

**Lupin**

Refer to important disclosures at the end of this report

# Generic business model unravelling, Maintain HOLD

- Q1FY18 earnings/concall commentary suggests at least an earnings bottom is in sight for Lupin. We believe pricing pressure from channel partners could ease in the coming quarters, but a fragmented generic industry implies recurring bouts of instability in prices.
- Cost cutting and pause in R&D spend are imperative but far from sufficient measures. Overall, the challenge for the Indian generic companies is more a structural one given the absence of meaningful sector M&A. Our key concerns on generic industry are coming to the fore and we maintain our stance that the generic business model is unravelling.
- Maintain HOLD rating, and foresee some rebound in earnings across the generic space, especially from FY19 onwards, simply due to the high R&D spend and pent-up pipelines. However, long-term sustainability remains suspect.

## Key takeaways

- Earnings bottom in sight:** The management commentary indicated lower guidance on margins for FY18 at c21-23% (against c25% earlier). However, the lower guidance on margins is primarily supported only by cost-cutting measures, which is likely to be taken negatively. Overall, FY18E R&D run-rate is lower at cRs20bn (estimate Rs24bn) while the trajectory for other fixed costs is mostly flat. Except for the impact of the strengthening INR, overall we don't see any other significant reasons for further deterioration in quarterly earnings run-rate.
- FY19 should see a recovery though its strength remains uncertain:** Earnings should recover from FY19 onwards although the magnitude of such a recovery remains unclear. While US revenue should bottom out in 1HFY18, long-term growth in other key markets like India and Japan is likely to be muted, with both markets seeing significant build-up of regulatory headwinds.
- US structural weakness is the biggest risk:** A significant consolidation among generic companies should happen in the mainstay US market to offset the rapidly consolidating distribution channel. The pressure is accentuated by the impact of GDUFA, with faster generic approval timelines coming into play over the next 2 years. The emerging trend of R&D spend and other cost-cutting measures (Teva, Endo and Mallinckrodt earlier and Dr Reddy's and Lupin more recently) are necessary but far from sufficient steps. Participation of larger Indian generic companies would be critical in any potential sector M&A, which is missing.
- Maintain our HOLD rating** with a target price of Rs960. We value Lupin at 18xPE on revised FY19E EPS of Rs53.

## Financial Snapshot (Consolidated)

(Rs mn)	FY15	FY16	FY17	FY18E	FY19E
Net Sales	127,700	142,085	174,943	167,776	184,890
EBITDA	36,196	37,535	44,677	37,234	45,172
EBITDA Margin (%)	28.3	26.4	25.5	22.2	24.4
APAT	24,032	22,707	25,293	19,372	24,039
EPS (Rs)	53.5	50.4	56.0	42.9	53.2
EPS (% chg)	27.0	(5.7)	11.1	(23.4)	24.1
ROE (%)	30.4	22.9	21.0	14.0	15.3
P/E (x)	18.6	19.7	17.7	23.2	18.7
EV/EBITDA (x)	12.0	13.8	11.6	14.2	11.5
P/BV (x)	5.0	4.1	3.4	3.1	2.7

Source: Company, Emkay Research

<b>CMP</b> Rs 993 as of (August 3, 2017)	<b>Target Price</b> Rs 960 (▼) 12 months
<b>Rating</b> HOLD (■)	<b>Upside</b> (3.4) %

## Change in Estimates

EPS Chg FY18E/FY19E (%) (28.1)/(25.9)	
Target Price change (%)	(25.7)
Target Period (Months)	12
Previous Reco	HOLD

## Emkay vs Consensus

EPS Estimates		
	FY18E	FY19E
Emkay	42.9	53.2
Consensus	57.4	67.6
Mean Consensus TP (12M)	Rs 1,298	

## Stock Details

Bloomberg Code	LPC IN
Face Value (Rs)	2
Shares outstanding (mn)	452
52 Week H/L	1,734 / 985
M Cap (Rs bn/USD bn)	449 / 7.05
Daily Avg Volume (nos.)	2,075,234
Daily Avg Turnover (US\$ mn)	37.1

## Shareholding Pattern Jun '17

Promoters	46.7%
FIIIs	30.9%
DIIIs	9.6%
Public and Others	12.9%

## Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	(6)	(21)	(33)	(41)
<b>Rel. to Nifty</b>	(9)	(27)	(42)	(49)

## Relative price chart



Source: Bloomberg

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## Exhibit 1: Actual v/s estimates

Rs mn	Q1FY18	Estimate		% variation		Comments
		Emkay	Bloomberg	Emkay	Bloomberg	
Revenue	38,696	43,637	43,061	-11%	-10%	Revenue came in below our estimates mainly due to high competition faced by Glumetza and subdued sequential performance in other key geographies
EBITDA	7,684	9,512	10,078	-19%	-24%	
EBITDA margin (%)	19.9%	21.8%	23.4%	-194bps	-355bps	Margins remained under pressure on account of de-growth in key geographies
APAT	3,580	4,577	5,401	-22%	-34%	

Source: Company, Emkay Research

## Exhibit 2: Quarterly financials

Rs mn	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	YoY (%)	QoQ (%)	YTD FY17	YTD FY18	YoY (%)
<b>Revenue</b>	<b>44,677</b>	<b>42,905</b>	<b>44,829</b>	<b>42,533</b>	<b>38,696</b>	<b>-13.4</b>	<b>-9.0</b>	<b>44,677</b>	<b>38,696</b>	<b>-13%</b>
<b>Expenditure</b>	<b>31,569</b>	<b>34,823</b>	<b>32,394</b>	<b>31,481</b>	<b>31,012</b>	<b>-1.8</b>	<b>-1.5</b>	<b>31,569</b>	<b>31,012</b>	<b>-2%</b>
as % of sales	71%	81%	72%	74%	80%			71%	80%	
Consumption of RM	12,719	12,429	13,016	11,851	12,326	-3.1	4.0	12,719	12,326	-3%
as % of sales	28%	29%	29%	28%	32%			28%	32%	
Employee Cost	7,032	7,047	7,312	7,078	7,180	2.1	1.4	7,032	7,180	2%
as % of sales	16%	16%	16%	17%	19%			16%	19%	
Other expenditure	11,818	15,347	12,067	12,552	11,506	-2.6	-8.3	11,818	11,506	-3%
as % of sales	26%	36%	27%	30%	30%			26%	30%	
R&D Expenditure	4,994	5,716	5,682	6,709	4,999	0.1	-25.5	4,994	4,999	0%
as % of sales	11%	13%	13%	16%	13%			11%	13%	
<b>EBITDA</b>	<b>13,108</b>	<b>8,082</b>	<b>12,434</b>	<b>11,053</b>	<b>7,684</b>	<b>-41.4</b>	<b>-30.5</b>	<b>13,108</b>	<b>7,684</b>	<b>-41%</b>
Depreciation	2,027	2,112	2,309	2,674	2,605			2,027	2,605	
<b>EBIT</b>	<b>11,081</b>	<b>5,970</b>	<b>10,125</b>	<b>8,378</b>	<b>5,078</b>	<b>-54.2</b>	<b>-39.4</b>	<b>11,081</b>	<b>5,078</b>	<b>-54%</b>
Other Income	826	-1,250	1,036	453	320			826	320	
Interest	347	340	459	406	439			347	439	
<b>PBT</b>	<b>11,560</b>	<b>4,380</b>	<b>10,702</b>	<b>8,425</b>	<b>4,959</b>	<b>-57.1</b>	<b>-41.1</b>	<b>11,560</b>	<b>4,959</b>	<b>-57%</b>
Total Tax	2,734	1,589	4,095	1,367	1,368			2,734	1,368	
<b>PAT before MI</b>	<b>8,826</b>	<b>2,791</b>	<b>6,607</b>	<b>7,059</b>	<b>3,591</b>	<b>-59.3</b>	<b>-49.1</b>	<b>8,826</b>	<b>3,591</b>	<b>-59%</b>
Minority interest (MI)	-6	34	0	-18	-11			-6	-11	
Adj. PAT before extraordinary	8,820	2,825	6,607	7,041	3,580	-59.4	-49.1	8,820	3,580	-59%
Extraordinary expenses	-	-	276	3,239	-			-	-	
<b>Reported PAT</b>	<b>8,820</b>	<b>2,825</b>	<b>6,331</b>	<b>3,802</b>	<b>3,580</b>	<b>-59.4</b>	<b>-5.8</b>	<b>8,820</b>	<b>3,580</b>	<b>-59%</b>
<b>AEPS (Rs)</b>	<b>19.6</b>	<b>6.3</b>	<b>14.7</b>	<b>15.6</b>	<b>7.9</b>	<b>-59.5</b>	<b>-49.1</b>	<b>19.6</b>	<b>7.9</b>	<b>-59%</b>

Margins (%)					(bps)		(bps)			
Gross	71.5	71.0	71.0	72.1	68.1	-338	-399	71.5	68.1	-338
EBIDTA	29.3	18.8	27.7	26.0	19.9	-948	-613	29.3	19.9	-948
EBIT	24.8	13.9	22.6	19.7	13.1	-1168	-657	24.8	13.1	-1168
PBT	25.9	10.2	23.9	19.8	12.8	-1306	-699	25.9	12.8	-1306
Adj. PAT	19.7	6.6	14.7	16.6	9.3	-1049	-730	19.7	9.3	-1049
Effective Tax rate	23.7	36.3	38.3	16.2	27.6	394	1137	23.7	27.6	394

Source: Company, Emkay Research

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

Rs mn	Q1FY17	2QFY17	3QFY17	4QFY17	1QFY18	YoY (%)	QoQ (%)
India	9,499	9,958	9,912	8,788	9,324	-2%	6%
as % of sales	22%	24%	23%	21%	24%		
North America	21,886	19,978	21,755	19,007	16,018	-27%	-16%
as % of sales	50%	47%	49%	46%	42%		
APAC	5,416	5,520	5,601	6,118	5,989	11%	-2%
as % of sales	12%	13%	13%	15%	16%		
EMEA	2,194	2,355	2,555	3,012	2,259	3%	-25%
as % of sales	5%	6%	6%	7%	6%		
LATAM	1,089	986	1,175	1,269	1,269	17%	0%
as % of sales	3%	2%	3%	3%	3%		
ROW	369	396	367	610	416	13%	-32%
as % of sales	1%	1%	1%	1%	1%		
API	2,966	2,919	2,684	2,815	2,793	-6%	-1%
as % of sales	7%	7%	6%	7%	7%		
<b>Total</b>	<b>43,419</b>	<b>42,112</b>	<b>44,049</b>	<b>41,619</b>	<b>38,068</b>	<b>-12%</b>	<b>-9%</b>

Source: Company, Emkay Research

**Exhibit 4: Summary of quarterly financials**

Rs mn	Q1FY18	Q1FY17	YoY (%)	Q4FY17	QoQ (%)	Comments
India Formulations	9,324	9,499	-2%	8,788	6%	In this quarter, India business grew by 6% qoq but degrew 2% yoy mainly on account of destocking ahead of GST implementation. Management guided that growth will be strong and continue to clock ~10-15% going ahead.
<b>Export Formulations</b>						
North America	16,018	21,886	-27%	19,007	-16%	Decline in US revenue growth is mainly due to high competition faced by key products like Glumetza and management has guided for a single digit price erosion going ahead.
APAC	5,989	5,416	11%	6,118	-2%	Decline in Philippines revenue by ~43% on qoq basis drags down the overall growth of APAC.
EMEA	2,259	2,194	3%	3,012	-25%	On a yoy basis, EMEA growth remained muted whereas sharply declined qoq mainly due to weak revenue in South African region.
LATAM	1,269	1,089	17%	1,269	0%	
ROW	416	369	13%	610	-32%	
API	2,793	2,966	-6%	2,815	-1%	
Income from Operations	38,068	43,419	-12%	41,619	-9%	
Other Operating Income	628	1,259	-50%	914	-31%	
Total Revenues	38,696	44,678	-13%	42,533	-9%	
Gross Profit	26,370	31,957		30,682		
Gross Margins (%)	68	72		72		Margins declined by ~340bps qoq due to increase in competition for gGlumetza and gFortamet. Management indicated that margins will remain ~70% going ahead.
Ebitda	7,684	13,108	-41%	11,053	-30%	
Ebitda margins	19.9%	29.3%		26.0%		Management guided that EBITDA margin will remain in the range of 21-23% in FY18.
Depreciation	2,605	2,027		2,674		
Interest Expenses	439	347		406		
Non Op Income	320	826		453		
PBT	4,959	11,560		8,426		
Tax	1,368	2,734		1,367		
Tax Rate	28%	24%		16%		
PAT before MI	3,591	8,826		7,059		
Minority Interest	-11	-6		-18		
PAT After MI	3,580	8,820		7,041		
Extraordinaries	-	-		3,239		
PAT After Extraordinaries	3,580	8,820		3,802		Management indicated that revenue will start picking up from 2HFY18.
EPS	7.9	19.6		15.6		

Source: Company, Emkay Research

## Exhibit 5: Financial assumption snapshot

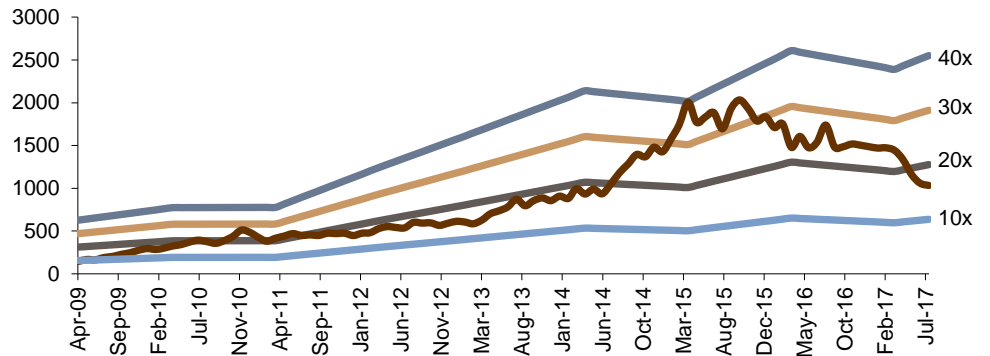
Rs mn	FY16	FY17	YoY (%)	FY18E	YoY (%)	FY19E	YoY (%)	Comments
India Formulations	34,312	38,157	11%	40,848	7%	45,399	11%	Management guided that domestic business growth will be in range of 10-15% going ahead, however we are sanguine on India growth prospect and project the CAGR growth of 9% over FY17-19E.
<b>Export Formulations</b>								
US	59,249	82,626	39%	64,997	-21%	72,438	11%	Management guided that the base business erosion will be in single digit going ahead and this will be a challenging year due to lack of high-value launches whereas in FY19, few key launches like gLialda, gTamiflu will boost revenue.
EMEA	8,676	10,116	17%	11,020	9%	12,122	10%	We believe this geography will grow at a steady pace as the company is expanding its partnered business.
APAC	17,704	22,655	28%	28,746	27%	30,782	7%	Some policy changes may lead to a decline in sales in Japan, which will eventually result in decline in APAC revenue going forward.
LATAM	3,507	4,519	29%	5,282	17%	5,916	12%	
ROW	1,073	1,742	62%	1,964	13%	2,214	13%	
API	12,393	11,384	-8%	10,720	-6%	11,256	5%	
Income from Operations	136,914	171,199	25%	163,577	-4%	180,127	10%	
Other Operating Income	5,039	3,745	-26%	4,199	12%	4,762	13%	
Total Revenues	141,953	174,944	23%	167,776	-4%	184,890	10%	
EBITDA	37,535	44,677		37,234		45,172		Management indicated that EBITDA margin will be in range of 21-23% going forward, however the margins appears to be shoved up by pruning R&D and SG&A.
<i>EBITDA margins (%)</i>	26%	26%		22%		24%		
Depreciation	4,635	9,122		11,335		12,690		
Interest Expenses	446	1,553		1,634		1,419		
Non Op Income	1,877	1,065		2,168		1,600		
PBT	34,330	35,067		26,433		32,663		
Tax	11,536	9,785		6,951		8,492		
Tax Rate	34%	28%		26%		26%		
PAT before MI	22,795	25,282		19,482		24,171		
Minority Interest	-88	-72		-122		-132		
PAT	22,707	25,210		19,360		24,039		
No Of Shares	451	452		452		452		
EPS	50.4	55.8		42.9		53.2		

Source: Company, Emkay Research

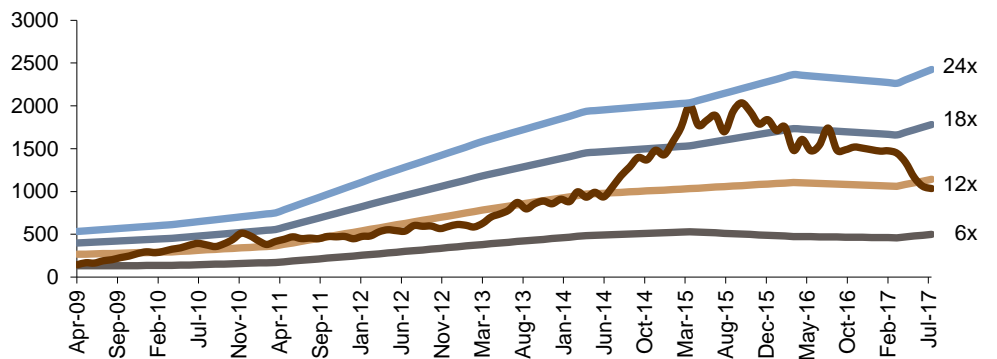
**Exhibit 6: Revision in earnings estimates**

Y/E, Mar (Rs mn)	FY18E			FY19E		
	Earlier	Revised	% Change	Earlier	Revised	% Change
Revenues	187,837	167,776	-11%	216,460	184,890	-15%
EBITDA	44,997	37,234	-17%	54,028	45,172	-16%
EBITDA margin (%)	24.0%	22.2%	-176bps	25.0%	24.4%	-053bps
APAT	26,915	19,372	-28%	32,348	24,039	-26%
EPS	59.7	42.9	-28%	71.8	53.2	-26%

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>167,776</b>	<b>184,890</b>
<b>Expenditure</b>	<b>91,504</b>	<b>104,550</b>	<b>130,267</b>	<b>130,542</b>	<b>139,717</b>
<b>EBITDA</b>	<b>36,196</b>	<b>37,535</b>	<b>44,677</b>	<b>37,234</b>	<b>45,172</b>
Depreciation	4,347	4,635	9,122	11,335	12,690
<b>EBIT</b>	<b>31,849</b>	<b>32,900</b>	<b>35,555</b>	<b>25,899</b>	<b>32,483</b>
Other Income	2,267	1,689	1,065	2,168	1,600
Interest expenses	(33)	258	1,553	1,634	1,419
<b>PBT</b>	<b>34,148</b>	<b>34,330</b>	<b>35,067</b>	<b>26,433</b>	<b>32,663</b>
Tax	9,698	11,536	9,785	6,951	8,492
Extraordinary Items	0	0	(3,515)	0	0
Minority Int./Income from Assoc.	(6)	0	83	12	0
<b>Reported Net Income</b>	<b>24,032</b>	<b>22,707</b>	<b>21,778</b>	<b>19,372</b>	<b>24,039</b>
<b>Adjusted PAT</b>	<b>24,032</b>	<b>22,707</b>	<b>25,293</b>	<b>19,372</b>	<b>24,039</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY15	FY16	FY17	FY18E	FY19E
Equity share capital	899	901	903	903	903
Reserves & surplus	87,842	108,943	130,076	145,097	167,499
<b>Net worth</b>	<b>88,741</b>	<b>109,844</b>	<b>130,980</b>	<b>146,001</b>	<b>168,402</b>
<b>Minority Interest</b>	<b>241</b>	<b>321</b>	<b>393</b>	<b>514</b>	<b>646</b>
<b>Loan Funds</b>	<b>8,795</b>	<b>78,377</b>	<b>75,024</b>	<b>92,729</b>	<b>84,027</b>
Net deferred tax liability	0	0	0	0	0
<b>Total Liabilities</b>	<b>97,777</b>	<b>188,541</b>	<b>206,396</b>	<b>239,244</b>	<b>253,075</b>
<b>Net block</b>	<b>27,201</b>	<b>59,379</b>	<b>64,016</b>	<b>62,681</b>	<b>59,992</b>
<b>Investment</b>	<b>17,351</b>	<b>30,505</b>	<b>51,610</b>	<b>51,610</b>	<b>51,610</b>
<b>Current Assets</b>	<b>81,066</b>	<b>107,493</b>	<b>107,462</b>	<b>129,369</b>	<b>160,455</b>
Cash & bank balance	21,372	8,399	6,481	13,335	14,992
Other Current Assets	1,929	4,734	1,148	1,119	6,163
<b>Current liabilities &amp; Provision</b>	<b>33,601</b>	<b>35,836</b>	<b>38,022</b>	<b>25,747</b>	<b>40,312</b>
<b>Net current assets</b>	<b>47,465</b>	<b>71,657</b>	<b>69,440</b>	<b>103,622</b>	<b>120,143</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>97,777</b>	<b>188,541</b>	<b>206,396</b>	<b>239,244</b>	<b>253,075</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>34,002</b>	<b>24,266</b>	<b>31,063</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	6,631	(37,165)	299	(27,328)	(14,864)
<b>Operating Cashflow</b>	<b>31,731</b>	<b>(8,712)</b>	<b>35,191</b>	<b>2,954</b>	<b>21,805</b>
Capital expenditure	(7,289)	(58,054)	(8,090)	(10,000)	(10,000)
<b>Free Cash Flow</b>	<b>24,442</b>	<b>(66,766)</b>	<b>27,101</b>	<b>(7,046)</b>	<b>11,805</b>
Investments	(10,044)	(13,154)	(21,105)	0	0
Other Investing Cash Flow	0	0	0	0	0
<b>Investing Cashflow</b>	<b>(15,066)</b>	<b>(69,518)</b>	<b>(28,129)</b>	<b>(7,832)</b>	<b>(8,400)</b>
Equity Capital Raised	2	2	2	0	0
Loans Taken / (Repaid)	(1,009)	69,582	(3,353)	17,705	(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>(8,981)</b>	<b>11,733</b>	<b>(11,748)</b>
<b>Net chg in cash</b>	<b>11,633</b>	<b>(12,973)</b>	<b>(1,919)</b>	<b>6,855</b>	<b>1,657</b>
Opening cash position	9,739	21,372	8,399	6,481	13,335
<b>Closing cash position</b>	<b>21,372</b>	<b>8,399</b>	<b>6,481</b>	<b>13,335</b>	<b>14,992</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	25.5	22.2	24.4
EBIT Margin	24.9	23.2	20.3	15.4	17.6
Effective Tax Rate	28.4	33.6	27.9	26.3	26.0
Net Margin	19.1	16.0	14.5	11.6	13.1
ROCE	38.4	24.2	18.5	12.6	13.8
ROE	30.4	22.9	21.0	14.0	15.3
RoIC	56.4	37.4	28.5	18.5	20.4

<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	56.0	42.9	53.2
CEPS	63.1	60.7	76.2	68.0	81.3
BVPS	197.4	243.8	290.0	323.3	372.9
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	18.6	19.7	17.7	23.2	18.7
P/CEPS	15.7	16.4	13.0	14.6	12.2
P/BV	5.0	4.1	3.4	3.1	2.7
EV / Sales	3.4	3.6	3.0	3.1	2.8
EV / EBITDA	12.0	13.8	11.6	14.2	11.5
Dividend Yield (%)	0.9	0.9	0.9	1.0	0.4

<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	0.5	0.4
Net Debt/EBIDTA	(0.3)	1.9	1.5	2.1	1.5
Working Cap Cycle (days)	74.6	162.5	131.4	196.4	207.6

<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	(4.1)	10.2
EBITDA	20.5	3.7	19.0	(16.7)	21.3
EBIT	16.2	3.3	8.1	(27.2)	25.4
PAT	30.9	(5.5)	(4.1)	(11.0)	24.1

<b>Quarterly (Rs mn)</b>	<b>Q1FY17</b>	<b>Q2FY17</b>	<b>Q3FY17</b>	<b>Q4FY17</b>	<b>Q1FY18</b>
Revenue	44,677	42,905	44,829	42,533	38,696
EBITDA	13,108	8,082	12,434	11,053	7,684
<b>EBITDA Margin (%)</b>	<b>29.3</b>	<b>18.8</b>	<b>27.7</b>	<b>26.0</b>	<b>19.9</b>
PAT	8,820	2,825	6,307	3,786	3,568
<b>EPS (Rs)</b>	<b>19.6</b>	<b>6.3</b>	<b>14.0</b>	<b>8.4</b>	<b>7.9</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Jun-16</b>	<b>Sep-16</b>	<b>Dec-16</b>	<b>Mar-17</b>	<b>Jun-17</b>
Promoters	46.8	46.7	46.7	46.7	46.7
FII	34.9	34.7	33.3	31.9	30.9
DII	7.4	7.1	8.0	9.1	9.6
Public and Others	11.0	11.5	12.0	12.3	12.9

Source: Capitaline

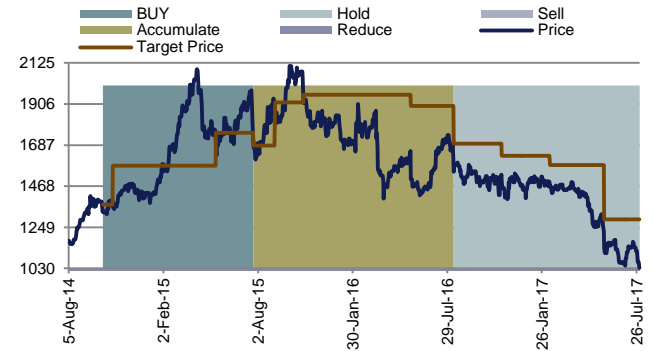


## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
15-Jun-17	1,182	1,292	12m	Hold	Jatin Kotian
5-Jun-17	1,156	1,292	12m	Hold	Jatin Kotian
25-May-17	1,140	1,292	12m	Hold	Jatin Kotian
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	1,505	1,895	12m	Accumulate	Jatin Kotian
6-May-16	1,587	1,955	12m	Accumulate	Jatin Kotian
8-Feb-16	1,821	1,955	12m	Accumulate	Jatin Kotian
27-Jan-16	1,689	1,955	12m	Accumulate	Jatin Kotian
5-Nov-15	1,838	1,955	12m	Accumulate	Jatin Kotian
28-Oct-15	1,910	1,955	12m	Accumulate	Jatin Kotian
3-Sep-15	1,862	1,915	12m	Accumulate	Jatin Kotian
24-Jul-15	1,672	1,684	12m	Accumulate	Jatin Kotian
10-Jul-15	1,871	1,752	12m	Buy	Jatin Kotian
13-May-15	1,690	1,752	12m	Buy	Jatin Kotian
28-Oct-14	1,358	1,577	12m	Buy	Ashish Rathi
9-Oct-14	1,338	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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