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Growth augmentation through capacity expansion and market penetration

CMP: INR 220
Target Price: INR 338
Rating: BUY

Stock Info

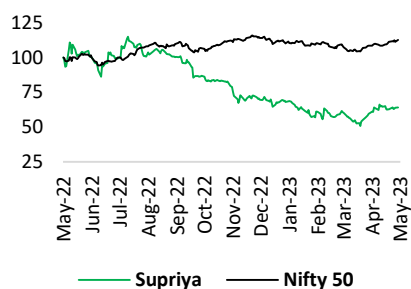
BSE	543434
NSE	SUPRIYA
Bloomberg	SUPRIYA:IN
Reuters	SUPRIYA.BO
Sector	Pharmaceutical
Face Value (INR)	2
Equity Capital (INR Mn)	322
Mkt Cap (INR Mn)	17,304
52w H/L (INR)	457 / 170
Avg. Yearly Volume (in 000')	250

Shareholding Pattern %

(As on March, 2023)

Promoters	68.28
DII's	7.65
FII's	5.65
Others	18.42

Supriya Lifescience Vs Nifty



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Supriya Lifescience Ltd. is engaged in the business of active pharmaceutical ingredients and exports are the dominant revenue contributor. It has manufacturing facilities in Maharashtra and the capabilities are certified by global health regulators for the purpose of exports. Factoring in its market leadership in Active Pharmaceutical Ingredients and ability to tap upcoming opportunities in the industry, we initiate coverage on Supriya Lifesciences Ltd.

Growth through capacity augmentation

The main plant facility of the company is located at Lote Parshuram, Maharashtra. The production capability is segregated in accordance with different therapies. Presently, the plants are running at full capacity. It is working on a new manufacturing block (E-Block) in the existing premises with capacity of 340 KL to replace old block with 145 KL capacity. The company has also acquired plot at Ambernath and is setting up manufacturing block with capacity of 70 KL along with new R&D facility with Pilot plant. Resultantly, the total capacity will increase from 597 KL to 900 KL by the fourth quarter of FY24.

Penetration into newer geographies

More than two-third of overall revenues is contributed by export markets. The company has presence in more than 86 countries and is doing business with more than 1,200 customers. It is further targeting regulated markets, which offer higher margins and value-addition. The regulatory team is registering products and filing DMFs (Drug Master File) in the regulated markets. The sales team is also in discussion with new customers to qualify Supriya as source and started sending samples and supplying APIs (Active Pharmaceutical Ingredients) for their validation of products. The major markets being targeted include North America, Japan, Australia and New Zealand. Overall, the effort will facilitate increased sales post production enhancement with better margins.

Opportunities in CMO/CDMO

Leveraging its experience in chemical manufacturing and handling hazardous complex process chemistry, the company is seeking opportunities in the CMO/CDMO space. It has initiated discussion with various companies in the global pharmaceutical space and innovator entities to work as a partner for supplying products as per their needs. Currently, work in progress on 5 projects including developing process in the laboratory for these projects. In addition, the new capacity being set-up in Ambernath will assist in pursuing more and more CMO/CDMO opportunities.

Leadership position in key therapeutic molecules

It is a major Indian manufacturer and supplier of active pharmaceutical ingredients (APIs) and is the largest exporter of Chlorpheniramine Maleate and Ketamine Hydrochloride from India. The latter has a strong demand in regulated markets of Europe and America and is a key molecule in the anaesthetic segment. Additionally, it is amongst the largest exporter of Salbutamol Sulphate, which has application in the respiratory therapy. The company has leveraged its strong presence in these molecules to build a robust client base and will continue to harness upcoming opportunities with other clients.

Valuation & Outlook

Supriya Lifesciences Ltd. is a market leader in anti-histamine and anti analgesic segment with robust product portfolio. It has a diversified market for exporting these products. Additionally, it is ramping up its capacity to increase supply and meet demand for these Active Pharmaceutical Ingredients (APIs). It is also leveraging its clientele to enter into contract research and manufacturing and is in the process of receiving some major contracts from clients. Factoring in the above growth drivers, we have a positive view on the company. We value the company at 15x its FY26E EPS of INR 22.6 and arrive at a Target Price of INR 338 per share. Accordingly, we have a Buy Rating on the stock.

Investment Rationale

□ Growth through capacity augmentation

The company has four manufacturing blocks, which are segregated in terms of therapy. The premise include Research & Development (R&D), quality assurance, dedicated areas for engineering maintenance, warehouse, materials and finished goods. It initiated construction of a new warehouse and administration block, with new quality control and assurance laboratory.

It acquired a plot of land, measuring 12,551 square metre, near the present manufacturing facility for future growth. It has also acquired another plot of land, measuring about 24,646 square metres for backward integration. This upcoming facility is located about 20 km from the present manufacturing facility.

Supriya Lifescience has purchased another plot of land near Patalganga, which measures about 80,000 square metres.

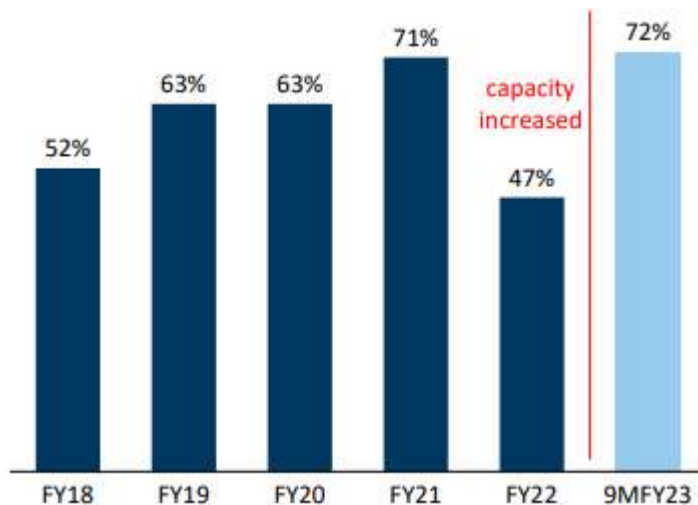
Manufacturing Facilities – Regulatory Approval and Operational Ramp-Up

	Block A	Block B	Block C	Block D
Year of Establishment	1993	1994	2014	2021
Capacities	157 KL	195 KL	30 KL	215 KL
Regulatory Approved	Yes	Yes	Yes	Yes

(Source: Company filings, Aриhant Research)

It is steadily ramping up its capacity utilization and optimum capacity utilization would be around 75% - 80%. in exports to continue in FY23.

Capacity Utilization – Ramp Up



(Source: Company filings, Aриhant Research)

❑ Penetration into newer geographies

Export is a major revenue contributor for the company. It has presence in more than 86 countries across the globe.



The company is targeting the regulated markets of North America, which is largely untapped. It is seen strong demand traction in the particular geography.

For anaesthetic therapy, 3 ANDA projects have been initiated and the company is also working on ANDA projects for Anti Hypertensive and Vitamins.

❑ Opportunities in CMO/CDMO

It has initiated the process of setting up of enhanced Research & Development (R&D) facility.

- a. At Lote Parshuram to cater to lifecycle management and further backward integration projects. This will be operational by Q4FY23.
- b. At Ambernath to cater to new molecules and CMO/CDMO business. This will be operational by Q2FY24.

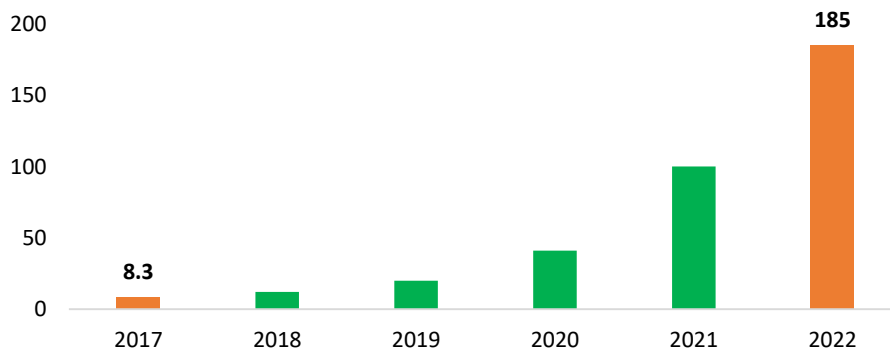
These centres will help to develop identified APIs (Active Pharmaceutical Ingredients), which will complement the existing product profile.

Further controlled drugs portfolio to be expanded, identification of potential APIs (Active Pharmaceutical Ingredients) have been done which are in development pipeline, also evaluating product portfolio expansion by selecting products in anti-diabetic and CNS (Central Nervous System) range.

❑ Market Leadership in Ketamine Hydrochloride

It is the leading exporter of Ketamine Hydrochloride from India. Europe and America are the major markets of this drug API. Recently, one of its competitor based in Europe, is facing some quality issue, which can facilitate additional market share to Supriya Lifescience. Also, upcoming therapy in psychiatry is likely to be a major growth driver for Ketamine Hydrochloride. The below chart presents the growing opportunity in this segment.

Revenue from U.S. Ketamine Treatments 2017 - 2022 (USD, Mn)



Source: Wall Street Journal, Arihant Research

in INR Mn	FY21	FY22	FY23E	FY24E	FY25E	FY26E
Revenue	3,912	5,300	4,592	5,602	7,122	8,922
EBITDA	1,731	2,139	1,097	1,438	2,002	2,539
EBITDA Margin (%)	44.2%	40.4%	23.9%	25.7%	28.1%	28.5%
PAT	1,235	1,518	765	1,024	1,434	1,818
PAT Margin (%)	31.6%	28.6%	16.7%	18.3%	20.1%	20.4%
EPS	15.3	18.9	9.5	12.7	17.8	22.6
PE(x)	14.4	11.7	23.3	17.4	12.4	9.8

Source: Company, Arihant Research

Outlook & View:

Supriya Lifesciences Ltd. is a market leader in anti-histamine and anti analgesic segment with robust product portfolio. It has a diversified market for exporting these products. Also, it has received various approvals from the relevant regulatory authorities and have the desired quality output. Additionally, it is ramping up its capacity to increase supply and meet demand for these Active Pharmaceutical Ingredients (APIs). It is also leveraging its clientele to enter into contract research and manufacturing and is in the process of receiving some major contracts from clients. Supriya Lifescience has acquired land banks near Mumbai to be future ready to tap upcoming opportunities across segment. Factoring in the above growth drivers, we have a positive view on the company. We value the company at 15x its FY26E EPS of INR 22.6 and arrive at a Target Price of INR 338 per share. Accordingly, we have a Buy Rating on the stock.

Risk and Concerns

Slowdown in major markets:

China and South East Asia are among its major export markets. Slowdown or increase in competitive intensity in these markets can negatively influence demand and supply situation of different Active Pharmaceutical Ingredients. Also, product prices may come under pressure due to macro-economic factors in the region.

Delay in registrations and approvals:

It is targeting regulated markets to penetrate it with a broad product basket. Also, regulated markets have higher margins compared to other markets. However, regulatory procedures are stringent in these markets, which can delay product registrations and related drug approvals. As a result, product launches in these markets may get deferred or cancelled, impacting revenue and cashflow.

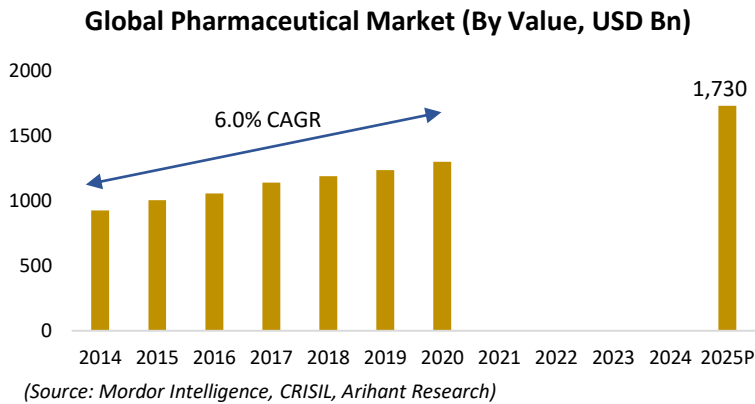
Increase in other expenses:

In FY23, there was a sharp jump in Other Expenses. The major driver for this increase was significantly higher freight cost. Since the company is a major exporter of Active Pharmaceutical Ingredients, and export is the major revenue driver, therefore, it relies on outbound logistics. Increase in freight cost can negatively influence operating margins and profitability.

Industry Overview:

Global Pharmaceutical Industry:

Global pharmaceutical market has increased by about 6% CAGR from USD 925 billion in CY14 to USD 1,300 billion in CY20. It is likely to expand at similar rate over the next five years to reach USD 1,630 – 1,730 billion in CY25.



New product launches, aging population and sedentary lifestyle has led to increase in chronic disease prevalence, technological advancement, new methods for drug discovery, and an increase in pharmaceutical drug usage have been some of the key growth drivers for the industry.

Market Segmentation:

Oncology is the largest therapy area in the pharmaceutical market by value with close to 16% share in pharmaceutical sales in 2019. It is one of the more expensive areas to develop new therapeutic drugs. Around 40% of R&D spend in pharma sector goes into oncology segment. The growth of oncology sales can be partly attributed to the growth of the immune-oncology sub-segment.



Products under circulation:

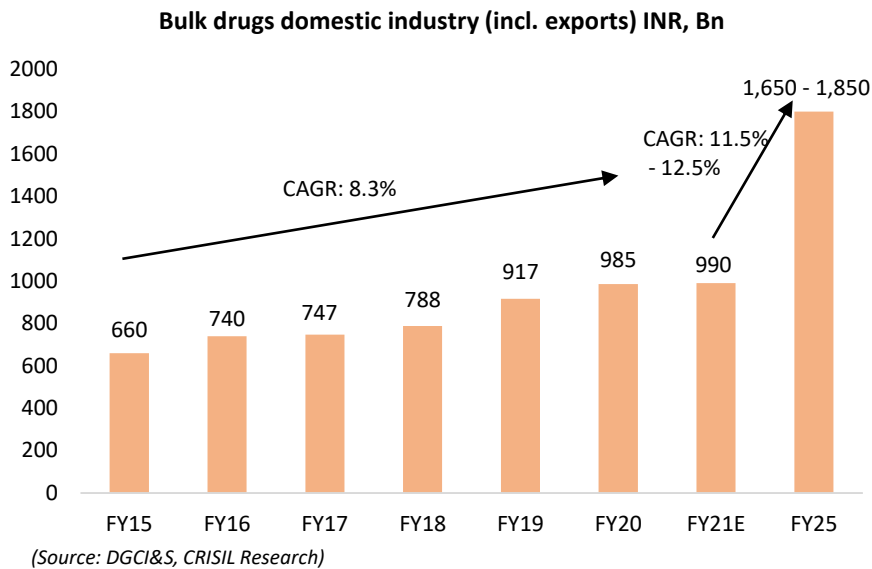
- Cetirizine Dihydrochloride, Diphenhydramine Hydrochloride, Chlorpheniramine Maleate and Pheniramine Maleate are key products in the anti-histamine and anti-allergic segment.
- Ketamine Hydrochloride is key product in the pain management therapy.

Product Pipeline:

- Dextromethorphan Hydrobromide (decongestant), Pentoxifylline (xanthine derivatives), (S)-Ketamine Hydrochloride (analgesic/anti-pyretic/anaesthetic), Phenylephrine Hydrochloride (decongestant), Allopurinol (antigout) and Benfotiamine (diabetic neuropathy).

Indian Pharmaceutical Industry:

There are over 2,700 API (Active Pharmaceutical Ingredients) manufacturers in India. The bulk drugs industry in India is highly fragmented with major presence of small unorganized players. Unorganized players constitute almost half of the bulk drugs industry. While, there are a large number of standalone bulk drug manufacturers, most formulators are backward integrated and also produce bulk drugs. The largest players operate in the domestic as well as export markets, focusing more on the latter. Some of the key players in the API segment include Divis Laboratory, Wanbury, Hetero Drugs, Cadila Pharmaceuticals, Hikal, Supriya Lifesciences, Solara Active Pharma, Neuland Labs, Aarti Drugs, Megafine Pharma, etc.



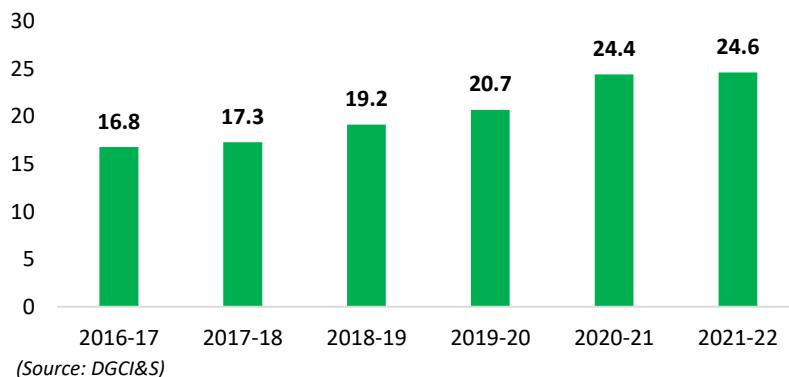
Overview of growth in the Indian Pharmaceutical Industry (in INR terms)

Industry segment	Past growth FY15 – FY20	Forecasted growth FY20 – FY25P	Growth factors
Domestic formulation industry	8.5% - 9.5%	10.5% - 11.5%	Increased healthcare expenditure and penetration of health infrastructure
Formulation and biologics exports	10.5%	14.0% - 15.0%	Increased penetration of generics in global pharmaceuticals
Domestic bulk drugs industry	8.3%	11.5% - 12.5%	Growth in formulation drugs manufacturing, Bulk drug parks, PLI scheme – Govt. impetus
Bulk drugs exports	5.6%	9.5% - 10.5%	Shift from China market – Alternative to supply from China

(Source: CRISIL Research)

Bulk drugs export outlook (USD, Bn)

India's drug and pharmaceutical export trend (USD Billion)



Company Fundamentals:

Product Profile:

The company has a product basket encompassing about 38 Active Pharmaceutical Ingredients (API). It has 12 products, which are backward integrated in the following therapies.

- Anesthetics
- Anti-Asthmatic
- Anti-Histamine
- Decongestant
- Anti-Gout

The following table presents the revenue contribution by different therapeutics.

Therapeutic Segment	Fiscal 2018	Fiscal 2019	Fiscal 2020	9M Fiscal 2021
Analgesic/anti-pyretic/anesthetic	454.7	566.8	909.2	797.9
Anti-malarial	76.6	127.6	191.9	95.0
Anti-hypertensive	21.9	34.8	81.7	126.4
Anti-histamine	544.8	709.9	775.2	498.5
Smoking cessation	20.6	19.0	13.7	10.6
Anti-allergic	145.1	205.4	205.6	225.1
Decongestant	25.0	40.8	22.4	12.5
Vitamin	550.2	610.7	598.2	378.2
Anti-asthma	125.6	197.7	196.8	326.7
Xanthine derivatives & Beverages	26.4	76.1	38.3	24.7
Feed additive	10.3	8.7	19.4	5.4

(Source: In INR Mn, Company Filings, RHP, Arihant Research)

As of 31st December 2020, the following table exhibits the revenue contribution from major products.

S.No.	Product	Percentage Contribution
1	Ketamine Hydrochloride	26%
2	Salbutamol Sulphate	12%
3	Chlorpheniramine Maleate	10%
4	Bisoprolol Fumarate	4.5%
5	Pheniramine Maleate	3%
6	Dexchlorpheniramine Maleate	3%
7	Brompheniramine Maleate	1.6%
8	Mepyramine Maleate/Pyrilamine Maleate	2%
9	Levosalbutamol Sulphate	0.5%
10	Dextromethorphan Hydrobromide	0.5%
11	Dexbrompheniramine Maleate	0.2%

(Source: Company Filings, RHP, Arihant Research)

Manufacturing facilities:

The main manufacturing facility of the company is located at Parshuram Lote, Maharashtra. It is approximately 250 km from Mumbai, Maharashtra. The manufacturing facility is spread across 23,806 square metres. In addition, the company has acquired a plot of land, admeasuring 12,400 square metres near the present manufacturing facility, wherein the company intends to expand its manufacturing infrastructure. Currently, the company is expanding its facility at Parshuram Lote by including Block – E, which will manufacture existing products, as per market demand and client requirement.

It also has a land parcel at Ambernath in Maharashtra. It will have facilities for Research & Development (R&D) and manufacturing Active Pharmaceutical Ingredients (API).

Additional, it has another land bank at Patalganga. This land bank will be used for capacity expansion and manufacturing of products in future, as per company strategy.

Main Products:

Chlorpheniramine Maleate:

It is an important generic molecule in the anti-histamine and anti-allergy segment and also a major revenue contributor for the company.

Below table exhibits the important molecules and their respective market size in the anti-histamine and anti-allergy segment:

Molecule	Global Market Volume (MTS)	Global Market Value (USD Mn)	Share in total value
Fexofenadine Hydrochloride	1,423	339	10%
Loratadine	916	299	9%
Cetirizine Hydrochloride	796	127	4%
Montelukast	98	88	3%
Mometasone Furoate Monohydrate	89	60	2%
Doxylamine Succinate	547	60	2%
Desloratadine	75	59	2%
Diphenhydramine Hydrochloride	1,790	27	1%
Cinnarizine	682	26	1%
Levocetirizine Dihydrochloride	52	22	1%
Promethazine Hydrochloride	235	8	0%
Dimenhydrinate	159	4	0%
Diphenhydramine	350	6	0%
Montelukast Sodium	1,557	1401	40%
Rupatadine	0	500	14%
Methyl Prednisolone	339	254	7%
Bilastine	187	137	4%
L-Epinephrine	494	40	1%
Chlorpheniramine Maleate	1,570	31	1%
Methyl Prednisolone Hemisuccinate	23	22	1%
Prednisone	53	20	1%
Dextromethorphan (Base + HBR)	1,406	430	<0.5%
Pheniramine Maleate	378	12	<0.5%
Mepyramine Maleate	107	6	<0.5%

(Source: Company Filings, RHP, Arihant Research)

Ketamine Hydrochloride:

Below table exhibits the important molecules and their respective market size in the pain management segment:

Molecule	Global Market Volume (MTS)	Global Market Value (USD Mn)	Share in total value
Lidocaine Hydrochloride	1457	1722	22%
Capsaicin	180	700	9%
Pregabalin	2575	596	8%
Duloxetine Hydrochloride	3381	471	6%
Paracetamol	89938	461	6%
Midazolam	138	450	6%
Gabapentin	9264	435	6%
Zoledronic Acid Trihydrate	4	351	4%
Naproxen	6199	242	3%
Pentoxifylline	3798	209	3%
Aspirin	23434	151	2%
Diclofenac	3783	116	1%
Ketamine Hydrochloride	300	71	1%

(Source: Company Filings, RHP, Arihant Research)

Salbutamol Sulphate:

Below table exhibits the important molecules and their respective market size in the anti-histamine and anti-allergy segment:

Molecule	Global Market Volume (MTS)	Global Market Value (USD Mn)	Share in total value
Salbutamol Sulphate	460	48	24%
Salmeterol Xinafoate	1.5	46	23%
Methoxyphenamine Hydrochloride	507	28	14%
Doxofylline	446.5	19	9%
Theophylline	818.7	10	5%
Formoterol Fumarate Dihydrate	0.6	8	4%
Levalbuterol Hydrochloride	0.9	3	1%

(Source: Company Filings, RHP, Arihant Research)

Key Raw Materials:

The main raw materials for the company include Cyclo-Pentyl Chloride, Para Chloro Benzyl Cyanide, Cyanocobalamin, Riboflavin, Artemisinin Powder and Sodium Borohydride.

Research & Development:



Client Profile

Clientele includes global pharmaceutical companies such as Syntec Do Brasil LTDA, American International Chemical Inc. and AT Planejamento E Desenvolvimento De Negocios Ltda. Other major customers include Suan Farma Inc., Acme Generics LLP, Akum Drugs Ltd. And Mankind Pharma Ltd.

Supriya Lifesciences Ltd. has multi-year relationship with the above clients and has served repeatedly. Resultantly, it can continue to leverage the strong alliances with existing clients to garner future business and expand order size.



Regulatory Profile:

The products of Supriya Lifesciences Ltd. are approved by various international regulatory authorities such as USFDA (United States Food and Drug Administration), EUGMP (European Union Good Manufacturing Practices), EDQM (European Directorate for the Quality of Medicines and HealthCare), SFDA (State Food and Drug Administration) NMPA (National Medical Products Administration), ANVISA (Agencia Nacional de Vigilancia Sanitaria), KFDA (Korea Food and Drug Administration), PMDA (Pharmaceuticals and Medical Devices Agency), TGA (Therapeutic Goods Administration) and Taiwan FDA (Food and Drug Administration).



Timeline:

The below table highlights the key events in the history of the company

Fiscal Year	Particulars
2008	Incorporation of the company upon its conversion from a partnership firm to a public limited company
2009	Started production of Ketamine Hydrochloride
2010	CEP (Certificate of Sustainability) granted for Chlorphenamine Maleate
2011	IDL granted for Chlorphenamine Maleate
2013	COFEPRIS and KFDA approval granted
2014	USFDA approval granted. IDL granted for Brompheniramine Maleate
2015	EUGMP and EQDM approval granted
2017	CEP (Certificate of Sustainability) granted for Pheniramine Maleate. Second time USFDA approval granted
2018	CEP (Certificate of Sustainability) granted for Brompheniramine Maleate, Mepyramine Maleate & Ketamine Hydrochloride
2020	Third time USFDA approval
2021	CEP (Certificate of Suitability) granted for Pentoxifylline and Esketamine Hydrochloride. NMPA approval granted

(Source: Company Filings, Arian Research)

Key Management:

Personnel	Designation	Description
Satish Wagh	Chairman and Managing Director	He holds a bachelor's degree in science from R.D. National College and W.A. Science College, University of Mumbai and an honorary Ph.D. in entrepreneurship from Faculty of Management Studies, National American University. Apart from his association in the company, he is a director on the boards of Supriya Medi-Chem Private Ltd., Lote Industries Testing Laboratory Association and Sachin Industries Ltd.
Rajeev Kumar Jain	Chief Executive Officer	He is a seasoned professional and have worked with reputed corporates in the Active Pharmaceutical Ingredients (API) business. He has more than 35 years of experience in covering manufacturing, general management and business.
Krishna Raghunathan	Chief Financial Officer	He has more than 23 years of experience in financial management. He worked for about 5 years as Vice President – Finance, Treasury and Investor Relations with Granules India Ltd. Previously, he was associated with Dr. Reddy's Laboratories Ltd.
Saloni Satish Wagh	Whole-time Director	She holds a bachelor's degree in science from Parle Tilak Vidhyalaya Association's Sathaye College, University of Mumbai, Mumbai. Additionally, she has a Master's degree in science from Institute of Science, University of Mumbai, Mumbai and Ph.D. in chemistry from the Faculty of Science, Pacific University, Udaipur.
Shivani Satish Wagh	Whole-time Director	She holds a bachelor's degree in management studies from M.L. Dahanukar College of Commerce, University of Mumbai, Mumbai and master's degree in international business management from Manchester Business School, University of Manchester, Manchester.

(Source: Company Filings, Arian Research)

Financials

P&L (INR Mn)	FY21	FY22	FY23E	FY24E	FY25E	FY26E
Revenues	3,912	5,300	4,592	5,602	7,122	8,922
<i>Change (%)</i>		35.48%	-13.36%	21.99%	27.13%	25.27%
Cost of Goods Sold	1,281	1,958	1,920	2,272	2,815	3,497
Employee costs	328	491	565	689	855	1,071
Other expenses	572	712	1,010	1,203	1,449	1,816
Total operating Expense	2,181	3,161	3,495	4,164	5,120	6,383
EBITDA	1,731	2,139	1,097	1,438	2,002	2,539
Other Income	50	76	101	123	157	196
Depreciation	68	101	125	153	194	243
Interest	41	42	35	43	54	68
PBT	1,672	2,072	1,038	1,365	1,911	2,424
Extra-ordinary	0	0	0	0	0	0
PBT after ext-ord.	1,672	2,072	1,038	1,365	1,911	2,424
Tax	437	554	273	341	478	606
<i>Rate (%)</i>	26.14%	26.74%	26.30%	24.98%	25.00%	25.00%
PAT	1,235	1,518	765	1,024	1,434	1,818
<i>Change (%)</i>		22.91%	-49.60%	33.86%	39.99%	26.84%

Balance Sheet (INR Mn)	FY21	FY22	FY23E	FY24E	FY25E	FY26E
Equity share capital	146	161	161	161	161	161
Reserves & Surplus	2539	5996	7514	8538	9972	11790
Net Worth	2685	6157	7675	8699	10133	11951
Long term debt	21	53	59	65	71	74
Short term debt	701	213.4	313	413	513	541
Total Debt	722.4	266.4	372	478	584	615
Deferred Tax & other liabilities	275	111	123	135	148	148
Current liabilities	759	784	862	949	1044	1083
Provisions	13	29	32	35	39	39
Total Liabilities	4455	7348	9064	10296	11948	13836
Net Block	984	1883	1977	2076	2179	2408
Capital Work-in-Progress	788	434.4	456	479	503	527
Other Non-Current Assets	28	55	61	67	74	81
Net fixed assets	1800	2372.4	2494	2622	2756	3016
Investments	30	60	66	73	80	84
Debtors	735	1152	1209	1430	1683	1896
Inventories	725	923	969	1118	1319	1588
Cash & bank balance	893	2279	3736	4435	5390	6504
Loans & advances & other CA	272	561	589	619	720	748
Total current assets	2655	4975	6570	7674	9192	10820
Total Assets	4455	7348	9064	10296	11948	13836

Source: Company, Aриhant Research

Cash Flow Statement (INR Mn)	FY21	FY22	FY23E	FY24E	FY25E	FY26E
Net Operating Cash Flow	789	488	537	555	664	810
Cash Flow from Investing	-468	-598	-726	-1267	-1361	-1497
Cash Flow from Financing	-145	1497	1646	1411	1652	1801
Net change in cash	176	1386	1457	699	955	1114
Opening cash	717	893	2279	3736	4435	5390
Closing Cash	893	2279	3736	4435	5390	6504

Key Ratios	FY21	FY22	FY23E	FY24E	FY25E	FY26E
Per share (INR)						
EPS	15.3	18.9	9.5	12.7	17.8	22.6
CEPS	16.2	20.1	11.1	14.6	20.2	25.6
BVPS	33.4	76.5	95.4	108.1	125.9	148.5
Valuation (x)						
P/E	14.4	11.7	23.3	17.4	12.4	9.8
P/CEPS	13.7	11.0	20.0	15.1	10.9	8.6
P/BV	6.6	2.9	2.3	2.0	1.8	1.5
EV/EBITDA	10.2	7.4	13.1	9.6	6.5	4.7
Return Ratios (%)						
Gross Margin	67.3%	63.1%	58.2%	59.4%	60.5%	60.8%
EBIDTA Margin	44.2%	40.4%	23.9%	25.7%	28.1%	28.5%
PAT Margin	31.6%	28.6%	16.7%	18.3%	20.1%	20.4%
ROE	46.0%	24.7%	10.0%	11.8%	14.1%	15.2%
ROCE	48.8%	31.7%	12.1%	14.0%	16.9%	18.3%
Leverage Ratio (%)						
Total D/E	0.3	0.0	0.0	0.1	0.1	0.1
Turnover Ratios						
Asset Turnover (x)	4.0	2.8	2.3	2.7	3.3	3.7
Inventory Days	68	64	84	109	104	102
Receivable Days	69	79	99	124	119	115
Payable days	48	34	54	79	74	72

Source: Company, Arianth Research

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
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