

Headline beat but no convincing signs of a turnaround yet

2QFY18 was the first quarter of sequential earnings growth for Lupin, after 4 consecutive quarters of sequential decline, driven primarily by strong margin performance (EBITDA margin improving by 173bps QoQ to 21.6%), supported by cost optimisation measures and controlled R&D spend. While revenues of INR 39,520mn were broadly in-line with our estimates, EBITDA/PAT of INR 8,531mn/4,550mn beat our est. by 11%/25% due to stronger margin performance. US disappointed yet again with revenues declining by USD 34mn QoQ to USD 204mn (JMFe USD 223mn) mainly on account of volume loss in gGlumetza, base business erosion on account of ClarusOne consolidation and loss of gMinastrin FE exclusivity. We believe that it is early to call out the bottom given the uncertainty on the pace and extent of erosion for metformin franchise and impending impact of consolidation of WBAD and Express Scripts, although the improving launch momentum and double-digit growth in Somerset/Branded business contribution are likely to provide some support to near term earnings. We expect Lupin's earnings growth trajectory to start gaining traction in FY19 driven by increasing contribution from the complex generics (such as gRanexa and levothyroxine) and specialty (incl. recently acquired Solosec) launches across key markets. We cut our FY18-20 EPS estimates by 3-4% to account for the erosion in US base business partly offset by improvement in margins. We maintain our BUY rating on the stock and roll forward our estimates to arrive at a Dec'18 TP of INR 1,140.

■ Key operating details:

- **US slide continues:** Lupin's US sales declined by USD 34mn QoQ to USD 204mn (JMFe USD 223mn), a third consecutive quarter of decline, despite the contribution from recent limited competition launches (such as gVigamox, gFosrenol, gTopicort), due to volume loss in gGlumetza, price erosion in base business on account of ClarusOne consolidation and loss of gMinastrin FE exclusivity. US ANDA filing/approval rate increased significantly during the quarter (10/9 in 2Q18 vs. 1/3 in 1Q18) and the management expect the trend to continue targeting 30+ filings and 20-30 launches for the full year.
- **Domestic business recovers:** Domestic formulations sales grew 16% YoY (20% YoY on a like-to-like basis net of excise) and 24% QoQ as a result of channel re-stocking post GST implementation as well as new product launches wherein Lupin stood 2nd (in value terms) amongst the Top-25 domestic players during the quarter.
- **Strong growth in other markets:** APAC business grew 15% YoY driven by the consolidation of Shionogi brands in Japan (+30% YoY / +1% QoQ in JPY terms) and 13% YoY increase (in PHP terms) in sales in Philippines. Lupin continues to outperform market growth in LatAm, growing 41.5% YoY (+10% QoQ), driven by strong growth in Brazil and Mexico (+30%YoY and +66% YoY, respectively, in cc terms). EMEA witnessed strong 17% YoY growth supported by growth in South Africa (+7% YoY in ZAR terms)

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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,140
Upside/(Downside)	11.1%
Previous Price Target	1,120
Change	1.8%

Key Data – LPC IN

Current Market Price	INR1,026
Market cap (bn)	INR463.5/US\$7.1
Free Float	45%
Shares in issue (mn)	451.8
Diluted share (mn)	453.0
3-mon avg daily val (mn)	INR1,931.2/US\$29.8
52-week range	1,574/918
Sensex/Nifty	33,266/10,364
INR/US\$	64.8

Price Performance

%	1M	6M	12M
Absolute	1.2	-23.3	-32.4
Relative*	-4.9	-31.1	-43.3

* To the BSE Sensex

Financial Summary					(INR mn)
Y/E March	FY16A	FY17A	FY18E	FY19E	FY20E
Net Sales	137,579	171,198	155,414	178,592	201,371
Sales Growth (%)	9.2	24.4	-9.2	14.9	12.8
EBITDA	36,854	44,931	33,298	41,616	49,647
EBITDA Margin (%)	25.9	25.7	21.0	22.9	24.3
Adjusted Net Profit	22,607	25,575	16,410	22,046	27,107
Diluted EPS (INR)	49.9	56.5	36.2	48.7	59.8
Diluted EPS Growth (%)	-6.9	13.1	-35.8	34.3	23.0
ROIC (%)	17.6	14.3	8.8	11.6	13.6
ROE (%)	22.6	20.7	11.6	14.2	15.5
P/E (x)	20.5	18.2	28.3	21.1	17.1
P/B (x)	4.1	3.4	3.1	2.8	2.5
EV/EBITDA (x)	14.3	11.5	15.1	11.9	9.7
Dividend Yield (%)	0.7	0.7	0.7	0.9	0.9

Source: Company data, JM Financial. Note: Valuations as of 30/Oct/2017

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters
S&P Capital IQ and FactSet

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

and Germany (+19.5% YoY).

- **US base reset timelines uncertain; growth to resume in FY19:** Lupin has been losing ground in the US as it continues to lose volumes/market share in Glumetza to Teva and Valeant's AG, which could be further exacerbated by entry of Sun Pharma. Moreover, the erosion in base business on account of ClarusOne consolidation, the anticipated impact of impending WBAD and Express Script consolidation as well as the additional competition for Fortamet from Nostrum and Aurobindo is likely to pressurise US revenues. However, the double-digit growth in contribution from the branded business and Somerset facility, ramp-up of recent launches such as gFosrenol, gVigamox, gTopicort and Hydrocodone/APAP as well as launch of gTobi, gAxiron and gTamiflu in the coming quarters is likely to provide some near-term support; the USFDA clearance of the Goa and Pithampur facilities could provide additional fillip to the approval/launch momentum. We expect the US growth trajectory to gain significant pace in FY19 with launch of multiple limited competition products such as gRanexa, levothyroxine, Minocycline ER, gLialda and gToprol XL as well as its recently acquired specialty product Solosec (mid-CY18 launch).
- **R&D and M&A strategy geared towards specialty and complex generics:** Lupin's management believes that it has a good pipeline (152 ANDAs pending approval; 49 FTFs incl. 25 exclusive FTFs), capabilities and facilities for the generics business and has thus re-aligned its R&D efforts towards complex injectables/ biosimilars/inhalation products while cutting spending on marginal products as well as discovery of NCEs and is instead redirecting the spending on its specialty segment. Lupin intends to build its specialty franchise primarily via the inorganic route—as witnessed in the recent acquisition of Symbiomix Therapeutics (for USD 150mn)—and continues to explore inorganic growth opportunities (sweet spot of USD 100mn-200mn; has capacity to borrow c.USD 1bn) to strengthen its Women's Health and Paediatrics franchises for the US market, and its CNS franchise in the European and Japanese markets. On the complex generics front, Lupin is expecting to file Etanercept biosimilar in Japan by end-CY17 and in Europe by end-FY18. On the inhalation products front, it has already received approvals for nasal sprays and is currently working on the MDI products. Albuterol is poised for an FY20 launch while Ph. III studies for Spiriva are expected to be completed this year and will be filed soon. Lupin is repeating PK studies for Advair and expects to start pivotal trials in the next 3 months and start PH. III studies by end-FY18.
- **Key financials:** In 2QFY18, revenues declined 8% YoY (up 2% QoQ) to INR 39,520mn (1% below JMFe) mainly due to the decline in US (-32% YoY; -15% QoQ) partly offset by the strong growth in India (+16% YoY; +24% QoQ). Gross margin declined 359bps YoY (-70bps QoQ) to 67.4% (vs. JMFe: 67.8%). However, lower other expenses (-17% YoY / -5% QoQ) resulted in 173bps QoQ improvement in EBITDA margin (21.6% vs. JMFe 19.2%) translating into an EBITDA of INR 8,531mn, an 11% beat on our est. Further, higher than expected other income (Treasury gains of INR 300mn; rest mainly FX gains) of INR 740mn offset the higher than expected interest expenses, D&A expenses and taxes translating into a 25% beat on PAT (INR 4,550mn; down 31% YoY; up 27% QoQ). R&D spending declined 5% QoQ (-17 YoY) to INR 4,739mn (12.2% of sales in 2QFY18 vs. 13.1% of sales in 1QFY18) and the management expects to maintain it under INR 5,000mn per quarter. The working capital number of days increased to 128 days at end-2QFY18 (vs. 119 days at end-1QFY18 and 105 days at end-FY17) although the management expects to improve the working capital cycle over the coming quarters by reducing inventories and receivables. Net debt/equity increased from 0.37x to 0.4x during the quarter, partly on account of Symbiomix acquisition; the management expects that it may raise additional debt to fund acquisitions and considers Debt/EBITDA of 2x as comfortable and could stretch it to 2.5-3x temporarily. The management guided tax rate to be in the 25%-28% range.

Exhibit 1. Lupin's 2QFY18 earnings snapshot

Lupin	Q2FY17A	Q2FY18A	% YoY	Q2FY18E	% Delta vs. JMFe	Q2FY18E (cons)	% Delta vs. cons	Q1FY18A	% QoQ	1HFY17	1HFY18	% YoY
<i>(in INR mn)</i>												
Net sales	42,112	38,742	-8%	39,187	-1%			38,068	2%	85,530	76,810	-10%
Other op. income	793	778	-2%	833	-7%			628	24%	2,052	1,406	-31%
Total Income	42,905	39,520	-8%	40,020	-1%	40,555	-3%	38,696	2%	87,582	78,215	-11%
Raw material	12,429	12,865	4%	12,876	0%			12,326	4%	25,148	25,191	0%
Staff cost	7,124	7,250	2%	7,222	0%			7,180	1%	14,155	14,429	2%
Other expense	13,072	10,874	-17%	12,250	-11%			11,506	-5%	24,890	22,381	-10%
EBITDA	10,281	8,531	-17%	7,672	11%	8,704	-2%	7,684	11%	23,389	16,214	-31%
% EBITDA Margin	24.0%	21.6%	-238 bps	19.2%	242 bps			19.9%	173 bps	26.7%	20.7%	-597 bps
% EBITDA Margin (excl. OOI)	22.5%	20.0%	-252 bps	17.5%	256 bps			18.5%	148 bps	24.9%	19.3%	-567 bps
Other income	271	740		360	106%			320	132%	1,097	1,060	
Reported EBITDA	10,552	9,271	-12%	8,032	15%			8,003	16%	24,486	17,274	-29%
% Reported Margin	25.1%	23.9%	-113 bps	20.5%	343 bps			21.0%	291 bps	28.6%	22.5%	-614 bps
Interest expense	263	479		420	14%			439		610	918	
Depreciation	2,112	2,722	29%	2,620	4%			2,605	4%	4,139	5,327	29%
Extraordinary income (expense)	0	0		0				0		0	0	
Profit Before Tax (PBT)	8,177	6,070	-26%	4,992	22%			4,959	22%	19,737	11,029	-44%
Tax	1,589	1,541	-3%	1,348	14%			1,368	13%	4,324	2,909	-33%
% Tax rate	19%	25%		27%				28%		22%	26%	
JV share	42	39		20				-23		42	17	
Minority interest*	8	19		10				-12		14	7	
Reported PAT	6,622	4,550	-31%	3,654	25%	4,435	3%	3,581	27%	15,441	8,131	-47%
Reported EPS	14.7	10.1	-31%	8.1	24%	10.1	0%	7.9	27%	-34.2	-18.0	-47%

(* positive number represents minority's share of company's profits or company's share of associate profit)

% Cost Ratios	Q2FY17A	Q2FY18A	% YoY	Q2FY18E	% Delta vs JMFe	Q1FY18A	% QoQ	1HFY17	1HFY18	% YoY
Raw Materials	29.0	32.6	359 bps	32.2	38 bps	31.9	70 bps	28.7	32.2	349 bps
Staff cost	16.6	18.3	174 bps	18.0	30 bps	18.6	-21 bps	16.2	18.4	229 bps
Mfg & Other expense	30.5	27.5	-295 bps	30.6	-309 bps	29.7	-222 bps	28.4	28.6	19 bps
Sales Break-up	Q2FY17A	Q2FY18A	% YoY	Q2FY18E	% Delta vs JMFe	Q1FY18A	% QoQ	1HFY17	1HFY18	% YoY
Formulations	39,193	36,092	-8%	36,064	0%	35,275	2%	79,645	71,367	-10%
India	9,958	11,593	16%	11,053	5%	9,324	24%	19,457	20,917	8%
US	19,978	13,611	-32%	14,352	-5%	16,018	-15%	41,864	29,629	-29%
Japan	4,368	5,037	15%	5,059	0%	5,151	-2%	8,626	10,188	18%
Others	4,889	5,851	20%	5,599	4%	4,782	22%	9,698	10,633	10%
API	2,919	2,650	-9%	3,123	-15%	2,793	-5%	5,885	5,443	-8%
Net sales	42,112	38,742	-8%	39,187	-1%	38,068	2%	85,530	76,810	-10%

Source: Company, JM Financial

*Note: Operating margins are not exactly comparable with previous periods since 2QFY18 revenues are net of GST whereas excise duty was part of expenses in previous periods.

Exhibit 2. Lupin's Estimate changes

	FY18E				FY19E				FY20E				Drivers for change
	Old	New	growth	change %	Old	New	growth	change %	Old	New	growth	change %	
US - branded business USD	90	97	24%	8%	99	121	25%	23%	107	146	20%	37%	We expect ramp up of sales in Women's Health franchise driven by Solosec contribution to aid growth FY19 onwards
US - branded business INR % total revenue	5,831 3%	6,341 4%	18%	9%	6,414 3%	7,881 4%	24%	23%	6,927 3%	9,458 5%	20%	37%	
US - generic generic USD	736	581	-41%	-21%	884	720	24%	-19%	1,016	850	18%	-16%	We cut our US generics estimates to account for the erosion in base business on account of buyer consolidation and continuing erosion in the metformin franchise
US - generic generic INR % total revenue	47,872 28%	38,052 24%	-44%	-21%	57,446 30%	46,810 26%	23%	-19%	66,063 31%	55,236 27%	18%	-16%	
Gavis - INR % total revenue	11,121 7%	11,947 7%	23%	7%	13,187 7%	14,182 8%	19%	8%	14,982 7%	15,807 8%	11%	6%	Launch of controlled substances and ramp up of Somerset operations to support double-digit growth
Total US % total revenue	64,824 39%	56,340 36%	-32%	-13%	77,046 40%	68,874 38%	22%	-11%	87,972 41%	80,500 39%	17%	-8%	
Japan - JPY	35,826	35,930	25%	0%	38,334	38,805	8%	1%	40,634	41,521	7%	2%	We expect high single-digit growth going forward
Japan - INR % total revenue	21,496 13%	21,011 13%	16%	-2%	23,000 12%	22,701 12%	8%	-1%	24,380 11%	24,290 12%	7%	0%	
South Africa - INR % total revenue	5,201 3%	5,216 3%	8%	0%	5,721 3%	5,737 3%	10%	0%	6,236 3%	6,254 3%	9%	0%	We expect South Africa to grow at 10%, slightly ahead of the overall market growth.
Others - INR % total revenue	13,330 8%	13,331 8%	15%	0%	14,930 8%	15,197 8%	14%	2%	16,722 8%	17,020 8%	12%	2%	We expect low double-digit growth going forward
India % total revenue	42,163 25%	42,323 27%	11%	0%	47,645 25%	47,825 26%	13%	0%	53,839 25%	54,042 26%	13%	0%	We broadly maintain our domestic growth assumptions at low-teens.
Total API % total revenue	11,952 7%	11,492 7%	1%	-4%	12,550 7%	12,066 7%	5%	-4%	13,177 6%	12,670 6%	5%	-4%	
Total operating revenue	168,028	158,598	-9%	-6%	190,394	181,776	15%	-5%	212,243	204,554	13%	-4%	
Gross profit - margin	114,489 68.1%	107,537 67.8%			131,356 69.0%	125,619 69.1%			146,706 69.1%	141,779 69.3%			Expect gross margins to improve on account of increasing contribution from specialty and complex generics products in outer years.
EBITDA - margin	34,099 20.3%	33,298 21.0%	-26%	-2%	42,837 22.5%	41,616 22.9%	25%	-3%	50,760 23.9%	49,647 24.3%	19%	-2%	We expect controlled R&D expenditure and improving quality of launches to aid margin expansion
PAT (Reported)	17,178	16,410		-4%	22,864	22,046		-4%	27,815	27,107		-3%	We make some housekeeping changes to our D&A and tax assumptions.
EPS(Rs)	38.0	36.3	-36%	-4%	50.6	48.8	34%	-4%	61.6	60.0	23%	-3%	

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement						(INR mn)
Y/E March	FY16A	FY17A	FY18E	FY19E	FY20E	
Net Sales	137,579	171,198	155,414	178,592	201,371	
Sales Growth	9.2%	24.4%	-9.2%	14.9%	12.8%	
Other Operating Income	4,977	3,745	3,184	3,184	3,184	
Total Revenue	142,556	174,943	158,598	181,776	204,554	
Cost of Goods Sold/Op. Exp	43,326	50,014	51,060	56,157	62,775	
Personnel Cost	21,416	28,495	29,068	31,692	35,381	
Other Expenses	40,960	51,502	45,171	52,311	56,751	
EBITDA	36,854	44,931	33,298	41,616	49,647	
EBITDA Margin	25.9%	25.7%	21.0%	22.9%	24.3%	
EBITDA Growth	1.8%	21.9%	-25.9%	25.0%	19.3%	
Depn. & Amort.	4,871	9,122	10,842	11,700	12,858	
EBIT	31,983	35,809	22,456	29,916	36,788	
Other Income	1,901	1,148	1,871	1,877	1,884	
Finance Cost	595	1,525	1,924	1,944	1,967	
PBT before Excep. & Forex	33,289	35,431	22,403	29,849	36,705	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	33,289	35,431	22,403	29,849	36,705	
Taxes	10,593	9,785	5,963	7,743	9,524	
Extraordinary Inc./Loss(-)	0	0	0	0	0	
Assoc. Profit/Min. Int.(-)	88	72	29	60	73	
Reported Net Profit	22,608	25,575	16,411	22,046	27,107	
Adjusted Net Profit	22,607	25,575	16,410	22,046	27,107	
Net Margin	15.9%	14.6%	10.3%	12.1%	13.3%	
Diluted Share Cap. (mn)	452.8	453.0	453.0	453.0	453.0	
Diluted EPS (INR)	49.9	56.5	36.2	48.7	59.8	
Diluted EPS Growth	-6.9%	13.1%	-35.8%	34.3%	23.0%	
Total Dividend + Tax	4,048	4,066	4,077	4,895	4,895	
Dividend Per Share (INR)	7.5	7.5	7.5	9.0	9.0	

Source: Company, JM Financial

Balance Sheet						(INR mn)
Y/E March	FY16A	FY17A	FY18E	FY19E	FY20E	
Shareholders' Fund	111,634	134,976	147,248	164,332	186,471	
Share Capital	901	903	903	903	903	
Reserves & Surplus	110,733	134,073	146,345	163,429	185,567	
Preference Share Capital	0	0	0	0	0	
Minority Interest	321	345	374	434	507	
Total Loans	71,193	79,521	77,893	79,028	77,670	
Def. Tax Liab. / Assets (-)	-92	-1,128	-1,128	-1,128	-1,128	
Total - Equity & Liab.	183,056	213,714	224,388	242,666	263,520	
Net Fixed Assets	114,194	131,660	133,905	135,330	137,190	
Gross Fixed Assets	37,606	55,265	67,953	80,677	94,996	
Intangible Assets	71,727	82,869	83,269	83,669	84,069	
Less: Depn. & Amort.	4,951	13,624	24,466	36,166	49,024	
Capital WIP	9,812	7,150	7,150	7,150	7,150	
Investments	164	21,361	15,220	16,720	18,370	
Current Assets	108,533	107,975	123,244	142,006	163,777	
Inventories	32,737	36,423	33,020	37,845	42,588	
Sundry Debtors	45,488	43,073	45,227	51,837	58,333	
Cash & Bank Balances	7,927	6,818	23,305	30,628	41,156	
Loans & Advances	185	159	190	194	198	
Other Current Assets	22,197	21,502	21,502	21,502	21,502	
Current Liab. & Prov.	39,834	47,282	47,982	51,390	55,817	
Current Liabilities	26,565	35,009	35,550	38,188	41,614	
Provisions & Others	13,269	12,274	12,432	13,202	14,202	
Net Current Assets	68,699	60,693	75,262	90,616	107,960	
Total - Assets	183,056	213,714	224,388	242,666	263,520	

Source: Company, JM Financial

Cash Flow Statement						(INR mn)
Y/E March	FY16A	FY17A	FY18E	FY19E	FY20E	
Profit before Tax	33,289	35,431	22,403	29,849	36,705	
Depn. & Amort.	4,871	9,122	10,842	11,700	12,858	
Net Interest Exp. / Inc. (-)	595	1,525	1,924	1,944	1,967	
Inc (-) / Dec in WCap.	-6,354	-7,586	-9,053	-10,798	-12,876	
Others	-25,631	12,440	10,909	2,701	5,987	
Taxes Paid	-10,593	-9,785	-5,963	-7,743	-9,524	
Operating Cash Flow	-3,824	41,148	31,062	27,652	35,117	
Capex	-58,217	-26,368	-13,088	-13,124	-14,719	
Free Cash Flow	-62,041	14,780	17,975	14,528	20,398	
Inc (-) / Dec in Investments	0	0	0	0	0	
Others	-11,400	1,081	6,141	-1,500	-1,650	
Investing Cash Flow	-69,617	-25,287	-6,947	-14,624	-16,369	
Inc / Dec (-) in Capital	536	427	0	0	0	
Dividend + Tax thereon	-4,055	-4,066	-4,077	-4,895	-4,895	
Inc / Dec (-) in Loans	62,081	9,479	-1,628	1,135	-1,358	
Others	-199	-1,507	-1,924	-1,944	-1,967	
Financing Cash Flow	58,364	4,332	-7,629	-5,705	-8,220	
Inc / Dec (-) in Cash	-15,077	20,193	16,487	7,323	10,528	
Opening Cash Balance	20,951	7,802	27,995	44,481	51,805	
Closing Cash Balance	5,873	27,995	44,481	51,805	62,333	

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY16A	FY17A	FY18E	FY19E	FY20E
Net Margin	15.9%	14.6%	10.3%	12.1%	13.3%
Asset Turnover (x)	1.0	0.8	0.7	0.7	0.8
Leverage Factor (x)	1.5	1.7	1.7	1.6	1.5
RoE	22.6%	20.7%	11.6%	14.2%	15.5%

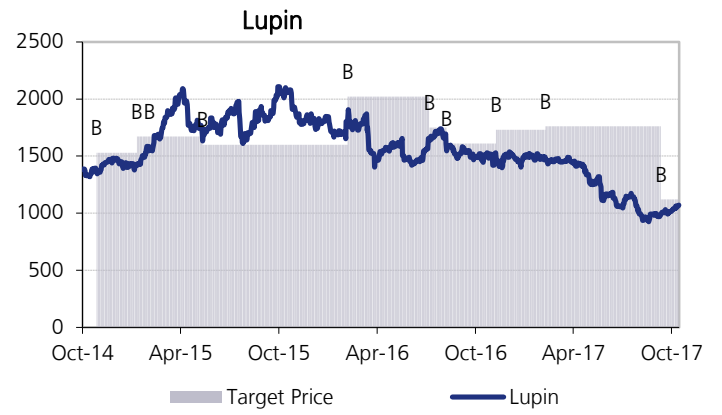
Key Ratios					
Y/E March	FY16A	FY17A	FY18E	FY19E	FY20E
BV/Share (INR)	248.0	299.2	325.9	363.7	412.7
ROIC	17.6%	14.3%	8.8%	11.6%	13.6%
ROE	22.6%	20.7%	11.6%	14.2%	15.5%
Net Debt/Equity (x)	0.6	0.4	0.3	0.2	0.1
P/E (x)	20.5	18.2	28.3	21.1	17.1
P/B (x)	4.1	3.4	3.1	2.8	2.5
EV/EBITDA (x)	14.3	11.5	15.1	11.9	9.7
EV/Sales (x)	3.7	2.9	3.2	2.7	2.4
Debtor days	116	90	104	104	104
Inventory days	84	76	76	76	76
Creditor days	69	73	77	76	77

Source: Company, JM Financial

History of Earnings Estimate and Target Price

Date	FY18E EPS (INR)	% Chg.	FY19E EPS (INR)	% Chg.	Target Price	% Chg.
22-Sep-14					1,530	
29-Oct-14					1,530	0.0
12-Jan-15					1,670	9.2
4-Feb-15					1,670	0.0
14-May-15					1,600	-4.2
8-Feb-16	91.6				2,020	26.3
9-Jul-16	79.1	-13.6	97.4		1,750	-13.4
10-Aug-16	73.2	-7.5	93.4	-4.1	1,610	-8.0
10-Nov-16	70.0	-4.4	87.3	-6.5	1,730	7.5
10-Feb-17	68.1	-2.7	79.9	-8.5	1,760	1.7
13-Sep-17	38.0	-44.2	50.6	-36.7	1,120	-36.4

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U65192MH1995PLC092522

Member of BSE Ltd. and National Stock Exchange of India Ltd. and Metropolitan Stock Exchange of India Ltd.

SEBI Registration Nos.: BSE - INZ010012532, NSE - INZ230012536 and MSEI - INZ260012539, Research Analyst – INH000000610

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 15%. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 15% upside from the current market price.
Sell	Price expected to move downwards by more than 10%

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