

## Decent performance despite margin pressure...

Q1FY21 revenues grew a robust 24.7% YoY to ₹ 240.1 crore. EBITDA margins fell 517 bps YoY to 29.8% due to higher operational costs. Sequential margin improvement (up 483 bps) was on account of better gross margins (one-off impact in Q4FY20) despite higher staff costs due to recently acquired subsidiaries. Subsequently, EBITDA grew 6.3% YoY, 33.1% QoQ to ₹ 71.6 crore. PAT grew 8.6% YoY to ₹ 54.5 crore. Delta vis-a-vis EBITDA was due to higher other income and lower tax rate.

## Robust growth in emerging markets likely to continue

Emerging markets (EM) account for 92% of revenues and consist of LatAm - 87% (both Central, South America) and Africa- 5%. Revenues grew at 25% CAGR over a decade mainly due to 1) early mover advantage in these untapped markets, 2) geographical expansion (starting with two countries to 10 currently), 3) ability to address market gaps, especially in generics space (via trading model) with a hold on end-to-end distribution channels. We expect growth momentum to persist mainly due to further expansion in front end, increasing product basket, change in product mix, launching of own brands. Also, entry into South American countries is likely to propel growth. We expect EM revenues to grow at ~22% CAGR in FY20-22E to ₹ 1141 crore.

## Foray into high risk-high return US injectable market

With a calculated approach to focus on injectables in the US, the company established an injectable plant in Tamil Nadu in 2014. Currently, the portfolio comprises 19 filed ANDAs, of which nine have already been approved. At present, the company has ~33 products in the pipeline. In FY20, revenue contribution from the US increased to 8% from just 2% in FY19. We expect US revenues to grow at ~56% CAGR in FY20-22E to ₹ 170 crore on the back of incremental product launches.

## Valuation & Outlook

Q1 panned out on a decent note despite margin pressure and subdued US performance. After scripting a unique story by growing in uncharted territories, Caplin is looking at growth in known markets. These new markets of South America, US are a big opportunity but fraught with new challenges. That said, we continue to believe in Caplin's capability to replicate the success story in new markets. Secondly, despite likely dent in margins, return ratios due to investment phase in new markets, these prints continue to demonstrate earnings, balance sheet strength. By thriving in lesser known CA markets and cracking the most difficult US generic pharma code of injectables, that too in different therapies, Caplin has created its own identity with long drawn plans. The company continues to offer a compelling risk-reward scenario at current valuations. We maintain **BUY** rating and arrive at our target price of ₹ 670 (15x FY22E EPS of ₹ 44.6).



### Particulars

Particular	Amount
Market Capitalisation	₹4048 crore
Debt (FY 20)	₹39 crore
Cash (FY 20)	₹223 crore
EV	₹3863 crore
52 week H/L	686/176
Equity capital	₹15.1 crore
Face value	₹2

### Key Highlights

- Q1 revenues grew a robust 24.7% YoY to ₹ 240.1 crore. EBITDA margins declined 517 bps YoY to 29.8% due to higher operational costs
- Looking at growth in new markets of South America, US which are a big opportunity but fraught with new challenges. That said, we continue to believe in Caplin's capability to replicate the success story in these new markets
- Maintain BUY

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### Key Financial Summary

₹Crore	FY19	FY20	FY21E	FY22E	CAGR FY20-22E (%)
Revenues	648.7	863.2	1076.7	1343.7	24.8
EBITDA	231.3	260.1	318.5	410.9	25.7
EBITDA Margins (%)	35.7	30.1	29.6	30.6	
Net Profit	176.6	215.0	251.2	337.1	25.2
EPS (Adjusted)	23.3	28.4	33.2	44.6	
PE (x)	22.9	18.8	16.1	12.0	
RoCE (%)	34.6	26.5	26.0	28.0	
RoE (%)	27.9	22.7	21.4	22.7	

Source: ICICI Direct Research; Company

**Exhibit 1: Variance Analysis**

	Q1FY21	Q1FY20	Q4FY20	YoY (%)	QoQ (%)	Comments
Revenue	240.1	192.6	215.2	24.7	11.5	YoY growth mainly due to strong growth in emerging generic and tender business
Raw Material Expenses	108.8	85.2	111.4	27.7	-2.4	
Employee Expenses	25.9	15.6	18.5	66.0	39.6	YoY increase mainly due to consolidation of distributors
Other Expenditure	33.8	24.4	31.5	38.6	7.5	
Total Operating Expenditure	168.5	125.2	161.4	34.6	4.4	
EBITDA	71.6	67.4	53.8	6.3	33.1	
EBITDA (%)	29.8	35.0	25.0	-517 bps	483 bps	YoY decline mainly due to higher employee and other expenditure
Interest	0.5	0.0	0.2	5,000.0	205.9	
Depreciation	9.0	7.4	8.4	21.3	6.6	
Other income	6.5	4.5	19.6	45.3	-66.9	
PBT before EO	68.6	64.5	64.9	6.5	5.8	
Less: Exceptional Items	0.0	0.0	0.0	0.0	0.0	
PBT	68.6	64.5	64.9	6.5	5.8	
Tax	14.1	14.4	16.0	-2.2	-12.1	
MI & Share of loss/ (gain) asso.	0.0	-0.2	0.0	LP	LP	
Adj. Net Profit	54.5	50.2	48.9	8.6	11.5	YoY growth mainly in sync with EBITDA

Source: ICICI Direct Research

**Exhibit 2: Change in Estimates**

	FY21E			FY22E			Comments
(₹ Crore)	Old	New	% Change	Old	New	% Change	
Revenue	1,038.8	1,076.7	3.7	1,281.0	1,343.7	4.9	Increased mainly due to better than expected growth in Q1FY21
EBITDA	301.1	318.5	5.8	380.4	410.9	8.0	
EBITDA Margin (%)	29.0	29.6	59 bps	29.7	30.6	89 bps	Increased mainly due to improvement in product mix
PAT	241.9	251.2	3.9	315.2	337.1	7.0	Increased mainly in sync with operational performance
EPS (₹)	32.0	33.2	3.9	41.7	44.6	7.0	

Source: ICICI Direct Research

## Conference Call Highlights

- Dent in EBITDA due to higher employee costs (+ 450 personnel) due to acquired subsidiaries in FY20– Nicaragua (in Q1), Honduras (in Q2), Ecuador and Guatemala (in Q4)
  - Opex to stabilise, going ahead (ex-R&D costs) as channel partner acquisition has been completed (Caplin has acquired majority stake in ~90% of its channel partners in LatAm regions)
- Forex gain - ₹ 1.75 crore vs ₹ 16.91 crore in Q4FY20
- Cash flow from operation at ~₹ 100 crore
- The company is looking for potential acquisition or greenfield opportunities in Mexico
- Receivable were at 93 days in Q1FY21. Likely to be maintained, going ahead
- 500 products in LatAm
  - The company is embarking on development of 150 new formulations specifically targeting three therapeutic areas – viz. injectables used in hospitals, psychiatric and neuropsychiatric products for brand marketing and anti-cancer products
  - Manufacturing of own API started in CMO at Vizag, for Latin American markets, targeting reduction in costs to the extent of 10-15% against current procurement costs, for top 10 products (top two provide 20% revenues, rest eight provide ~10-15%)
- Plans for
  - API facility for oncology for regulated markets
  - OSD facility in Chennai
- US sales were impacted in April due to lower manpower availability, reduced productivity with revival seen towards end of Q1
  - 19 ANDAs filed till date with nine already approved
  - Launched five products as on date in US, with another four to be launched shortly (one launched in July, another planned in August). Launched products market share is around ~8-12%
  - Caplin received two ANDA approvals in Q1 and expects six ANDA approvals by FY21. It is aiming to file four more ANDAs in FY21. Filing target for FY22 – 15 ANDAs
- US & regulated markets - Plans to launch US products in Canada and US. Targets filing nine products in Canada and three in Australia within the next 12 months
  - Working on two Covid related products – a) one product with a partner close to launch and b) the other one filed by Caplin has received 75% of queries within a month (normal 12-13 month time-frame). Hence, it is likely to be fast tracked
- Also, 70-75% profits to be retained with Caplin in the recent Xellia distribution deal to launch five more products in US in the short to medium term
- Going ahead, the company is looking to focus on
  - Capacity expansion (vial lines 2 & 3)
  - Complex products vs simple injectables

- Pre-mix formulation bags
- Backward integration – construction to take a year for captive consumption
- Front end presence is US
- In Q1, the company received orders for Azithromycin, Vitamin C, Zinc, Iron, and HCQS
- Q1 tender business mix went up to 15% vs. 10% amid Covid-19
- US business to reach US\$100 million in the next five years
- Capex plans - ~₹ 20 crore for Chennai API plant for US + Vizag CMO + plans for greenfield/inorganic acquisition in Mexico for export to LatAm markets
  - Mexico acquisition / greenfield could be in the range of ~₹ 100-150 crore
  - Through this acquisition, the company will initially focus on products not requiring BE/BA studies
- Both capex and opex to be managed through internal accruals
- Caplin Steriles to breakeven at ~₹ 125 crore. Cashflow breakeven likely in FY22
- Caplin plans to enter private business (not government tenders) in larger LatAm markets such as Uruguay, Chile, Brazil, Mexico. The company expects larger market LatAm market sales to grow to 2x over four to five years

**Exhibit 3: Quarterly Financials**

(₹ crore)	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	YoY (%)	QoQ (%)
Total Operating Income	146.5	155.9	159.0	187.3	192.6	227.2	228.2	215.2	240.1	24.7	11.5
Raw Material Expenses	64.1	70.3	68.2	86.2	85.2	109.4	107.1	111.4	108.8	27.7	-2.4
% of Revenue	43.8	45.1	42.9	46.0	44.2	48.2	46.9	51.8	45.3	108 bps	-646 bps
Gross Profit	82.4	85.6	90.8	101.1	107.4	117.8	121.1	103.8	131.3	22.3	26.5
Gross Profit Margin (%)	56.2	54.9	57.1	54.0	55.8	51.8	53.1	48.2	54.7	-108 bps	646 bps
Employee Expenses	11.5	11.5	11.7	12.4	15.6	16.0	17.7	18.5	25.9	66.0	39.6
% of Revenue	7.9	7.4	7.4	6.6	8.1	7.0	7.7	8.6	10.8	268 bps	217 bps
Other Expenditure	17.8	18.3	21.3	24.0	24.4	30.7	35.6	31.5	33.8	38.6	7.5
% of Revenue	12.2	11.8	13.4	12.8	12.7	13.5	15.6	14.6	14.1	141 bps	-53 bps
Total Expenditure	93.4	100.1	101.3	122.6	125.2	156.1	160.4	161.4	168.5	34.6	4.4
% of Revenue	63.8	64.2	63.7	65.4	65.0	68.7	70.3	75.0	70.2	517 bps	-483 bps
EBITDA	53.0	55.8	57.8	64.8	67.4	71.1	67.8	53.8	71.6	6.3	33.1
EBITDA Margin (%)	36.2	35.8	36.3	34.6	35.0	31.3	29.7	25.0	29.8	-517 bps	483 bps
Other Income	1.6	7.0	7.7	2.7	4.5	6.9	10.3	19.6	6.5	45.3	-66.9
Interest	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.5	5000.0	205.9
Depreciation	5.5	5.6	5.7	6.7	7.4	7.4	8.4	8.4	9.0	21.3	6.6
PBT	49.2	57.2	59.8	60.7	64.5	70.5	69.6	64.9	68.6	6.5	5.8
Total Tax	11.8	13.7	14.0	10.8	14.4	13.3	10.7	16.0	14.1	-2.2	-12.1
Tax rate (%)	24.0	24.0	23.4	17.9	22.3	18.8	15.4	24.7	20.5	-181 bps	-417 bps
PAT	37.4	43.5	45.8	49.8	50.2	57.3	58.6	48.9	54.5	8.6	11.5
PAT Margin (%)	25.6	27.9	28.8	26.6	26.1	25.2	25.7	22.7	22.7	-338 bps	0 bps

Source: ICICI Direct Research, Company

## Company Background

Established in 1990 by first generation entrepreneur CC Paarthipan, the company as a matter of strategy focused on emerging markets of LatAm (Central and South America), Francophone and Southern Africa to cash in on the early mover advantage in the then untapped markets.

Over the years, the company has established a strong and deeper presence in semi-regulated markets of Central America (CA) such as Guatemala, El Salvador, Nicaragua, Ecuador and Honduras among others. It is also one of the leading formulation suppliers in these regions.

Another peculiarity is the focus on supply chain efficiencies by reducing intermediaries. For emerging market (mainly comprising CA countries), it procures finished goods from China and supplies them to these geographies by leveraging the trade agreements between China and some of these countries. Thus, besides in-house manufacturing (40%), it outsources ~40% of its products directly from China [and from some Indian vendors (20%)]. To further expand the horizon, the company is now entering South American (Latin America or LatAm consists of Central American markets and South American markets) countries like Chile, Columbia, Brazil and Mexico. The company has also forayed into the US injectable market and has plans to venture into other regulated markets such as Canada and Australia.

The company derives entire revenues through exports with 92% of revenues coming from Emerging Markets (LatAm + Africa) where it has established an end-to-end business model through last mile logistical solutions for its exclusive distributors. The company employs 350+ scientists and has 4000+ internationally registered products.

Caplin has a total annual product capacity of 1500 million tablets, 400 million capsules, 65 million vials of liquid injections, 20 million liquid injection ampoules, 220 million soft gels, 30 million suppositories, 6 million bottles of liquids, 12 million pre-filled syringes, 12 million Pre-Mix bags, 1 million bottles of dry syrup and 12 million ophthalmic units.

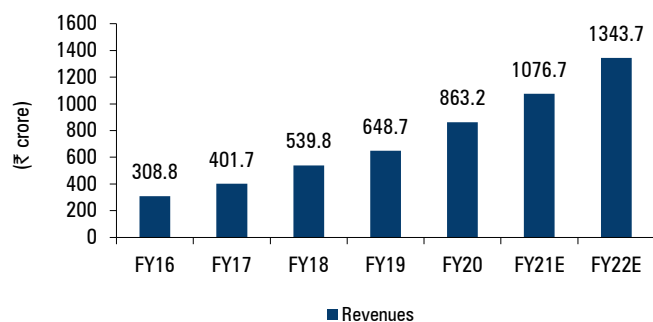
The company launched its first product in the US market in FY18. The process for setting up a dedicated US focused injectable plant began in FY14. In the US, the company filed 19 ANDAs on its own and with partners till date with nine approvals from the USFDA (three with partners). Caplin is also working on a portfolio of 33 simple and complex injectable and ophthalmic products, to be filed over the next four years.

The company has also set up Amaris Clinical, a Clinical Research division for BE/BA studies, which will be targeting the regulatory approvals for the US, China, Brazil, Chile and Colombia.

Caplin currently has four subsidiaries: Caplin Steriles Ltd, Argus SaludPharma LLP, Caplin Point Far East Ltd – Hong Kong, Caplin Point Laboratories Colombia SAS Colombia. Also, Caplin has step down subsidiaries in El Salvador, Nicaragua and Honduras, which are held through its wholly owned subsidiary in Hong Kong.

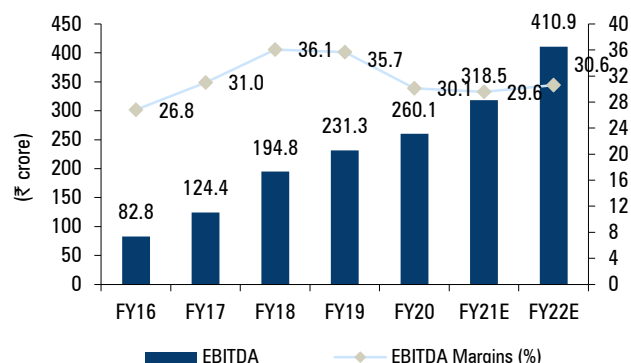
It also started a JV with a large Chinese distribution firm, 'Hainan Jointown Pharmaceuticals' for entry into China for intermediates, API and formulations. In FY19, the company had raised ₹ 218 crore from Fidelity by issuing preferential shares for the injectable business earmarked for the US. The funds will be utilised for operational expenditure, R&D and potential future capex.

**Exhibit 4: Revenues to grow at 24.8% FY20-22E CAGR**



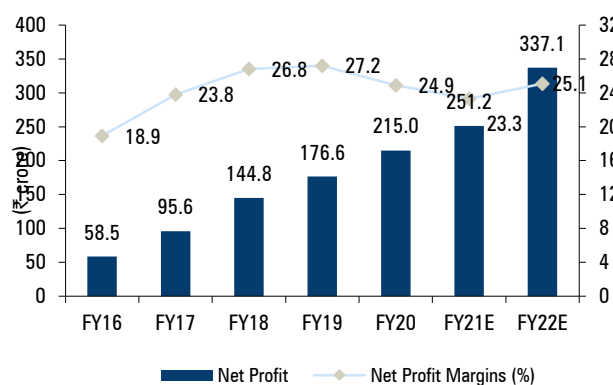
Source: ICICI Direct Research, Company

**Exhibit 5: EBITDA & EBITDA margins trend**



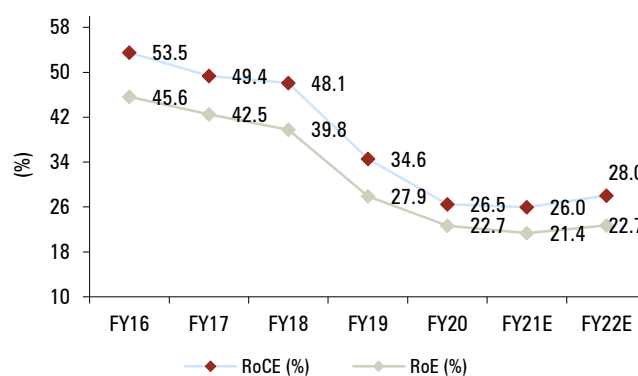
Source: ICICI Direct Research, Company

**Exhibit 6: PAT & PAT margins trend**



Source: ICICI Direct Research, Company

**Exhibit 7: RoE & RoCE trend**



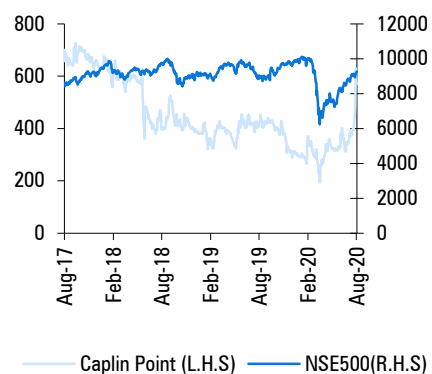
Source: ICICI Direct Research, Company

**Exhibit 8: Valuation**

	Revenues	Growth	EPS	Growth	P/E	EV/EBITDA	RoE	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY 19	649	20.2	23.3	22.1	22.9	16.5	27.9	34.6
FY 20	863	33.1	28.4	21.8	18.8	14.6	22.7	26.5
FY 21E	1077	24.7	33.2	16.8	16.1	10.8	21.4	26.0
FY 22E	1344	24.8	44.6	34.2	12.0	7.8	22.7	28.0

Source: ICICI Direct Research, Company

### Exhibit 9: Price Chart



Source: ICICI Direct Research; Bloomberg

### Exhibit 10: Shareholding Pattern

(in % )	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
P romoter	69.0	69.0	69.0	69.0	69.0
O thers	31.0	31.0	31.0	31.0	31.0

Source: ICICI Direct Research, Company

## Financial Summary

**Exhibit 11: Profit & Loss (₹ crore)**

(Year-end March)	FY19	FY20	FY21E	FY22E
Total Operating Income	648.7	863.2	1,076.7	1,343.7
Growth (%)	20.2	33.1	24.7	24.8
Raw Material Expenses	288.8	413.2	508.0	640.6
Gross Profit	359.9	450.0	568.8	703.1
Gross Profit Margins (%)	55.5	52.1	52.8	52.3
Employee Expenses	47.1	67.8	104.3	116.7
Other Expenditure	81.5	122.2	146.0	175.5
Total Operating Expenditure	417.4	603.1	758.2	932.7
<b>EBITDA</b>	<b>231.3</b>	<b>260.1</b>	<b>318.5</b>	<b>410.9</b>
Growth (%)	18.8	12.4	22.5	29.0
Interest	0.1	0.3	3.4	3.9
Depreciation	23.4	31.6	35.8	39.3
Other Income	19.0	41.3	41.6	64.5
<b>PBT before Exceptional I</b>	<b>226.9</b>	<b>269.5</b>	<b>320.9</b>	<b>432.3</b>
Less: Exceptional Items	0.0	0.0	0.0	0.0
PBT after Exceptional Items	226.9	269.5	320.9	432.3
Total Tax	50.3	54.4	69.6	95.1
PAT before MI	176.6	215.1	251.3	337.2
Minority Interest	0.0	0.1	0.1	0.1
<b>PAT</b>	<b>176.6</b>	<b>215.0</b>	<b>251.2</b>	<b>337.1</b>
Growth (%)	22.1	21.8	16.8	34.2
<b>EPS (Adjusted)</b>	<b>23.3</b>	<b>28.4</b>	<b>33.2</b>	<b>44.6</b>

Source: ICICI Direct Research

**Exhibit 12: Cash Flow Statement (₹ crore)**

(Year-end March)	FY19	FY20	FY21E	FY22E
Profit/(Loss) after taxation	184.4	214.7	251.2	337.1
Add: Depreciation & Amort	23.4	31.6	35.8	39.3
Net Increase in Current As:	-91.6	-223.7	80.1	-98.8
Net Increase in Current Lial	-28.5	46.6	38.4	27.1
Others	-4.3	-24.5	3.4	3.9
<b>CF from Operating activi</b>	<b>83.5</b>	<b>44.7</b>	<b>409.0</b>	<b>308.5</b>
Investments	-19.9	9.7	-200.0	-200.0
(Purchase)/Sale of Fixed A	-75.5	-67.6	-35.0	-35.0
Others	-4.2	4.0	1.1	1.2
<b>CF from Investing activiti</b>	<b>-99.5</b>	<b>-54.0</b>	<b>-233.9</b>	<b>-233.8</b>
Proceeds from Preference :	105.0	113.0	0.0	0.0
(inc)/Dec in Loan	0.0	0.0	0.0	0.0
Dividend & Dividend tax	-15.1	-32.5	-22.7	-30.3
Other	-0.1	-0.7	-3.4	-3.9
<b>CF from Financing activi</b>	<b>89.8</b>	<b>79.8</b>	<b>-26.1</b>	<b>-34.1</b>
<b>Net Cash Flow</b>	<b>73.7</b>	<b>70.4</b>	<b>149.0</b>	<b>40.6</b>
Cash and Cash Equivalent	79.3	153.0	223.4	372.4
<b>Cash</b>	<b>153.0</b>	<b>223.4</b>	<b>372.4</b>	<b>413.0</b>
<b>Free Cash Flow</b>	<b>8.0</b>	<b>-23.0</b>	<b>374.0</b>	<b>273.5</b>

Source: ICICI Direct Research

**Exhibit 13: Balance Sheet (₹ crore)**

(Year-end March)	FY19	FY20	FY21E	FY22E
Equity Capital	15.1	15.1	15.1	15.1
Reserve and Surplus	617.8	932.8	1,161.3	1,468.2
Total Shareholders funds	632.9	947.9	1,176.4	1,483.3
Total Debt	0.5	38.6	38.6	38.6
Deferred Tax Liability	17.6	10.1	10.6	11.1
Other Non Current Liabilities	5.6	22.1	23.2	24.4
<b>Source of Funds</b>	<b>656.7</b>	<b>1,018.7</b>	<b>1,248.9</b>	<b>1,557.4</b>
Gross Block - Fixed Assets	271.5	348.8	383.8	418.8
Accumulated Depreciation	44.7	76.3	112.1	151.4
Net Block	226.8	272.5	271.7	267.4
Capital WIP	9.7	20.1	20.1	20.1
Fixed Assets	236.5	292.6	291.8	287.5
Investments	70.0	60.8	260.8	460.8
LT Loans and Advances	12.0	10.0	10.6	11.1
Inventory	37.5	238.2	88.5	110.4
Debtors	159.8	229.0	295.0	368.1
ST Loans and Advances	48.7	68.3	71.7	75.3
Other Current Assets	25.1	3.4	3.5	3.7
Cash	153.0	223.4	372.4	413.0
Total Current Assets	424.1	762.3	831.2	970.6
Creditors	60.5	64.1	100.4	125.3
Provisions	1.4	0.9	1.0	1.0
Other Current Liabilities	23.9	42.0	44.1	46.3
Total Current Liabilities	85.9	107.0	145.4	172.5
Net Current Assets	338.2	655.3	685.8	798.1
<b>Application of Funds</b>	<b>656.7</b>	<b>1,018.7</b>	<b>1,248.9</b>	<b>1,557.4</b>

Source: ICICI Direct Research

**Exhibit 14: Key Ratios (₹ crore)**

(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Per share data (₹)</b>				
Reported EPS	23.3	28.4	33.2	44.6
Cash EPS	20.8	25.5	30.2	40.6
BV per share	83.7	125.3	155.5	196.1
Cash per Share	20.2	29.5	49.2	54.6
Dividend per share	2.6	2.9	3.0	4.0
<b>Operating Ratios (%)</b>				
Gross Profit Margins	55.5	52.1	52.8	52.3
EBITDA margins	35.7	30.1	29.6	30.6
PAT Margins	27.2	24.9	23.3	25.1
Cash Conversion Cycle	77.0	170.4	96.0	96.0
Asset Turnover	2.4	2.5	2.8	3.2
EBITDA conversion Rate	36.1	17.2	128.4	75.1
<b>Return Ratios (%)</b>				
RoE	27.9	22.7	21.4	22.7
RoCE	34.6	26.5	26.0	28.0
RoIC	49.0	32.0	47.4	56.0
<b>Valuation Ratios (x)</b>				
P/E	22.9	18.8	16.1	12.0
EV / EBITDA	16.5	14.6	10.8	7.8
EV / Net Sales	5.9	4.4	3.2	2.4
Market Cap / Sales	6.2	4.7	3.8	3.0
Price to Book Value	6.4	4.3	3.4	2.7
<b>Solvency Ratios</b>				
Debt / EBITDA	0.0	0.1	0.1	0.1
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	3.2	5.0	3.2	3.2

Source: ICICI Direct Research



**Exhibit 15: ICICI Direct universal Coverage (Healthcare)**

Company	I-Direct Code	CMP (₹)	TP (₹)	Rating	M Cap (₹cr)	EPS (₹)				PE(x)				RoCE (%)				RoE (%)			
						FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E
Ajanta Pharma	AJAPHA	1677	1,810	Buy	14631	43.5	53.4	60.2	72.5	38.5	31.4	27.9	23.1	21.8	24.7	23.4	24.3	17.1	18.1	17.7	18.4
Alembic Pharma	ALEMPHA	1081	1,140	Buy	20380	31.4	46.3	52.6	51.9	34.4	23.3	20.5	20.8	19.6	21.0	21.9	20.1	21.8	27.1	24.1	19.7
Apollo Hospital	APOHOS	1751	1,490	Buy	24357	17.0	23.3	37.3	68.0	103.2	75.0	47.0	25.7	8.8	10.4	11.2	14.6	7.1	9.7	12.8	19.6
Aurobindo Pharma	AURPHA	945	920	Buy	55359	41.9	48.8	57.8	63.0	22.6	19.4	16.3	15.0	15.9	17.2	19.1	19.1	17.7	17.0	17.0	15.8
Biocon	BIOCON	408	490	Buy	48906	6.2	5.8	11.5	21.0	65.7	70.0	35.4	19.4	10.9	10.2	16.1	23.3	12.2	10.4	17.4	24.6
Cadila Healthcare	CADHEA	395	470	Buy	40412	18.1	14.0	18.1	21.3	21.9	28.3	21.8	18.5	12.8	10.7	12.9	13.9	17.8	13.8	15.7	16.1
Cipla	CIPLA	778	900	Buy	62731	18.6	19.2	30.3	36.0	41.9	40.5	25.6	21.6	10.9	12.0	16.4	17.3	10.0	9.8	13.7	14.2
Divi's Lab	DIVLAB	3131	3,260	Buy	83130	51.0	51.9	71.2	85.8	61.5	60.4	44.0	36.5	25.5	23.9	27.2	26.5	19.4	18.8	21.3	21.0
Dr Reddy's Lab	DRREDD	4596	5,000	Buy	76394	114.7	121.9	161.3	200.0	40.1	37.7	28.5	23.0	10.7	9.6	18.4	19.7	13.6	13.0	15.0	16.0
Glenmark Pharma	GLEPHA	477	510	Hold	13461	26.9	26.4	25.0	36.6	17.7	18.1	19.1	13.0	15.3	12.7	11.4	14.1	13.5	12.2	10.5	13.4
Hikal	HIKCHE	137	165	Buy	1683	8.4	8.1	10.8	13.8	16.3	16.9	12.7	9.9	14.3	13.0	14.2	15.7	13.6	12.2	14.2	15.6
Ipca Laboratories	IPCLAB	2006	2,400	Buy	25346	35.1	47.8	90.4	92.3	57.2	41.9	22.2	21.7	15.0	17.4	26.3	22.1	14.2	16.6	24.1	19.8
Jubilant Life	JUBLIF	839	550	Buy	13368	54.9	59.9	69.8	89.8	15.3	14.0	12.0	9.3	14.3	14.6	17.2	19.7	17.8	16.6	16.4	17.5
Lupin	LUPIN	958	1,030	Buy	43388	16.5	-12.7	26.0	39.7	57.9	-75.4	36.8	24.1	9.4	9.7	10.5	14.0	5.4	-4.6	8.7	11.8
Narayana Hrudayam	NARHRU	328	340	Buy	6712	2.9	6.4	-3.1	9.6	113.1	51.7	-107.0	34.2	7.7	11.0	0.0	14.2	5.5	11.4	-5.8	15.7
Natco Pharma	NATPHA	865	740	Buy	15757	35.4	25.3	23.9	22.4	24.5	34.2	36.1	38.7	21.3	14.0	12.9	11.3	18.5	12.2	10.7	9.3
Sun Pharma	SUNPHA	541	625	Buy	129813	15.9	16.8	21.8	24.1	34.1	32.2	24.8	22.4	10.3	10.0	10.7	13.0	9.2	8.9	11.2	11.1
Syngene Int.	SYNINT	492	485	Buy	19686	8.3	10.3	9.2	12.8	59.5	47.8	45.3	32.7	14.8	14.5	13.1	16.4	16.8	15.7	14.5	16.8
Torrent Pharmaceuticals	TORPHA	2870	2,865	Buy	48573	48.9	60.6	72.2	95.5	58.6	47.4	39.8	30.1	14.2	15.4	18.6	21.8	17.5	21.2	21.3	23.2
Shalby	SHALIM	91	70	Hold	982	2.9	2.6	0.7	4.0	31.0	35.6	123.8	22.6	6.8	7.2	1.8	7.0	4.1	3.5	1.0	5.2
Aster DM	ASTDM	136	160	Buy	6786	6.7	5.5	-1.4	9.6	20.4	24.5	-94.4	14.1	8.3	7.5	2.6	9.7	10.4	8.5	-2.2	13.1
Indoco Remedies	INDREM	260	260	Buy	2394	-0.3	2.6	9.0	14.9	-825.5	99.3	28.9	17.5	1.0	5.1	11.5	16.8	-0.4	3.5	11.0	15.7
Caplin Point	CAPPOI	535	670	Buy	4048	23.3	28.4	33.2	44.6	22.9	18.8	16.1	12.0	34.6	26.5	26.0	28.0	27.9	22.7	21.4	22.7

Source: ICICI Direct Research, Bloomberg

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Reduce: -5% to -15%;

Sell: <-15%



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