

## Below-par Q4 numbers but growth prospects intact...

Q4FY20 revenues grew 22.1% YoY to ₹ 1074 crore (I-direct estimate: ₹ 1152 crore). Export formulations grew 11.4% YoY to ₹ 282 crore (I-direct estimate: ₹ 362 crore). Domestic revenues grew 21.2% YoY to ₹ 431 crore (I-direct estimate: ₹ 420 crore). API segment grew 30.0% YoY to ₹ 275 crore. EBITDA margins declined 291 bps YoY to 15.7% (I-direct estimate: 21.9%) due to forex loss and higher personnel cost. EBITDA grew 3.0% YoY to ₹ 168.5 crore (I-direct estimate: ₹ 252 crore). Net profit de-grew 12.7% YoY to ₹ 86 crore (I-direct estimate: ₹ 177 crore). Delta vis-à-vis EBITDA was due to higher depreciation and lower other income.

## Export formulations main catalyst for growth

Growth in exports formulations (28% of FY20 revenues) was on the back of growth in both international generics and international branded formulations. The international anti-malarial institutional business has also contributed substantially to overall exports growth. US traction will take more time than earlier estimated due to USFDA import alerts for the Ratlam facility that is the only API source for Silvassa and Pithampur formulations plants along with Silvassa and Pithampur (Indore) plants that are specifically earmarked for the US business, besides third party sales. However, sustained traction from branded and generics exports sales with a revival in EU, is expected to mitigate the US void. We expect export formulations to grow at 17.5% CAGR in FY20-22E to ₹ 1687 crore, driven by branded formulation exports and recovery in the tender and generic exports.

## Growth in ex-antimalarials to counter antimalarial volatility

Domestic formulations comprise 44% of FY20 revenues. The domestic performance has been volatile at times due to presence of anti-malarials in the portfolio. However, with incremental growth in other therapies, especially non-communicable diseases like pain management, cardio-diabetology, etc, the overall portfolio is poised for steady growth. We expect Indian formulations to grow at 11.7% CAGR in FY20-22E to ₹ 2388 crore.

## Valuation & Outlook

Ipca has maintained growth tempo in FY20, as was the case for FY19. Besides strong domestic formulations franchise, it continues to thrive on exports front, both in formulations, APIs. Though there are fluctuations in the institutional business, the management remains upbeat on prospects. Going ahead, with firm growth tempo in domestic formulations and good prospects both for API exports and formulation exports, we expect further improvement in financial parameters. The company will continue to remain a compelling bet on the back of well-rounded growth prospects for FY20-22E- sales, EBITDA and PAT CAGR of 13%, 22% and 29%, respectively. We arrive at our target price of ₹ 1900 (24x FY22E EPS of ₹ 79.2).



### Particulars

Particular	Amount
Market Capitalisation	₹19755 crore
Debt (FY 20)	₹547 crore
Cash (FY 20)	₹181 crore
EV	₹20121 crore
52 week H/L (₹)	1825/844
Equity capital	₹25.3 crore
Face value	₹2

### Key Highlights

- Results below I-direct estimates on all fronts due to lower-than-expected growth in export formulations and forex loss
- On the back of firm growth tempo in domestic formulations and good prospects both for API exports and formulation exports, we expect further improvement in financial parameters
- Maintain BUY

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### Key Financial Summary

(₹crore)	FY19	FY20	FY21E	FY22E	CAGR (FY20-22E) %
Revenues	3773.2	4648.7	5368.1	5983.1	13.
EBITDA	690.1	903.7	1131.1	1337.6	21.
EBITDA Margins (%)	18.3	19.4	21.1	22.4	
Net Profit	442.2	603.4	798.2	999.0	28.
EPS (₹)	35.1	47.8	63.3	79.2	
Adj. EPS (₹)	35.1	47.8	63.3	79.2	
PE (x)	44.6	32.7	24.7	19.7	
EV to EBITDA (x)	28.7	22.0	17.0	13.8	
Price to book (x)	6.3	5.4	4.5	3.7	
RoNW (%)	14.2	16.6	18.1	18.6	
RoCE (%)	15.0	17.4	19.7	20.7	

Source: ICICI Direct Research; Company

## Exhibit 1: Variance Analysis

	Q4FY20	Q4FY20E	14FY19	Q3FY20	YoY (%)	QoQ (%)	Comments
Revenue	1,073.8	1,151.5	879.6	1,212.9	22.1	-11.5	YoY growth mainly due to strong growth in domestic formulations, export generic and API segments. Miss vis-à-vis I-direct estimates mainly due to delay in shipment in export markets
Raw Material Expenses	364.6	398.3	306.7	423.8	18.9	-14.0	
Employee Expenses	242.2	236.0	187.1	231.3	29.4	4.7	
Other Expense	298.5	264.8	222.2	284.1	34.3	5.1	Included forex loss of ₹ 23.62 crore against gain of ₹ 0.04 crore in Q4FY19
Operating Profit (EBITDA)	168.5	252.2	163.6	273.7	3.0	-38.4	
EBITDA (%)	15.7	21.9	18.6	22.6	-291 bps	-687 bps	YoY decline and miss vis-à-vis I-direct estimates mainly due forex loss and higher employee cost
Interest	3.7	4.0	6.4	4.0	-43.0	-8.5	
Depreciation	63.9	50.8	44.8	50.8	42.9	25.8	YoY increase mainly due to one time depreciation of Bayshore
Other Income	13.7	18.1	15.3	18.1	-10.0	-24.3	
PBT	114.6	215.5	127.7	237.0	-10.3	-51.6	
Tax	29.2	38.8	31.7	36.9	-7.7	-20.8	
Tax Rate (%)	25.5	18.0	24.8	15.6	69 bps	992 bps	
Reported PAT	86.0	176.7	98.6	197.6	-12.7	-56.5	
PAT (Ex forex)	86.0	176.7	98.6	197.6	-12.7	-56.5	Delta vis-à-vis EBITDA and miss vis-à-vis I-direct estimates mainly due to higher depreciation and tax rate
EPS (₹)	6.8	14.0	7.8	15.7	-12.7	-56.5	
<b>Key Metrics</b>							
Domestic formulations	431.0	419.7	355.7	485.6	21.2	-11.3	YoY growth was owing to robust growth across segments
Export - Generic	166.0	195.0	118.2	192.6	40.5	-13.8	Reported robust growth mainly due to strong growth in EU, Australia, New Zealand, Canada and South Africa
Export - Institutional	39.7	49.0	40.8	47.8	-2.7	-17.0	
Export - Branded	76.7	118.2	94.6	113.0	-18.9	-32.1	YoY decline and miss vis-à-vis I-direct estimates mainly delay in shipment amid lockdown
API	275.1	281.1	211.6	285.4	30.0	-3.6	

Source: ICICI Direct Research

## Exhibit 2: Change in Estimates

	FY21E			FY22E			Comments
(₹ Crore)	Old	New	% Change	Old	New	% Change	
Revenue	5,109.1	5,368.1	5.1	5,722.0	5,983.1	4.6	Changed as per guidance
EBITDA	1,124.0	1,131.1	0.6	1,316.1	1,337.6	1.6	
EBITDA Margin (%)	22.0	21.1	-93 bps	23.0	22.4	-64 bps	Changed as per guidance
PAT	814.1	798.2	-2.0	983.9	999.0	1.5	
EPS (₹)	64.5	63.3	-2.0	78.0	79.2	1.5	

Source: ICICI Direct Research

## Exhibit 3: Change in Estimates

	Current				Earlier		Comments
	FY19	FY20E	FY21E	FY22E	FY21E	FY22E	
Domestic formulations	1,646.8	1,822.6	2,132.6	2,388.5	2,117.6	2,371.7	
Export formulations	1,048.3	1,366.2	1,502.3	1,686.9	1,580.3	1,804.4	Changed as per management guidance
API	884.6	791.9	1,349.1	1,484.0	1,153.2	1,268.5	Changed as per management guidance

Source: ICICI Direct Research

## Conference Call Highlights

- Forex: FY20 – loss ₹ 14 crore; Q4FY20 - loss of ₹ 21 crore
- Therapy growth rates for FY20 are- pain: 20%; CVS & diabetology: 10%; anti-malarials: 7%; antibacterials: 35%; CNS: 20%; ophthalmic (newer): 38%
- The management will continue to focus on improving productivity, asset utilisation and brand building
- Gross margins decline in FY20 due to increased input cost and higher API mix (~27% of revenues)
- The company has guided for ₹ 250 crore of capex in FY21 including solar/wind power initiatives. Most of the capex (excluding maintenance capex) is contingent on Dewas API plant environment clearance, which is expected in early July 2020.
  - Dewas: 2-3 plants to come up; FY21 capex to be ₹ 50-60 crore for civil work at Dewas; operational in FY22/23
  - FY22 Capex to be ~₹ 200 crore
- Branded formulations export came in at ₹ 77 crore in Q4FY20 vs. 94 crore in Q4FY19 (₹ 26 crore of shipment deferred to Q1. In FY20, Branded formulation grew 6% to ₹ 381 crore (12% adjusted for deferred sales)
- In FY20, Europe sales grew 31% to ₹ 319 crore; SA grew 15% to ₹ 110 crore and Canada grew 59% to ₹ 78 crore.
- Subsidiaries:
  - Onyx (UK – CRAMS) – ₹ 18 crore profit in FY20 (Revenue US\$8 million);
  - Baysure (acquired for front end US) – currently in trading business (Profit contribution: US\$ 0.2 million);
  - Pisgah (acquired for CRAMS front end at UK) – Currently loss making due to delayed projects and loss of out-licensing royalty due to drop in market share (impairment of ₹ 27.6 crore taken)
- FY21 Guidance– 14-17% growth in revenue and EBITDA margin improvement of 150bps
  - 11.5% growth expected in domestic business; API continue current trend
  - Institutional business may reach ₹ 240 crore from the current ₹ 176 crore
- No MR addition for FY21
- R&D spend for FY20 was at 2.5% of sales
- Remedial – ₹ 16 crore FY20 (Q4FY20: ₹ 3 crore); Going ahead, this cost will come down
- On the Hydroxychloroquine front – capitalised on opportunity due to Covid-19 in January/February 2020
  - 12 crore tablets supplied to the government in 45 days with a realisation of ₹ 42 crore
- Captive API consumption at 55% in FY20 against 54% in FY19
- Tax rate for FY21, FY22 to be around 17.5%; post that move to the 25% bracket

## Exhibit 4: Quarterly Financials

₹Crore	Q 1FY 19	Q 2FY 19	Q 3FY 19	Q 4FY 19	Q 1FY 20	Q 2FY 20	Q 3FY 20	Q 4FY 20	YoY (%)	QoQ (%)
Revenues	875.4	1012.0	1006.1	879.6	1078.2	1283.9	1212.9	1073.8	22.1	-11.5
Raw Material Expenses	281.5	312.7	338.9	306.7	406.0	449.7	423.8	364.6	18.9	-14.0
% of Revenue	32.2	30.9	33.7	34.9	37.7	35.0	34.9	34.0	-91bps	-99bps
Gross Profit	594.0	699.3	667.3	572.9	672.2	834.2	789.1	709.2	23.8	-10.1
GPM (%)	67.8	69.1	66.3	65.1	62.3	65.0	65.1	66.0	91bps	99bps
Employee Expenses	202.6	212.0	185.7	187.1	215.7	232.0	231.3	242.2	29.4	4.7
% of Revenue	23.1	20.9	18.5	21.3	20.0	18.1	19.1	22.6	128bps	348bps
Other expense	272.5	313.7	247.1	222.2	259.4	337.6	284.1	298.5	34.3	5.1
% of Revenue	31.1	31.0	24.6	25.3	24.1	26.3	23.4	27.8	254bps	438bps
Total Expenditure	756.6	838.4	771.7	716.0	881.1	1019.4	939.2	905.3	26.4	-3.6
% of Revenue	86.4	82.8	76.7	81.4	81.7	79.4	77.4	84.3	291bps	687bps
EBIDTA	118.8	173.6	234.5	163.6	197.1	264.5	273.7	168.5	3.0	-38.4
EBIDTA Margin (%)	13.6	17.2	23.3	18.6	18.3	20.6	22.6	15.7	-291bps	-687bps
Depreciation	46.6	45.4	45.7	44.8	46.1	49.6	50.8	63.9	42.9	25.8
Interest	4.9	2.4	5.1	6.4	4.6	4.2	4.0	3.7	-43.0	-8.5
Other Income	14.3	14.8	13.3	15.3	20.3	14.8	18.1	13.7	-10.0	-24.3
PBT	81.6	140.6	196.9	127.7	166.8	225.4	237.0	114.6	-10.3	-51.6
Tax	13.1	22.1	37.4	31.7	37.4	31.9	36.9	29.2	-7.7	-20.8
Tax Rate (%)	16.0	15.7	19.0	24.8	22.4	14.1	15.6	25.5	NA	NA
PAT	68.5	118.5	159.2	96.0	129.6	193.1	197.6	86.0	-12.7	-56.5
PAT Margin (%)	7.8	11.7	15.8	11.2	12.0	15.0	16.3	8.0	-319bps	-828bps
EPS (₹)	5.4	9.4	12.6	7.8	10.3	15.3	15.7	6.8	-12.7	-56.5

Source: ICICI Direct Research, Company

## Company Background

Established in 1949, Ipca is known for its dominance in the anti-malarial business. It has come a long way from being an anti-malarial player to a player offering a gamut of other therapeutic products.

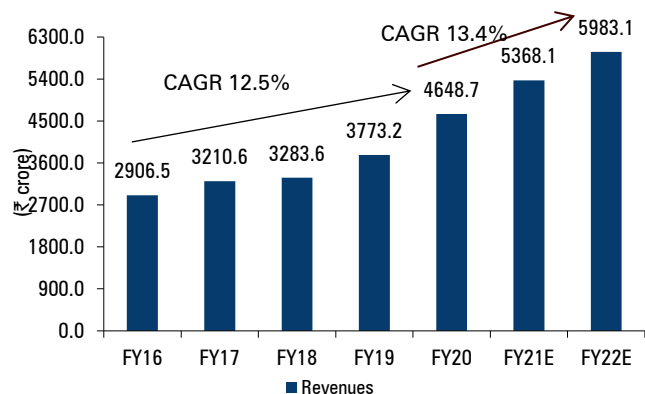
Overall formulations to API ratio are 73:27. Further break-up of formulations- 1) domestic formulations- 44%, 2) export formulations-28% of total revenues. Further break-up of APIs- 1) Domestic APIs- 6%, 2) Export APIs- 21% of total revenues.

Exports formulations are further divided into- 1) branded formulations- 31% of exports formulations, 2) generic formulations- 54% of exports formulations and 3) institutional business- 14% of exports formulations.

In domestic formulations, the company owns a field force of ~4600 MRs (as of 9MFY20).

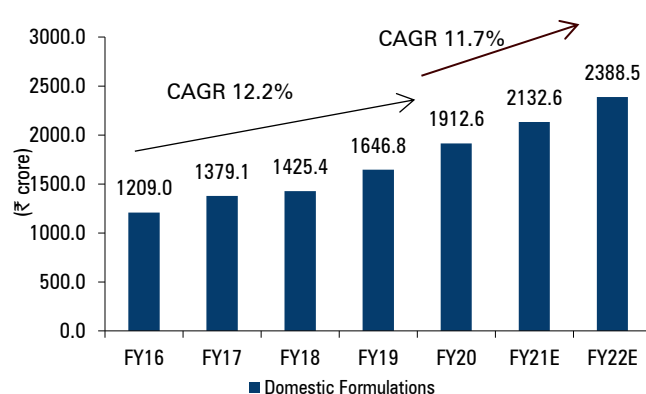
Major therapies in domestic formulations are-1) pain management 2) anti-malarial 3) cardiovascular (CVS) and 4) gastrointestinal (GI)

Exhibit 5: Revenues to grow at CAGR of 13% over FY20-22E



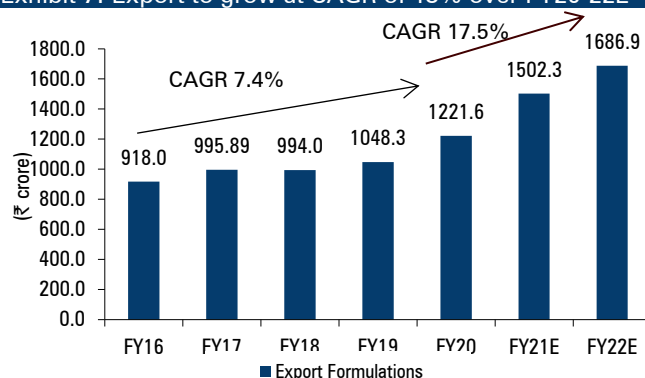
Source: ICICI Direct Research, Company

Exhibit 6: India to grow at CAGR of 12% over FY20-22E



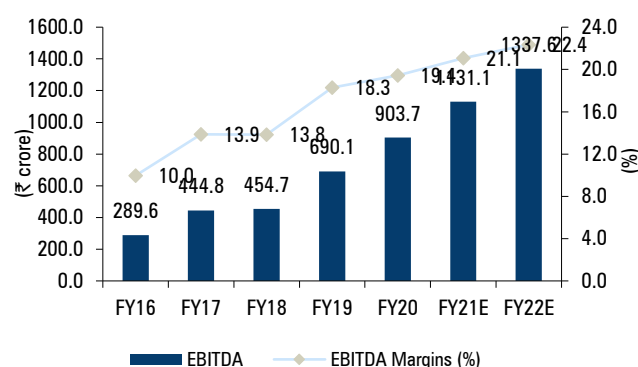
Source: ICICI Direct Research, Company

Exhibit 7: Export to grow at CAGR of 18% over FY20-22E



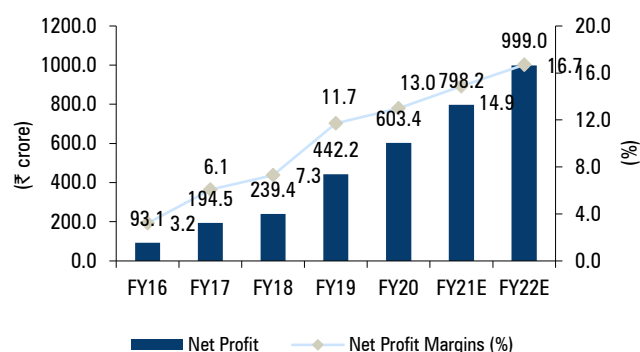
Source: ICICI Direct Research, Company

Exhibit 8: EBITDA &amp; margins trend



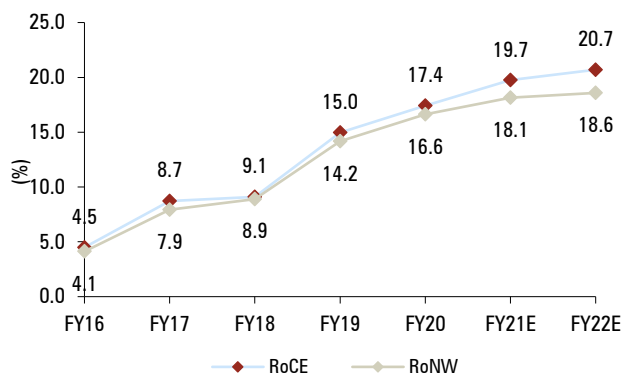
Source: ICICI Direct Research, Company

Exhibit 9: Net profit &amp; margins trend



Source: ICICI Direct Research, Company

Exhibit 10: RoE &amp; RoCE trend



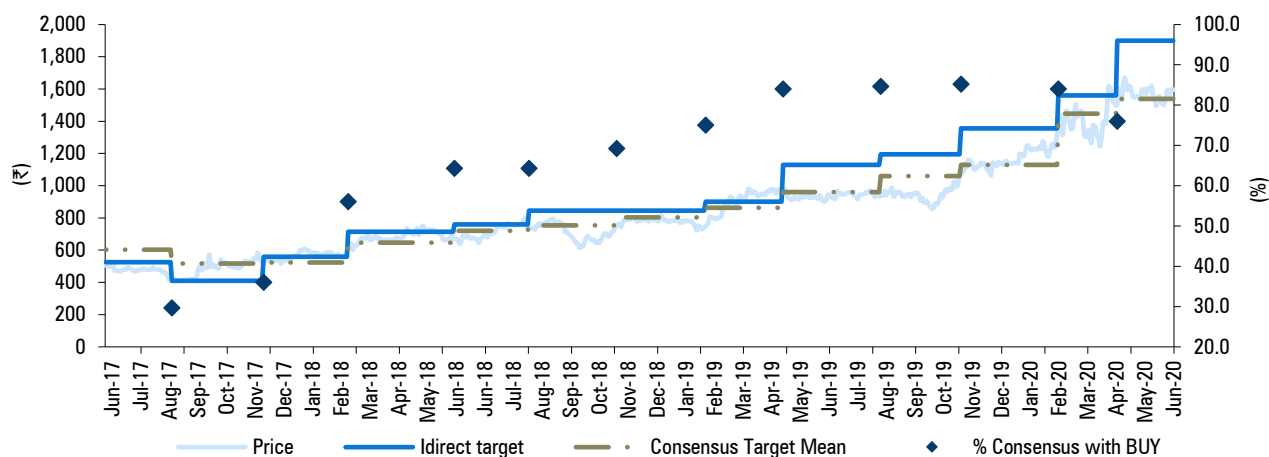
Source: ICICI Direct Research, Company

Exhibit 11: Valuation

	Revenues	Growth	Adj. EPS	Growth	P/E	EV/EBITDA	RoNW	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY 19	3773	14.9	35.1	84.7	44.6	28.7	14.2	15.0
FY 20	4649	23.2	47.8	36.4	32.7	22.0	16.6	17.4
FY 21E	5368	15.5	63.3	32.3	24.7	17.0	18.1	19.7
FY 22E	5983	11.5	79.2	25.2	19.7	13.8	18.6	20.7

Source: ICICI Direct Research, Company

## Exhibit 12: Recommendation History vs. Consensus



Source: ICICI Direct Research, Bloomberg

## Exhibit 13: Top 10 Shareholders

Rank	Investor Name	Filing Date	% O/S	Position (m)	Change
1	Kaygee Investments Pvt Ltd	31-Mar-20	21.4	27.02m	0.0m
2	Ipca Laboratories Limited	20-May-20	6.9	8.77m	0.0m
3	Kaygee Laboratories Pvt	31-Mar-20	6.6	8.32m	0.0m
4	Chandurkar Investments Pvt Ltd	31-Mar-20	5.5	6.98m	0.0m
5	DSP Investment Managers Pvt Ltd	31-May-20	4.4	5.58m	(0.1)m
6	Paschim Chemicals Pvt Ltd	31-Mar-20	4.0	5.03m	0.0m
7	HDFC Asset Management Co Ltd	31-May-20	3.6	4.58m	0.0m
8	L&T Mutual Fund Trustee Ltd/India	31-May-20	3.3	4.12m	0.2m
9	Lavender Investments Ltd	30-Jun-19	2.9	3.64m	(0.7)m
10	Godha Premchand	31-Mar-20	2.1	2.68m	0.0m

Source: ICICI Direct Research, Bloomberg

## Exhibit 14: Shareholding Pattern

(in %)	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Promoter	46.1	46.1	46.1	46.1	46.1
O thers	53.9	53.9	53.9	53.9	53.9

Source: ICICI Direct Research, Company

## Financial Summary

Exhibit 15: Profit &amp; Loss (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Revenues</b>	<b>3,773.2</b>	<b>4,648.7</b>	<b>5,368.1</b>	<b>5,983.1</b>
Growth (%)	14.9	23.2	15.5	11.5
Raw Material Expenses	1,239.7	1,644.1	1,878.8	2,094.1
Employee Expenses	787.4	921.2	1,049.8	1,152.6
Other Expense	1,056.0	1,179.6	1,308.4	1,398.9
Total Operating Expenditure	3,083.1	3,745.0	4,237.0	4,645.5
<b>EBITDA</b>	<b>690.1</b>	<b>903.7</b>	<b>1,131.1</b>	<b>1,337.6</b>
Growth (%)	51.8	31.0	25.2	18.3
Interest	18.9	16.5	11.9	10.4
Depreciation	182.4	210.5	218.9	228.0
Other Income	57.7	67.0	75.2	119.7
PBT after EO/Forex	546.5	743.7	975.4	1,218.8
MI & Profit from associate:	0.0	-10.6	-12.1	-12.1
<b>PAT</b>	<b>442.2</b>	<b>603.4</b>	<b>798.2</b>	<b>999.0</b>
Growth (%)	84.7	36.4	32.3	25.2
Adjusted PAT	442.2	603.4	798.2	999.0
<b>EPS</b>	<b>35.1</b>	<b>47.8</b>	<b>63.3</b>	<b>79.2</b>
<b>EPS (Adjusted)</b>	<b>35.1</b>	<b>47.8</b>	<b>63.3</b>	<b>79.2</b>

Source: ICICI Direct Research

Exhibit 16: Cash Flow Statement (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
Profit after Tax	435.6	586.7	798.2	999.0
Add: Depreciation	182.4	210.5	218.9	228.0
(Inc)/dec in Current Assets	-269.3	-415.5	-358.6	-238.3
Inc/(dec) in CL and Provisions	147.4	152.0	184.8	78.1
Others	-3.8	30.7	11.9	10.4
<b>CF from operating activities</b>	<b>492.3</b>	<b>564.3</b>	<b>855.2</b>	<b>1,077.2</b>
(Inc)/dec in Fixed Assets	-178.7	-402.4	-250.0	-200.0
(Inc)/dec in Investments	-6.0	-49.4	-500.0	-500.0
Others	7.3	-83.4	3.9	4.2
<b>CF from investing activities</b>	<b>-177.3</b>	<b>-535.2</b>	<b>-746.1</b>	<b>-695.8</b>
Issue/(Buy back) of Equity	4.6	11.9	0.0	0.0
Inc/(dec) in loan funds	-174.6	-6.3	-150.0	-50.0
Dividend paid & dividend tax	-15.4	-121.7	-23.9	-25.0
Other	176.8	-8.1	138.1	39.6
<b>CF from financing activities</b>	<b>-183.2</b>	<b>-130.5</b>	<b>-185.9</b>	<b>-85.4</b>
Net Cash flow	131.7	-101.4	-76.8	296.0
Opening Cash	150.6	282.3	180.9	104.2
<b>Closing Cash</b>	<b>282.3</b>	<b>180.9</b>	<b>104.2</b>	<b>400.2</b>
<b>Free Cash Flow</b>	<b>313.6</b>	<b>161.9</b>	<b>605.2</b>	<b>877.2</b>

Source: ICICI Direct Research

Exhibit 17: Balance Sheet (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
Equity Capital	25.3	25.3	25.3	25.3
Reserve and Surplus	3,097.1	3,602.2	4,376.4	5,350.4
Total Shareholders funds	3,122.4	3,627.5	4,401.7	5,375.7
Total Debt	465.0	547.2	397.2	347.2
Deferred Tax Liability	147.6	141.8	151.7	162.4
Minority Interest	15.54	13.6	15.0	16.5
LTP & Other LTL	26.8	34.5	36.9	39.5
<b>Total Liabilities</b>	<b>3,777.3</b>	<b>4,364.6</b>	<b>5,002.6</b>	<b>5,941.2</b>
Gross Block - Fixed Asset	2,585.7	2,947.3	3,127.3	3,257.3
Accumulated Depreciation	692.5	903.0	1,121.9	1,349.9
Net Block	1,893.2	2,044.4	2,005.4	1,907.4
Capital WIP	66.3	85.2	155.2	225.2
Total Fixed Assets	1,959.5	2,129.6	2,160.7	2,132.6
Goodwill on Consolidation	47.2	62.4	62.4	62.4
Investments	120.4	309.6	809.6	1,309.6
LT L&A, Non Current Asset	136.2	140.8	150.6	161.1
Inventory	1,072.5	1,323.1	1,527.9	1,702.9
Debtors	681.5	895.2	1,033.7	1,080.7
Loans and Advances	2.6	3.0	3.2	3.4
Other Current Assets	248.5	215.3	230.3	246.5
Cash	282.3	180.9	104.2	400.2
Total Current Assets	2,287.4	2,617.5	2,899.2	3,433.6
Creditors	524.3	609.9	774.6	831.4
Provisions	70.4	93.7	100.3	107.3
Other current liabilities	178.7	191.6	205.1	219.4
Total Current Liabilities	773.4	895.2	1,080.0	1,158.1
Net Current Assets	1,514.0	1,722.3	1,819.3	2,275.5
<b>Application of Funds</b>	<b>3,777.3</b>	<b>4,364.6</b>	<b>5,002.6</b>	<b>5,941.2</b>

Source: ICICI Direct Research

Exhibit 18: Key Ratios (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Per share data (₹)</b>				
Adjusted EPS	35.1	47.8	63.3	79.2
BV per share	247.5	287.6	348.9	426.1
Dividend per share	5.6	7.8	9.7	11.9
<b>Operating Ratios (%)</b>				
Gross Profit Margins	67.1	64.6	65.0	65.0
EBITDA Margins	18.3	19.4	21.1	22.4
PAT Margins	11.7	13.0	14.9	16.7
Inventory days	103.7	103.9	103.9	103.9
Debtor days	65.9	70.3	70.3	65.9
Creditor days	50.7	47.9	52.7	50.7
Asset Turnover	1.5	1.6	1.7	1.8
EBITDA conversion Rate	71.3	62.4	75.6	80.5
<b>Return Ratios (%)</b>				
RoE	14.2	16.6	18.1	18.6
RoCE	15.0	17.4	19.7	20.7
RoIC	16.1	19.0	24.1	28.8
<b>Valuation Ratios (x)</b>				
P/E	44.6	32.7	24.7	19.7
EV / EBITDA	28.7	22.0	17.0	13.8
EV / Net Sales	5.3	4.3	3.6	3.1
Market Cap / Sales	5.2	4.2	3.7	3.3
Price to Book Value	6.3	5.4	4.5	3.7
<b>Solvency Ratios</b>				
Debt / EBITDA	0.7	0.6	0.4	0.3
Debt / Equity	0.1	0.2	0.1	0.1
<b>Current Ratio</b>	<b>2.6</b>	<b>2.7</b>	<b>2.6</b>	<b>2.6</b>

Source: ICICI Direct Research



## Exhibit 19: ICICI Direct universal Coverage (Healthcare)

Company	I-Direct	CMP	TP	ating	M Cap	EPS (₹)				PE(x)				RoCE (%)				RoE (%)			
	Code	(₹)	(₹)		(₹cr)	FY19	Y20E	Y21E	Y22E	FY19	Y20E	Y21E	Y22E	'Y19	'20E	'21E	'22E	FY19	Y20E	Y21E	Y22E
Ajanta Pharma	AJAPHA	1464	1,730	Buy	12772	43.5	53.4	56.0	72.0	33.6	27.4	26.1	20.3	21.8	24.7	22.3	24.2	17.1	18.1	16.7	18.5
Alembic Pharm	LEMPHA	918	875	Buy	17312	31.4	46.3	41.4	39.8	29.2	19.8	22.2	23.1	19.6	20.6	17.7	16.0	21.8	26.3	19.5	16.2
Apollo Hospital	APOHOS	1352	1,490	Buy	18815	17.0	21.5	35.2	65.7	79.7	62.8	38.4	20.6	8.8	10.4	12.6	16.8	7.1	8.1	11.2	17.9
Aurobindo Pha	AURPHA	789	920	Buy	46228	41.9	48.8	55.0	61.4	18.8	16.2	14.3	12.8	15.9	17.2	18.2	18.7	17.7	17.0	16.3	15.6
Biocon	BIOCON	396	390	Buy	47532	6.2	5.8	9.8	18.2	63.8	68.1	40.2	21.8	10.9	10.9	15.1	22.1	12.2	10.4	15.2	22.4
Cadila Healthc	CADHEA	365	375	Hold	37315	18.1	14.3	17.5	20.9	20.2	25.5	20.8	17.4	13.0	10.6	12.1	13.4	17.8	12.9	14.1	14.9
Cipla	CIPLA	640	670	Buy	51630	18.6	19.2	23.0	30.2	34.5	33.3	27.8	21.2	10.9	12.0	13.0	15.4	10.0	9.8	10.8	12.6
Divi's Lab	DIVLAB	2300	2,355	Hold	61060	51.0	51.9	58.2	73.6	45.1	44.4	39.5	31.3	25.5	23.9	23.0	24.1	19.4	18.8	18.1	19.2
Dr Reddy's Lab	DRREDD	3985	4,615	Buy	66219	114.7	121.9	163.8	209.7	34.7	32.7	24.3	19.0	11.1	10.0	18.0	20.8	13.6	13.0	15.2	16.6
Glenmark Phar	GLEPHA	399	340	Hold	11247	26.9	26.8	34.6	43.2	14.8	14.9	11.5	9.2	15.3	12.8	14.5	16.1	13.5	12.0	13.5	14.5
Hikal	HIKCHE	120	160	Buy	1479	8.4	9.6	11.1	13.3	14.3	12.5	10.8	9.0	14.3	13.3	13.6	14.5	13.6	14.1	14.2	14.9
Ipca Laboratori	IPCLAB	1563	1,900	Buy	19755	35.1	47.8	63.3	79.2	44.6	32.7	24.7	19.7	15.0	17.4	19.7	20.7	14.2	16.6	18.1	18.6
Jubilant Life	JUBLIF	659	550	Buy	10501	54.9	59.9	69.8	89.8	12.0	11.0	9.4	7.3	14.3	14.6	17.2	19.7	17.8	16.6	16.4	17.5
Lupin	LUPIN	929	930	Hold	42087	16.5	-12.7	25.6	38.7	56.1	-73.2	36.4	24.0	9.4	10.6	10.4	14.6	5.4	-4.6	8.5	11.6
Narayana Hrud	NARHRU	279	340	Buy	5697	2.9	6.4	-3.1	9.6	96.0	43.9	-90.8	29.0	7.7	11.0	0.0	14.2	5.5	11.4	-5.8	15.7
Natco Pharma	NATPHA	614	650	Hold	11179	34.9	26.9	24.6	23.4	17.6	22.8	25.0	26.2	21.3	14.6	12.7	11.3	18.5	12.6	10.4	9.1
Sun Pharma	SUNPHA	486	540	Buy	116521	15.9	16.8	18.4	24.5	30.6	28.9	26.5	19.8	10.3	10.0	10.3	12.4	9.2	8.9	8.9	10.8
Syngene Int.	SYNINT	368	390	Buy	14732	8.3	10.3	8.6	12.2	44.5	35.8	38.6	27.3	14.8	15.0	12.9	16.4	16.8	15.7	13.7	16.3
Torrent Pharm	TORPHA	2546	2,475	Hold	43076	48.9	60.6	67.0	88.3	52.0	42.0	38.0	28.8	14.2	15.7	17.7	21.2	17.5	21.2	20.0	22.0

Source: ICICI Direct Research, Bloomberg

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Sell: <-15%



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