

## Steady growth despite Covid-19 impact...

Q1FY21 revenues grew 9.2% YoY to ₹ 276 crore with export formulations growing ~60% YoY to ₹ 95 crore partly offset by 9% YoY fall in domestic formulations to ₹ 147 crore. EBITDA margins expanded 877 bps YoY to 17.6% on account of better gross margin performance and lower travel & promotional expenses. Subsequent EBITDA grew 117.1% YoY to ₹ 48.7 crore. PAT for the quarter came in at ₹ 17 crore vs. ₹ 1.8 crore in Q1FY20.

## India formulations growth core to overall growth

Domestic formulations (~63% of FY20 revenues) grew at 6.5% CAGR in FY16-20. The subdued growth can be attributed to high concentration of acute therapies and one of the lowest MR productivity. With a market share of ~0.7% and overall rank of 29, the company is still a marginal player with some top brands in smaller categories like stomatologicals. However, with a positive outcome of restructuring exercise and likely improvement in MR productivity besides therapy calibration, we expect Indian formulations to deliver 10.6% growth in FY20-22E to ₹ 839 crore.

## Exports formulations slowly coming back on track

Exports formulations (~27% of overall FY20 sales) have de-grown at 6.6% CAGR in FY16-20, undone by regulatory hurdles in developed markets. However, recent clearance from the UK-MHRA and lifting of warning letters from the USFDA for Goa plant II and III (plant I is still under warning letter) is likely to improve operating leverage for export formulations. We expect the export business to grow at ~41% CAGR in FY20-22E to ₹ 589 crore, mainly due to lower base and launches of new products.

## Valuation & Outlook

Q1 growth was led by strong growth in export markets (albeit on lower base), strong gross margins and lower travel & promotional spends. The management has guided for significant export growth and margin improvement for FY21. After going through rough patches in FY18-19, where the company faced headwinds on the domestic front (structural issues) and exports front (regulatory setbacks), the situation is returning to normalcy. While FY21 growth in the domestic market is likely to be subdued on account of Covid-19, with easing logistical challenges and removal of ban on Paracetamol, good traction on the exports front is expected to continue with regulatory overhangs (except warning letter to Goa I) waning. Normalisation of exports dispatches is likely to improve operating leverage as well. With better visibility, we expect Indoco to maintain consistency and to generate strong FCF (FY22E FCF yield ~5%). We maintain **BUY** and arrive at a revised target price of ₹ 330 based on ~22x FY22 EPS of ₹ 15.

### Key Financial Summary

₹Crore	FY19	FY20	FY21E	FY22E	CAGR (FY20-22E) %
Revenues	968.5	1106.6	1318.5	1574.0	19.3
EBITDA	76.7	123.2	222.4	260.7	45.5
EBITDA margins (%)	7.9%	11.1%	16.9%	16.6%	
Adjusted PAT	-2.9	24.1	101.2	138.5	139.7
EPS (Adjusted)	-0.3	2.6	11.0	15.0	
PE (x)	-807.1	97.1	23.1	16.9	
EV to EBITDA (x)	33.2	20.3	11.1	9.1	
RoNW (%)	-0.4	3.5	13.2	15.6	
RoCE (%)	1.0	5.1	13.5	16.9	

Source: ICICI Direct Research; Company



### Particulars

Particular	Amount
Market Capitalisation	₹2341 crore
Debt (FY 20)	₹203 crore
Cash (FY 20)	₹38 crore
EV	₹2506 crore
52 week H/L (₹)	284/132
Equity capital	₹18.4 crore
Face value	₹2

### Key Highlights

- Despite Covid-19, Indoco posted steady growth in quarter driven by strong growth in exports segment
- While FY21 growth in domestic market likely to be subdued on account of Covid-19, expect good traction on exports front
- With better visibility, expect company to maintain consistency in coming quarters
- Maintain BUY

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**Exhibit 1: Variance Analysis**

	Q1FY21	Q1FY21E	Q1FY20	Q4FY20	YoY (%)	QoQ (%)	Comments
Revenue	275.9	293.7	252.7	272.0	9.2	1.4	YoY growth mainly due to 60.1% growth in export formulations mainly due to lower base, which was partially offset by decline in non legacy domestic formulation amid Covid-19
Raw Material Expense	81.6	96.9	85.6	72.4	-4.7	12.7	A 429 bps YoY improvement in gross margins to 70.4% mainly due to better product mix
Employee Expenses	65.8	64.6	60.9	63.2	8.1	4.1	
Other Expenditure	69.5	85.2	72.6	89.0	-4.3	-21.9	YoY decline mainly due to decline in on ground activities
R&D	10.3	14.7	11.1	14.0	-7.7	-26.9	
EBITDA	48.7	32.3	22.4	33.3	117.1	46.1	
EBITDA (%)	17.6	11.0	8.9	12.2	877 bps	540 bps	YoY improvement mainly due to improvement in gross margins and lower fixed cost amid Covid-19
Interest	5.8	7.1	6.1	7.8	-6.0	-26.6	
Depreciation	19.1	18.8	17.0	18.2	12.6	5.1	
Other Income	0.3	0.4	0.6	0.5	-59.4	-48.0	
PBT before EO & Forex	24.0	6.9	-0.1	7.8	LP	209.7	
Forex & EO	0.0	0.0	0.0	0.0	0.0	0.0	
PBT	24.0	6.9	-0.1	7.8	LP	209.7	
Tax	7.0	1.2	-1.9	2.4	LP	191.3	
Net Profit	17.0	5.6	1.8	5.4	826.1	217.9	YoY growth mainly due to strong operational performance
<b>Key Metrics</b>							
Domestic Formulations	147.0	153.5	161.6	160.0	-9.0	-8.1	YoY decline mainly due to sharp decline mainly in non-legacy brands amid Covid-19
Export formulations	95.0	102.7	59.3	80.0	60.1	18.8	YoY growth mainly due to sharp growth in US amid lower base
APIs	22.0	28.5	23.7	26.3	-7.3	-16.4	Decline mainly due to higher captive consumption

Source: ICICI Direct Research

**Exhibit 2: Change in Estimates**

	FY21E			FY22E			Comments
(₹ Crore)	Old	New	% Change	Old	New	% Change	
Revenue	1,344.7	1,318.5	-1.9	1,571.3	1,574.0	0.2	
EBITDA	185.0	222.4	20.2	256.5	260.7	1.6	
EBITDA Margin (%)	13.8	16.9	311 bps	16.3	16.6	24 bps	Changed as per management guidance
PAT	68.5	101.2	47.7	132.1	138.5	4.9	
EPS (₹)	7.4	11.0	47.7	14.3	15.0	4.9	

Source: ICICI Direct Research

**Exhibit 3: Change in Estimates**

	Current				Earlier		Comments
(₹ crore)	FY19	FY20	FY21E	FY22E	FY21E	FY22E	
Domestic Formulations	606.2	686.2	712.3	839.1	721.3	818.3	
US Formulations	24.9	56.8	144.7	187.2	146.2	182.7	
Export Formulations(Ex US)	208.6	296.7	469.3	589.1	475.3	593.2	
APIs	82.2	92.1	99.1	109.0	110.5	121.6	Changed mainly due to higher captive consumption

Source: ICICI Direct Research

## Conference Call Highlights

- Q1FY21 revenue bifurcation – India: ₹ 147 crore (vs ₹ 162 crore in Q1FY20), Exports: ₹ 95 crore (vs. ₹ 59 crore)
  - US: ₹ 27 crore vs. ₹ 3 crore, Europe: ₹ 47 crore vs. 38 crore, SA-Australia-New Zealand: ₹ 1.8 crore vs. ₹ 2.8 crore and Emerging market: ₹ 19 crore vs ₹ 16 crore
  - API: ₹ 22 crore vs ₹ 24 crore, CRO & Analytical: ₹ 1.6 crore vs ₹ 2.6 crore
- Impact on vitamins / minerals / supplements (VMN) segment due to mostly mass specialty and gynaecology prescription portfolio, which were down due to lockdown
- First time launch of Allogliptin under Aloja and Aloja-M for anti-diabetic therapy in India. On the back of this launch and a lower anti-diabetic portfolio size, the management expects double digit growth in this segment going ahead
- One para IV launch scheduled for H2FY21 for the US market
- The company provided for ₹ 2.25 crore of extra bad debts in Q1FY21
- Baddi (Plant-3) utilisation level at 35% and has an opex of ₹ 4 crore per quarter (including depreciation)
- Q1 expenses were down to lower travel expenses and higher US sales contribution
- Q1FY21 gross margins (~70%) are sustainable, going ahead. Employee cost is likely to be stable for the rest of this fiscal. Other expenditure - Some savings in travel + promotional spend may continue, higher productivity in India business
- Q2FY21 domestic sales will continue to be impacted
- Business on track as compared to last year– April: 50%, May: 60-65%, June: 80%, Currently: 90%
- Long term debt: ₹ 144 crore, short term debt: ₹ 125 crore, cash: ₹ 10-12 crore
- Capex over the next two to three years to be less than ₹ 50 crore
- Gross block for overall API segment is ~₹ 120 crore
- India sales – 60% are legacy products (more than 10 years old)
- India MR strength at 2300 at Q1FY21 end
- US – One product launched in Q1FY21
- Goa products for Europe will be transferred to Baddi facility over the next two to three years
  - Plant 3 utilisation at 50-60%
  - Plant 2 utilisation at 20-25%

**Exhibit 4: Trends in quarterly performance**

(₹Crore)	1FY18	2FY18	3FY18	4FY18	1FY19	2FY19	3FY19	4FY19	1FY20	2FY20	3FY20	4FY20	1FY21	YoY (%)	QoQ (%)
Net Sales	204.2	280.0	274.2	258.9	212.5	235.9	248.0	245.0	247.2	286.2	283.5	263.1	266.8	7.9	1.4
Other Operating Income	4.8	4.8	3.9	10.8	5.0	-0.3	14.6	7.1	5.5	6.4	5.9	8.9	9.1	65.0	2.4
Revenues	209.0	284.8	278.1	269.6	217.5	235.6	262.6	252.1	252.7	292.6	289.4	272.0	275.9	9.2	1.4
Raw Material Expenses	71.1	100.3	90.5	87.5	71.3	79.6	88.2	81.1	85.6	89.6	82.8	72.4	81.6	-4.7	12.7
% of Revenues	34.0	35.2	32.5	32.5	32.8	33.8	33.6	32.2	33.9	30.6	28.6	26.6	29.6	-429 bps	296 bps
Gross Profit	137.9	184.6	187.6	182.1	146.2	156.0	174.3	170.9	167.1	203.0	206.5	199.6	194.2	16.3	-2.7
Gross Profit Margin (%)	66.0	64.8	67.5	67.5	67.2	66.2	66.4	67.8	66.1	69.4	71.4	73.4	70.4	429 bps	-296 bps
Employee Expenses	56.3	55.4	57.9	50.8	56.1	58.5	58.9	58.1	60.9	64.1	68.2	63.2	65.8	8.1	4.1
% of Revenues	26.9	19.4	20.8	18.8	25.8	24.8	22.4	23.0	24.1	21.9	23.6	23.2	23.9	-24 bps	62 bps
Research & Development	13.6	11.8	14.4	13.8	13.2	12.8	12.4	13.1	11.1	11.6	12.9	14.0	10.3	-7.7	-26.9
% of Revenues	6.5	4.1	5.2	5.1	6.1	5.4	4.7	5.2	4.4	4.0	4.5	5.2	3.7	-68 bps	-144 bps
Other Manufacturing Expenses	66.7	76.5	72.1	68.1	65.4	73.0	78.2	71.3	72.6	94.6	90.5	89.0	69.5	-4.3	-21.9
% of Revenues	31.9	26.9	25.9	25.3	30.0	31.0	29.8	28.3	28.7	32.3	31.3	32.7	25.2	-355 bps	-754 bps
Total Expenditure	207.7	243.9	234.9	220.2	206.0	223.8	237.8	223.7	230.3	259.9	254.5	238.7	227.2	-1.3	-4.8
% of Revenues	99.4	85.6	84.5	81.7	94.7	95.0	90.6	88.7	91.1	88.8	87.9	87.8	82.4	-877 bps	-540 bps
EBITDA	1.3	40.9	43.2	49.4	11.6	11.8	24.8	28.4	22.4	32.6	34.9	33.3	48.7	117.1	46.1
EBITDA Margin (%)	0.6	14.4	15.5	18.3	5.3	5.0	9.4	11.3	8.9	11.2	12.1	12.2	17.6	877 bps	540 bps
Depreciation	16.9	17.2	17.3	16.3	16.7	17.7	17.7	19.5	17.0	18.0	17.6	18.2	19.1	12.6	5.1
Interest	6.1	7.0	2.1	8.3	7.2	5.0	3.7	4.6	6.1	5.4	6.9	7.8	5.8	-6.0	-26.6
Other Income	0.9	2.3	0.6	1.0	0.3	0.3	0.6	5.0	0.6	0.6	0.7	0.5	0.3	-59.4	-48.0
PBT	-20.8	19.1	24.3	25.8	-12.0	-10.5	3.9	9.3	-0.1	9.8	11.1	7.8	24.0	LP	209.7
Total Tax	0.9	-0.7	1.7	5.3	0.0	-2.7	-1.4	-2.2	-1.9	2.0	2.0	2.4	7.0	LP	191.3
Tax Rate (%)	-4.4	-3.5	6.9	20.5	0.0	26.0	-36.9	-24.2	NA	20.3	17.8	30.9	29.1	NA	-184 bps
Net Profit	-21.7	19.8	22.7	20.5	-12.0	-7.8	5.3	11.5	1.8	7.8	9.1	5.4	17.0	826.1	217.9
PAT Margin (%)	-10.4	6.9	8.1	7.6	-5.5	-3.3	2.0	4.6	0.7	2.7	3.1	2.0	6.2	545 bps	421 bps

Source: ICICI Direct Research

## Company Background

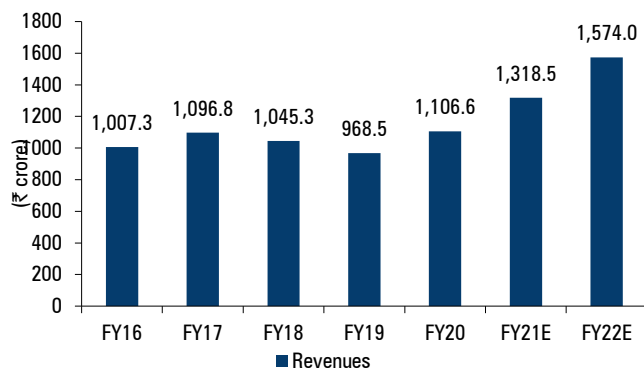
The company was established in 1947. Indoco is a small-sized pharma company engaged in manufacture, marketing and distribution of pharmaceutical products and services in the domestic & international markets. Through its nine marketing divisions viz. Indoco, Spade, Warren NxGen, Warren ACE, Warren Excel and Vision, Indoco Focus, Indoco CND, Spera and Institution the company serves a range of doctor specialties. Indoco has signed supply agreements with companies like Watson, Aspen and DSM to supply formulations to advanced and emerging markets.

For FY20, domestic formulations accounted for ~63% of revenues. Major therapies for the company are: respiratory, anti-infectives, stomatologicals, gastrointestinal (GI) and vitamins. With a market share of ~0.7%, the company is ranked 29 in domestic formulations. The acute-chronic-sub chronic ratio for the company is 82:5:13 (AIOCD March, 2020).

Formulation exports account for ~27% of revenues. Of these, exports to regulated markets constitute ~73% of formulation exports while the remaining comes from emerging markets.

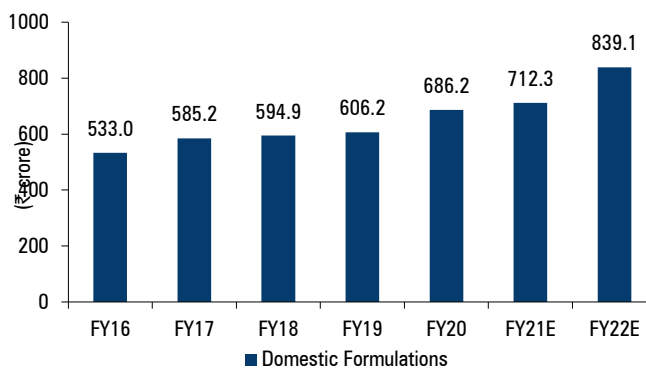
Overall, we expect revenues to grow at 19.3% CAGR in FY20-22E to ₹ 1574 crore.

**Exhibit 5: Revenues to grow at CAGR of 19% over FY20-22E**



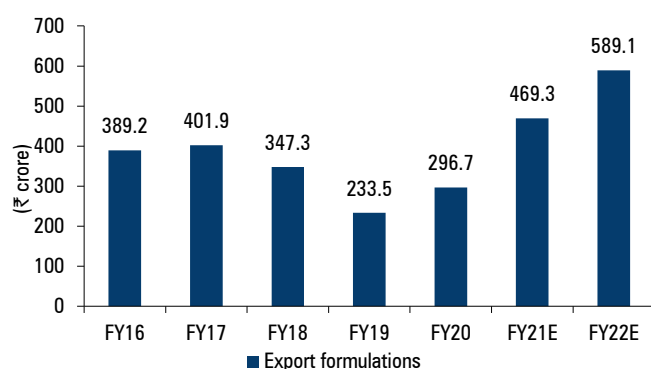
Source: ICICI Direct Research, Company

**Exhibit 6: Domestic formulations (₹ crore)**



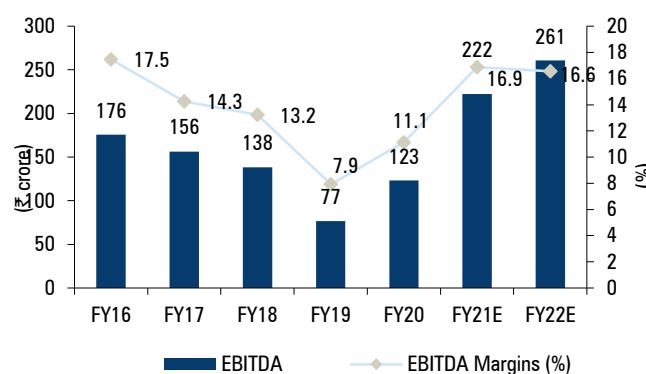
Source: ICICI Direct Research, Company

**Exhibit 7: Export formulations (₹ crore)**



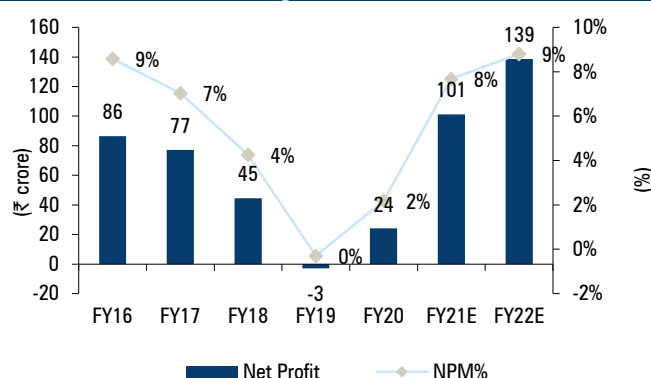
Source: ICICI Direct Research, Company

**Exhibit 8: EBTDA & EBITDA margins trend**



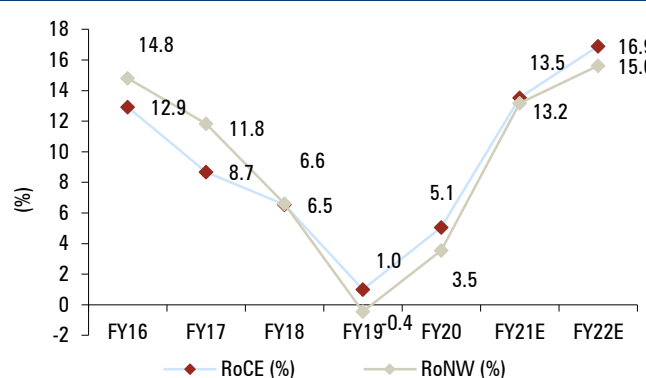
Source: ICICI Direct Research, Company

**Exhibit 9: PAT & PAT margins trend**



Source: ICICI Direct Research, Company

**Exhibit 10: Return ratios trend**



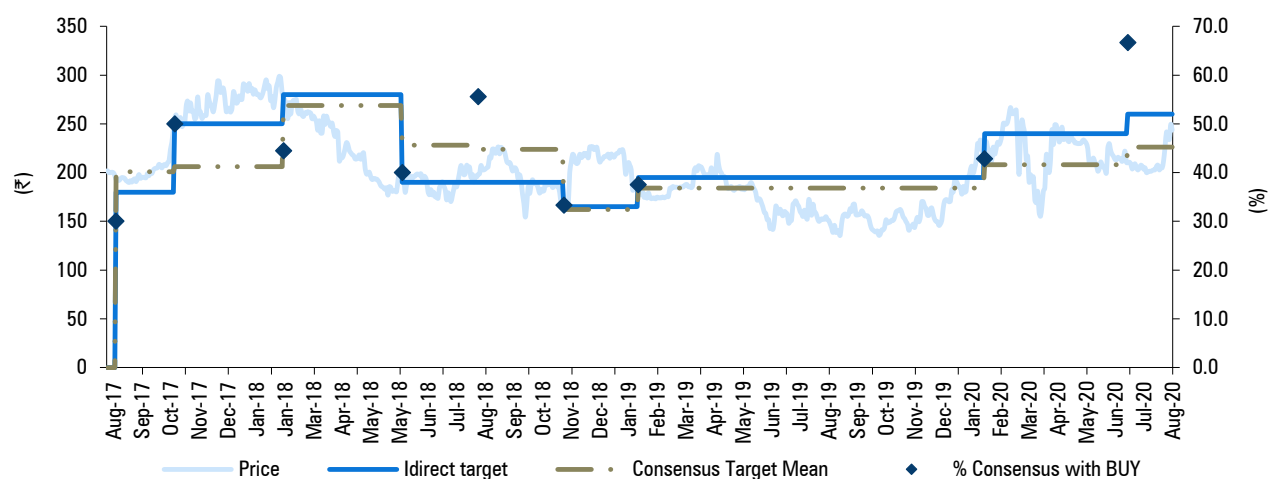
Source: ICICI Direct Research, Company

**Exhibit 11: Financial Summary**

	Revenues	Growth	Adj. EPS	Growth	P/E V/EBITDA	RoE	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(%)	(%)
FY 19	968	-7.4	-0.3	-106.5	-807.1	-0.4	1.0
FY 20	1107	14.3	2.6	-931.4	97.1	3.5	5.1
FY 21E	1318	19.2	11.0	319.6	23.1	13.2	13.5
FY 22E	1574	19.4	15.0	36.9	16.9	15.6	16.9

Source: ICICI Direct Research

### Exhibit 12: Recommendation History vs. Consensus



Source: ICICI Direct Research, Company

### Exhibit 13: Shareholding Pattern

(in %)	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
P romoter	58.7	58.7	58.7	58.7	58.7
O thers	41.3	41.3	41.3	41.3	41.3

Source: ICICI Direct Research, Company

## Financial Summary

**Exhibit 14: Profit & Loss (₹ crore)**

(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Revenues</b>	<b>968.5</b>	<b>1,106.6</b>	<b>1,318.5</b>	<b>1,574.0</b>
Growth (%)	-7.4	14.3	19.2	19.4
Raw Material Expenses	320.3	330.4	401.4	488.0
Employee Expenses	231.7	256.5	282.9	315.2
Other Manufacturing Expe	288.4	346.7	354.6	439.4
Total Operating Expenditu	891.8	983.4	1,096.1	1,313.4
<b>EBITDA</b>	<b>76.7</b>	<b>123.2</b>	<b>222.4</b>	<b>260.7</b>
Growth (%)	-44.6	60.7	80.5	17.2
Interest	20.5	26.3	23.6	17.3
Depreciation	71.6	70.8	75.5	80.0
Other Income	6.2	2.4	3.4	5.5
PBT	-9.3	28.6	126.6	168.9
Total Tax	-6.4	4.5	25.5	30.4
<b>PAT</b>	<b>-2.9</b>	<b>24.1</b>	<b>101.2</b>	<b>138.5</b>
Adjusted PAT	-2.9	24.1	101.2	138.5
Growth (%)	-106.5	-931.4	319.6	36.9
EPS	-0.3	2.6	11.0	15.0
<b>EPS (Adjusted)</b>	<b>-0.3</b>	<b>2.6</b>	<b>11.0</b>	<b>15.0</b>

Source: ICICI Direct Research

**Exhibit 15: Cash Flow Statement (₹ crore)**

(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Profit/(Loss) after taxatio</b>	<b>-12.9</b>	<b>24.8</b>	<b>101.2</b>	<b>138.5</b>
Add: Depreciation & Amor	71.6	70.8	75.5	80.0
Net Increase in Current As	36.3	-27.7	-98.3	-109.8
Net Increase in Current Lia	19.3	26.2	32.4	46.4
Other	17.8	28.7	23.6	17.3
<b>CF from operating activi</b>	<b>132.1</b>	<b>122.8</b>	<b>134.4</b>	<b>172.3</b>
(Inc)/dec in Investments	-0.1	0.0	0.0	0.0
(Inc)/dec in Fixed Assets	-93.0	-58.4	-50.0	-50.0
Others	1.5	1.1	-5.0	-5.6
<b>CF from investing activit</b>	<b>-91.6</b>	<b>-57.2</b>	<b>-55.0</b>	<b>-55.6</b>
Inc / (Dec) in Equity Capit	0.0	0.0	0.0	0.0
Proceeds/(Repayment) Lo	15.8	-38.3	-20.0	-50.0
Others	-31.9	-25.7	-37.0	-35.7
<b>CF from financing activi</b>	<b>-16.1</b>	<b>-64.0</b>	<b>-57.0</b>	<b>-85.7</b>
Net Cash flow	24.4	1.7	22.4	31.1
Opening Cash	11.9	36.3	37.9	60.3
Closing Cash	36.3	37.9	60.3	91.4
<b>Free Cash flow</b>	<b>39.1</b>	<b>64.5</b>	<b>84.4</b>	<b>122.3</b>

Source: ICICI Direct Research

**Exhibit 16: Balance Sheet (₹ crore)**

(Year-end March)	FY19	FY20	FY21E	FY22E
Equity Capital	18.4	18.4	18.4	18.4
Reserve and Surplus	642.2	661.1	748.8	869.0
Total Shareholders fund	660.6	679.6	767.3	887.4
Total Debt	242.1	202.9	182.9	132.9
Deferred Tax Liability	0.0	0.0	0.0	0.0
Other Non Current Liabiliti	7.3	12.8	13.5	14.1
Long term Provisions	16.0	23.3	24.5	25.7
<b>Source of Funds</b>	<b>925.9</b>	<b>918.6</b>	<b>988.1</b>	<b>1,060.1</b>
Gross Block - Fixed Asse	934.6	1,127.5	1,197.5	1,267.5
Accumulated Depreciation	467.0	537.8	613.4	693.3
Net Block	467.6	589.7	584.1	574.2
Capital WIP	185.4	50.7	30.7	10.7
Net Fixed Assets	653.0	640.4	614.8	584.9
Investments	0.0	0.0	0.0	0.0
Inventory	183.5	208.3	243.9	291.2
Cash	36.3	37.9	60.3	91.4
Debtors	195.8	210.1	262.2	313.0
Loans & Advances & Othe	122.5	106.7	117.4	129.1
Total Current Assets	538.1	563.1	683.8	824.6
Creditors	170.7	165.6	188.6	225.2
Provisions & Other CL	161.4	187.4	196.8	206.6
Total Current Liabilities	332.1	353.0	385.4	431.8
Net Current Assets	205.9	210.1	298.3	392.8
LT L& A, Other Assets	31.4	32.1	35.3	38.9
Deferred Tax Assets	35.5	35.9	39.5	43.4
<b>Application of Funds</b>	<b>925.9</b>	<b>918.6</b>	<b>988.1</b>	<b>1,060.1</b>

Source: ICICI Direct Research

**Exhibit 17: Key Ratios (₹ crore)**

(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Per share data (₹)</b>				
EPS	-0.3	2.6	11.0	15.0
BV per share	71.7	73.7	83.3	96.3
Dividend per share	0.3	0.3	1.5	2.0
<b>Operating Ratios (%)</b>				
EBITDA margins	7.9	11.1	16.9	16.6
Net Profit margins	-0.3	2.2	7.7	8.8
Inventory days	69	69	68	68
Debtor days	74	69	73	73
Creditor days	64	55	52	52
Asset Turnover	0.9	1.0	1.2	1.4
EBITDA conversion rate	172.4	99.7	60.4	66.1
<b>Return Ratios (%)</b>				
RoE	-0.4	3.5	13.2	15.6
RoCE	1.0	5.1	13.5	16.9
RoIC	0.8	6.9	17.9	20.6
<b>Valuation Ratios (x)</b>				
P/E	-807.1	97.1	23.1	16.9
EV / EBITDA	33.2	20.3	11.1	9.1
EV / Net Sales	2.6	2.3	1.9	1.5
Market Cap / Sales	2.4	2.1	1.8	1.5
Price to Book Value	3.5	3.4	3.1	2.6
<b>Solvency Ratios</b>				
Debt / Equity	0.4	0.3	0.2	0.1
Debt / EBITDA	3.2	1.6	0.8	0.5
Current Ratio	1.5	1.5	1.6	1.7

Source: ICICI Direct Research



**Exhibit 18: ICICI Direct Coverage Universe (Healthcare)**

Company	I-Direct CMP		TP rating	M Cap	EPS (₹)					PE(x)				RoCE (%)				RoE (%)			
	Code	(₹)			(₹)	(₹cr)	FY19	FY20	Y21E	Y22E	FY19	FY20	FY21E	Y22E	FY19	FY20	Y21E	Y22E	FY19	FY20	Y21E
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	254	330	Buy	2341	-0.3	2.6	11.0	15.0	-807.1	97.1	23.1	16.9	1.0	5.1	13.5	16.9	-0.4	3.5	13.2	15.6
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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