

CMP: ₹ 361

Target: ₹ 480 (33%)

Target Period: 12 months

BUY

February 16, 2021

Strong performance...

Q3 revenues grew 23.0% YoY to ₹ 137.7 crore on the back of 34.9% YoY growth in human healthcare (HC) segment to ₹ 108.9 crore. Animal HC saw a decline of 29.5% YoY to ₹ 10.5 crore whereas industrial processing segment grew 12.3% YoY to ₹ 18.3 crore. EBITDA margins expanded 97 bps YoY to 48.2% with lower employee & other expenditure being partly offset by lower gross margins. Hence, EBITDA grew 25.6% YoY to ₹ 66.4 crore. PAT grew 28.2% YoY to ₹ 43.1 crore in-line with operational performance.

Oligopolistic environment, vast addressable market to the fore

Globally, growth of the enzymes market piggybacks on a diverse spectrum of customer base. This, together with limited number of meaningful players, has created a conducive business environment for existing players in the space. Note that enzymes as cost to percentage of sales is not material, yet its efficacy is very important to end product including constituency of the end product in terms of its taste, appearance, aroma and, thus, quality perception of products leading to significant supplier stickiness. With a revenue bandwidth of just ₹ 440 crore (~US\$60 million) AET remains a marginal player in the global enzymes landscape that is estimated at ~US\$10 billion and poised to grow at 6-7% CAGR as more and more applications across usage industries incorporate enzymatic technologies. Despite being a smaller player, AET's product basket of >400 products is testimony to its proven capabilities.

Specialised business model with high entry barriers

One of the biggest challenges facing new companies looking to enter the enzyme industry is to offer continuous and differentiated solutions as per the client's requirement that demands real time R&D capability and flexibility in manufacturing. Large manufacturing capacities, proven capabilities, experienced promoters, customer stickiness, fairly consistent track record, ability to develop new products in-house and quest for unique acquisitions are some differentiators for AET. Revenues have grown at a CAGR of 11% to ₹ 444 crore during FY16-20 through the organic and inorganic route.

Valuation & Outlook

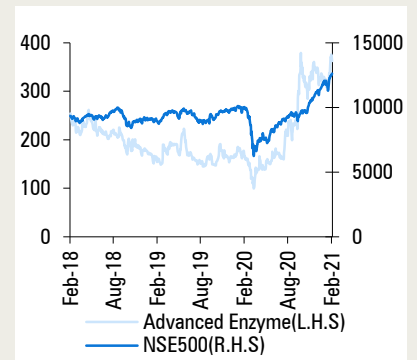
AET reported strong Q3 results above I-direct estimates on all fronts. The company is poised to capture the growing opportunities in the enzymes and probiotics space backed by proven capabilities and stable financials that have been fairly consistent, thanks to a mix of organic and inorganic growth strategy employed by the management. Strong margins and healthy return ratios reflect the pricing power and balance sheet strength of the company. Going ahead, the management intends to augment its R&D capability for better facilitation and strengthening of in-house R&D capability, which bodes well in the long run in its quest to improve scalability and a possible foray into more complex enzymes. We maintain **BUY** with a revised target price of ₹ 480 (earlier ₹ 425) based on 25x FY23E EPS of ₹ 19.2.



Particulars

Particular	Amount
Market Capitalisation	₹4029 crore
Debt (FY 20)	₹25 crore
Cash (FY 20)	₹83 crore
EV	₹3970 crore
52 week H/L	393/91
Equity capital	₹22 crore
Face value	₹2 crore

Price Performance



Key risks to our call

- Higher sales reliance on few large customers
- Entry of new competition in key growth segments for AET

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Key Financial Summary

(₹ Crore)	FY20	FY21E	FY22E	FY23E	CAGR FY21-23E (%)
Net Sales	444.0	496.9	573.6	634.0	13.0
EBITDA	202.3	235.3	266.9	295.9	12.2
EBITDA Margins (%)	45.6	47.4	46.5	46.7	
Adj. Profit	129.3	154.1	190.4	214.4	18.0
Adj. EPS (₹)	11.6	13.8	17.0	19.2	
PE (x)	31.2	26.1	21.2	18.8	
RoE (%)	15.4	15.7	16.4	15.7	
RoCE (%)	19.6	20.7	21.4	20.8	

Source: ICICI Direct Research; Company

Exhibit 1: Variance Analysis

	Q3FY21	Q3FY20	Q2FY21	YoY (%)	QoQ (%)	Comments
Revenue	137.7	111.9	120.4	23.0	14.4	YoY increase mainly due to strong growth in human healthcare segment
Raw Material Expenses	29.0	20.0	18.6	45.4	56.2	
Employee Expenses	21.4	19.1	21.4	11.7	-0.2	
Other Expenditure	21.0	20.0	21.9	4.9	-4.2	
EBITDA	66.4	52.9	58.5	25.6	13.5	
EBITDA (%)	48.2	47.2	48.6	97 bps	-41 bps	YoY improvement mainly due to lower other expenditure
Interest	0.3	0.8	0.4	-59.0	-15.6	
Depreciation	6.5	6.4	6.8	1.7	-4.4	
Other Income	1.3	1.2	0.6	11.9	131.6	
PBT before EO & Forex	60.9	46.9	51.9	29.9	17.3	
Forex & EO	0.0	0.0	0.0			
PBT	60.9	46.9	51.9	29.9	17.3	
Tax	16.6	12.3	13.4	34.7	24.4	
PAT before MI	44.3	34.6	38.6	28.2	14.9	
MI	1.2	1.0	1.4	27.5	-11.5	
Net Profit	43.1	33.6	37.2	28.2	15.9	YoY improvement mainly in sync with EBITDA
Key Metrics						
Human HC	108.9	80.7	88.5	34.9	23.1	Sharp increase amid preponing of order
Animal HC	10.5	14.9	13.2	-29.5	-20.5	Decline mainly due to Covid and bird flu
Industrial Processing	18.3	16.3	18.7	12.3	-2.1	

Source: ICICI Direct Research

Exhibit 2: Change in Estimates

	FY21E			FY22E			Comments
	Old	New	% Change	Old	New	% Change	
(₹ Crore)							
Revenue	473.1	496.9	5.0	529.9	573.6	8.3	Increased mainly due to better-than-expected sales in Q3 and acquisition of SciTech Specialties
EBITDA	221.8	235.3	6.1	245.8	266.9	8.6	Changed mainly in sync with EBITDA
EBITDA Margin (%)	46.9	47.4	46 bps	46.4	46.5	13 bps	
PAT	146.6	154.1	5.1	168.2	190.4	13.2	Changed mainly in sync with EBITDA and change tax estimates
EPS (₹)	13.1	13.8	5.1	15.1	17.0	13.2	

Source: ICICI Direct Research

Exhibit 3: Change in Estimates

	Current				Earlier		Comments
	FY19	FY20	FY21E	FY22E	FY21E	FY22E	
(₹ crore)							
Human HC	316.4	321.7	379.9	435.7	353.7	389.0	Increased mainly due to better-than-expected sales in Q3 and acquisition of SciTech Specialties
Animal HC	49.8	53.6	46.9	55.4	49.8	58.8	
Industrial Processing	45.6	64.2	70.1	82.5	69.7	82.1	

Source: ICICI Direct Research

Conference Call Highlights

- Supply chain, logistics challenges are slowly subsiding
 - However, freight costs remain high, in some cases 3-4x of normal costs
- Annual performance more important than quarterly gyrations
- Europe sales are being impacted amid second Covid wave
- Other income higher in 9MFY21 due to PPE grant to US subsidiary
- Despite loss of ₹ 0.55 crore sales, 1% YoY growth in 9MFY21 in US subsidiary
- Evoxx revenue was down amid the pandemic but EBITDA positive in 9MFY21
 - Q3 sales - €780,000, Expenses - €460,000, Finance cost – €28000
 - 9MFY21 sales - €2.06 million, Expenses - €2.05 million, Finance cost – €90,000
- R&D spend: 4.5% of sales
- Top 10 customers – 47% of sales in Q3FY21, 41% in 9MFY21
- Plan to double top-line in five years, with or without any acquisitions
 - Have enough capacity but once utilisation reaches 80%, new capex will be planned
 - (a) But capex will not be high, as Pithampur capacity can be doubled with ₹ 65-70 crore investment
 - (b) Maintenance capex at ₹ 10-12 crore per annum
 - Growth drivers – 1) Human HC: biocatalyst, probiotics, nutraceutical sales through B2C and 2) Bio-processing: Food (bakery)
- Cash - ₹ 279 crore; Receivables – 70 days
- Pharma growth in Q3 amid demand from existing customers, may be flat in near term
- SciTech (SSPL) – debt ₹ 16 crore; ₹ 12 crore to be retired
 - 9M sales - ₹ 30 crore, PAT – ₹ 2.1 crore
- Animal HC exports were already impacted in the last two quarters, domestic was also impacted in Q3 due to bird flu
- Effective tax rate to be ~25-26% amid shift to new tax regime
- US – establishing reach in B2C nutraceuticals (web based model) though own marketing team, B2B continues to grow

Exhibit 4: Trends in quarterly financials

₹Crore	13FY 18	14FY 18	11FY 19	12FY 19	13FY 19	14FY 19	11FY 20	12FY 20	13FY 20	14FY 20	11FY 21	12FY 21	13FY 21	YoY (%)	QoQ (%)
Revenues	108.2	108.6	104.3	103.2	101.7	110.4	110.3	111.4	111.9	110.3	110.5	120.4	137.7	23.0	14.4
Raw Material Exp	23.0	18.5	17.1	20.6	17.7	21.9	18.7	24.2	20.0	18.0	21.1	18.6	29.0	45.4	56.2
% of Revenues	21.3	17.0	16.4	20.0	17.4	19.8	17.0	21.7	17.8	16.3	19.1	15.4	21.1	324 bps	564 bps
Gross Profit	85.2	90.1	87.2	82.6	84.1	88.5	91.6	87.2	92.0	92.3	89.4	101.8	108.7	18.2	6.8
Gross Profit Marg	78.7	83.0	83.6	80.0	82.6	80.2	83.0	78.3	82.2	83.7	80.9	84.6	78.9	-324 bps	-564 bps
Employee Expens	18.4	19.0	20.1	19.6	22.0	18.5	20.4	20.5	19.1	20.1	21.1	21.4	21.4	11.7	-0.2
% of Revenues	17.0	17.5	19.3	19.0	21.6	16.8	18.5	18.4	17.1	18.3	19.1	17.8	15.5	-158 bps	-227 bps
Other Expenses	21.6	22.7	18.7	20.8	20.4	20.3	17.7	19.5	20.0	23.4	16.6	21.9	21.0	4.9	-4.2
% of Revenues	19.9	20.9	17.9	20.2	20.1	18.4	16.0	17.5	17.9	21.3	15.0	18.2	15.2	-263 bps	-296 bps
Total Expenditure	63.0	60.2	55.9	61.0	60.0	60.7	56.8	64.2	59.1	61.6	58.8	61.9	71.4	20.8	15.3
% of Revenues	58.3	55.4	53.6	59.2	59.0	55.0	51.5	57.6	52.8	55.8	53.2	51.4	51.8	-97 bps	41 bps
EBITDA	45.1	48.4	48.4	42.1	41.7	49.7	53.5	47.3	52.9	48.7	51.7	58.5	66.4	25.6	13.5
EBITDA Margins(%)	41.7	44.6	46.4	40.8	41.0	45.0	48.5	42.4	47.2	44.2	46.8	48.6	48.2	97 bps	-41 bps
Depreciation	5.3	4.7	5.2	5.3	5.4	5.3	6.3	6.5	6.4	6.7	6.7	6.8	6.5	1.7	-4.4
Interest	1.2	4.5	1.4	2.3	-0.3	0.6	0.8	0.7	0.8	0.7	0.5	0.4	0.3	-59.0	-15.6
Other income	0.3	0.6	0.4	2.0	0.0	2.6	1.1	1.5	1.2	1.8	5.2	0.6	1.3	11.9	131.6
Less: Exceptional	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
PBT	38.9	39.7	42.2	36.6	36.7	46.5	47.5	41.6	46.9	43.2	49.8	51.9	60.9	29.9	17.3
Total Tax	12.4	11.4	11.0	10.8	11.3	13.0	13.5	9.8	12.3	10.5	15.0	13.4	16.6	34.7	24.4
Tax rate (%)	31.9	28.7	26.0	29.4	30.9	28.0	28.4	23.5	26.3	24.3	30.1	25.7	27.3		
PAT before MI	26.5	28.3	31.2	25.9	25.3	33.5	34.0	31.8	34.6	32.7	34.8	38.6	44.3	28.2	14.9
PAT Margin (%)	24.5	26.1	29.9	25.1	24.9	30.3	30.8	28.6	30.9	29.6	31.5	32.0	32.2	129 bps	14 bps
Minority Interest	1.3	1.1	1.6	1.1	0.9	1.2	0.6	0.9	1.0	1.3	0.6	1.4	1.2		
PAT after MI	25.2	27.2	29.7	24.7	24.4	32.2	33.4	31.0	33.6	31.3	34.2	37.2	43.1	28.2	15.9
Adj PAT	25.2	27.2	29.7	24.7	24.4	32.2	33.4	31.0	33.6	31.3	34.2	37.2	43.1	28.2	15.9

Source: ICICI Direct Research

Company Background

Incorporated by second generation enzymologists, the Rathi brothers in 1989, Advanced Enzyme Technologies (AET) is one of the largest research driven Indian enzyme companies with a product basket of 400+ proprietary products developed from 68 indigenous enzymes and probiotics. Broadly, the business can be divided into three segments - 1) human healthcare, 2) animal healthcare and 3) industrial processing. It manufactures enzymes by using natural resources such as plants, fungal, bacterial and animal sources, using environment-friendly biotechnology processes. It offers these products to 700+ customers across 45 countries worldwide.

The company owns seven manufacturing facilities and six R&D facilities in India and California, US. Five of the manufacturing facilities are in India. They consist of three integrated fermentations, recovery and formulation facilities at Sinnar (Nashik, Maharashtra), Pithampur (Indore, Madhya Pradesh) and Maddipadu (Andhra Pradesh – JC Biotech), one extraction and recovery facility at Satpur (Nashik, Maharashtra) and one satellite blending, mixing and formulation facility at Vashind (Thane, Maharashtra). The company also owns two blending, mixing and formulation facilities for providing customised enzyme blends and proprietary enzyme solutions at Chino (California) through its step down subsidiary Cal India Foods International (doing business as specialty enzymes and biotechnologies), which primarily caters to the US and South American markets. R&D facilities are located at Thane, Sinnar, Monheim am Rhein, Germany (Evovx Technologies) and Chino, California.

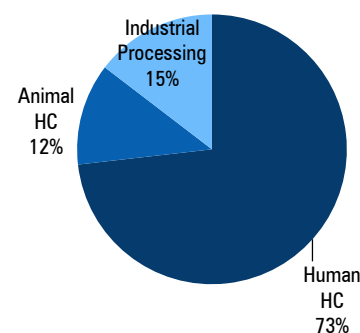
Exhibit 5: Manufacturing facilities

Manufacturing Units	Key Products Manufactured	Capacity
Unit-I, Nashik	Serratiopeptidase, Cellulase, Xylanase, Lipase, Fungal Amylase, Pectinase, Protease, Lipase, Beta Glucanase, Lactase	120 cubic meters
Unit-II, Nashik	Papain, Bile salts	36 metric tons per annum
Unit-III, Pithampur	Serratiopeptidase, Cellulase, Xylanase, Lipase, Fungal Amylase, Pectinase, Protease, Lipase, Beta Glucanase, Lactase	240 cubic meters
Unit-IV, Thane	Biograin Series, Aciplex Series	2000 metric tons per annum
JC Biotech Pvt Ltd at AP	Serratiopeptidase, Algal DHA, an Omega 3 Fatty Acid	150 cubic meters
Unit I, II at SEB, California, US	Custom Enzyme Blends, Lactase, Peptizyme, Xylanase	6500 metric tons per annum

Source: ICICI Direct Research, Company

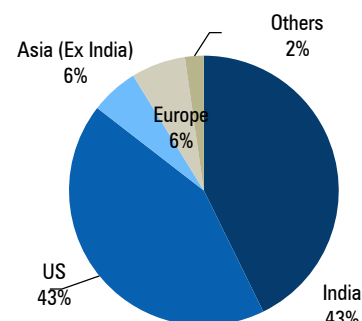
Advanced Enzymes completed acquisition of 51% stake in SciTech Specialties for ~₹ 31.6 crore in January 2021. SciTech is a contract manufacturing company with niche technology specializing in effervescent granules and tablets. Formed in 2007, the company has important applications in three of AETL’s existing verticals (human health, animal nutrition, and food), providing new delivery systems for existing products and opening avenues for additional sales to AETL’s existing customer base.

Revenue Bifurcation



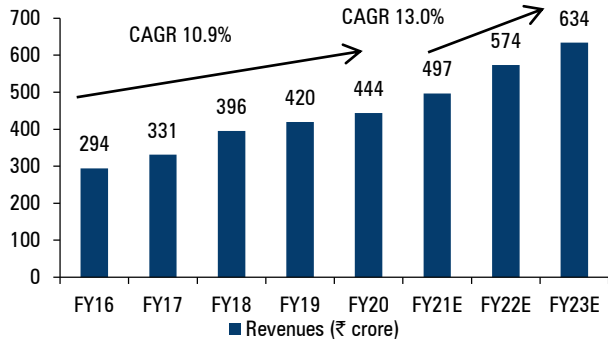
Source: ICICI Direct Research, Company

Geographical bifurcation



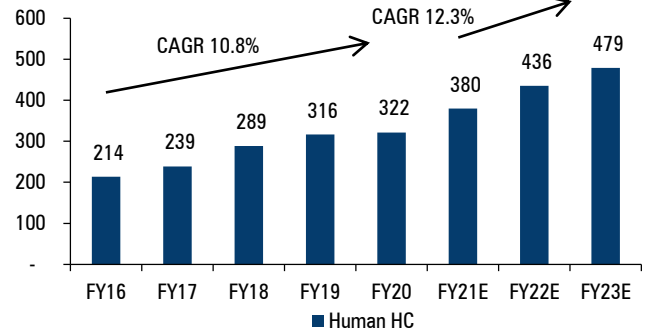
Source: ICICI Direct Research, Company

Exhibit 6: Revenues grow at CAGR of ~13% over FY21-23E



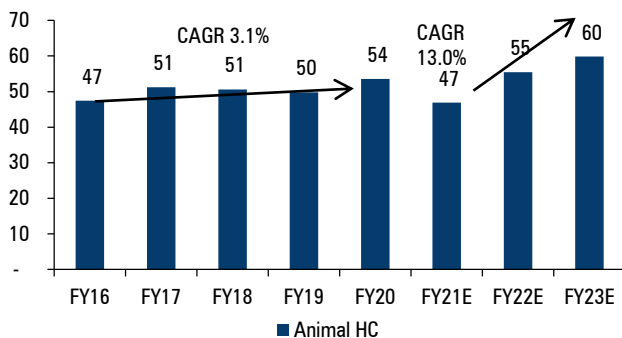
Source: ICICI Direct Research, Company

Exhibit 7: Human HC to grow at 12% CAGR over FY21-23E



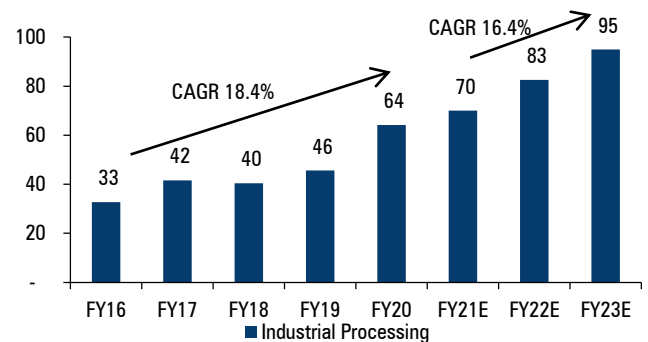
Source: ICICI Direct Research, Company

Exhibit 8: Animal HC to grow at 13% CAGR over FY21-23E



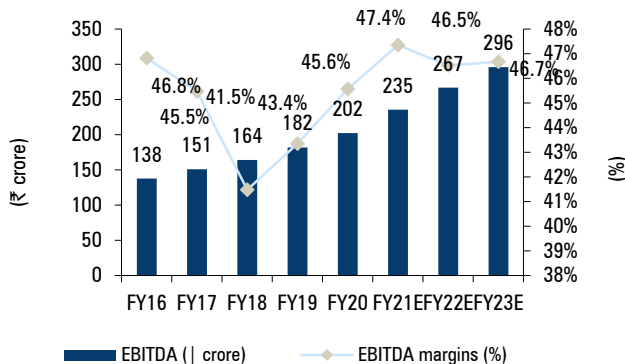
Source: ICICI Direct Research, Company

Exhibit 9: Industrial processing to grow ~16% in FY21-23E



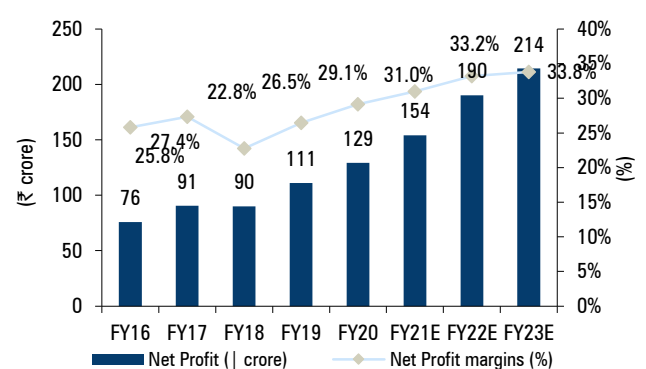
Source: ICICI Direct Research, Company

Exhibit 10: EBITDA & EBITDA margins trend



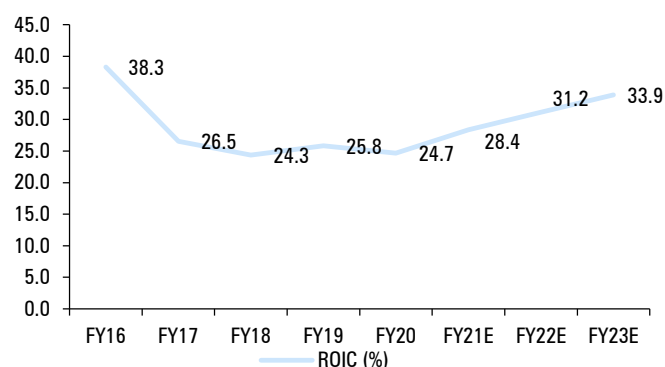
Source: ICICI Direct Research, Company

Exhibit 11: PAT & PAT margins trend



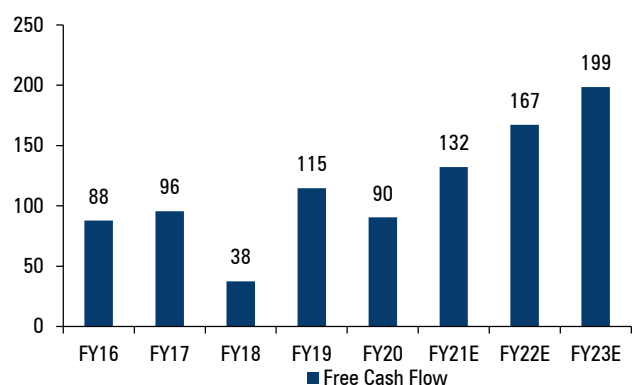
Source: ICICI Direct Research, Company

Exhibit 12: RoIC trend



Source: ICICI Direct Research, Company

Exhibit 13: Free cash flow trend



Source: ICICI Direct Research, Company

Exhibit 14: Valuation Summary

	Revenues	Growth	Adj. EPS	Growth	P/E	V/EBITDA	RoNW	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY 20	444	5.8	11.6	16.4	31.2	19.0	15.4	19.6
FY 21E	497	11.9	13.8	19.2	26.1	15.9	15.7	20.7
FY 22E	574	15.4	17.0	23.5	21.2	13.4	16.4	21.4
FY 23E	634	10.5	19.2	12.6	18.8	11.5	15.7	20.8

Source: ICICI Direct Research, Bloomberg

Exhibit 15: Shareholding Pattern

(in %)	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Promoter	57.9	57.9	58.1	55.5	55.4
Others	42.1	42.1	41.9	44.6	44.6

Source: ICICI Direct Research, Company

Financial Summary

Exhibit 16: Profit and loss statement				
	₹ crore			
(Year-end March)	FY20	FY21E	FY22E	FY23E
Revenues	444.0	496.9	573.6	634.0
Growth (%)	5.8	11.9	15.4	10.5
Raw Material Expenses	80.9	91.8	101.1	110.7
Employee Expenses	80.2	87.3	104.9	115.9
Other Manufacturing Expenses	80.6	82.5	100.8	111.4
Total Operating Expenditure	241.7	261.6	306.8	338.1
EBITDA	202.3	235.3	266.9	295.9
Growth (%)	11.2	16.3	13.4	10.9
Interest	3.0	1.5	1.5	1.5
Depreciation	25.8	26.5	29.2	31.0
Other Income	5.6	12.3	28.7	34.9
PBT before Exceptional Item	179.2	219.6	264.8	298.3
Less: Forex & Exceptional It	0.0	0.0	0.0	0.0
PBT	179.2	219.6	264.8	298.3
Total Tax	46.1	60.9	67.5	76.1
PAT before MI	133.0	158.7	197.3	222.2
Minority Interest	3.8	4.6	6.9	7.8
PAT	129.3	154.1	190.4	214.4
Adjusted PAT	129.3	154.1	190.4	214.4
Growth (%)	16.4	19.2	23.5	12.6
EPS	11.6	13.8	17.0	19.2
EPS (Adjusted)	11.6	13.8	17.0	19.2

Source: ICICI Direct Research

Exhibit 17: Cash Flow Statement				
	₹ crore			
(Year-end March)	FY20	FY21E	FY22E	FY23E
Profit/(Loss) after taxation	128.3	154.1	190.4	214.4
Add: Depreciation & Amortization	25.8	26.5	29.2	31.0
Net Increase in Current Assets	-17.4	-19.1	-27.5	-21.8
Net Increase in Current Liabilities	1.8	3.0	3.6	3.4
Others	2.5	1.5	1.5	1.5
CF from operating activities	140.9	166.0	197.2	228.5
(Inc)/dec in Fixed Assets	-50.4	-33.7	-30.0	-30.0
(Inc)/dec in Investments	-1.0	-100.0	-100.0	-100.0
Others	8.7	-4.0	-3.7	-3.5
CF from investing activities	-42.7	-137.7	-133.7	-133.5
Inc / (Dec) in Equity Capital	0.2	0.0	0.0	0.0
Inc / (Dec) in Debt	-25.7	-7.0	0.0	0.0
Dividend & Dividend Tax	-10.5	-9.2	-11.4	-12.9
Others	-2.5	-1.5	-1.5	-1.5
CF from financing activities	-38.6	-17.7	-12.9	-14.4
Net Cash flow	59.6	10.6	50.6	80.7
Opening Cash	23.4	83.0	93.6	144.2
Closing Cash	83.0	93.6	144.2	224.9
Free Cash Flow	90.5	132.3	167.2	198.5

Source: ICICI Direct Research

Exhibit 18: Balance Sheet				
	₹ crore			
(Year-end March)	FY20	FY21E	FY22E	FY23E
Equity Capital	22.3	22.3	22.3	22.3
Reserve and Surplus	817.3	962.2	1,141.1	1,342.7
Total Shareholders funds	839.7	984.5	1,163.5	1,365.0
Total Debt	24.7	17.7	17.7	17.7
Deferred Tax Liability	32.9	29.6	26.6	24.0
Minority Interest	27.8	28.4	28.9	29.5
Long term Provisions	1.3	1.4	1.4	1.5
Other Non Current Liabilities	5.5	5.6	5.7	5.8
Source of Funds	931.8	1,067.1	1,243.8	1,443.5
Gross Block - Fixed Assets	427.4	457.4	487.4	517.4
Accumulated Depreciation	158.7	185.2	214.5	245.5
Net Block	268.7	272.2	273.0	271.9
Capital WIP	10.1	13.8	13.8	13.8
Net Fixed Assets	278.9	286.0	286.8	285.7
Goodwill on Consolidation	294.1	294.1	294.1	294.1
Investments	123.6	223.6	323.6	423.6
Inventory	80.0	89.6	103.4	114.3
Cash	83.0	93.6	144.2	224.9
Debtors	74.7	83.6	96.5	106.7
Loans & Advances & Other C	14.3	15.0	15.8	16.6
Total Current Assets	252.0	281.8	359.9	462.4
Creditors	9.6	10.8	12.5	13.8
Provisions & Other CL	46.8	49.8	53.4	56.8
Total Current Liabilities	46.8	49.8	53.4	56.8
Net Current Assets	205.2	232.0	306.4	405.6
LT L& A, Other Assets	22.5	23.6	24.7	25.9
Deferred Tax Assets	7.4	7.8	8.2	8.6
Application of Funds	931.8	1,067.1	1,243.8	1,443.5

Source: ICICI Direct Research

Exhibit 19: Ratio Analysis				
	₹ crore			
(Year-end March)	FY20	FY21E	FY22E	FY23E
Per share data (₹)				
EPS	11.6	13.8	17.0	19.2
Cash EPS	13.2	15.3	18.6	20.8
BV	75.2	88.1	104.1	122.2
DPS	0.7	0.8	1.0	1.2
Cash Per Share	7.4	8.4	12.9	20.1
Operating Ratios (%)				
Gross Profit Margins	81.8	81.5	82.4	82.5
EBITDA margins	45.6	47.4	46.5	46.7
PAT Margins	29.1	31.0	33.2	33.8
Inventory days	65.8	65.8	65.8	65.8
Debtor days	61.4	61.4	61.4	61.4
Creditor days	7.9	7.9	7.9	7.9
Asset Turnover (x)	1.0	1.1	1.2	1.2
Return Ratios (%)				
RoE	15.4	15.7	16.4	15.7
RoCE	19.6	20.7	21.4	20.8
RoIC	24.7	28.4	31.2	33.9
Valuation Ratios (x)				
P/E	31.2	26.1	21.2	18.8
EV / EBITDA	19.0	15.9	13.4	11.5
EV / Revenues	8.7	7.5	6.2	5.4
Market Cap / Revenues	9.1	8.1	7.0	6.4
Price to Book Value	4.8	4.1	3.5	3.0
Solvency Ratios				
Debt / Equity	0.0	0.0	0.0	0.0
Debt/EBITDA	0.1	0.1	0.1	0.1
Current Ratio	3.6	3.8	4.0	4.2

Source: ICICI Direct Research

Exhibit 20: 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	Y21E	Y22E	FY19	FY20	Y21E	Y22E	
Ajanta Pharma	AJAPHA	1815	2,250	Buy	15841	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 Pharm	ALEMPHA	938	1,055	Hold	18438	30.2	44.4	57.5	43.9	31.1	21.1	16.3	21.4	19.6	21.0	23.9	17.0	21.8	27.1	23.0	15.5
Apollo Hospital	APOHOS	2747	3,170	Buy	39503	16.4	22.6	7.3	60.7	167.4	121.7	378.3	45.3	8.8	10.2	6.1	14.6	7.1	9.7	2.3	16.4
Aurobindo Pha	AURPHA	948	1,165	Buy	55547	41.9	48.8	55.8	63.9	22.6	19.4	17.0	14.8	15.9	17.2	19.1	18.5	17.7	17.0	15.0	14.8
Biocon	BIOCON	408	450	Hold	48984	6.2	5.8	6.5	13.9	65.8	70.2	62.7	29.4	10.9	10.2	9.2	16.5	12.2	10.4	10.5	18.7
Cadila Healthc	CADHEA	474	555	Buy	48505	18.1	14.0	20.3	21.1	26.2	33.9	23.4	22.5	12.8	10.7	13.5	13.2	17.8	13.8	16.0	14.7
Cipla	CIPLA	846	975	Buy	68231	18.6	19.2	31.0	32.4	45.5	44.0	27.3	26.2	10.9	12.0	17.0	16.1	10.0	9.8	14.0	13.1
Divi's Lab	DIVLAB	3783	4,440	Buy	100428	51.0	51.9	72.3	88.3	74.2	73.0	52.3	42.9	25.5	23.9	28.5	28.4	19.4	18.8	22.1	22.1
Dr Reddy's Lab	DRREDD	4861	5,525	Buy	80833	114.6	121.8	87.0	188.6	42.4	39.9	55.8	25.8	10.7	9.6	15.7	19.5	13.6	13.0	8.6	16.0
Glenmark Phar	GLEPHA	496	635	Buy	13996	26.9	26.4	33.8	40.8	18.4	18.8	14.7	12.1	15.3	12.7	14.4	15.1	13.5	12.2	13.6	14.2
Hikal	HIKCHE	172	230	Buy	2126	8.4	8.1	10.2	12.2	20.6	21.3	17.0	14.1	14.3	12.8	13.6	14.9	13.6	12.2	13.5	14.2
Ipca Laboratori	IPCLAB	1939	2,490	Buy	24592	34.9	47.6	95.8	96.0	55.6	40.8	20.2	20.2	15.0	17.6	27.8	22.9	14.2	16.6	25.3	20.3
Jubilant Life	JUBLIF	962	850	Buy	15317	54.9	59.9	54.4	70.3	17.5	16.1	17.7	13.7	14.3	14.4	14.7	16.9	17.8	16.6	13.2	14.7
Lupin	LUPIN	1069	1,165	Buy	48469	16.5	-12.7	24.5	37.3	64.6	NA	43.7	28.7	9.4	9.7	8.9	12.2	5.4	-4.6	8.2	11.2
Narayana Hrud	NARHRU	490	580	Buy	10003	2.9	6.4	-2.3	8.0	168.6	77.1	NA	61.3	7.7	11.0	-0.5	12.1	5.5	11.4	-4.3	13.2
Natco Pharma	NATPHA	909	885	Hold	16556	35.4	25.3	32.7	28.0	25.7	35.9	27.8	32.4	21.3	14.0	17.1	13.6	18.5	12.2	14.0	11.0
Sun Pharma	SUNPHA	634	675	Buy	152102	15.9	16.8	28.7	23.5	40.0	37.8	22.1	27.0	10.3	10.0	12.9	12.3	9.2	8.9	14.3	10.6
Syngene Int.	SYNINT	580	700	Buy	23200	8.3	10.3	9.7	13.2	70.1	56.3	59.8	44.0	14.8	14.5	12.6	15.8	16.8	15.7	15.1	17.1
Torrent Pharm	TORPHA	2758	3,290	Buy	46676	48.9	60.6	70.0	81.6	56.4	45.5	39.4	33.8	14.2	15.4	17.4	19.4	17.5	21.2	20.7	20.4
Shalby	SHALIM	111	130	Hold	1199	2.9	2.6	4.7	4.9	37.9	43.5	23.6	22.6	6.8	7.2	6.6	7.9	4.1	3.5	6.0	5.9
Aster DM	ASTDM	151	210	Buy	7543	6.7	5.5	3.9	10.7	22.6	27.3	38.7	14.1	8.3	7.1	5.4	9.2	10.4	8.5	5.6	13.4
Indoco Remedi	INDREM	317	380	Buy	2922	-0.3	2.6	9.3	14.8	NA	121.2	34.1	21.4	0.9	4.6	11.4	15.6	-0.4	3.5	11.4	15.7
Caplin Point	CAPPOI	461	605	Buy	3487	23.3	28.4	32.6	43.7	19.7	16.2	14.1	10.6	34.6	26.5	26.0	28.3	27.9	22.7	21.1	22.4
Granules India	GRANUL	333	460	Buy	8235	9.5	12.4	21.1	23.6	34.8	26.8	15.7	14.1	11.8	15.2	22.4	22.0	15.5	16.7	22.4	20.2
Laurus Labs	LAULAB	358	440	Buy	19216	1.7	4.8	17.9	21.1	204.9	75.3	20.0	17.0	7.7	13.0	33.8	31.6	6.0	14.4	36.4	31.0
Advanced Enz	ADVENZ	361	480	Buy	4029	9.9	11.6	13.8	17.0	36.3	31.2	26.1	21.2	21.6	19.6	20.7	21.4	16.4	15.4	15.7	16.4

Source: ICICI Direct Research, Bloomberg

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