

## Strong LatAm growth drives numbers...

The Q3FY21 operational performance was mostly in line with our expectations whereas profitability was below due to lower than expected other income. Revenues grew 20.2% YoY to ₹ 274 crore. EBITDA margins improved 89 bps YoY to 30.6% due to higher gross margins, lower other expenses partly offset by higher staff costs likely due to acquired subsidiaries. Hence, EBITDA grew 23.9% YoY to ₹ 84 crore. However, PAT grew 10.1% YoY to ₹ 64 crore due to lower other income & higher tax outgo.

## 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 ~20% CAGR in FY20-23E to ₹ 1350 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 20 filed ANDAs, of which 12 have already been approved. At present, the company has 45+ 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 ~42% CAGR in FY20-23E to ₹ 200 crore on the back of incremental product launches.

## Valuation & Outlook

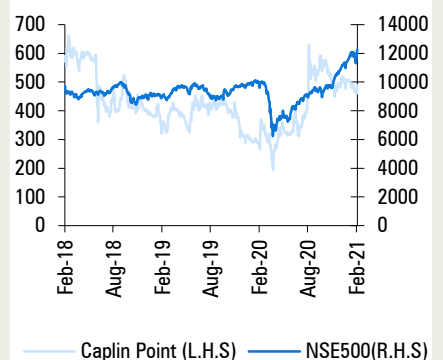
After scripting a unique story by growing in uncharted territories, Caplin is looking at growth in known markets. These new markets of South America, US are a big opportunity but fraught with new challenges. That said, we continue to believe in Caplin's capability to replicate the success story in new 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 on the back of significant capex lever. The company continues to offer a compelling risk-reward scenario at current valuations. We maintain **BUY** rating and arrive at our target price of ₹ 605 (unchanged) based on 12x FY23E EPS of ₹ 50.6.



### Particulars

Particular	Amount
Market Capitalisation	₹3643 crore
Debt (FY 20)	₹39 crore
Cash (FY 20)	₹223 crore
EV	₹3458 crore
52 week H/L	686/180
Equity capital	₹15.1 crore
Face value	₹2

### Price performance



### Key risks to our call

- Any potential USFDA regulatory hurdles
- Slower than expected expansion into larger LatAm markets

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### Key Financial Summary

₹Crore	FY20	FY21E	FY22E	FY23E	CAGR FY20-23E (%)
Revenues	863.2	1094.9	1366.4	1588.8	22.6
EBITDA	260.1	339.4	419.6	491.7	23.7
EBITDA Margins (%)	30.1	31.0	30.7	30.9	
Net Profit	215.0	246.9	330.3	382.9	21.2
EPS (Adjusted)	28.4	32.6	43.7	50.6	
PE (x)	16.9	14.8	11.0	9.5	
RoCE (%)	26.5	26.0	28.3	26.7	
RoE (%)	22.7	21.1	22.4	21.0	

Source: ICICI Direct Research; Company

**Exhibit 1: Variance Analysis**

	Q3FY21	Q3FY20	Q2FY21	YoY (%)	QoQ (%)	Comments
Revenue	274.4	228.2	268.1	20.2	2.3	YoY growth mainly due to strong growth in Emerging generic markets and few Covid related opportunities
Raw Material Expenses	123.9	107.1	120.4	15.7	2.9	
Gross margins (%)	54.8	53.1	55.1	178 bps	-26 bps	Improved amid value added products launched
Employee Expenses	25.5	17.7	25.3	44.3	0.9	
Other Expenditure	41.1	35.6	35.1	15.1	17.1	
Total Operating Expenditure	190.5	160.4	180.7	18.7	5.4	
EBITDA	83.9	67.8	87.4	23.9	-4.0	
EBITDA (%)	30.6	29.7	32.6	89 bps	-202 bps	Strong improvement in gross margins was partially offset by higher employee cost
Interest	0.3	0.1	0.5	345.2	-41.7	
Depreciation	9.3	8.4	8.9	10.0	4.4	
Other income	5.8	10.3	1.8	-43.7	230.7	
PBT before EO	80.2	69.6	79.8	15.2	0.5	
Less: Exceptional Items	0.0	0.0	0.0	0.0	0.0	
PBT	80.2	69.6	79.8	15.2	0.5	
Tax	14.1	10.7	17.0	31.0	-17.3	
MI & Share of loss/ (gain) asso	1.7	0.3	5.9	419.6	NM	
Adj. Net Profit	64.5	58.6	56.9	10.1	13.3	Delta vis-à-vis EBITDA mainly due to lower other income and higher tax rate (17.5% vs 15.4% in Q3FY20)

Source: ICICI Direct Research

**Exhibit 2: Change in Estimates**

	FY21E			FY22E		
(₹ Crore)	Old	New	% Change	Old	New	% Change
Revenue	1,097.8	1,094.9	-0.3	1,358.4	1,366.4	0.6
EBITDA	339.7	339.4	-0.1	416.4	419.6	0.8
EBITDA Margin (%)	30.9	31.0	6 bps	30.7	30.7	6 bps
PAT	253.3	246.9	-2.5	329.0	330.3	0.4
EPS (₹)	33.5	32.6	-2.5	43.5	43.7	0.4

Source: ICICI Direct Research

## Conference Call Highlights

- Strong growth in core segments in LatAm, with growth in both private and institutional segment
- Cash - ₹ 426 crore as of Q3FY21
  - Cash flow from operations (CFO) at ₹ 223.5 crore in 9MFY21
  - FCF ₹ 157.5 crore as of 9MFY21
- Forex loss in 9MFY21 - ₹ 1.75 crore
- Receivable days at 93 days with inventory of ₹ 152 crore
- CRO to trigger USFDA audit shortly, expecting approval in 6 months
- Geographical breakup: Latam and Africa at 93%; US at 7%
- Caplin has 7-10% market share in products older than two years
- The company expects to maintain current growth CAGR, ratios for a couple of years, post 2023 – the management expects strong growth to come in on the back of commercialisation of its current expansion/capex plans
- Asset turnover post three years at peak performance may reach ~3x
- Other income was lower in Q3FY21 due to forex loss in quarter vs forex gain in Q3FY20
- Higher employee expenses due to new subsidiaries, hiring of people for R&D
- Capex for 9MFY21 - ₹ 66 crore; over next 12-18 months to be in the range of ₹ 100-150 crore

### Emerging Markets

- Capex plans of ₹ 275-300 crore through internal accruals over 24-30 months
  - Oncology facility for oral solid dosages and injectables
  - API plant (includes US injectable API, OSD API and Oncology API). Targeting complete backward integration from KSM to Intermediates and API
  - General category OSD/hormones/Penems plants for regulated & ROW markets
- Initiated brand marketing (prescription sales) for psychiatric and neuropsychiatric products and private hospital/clinic sales for complex injectables
- Shortly commencing first commercial export to Mexico
- Emergency tender orders worth around US\$10 million received from three countries in LatAm; to be executed in Q4FY21, Q1FY22
- Looking at potential API facility acquisition if it fails to construct own facility on acquired 18.7-acre land in Q2FY21
- Main focus in new geographies (larger LatAm) will be Mexico
  - Currently contribution from new markets such as Chile, Peru, Columbia to be ~10-15%

### US/Regulated markets

- 9MFY21 US sales ~ ₹ 55 crore; FY21 to be ~₹ 90-95 crore

- Caplin Steriles breakeven at ~₹ 120-130 crore
- As on date, 20 ANDAs have been filed with seven out of 12 approved (four under partner name) ANDAs having been launched, remaining five to be launched in the next four to five months
  - four more approvals expected in the next two quarters
- Agreement with JAMP Pharmaceuticals, Canada for six products. The company expects to launch products in Canada by early 2022
- The company plans to file its first three ophthalmic ANDAs in FY22
- Expansions
  - Pre-Mix Injectable Bag line ready for installation, project to be completed by July 2021.
  - Pre-Filled syringe line also to be added before end-2021
  - Commercial batches have commenced from new Vial line (2nd line) at plant, and exhibit batches have commenced from revamped Ophthalmic line
  - Plans underway to add two more vial lines, one with high volume Lyophilisation capacity (2022 expected) and another dedicated line for Injectable Emulsions (2023 expected)
  - Capacity post expansion: Liquid Vials: 105 million units; Pre-Filled Syringes: 18 million units; Pre-Mixed Bags: 11 million units; Lyophilised Vials: 15 million units
- Plan to be backward integrated with own APIs for 70% of all filings by 2024
  - Secondary source API for existing ANDAs – three completed with another four under development. Primary source API – 21 under development
- Pipeline of 45+ ANDAs, with addressable market size of US\$3.1 billion

**Exhibit 3: Quarterly Financials**

(₹crore)	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	YoY (%)	QoQ (%)
Total Operating Income	146.5	155.9	159.0	187.3	192.6	227.2	228.2	215.2	240.1	268.1	274.4	20.2	2.3
Raw Material Expenses	64.1	70.3	68.2	86.2	85.2	109.4	107.1	111.4	108.8	120.4	123.9	15.7	2.9
% of Revenue	43.8	45.1	42.9	46.0	44.2	48.2	46.9	51.8	45.3	44.9	45.2	-178 bps	26 bps
Gross Profit	82.4	85.6	90.8	101.1	107.4	117.8	121.1	103.8	131.3	147.8	150.5	24.3	1.8
Gross Profit Margin (%)	56.2	54.9	57.1	54.0	55.8	51.8	53.1	48.2	54.7	55.1	54.8	178 bps	-26 bps
Employee Expenses	11.5	11.5	11.7	12.4	15.6	16.0	17.7	18.5	25.9	25.3	25.5	44.3	0.9
% of Revenue	7.9	7.4	7.4	6.6	8.1	7.0	7.7	8.6	10.8	9.4	9.3	155 bps	-13 bps
Other Expenditure	17.8	18.3	21.3	24.0	24.4	30.7	35.6	31.5	33.8	35.1	41.1	15.1	17.1
% of Revenue	12.2	11.8	13.4	12.8	12.7	13.5	15.6	14.6	14.1	13.1	15.0	-66 bps	188 bps
Total Expenditure	93.4	100.1	101.3	122.6	125.2	156.1	160.4	161.4	168.5	180.7	190.5	18.7	5.4
% of Revenue	63.8	64.2	63.7	65.4	65.0	68.7	70.3	75.0	70.2	67.4	69.4	-89 bps	202 bps
EBITDA	53.0	55.8	57.8	64.8	67.4	71.1	67.8	53.8	71.6	87.4	83.9	23.9	-4.0
EBITDA Margin (%)	36.2	35.8	36.3	34.6	35.0	31.3	29.7	25.0	29.8	32.6	30.6	89 bps	-202 bps
Other Income	1.6	7.0	7.7	2.7	4.5	6.9	10.3	19.6	6.5	1.8	5.8	-43.7	230.7
Interest	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.5	0.5	0.3	345.2	-41.7
Depreciation	5.5	5.6	5.7	6.7	7.4	7.4	8.4	8.4	9.0	8.9	9.3	10.0	4.4
PBT	49.2	57.2	59.8	60.7	64.5	70.5	69.6	64.9	68.6	79.8	80.2	15.2	0.5
Total Tax	11.8	13.7	14.0	10.8	14.4	13.3	10.7	16.0	14.1	17.0	14.1	31.0	-17.3
Tax rate (%)	24.0	24.0	23.4	17.9	22.3	18.8	15.4	24.7	20.5	21.3	17.5	211 bps	-376 bps
PAT	37.4	43.5	45.8	49.8	50.2	57.3	58.6	48.9	54.5	56.9	64.5	10.1	13.3
PAT Margin (%)	25.6	27.9	28.8	26.6	26.1	25.2	25.7	22.7	22.7	21.2	23.5	-217 bps	227 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.

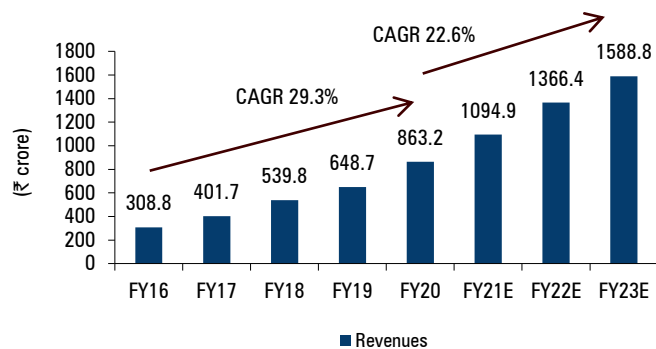
The company launched its first product in the US market in FY18. The process for setting up a dedicated US focused injectable plant began in FY14. In the US, the company filed 20 ANDAs on its own and with partners till date with twelve approvals from the USFDA (four with partners). Caplin is also working on a portfolio of 45+ 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.

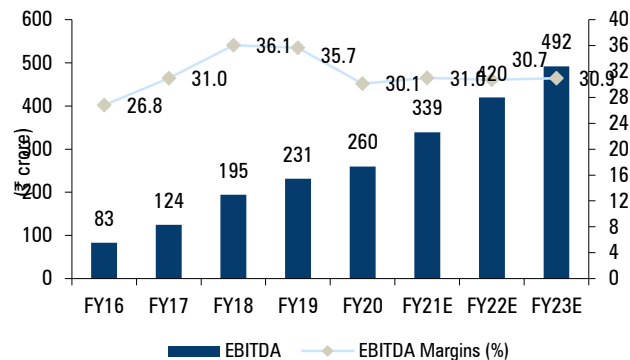
It also started a JV with a large Chinese distribution firm, 'Hainan Jointown Pharmaceuticals' for entry into China for intermediates, API and formulations. In FY19, the company had raised ₹ 218 crore from Fidelity by issuing preferential shares for the injectable business earmarked for the US. The funds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

Exhibit 4: Revenues to grow at ~23% FY20-23E CAGR



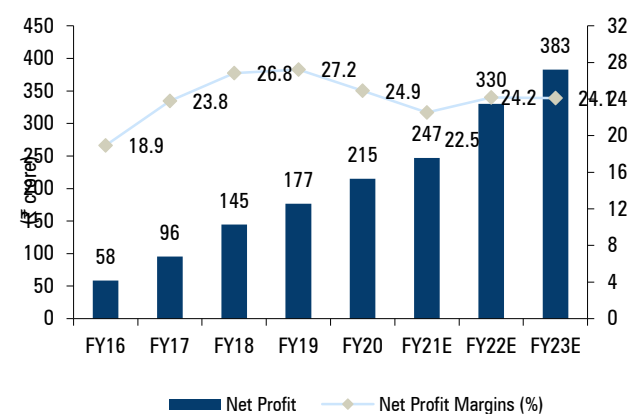
Source: ICICI Direct Research, Company

Exhibit 5: EBITDA & EBITDA margins trend



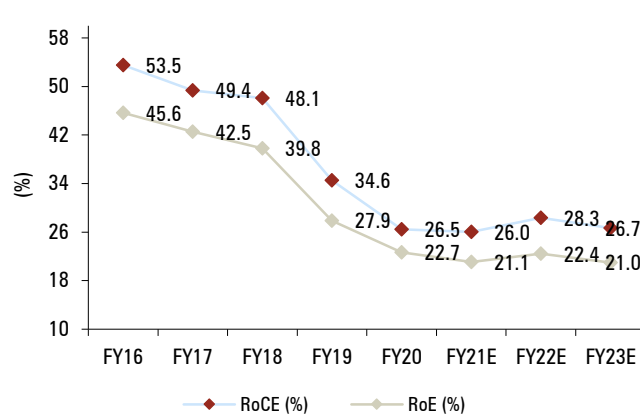
Source: ICICI Direct Research, Company

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 20	863	33.1	28.4	21.8	16.9	13.1	22.7	26.5
FY 21E	1095	26.8	32.6	14.8	14.8	9.2	21.1	26.0
FY 22E	1366	24.8	43.7	33.8	11.0	7.0	22.4	28.3
FY 23E	1589	16.3	50.6	15.9	9.5	5.5	21.0	26.7

Source: ICICI Direct Research, Company

Exhibit 9: Shareholding Pattern

(in %)	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Promoter	69.0	69.0	69.0	69.0	69.0
Others	31.0	31.0	31.0	31.0	31.0

Source: ICICI Direct Research, Company

## Financial Summary

**Exhibit 10: Profit & Loss (₹ crore)**

(Year-end March)	FY20	FY21E	FY22E	FY23E
Total Operating Income	863.2	1,094.9	1,366.4	1,588.8
Growth (%)	33.1	26.8	24.8	16.3
Raw Material Expenses	413.2	501.5	632.6	735.7
Gross Profit	450.0	593.4	733.8	853.2
Gross Profit Margins (%)	52.1	54.2	53.7	53.7
Employee Expenses	67.8	103.2	125.9	146.4
Other Expenditure	122.2	150.8	188.2	215.1
Total Operating Expenditure	603.1	755.5	946.7	1,097.1
<b>EBITDA</b>	<b>260.1</b>	<b>339.4</b>	<b>419.6</b>	<b>491.7</b>
Growth (%)	12.4	30.5	23.6	17.2
Interest	0.3	1.8	3.9	3.9
Depreciation	31.6	36.4	47.1	60.6
Other Income	41.3	20.7	65.6	76.3
<b>PBT before Exceptional I</b>	<b>269.5</b>	<b>322.0</b>	<b>434.3</b>	<b>503.4</b>
Less: Exceptional Items	0.0	0.0	0.0	0.0
PBT after Exceptional Item	269.5	322.0	434.3	503.4
Total Tax	54.4	65.7	95.5	110.8
PAT before MI	215.1	256.3	338.7	392.7
Minority Interest	0.1	9.5	8.5	9.8
<b>PAT</b>	<b>215.0</b>	<b>246.9</b>	<b>330.3</b>	<b>382.9</b>
Growth (%)	21.8	14.8	33.8	15.9
<b>EPS (Adjusted)</b>	<b>28.4</b>	<b>32.6</b>	<b>43.7</b>	<b>50.6</b>

Source: ICICI Direct Research

**Exhibit 11: Cash Flow Statement (₹ crore)**

(Year-end March)	FY20	FY21E	FY22E	FY23E
Profit/(Loss) after taxation	214.7	246.9	330.3	382.9
Add: Depreciation & Amort	31.6	36.4	47.1	60.6
Net Increase in Current As	-223.7	73.6	-100.4	-83.2
Net Increase in Current Lia	46.6	40.1	27.6	23.1
Others	-24.5	1.8	3.9	3.9
<b>CF from Operating activi</b>	<b>44.7</b>	<b>398.7</b>	<b>308.3</b>	<b>387.3</b>
(Purchase)/Sale of Fixed A	-67.6	-100.0	-100.0	-100.0
Investments	9.7	-200.0	-200.0	-200.0
Others	4.0	1.1	1.2	1.2
<b>CF from Investing activiti</b>	<b>-54.0</b>	<b>-298.9</b>	<b>-298.8</b>	<b>-298.8</b>
Proceeds from Preference	113.0	0.0	0.0	0.0
(inc)/Dec in Loan	0.0	0.0	0.0	0.0
Dividend & Dividend tax	-32.5	-22.7	-30.3	-30.3
Other	-0.7	-1.8	-3.9	-3.9
<b>CF from Financing activi</b>	<b>79.8</b>	<b>-24.4</b>	<b>-34.1</b>	<b>-34.1</b>
<b>Net Cash Flow</b>	<b>70.4</b>	<b>75.4</b>	<b>-24.6</b>	<b>54.4</b>
Cash and Cash Equivalent	153.0	223.4	298.8	274.2
<b>Cash</b>	<b>223.4</b>	<b>298.8</b>	<b>274.2</b>	<b>328.6</b>
<b>Free Cash Flow</b>	<b>-23.0</b>	<b>298.7</b>	<b>208.3</b>	<b>287.3</b>

Source: ICICI Direct Research

**Exhibit 12: Balance Sheet (₹ crore)**

(Year-end March)	FY20	FY21E	FY22E	FY23E
Equity Capital	15.1	15.1	15.1	15.1
Reserve and Surplus	932.8	1,157.0	1,457.0	1,809.6
Total Shareholders funds	947.9	1,172.1	1,472.1	1,824.7
Total Debt	38.6	38.6	38.6	38.6
Deferred Tax Liability	10.1	10.6	11.1	11.7
Other Non Current Liabilitie	22.1	23.2	24.4	25.6
<b>Source of Funds</b>	<b>1,018.7</b>	<b>1,244.5</b>	<b>1,546.2</b>	<b>1,900.6</b>
Gross Block - Fixed Assets	354.8	384.8	554.8	654.8
Accumulated Depreciation	82.3	118.7	165.8	226.4
Net Block	272.5	266.1	389.0	428.4
Capital WIP	20.1	90.1	20.1	20.1
Fixed Assets	292.6	356.2	409.1	448.5
Investments	60.8	260.8	460.8	660.8
LT Loans and Advances	10.0	10.6	11.1	11.6
Inventory	238.2	90.0	112.3	130.6
Debtors	229.0	300.0	374.4	435.3
ST Loans and Advances	68.3	71.7	75.3	79.1
Other Current Assets	3.4	3.5	3.7	3.9
Cash	223.4	298.8	274.2	328.6
Total Current Assets	762.3	764.0	839.9	977.5
Creditors	64.1	102.1	127.4	148.1
Provisions	0.9	1.0	1.0	1.1
Other Current Liabilities	42.0	44.1	46.3	48.6
Total Current Liabilities	107.0	147.1	174.6	197.7
Net Current Assets	655.3	617.0	665.2	779.7
<b>Application of Funds</b>	<b>1,018.7</b>	<b>1,244.5</b>	<b>1,546.2</b>	<b>1,900.6</b>

Source: ICICI Direct Research

**Exhibit 13: Key Ratios (₹ crore)**

(Year-end March)	FY20	FY21E	FY22E	FY23E
<b>Per share data (₹)</b>				
Reported EPS	28.4	32.6	43.7	50.6
Cash EPS	29.7	34.4	45.9	54.6
BV per share	125.3	155.0	194.6	241.2
Cash per Share	29.5	39.5	36.2	43.4
Dividend per share	2.9	3.0	4.0	4.0
<b>Operating Ratios (%)</b>				
Gross Profit Margins	52.1	54.2	53.7	53.7
EBITDA margins	30.1	31.0	30.7	30.9
PAT Margins	24.9	22.5	24.2	24.1
Cash Conversion Cycle	170.4	96.0	96.0	96.0
Asset Turnover	2.4	2.8	2.5	2.4
EBITDA conversion Rate	17.2	117.5	73.5	78.8
<b>Return Ratios (%)</b>				
RoE	22.7	21.1	22.4	21.0
RoCE	26.5	26.0	28.3	26.7
RoIC	32.0	50.9	47.1	48.3
<b>Valuation Ratios (x)</b>				
P/E	16.9	14.8	11.0	9.5
EV / EBITDA	13.1	9.2	7.0	5.5
EV / Net Sales	3.9	2.9	2.2	1.7
Market Cap / Sales	4.2	3.3	2.7	2.3
Price to Book Value	3.8	3.1	2.5	2.0
<b>Solvency Ratios</b>				
Debt / EBITDA	0.1	0.1	0.1	0.1
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	5.0	3.2	3.2	3.3

Source: ICICI Direct Research

**Exhibit 14: 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	Y20	Y21E	Y22E	FY19	FY20	Y21E	Y22E
Ajanta Pharma	AJAPHA	1813	2,250	Buy	15823	43.5	53.4	70.3	77.3	41.7	34.0	25.8	23.5	21.8	24.7	26.7	24.8	17.1	18.1	20.3	19.1
Alembic Pharma	ALEMPHA	945	1,055	Hold	18579	30.2	44.4	57.5	43.9	31.3	21.3	16.4	21.5	19.6	21.0	23.9	17.0	21.8	27.1	23.0	15.5
Apollo Hospital	APOHOS	2732	2,310	Hold	39277	16.2	22.3	-1.6	36.1	168.2	122.3	NA	75.7	8.8	10.2	4.9	13.0	7.1	9.7	-0.5	10.0
Aurobindo Pharma	AURPHA	927	1,025	Buy	54325	41.9	48.8	55.1	61.7	22.1	19.0	16.8	15.0	15.9	17.2	17.9	17.3	17.7	17.0	14.3	13.9
Biocon	BIOCON	410	450	Hold	49188	6.2	5.8	6.5	13.9	66.0	70.4	63.0	29.5	10.9	10.2	9.2	16.5	12.2	10.4	10.5	18.7
Cadila Healthcare	CADHEA	479	555	Buy	49058	18.1	14.0	20.1	22.0	26.5	34.3	23.9	21.8	12.8	10.7	13.7	14.2	17.8	13.8	15.9	15.3
Cipla	CIPLA	834	975	Buy	67295	18.6	19.2	31.0	32.4	44.9	43.4	26.9	25.8	10.9	12.0	17.0	16.1	10.0	9.8	14.0	13.1
Divi's Lab	DIVLAB	3679	4,425	Buy	97662	51.0	51.9	74.1	89.8	72.2	70.9	49.7	41.0	25.5	23.9	28.8	28.6	19.4	18.8	22.5	22.3
Dr Reddy's Lab	DRREDD	4668	5,525	Buy	77623	114.6	121.8	87.0	188.6	40.7	38.3	53.6	24.7	10.7	9.6	15.7	19.5	13.6	13.0	8.6	16.0
Glenmark Pharma	GLEPHA	502	635	Buy	14152	26.9	26.4	36.5	37.6	18.6	19.0	13.7	13.3	15.3	12.7	14.9	14.1	13.5	12.2	14.5	13.1
Hikal	HIKCHE	181	230	Buy	2234	8.4	8.1	10.2	12.2	21.7	22.4	17.8	14.8	14.3	12.8	13.6	14.9	13.6	12.2	13.5	14.2
Ipca Laboratories	IPCLAB	2002	2,665	Buy	25386	34.9	47.6	93.5	89.8	57.4	42.1	21.4	22.3	15.0	17.6	27.3	21.8	14.2	16.6	24.8	19.3
Jubilant Life	JUBLIF	903	850	Buy	14379	54.9	59.9	54.4	70.3	16.5	15.1	16.6	12.8	14.3	14.4	14.7	16.9	17.8	16.6	13.2	14.7
Lupin	LUPIN	1051	1,165	Buy	47673	16.5	-12.7	24.5	37.3	63.5	NA	43.0	28.2	9.4	9.7	8.9	12.2	5.4	-4.6	8.2	11.2
Narayana Hrudayam	NARHRU	488	405	Buy	9963	2.9	6.4	-4.2	8.3	167.9	76.8	NA	58.5	7.7	11.0	-2.4	12.8	5.5	11.4	-8.3	14.2
Natco Pharma	NATPHA	899	885	Hold	16386	35.4	25.3	32.7	28.0	25.4	35.6	27.5	32.1	21.3	14.0	17.1	13.6	18.5	12.2	14.0	11.0
Sun Pharma	SUNPHA	632	675	Buy	151514	15.9	16.8	28.7	23.5	39.8	37.6	22.0	26.9	10.3	10.0	12.9	12.3	9.2	8.9	14.3	10.6
Syngene Int.	SYNINT	570	700	Buy	22786	8.3	10.3	9.7	13.2	68.9	55.3	58.8	43.2	14.8	14.5	12.6	15.8	16.8	15.7	15.1	17.1
Torrent Pharmaceuticals	TORPHA	2682	3,135	Buy	45379	48.9	60.6	70.6	85.8	54.8	44.3	38.0	31.3	14.2	15.4	17.9	20.2	17.5	21.2	20.9	21.3
Shalby	SHALIM	114	130	Hold	1226	2.9	2.6	4.7	4.9	38.8	44.5	24.1	23.1	6.8	7.2	6.6	7.9	4.1	3.5	6.0	5.9
Aster DM	ASTDM	153	170	Buy	7648	6.7	5.5	3.1	9.9	23.0	27.6	49.3	15.4	8.3	7.1	5.2	9.1	10.4	8.5	4.5	12.7
Indoco Remedies	INDREM	322	380	Buy	2970	-0.3	2.6	9.3	14.8	NA	123.2	34.7	21.7	0.9	4.6	11.4	15.6	-0.4	3.5	11.4	15.7
Caplin Point	CAPPOI	482	605	Buy	3643	23.3	28.4	32.6	43.7	20.6	16.9	14.8	11.0	34.6	26.5	26.0	28.3	27.9	22.7	21.1	22.4
Granules India	GRANUL	348	460	Buy	8609	9.5	12.4	21.1	23.6	36.4	28.0	16.4	14.7	11.8	15.2	22.4	22.0	15.5	16.7	22.4	20.2
Laurus Labs	LAULAB	347	440	Buy	18599	1.7	4.8	17.9	21.1	198.3	72.9	19.4	16.4	7.7	13.0	33.8	31.6	6.0	14.4	36.4	31.0

Source: ICICI Direct Research, Bloomberg

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Reduce: -5% to -15%;

Sell: <-15%



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