

# Aurobindo Pharma

5 June 2020

Reuters: ARBP.NS; Bloomberg: ARBP IN

## Closer to being debt free, preparing for the next leap

Aurobindo Pharma's (APL) 4QFY20 revenue at Rs61,584mn is up 4.5% QoQ and 3.1%/3.7% above our/consensus estimates, respectively. The Formulations business grew by 23.5% YoY and 5.8% QoQ, led by strong performance in Europe (up 12% QoQ). Revenue growth came along with gross margin expansion of 300bps (QoQ), which was driven by low cost inventory and higher realizations (aided by USD/Euro appreciation). Net profit stood at Rs8,498mn, which was 31%/19% above our/consensus estimates. Going forward, executing growth on this base in the near term might be challenging for APL. The company does expect about 50 new launches in the US in FY21, which in our view may add about low single digit growth to the US revenue base. APL has also initiated efforts to build a complex pipeline and invest in inhalers, transdermals, biosimilars and vaccine, which should allow meaningful growth on the current base, but the same should take a few years to materialize. APL should be debt free by the end of FY22 and it would be in a strong position to leverage to buy near term growth.

EBITDA margin at 21.8% was 192bps/140bps above our/consensus estimates, respectively. EBITDA at Rs13,424mn increased by 11.1% QoQ, which was 13% above our estimate and 10.9% above consensus estimate. In FY21, EBITDA margin will see adverse impact from softer 1Q revenue (lower demand on account of COVID19) while gross margin might correct compared to 4QFY20 as inventory cost will rise due to currency appreciation (4Q benefitted from inventory in hand) and higher R&D expenses (guidance of 5.5% of sales vs 4% of sales in FY20). Overall, gross margin is expected to be between 58-59%. Acquired business from Apotex is currently incurring losses and yet to turn around. But, ongoing efforts around cost rationalization will help the operations to turn into black by 2HFY21. This should offset the EBITDA margin decline a bit.

We revise our estimates for FY21 and FY22 considering the FY20 earnings performance, led by Europe and strong growth in dietary supplement (Natrol business) in the US. Based on our revised forecasts, we arrive at a target price of Rs785, which represents a 3% upside from CMP. We recommend an Accumulate rating on the stock and would watch out for any inorganic initiatives that it would pursue to build on the near term growth.

**Asiamoney Brokers Poll 2020:**  
<https://euromoney.com/brokers>

## ACCUMULATE

**Sector:** Pharmaceuticals

**CMP:** Rs759

**Target Price:** Rs785

**Upside:** 3%

**Vishal Manchanda**

Research Analyst

vishal.manchanda@nirmalbang.com

+919737437148

**Gaurang Sakare**

Research Associate

gaurang.sakare@nirmalbang.com

+9122 6273 8093

### Key Data

Current Shares O/S (mn)	585.9
Mkt Cap (Rsbn/US\$bn)	445/5.9
52 Wk H / L (Rs)	791/281
Daily Vol. (3M NSE Avg.)	5,416,202

### Price Performance (%)

	1 M	6 M	1 Yr
Aurobindo Pharma	16.2	67.7	16.2
Nifty Index	7.9	(16.7)	(16.6)

Source: Bloomberg

Y/E March (Rsmn)	4QFY19	3QFY20	4QFY20	YoY (%)	QoQ (%)	FY19	FY20	YoY (%)
<b>Net revenues</b>	<b>52,020</b>	<b>57,994</b>	<b>60,634</b>	<b>16.6</b>	<b>4.6</b>	<b>1,92,259</b>	<b>2,27,380</b>	<b>18.3</b>
Other operating income	902	956	950	5.3	(0.6)	3,376	3,606	6.8
<b>Revenue from operations</b>	<b>52,922</b>	<b>58,950</b>	<b>61,584</b>	<b>16.4</b>	<b>4.5</b>	<b>1,95,635</b>	<b>2,30,985</b>	<b>18.1</b>
Total material costs	23,726	25,650	25,034	5.5	(2.4)	87,127	97,352	11.7
% of revenues	45.6	44.2	41.3	(432) bps	(294) bps	45.3	42.8	(250) bps
Staff costs	7,135	7,978	8,643	21.1	8.3	25,849	32,192	24.5
% of revenues	13.7	13.8	14.3	54 bps	50 bps	13.4	14.2	71 bps
R&D expenses	2,313	2,532	2,389	3.3	(5.6)	8,731	9,580	9.7
% of revenues	4.4	4.3	3.9	(49) bps	(42) bps	4.5	4.1	(32) bps
Other expenses	9,145	10,710	12,094	32.2	12.9	34,410	43,218	25.6
% of revenues	17.6	18.5	19.9	237 bps	148 bps	17.9	19.0	111 bps
<b>EBITDA</b>	<b>10,603</b>	<b>12,080</b>	<b>13,424</b>	<b>26.6</b>	<b>11.1</b>	<b>39,519</b>	<b>48,643</b>	<b>23.1</b>
<b>EBITDA margin (%)</b>	<b>20.0</b>	<b>20.5</b>	<b>21.8</b>	<b>176 bps</b>	<b>131 bps</b>	<b>20.2</b>	<b>21.1</b>	<b>86 bps</b>
Other income	323	220	326	1.0	48.2	1,157	862	(25.5)
Interest costs	501	371	318	(36.4)	(14.2)	1,627	1,598	(1.8)
Depreciation	1,866	2,501	2,324	24.5	(7.1)	6,680	9,667	44.7
Forex (gain)/loss	28	(89)	262	0.0	0.0	603	397	(34.1)
<b>PBT before exceptional items</b>	<b>8,530</b>	<b>9,517</b>	<b>10,846</b>	<b>27.1</b>	<b>14.0</b>	<b>31,767</b>	<b>37,843</b>	<b>19.1</b>
Exceptional items	(362)	(129)	123	0.0	0.0	-881	(261)	0.0
Share of profit in JV	(5)	(6)	(193)	3,613.5	-	27	(152)	(661.9)
Tax	2,311	2,329	2,285	(1.1)	(1.9)	7,269	9,135	25.7
Tax rate (%)	27	24	21	(602) bps	(340) bps	23	24	126 bps
Minority Interest	(2)	1	8	(625.0)	500.0	(1)	13	-
<b>Reported PAT post MI</b>	<b>5,851</b>	<b>7,055</b>	<b>8,498</b>	<b>45.3</b>	<b>20.5</b>	<b>23,644</b>	<b>28,308</b>	<b>19.7</b>
<b>PAT margin (%)</b>	<b>11.1</b>	<b>12.0</b>	<b>13.8</b>	<b>274 bps</b>	<b>183 bps</b>	<b>12.1</b>	<b>12.3</b>	<b>17 bps</b>

Source: Company, Nirmal Bang Institutional Equities Research

Please refer to the disclaimer towards the end of the document.

**Exhibit 1: Key financials**

Y/E March (Rsmn)	FY18	FY19	FY20	FY21E	FY22E
Net sales	1,64,998	1,95,636	2,30,985	2,39,816	2,46,267
EBITDA	37,885	39,519	48,643	49,992	50,850
Net profit	24,232	23,647	28,310	29,977	30,677
EPS (Rs)	41.4	40.4	48.3	51.2	52.4
EPS growth (%)	5.3	(2.4)	19.7	5.9	2.3
EBITDA margin (%)	23.0	20.2	21.1	20.8	20.6
PER (x)	14.3	19.6	15.7	14.8	14.5
P/BV (x)	3.0	3.3	2.6	2.3	2.0
EV/EBITDA (x)	9.0	11.3	8.6	7.9	7.2
RoCE (%)	28.1	20.9	23.0	21.2	18.8
RoE (%)	20.7	17.0	16.9	15.3	13.6

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 2: Actual performance versus our estimate and Bloomberg consensus estimate**

(Rsmn)	Actual	NBIE	Var.(%)	Consensus	Var.(%)
Revenues	61,584	59,734	3.1	59,376	3.7
EBITDA	13,424	11,876	13.0	12,102	10.9
EBITDA margin (%)	21.8	19.9	192 bps	20.4	140 bps
PAT	8,498	6,452	31.7	7,086	19.9
PAT margin (%)	13.8	10.8	300 bps	11.9	187 bps

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 3: Revised Estimates**

Rsmn	New estimates		Old estimates		Change (%)	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Net sales	2,39,816	2,46,267	2,35,167	2,43,826	2.0	1.0
EBITDA	49,992	50,850	47,259	47,973	5.8	6.0
Margin (%)	20.8	20.6	20.1	19.7	75 bps	97 bps
PAT	29,977	30,677	26,485	28,047	13.2	9.4
Margin	12.5	12.5	11.3	11.5	124 bps	95 bps
EPS	51.2	52.4	45.3	47.9	13.0	9.2

Source: Company, Nirmal Bang Institutional Equities Research

## Earnings conference-call summary

**Capex:** Net organic capex stood at US\$37mn during the quarter. The company expects to incur US\$150 - US\$200mn capex in FY21.

**Debt:** Net debt decreased by US\$87mn during 4QFY20 to US\$359mn at the end of the year. On a full year basis, the net debt decreased by US\$369mn. The average cost of debt was around 2.1% as the company is availing multiple currency loans. The company expects to be debt free by FY22.

**Gross margin:** Improvement in product mix and inventory effect were the primary reasons for the 294bps margin expansion QoQ. The inventory effect was that the company's inventory was converted to INR at lower exchange rate whereas the sales were converted at a depreciated value. Going forward, the gross margin is expected to be in the range of 58%.

**The US business:** The company has launched 34 products in FY20. The management has guided for launch of 50-60 products in FY21 (including injectables), of which 25 have already been approved. The company's prescription share is 9% in the US.

**Europe business:** The European business has showed healthy growth and is doing double digit EBITDA margin. The Apotex business is incurring negative EBITDA margin. However, the lower contribution from the Apotex business doesn't affect the overall EBITDA margin in Europe.

**Regulatory Update:** The company is working with the USFDA to resolve the OAI status in Unit VII. The company had an interaction with the USFDA in April and has submitted the completed CAPA a day back. Unit I, IX, and XI were expected to be audited in 1Q under normal circumstances. However, under the current circumstances the company may request the USFDA for a desktop review.

**R&D:** The R&D cost for 4QFY20 stood at Rs2,389mn, which was 3.9% of revenue. The management has guided that R&D expense in FY21 will be 5.5% of revenue compared to 4% in FY20. The higher spend is towards clinical trials of differentiated portfolio and biosimilars' products.

**Price Erosion:** The management is expecting below normal price erosion of less than 5%.

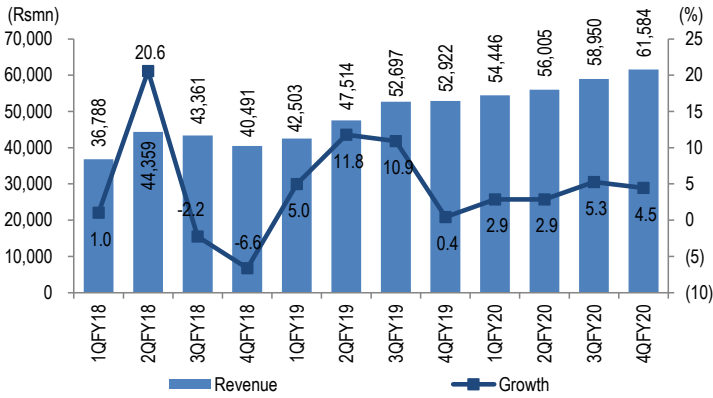
**Pipeline:** The company currently has 8 inhalers in the pipeline, of which 6 are MDI and 2 are DPI. The company is also developing 8 transdermal patches.

**Biosimilars:** The company is focusing on 5 biosimilars. It plans to file 2 products by the end of FY21. It has overall portfolio of 14 biosimilars. It has invested Rs4,000mn to Rs5,000mn so far in biosimilars.

**China:** The company plans to build a plant in China as it will speed up the approvals. The management has guided that the company will not be restricted to tender business but will also be selling through other channels.

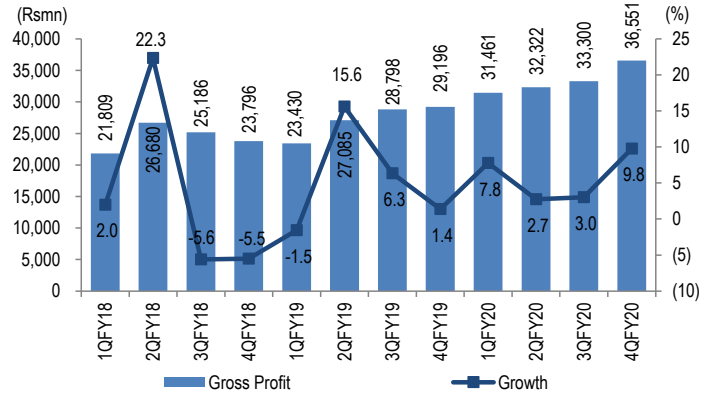
**Injectable:** The revenue was US\$59mn against the run rate of US\$70-75mn. The decline was due to decline in elective surgeries leading to lower volume and pricing pressure.

**Exhibit 4: Revenue and growth trend**



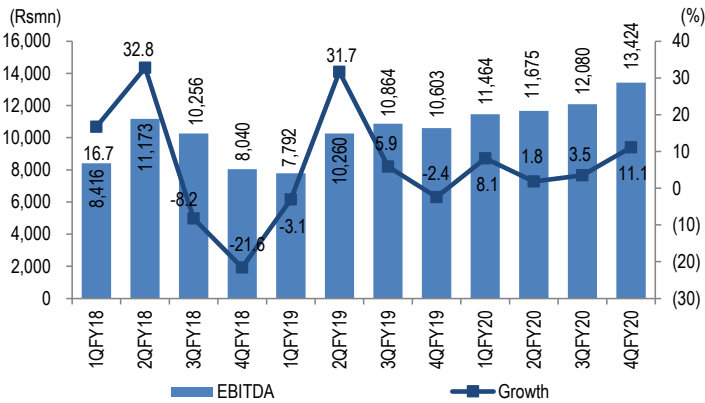
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 5: Gross profit and growth trend**



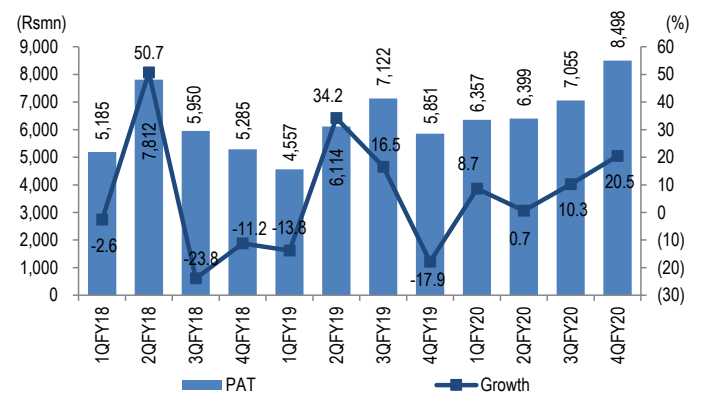
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 6: EBITDA and growth trend**



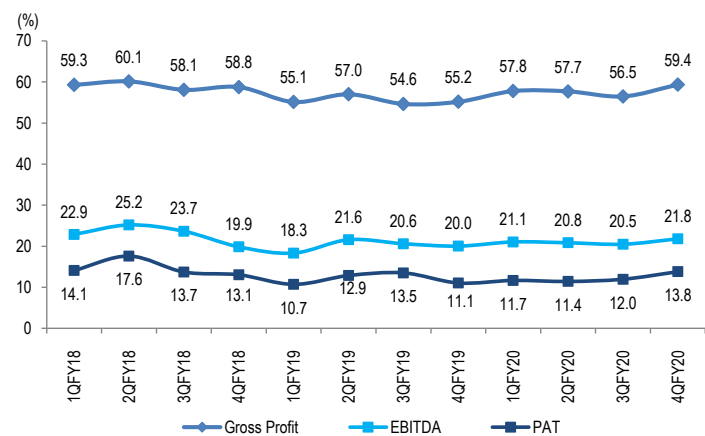
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 7: PAT and growth trend**



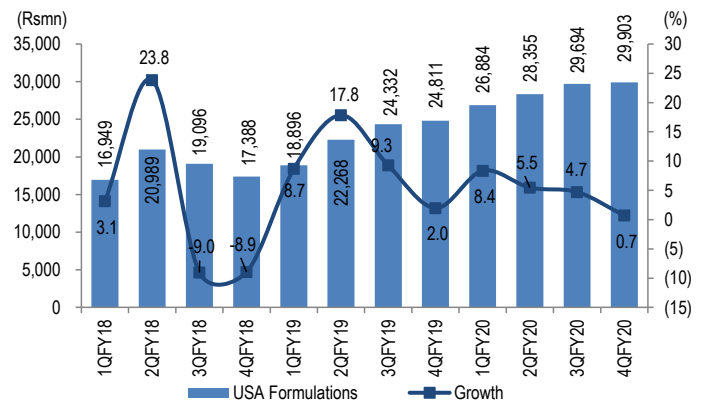
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 8: Margin trend**



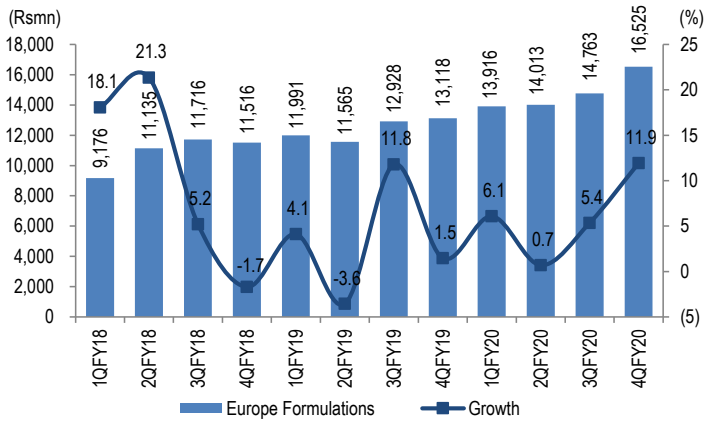
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 9: USA formulations revenue and growth trend**



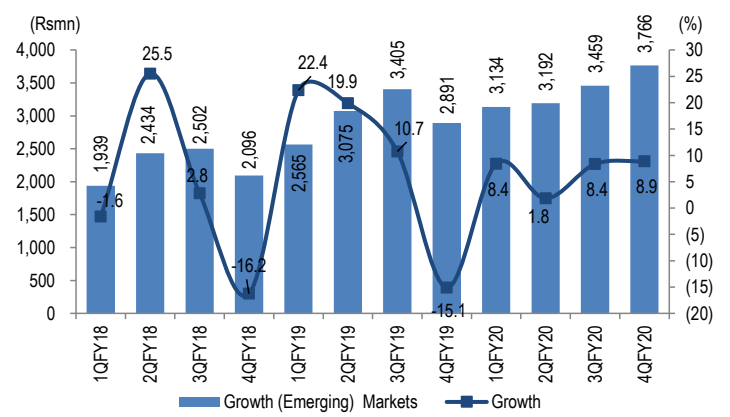
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 10: Europe revenue and growth trend**



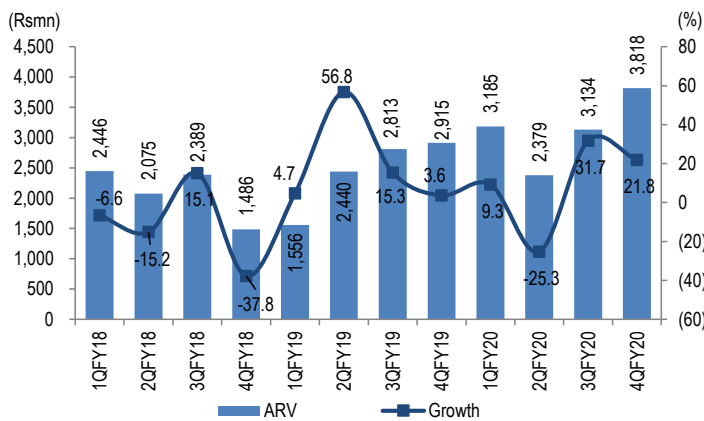
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 11: Emerging Markets revenue and growth trend**



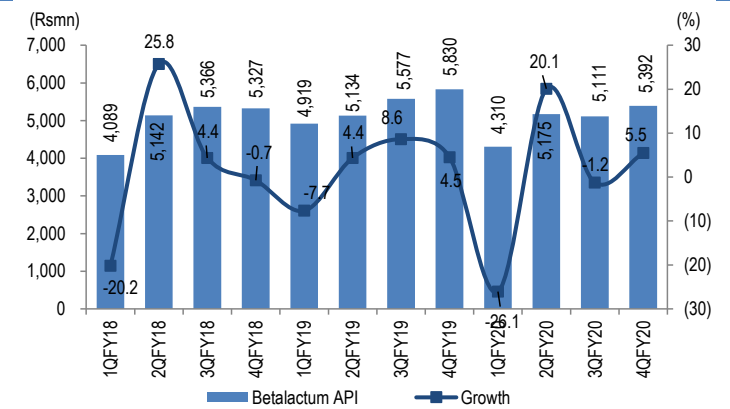
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 12: ARV revenue and growth trend**



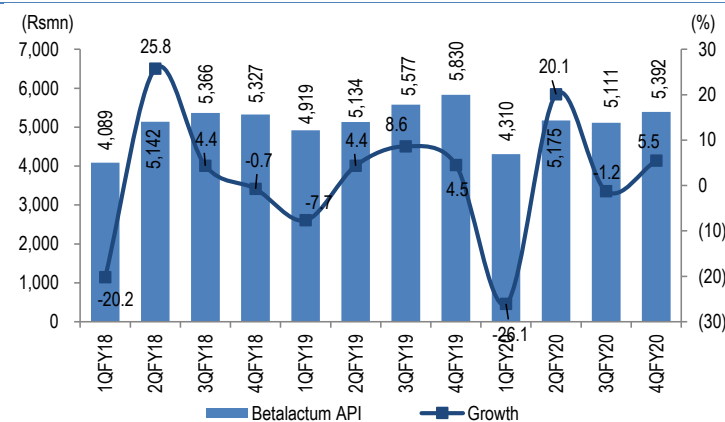
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 13: Betalactum API revenue and growth trend**



Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 14: Non-Betalactum API revenue and growth trend**



Source: Company, Nirmal Bang Institutional Equities Research

**Financial statement**
**Exhibit 15: Income statement**

Y/E March (Rsmn)	FY 18	FY 19	FY 20E	FY 21E	FY 22E
<b>Net sales</b>	<b>164,998</b>	<b>195,636</b>	<b>230,985</b>	<b>239,816</b>	<b>246,267</b>
% growth	9.3	18.6	18.1	3.8	2.7
Raw material costs	67,527	87,126	97,352	100,093	102,677
Staff costs	21,308	25,849	32,192	32,332	34,272
R&D expenses	6,665	8,716	9,580	13,190	13,545
Other expenditure	31,612	34,425	43,218	44,209	44,923
Total expenditure	127,113	156,116	182,342	189,824	195,417
<b>EBITDA</b>	<b>37,885</b>	<b>39,519</b>	<b>48,643</b>	<b>49,992</b>	<b>50,850</b>
% growth	10.3	4.3	23.1	2.8	1.7
EBITDA margin (%)	23.0	20.2	21.1	20.8	20.6
Other income	1,020	1,157	862	1,110	1,500
Interest costs	777	1,627	1,598	1,300	1,100
<b>Gross profit</b>	<b>97,471</b>	<b>108,509</b>	<b>133,633</b>	<b>139,723</b>	<b>143,589</b>
% growth	12.6	11.3	23.2	4.6	2.8
Depreciation	5,580	6,680	9,667	10,182	10,704
<b>Profit before tax &amp; Except. Items</b>	<b>32,381</b>	<b>31,767</b>	<b>37,843</b>	<b>39,620</b>	<b>40,546</b>
Exceptional Items	0	(881)	(261)	0	0
<b>Profit before tax</b>	<b>32,381</b>	<b>30,887</b>	<b>37,582</b>	<b>39,620</b>	<b>40,546</b>
% growth	6.0	(1.9)	19.1	4.7	2.3
Tax	8,183	7,269	9,135	9,678	9,904
Effective tax rate (%)	25.3	22.9	24.1	24.4	24.4
<b>Net profit before MI and Associates</b>	<b>24,198</b>	<b>23,618</b>	<b>28,447</b>	<b>29,942</b>	<b>30,642</b>
Share of MI and Associates	34.0	29.3	(137.1)	35.0	35.0
<b>PAT after share of MI and associates</b>	<b>24,232</b>	<b>23,647</b>	<b>28,310</b>	<b>29,977</b>	<b>30,677</b>
% growth	5.4	(2.4)	20.4	5.3	2.3
EPS (Rs)	41.4	40.4	48.3	51.2	52.4
% growth	5.3	(2.4)	19.7	5.9	2.3

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 17: Balance sheet**

Y/E March (Rsmn)	FY18	FY19	FY20	FY21E	FY22E
Equity	586	586	586	586	586
Reserves	1,16,218	1,38,322	1,67,518	1,95,736	2,24,654
Net worth	1,16,804	1,38,908	1,68,104	1,96,322	2,25,240
Minority Interest	18	16	1	1	1
Net deferred tax liabilities	2,353	2,813	3,025	3,025	3,025
Total Loans	44,825	67,532	54,223	59,687	61,250
Other Non Current Liabilities	559	802	4,266	4,266	4,266
<b>Liabilities</b>	<b>1,64,559</b>	<b>2,10,070</b>	<b>2,29,619</b>	<b>2,63,301</b>	<b>2,93,782</b>
Net Block	47,366	56,937	64,948	78,328	81,626
CWIP	13,995	13,419	16,218	15,415	11,414
Intangible Assets & Goodwill	19,676	31,077	32,658	32,658	32,658
Other Non Current Assets	8,136	9,776	11,314	11,314	11,314
Inventories	58,584	72,456	76,999	86,837	89,079
Debtors	30,844	34,150	43,152	45,567	46,792
Cash	12,616	19,572	28,422	47,641	77,088
Other current assets	19,835	27,157	15,553	15,553	15,553
Total current assets	1,21,879	1,53,335	1,64,125	1,95,599	2,28,513
Creditors	26,274	25,522	25,450	38,945	39,951
Other current liabilities	20,218	28,952	34,195	31,068	31,791
Total current liabilities	46,492	54,474	59,644	70,013	71,742
Net current assets	75,386	98,861	1,04,481	1,25,585	1,56,771
<b>Total assets</b>	<b>1,64,560</b>	<b>2,10,070</b>	<b>2,29,619</b>	<b>2,63,301</b>	<b>2,93,782</b>

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 16: Cash flow**

Y/E March (Rsmn)	FY18	FY19	FY20	FY21E	FY22E
EBIT	33,189	32,540	39,028	40,955	41,681
(Inc.)/dec. in working capital	(12,872)	(16,520)	3,230	(1,885)	(1,738)
<b>Cash flow from operations</b>	<b>20,318</b>	<b>16,021</b>	<b>42,258</b>	<b>39,070</b>	<b>39,943</b>
Other income	(1,020)	(1,157)	(862)	(1,110)	(1,500)
Other expenses	1,860	1,341	(50)	-	-
Depreciation	5,580	6,680	9,667	10,182	10,704
Tax paid (-)	(8,183)	(7,269)	(9,135)	(9,678)	(9,904)
<b>Net cash from operations</b>	<b>18,554</b>	<b>15,616</b>	<b>41,879</b>	<b>38,464</b>	<b>39,243</b>
Capital expenditure (-)	(23,698)	(27,076)	(22,058)	(22,759)	(10,000)
<b>Net cash after capex</b>	<b>(5,144)</b>	<b>(11,460)</b>	<b>19,821</b>	<b>15,705</b>	<b>29,243</b>
<b>Other investment activities</b>	<b>398</b>	<b>(483)</b>	<b>(677)</b>	<b>1,110</b>	<b>1,500</b>
<b>Cash from financial activities</b>	<b>12,228</b>	<b>18,898</b>	<b>(10,294)</b>	<b>2,405</b>	<b>(1,296)</b>
Opening cash balance	5,135	12,616	19,572	28,422	47,641
Closing cash balance	12,616	19,572	28,422	47,641	77,088
Change in cash balance	7,482	6,956	8,850	19,220	29,447

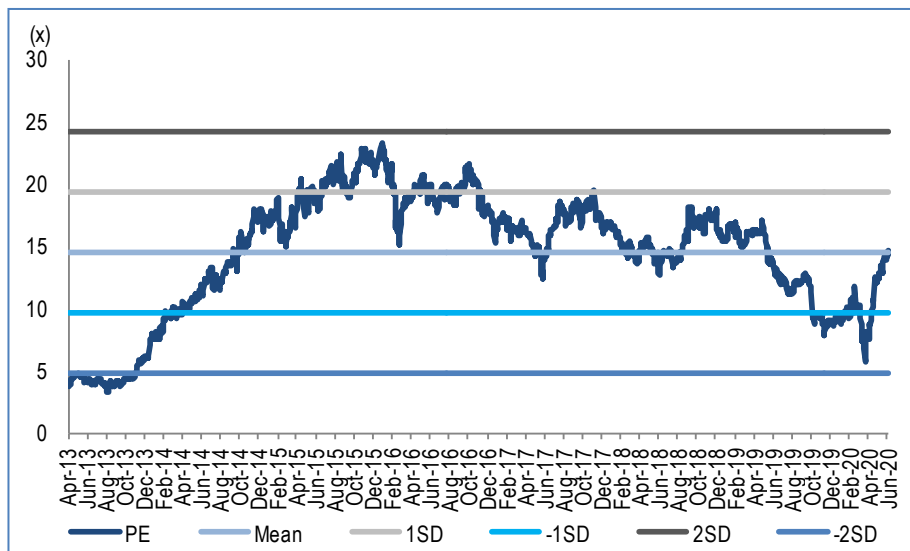
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 18: Key ratios**

Y/E March	FY18	FY19	FY20	FY21E	FY22E
<b>Profitability &amp; return ratios</b>					
EBITDA margin (%)	23.0	20.2	21.1	20.8	20.6
EBIT margin (%)	20.1	16.6	16.9	17.1	16.9
Net profit margin (%)	14.7	12.1	12.5	12.5	12.4
RoE (%)	20.7	17.0	17.2	15.3	13.6
RoCE (%)	28.1	20.9	23.0	21.2	18.8
<b>Working capital &amp; liquidity ratios</b>					
Receivables (days)	65	61	61	68	68
Inventory (days)	275	274	280	299	313
Payables (days)	129	108	96	117	140
Current ratio (x)	2.6	2.8	2.8	2.8	3.2
Quick ratio (x)	1.4	1.5	1.5	1.6	1.9
<b>Valuation ratios</b>					
EV/sales (x)	2.1	2.3	1.5	1.4	1.2
EV/EBITDA (x)	9.0	11.3	7.2	6.6	5.9
P/E (x)	14.3	19.6	13.3	12.6	12.3
P/BV (x)	3.0	3.3	2.2	1.9	1.7

Source: Company, Nirmal Bang Institutional Equities Research



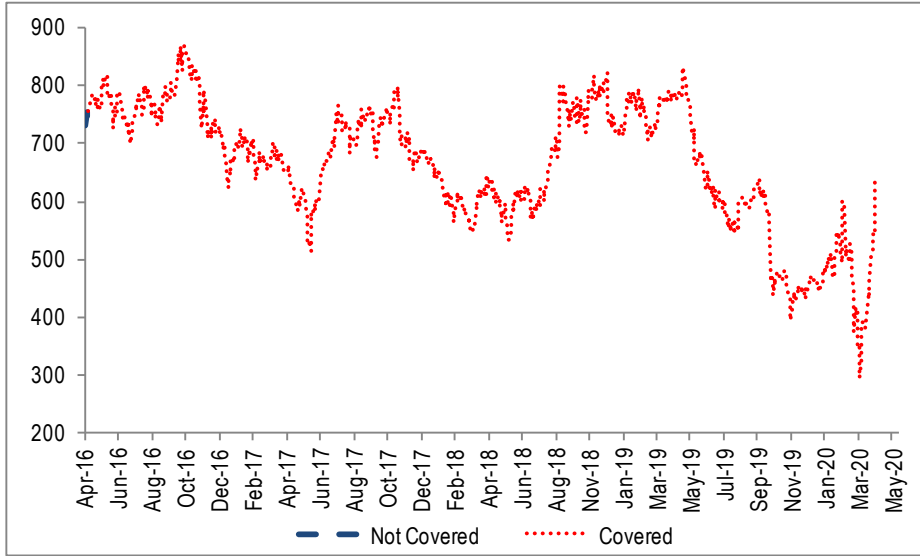
**P/E Chart**


Source: BSE, Company, Nirmal Bang Institutional Equities Research

**Rating track**

Date	Rating	Market price (Rs)	Target price (Rs)
7 April 2016	Buy	746	894
31 May 2016	Buy	754	900
24 August 2016	Buy	737	900
17 November 2016	Buy	714	920
10 February 2017	Buy	679	920
31 May 2017	Buy	580	704
29 June 2017	Accumulate	675	704
19 July 2017	Accumulate	778	819
10 August 2017	Buy	685	819
10 November 2017	Accumulate	789	818
8 February 2017	Buy	616	792
13 August 2018	Buy	610	764
13 November 2018	Accumulate	775	864
11 February 2019	Accumulate	761	866
5 April 2019	Accumulate	782	867
30 May 2019	Buy	692	868
8 August 2019	Buy	555	868
23 September 2019	Buy	619	876
9 October 2019	Buy	474	761
13 November 2019	Buy	438	756
10 February 2020	Buy	542	756
27 March 2020	Buy	361	527
3 April 2020	Buy	392	484
22 April 2020	Accumulate	644	719
23 April 2020	Accumulate	642	719
5 June 2020	Accumulate	759	785

**Rating track graph**





**DISCLOSURES**

This Report is published by Nirmal Bang Equities Private Limited (hereinafter referred to as “NBEPL”) for private circulation. NBEPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001436. NBEPL is also a registered Stock Broker with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments.

NBEPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBEPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBEPL, its associates or analyst or his relatives do not hold any financial interest in the subject company. NBEPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBEPL or its associates or Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBEPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBEPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company and NBEPL / analyst has not been engaged in market making activity of the subject company.

**Analyst Certification:** I, Vishal Manchanda, research analyst and Gaurang Sakare, Research Associate the author of this report, hereby certify that the views expressed in this research report accurately reflects my personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst is principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

## Disclaimer

### Stock Ratings Absolute Returns

BUY > 15%

ACCUMULATE -5% to 15%

SELL < -5%

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. NBEPL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of NBEPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NBEPL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBEPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBEPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NBEPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. NBEPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBEPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBEPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither NBEPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

Copyright of this document vests exclusively with NBEPL.

Our reports are also available on our website [www.nirmalbang.com](http://www.nirmalbang.com)

**Access all our reports on Bloomberg, Thomson Reuters and Factset.**

Team Details:			
Name		Email Id	Direct Line
Rahul Arora	CEO	rahul.arora@nirmalbang.com	-
Girish Pai	Head of Research	girish.pai@nirmalbang.com	+91 22 6273 8017 / 18
Dealing			
Ravi Jagtiani	Dealing Desk	ravi.jagtiani@nirmalbang.com	+91 22 6273 8230, +91 22 6636 8833
Michael Pillai	Dealing Desk	michael.pillai@nirmalbang.com	+91 22 6273 8102/8103, +91 22 6636 8830

## Nirmal Bang Equities Pvt. Ltd.

### Correspondence Address

B-2, 301/302, Marathon Innova,  
 Nr. Peninsula Corporate Park,  
 Lower Parel (W), Mumbai-400013.

Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010