

Covid opportunities lead to comprehensive beat...

Revenues grew 42.3% YoY to ₹ 1534.4 crore (I-direct estimate: ₹ 1287.8 crore) due to one-time opportunity of ~₹ 259 crore for HCQS/chloroquine supplies in both API & formulation segments. Export formulations grew 89.4% YoY to ₹ 463.6 crore and API segment grew 72.0% YoY to ₹ 513.3 crore. Domestic revenues grew 8.1% YoY to ₹ 489.4 crore. EBITDA margins improved to 38.3% vs. 18.3% in Q1FY20 (I-direct estimate: 20.0%) due to lower operational expenditure. EBITDA grew 198.4% YoY to ₹ 588.3 crore (I-direct estimate: ₹ 257.6 crore). PAT grew 244% YoY to ₹ 445.9 crore (I-direct estimate: ₹ 180 crore) mainly due to a strong operational performance and lower tax rate (18.3% against 22.4% in Q1FY20).

Export formulations main catalyst for growth

Growth in export 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 ~19% CAGR in FY20-22E to ₹ 1722 crore, driven by branded formulation exports and recovery in the tender and generic exports.

Growth in ex-anti-malarials 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% FY20-22E CAGR to ₹ 2367 crore.

Valuation & Outlook

Q1 results were a comprehensive beat vis-a-vis I-direct, consensus estimates on all fronts. 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, good prospects both for API exports, formulation exports, we expect further improvement in financial parameters. Ipca will continue to remain a compelling bet on the back of well-rounded growth prospects for FY20-22E- sales, EBITDA, PAT CAGR of 14%, 29%, 39%, respectively. We arrive at our target price of ₹ 2400 (26x FY22E EPS of ₹ 92.3).



Particulars

Particular	Amount
Market Capitalisation	₹25612 crore
Debt (FY 20)	₹547 crore
Cash (FY 20)	₹181 crore
EV	₹25978 crore
52 week H/L (₹)	2175/844
Equity capital	₹25.3 crore
Face value	₹2

Key Highlights

- Q1 results were a comprehensive beat vis-a-vis I-direct and consensus estimates on all fronts
- 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	5637.6	6014.7	13.7
EBITDA	690.1	903.7	1529.0	1510.1	29.3
EBITDA Margins (%)	18.3	19.4	27.1	25.1	
Net Profit	442.2	603.4	1140.1	1164.8	38.9
EPS (₹)	35.1	47.8	90.4	92.3	
PE (x)	57.8	42.4	22.4	22.0	
EV to EBITDA (x)	37.2	28.4	16.3	15.9	
Price to book (x)	8.2	7.0	5.4	4.4	
RoNW (%)	14.2	16.6	24.1	19.8	
RoCE (%)	15.0	17.4	26.3	22.1	

Source: ICICI Direct Research; Company

Exhibit 1: Variance Analysis

	Q1FY21	Q1FY21E	Q1FY20	Q4FY20	YoY (%)	QoQ (%)	Comments
Revenue	1,534.4	1,287.8	1,078.2	1,073.8	42.3	42.9	YoY growth and beat vis-à-vis I-direct estimates mainly due to 1) ₹ 259 crore of additional business from HCQ and chloroquine amid Covid-19, 2) some spillover of ₹ 26 crore of business from Q4 and 3) currency tailwinds
Raw Material Expenses	431.6	444.3	406.0	364.6	6.3	18.4	
Employee Expenses	256.3	264.0	215.7	242.2	18.8	5.8	
Other Expense	258.1	322.0	259.4	298.5	-0.5	-13.5	
Operating Profit (EBITDA)	588.3	257.6	197.1	168.5	198.4	249.2	
EBITDA (%)	38.3	20.0	18.3	15.7	2006 bps	2265 bps	YoY improvement and beat vis-à-vis I-direct estimates mainly one-off business, product mix, operational leverage, lower on ground expenses, which were partially offset by higher incentives and freight charges
Interest	2.7	4.0	4.6	3.7	-40.3	-25.3	
Depreciation	51.0	50.8	46.1	63.9	10.7	-20.2	
Other Income	12.1	18.0	20.3	13.7	-40.6	-11.9	
PBT	546.6	220.8	166.8	114.6	227.8	377.1	
Tax	99.9	38.6	37.4	29.2	167.4	242.0	
Tax Rate (%)	18.3	17.5	22.4	25.5	-412 bps	-721 bps	
Reported PAT	445.9	180.0	129.6	86.0	244.0	418.4	
PAT (Ex forex)	445.9	180.0	129.6	86.0	244.0	418.4	YoY growth and beat vis-à-vis I-direct estimates mainly due to strong operational performance
EPS (₹)	35.3	14.3	10.3	6.8	244.0	418.4	
Key Metrics							
Domestic formulations	489.4	502.6	452.8	431.0	8.1	13.6	Excluding HCQ and chloroquine related opportunities, growth was 2% YoY
Export - Generic	241.5	176.2	125.9	166.0	91.8	45.4	Included one off opportunities of HCQ and chloroquine
Export - Institutional	88.7	43.7	27.3	39.7	224.6	123.3	Sharp increase mainly due to execution of couple of tenders
Export - Branded	133.5	130.4	91.6	76.7	45.7	74.0	Included one off opportunities of HCQ and chloroquine
API	513.3	343.1	298.3	275.1	72.1	86.6	Included one off opportunities of HCQ and chloroquine

Source: ICICI Direct Research

Exhibit 2: Change in Estimates

₹ Crore	FY21E			FY22E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	5,368.1	5,637.6	5.0	5,983.1	6,014.7	0.5	
EBITDA	1,131.1	1,529.0	35.2	1,337.6	1,510.1	12.9	
EBITDA Margin (%)	21.1	27.1	602 bps	22.4	25.1	271 bps	Changed as per guidance
PAT	798.2	1,140.1	42.8	999.0	1,164.8	16.6	
EPS (₹)	63.3	90.4	42.8	79.2	92.3	16.6	

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	2,113.5	2,367.1	2,132.6	2,388.5	
Export formulations	1,048.3	1,366.2	1,596.9	1,722.0	1,502.3	1,686.9	Changed mainly due to better than expected growth in Q1FY21
API	884.6	791.9	1,566.5	1,528.3	1,349.1	1,484.0	Changed mainly due to better than expected growth in Q1FY21

Source: ICICI Direct Research

Conference Call Highlights

- Q1FY21 performance
 - One-off: Additional sales of ~₹ 259 crore related to HCQS, chloroquine API and higher margin (~80% at gross margin level) on them including all Formulations, APIs opportunities
 - Higher productivity and lower operational expenses along with lower travel and marketing costs
 - Q4FY20 spillover of ~₹ 26 crore in Q1
 - This was partly offset by lower India branded sales due to lower patient footfalls, higher freight costs and one-time ₹ 20 crore incentive to employees amid Covid-19
- Chloroquine/HCQS based opportunities are expected to wane, going ahead. Also, the company is witnessing a decline in malaria cases amid Covid-19 lockdown and precautions
- Current Q1 domestic numbers were propelled by HCQS and government order. Adjusted growth would be ~2% (lost 12% growth as compared to normal run-rate of 14-15%)
- Ipca produces KSMs for most of the larger APIs in-house
- Guidance
 - Raw material costs to be ~31-32% for the rest of the fiscal
 - HR costs to increase 8-10%
 - Other expenses to increase by ~5-6%
 - Institutional sales to be above ₹ 200 crore for FY21
 - API growth for FY21 to be ~20%
 - Promotional market growth to be ~17-18% for FY21
 - Overall EBITDA margins improvement to be higher than 150 bps YoY (as guided earlier) for FY21. This will be driven by
 - (a) Lower material cost pressure
 - (b) Lower operating costs
 - (c) However, field costs to come back alongside higher promotional costs
 - FY21 revenue growth could be ~15-19% depending on revival of domestic market (50% of revenues)
 - (a) Domestic market Q2 growth to be ~10%, Q3/Q4 to be ~12%
- Capacity utilisation at ~75% (lower for Piparia and Indore formulation plants due to import alert)
- The company is facing capacity constraints on the API front. Capex for Dewas API plant to be ~₹ 300 crore and is expected to be completed in the next 15 months. This will add ₹ 300 tonne (+20% current) capacity. The company has received the environmental clearance for the same
 - Construction of the facility to start post monsoon
- Pisgah (subsidiary)- The company has completed work on two DMFs and is awaiting US approval. Both are high value low volume products

Exhibit 4: Quarterly Financials

₹Crore	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	YoY (%)	QoQ (%)
Revenues	875.4	1012.0	1006.1	879.6	1078.2	1283.9	1212.9	1073.8	1534.4	42.3	42.9
Raw Material Expenses	281.5	312.7	338.9	306.7	406.0	449.7	423.8	364.6	431.6	6.3	18.4
% of Revenue	32.2	30.9	33.7	34.9	37.7	35.0	34.9	34.0	28.1	-952bps	-582bps
Gross Profit	594.0	699.3	667.3	572.9	672.2	834.2	789.1	709.2	1102.8	64.1	55.5
GPM (%)	67.8	69.1	66.3	65.1	62.3	65.0	65.1	66.0	71.9	952bps	582bps
Employee Expenses	202.6	212.0	185.7	187.1	215.7	232.0	231.3	242.2	256.3	18.8	5.8
% of Revenue	23.1	20.9	18.5	21.3	20.0	18.1	19.1	22.6	16.7	-330bps	-585bps
Other expense	272.5	313.7	247.1	222.2	259.4	337.6	284.1	298.5	258.1	-0.5	-13.5
% of Revenue	31.1	31.0	24.6	25.3	24.1	26.3	23.4	27.8	16.8	-723bps	-1098bps
Total Expenditure	756.6	838.4	771.7	716.0	881.1	1019.4	939.2	905.3	946.1	7.4	4.5
% of Revenue	86.4	82.8	76.7	81.4	81.7	79.4	77.4	84.3	61.7	-2006bps	-2265bps
EBIDTA	118.8	173.6	234.5	163.6	197.1	264.5	273.7	168.5	588.3	198.4	249.2
EBIDTA Margin (%)	13.6	17.2	23.3	18.6	18.3	20.6	22.6	15.7	38.3	2006bps	2265bps
Depreciation	46.6	45.4	45.7	44.8	46.1	49.6	50.8	63.9	51.0	10.7	-20.2
Interest	4.9	2.4	5.1	6.4	4.6	4.2	4.0	3.7	2.7	-40.3	-25.3
Other Income	14.3	14.8	13.3	15.3	20.3	14.8	18.1	13.7	12.1	-40.6	-11.9
PBT	81.6	140.6	196.9	127.7	166.8	225.4	237.0	114.6	546.6	227.8	377.1
Tax	13.1	22.1	37.4	31.7	37.4	31.9	36.9	29.2	99.9	167.4	242.0
Tax Rate (%)	16.0	15.7	19.0	24.8	22.4	14.1	15.6	25.5	18.3	-412bps	-721bps
PAT	68.5	118.5	159.2	98.6	129.6	193.1	197.6	86.0	445.9	244.0	418.4
PAT Margin (%)	7.8	11.7	15.8	11.2	12.0	15.0	16.3	8.0	29.1	1704bps	2105bps
EPS (₹)	5.4	9.4	12.6	7.8	10.3	15.3	15.7	6.8	35.3	244.0	418.4

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.

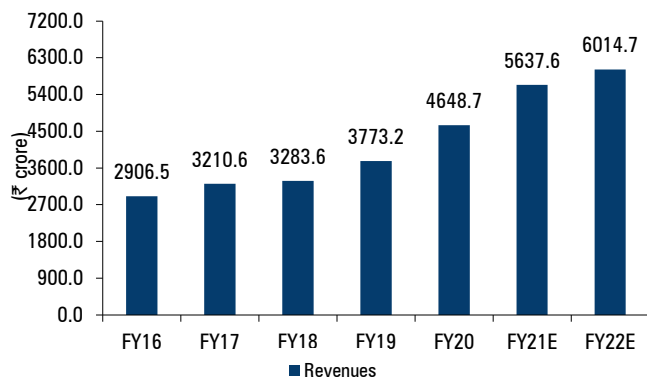
Exports formulations are further divided into- 1) branded formulations- 31% of exports formulations, 2) generic formulations- 54% of exports formulations and 3) institutional business- 14% of exports formulations.

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)

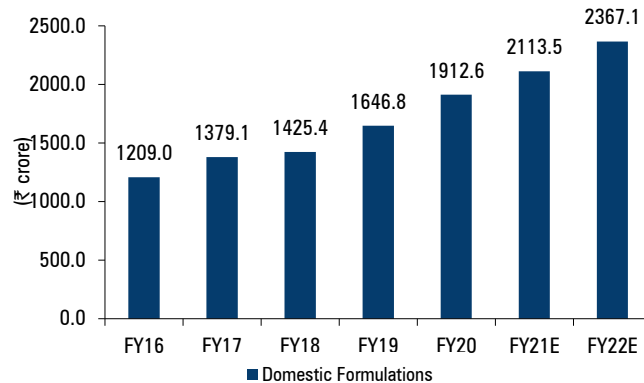
The company is awaiting resolution on the US formulations front with USFDA import alerts for three of its plants (Ratlam, Indore SEZ and Silvassa).

Exhibit 5: Revenues to grow at 13.7% FY20-22E CAGR



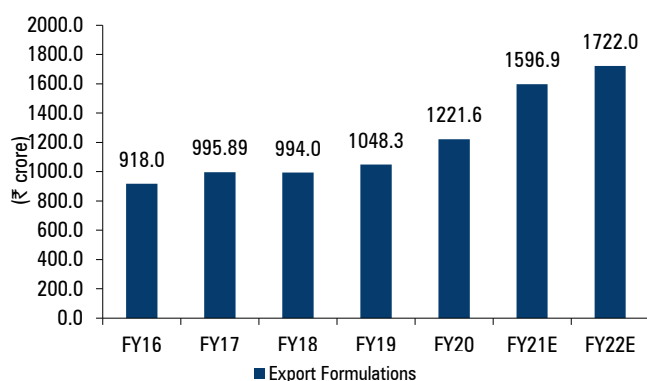
Source: ICICI Direct Research, Company

Exhibit 6: India to grow at CAGR of 11.2% over FY20-22E



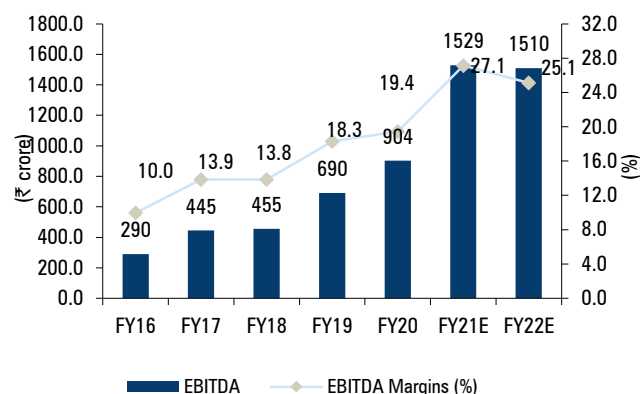
Source: ICICI Direct Research, Company

Exhibit 7: Export to grow at CAGR of 18.7% over FY20-22E



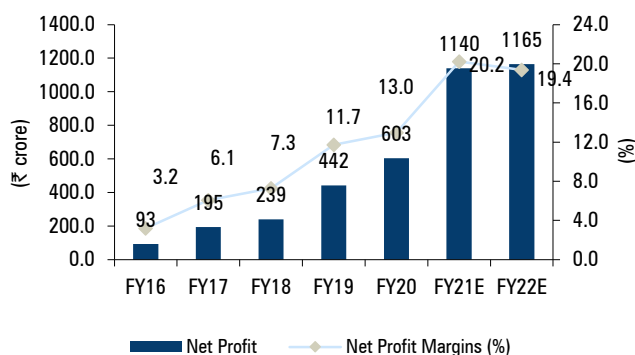
Source: ICICI Direct Research, Company

Exhibit 8: EBITDA & EBITDA margins trend



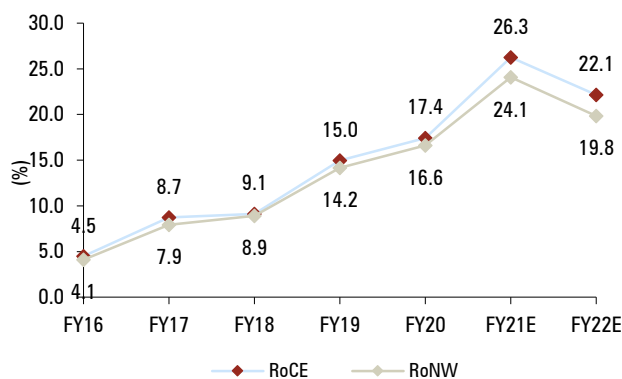
Source: ICICI Direct Research, Company

Exhibit 9: PAT & PAT margins trend



Source: ICICI Direct Research, Company

Exhibit 10: RoE & RoCE trend



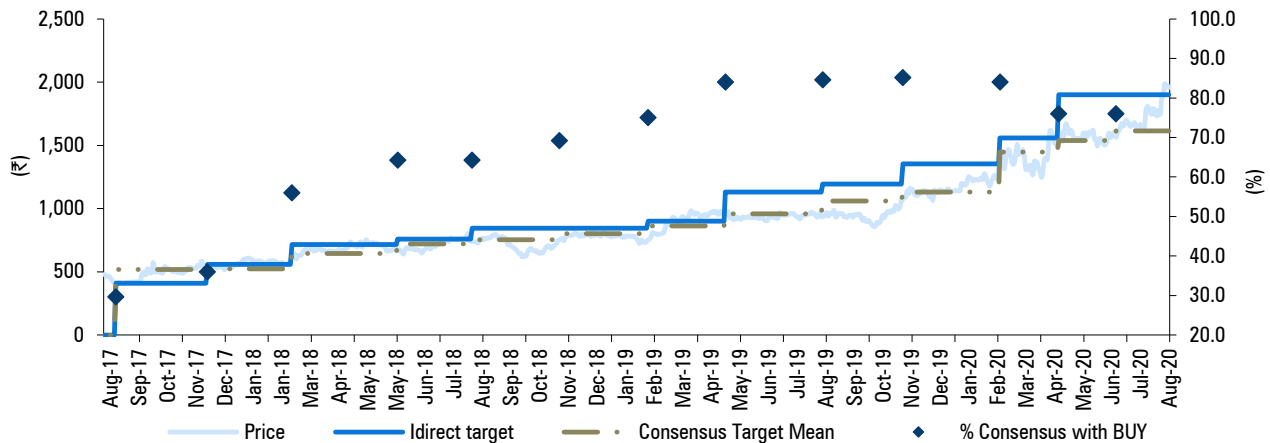
Source: ICICI Direct Research, Company

Exhibit 11: Valuation

	Revenues (₹ crore)	Growth (%)	Adj. EPS (₹)	Growth (%)	P/E (x)	EV/EBITDA (X)	RoNW (%)	RoCE (%)
FY 19	3773	14.9	35.1	84.7	57.8	37.2	14.2	15.0
FY 20	4649	23.2	47.8	36.4	42.4	28.4	16.6	17.4
FY 21E	5638	21.3	90.4	89.0	22.4	16.3	24.1	26.3
FY 22E	6015	6.7	92.3	2.2	22.0	15.9	19.8	22.1

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 %)	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Promoter	46.1	46.1	46.1	46.1	46.1
Others	53.9	53.9	53.9	53.9	53.9

Source: ICICI Direct Research, Company

Financial Summary

Exhibit 15: Profit & Loss (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
Revenues	3,773.2	4,648.7	5,637.6	6,014.7
Growth (%)	14.9	23.2	21.3	6.7
Raw Material Expenses	1,239.7	1,644.1	1,806.2	1,984.8
Employee Expenses	787.4	921.2	1,026.8	1,120.8
Other Expense	1,056.0	1,179.6	1,275.6	1,398.9
Total Operating Expenditur	3,083.1	3,745.0	4,108.6	4,504.6
EBITDA	690.1	903.7	1,529.0	1,510.1
Growth (%)	51.8	31.0	69.2	-1.2
Interest	18.9	16.5	11.7	10.4
Depreciation	182.4	210.5	202.0	233.3
Other Income	57.7	67.0	73.6	147.4
PBT after EO/Forex	546.5	743.7	1,388.9	1,413.7
MI & Profit from associates	0.0	-10.6	-7.0	-7.0
PAT	442.2	603.4	1,140.1	1,164.8
Growth (%)	84.7	36.4	89.0	2.2
Adjusted PAT	442.2	603.4	1,140.1	1,164.8
EPS	35.1	47.8	90.4	92.3
EPS (Adjusted)	35.1	47.8	90.4	92.3

Source: ICICI Direct Research

Exhibit 16: Cash Flow Statement (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
Profit after Tax	435.6	586.7	1,140.1	1,164.8
Add: Depreciation	182.4	210.5	202.0	233.3
(Inc)/dec in Current Assets	-269.3	-415.5	-487.2	-124.4
Inc/(dec) in CL and Provisions	147.4	152.0	223.7	43.6
Others	-3.8	30.7	11.7	10.4
CF from operating activities	492.3	564.3	1,090.3	1,327.8
(Inc)/dec in Fixed Assets	-178.7	-402.4	-320.0	-350.0
(Inc)/dec in Investments	-6.0	-49.4	-500.0	-500.0
Others	7.3	-83.4	3.9	4.2
CF from investing activities	-177.3	-535.2	-816.1	-845.8
Issue/(Buy back) of E 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	-34.2	-29.1
Other	176.8	-8.1	138.3	39.6
CF from financing activities	-183.2	-130.5	-195.9	-89.5
Net Cash flow	131.7	-101.4	78.3	392.4
Opening Cash	150.6	282.3	180.9	259.3
Closing Cash	282.3	180.9	259.3	651.7
Free Cash Flow	313.6	161.9	770.3	977.8

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	4,708.1	5,843.8
Total Shareholders funds	3,122.4	3,627.5	4,733.4	5,869.1
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
Total Liabilities	3,777.3	4,364.6	5,334.3	6,434.7
Gross Block - Fixed Asset	2,585.7	2,947.3	3,097.3	3,577.3
Accumulated Depreciation	692.5	903.0	1,105.0	1,338.3
Net Block	1,893.2	2,044.4	1,992.3	2,239.0
Capital WIP	66.3	85.2	255.2	125.2
Total Fixed Assets	1,959.5	2,129.6	2,247.5	2,364.2
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	1,604.6	1,711.9
Debtors	681.5	895.2	1,085.6	1,086.4
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	259.3	651.7
Total Current Assets	2,287.4	2,617.5	3,183.0	3,699.8
Creditors	524.3	609.9	813.5	835.8
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	1,118.9	1,162.5
Net Current Assets	1,514.0	1,722.3	2,064.1	2,537.3
Application of Funds	3,777.3	4,364.6	5,334.3	6,434.7

Source: ICICI Direct Research

Exhibit 18: Key Ratios (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
Per share data (₹)				
Adjusted EPS	35.1	47.8	90.4	92.3
BV per share	247.5	287.6	375.2	465.2
Dividend per share	5.6	7.8	10.4	11.9
Operating Ratios (%)				
Gross Profit Margins	67.1	64.6	68.0	67.0
EBITDA Margins	18.3	19.4	27.1	25.1
PAT Margins	11.7	13.0	20.2	19.4
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	1.8	1.7
EBITDA conversion Rate	71.3	62.4	71.3	87.9
Return Ratios (%)				
RoE	14.2	16.6	24.1	19.8
RoCE	15.0	17.4	26.3	22.1
RoIC	16.1	19.0	34.3	30.4
Valuation Ratios (x)				
P/E	57.8	42.4	22.4	22.0
EV / EBITDA	37.2	28.4	16.3	15.9
EV / Net Sales	6.8	5.5	4.4	4.0
Market Cap / Sales	6.8	5.5	4.5	4.3
Price to Book Value	8.2	7.0	5.4	4.4
Solvency Ratios				
Debt / EBITDA	0.7	0.6	0.3	0.2
Debt / E equity	0.1	0.2	0.1	0.1
Current Ratio	2.6	2.7	2.6	2.6

Source: ICICI Direct Research

Exhibit 19: ICICI Direct universal Coverage (Healthcare)

Company	I-Direct Code	CMP (₹)	TP Rating	M Cap (₹cr)	EPS (₹)				PE(x)				RoCE (%)				RoE (%)				
					FY19	FY20	Y21E	Y22E	FY19	FY20	FY21E	Y22E	FY19	FY20	Y21E	Y22E	FY19	FY20	Y21E	Y22E	
Ajanta Pharma	AJAPHA	1723	1,810	Buy	15033	43.5	53.4	60.2	72.5	39.6	32.3	28.6	23.8	21.8	24.7	23.4	24.3	17.1	18.1	17.7	18.4
Alembic Pharma	ALEMPHA	1087	1,140	Buy	20487	31.4	46.3	52.6	51.9	34.6	23.5	20.7	20.9	19.6	21.0	21.9	20.1	21.8	27.1	24.1	19.7
Apollo Hospital	APOHOS	1785	1,490	Buy	24836	17.0	23.3	37.3	68.0	105.2	76.5	47.9	26.2	8.8	10.4	11.2	14.6	7.1	9.7	12.8	19.6
Aurobindo Pharma	AURPHA	949	920	Buy	55597	41.9	48.8	57.8	63.0	22.7	19.5	16.4	15.1	15.9	17.2	19.1	19.1	17.7	17.0	17.0	15.8
Biocon	BIOCON	412	490	Buy	49488	6.2	5.8	11.5	21.0	66.4	70.9	35.9	19.7	10.9	10.2	16.1	23.3	12.2	10.4	17.4	24.6
Cadila Healthcare	CADHEA	405	470	Buy	41477	18.1	14.0	18.1	21.3	22.4	29.0	22.3	19.0	12.8	10.7	12.9	13.9	17.8	13.8	15.7	16.1
Cipla	CIPLA	796	900	Buy	64150	18.6	19.2	30.3	36.0	42.8	41.4	26.2	22.1	10.9	12.0	16.4	17.3	10.0	9.8	13.7	14.2
Divi's Lab	DIVLAB	3118	3,260	Buy	82768	51.0	51.9	71.2	85.8	61.2	60.1	43.8	36.3	25.5	23.9	27.2	26.5	19.4	18.8	21.3	21.0
Dr Reddy's Lab	DRREDD	4691	5,000	Buy	77973	114.7	121.9	161.3	200.0	40.9	38.5	29.1	23.5	10.7	9.6	18.4	19.7	13.6	13.0	15.0	16.0
Glenmark Pharma	GLEPHA	471	510	Hold	13299	26.9	26.4	25.0	36.6	17.5	17.9	18.9	12.9	15.3	12.7	11.4	14.1	13.5	12.2	10.5	13.4
Hikal	HIKCHE	139	165	Buy	1711	8.4	8.1	10.8	13.8	16.6	17.1	12.9	10.1	14.3	13.0	14.2	15.7	13.6	12.2	14.2	15.6
Ipca Laboratories	IPCLAB	2027	2,400	Buy	25612	35.1	47.8	90.4	92.3	57.8	42.4	22.4	22.0	15.0	17.4	26.3	22.1	14.2	16.6	24.1	19.8
Jubilant Life	JUBLIF	875	550	Buy	13932	54.9	59.9	69.8	89.8	15.9	14.6	12.5	9.7	14.3	14.6	17.2	19.7	17.8	16.6	16.4	17.5
Lupin	LUPIN	958	1,030	Buy	43409	16.5	-12.7	26.0	39.7	57.9	-75.5	36.8	24.2	9.4	9.7	10.5	14.0	5.4	-4.6	8.7	11.8
Narayana Hrudayam	NARHRU	323	340	Buy	6607	2.9	6.4	-3.1	9.6	111.4	50.9	-105.3	33.6	7.7	11.0	0.0	14.2	5.5	11.4	-5.8	15.7
Natco Pharma	NATPHA	848	740	Buy	15438	35.4	25.3	23.9	22.4	24.0	33.5	35.4	37.9	21.3	14.0	12.9	11.3	18.5	12.2	10.7	9.3
Sun Pharma	SUNPHA	544	625	Buy	130485	15.9	16.8	21.8	24.1	34.3	32.4	25.0	22.6	10.3	10.0	10.7	13.0	9.2	8.9	11.2	11.1
Syngene Int.	SYNINT	482	485	Buy	19272	8.3	10.3	9.2	12.8	58.3	46.8	45.3	32.7	14.8	14.5	13.1	16.4	16.8	15.7	14.5	16.8
Torrent Pharmaceuticals	TORPHA	3011	2,865	Buy	50949	48.9	60.6	72.2	95.5	61.5	49.7	41.7	31.5	14.2	15.4	18.6	21.8	17.5	21.2	21.3	23.2
Shalby	SHALIM	81	70	Hold	873	2.9	2.6	0.7	4.0	27.6	31.7	110.1	20.1	6.8	7.2	1.8	7.0	4.1	3.5	1.0	5.2
Aster DM	ASTDM	133	160	Buy	6631	6.7	5.5	-1.4	9.6	19.9	24.0	-92.2	13.8	8.3	7.5	2.6	9.7	10.4	8.5	-2.2	13.1
Indoco Remedies	INDREM	250	260	Buy	2302	-0.3	2.6	7.4	14.3	-793.8	95.5	33.6	17.4	1.0	5.1	10.0	16.5	-0.4	3.5	9.3	15.5

Source: ICICI Direct Research, Bloomberg

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