

Strong growth in key geographies...

Q3 revenues grew 10.2% YoY to ₹ 289.4 crore, mainly due to 45% growth in European Union (EU) to ₹ 45 crore and 16.9% growth in domestic formulations to ₹ 178.4 crore (albeit on a lower base). Export formulations grew 21.5% YoY to ₹ 83.3 crore mainly due to strong growth in EU and recovery in the US. EBITDA margins improved 261 bps to 12.1% mainly due to improvement in gross margins, which was partially offset by higher employee & other expenditure. EBITDA grew 40.7% YoY to ₹ 34.9 crore. Net profit was at ₹ 9.1 crore, growing 70.4% YoY from ₹ 5.3 crore in Q3FY19.

India formulations growth core to overall growth

Domestic formulations (~63% of FY19 revenues) grew at 4.4% CAGR in FY16-19. 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, we expect Indian formulations to deliver ~13% growth in FY19-22E to ₹ 869 crore.

Exports formulations slowly coming back on track

Exports formulations (~24% of overall FY19 sales) have de-grown at 16% CAGR in FY16-19, undone by regulatory hurdles in developed markets. However, recent clearance from the UKMHRA 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 believe the company's export business would grow at 34% CAGR in FY19-22E to ₹ 562 crore, mainly due to a lower base and launches of new products.

Valuation & Outlook

Strong growth in 9MFY20 was due to a recovery in both domestic and export markets (albeit on lower base) and strong gross margins. After going through a rough patch in FY18-19, where the company faced headwinds on the domestic (structural issues) and exports front (regulatory setbacks), the situation is returning to normalcy. On the domestic front, the management has maintained double digit domestic growth guidance for FY21 and is looking for field force productivity improvement from ₹ 2.4 lakh to ₹ 4 lakh per annum. Good traction is also expected on the exports front with regulatory overhangs (except WL to Goa I) waning. Normalisation of exports dispatches is likely to improve operating leverage as well. Improvement in fortunes notwithstanding, we will wait for consistency in coming quarters for a further upgrade. We arrive at a target price of ₹ 240 based on ~16x FY22 EPS of ₹ 15.0.



Particulars

Particular	Amount
Market Capitalisation	₹ 2082 crore
Debt (FY19)	₹ 242 crore
Cash (FY19)	₹ 36 crore
EV	₹ 2288 crore
52 week H/L (₹)	245/132
Equity capital	₹ 18.4 crore
Face value	₹ 2

Key Highlights

- Strong growth in 9MFY20 was due to recovery in both domestic and export markets (albeit on lower base) and strong gross margins
- The management has maintained double digit domestic growth. Good traction is also expected on the exports front
- Improvement in fortunes notwithstanding, we await consistency in coming quarters for further upgrade
- Maintain HOLD

Research Analyst

Siddhant Khandekar
siddhant.khandekar@icicisecurities.com

Mitesh Shah, CFA
mitesh.shah@icicisecurities.com

Sudarshan Agarwal
sudarshan.agarwal@icicisecurities.com

Key Financial Summary

₹ Crore	FY19	FY20E	FY21E	FY22E	CAGR (FY19 - 22E) %
Revenues	968.5	1131.1	1343.0	1570.1	17.48
EBITDA	76.7	122.6	186.5	259.3	50.12
EBITDA margins (%)	8%	11%	14%	17%	
Adjusted PAT	-2.9	27.2	77.3	139.4	
EPS (Adjusted)	-0.3	3.0	8.4	15.1	
PE (x)	-718.0	76.5	26.9	14.9	
M.Cap/ Revenues (x)	2.1	1.8	1.6	1.3	
EV to EBITDA (x)	29.8	18.9	12.2	8.4	
RoNW (%)	-0.4	4.0	10.1	15.4	
RoCE (%)	1.0	4.6	9.3	15.3	

Exhibit 1: Variance Analysis

	Q3FY20	Q3FY20E	Q3FY19	Q2FY20	YoY (%)	QoQ (%)	Comments
Revenue	289.4	297.2	262.6	292.6	10.2	-1.1	YoY growth driven by 45% growth in EU and 16.9% growth in domestic formulations (albeit on lower base)
Raw Material Expense	82.8	98.1	88.2	89.6	-6.1	-7.6	A 498 bps YoY improvement to 71.4% in gross margins mainly due 1) improvement in product mix, 2) higher captive consumption and 3) rationalisation of raw material prices
Employee Expenses	68.2	65.4	58.9	64.1	15.9	6.4	YoY increase mainly due to increments and arrears
Other Expenditure	90.5	84.7	78.2	94.6	15.7	-4.3	YoY increase mainly due to higher sales and promotional expenses and remedial cost
R&D	12.9	11.8	12.4	11.6	3.8	10.9	
EBITDA	34.9	37.2	24.8	32.6	40.7	6.9	
EBITDA (%)	12.1	12.5	9.4	11.2	261 bps	90 bps	YoY improvement mainly due to strong improvement in gross margins
Interest	6.9	5.4	3.7	5.4	86.3	29.1	Includes forex loss
Depreciation	17.6	18.0	17.7	18.0	-0.8	-2.5	
Other Income	0.7	0.6	0.6	0.6	26.3	24.1	
PBT before EO & Forex	11.1	14.4	3.9	9.8	183.8	13.0	
Forex & EO	0.0	0.0	0.0	0.0	NA	NA	
PBT	11.1	14.4	3.9	9.8	183.8	13.0	
Tax	2.0	2.9	-1.4	2.0	-236.8	-1.0	
Net Profit	9.1	11.5	5.3	7.8	70.4	16.5	YoY growth due to strong operational performance. Miss vis-à-vis I-direct estimates due to lower EBITDA and forex loss
Key Metrics							
Domestic Formulations	178.4	175.4	152.5	186.3	16.9	-4.3	YoY growth mainly due to lower base
Export formulations	83.3	86.5	68.6	74.1	21.5	12.3	YoY growth mainly due to lower base in EU and recovery in US business
APIs	18.7	23.3	22.2	23.4	-15.9	-19.9	Decline mainly due to higher captive consumption

Source: ICICI Direct Research

Conference Call Highlights

- Guided for ₹ 50 crore of US sales in FY20 and ~₹ 100 crore for FY21. In the US, operation breakeven requires ₹ 100 crore of revenues
- Guided for 30-35% of EU growth in FY21 and double digit growth for domestic market
- Guided for ~14% of EBITDA margins in FY21
- The management expects to file four ANDAs per annum
- The company has 2300 MRs in the domestic market and productivity per MR is ~2.4 lakhs per annum. The MRs are equally divided between acute and chronic (including sub chronic). Due to lower RM productivity, the company has taken certain strategic initiatives, mainly in the chronic segment and targeting MR productivity of ~₹ 4 lakhs per annum in the near term. MR strength is expected to remain same in the near term
- In the next two to three years, employee cost is likely to increase only with an annual salary hike of 8-9%
- South Africa, Australia and New Zealand revenues were impacted by regulatory issues in Goa Plant I
- The company has sufficient capacity for the next three years. Hence, in the near term, it may require only maintenance capex of ~₹ 50 crore. It expects the international formulation business to reach ₹ 600-700 crore without any further capex deployment
- In Goa Plant I, US consultants are on board for remedial actions to resolve the concerns raised in the warning letter
- Going forward, free cash flows are expected to be utilised for 1) repayment of ₹ 160 crore of long term debt, 2) inorganic growth in India and 3) R&D pipeline
- Total debt was at ₹ 261 crore (₹ 160 crore of long term+₹ 101 crore of short-term) as of end of Q3FY20
- R&D was at 6.5% of sales in Q3FY20 (4.5% opex+2% capex)
- Remediation cost was ₹ 4 crore In Q3FY20 and ~₹ 8 crore in 9MFY20

Exhibit 2: Trends in quarterly performance

(₹ Crore)	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	YoY (%)	QoQ (%)
Net Sales	272.2	265.6	204.2	280.0	274.2	258.9	212.5	235.9	248.0	245.0	247.2	286.2	283.5	14.3	-1.0
Other Operating Income	6.0	11.4	4.8	4.8	3.9	10.8	5.0	-0.3	14.6	7.1	5.5	6.4	5.9	-59.5	-7.2
Revenues	278.2	276.9	209.0	284.8	278.1	269.6	217.5	235.6	262.6	252.1	252.7	292.6	289.4	10.2	-1.1
Raw Material Expenses	98.3	97.2	71.1	100.3	90.5	87.5	71.3	79.6	88.2	81.1	85.6	89.6	82.8	-6.1	-7.6
% of Revenues	35.3	35.1	34.0	35.2	32.5	32.5	32.8	33.8	33.6	32.2	33.9	30.6	28.6	-498 bps	-200 bps
Gross Profit	179.9	179.7	137.9	184.6	187.6	182.1	146.2	156.0	174.3	170.9	167.1	203.0	206.5	18.5	1.8
Gross Profit Margin (%)	64.7	64.9	66.0	64.8	67.5	67.5	67.2	66.2	66.4	67.8	66.1	69.4	71.4	498 bps	200 bps
Employee Expenses	55.1	56.8	56.3	55.4	57.9	50.8	56.1	58.5	58.9	58.1	60.9	64.1	68.2	15.9	6.4
% of Revenues	19.8	20.5	26.9	19.4	20.8	18.8	25.8	24.8	22.4	23.0	24.1	21.9	23.6	115 bps	166 bps
Research & Development	13.8	13.9	13.6	11.8	14.4	13.8	13.2	12.8	12.4	13.1	11.1	11.6	12.9	3.8	10.9
% of Revenues	5.0	5.0	6.5	4.1	5.2	5.1	6.1	5.4	4.7	5.2	4.4	4.0	4.5	-28 bps	48 bps
Other Manufacturing Expenses	71.5	76.5	66.7	76.5	72.1	68.1	65.4	73.0	78.2	71.3	72.6	94.6	90.5	15.7	-4.3
% of Revenues	25.7	27.6	31.9	26.9	25.9	25.3	30.0	31.0	29.8	28.3	28.7	32.3	31.3	149 bps	-104 bps
Total Expenditure	238.7	244.4	207.7	243.9	234.9	220.2	206.0	223.8	237.8	223.7	230.3	259.9	254.5	7.0	-2.1
% of Revenues	85.8	88.2	99.4	85.6	84.5	81.7	94.7	95.0	90.6	88.7	91.1	88.8	87.9	-261 bps	-90 bps
EBITDA	39.5	32.6	1.3	40.9	43.2	49.4	11.6	11.8	24.8	28.4	22.4	32.6	34.9	40.7	6.9
EBITDA Margin (%)	14.2	11.8	0.6	14.4	15.5	18.3	5.3	5.0	9.4	11.3	8.9	11.2	12.1	261 bps	90 bps
Depreciation	14.4	15.4	16.9	17.2	17.3	16.3	16.7	17.7	17.7	19.5	17.0	18.0	17.6	-0.8	-2.5
Interest	2.9	-1.6	6.1	7.0	2.1	8.3	7.2	5.0	3.7	4.6	6.1	5.4	6.9	86.3	29.1
Other Income	1.1	1.7	0.9	2.3	0.6	1.0	0.3	0.3	0.6	5.0	0.6	0.6	0.7	26.3	24.1
PBT	23.4	20.4	-20.8	19.1	24.3	25.8	-12.0	-10.5	3.9	9.3	-0.1	9.8	11.1	183.8	13.0
Total Tax	5.8	2.4	0.9	-0.7	1.7	5.3	0.0	-2.7	-1.4	-2.2	-1.9	2.0	2.0	-236.8	-1.0
Tax Rate (%)	24.7	12.0	-4.4	-3.5	6.9	20.5	0.0	26.0	-36.9	-24.2	3166.7	20.3	17.8	5472 bps	-251 bps
Net Profit	17.6	17.9	-21.7	19.8	22.7	20.5	-12.0	-7.8	5.3	11.5	1.8	7.8	9.1	70.4	16.5
PAT Margin (%)	6.3	6.5	-10.4	6.9	8.1	7.6	-5.5	-3.3	2.0	4.6	0.7	2.7	3.1	111 bps	48 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 eight marketing divisions viz. Indoco, Spade, Warren, Xtend, Excel, Eterna, Indoco CND and Spera, 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 FY19, domestic formulations accounted for ~63% of revenues. Major therapies and their respective contribution to domestic formulations are: respiratory, anti-infectives, stomatologicals, gastrointestinal (GI). 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 December, 2019).

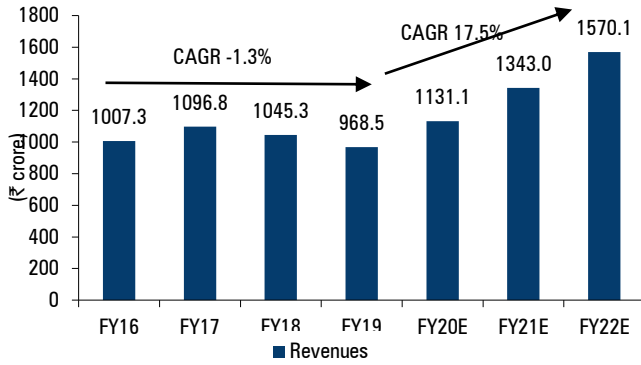
Formulation exports account for ~24% of revenues. Of these, exports to regulated markets constitute ~69% of formulation exports while the remaining comes from emerging markets.

Watson (Actavis) deal - The company licenses out technology to US based Watson (now Actavis). Under the terms of the profit sharing agreement, Indoco will develop, manufacture and supply a basket of sterile products to Watson for the US market. Currently, nine products are under development.

Aspen deal - Under the Aspen (South Africa) deal, the company licenses out dossiers for marketing its products in emerging markets covering 30 countries, including South Africa, Brazil, Mexico, Venezuela, Russia and Australia.

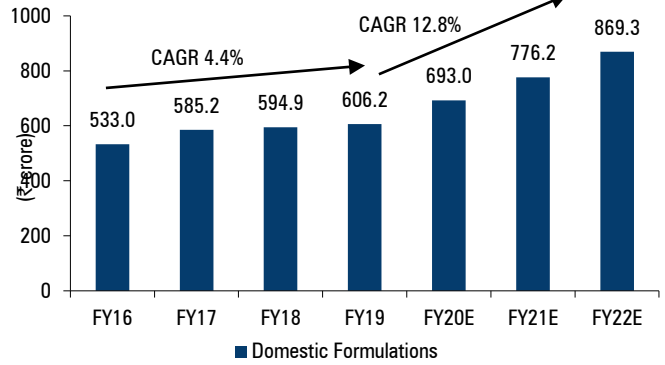
Overall, we expect revenues to grow at 17.5% CAGR in FY19-22E to ₹ 1570.1 crore.

Exhibit 3: Revenues to grow at CAGR of 18% over FY19-22E



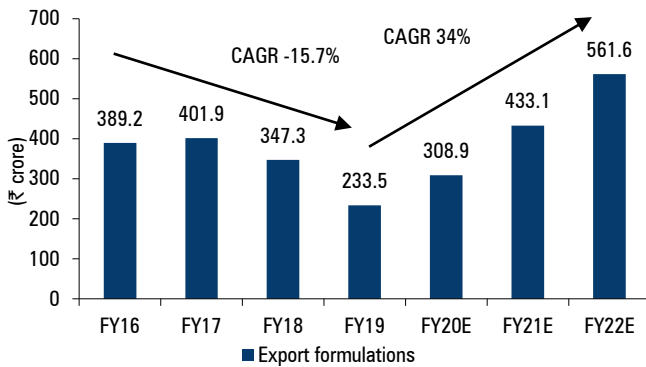
Source: ICICI Direct Research, Company

Exhibit 4: Domestic formulations (₹ crore)



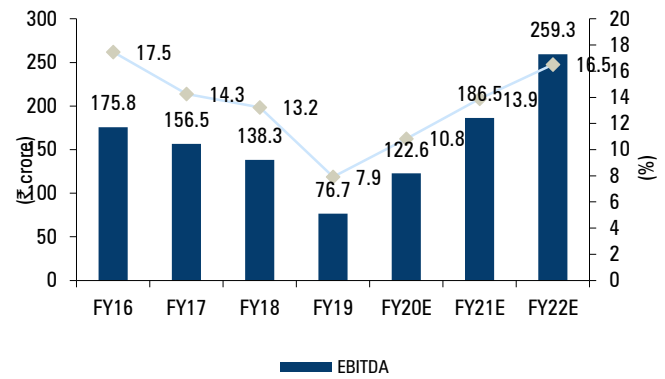
Source: ICICI Direct Research, Company

Exhibit 5: Export formulations (₹ crore)



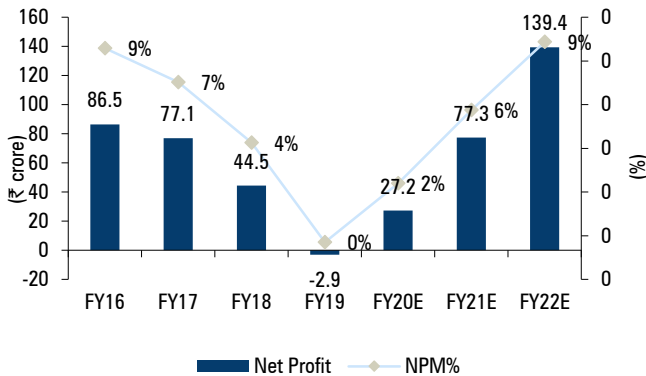
Source: ICICI Direct Research, Company

Exhibit 6: EBTDA & EBITDA margins trend



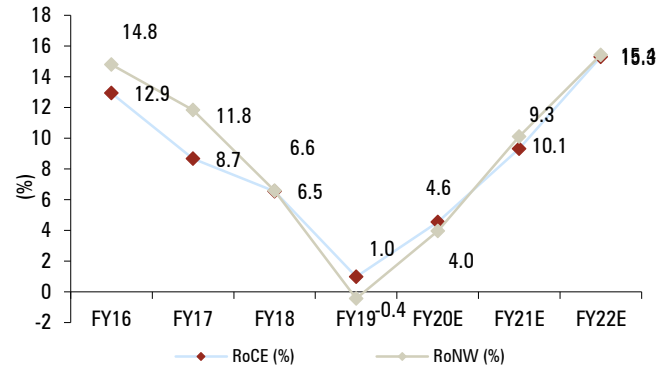
Source: ICICI Direct Research, Company

Exhibit 7: PAT & PAT margins trend



Source: ICICI Direct Research, Company

Exhibit 8: Return ratios



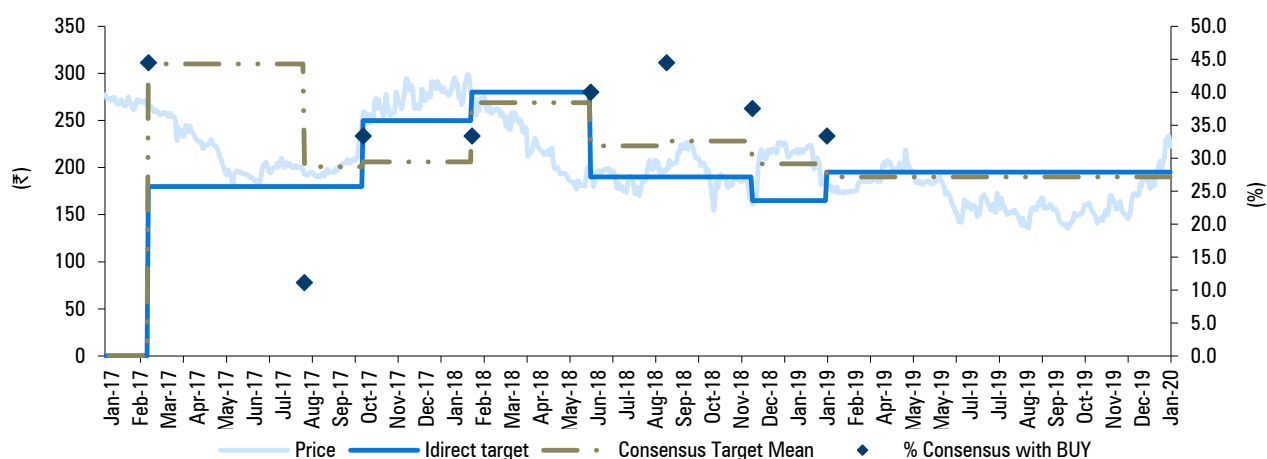
Source: ICICI Direct Research, Company

Exhibit 9: Financial Summary

	Revenues	Growth	Adj. EPS	Growth	P/E EV/EBITDA	RoE	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(%)	(%)
FY19	968	-7.4	-0.3	-106.5	692.7	28.9	-0.4
FY20E	1131	16.8	3.0	-1038.4	73.8	18.3	4.0
FY21E	1343	18.7	8.4	184.1	26.0	11.8	10.1
FY22E	1570	16.9	15.1	80.3	14.4	8.1	15.4

Source: ICICI Direct Research

Exhibit 10: Recommendation history vs. Consensus



Source: ICICI Direct Research, Company

Exhibit 11: Top 10 Shareholders

Rank	Investor Name	Filing Date	% O/S	Position (m)	Change
1	Lohia Prakash Om	24-Jul-18	41.3	38.08m	38.1m
2	SPA Holdings Pvt Ltd	30-Jun-19	19.9	18.34m	0.0m
3	Shanteri Investment Pvt Ltd	30-Jun-19	17.1	15.77m	0.0m
4	Panandikar Aditi Milind	30-Jun-19	12.1	11.12m	0.0m
5	Anup Ramani Madhura	30-Jun-19	11.3	10.37m	0.0m
6	Kare Aruna Suresh	30-Jun-19	10.4	9.57m	0.0m
7	Kare Suresh Govind	30-Jun-19	9.4	8.67m	0.0m
8	Reliance Capital Trustee Co Ltd	24-Jul-18	5.3	4.85m	0.0m
9	First State Investments lcvc	27-Nov-17	4.1	3.74m	0.0m
10	Barclays Mrct Bank Ltd	31-Mar-16	3.0	2.78m	0.0m

Source: ICICI Direct Research, Bloomberg

Exhibit 12: Shareholding Pattern

(in %)	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
Promoter	58.8	58.8	58.7	58.7	58.7
Others	41.2	41.2	41.3	41.3	41.3

Source: ICICI Direct Research, Company

Financial summary

Exhibit 13: Profit & Loss (₹ crore)

(Year-end March)	FY19	FY20E	FY21E	FY22E
Revenues	968.5	1,131.1	1,343.0	1,570.1
Growth (%)	-7.4	16.8	18.7	16.9
Raw Material Expenses	320.3	355.9	423.1	494.6
Employee Expenses	231.7	260.0	285.8	314.7
Other Manufacturing Expens	288.4	343.7	387.3	423.0
Total Operating Expenditure	891.8	1,008.5	1,156.6	1,310.8
EBITDA	76.7	122.6	186.5	259.3
Growth (%)	-44.6	60.0	52.0	39.1
Interest	20.5	23.8	19.8	15.7
Depreciation	71.6	70.2	75.3	80.3
Other Income	6.2	2.5	2.7	6.3
PBT	-9.3	31.1	94.1	169.6
Total Tax	-6.4	3.9	16.7	30.2
PAT	-2.9	27.2	77.3	139.4
Adjusted PAT	-2.9	27.2	77.3	139.4
Growth (%)	-106.5	-1,038.4	184.1	80.3
EPS	-0.3	3.0	8.4	15.1
EPS (Adjusted)	-0.3	3.0	8.4	15.1

Source: ICICI Direct Research

Exhibit 14: Cash Flow Statement (₹ crore)

(Year-end March)	FY19	FY20E	FY21E	FY22E
Profit/(Loss) after taxation	-12.9	27.2	77.3	139.4
Add: Depreciation & Amortizatic	71.6	70.2	75.3	80.3
Net Increase in Current Assets	36.3	-67.1	-94.8	-102.0
Net Increase in Current Liabiliti	19.3	-0.8	38.8	41.4
Other	17.8	23.8	19.8	15.7
CF from operating activities	132.1	53.3	116.4	174.8
(Inc)/dec in Investments	-0.1	0.0	0.0	0.0
(Inc)/dec in Fixed Assets	-93.0	-50.0	-50.0	-50.0
Others	1.5	-5.5	-6.1	-6.8
CF from investing activities	-91.6	-55.5	-56.1	-56.8
Inc / (Dec) in Equity Capital	0.0	0.0	0.0	0.0
Proceeds/(Repayment) Loan	15.8	19.0	-20.0	-50.0
Others	-31.9	-23.8	-19.8	-15.7
CF from financing activities	-16.1	-4.8	-39.8	-65.7
Net Cash flow	24.4	-7.1	20.4	52.3
Opening Cash	11.9	36.3	29.2	49.6
Closing Cash	36.3	29.2	49.6	101.9
Free Cash flow	39.1	3.3	66.4	124.8

Source: ICICI Direct Research

Exhibit 15: Balance Sheet (₹ crore)

(Year-end March)	FY19	FY20E	FY21E	FY22E
Equity Capital	18.4	18.4	18.4	18.4
Reserve and Surplus	642.2	669.4	746.7	886.1
Total Shareholders funds	660.6	687.8	765.2	904.6
Total Debt	242.1	261.0	241.0	191.0
Deferred Tax Liability	0.0	0.0	0.0	0.0
Other Non Current Liabilities	7.3	7.7	8.1	8.5
Long term Provisions	16.0	16.7	17.6	18.5
Source of Funds	925.9	973.3	1,031.8	1,122.5
Gross Block - Fixed Assets	934.6	974.6	1,044.6	1,114.6
Accumulated Depreciation	467.0	537.2	612.5	692.8
Net Block	467.6	437.4	432.1	421.8
Capital WIP	185.4	195.4	175.4	155.4
Net Fixed Assets	653.0	632.8	607.5	577.2
Investments	0.0	0.0	0.0	0.0
Inventory	183.5	209.3	248.5	290.5
Cash	36.3	29.2	49.6	101.9
Debtors	195.8	224.9	267.0	312.2
Loans & Advances & Other l	122.5	134.8	148.2	163.0
Total Current Assets	538.1	598.1	713.3	867.6
Creditors	170.7	161.8	192.1	224.6
Provisions & Other CL	161.4	169.5	177.9	186.8
Total Current Liabilities	332.1	331.3	370.1	411.5
Net Current Assets	205.9	266.8	343.2	456.1
LT L& A, Other Assets	31.4	34.5	38.0	41.8
Deferred Tax Assets	35.5	39.1	43.0	47.3
Application of Funds	925.9	973.3	1,031.8	1,122.5

Source: ICICI Direct Research

Exhibit 16: Key Ratios (₹ crore)

(Year-end March)	FY19	FY20E	FY21E	FY22E
Per share data (₹)				
EPS	-0.3	3.0	8.4	15.1
BV per share	71.7	74.6	83.0	98.2
Dividend per share	0.3	0.0	0.0	0.0
Operating Ratios (%)				
EBITDA margins	7.9	10.8	13.9	16.5
Net Profit margins	-0.3	2.4	5.8	8.9
Inventory days	69	68	68	68
Debtor days	74	73	73	73
Creditor days	64	52	52	52
Asset Turnover	0.9	0.9	1.1	1.3
EBITDA conversion rate	172.4	43.4	62.4	67.4
Return Ratios (%)				
RoE	-0.4	4.0	10.1	15.4
RoCE	1.0	4.6	9.3	15.3
RoIC	0.8	7.8	15.3	23.1
Valuation Ratios (x)				
P/E	-692.7	73.8	26.0	14.4
EV / EBITDA	28.9	18.3	11.8	8.1
EV / Net Sales	2.3	2.0	1.6	1.3
Market Cap / Sales	2.1	1.8	1.5	1.3
Price to Book Value	3.0	2.9	2.6	2.2
Solvency Ratios				
Debt / Equity	0.4	0.4	0.3	0.2
Debt / EBITDA	3.2	2.1	1.3	0.7
Current Ratio	1.5	1.7	1.8	1.9

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	FY20E	FY21E	FY22E	FY19	FY20E	FY21E	FY22E	FY19	FY20E	FY21E	FY22E	FY19	Y20E	Y21E	Y22E
Ajanta Pharr	AJAPHA	1176	1,180	Buy	10263	43.5	43.5	52.3	64.4	27.0	27.0	22.5	18.3	21.8	21.8	20.8	21.9	17.1	17.1	16.0	17.2
Alembic Pha	ALEMPHA	615	620	Hold	11586	31.4	31.4	26.6	31.0	19.5	19.5	23.1	19.8	19.6	19.6	13.4	14.9	21.8	21.8	13.3	13.8
Apollo Hospi	APOHOS	1696	1,800	Buy	23596	17.0	17.0	43.7	68.1	100.0	100.0	38.8	24.9	8.8	8.8	14.8	17.5	7.1	7.1	14.9	19.6
Aurobindo Pl	AURPHA	511	475	Hold	29941	42.1	42.1	55.4	59.5	12.1	12.1	9.2	8.6	15.9	15.9	15.7	16.1	17.7	17.7	16.7	15.4
Biocon	BIOCON	290	310	Hold	34812	6.2	6.2	10.3	15.7	46.7	46.7	28.1	18.5	10.9	10.9	15.1	19.4	12.2	12.2	14.7	18.6
Cadila Healtl	CADHEA	273	260	Hold	27984	18.1	18.1	16.6	18.7	15.1	15.1	16.5	14.6	13.0	13.0	11.7	12.4	17.8	17.8	13.5	13.6
Cipla	CIPLA	464	520	Hold	37445	18.6	18.6	25.3	30.0	25.0	25.0	18.4	15.5	10.9	10.9	13.6	14.8	10.0	10.0	11.2	11.9
Divi's Lab	DIVLAB	1918	1,850	Hold	50926	51.0	51.0	59.1	71.2	37.6	37.6	32.5	26.9	25.5	25.5	22.1	22.8	19.4	19.4	17.0	17.6
Dr Reddy's L	DRREDD	3189	3,000	Hold	52968	114.8	114.8	140.0	166.7	27.8	27.8	22.8	19.1	11.1	11.1	13.9	16.9	13.6	13.6	12.7	13.5
Glenmark Pf	GLEPHA	356	410	Hold	10049	26.9	26.9	36.7	46.1	13.2	13.2	9.7	7.7	15.3	15.3	15.0	17.0	13.5	13.5	14.0	15.1
Hikal	HIKCHE	130	140	Buy	1255	6.3	8.4	9.7	11.7	20.8	15.6	13.4	11.2	12.2	14.3	13.0	14.2	11.5	13.6	14.2	14.8
Ipca Laborat	IPCLAB	1232	1,355	Buy	15562	35.1	35.1	60.7	75.3	35.1	35.1	20.3	16.4	15.0	15.0	19.9	21.2	14.2	14.2	18.0	18.9
Indoco reme	INDREM	226	240	Hold	2082	-0.3	3.0	8.4	15.1	-718.0	76.5	26.9	14.9	1.0	4.6	9.3	15.3	-0.4	4.0	10.1	15.4
Lupin	LUPIN	758	810	Hold	34330	16.5	16.5	35.0	37.1	45.8	45.8	21.7	20.4	9.4	9.4	9.9	12.1	5.4	5.4	8.4	8.3
Narayana Hr	NARHRU	354	360	Buy	7244	2.9	2.9	9.8	13.3	122.1	122.1	36.3	26.6	7.7	7.7	13.9	16.5	5.5	5.5	14.5	16.7
Natco Pharm	NATPHA	655	595	Hold	11905	34.9	34.9	23.7	22.0	18.7	18.7	27.6	29.7	21.3	21.3	12.2	10.5	18.5	18.5	10.0	8.6
Sun Pharma	SUNPHA	448	470	Hold	107584	15.9	15.9	20.2	24.7	28.3	28.3	22.2	18.1	10.3	10.3	11.3	12.5	9.2	9.2	9.9	11.3
Syngene Int.	SYNINT	311	360	Buy	12428	8.3	8.3	9.6	12.0	37.0	37.0	31.7	25.6	14.8	14.8	13.1	15.1	16.8	16.8	14.1	14.9
Torrent Phar	TORPHA	2027	2,020	Hold	34304	48.9	48.9	71.5	91.8	41.4	41.4	28.4	22.1	14.2	14.2	18.4	21.2	17.5	17.5	19.1	20.7

Source: ICICI Direct Research, Bloomberg

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Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

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