

## Exports drive growth; domestic yet to normalise...

Q2FY21 revenues grew 12.2% YoY to ₹ 328 crore with export formulations growing 63.7% YoY to ₹ 121 crore partly offset by 6.2% YoY fall in domestic formulations to ₹ 175 crore. API segment de-grew 2.4% YoY to ₹ 22.8 crore. EBITDA margins expanded 735 bps YoY to 18.5% on account of better gross margin performance and lower travel & promotional expenses. Subsequent EBITDA grew 86.1% YoY to ₹ 60.7 crore. PAT for the quarter came in at ₹ 25.7 crore (up 228% YoY) vs. ₹ 7.8 crore in Q2FY20.

## 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 ~0.62% 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 9% growth in FY20-23E to ₹ 889 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 ~35% CAGR in FY20-23E to ₹ 733 crore, mainly due to lower base and launches of new products.

## Valuation & Outlook

Q2 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 Indoco 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 due to Covid-19, exports are likely to deliver robust growth on the back of strong pipeline and visible launch schedule as reflected in the upbeat management guidance. Normalisation of exports dispatches is likely to improve operating leverage as well. With better visibility, we expect the company to maintain consistency and to generate strong FCF. We maintain **BUY** and arrive at a revised target price of ₹ 335 based on ~16x FY23 EPS of ₹ 21.



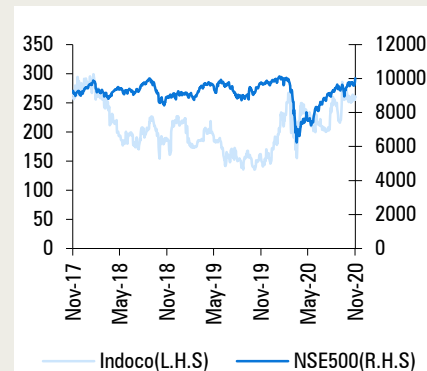
### Particulars

Particular	Amount
Market Capitalisation	₹2349 crore
Debt (FY 20)	₹263 crore
Cash (FY 20)	₹38 crore
EV	₹2574 crore
52 week H/L (₹)	295/140
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
- Maintain BUY

### Price performance



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### Key Financial Summary

₹Crore	FY20	FY21E	FY22E	FY23E	CAGR (FY20-23E) %
Revenues	1106.6	1257.9	1550.5	1771.2	17.0
EBITDA	123.2	208.4	259.6	323.1	37.9
EBITDA margins (%)	11.1%	16.6%	16.7%	18.2%	
Adjusted PAT	24.1	85.6	136.8	193.9	100.3
EPS (Adjusted)	2.6	9.3	14.8	21.0	
PE (x)	97.4	27.4	17.2	12.1	
EV to EBITDA (x)	20.9	12.2	9.5	7.5	
RoNW (%)	3.5	11.4	15.7	18.6	
RoCE (%)	4.6	11.4	15.6	19.4	

Source: ICICI Direct Research; Company

**Exhibit 1: Variance Analysis**

	Q2FY21	Q2FY20	Q1FY21	YoY (%)	QoQ (%)	Comments
Revenue	328.2	292.6	275.9	12.2	19.0	YoY growth mainly due to 63.7% growth in export formulations mainly due to lower base, which was partially offset by decline in domestic formulation amid Covid-19
Raw Material Expense	90.2	89.6	81.6	0.7	10.5	A 429 bps YoY improvement in gross margins to 70.4% mainly due to better product mix
Gross margins (%)	72.5	69.4	70.4	314 bps	210 bps	YoY improvement mainly due to better product mix
Employee Expenses	75.2	64.1	65.8	17.2	14.2	
Other Expenditure	86.5	94.6	69.5	-8.5	24.5	YoY decline mainly due to decline in on ground activities
R&D	15.7	11.6	10.3	34.5	52.6	
EBITDA	60.7	32.6	48.7	86.1	24.8	
EBITDA (%)	18.5	11.2	17.6	735 bps	86 bps	YoY improvement mainly due to improvement in gross margins and lower fixed cost amid COVID 19
Interest	5.9	5.4	5.8	9.7	2.4	
Depreciation	18.6	18.0	19.1	2.9	-2.9	
Other Income	0.5	0.6	0.3	-10.3	100.0	
PBT before EO & Forex	36.8	9.8	24.0	275.3	53.1	
Forex & EO	0.0	0.0	0.0	0.0	0.0	
PBT	36.8	9.8	24.0	275.3	53.1	
Tax	11.1	2.0	7.0	459.3	59.2	
Net Profit	25.7	7.8	17.0	228.4	50.5	YoY growth was mainly due to strong operational performance
<b>Key Metrics</b>						
Domestic Formulations	174.4	186.3	147.0	-6.4	18.6	YoY decline was mainly due to decline mainly in acute segment
Export formulations	121.4	74.1	95.0	63.7	27.8	YoY growth was mainly due to sharp growth in the US amid lower base
APIs	22.8	23.4	22.0	-2.4	3.6	Decline mainly due to higher captive consumption

Source: ICICI Direct Research

**Exhibit 2: Change in Estimates**

(₹Crore)	FY21E			FY22E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	1,318.5	1,257.9	-4.6	1,574.0	1,550.5	-1.5	
EBITDA	222.4	208.4	-6.3	260.7	259.6	-0.4	
EBITDA Margin (%)	16.9	16.6	-29 bps	16.6	16.7	18 bps	Changed as per management guidance
PAT	101.2	85.6	-15.3	138.5	136.8	-1.2	Changed mainly in sync with operational performance and higher tax rate in H1
EPS (₹)	11.0	9.3	-15.3	15.0	14.8	-1.2	

Source: ICICI Direct Research

**Exhibit 3: Change in Estimates**

(₹crore)	Current				Earlier		Comments
	FY19	FY20	FY21E	FY22E	FY21E	FY22E	
Domestic Formulations	606.2	686.2	667.8	793.6	712.3	839.1	Changed as per management guidance
US Formulations	24.9	56.8	152.2	256.6	144.7	187.2	Changed as per management guidance
Export Formulations(Ex US	208.6	296.7	459.1	618.3	469.3	589.1	
APIs	82.2	92.1	90.9	100.0	99.1	109.0	Changed mainly due to higher captive consumptions

Source: ICICI Direct Research

## Conference Call Highlights

- Q2FY21 revenue bifurcation – India: ₹ 174.7 crore, Exports: ₹ 121.4 crore
  - US: ₹ 43.4 crore, Europe: ₹ 56.14 crore, SA-Australia-NZ: ₹ 1.8 crore and Emerging market: ₹ 20 crore
  - API: ₹ 22.8 crore, CRO & Analytical: ₹ 3.5 crore
- Launched Favendo-400 (favipiravir) in India, Apixaban (anti-coagulant) ANDA approval – under patent
- US – launched 4 products through partners – 3 injectable + 1 tablet
- H2FY21 EBITDA margin to come down to ~15.5% as Indian operations recover
- 95% topline dependent on new prescription generation
  - Operations back to 70% of pre-Covid levels in October
- Europe revenues - <30% from paracetamol
- US - ₹ 150 crore in FY21, ~₹ 250 crore in FY22
  - Growth in 4 tablets + 4 injectables + new launches
- Europe - ₹ 225 crore in FY21, +15-20% in FY22
- Remediation costs for FY20 - ₹ 5 crore; FY21E – ₹ 2 crore
- Two ophthalmic suspensions to be launched (one in January, one in April)
- Goa products for Europe will be transferred to Baddi facility over the next two to three years
  - Goa plant to be utilised for US, Baddi plant 1 & 3 for Europe
  - Goa inspection is expected to be scheduled either through desktop or physical audit
- India Q2 impacted due to Anti-infective and respiratory decline (pure acute which is 40%)
  - 20% of India revenues from Maharashtra which was heavily impacted
  - 50% growth in ATM (Azithromycin) at ₹ 17 crore, 250% growth in Karvol+ at ₹ 17 crore
  - MR costs is only one-third variable; PCPR: 2.5 lakh
  - Aloja-M to be launched in couple of months
- Long Term debt: ₹ 145 crore, Short Term Debt: ₹ 125 crore
- Capex to be less than ₹ 50 crore for 2-2.5 years
- Margins pecking order: US-India ->semi-regulated ->API ->Europe contract manufacturing

**Exhibit 4: Trends in quarterly performance**

(₹Crore)	2FY18	3FY18	4FY18	1FY19	2FY19	3FY19	4FY19	1FY20	2FY20	3FY20	4FY20	1FY21	2FY21	YoY (%)	QoQ (%)
Net Sales	280.0	274.2	258.9	212.5	235.9	248.0	245.0	247.2	286.2	283.5	263.1	266.8	323.1	12.9	21.1
Other Operating Income	4.8	3.9	10.8	5.0	-0.3	14.6	7.1	5.5	6.4	5.9	8.9	9.1	5.2	-18.4	-42.7
Revenues	284.8	278.1	269.6	217.5	235.6	262.6	252.1	252.7	292.6	289.4	272.0	275.9	328.2	12.2	19.0
Raw Material Expenses	100.3	90.5	87.5	71.3	79.6	88.2	81.1	85.6	89.6	82.8	72.4	81.6	90.2	0.7	10.5
% of Revenues	35.2	32.5	32.5	32.8	33.8	33.6	32.2	33.9	30.6	28.6	26.6	29.6	27.5	-314 bps	-210 bps
Gross Profit	184.6	187.6	182.1	146.2	156.0	174.3	170.9	167.1	203.0	206.5	199.6	194.2	238.0	17.3	22.5
Gross Profit Margin (%)	64.8	67.5	67.5	67.2	66.2	66.4	67.8	66.1	69.4	71.4	73.4	70.4	72.5	314 bps	210 bps
Employee Expenses	55.4	57.9	50.8	56.1	58.5	58.9	58.1	60.9	64.1	68.2	63.2	65.8	75.2	17.2	14.2
% of Revenues	19.4	20.8	18.8	25.8	24.8	22.4	23.0	24.1	21.9	23.6	23.2	23.9	22.9	97 bps	-97 bps
Research & Development	11.8	14.4	13.8	13.2	12.8	12.4	13.1	11.1	11.6	12.9	14.0	10.3	15.7	34.5	52.6
% of Revenues	4.1	5.2	5.1	6.1	5.4	4.7	5.2	4.4	4.0	4.5	5.2	3.7	4.8	79 bps	105 bps
Other Manufacturing Expenses	76.5	72.1	68.1	65.4	73.0	78.2	71.3	72.6	94.6	90.5	89.0	69.5	86.5	-8.5	24.5
% of Revenues	26.9	25.9	25.3	30.0	31.0	29.8	28.3	28.7	32.3	31.3	32.7	25.2	26.4	-597 bps	116 bps
Total Expenditure	243.9	234.9	220.2	206.0	223.8	237.8	223.7	230.3	259.9	254.5	238.7	227.2	267.5	2.9	17.7
% of Revenues	85.6	84.5	81.7	94.7	95.0	90.6	88.7	91.1	88.8	87.9	87.8	82.4	81.5	-735 bps	-86 bps
EBITDA	40.9	43.2	49.4	11.6	11.8	24.8	28.4	22.4	32.6	34.9	33.3	48.7	60.7	86.1	24.8
EBITDA Margin (%)	14.4	15.5	18.3	5.3	5.0	9.4	11.3	8.9	11.2	12.1	12.2	17.6	18.5	735 bps	86 bps
Depreciation	17.2	17.3	16.3	16.7	17.7	17.7	19.5	17.0	18.0	17.6	18.2	19.1	18.6	2.9	-2.9
Interest	7.0	2.1	8.3	7.2	5.0	3.7	4.6	6.1	5.4	6.9	7.8	5.8	5.9	9.7	2.4
Other Income	2.3	0.6	1.0	0.3	0.3	0.6	5.0	0.6	0.6	0.7	0.5	0.3	0.5	-10.3	100.0
PBT	19.1	24.3	25.8	-12.0	-10.5	3.9	9.3	-0.1	9.8	11.1	7.8	24.0	36.8	LP	53.1
Total Tax	-0.7	1.7	5.3	0.0	-2.7	-1.4	-2.2	-1.9	2.0	2.0	2.4	7.0	11.1	LP	59.2
Tax Rate (%)	-3.5	6.9	20.5	0.0	26.0	-36.9	-24.2	NA	20.3	17.8	30.9	29.1	30.3	NA	117 bps
Net Profit	19.8	22.7	20.5	-12.0	-7.8	5.3	11.5	1.8	7.8	9.1	5.4	17.0	25.7	228.4	50.5
PAT Margin (%)	6.9	8.1	7.6	-5.5	-3.3	2.0	4.6	0.7	2.7	3.1	2.0	6.2	7.8	514 bps	164 bps

Source: ICICI Direct Research

## Company Background

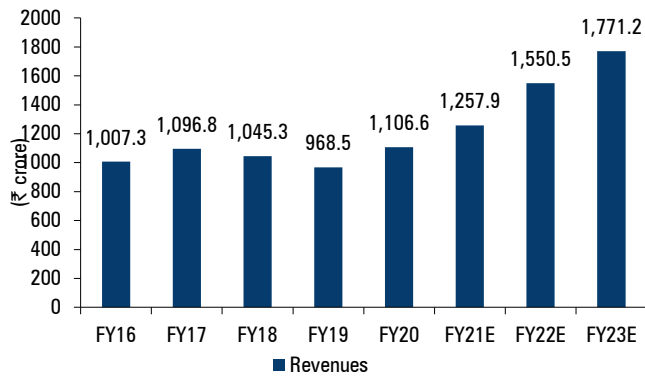
The company was established in 1947. Indoco is a small-sized pharma company engaged in manufacture, marketing and distribution of pharmaceutical products and services in the domestic & international markets. Through its nine marketing divisions viz. Indoco, Spade, Warren NxGen, Warren ACE, Warren Excel 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 ~0.62%, 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.

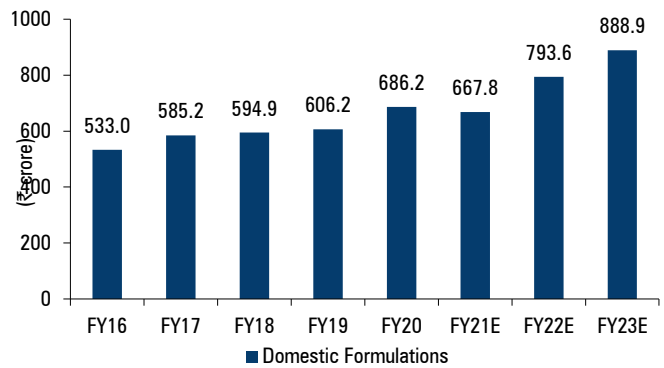
Overall, we expect revenues to grow at 19.3% CAGR in FY20-22E to ₹ 1574 crore.

Exhibit 5: Revenues to grow at CAGR of 17% over FY20-23E



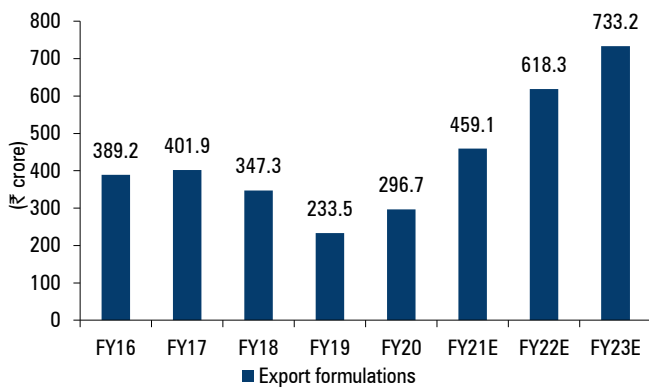
Source: ICICI Direct Research, Company

Exhibit 6: Domestic formulation to grow at 9% FY20-23E CAGR



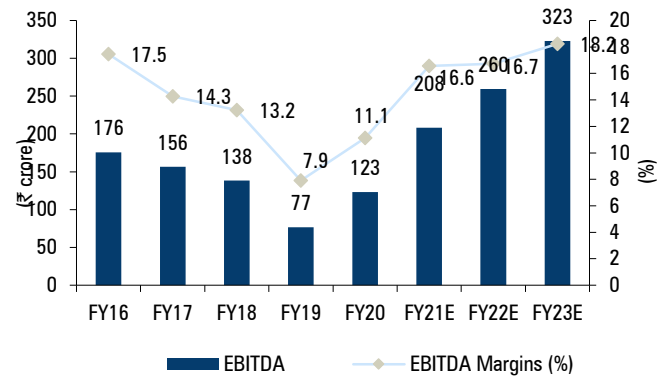
Source: ICICI Direct Research, Company

Exhibit 7: Export formulations to grow at 35% FY20-23E CAGR



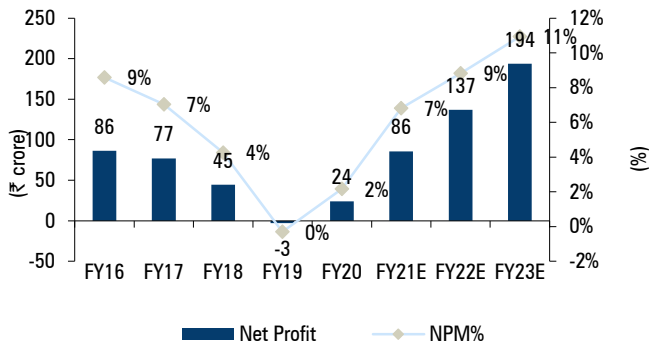
Source: ICICI Direct Research, Company

Exhibit 8: EBTDA & EBITDA margins trend



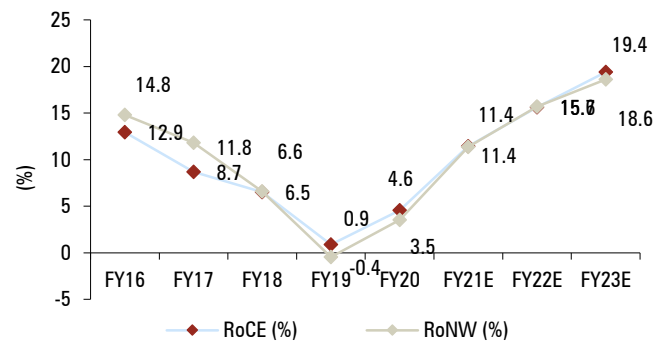
Source: ICICI Direct Research, Company

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 20	1107	14.3	2.6	-93	97.4	20.9	3.5
FY 21E	1258	13.7	9.3	255.2	27.4	12.2	11.4
FY 22E	1551	23.3	14.8	59.8	17.2	9.5	15.6
FY 23E	1771	14.2	21.0	41.7	12.1	7.5	18.6

Source: ICICI Direct Research

**Exhibit 12: Shareholding Pattern**

(in %)	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
Promoter	58.7	58.7	58.7	58.7	58.7
Others	41.3	41.3	41.3	41.3	41.3

Source: ICICI Direct Research, Company

**Financial Summary**

**Exhibit 13: Profit & Loss (₹ crore)**

(Year-end March)	FY20	FY21E	FY22E	FY23E
<b>Revenues</b>	<b>1,106.6</b>	<b>1,257.9</b>	<b>1,550.5</b>	<b>1,771.2</b>
Growth (%)	14.3	13.7	23.3	14.2
Raw Material Expenses	330.4	368.0	465.2	531.4
Employee Expenses	256.5	284.8	325.6	363.1
Other Manufacturing Expe	346.7	342.3	430.4	473.9
Total Operating Expenditu	983.4	1,049.5	1,291.0	1,448.1
<b>EBITDA</b>	<b>123.2</b>	<b>208.4</b>	<b>259.6</b>	<b>323.1</b>
Growth (%)	60.7	69.2	24.5	24.5
Interest	26.3	23.4	14.6	11.3
Depreciation	70.8	75.4	79.8	84.2
Other Income	2.4	1.7	1.7	8.9
PBT	28.6	111.3	166.9	236.4
Total Tax	4.5	25.7	30.0	42.6
<b>PAT</b>	<b>24.1</b>	<b>85.6</b>	<b>136.8</b>	<b>193.9</b>
Adjusted PAT	24.1	85.6	136.8	193.9
Growth (%)	-931.4	255.2	59.8	41.7
EPS	2.6	9.3	14.8	21.0
<b>EPS (Adjusted)</b>	<b>2.6</b>	<b>9.3</b>	<b>14.8</b>	<b>21.0</b>

Source: ICICI Direct Research

**Exhibit 14: Cash Flow Statement (₹ crore)**

(Year-end March)	FY20	FY21E	FY22E	FY23E
<b>Profit/(Loss) after taxatio</b>	<b>24.8</b>	<b>85.6</b>	<b>136.8</b>	<b>193.9</b>
Add: Depreciation & Amor	70.8	75.4	79.8	84.2
Net Increase in Current As	-27.7	-75.0	-124.0	-97.6
Net Increase in Current Lia	26.2	20.7	48.6	38.6
Other	28.7	23.4	14.6	11.3
<b>CF from operating activi</b>	<b>122.8</b>	<b>130.2</b>	<b>155.8</b>	<b>230.4</b>
(Inc)/dec in Investments	0.0	0.0	0.0	-100.0
(Inc)/dec in Fixed Assets	-58.4	-50.0	-50.0	-50.0
Others	1.1	-5.0	-5.6	-6.2
<b>CF from investing activit</b>	<b>-57.2</b>	<b>-55.0</b>	<b>-55.6</b>	<b>-156.2</b>
Inc / (Dec) in Equity Capit	0.0	0.0	0.0	0.0
Proceeds/(Repayment) Lo	-38.3	-59.9	-70.0	-20.0
Others	-25.7	-34.8	-32.8	-37.1
<b>CF from financing activi</b>	<b>-64.0</b>	<b>-94.7</b>	<b>-102.8</b>	<b>-57.1</b>
Net Cash flow	1.7	-19.5	-2.7	17.1
Opening Cash	36.3	37.9	18.4	15.7
Closing Cash	37.9	18.4	15.7	32.8
<b>Free Cash flow</b>	<b>64.5</b>	<b>80.2</b>	<b>105.8</b>	<b>180.4</b>

Source: ICICI Direct Research

**Exhibit 15: Balance Sheet (₹ crore)**

(Year-end March)	FY20	FY21E	FY22E	FY23E
Equity Capital	18.4	18.4	18.4	18.4
Reserve and Surplus	661.1	735.4	854.0	1,022.1
Total Shareholders fund	679.6	753.8	872.4	1,040.5
Total Debt	262.8	202.9	132.9	112.9
Deferred Tax Liability	0.0	0.0	0.0	0.0
Other Non Current Liabiliti	12.8	13.5	14.1	14.8
Long term Provisions	23.3	24.5	25.7	27.0
<b>Source of Funds</b>	<b>978.5</b>	<b>994.6</b>	<b>1,045.2</b>	<b>1,195.2</b>
Gross Block - Fixed Asse	1,126.7	1,196.7	1,266.7	1,336.7
Accumulated Depreciation	537.0	612.4	692.2	776.4
Net Block	589.7	584.3	574.5	560.2
Capital WIP	50.7	30.7	10.7	-9.3
Net Fixed Assets	640.4	615.0	585.2	550.9
Goodwill on Consolidation	0.1	0.1	0.1	0.1
Investments	0.0	0.0	0.0	100.0
Inventory	208.3	232.7	286.8	327.7
Cash	37.9	18.4	15.7	32.8
Debtors	210.1	250.1	308.3	352.2
Loans & Advances & Othe	106.7	117.4	129.1	142.0
Total Current Assets	563.1	618.6	740.0	854.7
Creditors	165.6	180.0	221.8	253.4
Provisions & Other CL	127.5	133.9	140.6	147.6
Total Current Liabilities	293.1	313.8	362.4	401.0
Net Current Assets	270.0	304.7	377.6	453.7
LT L& A, Other Assets	32.1	35.3	38.9	42.8
Deferred Tax Assets	35.9	39.5	43.4	47.8
<b>Application of Funds</b>	<b>978.5</b>	<b>994.6</b>	<b>1,045.2</b>	<b>1,195.2</b>

Source: ICICI Direct Research

**Exhibit 16: Key Ratios (₹ crore)**

(Year-end March)	FY20	FY21E	FY22E	FY23E
<b>Per share data (₹)</b>				
EPS	2.6	9.3	14.8	21.0
BV per share	73.7	81.8	94.7	112.9
Dividend per share	0.3	1.2	2.0	2.8
<b>Operating Ratios (%)</b>				
Gross margins	70.1	70.7	70.0	70.0
EBITDA margins	11.1	16.6	16.7	18.2
Net Profit margins	2.2	6.8	8.8	10.9
Inventory days	69	68	68	68
Debtor days	69	73	73	73
Creditor days	55	52	52	52
Asset Turnover	0.9	1.1	1.3	1.4
EBITDA conversion rate	99.7	62.4	60.0	71.3
<b>Return Ratios (%)</b>				
RoE	3.5	11.4	15.7	18.6
RoCE	4.6	11.4	15.6	19.4
RoIC	6.4	15.3	19.2	22.1
<b>Valuation Ratios (x)</b>				
P/E	97.4	27.4	17.2	12.1
EV / EBITDA	20.9	12.2	9.5	7.5
EV / Net Sales	2.3	2.0	1.6	1.4
Market Cap / Sales	2.1	1.9	1.5	1.3
Price to Book Value	3.5	3.1	2.7	2.3
<b>Solvency Ratios</b>				
Debt / Equity	0.4	0.3	0.2	0.1
Debt / EBITDA	2.1	1.0	0.5	0.3
Current Ratio	1.8	1.9	2.0	2.0

Source: ICICI Direct Research

**Exhibit 17: ICICI Direct Coverage Universe (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	'21E	'22E	Y19	FY20	Y21E	Y22E
Ajanta Pharma	AJAPHA	1611	1,960	Buy	14062	43.5	53.4	62.7	73.8	37.0	30.2	25.7	21.8	21.8	24.7	25.4	24.5	17.1	18.1	18.4	18.6
Alembic Pharma	ALEMPHA	995	1,170	Buy	19548	31.4	46.3	59.7	48.4	31.6	21.5	16.6	20.6	19.6	21.0	22.2	16.9	21.8	27.1	22.9	16.2
Apollo Hospital	APOHOS	2123	1,970	Buy	29531	17.0	23.3	-11.4	28.7	125.1	91.0	NA	73.9	8.8	10.2	3.9	15.2	7.1	9.7	-4.6	10.5
Aurobindo Pharma	AURPHA	791	1,025	Buy	46345	41.9	48.8	58.4	65.4	18.9	16.2	13.6	12.1	15.9	17.2	18.2	18.0	17.7	17.0	15.0	14.5
Biocon	BIOCON	413	500	Buy	49596	6.2	5.8	8.4	15.8	66.6	71.0	49.5	26.2	10.9	10.2	11.7	18.2	12.2	10.4	13.2	20.3
Cadila Healthcare	CADHEA	443	555	Buy	45342	18.1	14.0	19.8	22.1	24.5	31.7	22.3	20.0	12.8	10.7	13.6	14.3	17.8	13.8	15.7	15.4
Cipla	CIPLA	794	900	Buy	63985	18.6	19.2	30.3	36.0	42.7	41.3	26.1	22.0	10.9	12.0	16.4	17.3	10.0	9.8	13.7	14.2
Divi's Lab	DIVLAB	3209	3,260	Buy	85189	51.0	51.9	70.7	85.7	63.0	61.9	45.4	37.5	25.5	23.9	27.1	26.5	19.4	18.8	21.2	21.0
Dr Reddy's Lab	DRREDD	4959	6,000	Buy	82440	114.7	121.9	168.4	194.4	43.2	40.7	29.5	25.5	10.7	9.6	17.5	19.3	13.6	13.0	15.5	15.5
Glenmark Pharma	GLEPHA	510	560	Buy	14376	26.9	26.4	32.8	39.9	18.9	19.3	15.5	12.8	15.3	12.7	13.8	14.9	13.5	12.2	13.3	14.0
Hikal	HIKCHE	171	230	Buy	2104	8.4	8.1	10.2	12.2	20.4	21.1	16.8	13.9	14.3	12.8	13.6	14.9	13.6	12.2	13.5	14.2
Ipca Laboratories	IPCLAB	2368	2,400	Buy	30034	35.1	47.8	92.3	93.4	67.6	49.5	25.7	25.4	15.0	17.6	26.9	22.4	14.2	16.6	24.5	20.0
Jubilant Life	JUBLIF	702	850	Buy	11185	54.9	59.9	54.4	70.3	12.8	11.7	12.9	10.0	14.3	14.4	14.7	16.9	17.8	16.6	13.2	14.7
Lupin	LUPIN	936	985	Hold	42427	16.5	-12.7	22.6	38.4	56.6	NA	41.4	24.4	9.4	9.7	8.9	13.5	5.4	-4.6	7.6	11.6
Narayana Hrudayam	NARHRU	346	405	Buy	7061	2.9	6.4	-4.2	8.3	119.0	54.4	NA	41.5	7.7	11.0	-2.4	12.8	5.5	11.4	-8.3	14.2
Natco Pharma	NATPHA	918	950	Buy	16727	35.4	25.3	31.0	29.7	25.9	36.3	29.6	30.9	21.3	14.0	16.1	14.2	18.5	12.2	13.4	11.6
Sun Pharma	SUNPHA	513	585	Buy	122963	15.9	16.8	25.5	23.1	32.3	30.5	20.1	22.2	10.3	10.0	11.4	12.4	9.2	8.9	12.9	10.5
Syngene Int.	SYNINT	548	635	Buy	21928	8.3	10.3	9.5	13.2	66.3	53.2	57.5	41.6	14.8	14.5	12.4	15.8	16.8	15.7	14.9	17.2
Torrent Pharmaceuticals	TORPHA	2604	3,135	Buy	44070	48.9	60.6	71.0	85.9	53.2	43.0	36.7	30.3	14.2	15.4	18.0	20.2	17.5	21.2	21.0	21.3
Shalby	SHALIM	92	100	Hold	997	2.9	2.6	4.2	4.8	31.5	36.2	22.1	19.2	6.8	7.2	5.8	7.8	4.1	3.5	5.3	5.9
Aster DM	ASTDM	134	160	Buy	6693	6.7	5.5	-0.3	8.3	20.1	24.2	NA	16.1	8.3	7.1	3.4	8.7	10.4	8.5	-0.5	11.3
Indoco Remedies	INDREM	255	335	Buy	2349	-0.3	2.6	9.3	14.8	NA	97.4	27.4	17.2	0.9	4.6	11.4	15.6	-0.4	3.5	11.4	15.7
Caplin Point	CAPPOI	489	605	Buy	3700	23.3	28.4	33.5	43.5	21.0	17.2	14.6	11.2	34.6	26.5	26.9	28.1	27.9	22.7	21.5	22.3
Granules India	GRANUL	374	460	Buy	9257	9.5	12.4	21.4	25.2	39.2	30.1	17.5	14.8	11.8	15.2	22.9	23.1	15.5	16.7	22.6	21.2
Laurus Labs	LAULAB	282	390	Buy	15118	1.7	4.8	16.0	17.7	161.2	59.2	17.6	15.9	7.7	13.0	30.4	28.0	6.0	14.4	33.8	27.9

Source: ICICI Direct Research, Bloomberg



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