual vs Estimates

Rs mn	Actual	Estimate (Emkay)	Consensus estimate (Bloomberg)	% variation		Comments
				Emkay	Consensus	
Revenue	42,533	44,339	44,049	-4%	-3%	Revenue came in below our estimates mainly due to erosion in base business sales in North America and higher foreign exchange volatility
EBITDA	11,053	11,568	11,247	-4%	-2%	Continuous increase in R&D expenditure drag down the EBITDA levels
EBITDA margin (%)	26.0%	26.1%	25.5%	-10bps	+50bps	
APAT	7,041	6,670	6,141	6%	15%	Lower tax leads to higher APAT in this quarter

Source: Company, Emkay Research

## Exhibit 2: Quarterly Financials

Rs mn	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	YoY (%)	QoQ (%)	FY16	FY17	YoY (%)
<b>Revenue</b>	<b>41,707</b>	<b>44,677</b>	<b>42,905</b>	<b>44,829</b>	<b>42,533</b>	<b>2.0</b>	<b>-5.1</b>	<b>141957</b>	<b>174943</b>	<b>23%</b>
<b>Expenditure</b>	<b>28,657</b>	<b>31,314</b>	<b>32,624</b>	<b>32,394</b>	<b>31,481</b>	<b>9.9</b>	<b>-2.8</b>	<b>105477</b>	<b>127813</b>	<b>21%</b>
as % of sales	69%	70%	76%	72%	74%			74%	73%	
Consumption of RM	11,010	12,719	12,429	13,016	11,851	7.6	-8.9	43371	50014	15%
as % of sales	26%	28%	29%	29%	28%			31%	29%	
Employee Cost	5,779	7,059	7,124	7,312	7,078	22.5	-3.2	21428	28572	33%
as % of sales	14%	16%	17%	16%	17%			15%	16%	
Other expenditure	11,868	11,535	13,072	12,067	12,552	5.8	4.0	40679	49227	21%
as % of sales	28%	26%	30%	27%	30%			29%	28%	
R&D Expenditure	5,113	4,994	5,716	5,682	6,709	31.2	18.1	16038	23101	44%
as % of sales	12%	11%	13%	13%	16%			11%	13%	
<b>EBITDA</b>	<b>13,050</b>	<b>13,363</b>	<b>10,281</b>	<b>12,434</b>	<b>11,053</b>	<b>-15.3</b>	<b>-11.1</b>	<b>36480</b>	<b>47130</b>	<b>29%</b>
Depreciation	1,487	2,027	2,112	2,309	2,674			4785	9122	
<b>EBIT</b>	<b>11,563</b>	<b>11,336</b>	<b>8,169</b>	<b>10,125</b>	<b>8,378</b>	<b>-27.5</b>	<b>-17.3</b>	<b>31696</b>	<b>38008</b>	<b>20%</b>
Other Income	349	826	271	1,036	453			2185	2586	
Interest	213	320	263	459	406			483	1448	
<b>PBT</b>	<b>11,699</b>	<b>11,842</b>	<b>8,177</b>	<b>10,702</b>	<b>8,425</b>	<b>-28.0</b>	<b>-21.3</b>	<b>33397</b>	<b>39146</b>	<b>17%</b>
Total Tax	4,188	2,734	1,589	4,095	1,367			10854	9785	
<b>PAT before MI</b>	<b>7,511</b>	<b>9,108</b>	<b>6,588</b>	<b>6,607</b>	<b>7,059</b>	<b>-6.0</b>	<b>6.8</b>	<b>22543</b>	<b>29361</b>	<b>30%</b>
Minority interest (MI)	-33	-6	34	0	-18			-45	11	
<b>Adj. PAT before extraordinary</b>	<b>7,479</b>	<b>9,102</b>	<b>6,622</b>	<b>6,607</b>	<b>7,041</b>	<b>-5.9</b>	<b>6.6</b>	<b>22498</b>	<b>29372</b>	<b>31%</b>
Extraordinary expenses	267	-	-	276	3,239			306	3515	
<b>Reported PAT</b>	<b>7,212</b>	<b>9,102</b>	<b>6,622</b>	<b>6,331</b>	<b>3,802</b>	<b>-47.3</b>	<b>-39.9</b>	<b>22192</b>	<b>25857</b>	<b>17%</b>
<b>AEPS (Rs)</b>	<b>16.6</b>	<b>20.2</b>	<b>14.7</b>	<b>14.7</b>	<b>15.6</b>	<b>-5.9</b>	<b>6.6</b>	<b>50</b>	<b>65</b>	<b>30%</b>

Margins (%)						(bps)	(bps)				(bps)
Gross	73.6	71.5	71.0	71.0	72.1	-147	117	69.4	71.4	196	
EBIDTA	31.3	29.9	24.0	27.7	26.0	-530	-175	25.7	26.9	124	
EBIT	27.7	25.4	19.0	22.6	19.7	-803	-289	22.3	21.7	-60	
PBT	28.1	26.5	19.1	23.9	19.8	-824	-406	23.5	22.4	-115	
Adj. PAT	17.9	20.4	15.4	14.7	16.6	-138	182	15.8	16.8	94	
Effective Tax rate	35.8	23.1	19.4	38.3	16.2	-1957	-2204	32.5	25.0	-750	

Source: Company, Emkay Research

**Exhibit 3: Quarterly segmental revenue break up**

Rs mn	Q4FY16	Q1FY17	2QFY17	3QFY17	4QFY17	YoY (%)	QoQ (%)
India	7,722	9,499	9,958	9,912	8,788	14%	-11%
as % of sales	19%	22%	24%	23%	21%		
North America	21,901	21,886	19,978	21,755	19,007	-13%	-13%
as % of sales	53%	50%	47%	49%	46%		
APAC	4,532	5,416	5,520	5,601	6,118	35%	9%
as % of sales	11%	12%	13%	13%	15%		
EMEA	2,452	2,194	2,355	2,555	3,012	23%	18%
as % of sales	6%	5%	6%	6%	7%		
LATAM	924	1,089	986	1,175	1,269	37%	8%
as % of sales	2%	3%	2%	3%	3%		
ROW	606	369	396	367	610	1%	66%
as % of sales	1%	1%	1%	1%	1%		
API	2,953	2,966	2,919	2,684	2,815	-5%	5%
as % of sales	7%	7%	7%	6%	7%		
<b>Total</b>	<b>41,090</b>	<b>43,419</b>	<b>42,112</b>	<b>44,049</b>	<b>41,619</b>	<b>1%</b>	<b>-6%</b>

Source: Company, Emkay Research

**Exhibit 4: Quarterly financial snapshot**

INR mn	Q4FY17	Q4FY16	YoY (%)	Q3FY17	QoQ (%)	Comments
India Formulations	8,788	7,722	14%	9,912	-11%	India formulations grew by 14% YoY during this quarter whereas degrowth of 11% QoQ which is mainly due to high government intervention in drug pricing. Management guided growth will be stable and continue to grow around 10-12% going ahead.
<b>Export Formulations</b>						
North America	19,007	21,901	-13%	21,755	-13%	US revenue growth decline is mainly due to pricing pressure in generic and foreign exchanges volatility
APAC	6,118	4,532	35%	5,601	9%	Japan reported strong growth of 35% YoY and 9% QoQ on the back of strong support from Shionogi products.
EMEA	3,012	2,452	23%	2,555	18%	Europe reported robust growth of 23% YoY and 18% QoQ by expanding partnered business
LATAM	1,269	924	37%	1,175	8%	Launched Omnicef in Mexico which is under license from Astellas
ROW	610	606	1%	367	66%	
API	2,815	2,953	-5%	2,684	5%	
Income from Operations	41,619	41,090	1%	44,049	-6%	
Other Operating Income	914	884	3%	779	17%	
Total Revenues	42,533	41,974	1%	44,828	-5%	
Gross Profit	30,682	30,698		31,813		
Gross Margins (%)	72	74		71		Sequentially margins decline by 100bps due to increase in competition for gGlumetza and pricing erosion continued to erode the base business
EBITDA	11,053	13,050	-15%	12,434	-11%	
EBITDA margins	26.0%	31.1%		27.7%		Increase in R&D expenditure on sequential basis resulted in contraction in EBITDA margins
Depreciation	2,674	1,487		2,309		
Interest Expenses	406	213		459		
Non Op Income	453	349		1,036		
PBT	8,426	11,699		10,702		
Tax	1,367	4,188		4,095		
Tax Rate	16%	36%		38%		
PAT before MI	7,059	7,511		6,607		
Minority Interest	-18	-33		0		
PAT After MI	7,041	7,479		6,607		
Extraordinaries	3,239	267		276		Sudden increase in extraordinaries are mainly due to foreign exchange fluctuation and provision made for patent litigation towards Isabelle generic in Australia
PAT After extraordinaries	3,802	7,212		6,331		
EPS	15.6	16.6		14.7		

Source: Company, Emkay Research

## Exhibit 5: Financial assumptions snapshot

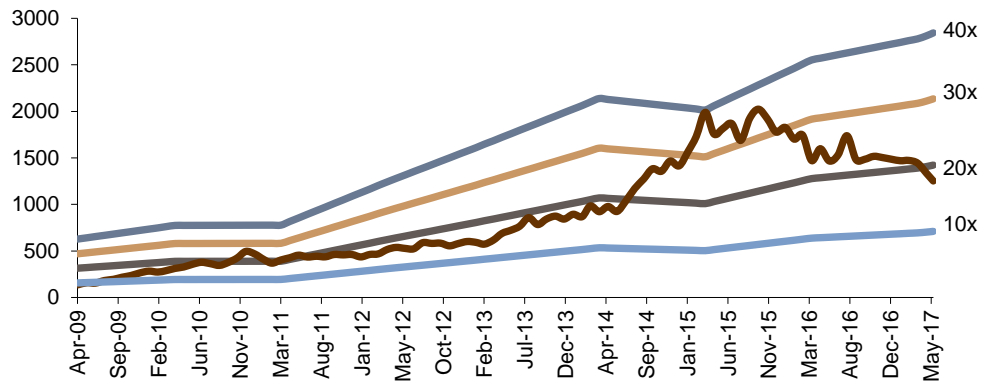
INR mn	FY16	FY17	YoY (%)	FY18E	YoY (%)	FY19E	YoY (%)	Comments
India Formulations	34,312	38,157	11%	44,068	15%	49,356	12%	We are expecting steady growth on the back of new launches in the domestic market despite of govt. intervention for drug pricing and NELM list expanding
Export Formulations								
US	59,249	82,626	39%	79,139	-4%	97,121	23%	Management guided that the base business erosion would be offset by new launches. However we model overall degrowth growth given the sharp fall in gGlumetza and gFortamet franchise in FY18.
EMEA	8,676	10,116	17%	11,284	12%	12,413	10%	We believe that this geography will grow at steady pace as company is expanding its partnered business
APAC	17,704	22,655	28%	29,816	32%	32,798	10%	We are expecting strong growth in the Japan business based on recent acquisition of portfolio of generic brands from Shionogi to drive the growth but Govt. cut down in medical bill will definitely impact the business in FY19
LATAM	3,507	4,519	29%	5,287	17%	5,922	12%	
ROW	1,073	1,742	62%	1,753	1%	1,765	1%	
API	12,393	11,384	-8%	11,953	5%	12,551	5%	
Income from Operations	136,914	171,199	25%	183,301	7%	211,925	16%	
Other Operating Income	5,039	3,745	-26%	4,535	21%	4,535	0%	
Total Revenues	141,953	174,944	23%	187,837	7%	216,460	15%	
EBITDA	37,535	47,130		44,997		54,028		As the company is in process of transition of business model towards more specialty products, this will lead to higher R&D expenditure and pressure on margins in FY18
EBITDA margins (%)	26%	27%		24%		25%		
Depreciation	4,635	9,122		9,320		10,320		
Interest Expenses	446	1,448		1,590		1,416		
Non Op Income	1,877	2,586		2,464		1,600		
PBT	34,330	39,146		36,550		43,891		
Tax	11,536	9,785		9,503		11,412		
Tax Rate	34%	25%		26%		26%		
PAT before MI	22,795	29,361		27,047		32,480		
Minority Interest	-88	-72		-132		-132		
PAT	22,707	29,289		26,915		32,348		
No Of Shares	451	451		451		-		
EPS	50	65		59.73		72		

Source: Company, Emkay Research

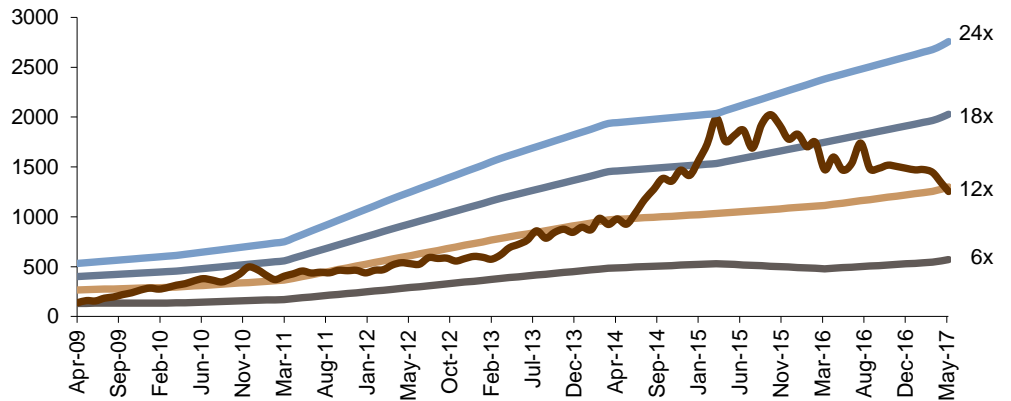
**Exhibit 6: Revision in earnings estimates**

Y/E, Mar (Rs mn)	FY18E			FY19E		
	Earlier	Revised	% Change	Earlier	Revised	% Change
Revenues	192,106	187,837	-2%	220,076	216,460	-2%
EBITDA	50,829	44,997	-11%	62,728	54,028	-14%
EBITDA margin (%)	26%	24%	NA	29%	25%	NA
APAT	29,604	26,915	-9%	36,935	32,348	-12%
EPS	69.5	59.73	-14%	79.1	71.8	-9%

Source: Company, Emkay Research

**Exhibit 7: Forward PE trajectory over the past 5 years**

Source: Company, Emkay Research

**Exhibit 8: Forward EV/EBITDA trajectory over the past 5 years**

Source: Company, Emkay Research

**Key Financials (Consolidated)****Income Statement**

Y/E Mar (Rs mn)	FY15	FY16	FY17	FY18E	FY19E
<b>Net Sales</b>	<b>127,700</b>	<b>142,085</b>	<b>174,943</b>	<b>187,837</b>	<b>216,460</b>
<b>Expenditure</b>	<b>91,504</b>	<b>104,550</b>	<b>127,813</b>	<b>142,840</b>	<b>162,433</b>
<b>EBITDA</b>	<b>36,196</b>	<b>37,535</b>	<b>47,130</b>	<b>44,997</b>	<b>54,028</b>
Depreciation	4,347	4,635	9,122	9,320	10,320
<b>EBIT</b>	<b>31,849</b>	<b>32,900</b>	<b>38,008</b>	<b>35,677</b>	<b>43,708</b>
Other Income	2,267	1,689	2,586	2,464	1,600
Interest expenses	(33)	258	1,448	1,590	1,416
<b>PBT</b>	<b>34,148</b>	<b>34,330</b>	<b>39,146</b>	<b>36,550</b>	<b>43,891</b>
Tax	9,698	11,536	9,785	9,503	11,412
Extraordinary Items	0	0	(83)	0	0
Minority Int./Income from Assoc.	(6)	0	83	0	0
<b>Reported Net Income</b>	<b>24,032</b>	<b>22,707</b>	<b>29,289</b>	<b>26,915</b>	<b>32,348</b>
<b>Adjusted PAT</b>	<b>24,032</b>	<b>22,707</b>	<b>29,372</b>	<b>26,915</b>	<b>32,348</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY15	FY16	FY17	FY18E	FY19E
Equity share capital	899	901	901	901	901
Reserves & surplus	87,842	108,943	134,155	156,732	187,452
<b>Net worth</b>	<b>88,741</b>	<b>109,844</b>	<b>135,056</b>	<b>157,633</b>	<b>188,353</b>
<b>Minority Interest</b>	<b>241</b>	<b>321</b>	<b>393</b>	<b>525</b>	<b>657</b>
<b>Loan Funds</b>	<b>8,795</b>	<b>78,377</b>	<b>75,024</b>	<b>92,589</b>	<b>83,887</b>
Net deferred tax liability	0	0	0	0	0
<b>Total Liabilities</b>	<b>97,777</b>	<b>188,541</b>	<b>210,472</b>	<b>250,747</b>	<b>272,897</b>
<b>Net block</b>	<b>27,201</b>	<b>59,379</b>	<b>46,363</b>	<b>47,043</b>	<b>46,723</b>
<b>Investment</b>	<b>17,351</b>	<b>30,505</b>	<b>92,253</b>	<b>92,253</b>	<b>92,253</b>
<b>Current Assets</b>	<b>81,066</b>	<b>107,493</b>	<b>102,869</b>	<b>146,747</b>	<b>175,182</b>
Cash & bank balance	21,372	8,399	10,522	27,778	40,463
Other Current Assets	1,929	4,734	11,927	8,326	7,215
<b>Current liabilities &amp; Provision</b>	<b>33,601</b>	<b>35,836</b>	<b>38,163</b>	<b>42,447</b>	<b>48,411</b>
<b>Net current assets</b>	<b>47,465</b>	<b>71,657</b>	<b>64,706</b>	<b>104,301</b>	<b>126,771</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>97,777</b>	<b>188,541</b>	<b>210,472</b>	<b>250,747</b>	<b>272,897</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY15	FY16	FY17	FY18E	FY19E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>31,881</b>	<b>32,641</b>	<b>36,560</b>	<b>34,086</b>	<b>42,291</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	6,631	(37,165)	9,073	(22,338)	(9,785)
<b>Operating Cashflow</b>	<b>31,731</b>	<b>(8,713)</b>	<b>46,418</b>	<b>13,156</b>	<b>32,830</b>
Capital expenditure	(7,289)	(58,054)	23,744	(10,000)	(10,000)
<b>Free Cash Flow</b>	<b>24,442</b>	<b>(66,767)</b>	<b>70,162</b>	<b>3,156</b>	<b>22,830</b>
Investments	(10,044)	(13,154)	(61,748)	0	0
Other Investing Cash Flow	0	0	0	0	0
<b>Investing Cashflow</b>	<b>(15,066)</b>	<b>(69,518)</b>	<b>(35,418)</b>	<b>(7,536)</b>	<b>(8,400)</b>
Equity Capital Raised	2	2	0	0	0
Loans Taken / (Repaid)	(1,009)	69,582	(3,353)	17,566	(8,702)
Dividend paid (incl tax)	(4,058)	(4,068)	(4,077)	(4,339)	(1,627)
Other Financing Cash Flow	0	0	0	0	0
<b>Financing Cashflow</b>	<b>(5,031)</b>	<b>65,258</b>	<b>(8,878)</b>	<b>11,636</b>	<b>(11,745)</b>
<b>Net chg in cash</b>	<b>11,633</b>	<b>(12,974)</b>	<b>2,122</b>	<b>17,256</b>	<b>12,685</b>
Opening cash position	9,739	21,372	8,399	10,522	27,778
<b>Closing cash position</b>	<b>21,372</b>	<b>8,399</b>	<b>10,522</b>	<b>27,778</b>	<b>40,463</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18E</b>	<b>FY19E</b>
EBITDA Margin	28.3	26.4	26.9	24.0	25.0
EBIT Margin	24.9	23.2	21.7	19.0	20.2
Effective Tax Rate	28.4	33.6	25.0	26.0	26.0
Net Margin	19.1	16.0	16.8	14.4	15.0
ROCE	38.4	24.2	20.3	16.5	17.3
ROE	30.4	22.9	24.0	18.4	18.7
RoIC	56.4	37.4	34.1	31.8	34.1

<b>Per Share Data (Rs)</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18E</b>	<b>FY19E</b>
EPS	53.5	50.4	65.2	59.7	71.8
CEPS	63.1	60.7	85.4	80.4	94.7
BVPS	197.4	243.8	299.7	349.8	418.0
DPS	9.0	9.0	9.0	9.6	3.6

<b>Valuations (x)</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18E</b>	<b>FY19E</b>
PER	23.0	24.4	18.8	20.6	17.1
P/CEPS	19.4	20.2	14.4	15.3	13.0
P/BV	6.2	5.0	4.1	3.5	2.9
EV / Sales	4.2	4.4	3.5	3.3	2.8
EV / EBITDA	14.9	16.6	13.1	13.7	11.0
Dividend Yield (%)	0.7	0.7	0.7	0.8	0.3

<b>Gearing Ratio (x)</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18E</b>	<b>FY19E</b>
Net Debt/ Equity	(0.1)	0.6	0.5	0.4	0.2
Net Debt/EBIDTA	(0.3)	1.9	1.4	1.4	0.8
Working Cap Cycle (days)	74.6	162.5	113.1	148.7	145.5

<b>Growth (%)</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18E</b>	<b>FY19E</b>
Revenue	13.1	11.3	23.1	7.4	15.2
EBITDA	20.5	3.7	25.6	(4.5)	20.1
EBIT	16.2	3.3	15.5	(6.1)	22.5
PAT	30.9	(5.5)	29.0	(8.1)	20.2

<b>Quarterly (Rs mn)</b>	<b>Q4FY16</b>	<b>Q1FY17</b>	<b>Q2FY17</b>	<b>Q3FY17</b>	<b>Q4FY17</b>
Revenue	41,707	44,677	42,905	44,829	42,533
EBITDA	13,050	13,363	10,281	12,434	11,053
<b>EBITDA Margin (%)</b>	<b>31.3</b>	<b>29.9</b>	<b>24.0</b>	<b>27.7</b>	<b>26.0</b>
PAT	7,212	9,102	6,622	6,307	3,786
<b>EPS (Rs)</b>	<b>16.0</b>	<b>20.2</b>	<b>14.7</b>	<b>14.0</b>	<b>8.4</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Mar-16</b>	<b>Jun-16</b>	<b>Sep-16</b>	<b>Dec-16</b>	<b>Mar-17</b>
Promoters	46.5	46.8	46.7	46.7	46.7
FIs	35.2	34.9	34.7	33.3	31.9
DIs	7.0	7.4	7.1	8.0	9.1
Public and Others	11.3	11.0	11.5	12.0	12.3

Source: Capitaline

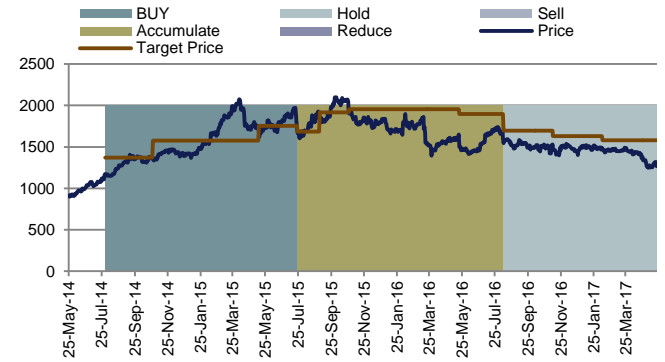


## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
10-Feb-17	1,466	1,580	12m	Hold	Jatin Kotian
17-Jan-17	1,494	1,630	12m	Hold	Jatin Kotian
10-Nov-16	1,494	1,630	12m	Hold	Jatin Kotian
10-Aug-16	1,544	1,695	12m	Hold	Jatin Kotian
20-May-16	1,498	1,895	12m	Accumulate	Jatin Kotian
6-May-16	1,580	1,955	12m	Accumulate	Jatin Kotian
8-Feb-16	1,813	1,955	12m	Accumulate	Jatin Kotian
27-Jan-16	1,682	1,955	12m	Accumulate	Jatin Kotian
5-Nov-15	1,830	1,955	12m	Accumulate	Jatin Kotian
28-Oct-15	1,902	1,955	12m	Accumulate	Jatin Kotian
3-Sep-15	1,854	1,915	12m	Accumulate	Jatin Kotian
24-Jul-15	1,665	1,684	12m	Accumulate	Jatin Kotian
10-Jul-15	1,856	1,752	12m	Buy	Jatin Kotian
13-May-15	1,675	1,752	12m	Buy	Jatin Kotian
28-Oct-14	1,346	1,577	12m	Buy	Ashish Rathi
9-Oct-14	1,327	1,370	12m	Buy	Ashish Rathi
31-Jul-14	1,172	1,370	12m	Buy	Ashish Rathi

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

## Emkay Rating Distribution

BUY	Expected total return (%) (Stock price appreciation and dividend yield) of over 25% within the next 12-18 months.
ACCUMULATE	Expected total return (%) (Stock price appreciation and dividend yield) of over 10% within the next 12-18 months.
HOLD	Expected total return (%) (Stock price appreciation and dividend yield) of upto 10% within the next 12-18 months.
REDUCE	Expected total return (%) (Stock price depreciation) of upto (-) 10% within the next 12-18 months.
SELL	The stock is believed to underperform the broad market indices or its related universe within the next 12-18 months.

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