

Strong US, better product mix drive Q1...

Revenues grew 10% YoY to ₹ 949 crore (I-direct estimate: ₹ 980 crore) due to 53% YoY growth in US to ₹ 345 crore (I-direct estimate: ₹ 317 crore). Domestic formulations declined 2.1% to ₹ 324 crore (I-direct estimate: ₹ 374 crore). EBITDA margins improved 620 bps YoY to 23.7% (I-direct estimate: 19.0%) mainly due improvement in gross margins (78.5% vs. 70.4% in Q1FY19). EBITDA grew 49% YoY to ₹ 224.9 crore vis-à-vis I-direct estimate of ₹ 186.2 crore. Net profit grew 27.4% YoY to ₹ 115.2 crore (I-direct estimate of ₹ 119.3 crore) mainly due to a strong operational performance.

Domestic sales growth riding on speciality segment growth

Specialty contribution in the domestic branded space increased to 63% in FY19 from 54% in FY14. With ~3900 MRs at its disposal, the company enjoys a wide reach among doctors. We expect the specialty segment to remain a key driver for domestic market on the back of aggressive product launches and constant addition of new speciality segments & sub-segments. Overall, we expect domestic formulations to grow at 7% CAGR in FY19-21E to ₹ 1411 crore.

US growth to be driven by new launches

Alembic's US sales (40% of FY19 revenues) grew at ~36% CAGR in FY15-19 to ₹ 1266 crore on the back of consistent product launches including limited competition products. Despite being a late entrant, the company has done reasonably well with a product basket of 165 ANDA filings with 67 pending final approvals. APL has already demonstrated required capabilities by securing limited competition approvals like gAbilify(CNS), gExforge(CVS), gCelebrex(Pain) and gMicardis(CVS). APL now has its own front-end team, which gives better control on its product launches. We expect US sales to register 18.3% CAGR in FY19-21E to ₹ 1772 on the back of new launches.

Valuation & Outlook

Q1 revenues were mainly driven by strong growth in the US. The company also reported one of the strongest gross margin performances although as the management asserted, these are unsustainable. Overall, US growth remains strong but opportunistic whereas India growth remains slightly insipid. With the aggressive R&D and capex, the management has signalled its long term strategy for the next five to six years, especially on the US front. This includes a foray into niche areas like oncology, injectables, derma, etc. We believe this is fraught with a new set of challenges. The benefits are most likely to be back-loaded. Immediate cash burn is likely to weigh on sentiments in the near term. Our target price arrives at ₹ 540 based on 22x FY21E EPS of ₹ 25.4.



Particulars

Particular	Amount
Market Capitalisation	₹ 10123 crore
Debt (FY19)	₹ 1128 crore
Cash & cash equivalents (FY19)	₹ 206 crore
EV	₹ 11046 crore
52 week H/L	664/435
Equity capital	₹ 38 crore
Face value	₹ 2

Key Highlights

- Strong US revenues and better product mix drives Q1
- With the aggressive R&D and capex, the management has signalled its long term strategy for the next five to six years, especially on the US front
- However, benefits are back-loaded. Immediate cash burn likely to weigh on sentiments in near term
- Maintain HOLD

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Key Financial Summary

(₹ crore)	FY18	FY19	FY20E	FY21E	CAGR (FY19-21E) %
Revenues	3130.8	3934.7	4106.3	4701.2	9.3
EBITDA	643.1	873.6	856.4	856.2	-1.0
EBITDA margins (%)	20.5	22.2	20.9	18.2	
Net Profit	412.6	592.7	563.5	465.2	-11.4
EPS (₹)	21.9	31.4	29.9	24.7	
PE (x)	24.5	17.1	19.1	21.8	
Target PE (x)	24.7	17.2	18.1	21.9	
EV to EBITDA (x)	16.7	12.6	12.6	12.1	
ROIC (%)	27.9	35.1	28.6	15.7	
RoNW (%)	18.6	21.8	17.9	13.2	

Exhibit 1: Variance Analysis

	Q1FY20	Q1FY20E	Q1FY19	Q4FY19	YoY (%)	QoQ (%)	Comments
Revenue	948.9	980.0	862.5	927.0	10.0	2.4	YoY growth driven by strong growth in US, partly offset by decline in domestic, RoW and API revenues
Raw Material Expenses	204.4	230.3	255.4	216.7	-20.0	-5.7	An 808 bps YoY improvement in gross margins to 78.5% mainly due to change in product mix
Employee Expenses	214.9	215.6	164.9	200.7	30.3	7.0	
R&D Expenditure	140.3	127.4	121.5	119.7	15.5	17.2	
Other Expenditure	164.4	220.5	169.7	211.7	-3.1	-22.3	
EBITDA	224.9	186.2	151.0	178.0	49.0	26.3	
EBITDA (%)	23.7	19.0	17.5	19.2	620 bps	449 bps	YoY growth and beat vis-à-vis I-direct estimates mainly due to strong gross margin performance
Interest	5.0	5.2	1.6	5.1	217.2	-2.0	
Depreciation	35.4	32.0	27.6	30.0	28.3	18.2	
Other Income	3.3	3.9	0.1	3.4	3,190.0	-2.4	
PBT before EO & Forex	187.8	153.0	121.9	146.4	54.1	28.3	
Forex & EO	32.8	0.0	0.0	0.0	NA	NA	
PBT	155.0	153.0	121.9	146.4	27.2	5.9	
Tax	36.0	33.7	31.5	14.9	14.0	141.3	
PAT before MI	119.1	119.3	90.4	131.5	31.7	-9.4	
Net Profit	115.2	119.3	90.4	132.3	27.4	-12.9	YoY growth mainly driven by strong operational performance
Key Metrics							
Domestic Formulation	324.0	374.0	331.0	302.0	-2.1	7.3	YoY decline and miss vis-à-vis I-direct estimates due to 1) seasonality impact in acute segment, 2) general slowdown in industry and 3) hygiene checks in trade margins
US	345.0	317.0	226.0	313.0	52.7	10.2	YoY growth mainly due to new launches and volume gain in existing products. Beat vis-à-vis I-direct estimates mainly due to better-than-expected growth came from new launches
RoW	108.0	81.9	126.0	82.0	-14.3	31.7	YoY decline mainly due to serialisation impact in Europe
APIs	172.0	207.0	180.0	230.0	-4.4	-25.2	

Source: ICICI Direct Research

Exhibit 2: Change in Estimates

	FY20E			FY21E			Comments
(₹ Crore)	Old	New	% Change	Old	New	% Change	
Revenue	4,159.8	4,106.3	-1.3	4,964.2	4,701.2	-5.3	Changed mainly due to change in domestic, US and RoW revenues
EBITDA	822.2	856.4	4.2	904.8	856.2	-5.4	
EBITDA Margin (%)	19.8	20.9	109 bps	18.2	18.2	-1 bps	Changed FY20 margins mainly due to better-than-expected margins in Q1FY20
PAT	538.3	530.7	-1.4	503.9	465.2	-7.7	Changed mainly in sync with operational performance
EPS (₹)	28.6	28.2	-1.4	26.7	24.7	-7.7	

Source: ICICI Direct Research

Exhibit 3: Change in Estimates

	Current			Earlier			Comments
(₹ crore)	FY18	FY19	FY20E	FY21E	FY20E	FY21E	
Domestic Formulation	1,274.0	1,383.0	1,411.2	1,580.6	1,562.8	1,766.0	Changed mainly due to lower-than-expected growth in Q1FY20
US	909.5	1,266.0	1,431.7	1,772.4	1,403.6	1,925.1	
RoW	297.5	516.0	428.8	463.1	323.5	349.4	Changed as per management guidance
APIs	650.0	770.0	834.3	884.6	869.3	923.1	

Source: ICICI Direct Research

Conference call Highlights

- During the quarter, the company's oncology facility was inspected by the USFDA without any observations
- The company received nine ANDA approvals from the USFDA taking to cumulative ANDA approvals at 98 (including 12 tentative)
- The company filed four ANDAs during the quarter taking cumulative filings to 165
- Despite 78% Gross profit margins (GPM) in Q1, The management has maintained GPM guidance of +/- 70% for FY20
- The management is aiming for better growth in the India branded formulations in the remaining quarters in FY20.
- The company plans to launch 15-20 products in the US in FY20 (20-25 filings planed)
- 16% of the India branded portfolio is under DPCO
- India MR count is 3900 and the attrition rate for the company is slightly higher than the industry
- ~95% of the company's products are now own-labelled products in the US, as per management
- R&D during the quarter was ₹140 crore and the management expects this run rate to continue in the subsequent quarters

Exhibit 4: Trends in quarterly financials

(₹ Crore)	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	YoY (%)	QoQ(%)
Revenues	736.8	879.4	777.0	741.4	648.2	789.3	840.0	853.3	862.5	1127.1	1018.2	927.0	948.9	10.0	2.4
Raw Material Cost	193.7	247.0	211.6	204.0	182.0	213.3	226.4	263.8	255.4	272.1	248.5	216.7	204.4	-20.0	-5.7
% to revenues	26.3	28.1	27.2	27.5	28.1	27.0	27.0	30.9	29.6	24.1	24.4	23.4	21.5		
Gross Profit	543.1	632.4	565.4	537.3	466.2	576.0	613.6	589.5	607.1	855.0	769.7	710.2	744.5	22.6	4.8
Gross Profit Margin (%)	73.7	71.9	72.8	72.5	71.9	73.0	73.0	69.1	70.4	75.9	75.6	76.6	78.5	807 bps	184 bps
Employee cost	134.1	118.7	130.5	137.9	158.5	159.5	147.4	157.3	164.9	182.6	198.4	200.7	214.9	30.3	7.0
% to revenues	18.2	13.5	16.8	18.6	24.5	20.2	17.6	18.4	19.1	16.2	19.5	21.7	22.6	352 bps	99 bps
R & D	82.3	108.7	116.7	109.0	94.0	98.1	98.1	121.1	121.5	144.7	112.2	119.7	140.3		
% to revenues	11.2	12.4	15.0	14.7	14.5	12.4	11.7	14.2	14.1	12.8	11.0	12.9	14.8	70 bps	187 bps
Other Expenditure	169.7	227.3	172.8	155.9	112.2	139.2	180.5	137.9	169.7	225.3	216.9	211.7	164.4	-3.1	-22.3
% to revenues	23.0	25.8	22.2	21.0	17.3	17.6	21.5	16.2	19.7	20.0	21.3	22.8	17.3	-234 bps	-551 bps
Total Expenditure	579.8	701.6	631.6	606.8	546.8	610.1	652.5	680.1	711.5	824.7	775.9	748.9	724.0	1.8	-3.3
% to revenues	78.7	79.8	81.3	81.8	84.4	77.3	77.7	79.7	82.5	73.2	76.2	80.8	76.3		
EBITDA	157.0	177.8	145.4	134.6	101.4	179.2	187.5	173.2	151.0	302.3	242.2	178.0	224.9	49.0	26.3
EBITDA Margin (%)	21.3	20.2	18.7	18.2	15.6	22.7	22.3	20.3	17.5	26.8	23.8	19.2	23.7	620 bps	449 bps
Depreciation	19.4	20.6	21.1	21.8	21.8	25.7	26.4	31.6	27.6	28.6	29.1	30.0	35.4	28.3	18.2
Interest	1.3	1.0	0.8	1.8	0.9	0.4	0.8	1.3	1.6	5.8	6.0	5.1	5.0	217.2	-2.0
OI	0.6	0.5	0.2	0.9	0.2	7.7	0.3	0.6	0.1	2.4	3.5	3.4	3.3		
PBT	136.9	156.7	123.7	111.8	78.9	160.8	160.6	141.0	121.9	270.3	210.8	146.4	187.8	54.1	28.3
Tax	33.3	33.2	39.3	16.5	15.5	36.6	29.8	38.5	31.5	70.3	40.0	14.9	36.0	14.0	141.3
Tax Rate (%)	24.3	21.2	31.8	14.7	19.6	22.7	18.5	27.3	25.9	26.0	19.0	10.2	19.1		
PAT	103.6	123.6	84.4	95.3	63.4	124.3	130.9	102.4	90.4	200.0	170.8	131.5	151.9	68.0	15.5
PAT Margin (%)	14.1	14.0	10.9	12.9	9.8	15.7	15.6	12.0	10.5	17.7	16.8	14.2	16.0		
Exceptional Items (EI)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.8		
Net Profit before MI	103.6	123.6	84.4	95.3	63.4	124.3	130.9	102.4	90.4	200.0	170.8	131.5	119.1	31.7	-9.4
Add/(less) MI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	-0.8	-0.8	4.2		
Net Profit	103.6	123.6	84.4	95.3	63.4	124.3	130.9	102.2	90.4	200.0	171.5	132.3	114.8	27.1	-13.2
Net Profit (excl.EI)	103.6	123.6	84.4	95.3	63.4	124.3	130.9	102.2	90.4	200.0	171.5	132.3	147.6	63.4	11.6

Source: ICICI Direct Research

Company Background

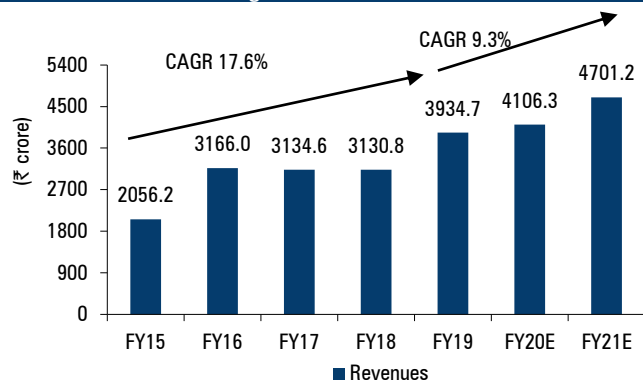
Tracing its roots way back to 1907, the company has remained an active player in the domestic formulations space with a few legacy brands like Azithral, Althrocine and Wikoryl in the anti-infective and cough & cold segments. In 2011, APL was de-merged from Alembic Ltd to provide more thrust to formulations and insulate this business from the vagaries of commoditised APIs. Formulations account for 79% of the business while the rest comes from APIs. As of FY19, the domestic: exports formulation ratio was at 48:52. Consolidated revenues, EBITDA and PAT have grown at a CAGR of 18%, 21% and 20%, respectively, in FY15-19.

The company's domestic branded portfolio is gradually shifting to the speciality business segment, which now accounts for ~63% of domestic branded formulations in FY18 from 54% in FY14.

Export formulations constitute 52% of FY19 revenues. Of this, ~81% of export formulations are generics catering to the US.

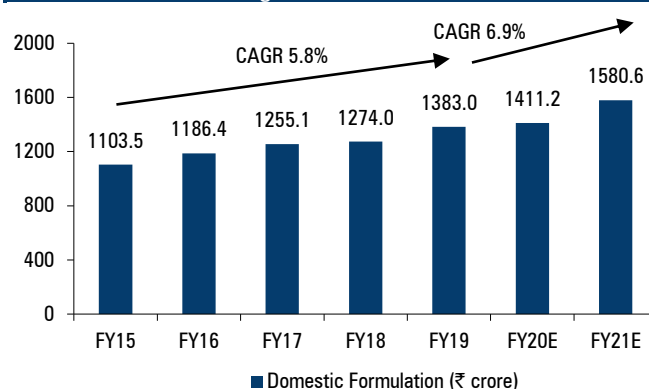
The company has acquired US based Orit Laboratories LLC along with real estate. Orit is focused on developing and filing oral solid and liquid products. With 8,600 square feet R&D and pilot manufacturing facility, it has seven approved ANDAs and four ANDAs pending approval. Orit adds complementary skill sets in soft gelatin based oral solids and oral liquids to Alembic with a team of eight highly experienced scientists.

Exhibit 5: Revenues to grow at CAGR of 9% over FY19-21E



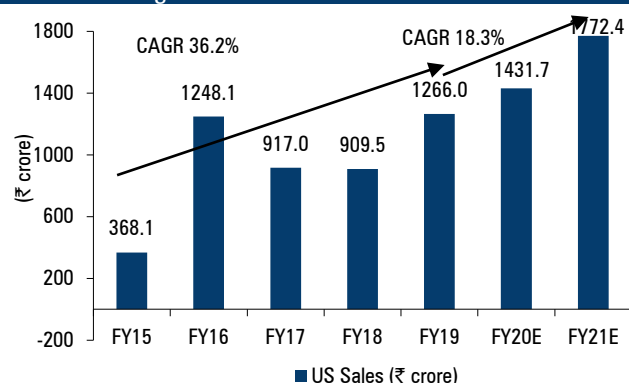
Source: ICICI Direct Research, Company

Exhibit 6: Domestic to grow at CAGR of 7% over FY19-21E



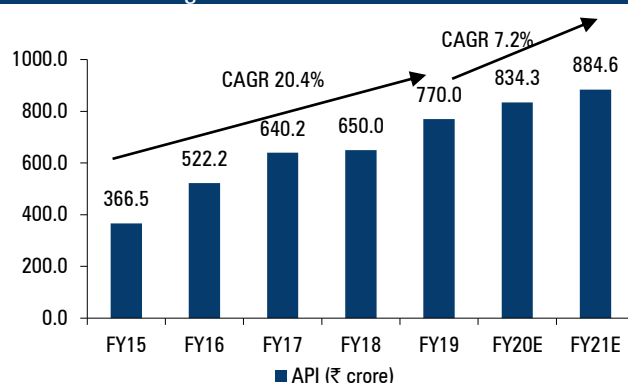
Source: ICICI Direct Research, Company

Exhibit 7: US to grow at CAGR of 18% over FY19-21E



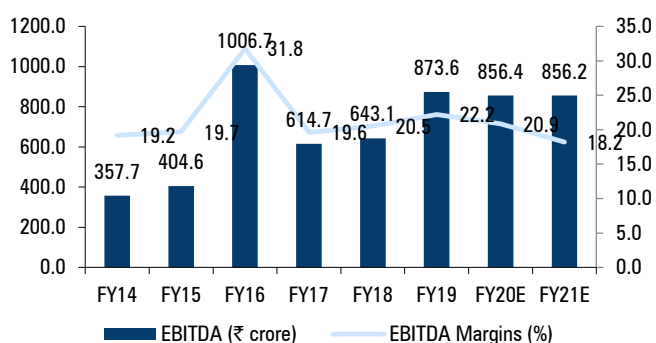
Source: ICICI Direct Research, Company

Exhibit 8: API to grow at CAGR of 7% over FY19-21E



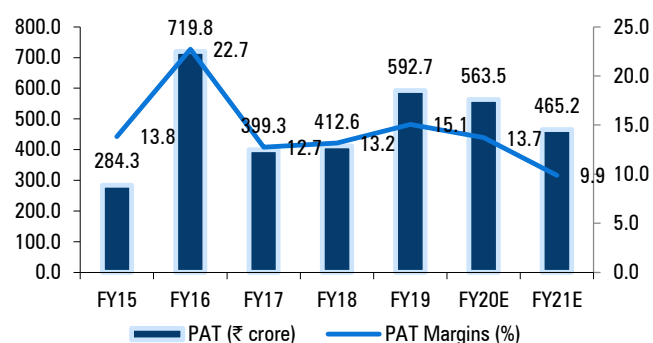
Source: ICICI Direct Research, Company

Exhibit 9: EBITDA & margins trend

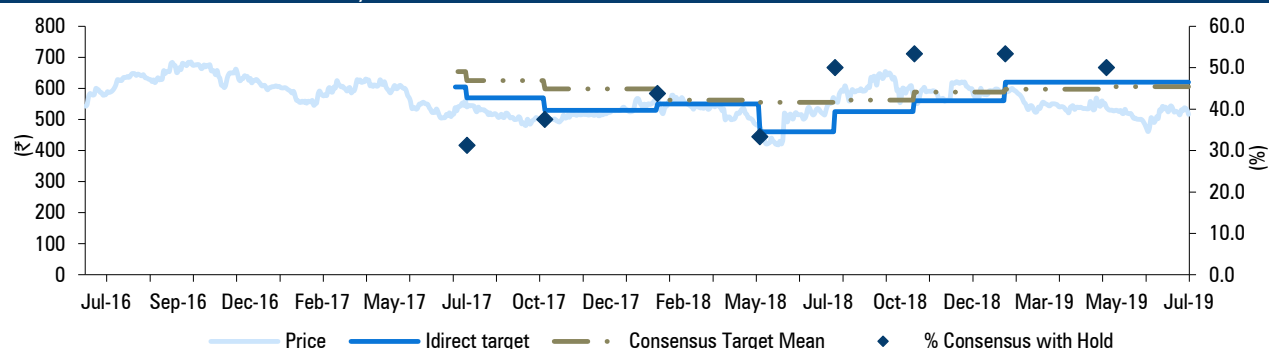


Source: ICICI Direct Research, Company

Exhibit 10: PAT & margins trend



Source: ICICI Direct Research, Company

Exhibit 11: Recommendation history vs. Consensus


Source: ICICI Direct Research, Reuters

Exhibit 12: Top 10 Shareholders

Rank	Investor Name	Filing Date	% O/S	Position	Change
1	Alembic Ltd	Mar-19	29.5	55.6m	0.0
2	Nirayu Pvt. Ltd.	Mar-19	26.2	49.3m	0.0
3	Shreno, Ltd.	Mar-19	11.0	20.7m	0.0
4	ICICI Prudential Asset Management Co. Ltd.	Mar-19	3.3	6.2m	-0.2
5	Amin (Chirayu Ramanbhai)	Mar-19	2.4	4.5m	0.0
6	Matthews International Capital Management, L.L.C.	Mar-19	2.3	4.4m	0.0
7	Amin (Malika C)	Mar-19	1.6	3.0m	0.0
8	HSZ (Hong Kong) Limited	Mar-19	1.3	2.5m	0.0
9	Elara Capital Plc	Mar-19	1.2	2.3m	0.0
10	DSP Investment Managers Pvt. Ltd.	May-19	0.9	1.6m	0.0

Source: ICICI Direct Research, Reuters

Exhibit 13: Recent Activity

Buys			Sells		
Investor Name	Value (\$ mn)	Shares	Investor Name	Value (\$ mn)	Shares
Amin (Yeraben Ramanbhai)	8.4	1.1	ICICI Prudential Asset Management Co. Ltd.	-1.6	-0.2
Uday Education Society	8.1	1.0	Norges Bank Investment Management (NBIM)	-1.8	-0.2
Vidyanidhi Trust	6.3	0.8	Aditya Birla Sun Life AMC Limited	-0.3	0.0
Arogyavardhini Society	2.2	0.3	Taurus Asset Management Co. Ltd.	-0.2	0.0
Bhailal Amin General Hospital	2.2	0.3	HSZ (Hong Kong) Limited	-0.1	0.0

Source: ICICI Direct Research, Reuters

Exhibit 14: Shareholding Pattern

(in %)	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Promoter	73.0	73.0	73.0	73.0	73.0
Others	27.0	27.0	27.0	27.0	27.0

Source: ICICI Direct Research, Reuters

Financial Summary

Exhibit 15: Profit & Loss (₹ crore)

(Year-end March) ₹ crore	FY18	FY19	FY20E	FY21E
Revenues	3,130.8	3,934.7	4,106.3	4,701.2
Growth (%)	-0.1	25.7	4.4	14.5
Raw Material Expenses	885.6	992.7	993.8	1,159.0
Employee Expenses	622.8	746.7	830.6	1,017.0
R&D Expenditure	411.3	498.2	582.3	611.2
Other Manufacturing Expenses	568.1	823.5	843.3	1,057.8
Total Operating Expenditure	2,487.7	3,061.1	3,249.9	3,844.9
EBITDA	643.1	873.6	856.4	856.2
Growth (%)	4.6	35.8	-2.0	0.0
Interest	3.4	18.4	20.5	13.2
Depreciation	105.5	115.2	131.4	265.5
Other Income	7.0	9.4	15.9	18.8
PBT	541.3	749.3	687.6	596.4
Total Tax	120.4	156.7	153.1	131.2
Tax Rate (%)	22.2	20.9	22.3	22.0
Adjusted PAT	412.6	592.7	563.5	465.2
Growth (%)	3.3	43.6	-4.9	-17.4
EPS (Adjusted)	21.9	31.4	29.9	24.7

Source: ICICI Direct Research

Exhibit 16: Cash Flow Statement (₹ crore)

(Year-end March) ₹ crore	FY18	FY19	FY20E	FY21E
Profit/(Loss) after taxation	406.2	582.8	530.7	465.2
Depreciation	105.5	155.2	131.4	265.5
Net Increase in Current Assets	-568.9	-22.6	-92.8	-252.7
Net Increase in Current Liabilities	349.7	131.1	46.3	123.6
CF from operating activities	312.4	812.0	615.5	601.5
(Inc)/dec in Investments	0.0	-14.4	0.0	0.0
(Inc)/dec in Fixed Assets	-885.8	-763.1	-250.0	-50.0
Other investing activities	2.1	7.3	2.5	1.0
CF from investing activities	-884.7	-755.3	-249.2	-49.1
Inc / (Dec) in Equity Capital	0.0	0.0	0.0	0.0
Inc / (Dec) in Loan	619.1	220.7	-300.0	-300.0
Dividend & Dividend Tax	-90.8	-90.9	-107.7	-94.4
Other financing activities	-25.7	-70.7	0.0	0.0
CF from financing activities	502.6	59.0	-407.7	-394.4
Net Cash flow	-69.7	115.7	-41.3	158.1
Opening Cash	159.6	89.9	205.6	164.3
Closing Cash	89.9	205.6	164.3	322.4
Free Cash flow	-573.3	48.9	365.5	551.5

Source: ICICI Direct Research

Exhibit 17: Balance Sheet (₹ crore)

(Year-end March) ₹ crore	FY18	FY19	FY20E	FY21E
Equity Capital	37.7	37.7	37.7	37.7
Reserve and Surplus	2,182.4	2,681.1	3,104.1	3,474.9
Total Shareholders funds	2,220.1	2,718.8	3,141.8	3,512.6
Minority Interest	0.3	-0.8	-0.9	-0.9
Total Debt	707.8	1,128.4	828.4	528.4
Deferred Tax Liability	35.6	18.8	20.6	22.7
Other Non Current Liabilities	0.0	0.0	0.0	0.0
Long Term Provisions	61.7	52.0	57.2	63.0
Source of Funds	3,025.5	3,917.3	4,047.2	4,125.7
Gross Block - Fixed Assets	1,238.5	1,518.4	1,968.4	3,318.4
Accumulated Depreciation	248.9	363.5	494.9	760.3
Net Block	989.6	1,154.8	1,473.5	2,558.0
Capital WIP	1,010.2	1,551.2	1,351.2	51.2
Total Fixed Assets	1,999.8	2,706.1	2,824.7	2,609.2
Goodwill on Consolidation	3.8	3.6	3.6	3.6
Investments	41.6	48.8	48.8	48.8
Inventory	733.9	967.3	1,009.3	1,155.5
Cash	89.9	205.6	164.3	322.4
Debtors	526.3	488.9	510.1	584.0
Loans & Advances & Other CA	0.0	0.0	0.0	0.0
Total Current Assets	1,824.9	1,957.7	2,009.2	2,419.9
Creditors	759.3	702.3	732.8	839.0
Provisions & Other CL	156.4	158.2	174.0	191.4
Total Current Liabilities	915.7	860.5	906.8	1,030.4
Net Current Assets	909.2	1,097.2	1,102.4	1,389.6
LT L& A, Other Assets	71.1	61.6	67.7	74.5
Deferred Tax Assets	0.0	0.0	0.0	0.0
Application of Funds	3,025.5	3,917.3	4,047.2	4,125.7

Source: ICICI Direct Research

Exhibit 18: Key Ratios (₹ crore)

(Year-end March)	FY18	FY19	FY20E	FY21E
Per share data (₹)				
Adjusted EPS	21.9	31.4	29.9	24.7
BV per share	117.8	144.2	166.7	186.3
Dividend per share	4.6	6.4	5.7	5.0
Operating Ratios (%)				
Gross margins	71.7	74.8	75.8	75.3
EBITDA Margins	20.5	22.2	20.9	18.2
PAT Margins	13.2	15.1	13.7	9.9
Inventory days	85.6	89.7	89.7	89.7
Debtor days	61.4	45.4	45.3	45.3
Creditor days	88.5	65.2	65.1	65.1
Asset Turnover	2.5	2.6	2.1	1.4
EBITDA conversion Rate	48.6	92.9	71.9	70.3
Return Ratios (%)				
RoE	18.6	21.8	17.9	13.2
RoCE	18.0	19.6	18.3	14.8
RoIC	27.9	35.1	28.6	15.7
Valuation Ratios (x)				
P/E	24.5	17.1	19.1	21.8
EV / EBITDA	16.7	12.6	12.6	12.1
EV / Net Sales	3.4	2.8	2.6	2.2
Market Cap / Sales	3.2	2.6	2.5	2.2
Price to Book Value	4.6	3.7	3.2	2.9
Solvency Ratios				
Debt / Equity	0.3	0.4	0.3	0.2
Debt / EBITDA	1.1	1.3	1.0	0.6
Current Ratio	1.4	1.7	1.7	1.7

Source: ICICI Direct Research

Exhibit 19: ICICI Direct Coverage Universe (Healthcare)

Company	I-Direct CMP		TP Rating	M Cap	EPS (₹)					PE(x)			RoCE (%)			RoE (%)					
	Code	(₹)			(₹)	(₹ cr)	FY18	FY19	FY20E	FY21E	FY18	FY19	FY20E	FY21E	FY18	FY19	FY20E	FY21E	FY18	FY19	Y20E
Ajanta Pharm:	AJAPHA	890	1,060	Hold	7766	53.0	43.5	47.5	60.2	16.8	20.4	18.7	14.8	30.0	21.8	20.8	22.4	23.0	17.1	16.4	18.0
Alembic Pharm	ALEMPHA	537	540	Hold	10123	21.9	31.4	29.9	24.7	24.5	17.1	18.0	21.8	18.0	19.6	18.3	14.8	18.6	21.8	17.9	13.2
Apollo Hospite	APOHOS	1354	1,450	Buy	18838	8.5	17.7	35.3	48.1	160.1	76.6	38.3	28.2	6.3	8.8	12.1	15.7	3.6	7.4	13.2	15.7
Aurobindo Ph:	AURPHA	566	715	Buy	33166	41.6	42.1	48.6	54.3	13.6	13.4	11.6	10.4	20.0	15.9	14.6	15.3	20.7	17.7	17.1	16.5
Biocon	BIOCON	236	330	Buy	28338	3.1	6.2	8.2	9.1	76.1	38.0	28.9	26.0	8.1	10.9	13.4	16.1	7.2	12.2	13.4	15.2
Cadila Healthc	CADHEA	225	272	Hold	22998	17.5	18.1	16.3	18.7	12.8	12.4	13.8	12.0	16.7	13.0	11.4	12.3	20.5	17.8	14.2	14.5
Cipla	CIPLA	521	580	Hold	41972	18.3	18.8	24.0	29.1	28.4	27.7	21.7	17.9	9.6	10.9	13.7	14.5	10.4	10.1	12.0	12.5
Divi's Lab	DIVLAB	1652	1,760	Hold	43842	33.3	51.0	56.2	67.8	49.6	32.4	29.4	24.3	20.0	25.5	23.0	24.4	14.9	19.4	17.8	18.8
Dr Reddy's La	DRREDD	2586	2,840	Hold	42943	57.0	114.8	163.4	157.7	45.3	22.5	15.8	16.4	6.1	11.1	16.1	15.6	7.2	13.6	16.6	14.2
Glenmark Pha	GLEPHA	432	565	Hold	12202	28.5	26.9	34.2	40.3	15.2	16.1	12.6	10.7	14.6	14.5	15.3	16.1	15.6	13.5	14.8	15.0
Hikal	HIKCHE	153	205	Buy	1886	6.3	8.4	9.9	13.9	24.4	18.3	15.4	11.0	12.2	15.0	16.2	18.1	11.5	13.6	15.3	16.9
Ipca Laborato	IPCLAB	965	1,130	Buy	12193	19.0	35.1	45.6	56.4	50.8	27.5	21.2	17.1	9.1	15.4	21.3	20.5	8.9	14.2	18.2	17.1
Jubilant Life	JUBLIF	438	710	Buy	6983	41.3	52.1	54.1	64.9	10.6	8.4	8.1	6.8	14.9	14.4	15.9	17.1	15.7	16.9	15.8	16.5
Lupin	LUPIN	785	810	Hold	35532	20.8	16.5	30.6	40.4	37.8	47.4	25.7	19.4	10.4	9.4	12.1	13.9	6.9	5.4	9.3	11.1
Narayana Hru	NARHRU	221	250	Buy	4524	2.5	2.3	6.2	9.0	88.4	97.6	35.5	24.5	6.3	7.6	11.9	14.7	4.9	4.3	10.5	13.3
Natco Pharm:	NATPHA	528	595	Hold	9655	37.7	34.9	37.1	26.7	14.0	15.1	14.2	19.8	27.4	21.3	19.8	13.4	22.7	18.5	16.5	10.9
Sun Pharma	SUNPHA	431	460	Hold	103385	13.0	15.9	17.9	23.4	33.2	27.2	24.1	18.4	9.8	10.4	10.5	12.8	8.2	9.2	8.4	11.2
Syngene Int.	SYNINT	308	358	Hold	12338	7.6	8.3	9.9	10.3	40.6	37.4	31.3	30.0	15.1	14.8	14.5	13.8	17.7	16.8	16.8	15.0
Torrent Pharm	TORPHA	1675	1,940	Buy	28344	40.1	48.9	57.9	77.6	41.8	34.2	28.9	21.6	11.2	14.2	16.0	19.8	14.7	17.5	17.1	20.1

Source: ICICI Direct Research, Bloomberg

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