

# Ipca Laboratories

Estimate change



TP change



Rating change



Bloomberg	IPCA IN
Equity Shares (m)	254
M.Cap.(INRb)/(USDb)	349.2 / 4
52-Week Range (INR)	1758 / 1168
1, 6, 12 Rel. Per (%)	-2/-9/-1
12M Avg Val (INR M)	584

## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	89.4	97.2	108.0
EBITDA	17.3	18.0	22.4
Adjusted PAT	9.1	10.4	12.9
EBIT Margin (%)	14.9	14.3	16.7
Cons. Adj EPS (INR)	36.0	41.1	51.0
EPS Gr. (%)	44.8	14.2	24.2
BV/Sh. (INR)	273.9	308.8	352.1

## Ratios

Net D-E	0.1	0.1	0.0
RoE (%)	13.7	14.1	15.4
RoCE (%)	13.2	12.4	14.2
Payout (%)	11.2	12.3	15.8

## Valuation

P/E (x)	38.2	33.5	27.0
EV/EBITDA (x)	20.3	19.5	15.7
Div. Yield (%)	0.3	0.4	0.6
FCF Yield (%)	1.3	1.4	3.0
EV/Sales (x)	3.9	3.6	3.2

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	44.7	44.7	46.3
DII	36.2	36.1	33.8
FII	10.7	10.8	10.9
Others	8.4	8.5	9.1

FII Includes depository receipts

**CMP: INR1,377**

**TP: INR1,610 (+17%)**

**Buy**

## DF strength intact; Unichem drag weighs on 1QFY26 performance

### Growth revival measures in place across key geographies

- Ipca Laboratories (IPCA) delivered lower-than-expected 1QFY26 performance with a miss on revenue/EBITDA/PAT by 3%/15%/18%, largely due to an inferior show by Unichem for the quarter. This was further fueled by subdued sales growth in branded formulation exports and a decline in domestic API sales.
- That said, Unichem is working to revive sales through new launches in the US/EU markets. IPKA is also in the process of building a product pipeline from its own site for the US market.
- The domestic formulation (DF) business remains a strong backbone for IPKA, delivering better-than-industry growth in 1QFY26. The company is not only working on enhancing its portfolio but has also restructured its cardiology division to support superior growth.
- The lack of global funding has been impacting the institutional anti-malaria business.
- We reduce our earnings estimates by 2%/4% for FY26/FY27, factoring in: a) disruption of the Unichem business in Asia/Africa/Brazil, b) some delay in the US business from IPKA's own site, and c) some hiccup in the DF segment on account of restructuring. We value IPKA 30x 12M forward earnings to arrive at a TP of INR1,610.
- IPKA is implementing geography-specific measures to improve growth prospects, such as: a) the addition of MRs in select therapies in DF, b) strengthening its product pipeline for the US/other export markets, and c) implementing synergy measures while integrating the Unichem business. Accordingly, we estimate a 10%/14%/19% CAGR in sales/EBITDA/PAT for FY25-27. Reiterate BUY.

### Segmental mix benefit offset by higher opex on YoY basis

- IPKA's 1QFY26 sales grew 10.3% YoY to INR23b (our est: INR23.7b).
- Formulation sales increased 11% YoY to INR14b (62% of sales).
- DF sales grew 10% YoY to INR9.6b (42% of total sales). Exports formulation sales grew 13.7% YoY to INR4.4b (20% of total sales).
- API sales grew 13% YoY to INR3.3b (14% of sales). Domestic API sales grew 18% YoY to INR760m (23% of API sales). Export API sales grew 28% YoY to INR2.5b (77% of API sales).
- Revenue from subsidiaries grew 7% YoY to INR5.6b (24% of sales).
- Gross margin (GM) expanded 80bp YoY to 70% due to a superior product mix/lower RM costs.
- However, EBITDA margin contracted 70bp YoY to 18% (our est: 20.7%), as higher GM was offset by higher opex (other expenses up 130bp YoY as % of sales).
- EBITDA grew 6% YoY to INR4.2b (our est: INR4.9b).
- PAT grew 21% YoY to INR2.3b (our estimate: INR2.8b).

### Highlights from the management commentary

- IPCA guided for 9-10% YoY revenue growth in FY26. EBITDA margin is expected to improve gradually by 70-75bp YoY in FY26.
- Unichem lost market share in four products due to competition, while its business was also impacted in Asia/Africa/Brazil. Additionally, a provision of INR120m was made in 1QFY26 due to currency fluctuation. The closure of the Ireland facility further led to an expense of INR100m.
- IPCA restructured its cardiovascular division and added 400MRs, which temporarily impacted business in this therapy during 1QFY26. However, this is expected to improve going forward.
- The company expects about 3-4% addition in the field force on an annual basis over the next 3-5 years, largely for chronic therapies.
- IPCA has filed one product with the USFDA, and 15-16 products are under various stages of development.

### Quarterly Performance

Y/E March	FY25				FY26				FY25	FY26E	FY26E 1QE	(INRm) % Chg
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Net Revenues (Core)</b>	<b>20,926</b>	<b>23,549</b>	<b>22,454</b>	<b>22,467</b>	<b>23,089</b>	<b>25,130</b>	<b>24,802</b>	<b>24,185</b>	<b>89,396</b>	<b>97,205</b>	<b>23,720</b>	<b>-2.7</b>
YoY Change (%)	31.8	15.8	9.4	10.5	10.3	6.7	10.5	7.6	16.0	8.7	13.4	
<b>EBITDA</b>	<b>3,927</b>	<b>4,425</b>	<b>4,631</b>	<b>4,289</b>	<b>4,164</b>	<b>4,649</b>	<b>4,687</b>	<b>4,498</b>	<b>17,271</b>	<b>17,999</b>	<b>4,910</b>	<b>-15.2</b>
YoY Change (%)	33.5	22.7	39.9	33.2	6.0	5.1	1.2	4.9	32.1	4.2	25.0	
Margins (%)	18.8	18.8	20.6	19.1	18.0	18.5	18.9	18.6	19.3	18.5	20.7	
Depreciation	989	1,004	985	1,001	1,001	1,063	1,049	1,023	3,978	4,135	981	
<b>EBIT</b>	<b>2,938</b>	<b>3,421</b>	<b>3,646</b>	<b>3,287</b>	<b>3,164</b>	<b>3,586</b>	<b>3,638</b>	<b>3,476</b>	<b>13,293</b>	<b>13,864</b>	<b>3,929</b>	<b>-19.5</b>
YoY Change (%)	30.7	26.6	57.5	46.9	7.7	4.8	-0.2	5.7	39.9	4.3	33.7	
Margins (%)	14.0	14.5	16.2	14.6	13.7	14.3	14.7	14.4	14.9	14.3	16.6	
Interest	241	226	168	215	185	131	131	131	849	580	131	
Other Income	206	263	201	258	327	350	376	390	928	1,443	238	
<b>PBT before EO Expense</b>	<b>2,904</b>	<b>3,458</b>	<b>3,679</b>	<b>3,331</b>	<b>3,305</b>	<b>3,805</b>	<b>3,883</b>	<b>3,734</b>	<b>13,372</b>	<b>14,727</b>	<b>4,035</b>	
One-off (gain)/ Expense	0	0	0	2,051	0	0	0	0	2,051	0	0	
<b>PBT after EO Expense</b>	<b>2,904</b>	<b>3,458</b>	<b>3,679</b>	<b>1,280</b>	<b>3,305</b>	<b>3,805</b>	<b>3,883</b>	<b>3,734</b>	<b>11,321</b>	<b>14,727</b>	<b>4,035</b>	
Tax	914	994	906	622	961	1,119	1,149	1,120	3,436	4,349	1,211	
Rate (%)	31.5	28.7	24.6	48.6	29.1	29.4	29.6	30.0	25.7	29.5	30.0	
<b>Reported PAT</b>	<b>1,990</b>	<b>2,464</b>	<b>2,773</b>	<b>658</b>	<b>2,344</b>	<b>2,686</b>	<b>2,734</b>	<b>2,614</b>	<b>7,885</b>	<b>10,378</b>	<b>2,825</b>	<b>-17.0</b>
Minority Interest	-67	-160	-292	20	-12	16	19	20	-499	43	12	
<b>Adj PAT after Minority Int</b>	<b>1,922</b>	<b>2,305</b>	<b>2,481</b>	<b>2,418</b>	<b>2,332</b>	<b>2,702</b>	<b>2,753</b>	<b>2,634</b>	<b>9,127</b>	<b>10,421</b>	<b>2,837</b>	<b>-17.8</b>
YoY Change (%)	24.9	36.4	122.5	23.4	21.3	17.2	10.9	8.9	44.8	14.2	47.6	
Margins (%)	9.2	9.8	11.1	10.8	10.1	10.8	11.1	10.9	10.2	10.7	12.0	

### Key Performance Indicators

Y/E March	FY25				FY26				FY25	FY26E	FY26E 1QE
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
<b>INRm</b>											
Domestic formulations	8,734	9,405	8,772	7,641	9,610	10,515	9,789	8,596	34,551	38,510	9,721
YoY Change (%)	11.6	11.3	12.5	10.8	10.0	11.8	11.6	12.5	11.5	12.0	11.3
Exports formulations	3,954	5,415	4,582	5,235	4,496	5,123	5,362	5,637	19,186	20,619	4,969
YoY Change (%)	-0.6	15.0	5.8	10.5	13.7	-5.4	17.0	7.7	8.1	7.5	25.7
API sales	2,880	3,186	3,179	3,414	3,263	3,580	3,688	3,833	12,658	14,364	3,260
YoY Change (%)	-2.4	-4.9	11.6	2.1	13.3	12.4	16.0	12.3	1.3	13.5	13.2
<b>Cost Break-up</b>											
RM Cost (% of Sales)	30.8	32.2	29.8	31.5	30.0	30.5	30.0	31.0	31.1	30.4	30.7
Staff Cost (% of Sales)	23.3	21.7	21.6	22.3	23.5	23.0	23.2	22.7	22.2	23.1	21.6
Other Cost (% of Sales)	27.2	27.4	28.0	27.1	28.5	28.0	27.9	27.7	27.4	28.0	27.0
Gross Margins(%)	69.2	67.8	70.2	68.5	70.0	69.5	70.0	69.0	68.9	69.6	69.3
EBITDA Margins(%)	18.8	18.8	20.6	19.1	18.0	18.5	18.9	18.6	19.3	18.5	20.7
EBIT Margins(%)	14.0	14.5	16.2	14.6	13.7	14.3	14.7	14.4	14.9	14.3	16.6



## Highlights from the management commentary

- API prices are now stable, and the outlook is gradually improving.
- IPCA witnessed 15% YoY growth in chronic therapies vs 9.9% YoY growth exhibited by IPM.
- IPCA witnessed 9.8% YoY growth in acute therapies vs 6.8% YoY growth exhibited by IPM.
- IPCA delivered 13% YoY growth in pain therapy for 1QFY26.
- The institutional business is expected to remain stable due to a lack of global funding.
- GM expansion is largely due to the product mix.
- Onyx reported a loss due to limited projects as a result of inadequate funding from big pharma/smaller innovators.

## Strategic measures in place to drive growth in focus markets

### DF: Chronic focus; volume uptick propels DF momentum

- IPCA delivered 10% YoY growth in 1QFY26, after delivering 12% YoY growth in FY25.
- Therapy-wise, IPCA exhibited strong YoY growth in the antineoplast/immunomodulator and gastro-intestinal segments for the quarter. The pain-analgesic/cardiac segment were steady; however, derma/anti-infectives dragged overall YoY growth to some extent.
- Interestingly, temporary disruptions in the cardiology therapy, driven by the restructuring of the division and addition of MRs, affected YoY growth to some extent for the quarter.
- IPCA has largely been in line with the industry in 1QFY26. That said, chronic therapies grew 15% YoY vs 9.9% YoY growth for the industry in 1QFY26, according to IMS.
- IPCA remains one of the leading company, where considerable portion of domestic formulation growth is driven by volume. Almost 5% YoY growth has been attributed to volume growth for the past 12M.
- There has been consistent efforts toward improving the share of metro cities in the overall DF segment. There is also a focus to enhance the share of chronic therapies in the overall portfolio. Interestingly, if rheumatoid arthritis is clubbed under chronic, given the medicine in-take is for a prolonged period of time, the overall chronic share is greater than IPM.
- We expect a 12.2% sales CAGR in the DF segment to INR43.5b over FY25-27.

### Exports: growth driven by generics/API/Unichem's US sales for the quarter

- In 1QFY26, IPCA's exports sales stood at INR7b, up 18% YoY. Specifically, formulation sales grew 13.7% YoY to INR4.5b (64% of exports) and API sales stood at INR2.5b, up 28% YoY (36% of exports) for 1QFY26.
- Within formulation sales, generics grew 19% YoY to INR2.7b and branded generics grew 9.6% YoY to INR1.3b. The institutional anti-malaria business came in at INR580m, stable YoY for 1QFY26.
- Despite increased competition, Unichem delivered 12% YoY growth in the US market in 1QFY26. Unichem continues to progress well in the EU market with 37% YoY growth in sales for the quarter. This was offset by a muted show in other geographies like Asia, Africa and Brazil.

- Subsidiary sales grew 7% YoY to INR5.6b, primarily led by Unichem.
- With a significant reduction in the overlap of R&D, Unichem is also developing its product pipeline independently.
- Considering a gradual revival in IPCA sales for the US market, we expect some moderation in the branded generics business and disruption in Unichem's performance.
- Accordingly, we expect the overall export formulations (including Unichem) business to clock a 8.5% sales CAGR, reaching INR60b over FY25-27.

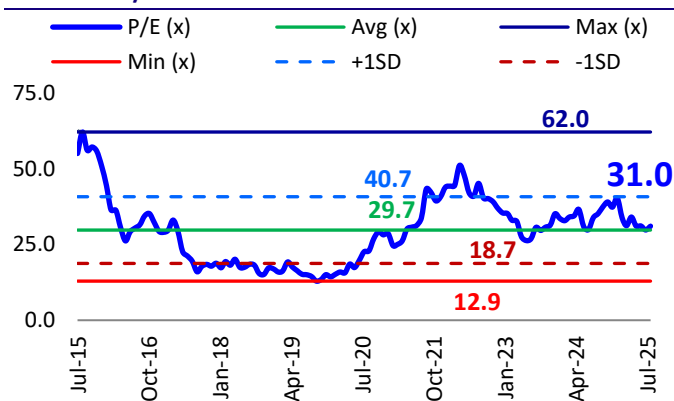
#### API: Exports-led volume gains help stabilize sales amid pricing pressure

- The API segment has been undergoing a challenging time, with sales on a declining trend for past three years.
- The industry has been facing pricing pressure due to excess inventory in the channel. The demand remains stable.
- Considering this backdrop, IPCA's performance of stable YoY sales in FY25 and 1QFY26 business is quite comforting.
- In fact, IPCA delivered 13% YoY growth in API sales, backed by strong exports for the quarter.
- IPCA continues to optimize the cost of production to maintain market share and gain traction in newer products.
- Accordingly, we expect 10.5% sales CAGR over FY25-27 to reach INR15.5b.

#### Valuation and view

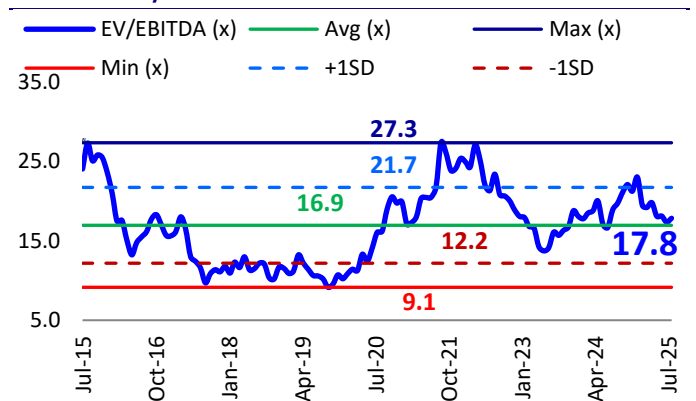
- We reduce our earnings estimate by 2%/4% for FY26/FY27, factoring in: a) disruption of the Unichem business in Asia/Africa/Brazil, b) some delay in the US business from IPCA's own site, and c) some hiccup in the DF segment on account of restructuring. We value IPCA 30x 12M forward earnings to arrive at a TP of INR1,610.
- IPCA is implementing geography-specific measures to improve growth prospects, such as: a) adding MRs in select therapies in DF, b) strengthening the product pipeline for the US/other exports market, and c) implementing synergy measures while integrating the Unichem business. Accordingly, we estimate 10%/14%/19% CAGR in sales/EBITDA/PAT for FY25-27. Reiterate BUY.

**Exhibit 1: P/E chart**



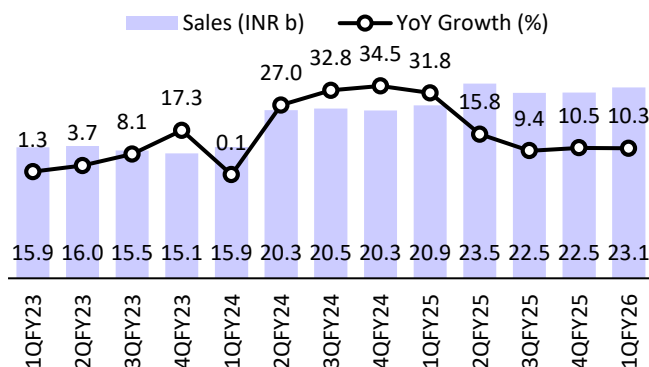
Source: MOFSL, Company, and Bloomberg

**Exhibit 2: EV/EBITDA chart**

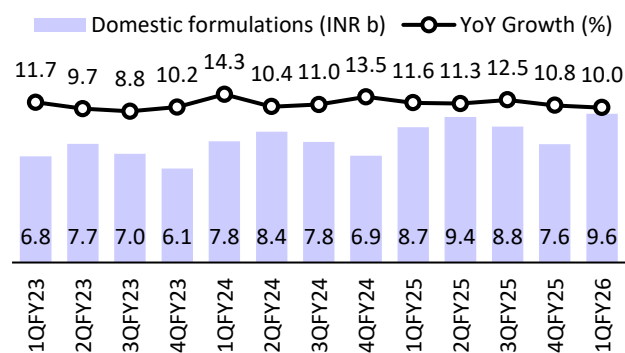


Source: MOFSL, Company, and Bloomberg

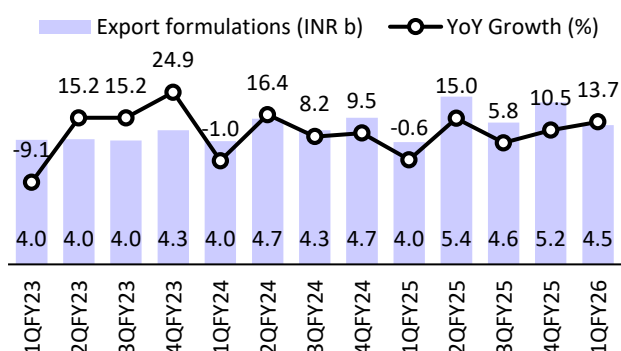
## Story in charts

**Exhibit 3: Total sales grew 10.3% YoY in 1QFY26**


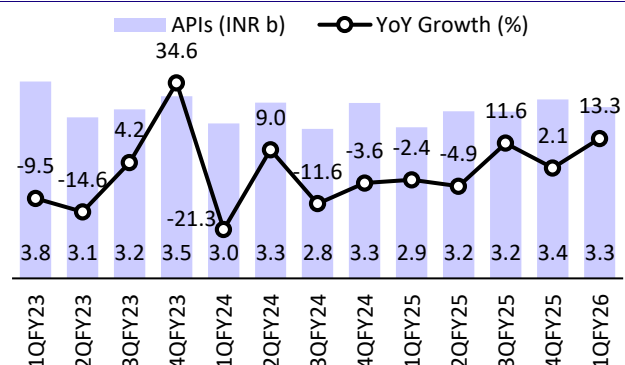
Source: Company, MOFSL

**Exhibit 4: DF sales grew 10% YoY in 1QFY26**


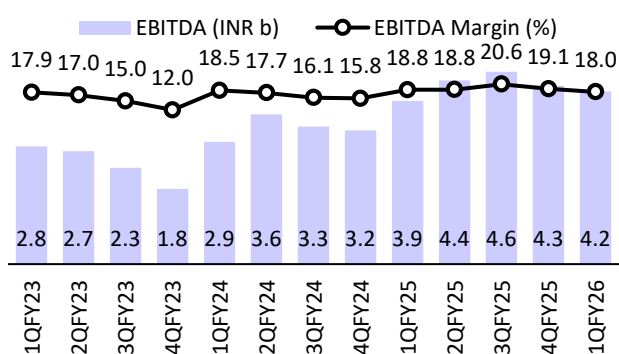
Source: Company, MOFSL

**Exhibit 5: Export formulation sales rose 13.7% YoY**


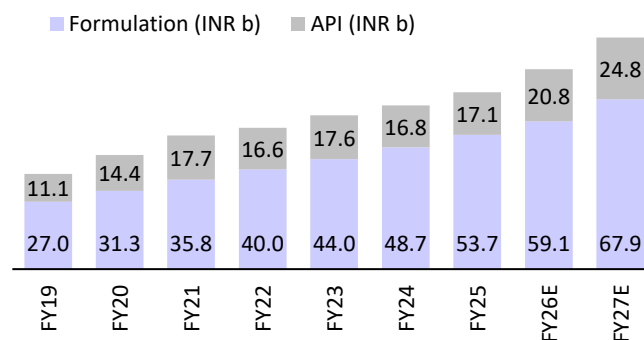
Source: Company, MOFSL

**Exhibit 6: API sales increased 13.3% YoY in 4QFY25**


Source: Company, MOFSL

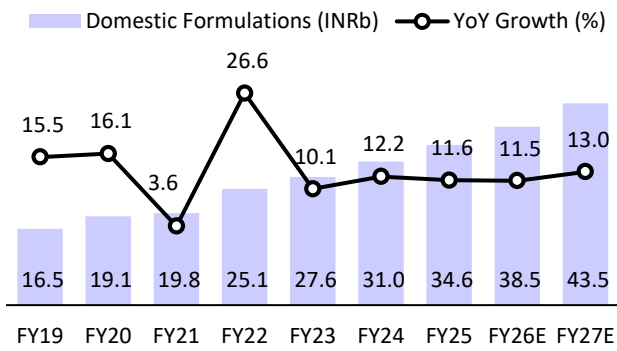
**Exhibit 7: EBITDA margin contracted 70bp YoY in 1QFY26**


Source: Company, MOFSL

**Exhibit 8: Expect 12% sales CAGR over FY25-27**


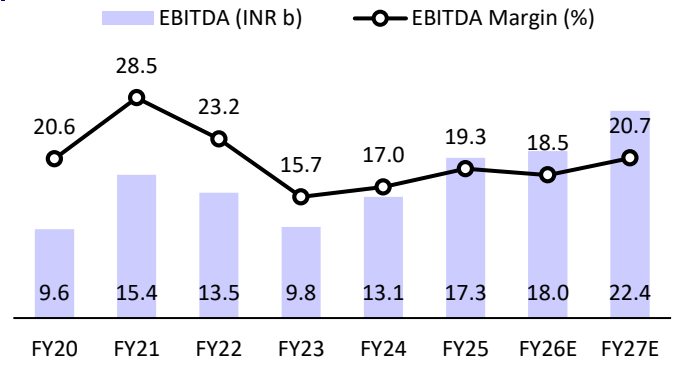
Source: Company, MOFSL

**Exhibit 9: Expect 13% DF sales CAGR over FY25-27**



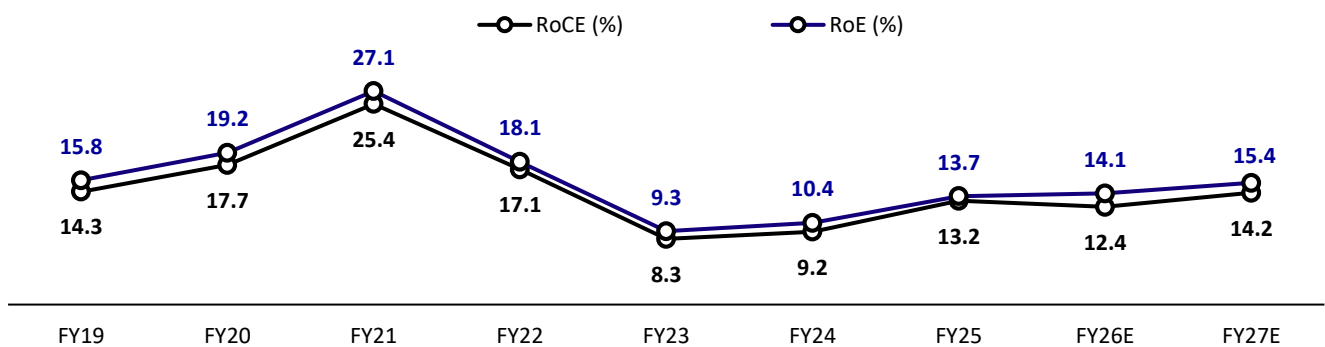
Source: Company, MOFSL

**Exhibit 10: Expect margin to expand over FY25-27**



Source: Company, MOFSL

**Exhibit 11: Expect return ratios to gradually improve over FY25-27**



Source: Company, MOFSL

## Financials and valuations

Income Statement									(INRm)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Net Revenues</b>	<b>37,732</b>	<b>46,487</b>	<b>54,200</b>	<b>58,298</b>	<b>62,569</b>	<b>77,074</b>	<b>89,396</b>	<b>97,205</b>	<b>1,08,037</b>
Change (%)	14.9	23.2	16.6	7.6	7.3	23.2	16.0	8.7	11.1
<b>EBITDA</b>	<b>7,170</b>	<b>9,580</b>	<b>15,444</b>	<b>13,509</b>	<b>9,812</b>	<b>13,076</b>	<b>17,271</b>	<b>17,999</b>	<b>22,364</b>
Change (%)	57.7	33.6	61.2	-12.5	-27.4	33.3	32.1	4.2	24.2
Margin (%)	19.0	20.6	28.5	23.2	15.7	17.0	19.3	18.5	20.7
Depreciation	1,824	2,105	2,092	2,324	2,616	3,572	3,978	4,135	4,325
<b>EBIT</b>	<b>5,346</b>	<b>7,475</b>	<b>13,352</b>	<b>11,184</b>	<b>7,197</b>	<b>9,503</b>	<b>13,293</b>	<b>13,864</b>	<b>18,039</b>
Int. and Finance Charges	189	165	90	77	455	1,383	849	580	497
Other Income - Rec.	483	578	457	666	1,151	1,075	928	1,443	1,550
<b>PBT before EO Expense</b>	<b>5,640</b>	<b>7,888</b>	<b>13,719</b>	<b>11,773</b>	<b>7,892</b>	<b>9,195</b>	<b>13,372</b>	<b>14,727</b>	<b>19,092</b>
EO Expense/(Income)	157	445	-171	416	314	769	2,051	0	0
<b>PBT after EO Expense</b>	<b>5,483</b>	<b>7,442</b>	<b>13,890</b>	<b>11,357</b>	<b>7,579</b>	<b>8,426</b>	<b>11,321</b>	<b>14,727</b>	<b>19,092</b>
Tax	1,042	1,353	2,401	2,248	2,532	3,135	3,436	4,349	5,804
Tax Rate (%)	18.5	17.2	17.5	19.1	32.1	34.1	25.7	29.5	30.4
<b>Reported PAT</b>	<b>4,441</b>	<b>6,090</b>	<b>11,488</b>	<b>9,110</b>	<b>5,047</b>	<b>5,291</b>	<b>7,885</b>	<b>10,377</b>	<b>13,287</b>
Less: Minority Interest	18	78	91	269	-206	984	499	-43	350
<b>Net Profit</b>	<b>4,423</b>	<b>6,012</b>	<b>11,398</b>	<b>8,841</b>	<b>5,253</b>	<b>4,307</b>	<b>7,387</b>	<b>10,420</b>	<b>12,937</b>
<b>Adj PAT</b>	<b>4,580</b>	<b>6,485</b>	<b>11,255</b>	<b>9,218</b>	<b>5,275</b>	<b>6,304</b>	<b>9,127</b>	<b>10,420</b>	<b>12,937</b>
Adj PAT growth (%)	91.3	41.6	73.6	-18.1	-42.8	19.5	44.8	14.2	24.2

Balance Sheet									(INRm)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	252	252	254	254	254	254	254	254	254
Total Reserves	30,971	35,903	46,763	54,666	58,167	63,068	69,231	78,088	89,085
<b>Net Worth</b>	<b>31,224</b>	<b>36,275</b>	<b>47,017</b>	<b>54,920</b>	<b>58,420</b>	<b>63,322</b>	<b>69,485</b>	<b>78,342</b>	<b>89,339</b>
Deferred liabilities+A55:Z80	1457	1398	1316	1506	1856	3062	2781	2781	3162
Total Loans	3,505	4,328	1,988	8,027	14,746	14,274	13,526	12,768	12,085
<b>Capital Employed</b>	<b>36,342</b>	<b>42,137</b>	<b>50,466</b>	<b>65,222</b>	<b>75,755</b>	<b>94,607</b>	<b>1,00,189</b>	<b>1,08,288</b>	<b>1,18,985</b>
Gross Block	26,657	30,268	31,872	37,647	43,601	65,195	66,306	70,306	73,306
Less: Accum. Deprn.	6,951	9,056	11,148	13,472	16,088	19,660	23,638	27,774	32,098
<b>Net Fixed Assets</b>	<b>19,706</b>	<b>21,212</b>	<b>20,724</b>	<b>24,175</b>	<b>27,514</b>	<b>45,535</b>	<b>42,668</b>	<b>42,533</b>	<b>41,208</b>
Capital WIP	361	708	2,348	3,064	1,404	3,429	6,218	6,218	6,218
Investments	1,204	2,719	4,711	9,892	6,260	8,620	9,797	9,797	9,797
<b>Curr. Assets</b>	<b>24,217</b>	<b>27,939</b>	<b>32,881</b>	<b>39,237</b>	<b>51,051</b>	<b>53,386</b>	<b>58,753</b>	<b>65,986</b>	<b>81,298</b>
Inventory	10,725	13,231	15,948	18,580	17,434	24,713	25,604	28,762	32,855
Account Receivables	6,815	8,952	8,118	9,108	9,890	16,865	18,738	20,773	23,679
Cash and Bank Balance	2,823	1,809	3,651	6,407	18,532	2,968	3,442	5,303	12,373
Loans & Advances	3,854	3,947	5,164	5,143	5,194	8,840	10,969	11,148	12,391
<b>Curr. Liability &amp; Prov.</b>	<b>9,147</b>	<b>10,441</b>	<b>10,198</b>	<b>11,147</b>	<b>10,473</b>	<b>16,364</b>	<b>17,247</b>	<b>16,245</b>	<b>19,535</b>
Account Payables	8,190	9,182	8,781	9,704	8,923	13,050	13,592	14,381	17,463
Provisions	957	1,259	1,417	1,443	1,550	3,314	3,655	1,864	2,072
<b>Net Current Assets</b>	<b>15,070</b>	<b>17,498</b>	<b>22,682</b>	<b>28,091</b>	<b>40,577</b>	<b>37,022</b>	<b>41,506</b>	<b>49,741</b>	<b>61,762</b>
<b>Appl. of Funds</b>	<b>36,342</b>	<b>42,137</b>	<b>50,466</b>	<b>65,222</b>	<b>75,755</b>	<b>94,607</b>	<b>1,00,189</b>	<b>1,08,288</b>	<b>1,18,985</b>



## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Adj. EPS (INR)</b>	<b>18.1</b>	<b>25.6</b>	<b>44.4</b>	<b>36.3</b>	<b>20.8</b>	<b>24.9</b>	<b>36.0</b>	<b>41.1</b>	<b>51.0</b>
Cash EPS	24.8	32.2	53.2	44.0	31.0	31.1	44.8	57.4	68.0
BV/Share	123.7	143.2	185.3	216.5	230.3	249.6	273.9	308.8	352.1
DPS	3.0	5.0	8.1	8.1	4.0	4.0	4.0	5.0	8.1
Payout (%)	16.8	19.7	18.2	22.2	19.4	16.2	11.2	12.3	15.8
<b>Valuation (x)</b>									
P/E	76.2	53.8	31.0	37.9	66.2	55.4	38.2	33.5	27.0
P/BV	11.1	9.6	7.4	6.4	6.0	5.5	5.0	4.5	3.9
EV/Sales	9.3	7.5	6.5	6.0	5.6	4.6	3.9	3.6	3.2
EV/EBITDA	48.9	36.6	22.7	26.0	35.7	26.8	20.3	19.5	15.7
Dividend Yield (%)	0.2	0.4	0.6	0.6	0.3	0.3	0.3	0.4	0.6
<b>Return Ratios (%)</b>									
RoE	15.8	19.2	27.1	18.1	9.3	10.4	13.7	14.1	15.4
RoCE	14.3	17.7	25.4	17.1	8.3	9.2	13.2	12.4	14.2
RoIC	14.0	18.0	28.7	21.1	10.2	9.7	12.3	11.7	14.1
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	1.9	2.3	2.6	2.6	2.4	2.1	2.0	2.3	2.6
Debtor (Days)	65	70	54	56	58	80	77	78	80
Inventory (Days)	104	104	107	116	102	117	105	108	111
Working Capital Turnover (Days)	118	123	128	136	129	161	155	167	167
<b>Leverage Ratio (x)</b>									
Interest Cover Ratio	28.3	45.3	147.7	145.4	15.8	6.9	15.7	23.9	36.3
Debt/Equity	0.0	0.1	0.0	0.0	-0.1	0.2	0.1	0.1	0.0

### Cash Flow Statement

(INRM)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Oper. Profit/(Loss) before Tax	7,170	9,580	15,444	13,509	9,812	13,076	17,271	17,999	22,364
Interest/Dividends Recd.	483	578	457	666	1,151	1,075	928	1,443	1,550
Direct Taxes Paid	-1,165	-1,412	-2,484	-2,058	-2,181	-1,928	-3,718	-4,349	-5,422
(Inc)/Dec in WC	-1,686	-3,442	-3,343	-2,652	-361	-12,009	-4,010	-6,374	-4,952
<b>CF from Operations</b>	<b>4,803</b>	<b>5,304</b>	<b>10,075</b>	<b>9,464</b>	<b>8,421</b>	<b>213</b>	<b>10,471</b>	<b>8,719</b>	<b>13,540</b>
Others	365	784							
EO Expense / (Income)	157	445	-171	416	314	769	2,051	0	0
<b>CF from Oper. incl EO Exp.</b>	<b>5,010</b>	<b>5,643</b>	<b>10,246</b>	<b>9,048</b>	<b>8,107</b>	<b>-556</b>	<b>8,421</b>	<b>8,719</b>	<b>13,540</b>
(inc)/dec in FA	-1,632	-3,958	-3,244	-6,491	-4,294	-23,618	-3,900	-4,000	-3,000
<b>Free Cash Flow</b>	<b>3,379</b>	<b>1,685</b>	<b>7,002</b>	<b>2,557</b>	<b>3,813</b>	<b>-24,174</b>	<b>4,521</b>	<b>4,719</b>	<b>10,540</b>
(Pur)/Sale of Investments	-336	-1,515	-1,992	-5,181	3,632	-2,360	-1,177	0	0
Others	317	376	0	0	0	0	0	0	0
<b>CF from Investments</b>	<b>-1,651</b>	<b>-5,097</b>	<b>-5,236</b>	<b>-11,672</b>	<b>-662</b>	<b>-25,979</b>	<b>-5,077</b>	<b>-4,000</b>	<b>-3,000</b>
Issue of shares	0	0	1	0	0	0	0	0	0
(Inc)/Dec in Debt	-1,070	804	-2,331	6,663	6,683	12,743	-298	-758	-683
Interest Paid	-189	-165	-90	-77	-455	-1,383	-849	-580	-497
Dividend Paid	-761	-1,269	-2,030	-2,030	-1,015	-1,015	-1,015	-1,269	-2,030
Others	188	-675	1,281	306	-532	719	-831	1,561	1,168
<b>CF from Fin. Activity</b>	<b>-1,832</b>	<b>-1,305</b>	<b>-3,169</b>	<b>4,863</b>	<b>4,681</b>	<b>11,065</b>	<b>-2,993</b>	<b>-1,046</b>	<b>-2,041</b>
<b>Inc/Dec of Cash</b>	<b>1,528</b>	<b>-758</b>	<b>1,841</b>	<b>2,238</b>	<b>12,126</b>	<b>-15,470</b>	<b>351</b>	<b>3,673</b>	<b>8,499</b>
Add: Beginning Balance	2,181	3,709	2,954	4,795	7,033	19,159	2,969	3,442	5,303
Forex/ Business acquisition	0	3	0	0	0	0	0	0	0
<b>Closing Balance</b>	<b>3,709</b>	<b>2,954</b>	<b>4,795</b>	<b>7,033</b>	<b>19,159</b>	<b>3,690</b>	<b>3,319</b>	<b>7,116</b>	<b>13,802</b>
Bank balances / Mutual fund (gain)/ loss	-886	-1,145	-1,145	-627	-627	-721	123	1,813	1,429
<b>Closing Balance</b>	<b>2,823</b>	<b>1,809</b>	<b>3,650</b>	<b>6,407</b>	<b>18,533</b>	<b>2,969</b>	<b>3,442</b>	<b>5,303</b>	<b>12,373</b>

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

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Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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