

## In line numbers; better traction in crop protection

Q4 revenues grew 17.2% YoY to ₹ 457.5 crore (I-direct estimate: ₹ 450.3 crore) on account of 20.7% YoY growth in the pharma segment to ₹ 259.2 crore (I-direct estimate: ₹ 268.4 crore) and 12.8% YoY growth in the crop protection segment to ₹ 198.4 crore (I-direct estimate: ₹ 175.8 crore). EBITDA margins remained at ~18.4%, (I-direct estimate: 19.2%). The fall in gross margins (75.8% vs. 79.3% in Q4FY18) was offset by a decline in employee cost and other expenditure. EBITDA grew 17.5% YoY to ₹ 84 crore vis-à-vis I-direct estimate of ₹ 86.6 crore. Net profit grew 31.6% YoY to ₹ 33.3 crore (I-direct estimate of ₹ 34.2 crore) due to a strong operational performance and lower tax rate (30.8% against 35.3% in Q4FY18).

## Expertise in APIs to drive pharma growth

APL's domestic formulation sales (41% of total revenues) grew ~7%. Hikal ventured into the pharma API business by virtue of acquisition of Novartis' Panoli plant in 2000. In a short span of time, banking on its chemistry skills, the company has been able to tap incremental customers via the CDMO route. Hikal also operates as a dedicated API supplier as it expands its portfolio. We expect the pharma segment to grow at a CAGR of 15.5% in FY19-21E to ₹ 1252 crore on the back of new offerings and repeat business from CDMO customers.

## Crop protection growth to piggyback on client relationship

Hikal started operations as a crop protection company in 1991 after acquiring Merck's facility in Mahad. Since then, it has come a long way with a predominantly CDMO focused business model catering mainly to global innovators. Over the years, the company has increased its product offerings with a foray into niche products and specialty chemicals. We expect the crop protection segment to grow at 12.7% CAGR in FY19-21E to ₹ 826 crore due to sustained product offerings and optimum capacity utilisation.

## Valuation & Outlook

For years, the company has been dealing with high profile MNCs like Merck & Co, Bayer, Syngenta, BASF, Pfizer to name a few. With proven capabilities and management pedigree, we believe Hikal offers a compelling value proposition as it continues to expand in both pharma and crop protection segments with separate focus and a calibrated approach. This bodes well in the current scenario when Chinese supply disturbances are likely to create opportunities for Indian players both in APIs and crop protection CDMO. The company has spent ~₹ 500 crore over the last five years to augment capacities. After years of volatility in growth, Hikal has been witnessing a relatively stable growth trajectory. We arrive at a valuation of ₹ 205 based on 15x FY21E EPS of ₹ 13.7.



### Particulars

Particular	Amount
Market Cap	₹ 2152 crore
Debt (FY19)	₹ 600 crore
Cash (FY19)	₹ 32 crore
EV	₹ 2720 crore
52 week H/L (₹)	207/135
Equity capital	₹ 24.7 crore
Face value	₹ 2

### Key Highlights

- Q4FY19 results were broadly in-line with I-direct estimates on all fronts
- The company has been dealing with high profile MNCs
- With proven capabilities and management pedigree, we believe Hikal offers a compelling value proposition as it continues to expand in both pharma and crop protection segments
- This bodes well in the current scenario when Chinese supply disturbances are likely to create opportunities for Indian players
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### Key Financial Summary

(₹ Crore)	FY18	FY19	FY20E	FY21E	CAGR (FY19-21E) %
Revenues	1296.1	1589.6	1832.3	2107.1	15.1
EBITDA	241.7	298.1	354.5	421.0	18.8
EBITDA Margins (%)	18.6	18.8	19.3	20.0	
Adjusted PAT	77.2	103.1	132.0	168.6	27.9
EPS (₹)	6.3	8.4	10.7	13.7	
PE (x)	27.9	20.9	16.3	12.8	
EV to EBITDA (x)	11.4	9.1	7.7	6.5	
Price to book (x)	3.2	2.8	2.5	2.2	
RoE (%)	11.5	13.6	15.3	16.9	
RoCE (%)	12.2	15.0	16.2	18.1	

**Exhibit 1: Variance Analysis**

₹ crore	Q4FY19	Q4FY19E	Q4FY18	Q3FY19	YoY (%)	QoQ (%)	Comments
Revenue	457.5	450.3	390.5	406.0	17.2	12.7	YoY growth driven by 20.7% growth in pharma segment
Raw Material Expenses	260.3	235.4	217.8	223.0	19.5	16.7	
Gross Margins (%)	43.1	47.7	44.2	45.1	-111 bps	-195 bps	YoY decline mainly due to change in product mix
Employee Expenses	36.2	40.5	32.1	39.3	12.8	-7.9	
Other Expenditure	77.0	87.8	69.1	71.0	11.4	8.5	
Operating Profit (EBITDA)	84.0	86.6	71.5	72.6	17.5	15.6	
EBITDA (%)	18.4	19.2	18.3	17.9	6 bps	46 bps	Miss on margins front vis-à-vis I-direct estimates mainly due to lower-than-expected gross margins
Interest	12.6	13.4	12.5	13.4	1.4	-5.4	
Depreciation	23.2	23.5	21.4	23.5	8.5	-1.2	
Other Income	0.1	0.6	1.6	0.5	-96.9	-90.6	
PBT	48.2	50.3	39.2	36.3	22.9	32.7	
Tax	14.8	16.1	13.9	12.6	7.0	17.8	
Tax Rate (%)	30.8	32.0	35.3	34.7	-12.9	-11.2	
Reported PAT	33.3	34.2	25.3	23.7	31.6	40.6	
Adjusted PAT	33.3	34.2	25.3	23.7	31.6	40.6	
EPS (₹)	2.7	2.8	2.1	1.9	31.6	40.6	YoY growth mainly due to a strong operational performance and lower thax rate (30.8% vs. 35.3% in Q4FY18)
<b>Key Metrics</b>							
Pharma	259.2	268.4	214.7	252.1	20.7	2.8	YoY growth mainly due to new launches and price & volume gain in existing products due to supply constraints from China
Crop Protection	198.4	175.8	175.8	159.6	12.8	24.3	YoY growth mainly due to increase in product offering and continuous traction from niche products and specialty chemicals

Source: ICICI Direct Research

**Exhibit 2: Change in Estimates**

₹ Crore)	FY20E			FY21E		
	Old	New	% Change	Old	New	% Change
Revenue	1,783.7	1,832.3	2.7	2,051.3	2,107.1	2.7
EBITDA	345.0	354.5	2.7	409.7	421.0	2.7
EBITDA Margin (%)	19.3	19.3	0 bps	20.0	20.0	1 bps
PAT	127.4	132.0	3.6	164.4	168.6	2.6
EPS (₹)	10.3	10.7	3.9	13.3	13.7	2.8

Source: ICICI Direct Research

**Exhibit 3: Change in Estimates**

₹ crore)	Current				Earlier		Comments
	FY18	FY19	FY20E	FY21E	FY20E	FY21E	
Pharma	752.8	939.1	1,088.9	1,252.2	1,087.1	1,250.2	
Crop Protection	547.3	650.5	718.3	826.1	672.2	773.0	Changed mainly due to better-than-expected sales in Q4FY19

Source: ICICI Direct Research

## Conference Call Highlights

- The management has guided for 10-15% revenues growth for FY20 and 15-17% revenues growth in FY21. It has guided for ~50 bps improvement in EBITDA margins in FY20
- Capex guidance- ₹ 350 crore to be completed in the next 18-24 months (₹ 130 crore spent in FY19)
- Total 20-25% of planned capex has been earmarked for backward integration
- The management expects +20% EBITDA margins from the new products
- Current capacity utilisation at the company level is at 75-80%
- As per management, Chinese raw materials availability has improved but the prices have remained at elevated levels. Apart from passing on the cost, the company plans to source some raw materials locally. Currently it procures ~30% of raw materials from China
- In pharma, top 10 products account for 75% of the sales, while in crop protection top 10 products contribute ~80%
- The management aspires to achieve 18% ROCE at the company level in the next two-three years
- Japan accounts for ~10% of pharma sales and ~15% of crop protection sales

Exhibit 4: Trends in quarterly performance

(₹ Crore)	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	YoY (%)	QoQ (%)
Total Operating Income	289.8	221.2	232.3	250.8	309.6	262.7	292.3	350.6	390.5	325.6	394.8	406.0	457.5	17.2	12.7
Raw Material Expenses	155.4	106.9	111.5	123.2	167.5	130.3	155.3	195.6	217.8	164.7	205.8	223.0	260.3	19.5	16.7
% of revenue	53.6	48.3	48.0	49.1	54.1	49.6	53.1	55.8	55.8	50.6	52.1	54.9	56.9		
Gross Profit	134.4	114.3	120.8	127.7	142.1	132.4	136.9	155.1	172.7	160.9	189.0	183.0	197.3	14.2	7.8
Gross Profit Margin (%)	46.4	51.7	52.0	50.9	45.9	50.4	46.9	44.2	44.2	49.4	47.9	45.1	43.1	-111 bps	-195 bps
Employee Expenses	29.2	30.1	28.2	29.0	29.4	33.2	30.2	32.6	32.1	36.2	38.6	39.3	36.2	12.8	-7.9
% of revenue	10.1	13.6	12.1	11.6	9.5	12.6	10.3	9.3	8.2	11.1	9.8	9.7	7.9		
Other Expenses	45.6	40.7	45.4	50.4	54.5	49.6	53.0	55.6	69.1	64.0	75.2	71.0	77.0	11.4	8.5
% of revenue	15.7	18.4	19.5	20.1	17.6	18.9	18.1	15.9	17.7	19.7	19.1	17.5	16.8		
Total Expenditure	230.2	177.6	185.1	202.6	251.5	213.0	238.5	283.8	319.0	265.0	319.6	333.4	373.5	17.1	12.0
% of revenue	79.4	80.3	79.7	80.8	81.2	81.1	81.6	80.9	81.7	81.4	81.0	82.1	81.6		
EBITDA	59.6	43.6	47.2	48.3	58.1	49.7	53.8	66.9	71.5	60.6	75.2	72.6	84.0	17.5	15.6
EBITDA Margins (%)	20.6	19.7	20.3	19.2	18.8	18.9	18.4	19.1	18.3	18.6	19.0	17.9	18.4	6 bps	46 bps
Depreciation	17.4	17.8	17.2	17.1	17.1	21.3	21.5	21.5	21.4	22.6	23.6	23.5	23.2	8.5	-1.2
Interest	13.3	13.2	11.3	13.7	10.0	11.7	13.1	11.9	12.5	16.0	16.4	13.4	12.6	1.4	-5.4
Other Income	0.3	0.9	0.9	0.5	1.2	1.6	0.4	0.9	1.6	1.4	0.3	0.5	0.1	-96.9	-90.6
Forex & EO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
PBT	29.3	13.6	19.6	18.0	32.1	18.3	19.7	34.4	39.2	23.4	35.5	36.3	48.2	22.9	32.7
Total Tax	7.0	2.0	3.3	4.1	3.2	5.0	4.3	11.1	13.9	7.5	11.1	12.6	14.8	7.0	17.8
Tax rate (%)	24.0	14.8	16.6	23.0	9.9	27.2	22.0	32.4	35.3	32.0	31.3	34.7	30.8	-456.8	-389.3
PAT	22.3	11.5	16.3	13.8	28.9	13.3	15.3	23.2	25.3	15.9	24.4	23.7	33.3	31.6	40.6
EPS (₹)	1.8	0.9	1.3	1.1	2.3	1.1	1.2	1.9	2.1	1.3	2.0	1.9	2.7	31.6	40.6

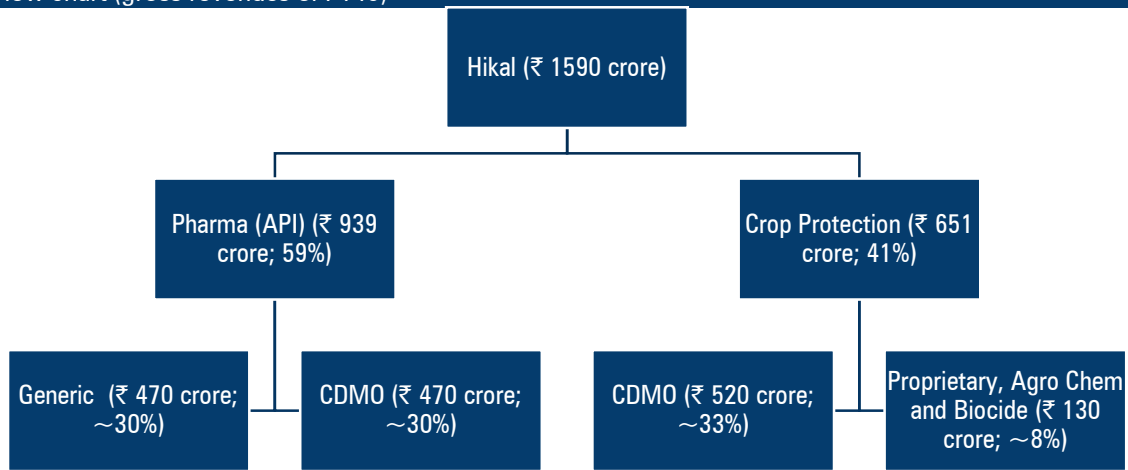
Source: ICICI Direct Research

## Company background

Established in 1988, Hikal is predominantly a B2B player that provides intermediates and active ingredients to global pharmaceutical, animal health, crop protection and specialty chemical companies. For 9MFY19, pharma and crop protection accounted for 60% and 40%, respectively, of operating revenues. The pharma business is currently divided almost equally between generic active pharma ingredients (APIs) and contract development and manufacturing organisations (CDMO) businesses. Animal health business accounts for 20-25% of CDMO business. In crop protection, 70% of revenues are derived from CDMO with the remaining from proprietary products, specialty chemicals and specialty biocides. Hikal owns five manufacturing facilities: Taloja, Mahad (Maharashtra), Panoli (Gujarat) Jigani (Karnataka) and an R&D centre at Pune.

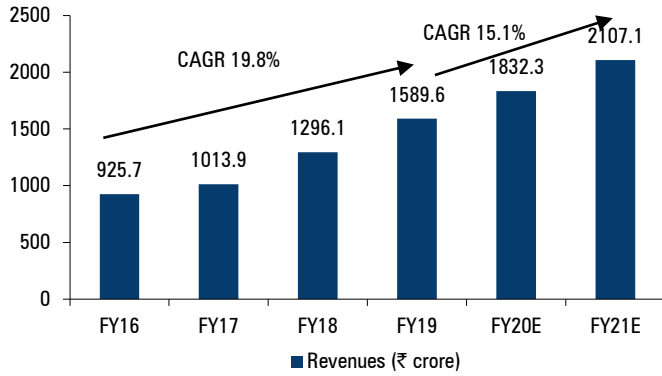
*Hikal is predominantly a B2B player that provides intermediates and active ingredients to global pharmaceuticals, animal health, crop protection and specialty chemicals companies*

Exhibit 1: Flow chart (gross revenues of FY19)



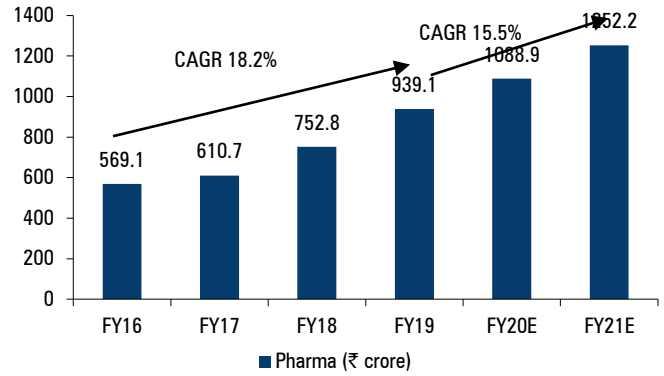
Source: ICICI Direct Research, Company

Exhibit 2: Revenues to grow at CAGR of 15% over FY19-21E



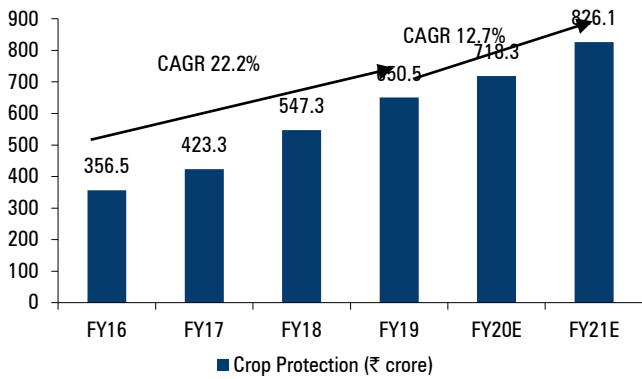
Source: ICICI Direct Research, Company

Exhibit 3: Pharma to grow at CAGR of 16% over FY19-21E



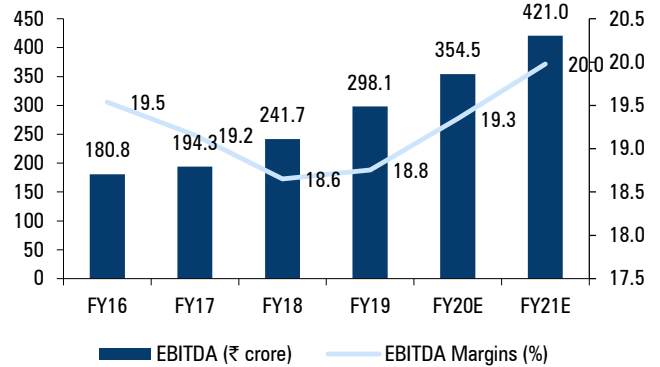
Source: ICICI Direct Research, Company

Exhibit 4: Crop to grow at CAGR of 13% over FY19-21E



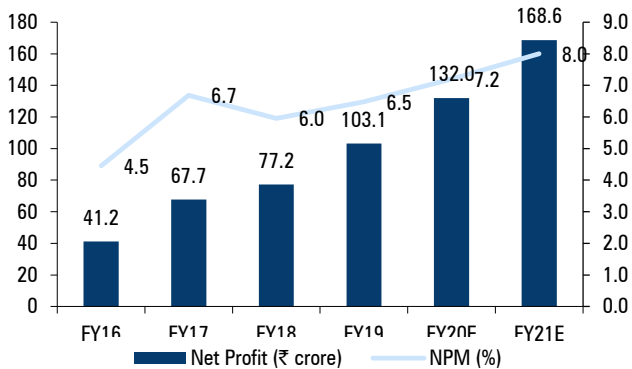
Source: ICICI Direct Research, Company

Exhibit 5: EBITDA & margins trend



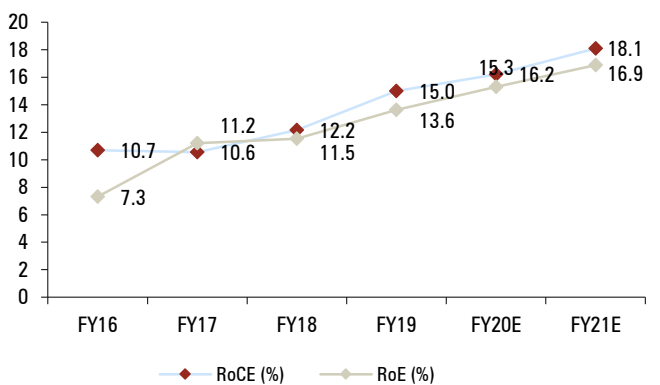
Source: ICICI Direct Research, Company

Exhibit 6: PAT & margins trend



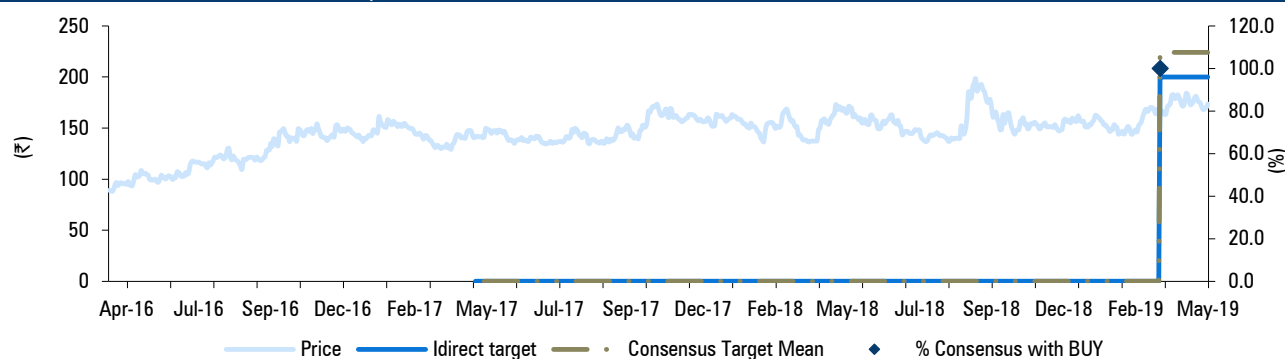
Source: ICICI Direct Research, Company

Exhibit 7: RoE & RoCE trend



Source: ICICI Direct Research, Company

Exhibit 8: Recommendation history vs. Consensus



Source: ICICI Direct Research; Reuters

Exhibit 9: Top 10 Shareholders

Rank	Investor Name	Filing Date	% O/S	Position	Change
1	Kalyani Group	31-Mar	0.3	41.9m	0.0m
2	Shri Badrinath Investment Pvt. Ltd.	31-Mar	0.2	19.9m	0.0m
3	Shri Rameshwara Investment Pvt. Ltd.	31-Mar	0.1	9.8m	0.0m
4	Hiremath (Sugandha)	31-Mar	0.1	9.7m	0.0m
5	Government Pension Fund	31-Mar	0.0	2.2m	0.3m
6	Kacholia (Ashish)	31-Mar	0.0	2.1m	0.1m
7	Agarwal (Madhulika)	31-Mar	0.0	2.0m	0.1m
8	Norges Bank Investment Management (NBIM)	31-Dec	0.0	1.9m	0.0m
9	Canara Robeco Asset Management Company Ltd.	31-Mar	0.0	1.7m	0.2m
10	Hiremath (Jai)	31-Mar	0.0	1.3m	0.0m

Source: ICICI Direct Research, Reuters

Exhibit 10: Recent Activity

BUYS			SELLS		
Investor Name	Value (\$)	Shares	Investor Name	Value (\$)	Shares
Aberdeen Standard Investments (Asia) Limited	4.5m	0.5m	Jupiter Asset Management Ltd.	-1.4m	-0.2m
Mirae Asset Global Investments (India) Pvt. Ltd.	1.4m	0.2m	AllianceBernstein L.P.	-1.4m	-0.2m
UTI Asset Management Co. Ltd.	1.1m	0.1m	J.P. Morgan Asset Management (Hong Kong) Ltd.	-0.9m	-0.1m
ICICI Prudential Asset Management Co. Ltd.	0.9m	0.1m	Joseph (Lourd Raj)	-0.8m	-0.1m
Canara Robeco Asset Management Company Ltd.	0.6m	0.1m	Invesco Asset Management (India) Private Limited	-0.6m	-0.1m

Source: ICICI Direct Research, Reuters

Exhibit 11: Shareholding pattern

(in %)	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Promoter	68.8	68.8	68.8	68.8	68.8
Others	31.2	31.2	31.2	31.2	31.2

Source: ICICI Direct Research, Company

## Financials

**Exhibit 12: Profit & Loss (₹ crore)**

(Year-end March)	FY18	FY19	FY20E	FY21E
<b>Revenues</b>	<b>1,296.1</b>	<b>1,589.6</b>	<b>1,807.2</b>	<b>2,107.1</b>
Growth (%)	27.8	22.6	13.7	16.6
Raw Material Expenses	699.0	853.8	934.9	1,064.6
Employee Expenses	128.1	150.4	183.1	210.7
Other Manufacturing Expenses	227.3	287.3	352.4	410.9
<b>Total Operating Expenditure</b>	<b>1,054.4</b>	<b>1,291.5</b>	<b>1,470.4</b>	<b>1,686.2</b>
<b>EBITDA</b>	<b>241.7</b>	<b>298.1</b>	<b>336.8</b>	<b>421.0</b>
Growth (%)	24.4	23.3	13.0	25.0
Interest	49.1	58.4	54.8	54.8
Depreciation	85.6	92.9	108.4	121.7
Other Income	4.5	2.3	4.2	5.3
<b>PBT before Exceptional Items</b>	<b>111.5</b>	<b>149.1</b>	<b>177.9</b>	<b>249.8</b>
Less: Forex & Exceptional Items	0.0	0.0	0.0	0.0
<b>PBT</b>	<b>111.5</b>	<b>149.1</b>	<b>177.9</b>	<b>249.8</b>
Total Tax	34.3	46.0	57.8	81.2
PAT before MI	77.2	103.1	120.1	168.6
Minority Interest	0.0	0.0	0.0	0.0
<b>PAT</b>	<b>77.2</b>	<b>103.1</b>	<b>120.1</b>	<b>168.6</b>
<b>Adjusted PAT</b>	<b>77.2</b>	<b>103.1</b>	<b>120.1</b>	<b>168.6</b>
Growth (%)	14.0	33.5	16.5	40.4
EPS	6.3	8.4	9.7	13.7

Source: Company; ICICI Direct Research

**Exhibit 14: Balance Sheet (₹ crore)**

(Year-end March)	FY18	FY19	FY20E	FY21E
Equity Capital	16.4	24.7	24.7	24.7
Reserve and Surplus	653.0	731.6	826.4	962.4
Total Shareholders funds	669.4	756.2	851.0	987.0
Total Debt	635.1	599.7	649.7	649.7
Others Liabilities	15.7	28.9	31.8	34.9
<b>Source of Funds</b>	<b>1,320.1</b>	<b>1,384.8</b>	<b>1,532.5</b>	<b>1,671.7</b>
Gross Block - Fixed Assets	788.3	960.6	1,120.6	1,280.6
Accumulated Depreciation	154.7	247.6	356.0	477.6
Net Block	633.6	713.0	764.6	803.0
Capital WIP	117.9	78.7	78.7	78.7
Net Fixed Assets	751.5	791.7	843.3	881.6
Investments	2.6	1.0	1.0	1.0
Inventory	303.1	364.2	414.1	482.8
Cash	27.2	31.7	54.5	53.7
Debtors	287.4	349.7	397.6	463.6
Loans & Advances & Other CA	0.0	0.0	0.0	0.0
Total Current Assets	690.0	830.0	959.0	1,102.1
Creditors	177.6	161.0	183.1	213.5
Provisions & Other CL	44.0	139.6	153.6	168.9
Total Current Liabilities	221.6	300.7	336.7	382.3
Net Current Assets	468.4	529.4	622.3	719.8
LT L& A, Other Assets	97.2	62.8	65.9	69.2
Deferred Tax Assets (Net)	0.5	0.0	0.0	0.0
<b>Application of Funds</b>	<b>1,320.1</b>	<b>1,384.8</b>	<b>1,532.5</b>	<b>1,671.7</b>

Source: Company; ICICI Direct Research

**Exhibit 13: Cash Flow Statement (₹ crore)**

(Year-end March)	FY18	FY19	FY20E	FY21E
Profit/(Loss) after taxation	85.6	103.1	120.1	168.6
Add: Depreciation & Amortization	85.6	92.9	108.4	121.7
Add: Interest Cost	46.1	58.4	54.8	54.8
Net Increase in Current Assets	-140.6	-135.6	-106.2	-144.0
Net Increase in Current Liabilities	53.5	79.1	36.0	45.7
Others	8.7	0	0	0
<b>CF from operating activities</b>	<b>138.8</b>	<b>197.9</b>	<b>213.0</b>	<b>246.7</b>
(Inc)/dec in Fixed Assets	-106.0	-133.1	-160.0	-160.0
(Inc)/dec in Investments	0.0	1.6	0.0	0.0
Others	17.2	41.5	-0.3	-0.1
<b>CF from investing activities</b>	<b>-88.7</b>	<b>-90.0</b>	<b>-160.3</b>	<b>-160.1</b>
Inc / (Dec) in Equity Capital	0.0	8.2	0.0	0.0
Inc / (Dec) in sec. Loan	37.7	-35.4	50.0	0.0
Dividend & Dividend Tax	-12.9	-17.8	-25.2	-32.6
Others	-49.7	-58.4	-54.8	-54.8
<b>CF from financing activities</b>	<b>-24.8</b>	<b>-103.4</b>	<b>-30.0</b>	<b>-87.4</b>
Net Cash flow	25.3	4.5	22.8	-0.8
Opening Cash	1.9	27.2	31.7	54.5
<b>Closing Cash</b>	<b>27.2</b>	<b>31.7</b>	<b>54.5</b>	<b>53.7</b>
<b>Free Cash Flow</b>	<b>32.8</b>	<b>64.9</b>	<b>53.0</b>	<b>86.7</b>

Source: Company; ICICI Direct Research

**Exhibit 15: Key Ratios (₹ crore)**

(Year-end March)	FY18	FY19	FY20E	FY21E
<b>Per share data (₹)</b>				
EPS	6.3	8.4	9.7	13.7
Cash EPS	5.0	6.9	7.7	11.0
BV	54.3	61.3	69.0	80.0
DPS	1.3	1.4	2.0	2.6
Cash Per Share	12.5	20.1	28.9	38.7
<b>Operating Ratios (%)</b>				
Gross Margins	46.1	46.3	48.3	49.5
EBITDA margins	18.6	18.8	18.6	20.0
Net Profit margins	6.0	6.5	6.6	8.0
Inventory days	85.3	83.6	83.6	83.6
Debtor days	80.9	80.3	80.3	80.3
Creditor days	50.0	37.0	37.0	37.0
Asset Turnover	1.6	1.7	1.6	1.6
<b>Return Ratios (%)</b>				
RoE	11.5	13.6	14.1	17.1
RoCE	12.2	15.0	15.2	18.2
RoIC	13.3	16.1	16.3	19.4
<b>Valuation Ratios (x)</b>				
P/E	27.9	20.9	17.9	12.8
EV / EBITDA	11.4	9.1	8.2	6.5
EV / Revenues	2.1	1.7	1.5	1.3
Market Cap / Revenues	1.7	1.4	1.2	1.0
Price to Book Value	3.2	2.8	2.5	2.2
<b>Solvency Ratios</b>				
Debt / Equity	0.9	0.8	0.8	0.7
Debt/EBITDA	2.6	2.0	1.9	1.5
<b>Current Ratio</b>	<b>3.0</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>

Source: Company; ICICI Direct Research

**Exhibit 16: I-Direct Healthcare Coverage**

Company	I-Direct Code	CMP (₹)	TP (₹)	Rating	M Cap (₹ cr)	EPS (₹)				PE(x)				RoCE (%)				RoE (%)			
						FY18	FY19E	FY20E	FY21E	FY18	FY19E	FY20E	FY21E	FY18	FY19E	FY20E	FY21E	FY18	FY19E	FY20E	FY21E
Ajanta Pharm:	AJAPHA	1063	1,100	Hold	9279	53.0	43.5	46.5	58.9	20.0	24.4	22.9	18.0	30.0	20.9	21.3	22.1	23.0	15.8	16.4	17.3
Alembic Pharm:	ALEMPHA	540	620	Hold	10178	21.9	31.3	27.4	25.4	24.7	17.2	19.7	21.3	18.0	21.3	17.4	17.3	18.6	22.8	16.7	15.3
Apollo Hospita:	APOHOS	1173	1,400	Buy	16322	8.5	20.3	39.5	51.7	138.7	57.7	29.7	22.7	6.3	8.8	13.0	16.2	3.6	8.1	14.0	16.0
Aurobindo Ph:	AURPHA	753	915	Buy	44119	41.6	44.2	52.9	61.0	18.1	17.0	14.2	12.3	20.0	17.9	16.3	17.4	20.7	17.8	17.6	17.1
Biocon	BIOCON	540	760	Buy	32397	6.2	12.4	14.2	20.0	87.0	43.5	38.2	27.0	8.1	11.6	14.8	18.1	7.2	12.2	14.4	20.0
Cadila Healthc	CADHEA	290	370	Buy	29694	17.5	17.8	18.4	20.6	16.5	16.3	15.8	14.1	16.7	13.3	12.7	13.6	20.5	18.0	16.2	15.9
Cipla	CIPLA	558	545	Hold	44986	18.3	17.5	20.4	27.3	30.4	31.9	27.4	20.5	9.6	10.6	12.2	14.8	10.4	8.9	9.6	11.7
Divi's Lab	DIVLAB	1642	1,800	Buy	43578	33.3	53.5	60.5	69.2	49.3	30.7	27.1	23.7	20.0	26.3	25.2	24.4	14.9	20.2	19.3	18.7
Dr Reddy's La	DRREDD	2885	2,870	Hold	47886	57.0	107.1	128.6	159.5	50.6	26.9	22.4	18.1	6.1	9.5	11.9	14.7	7.2	12.2	13.1	14.2
Glenmark Pha	GLEPHA	619	635	Hold	17452	28.5	32.1	38.0	45.5	21.7	19.2	16.3	13.6	14.6	15.3	15.5	16.3	15.6	14.7	14.9	15.3
Hikal	HIKCHE	175	200	Buy	2152	6.3	8.4	10.7	13.7	27.9	20.9	16.3	12.8	12.2	15.0	16.2	18.1	11.5	13.6	15.3	16.9
Indoco Remec	INDREM	188	195	Hold	1731	4.8	-1.8	7.4	12.5	38.9	-103.0	25.3	15.1	6.5	-0.1	8.3	12.1	6.6	-2.6	9.4	13.7
Ipca Laborato:	IPCLAB	965	900	Buy	12197	19.0	36.9	43.2	53.0	50.9	26.2	22.4	18.2	9.1	16.4	17.0	18.8	8.9	16.2	15.4	16.3
Jubilant Life	JUBLIF	625	905	Buy	9957	41.3	59.7	73.9	90.4	15.2	10.5	8.5	6.9	14.9	18.6	20.1	21.9	15.7	18.8	18.7	18.8
Lupin	LUPIN	851	840	Hold	38512	20.8	20.2	31.8	42.5	41.0	42.1	26.8	20.0	10.4	9.2	11.3	14.0	6.9	5.7	9.5	11.5
Narayana Hru	NARHRU	194	250	Buy	3970	2.5	2.3	6.2	9.0	77.6	85.7	31.1	21.5	6.3	7.6	11.9	14.7	4.9	4.3	10.5	13.3
Natco Pharm:	NATPHA	545	635	Hold	9958	37.7	35.5	27.0	17.7	14.4	15.4	20.2	30.8	27.4	23.2	16.7	10.5	22.7	18.7	13.1	8.1
Sun Pharma	SUNPHA	437	460	Hold	104764	13.0	17.2	18.6	23.5	33.7	25.3	23.5	18.6	9.8	11.7	11.7	12.6	8.2	10.4	10.0	11.3
Syngene Int.	SYNINT	604	675	Buy	12087	15.3	16.5	19.0	20.5	40.1	37.0	32.3	29.9	15.9	16.2	15.8	15.0	17.7	16.8	16.2	15.0
Torrent Pharm:	TORPHA	1678	2,175	Buy	28393	40.1	52.3	64.9	86.8	41.9	32.1	25.9	19.3	11.2	13.7	17.0	20.5	14.7	16.0	17.8	20.2

Source: ICICI Direct Research, Bloomberg



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Sell: <-15%



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