

Advanced Enzyme Technologies (ADVENZ)

CMP: ₹ 282

Target: ₹ 310 (9%)

Target Period: 12 months

HOLD

May 18, 2023

Animal nutrition boosts performance; recovery in human nutrition to be key...

About the stock: Advanced Enzyme Technologies (AET) is a focused, research driven Indian enzymes company with a product basket of 400+ proprietary products developed from 68 indigenous enzymes and probiotics.

- The business is divided into - 1) Human nutrition, 2) Animal nutrition and 3) Industrial processing business 4) Specialised manufacturing
- It has nine manufacturing and seven R&D facilities, which consist of three integrated fermentations, recovery & formulation facilities, one extraction and recovery facility and one satellite blending, mixing & formulation facility

Q4FY23 Results: Revenue in line but margins missed.

- Revenues grew 5.4% YoY to ₹ 139 crore
- EBITDA grew 9.7% YoY to ₹ 44 crore while EBITDA margins improved 126 bps to 31.9%
- Net profit came in at ₹ 32.2 crore

What should investors do? AET's share price has grown at 19.86% CAGR over the past three years.

- We maintain **HOLD** as we wait for 1) consistency in core businesses, 2) improvement in margin profile

Target Price and Valuation: We value AET at ₹ 310 i.e. 20x FY25E EPS of ₹ 15.4

Key triggers for future price performance:

- Easing of input cost inflation, logistical challenges and demand for enzymes and probiotics in key geographies
- Introducing more products (25 in the pipeline) in the domestic and international markets along with expansion of sales and marketing team in the US, MENA and Asian markets
- Deployment of excess cash for bolt-on acquisitions to fill up portfolio gaps
- Augmentation of its R&D capability that bodes well in the long run in its quest to improve scalability & foray into complex enzymes

Alternate Stock Idea: Apart from AET, in our healthcare coverage we like Caplin Point Laboratories.

- Caplin derives 90% of revenues from Emerging Markets (LatAm + RoW) where it has an end-to-end business model through last mile logistical solutions for its exclusive distributors
- BUY with a target price of ₹ 865



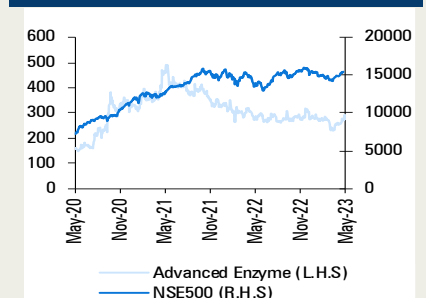
Particulars

Particular	Amount
Market Capitalisation	₹ 3278 crore
Debt (FY23)	₹ 28 crore
Cash (FY23)	₹ 123 crore
EV	₹ 3182 crore
52 week H/L	₹ 1 crore
Equity capital	₹ 22 crore
Face value	₹ 2 crore

Shareholding pattern

(in %)	Jun-22	Sep-22	Dec-22	Mar-23
Promoter	52.7	49.9	49.9	49.9
Others	47.3	50.1	50.1	50.1

Price Chart



Recent Event & Key risks

- Increased stake in JC Biotech
- Key Risk:** (i) Higher reliance on large customers (ii) Better than expected improvement in demand

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Key Financial Summary

Key Financials (₹ Crore)	FY20	FY21	FY22	FY23	5 year CAGR (FY17-22)	FY24E	FY25E	2 year CAGR (FY23-25E)
Net Sales	444.0	501.8	529.4	540.7	9.8	590.7	665.1	10.9
EBITDA	202.3	231.5	201.4	156.5	6.0	206.0	238.4	23.4
EBITDA Margins (%)	45.6	46.1	38.0	28.9		34.9	35.8	
Adj. Profit	129.3	146.2	119.6	107.9	5.7	146.5	172.6	26.4
Adj. EPS (₹)	11.5	13.1	10.7	9.6		13.1	15.4	
PE (x)	24.4	21.6	26.4	30.4		21.6	18.3	
RoE (%)	15.4	15.1	11.0	8.7		10.7	11.3	
RoCE (%)	19.6	19.4	14.3	10.9		13.4	14.2	

Key takeaways of recent quarter & conference call highlights

Q4FY23 Results: Revenue in line but margins miss

- AET's revenue grew 5.4% YoY to ₹ 139 crore led by animal nutrition segment, which grew 35.5% YoY to ₹ 20.6 crore. On segmental mix, human nutrition contributed 63% of sales in Q4FY23 whereas animal nutrition, industrial bio processing and specialised manufacturing contributed 15%, 14%, 8%, respectively. EBITDA grew 9.7% YoY to ₹ 44 crore whereas margins grew 126 bps to 31.9%. PAT came at ₹ 32.2 crore
- Although there was a sequential recovery in both GPM and EBITDA margin, both were still below I-direct expectations. This can be attributed to a significant decline in US revenues, which usually fetch better margins. We continue to monitor progress on the margins front as well as management's commentary regarding recovery from H2FY24 onwards

Q4FY23 Earnings Conference Call highlights:

- The decline in FY23 margins was largely on account of higher input costs (raw materials, power and fuel, condition of stores, shares, consumables)
- The management has guided that supply chain issue has been resolved and raw material prices have now normalised
- It incurred losses of ₹ 2.7 crore on account of MTM loss in US subsidiary
- Domestic sales were at 54% in Q4FY23 vis-a-vis 45% in the same period last year
- Its top 10 customers contribute about 24% whereas top products also account for 24% in revenue generation
- R&D cost is likely to remain at an existing range of 6% in coming years
- Launch of new products is expected in the US in H2FY24
- More than 25 products are in the pipeline for launches. It is likely to start commercial production of two to four enzymes in FY24
- It expects a lot of traction in sugar management and weight loss products as a part of its expansion strategy in the US

Exhibit 1: Variance Analysis

	Q4FY23	Q4FY22	Q3FY23	YoY (%)	QoQ (%)	Comments
Revenue	138.8	131.7	142.1	5.4	-2.3	Driven by animal nutrition segment
Raw Material Expenses	33.6	31.6	37.5	6.1	-10.5	
Employee Expenses	30.0	25.9	29.0	15.5	3.2	
Other Expenditure	31.0	33.8	33.9	-8.3	-8.5	
EBITDA	44.2	40.3	41.7	9.7	6.2	
EBITDA (%)	31.9	30.6	29.3	126 bps	256 bps	Higher input cost and M2M loss in US subsidiary
Interest	0.6	0.7	0.6	-10.5	-1.8	
Depreciation	8.5	9.1	9.1	-6.9	-7.4	
Other Income	11.1	3.4	8.5	227.6	30.2	
PBT before EO & Forex	46.3	33.9	40.4	36.3	14.5	
Forex & EO	4.0	0.0	0.0			
PBT	42.3	33.9	40.4	24.5	4.6	
Tax	10.0	8.7	12.5	14.9	-20.3	
PAT before MI	32.3	25.3	27.9	27.8	15.8	
MI	0.1	0.8	0.1	-90.3	41.4	
Net Profit	32.2	24.4	27.8	31.8	15.7	
Key Metrics						
Human Nutrition	87.7	86.5	93.4	1.4	-6.1	Slowdown in US nutraceuticals market
Animal Nutrition	20.6	15.2	17.5	35.5	17.7	Improved marketing efforts led to higher realizations as well as new product introduction
Industrial Processing	19.2	18.8	22.6	2.1	-15.0	
Specialised Manu. (SSPL)	11.3	11.3	8.6	0.0	31.4	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY23			FY24E			FY25E			Comments
	Old	New	% Change	Old	New	% Change	Old	New	% Change	
(₹ Crore)										
Revenue	540.7	540.7	0.0	602.1	590.7	-1.9	673.4	665.1	-1.2	
EBITDA	156.5	156.5	0.0	224.8	206.0	-8.4	251.1	238.4	-5.1	Increase in input cost like fuel and consumables
EBITDA Margin (%)	28.9	28.9	0 bps	37.3	34.9	-246 bps	37.3	35.8	-144 bps	
PAT	103.9	103.9	0.0	161.3	146.5	-9.2	183.1	172.6	-5.8	
EPS (₹)	9.3	9.3	0.0	14.4	13.1	-9.2	16.4	15.4	-5.8	

Source: ICICI Direct Research

Exhibit 3: Assumptions

	Current					Earlier				Comments
	FY20	FY21	FY22	FY23	FY24E	FY25E	FY23	FY24E	FY25E	
(₹ crore)										
Human Nutrition	322.5	376.7	359.5	355.7	376.9	422.1	371.6	391.3	430.4	
Animal Nutrition	53.6	47.6	56.1	70.9	81.5	91.3	64.5	79.4	88.9	
Industrial Processing	64.2	69.8	66.9	79.4	91.3	102.3	79.1	88.9	99.6	
Specialised Manu. (SSPL)			46.9	34.7	41.0	49.4	52.5	42.5	54.5	

Source: ICICI Direct Research

Exhibit 4: Financial Summary

	Revenues	Growth	Adj. EPS	Growth	P/E	EV/EBITDA	RoNW	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY21	502	13.0	13.1	13.1	22.4	12.9	15.1	19.4
FY22	529	5.5	10.7	-18.2	27.4	14.6	11.0	14.3
FY23	541	2.1	9.7	-9.7	31.5	18.0	8.7	10.9
FY24E	591	9.2	13.1	35.7	22.4	13.3	10.7	13.4
FY25E	665	12.6	15.4	17.8	19.0	10.8	11.3	14.2

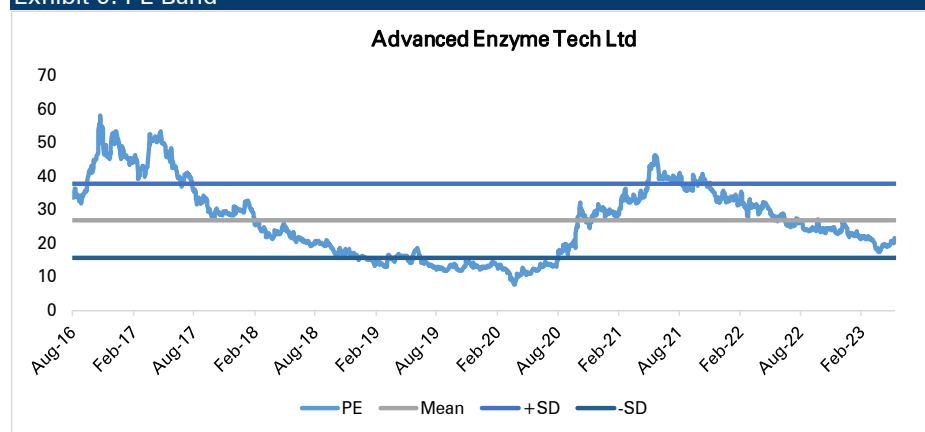
Source: ICICI Direct Research

Exhibit 5: Trends in Quarterly Performance

₹ Crore	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)
Revenues	110.3	110.5	120.4	137.7	133.2	137.0	127.1	133.6	131.7	121.1	138.7	142.1	138.8	5.4	-2.3
Raw Material Expenses	18.0	21.1	18.6	29.0	30.4	22.4	24.6	31.0	31.6	27.2	33.6	37.5	33.6	6.1	-10.5
% of Revenues	16.3	19.1	15.4	21.1	22.8	16.4	19.4	23.2	24.0	22.4	24.2	26.4	24.2	16 bps	-221 bps
Gross Profit	92.3	89.4	101.8	108.7	102.8	114.6	102.4	102.5	100.1	93.9	105.1	104.6	105.2	5.1	0.6
Gross Profit Margin (%)	83.7	80.9	84.6	78.9	77.2	83.6	80.6	76.8	76.0	77.6	75.8	73.6	75.8	-16 bps	221 bps
Employee Expenses	20.1	21.1	21.4	21.4	23.2	26.9	25.7	25.4	25.9	28.1	27.7	29.0	30.0	15.5	3.2
% of Revenues	18.3	19.1	17.8	15.5	17.4	19.7	20.2	19.0	19.7	23.2	20.0	20.4	21.6	190 bps	116 bps
Other Expenses	23.4	16.6	21.9	21.0	24.7	24.9	27.5	28.1	33.8	34.9	37.7	33.9	31.0	-8.3	-8.5
% of Revenues	21.3	15.0	18.2	15.2	18.6	18.2	21.6	21.0	25.7	28.8	27.2	23.9	22.4	-333 bps	-151 bps
Total Expenditure	61.6	58.8	61.9	71.4	78.3	74.3	77.8	84.5	91.4	90.2	99.0	100.4	94.6	3.4	-5.9
% of Revenues	55.8	53.2	51.4	51.8	58.8	54.2	61.2	63.3	69.4	74.5	71.4	70.7	68.1	-126 bps	-256 bps
EBITDA	48.7	51.7	58.5	66.4	54.9	62.8	49.3	49.1	40.3	30.9	39.7	41.7	44.2	9.7	6.2
EBITDA Margins(%)	44.2	46.8	48.6	48.2	41.2	45.8	38.8	36.7	30.6	25.5	28.6	29.3	31.9	126 bps	256 bps
Depreciation	6.7	6.7	6.8	6.5	8.4	8.5	8.6	8.8	9.1	8.6	8.8	9.1	8.5	-6.9	-7.4
Interest	0.7	0.5	0.4	0.3	0.4	0.5	0.3	0.3	0.7	0.6	0.6	0.6	0.6	-10.5	-1.8
Other income	1.8	5.2	0.6	1.3	1.7	0.9	0.9	1.2	3.4	2.0	3.7	8.5	11.1	227.6	30.2
Less: Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0		
PBT	43.2	49.8	51.9	60.9	47.8	54.7	41.2	41.1	33.9	23.7	33.9	40.4	42.3	24.5	4.6
Total Tax	10.5	15.0	13.4	16.6	14.0	15.0	11.0	12.6	8.7	6.1	7.8	12.5	10.0	14.9	-20.3
Tax rate (%)	24.3	30.1	25.7	27.3	29.3	27.4	26.6	30.6	25.6	25.8	23.0	31.0	23.6		
PAT before MI	32.7	34.8	38.6	44.3	33.8	39.7	30.3	28.6	25.3	17.6	26.1	27.9	32.3	27.8	15.8
PAT Margin (%)	29.6	31.5	32.0	32.2	25.4	29.0	23.8	21.4	19.2	14.5	18.8	19.6	23.3	408 bps	363 bps
Minority Interest	1.3	0.6	1.4	1.2	2.1	1.8	0.6	1.1	0.8	-0.3	0.1	0.1	0.1		
PAT after MI	31.3	34.2	37.2	43.1	31.7	38.0	29.7	27.5	24.4	17.9	26.1	27.8	32.2	31.8	15.7
Adj PAT	31.3	34.2	37.2	43.1	31.7	38.0	29.7	27.5	24.4	17.9	26.1	27.8	36.2	48.1	30.1

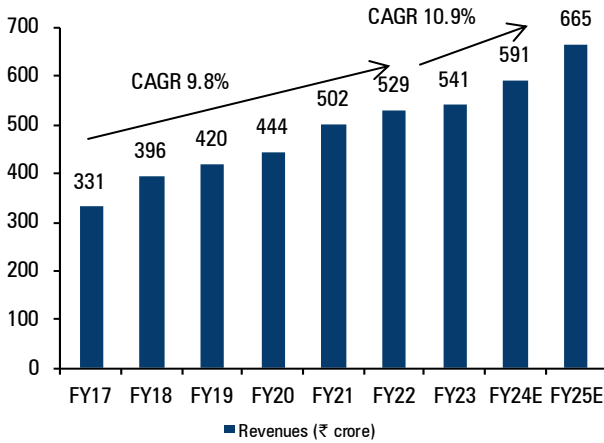
Source: ICICI Direct Research

Exhibit 6: PE Band



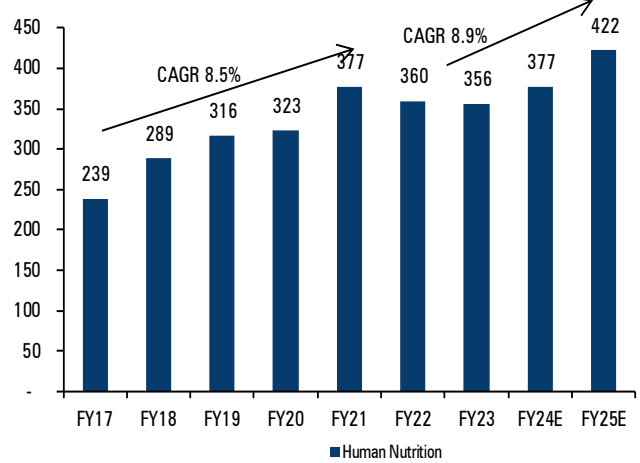
Source: ICICI Direct Research

Exhibit 7: Revenues grow at CAGR of 10.9% over FY23-25E



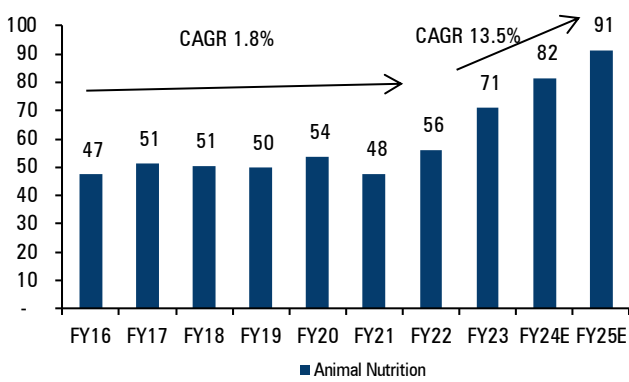
Source: Company, ICICI Direct Research

Exhibit 8: Human nutrition to grow at 8.9% CAGR (FY23-25E)



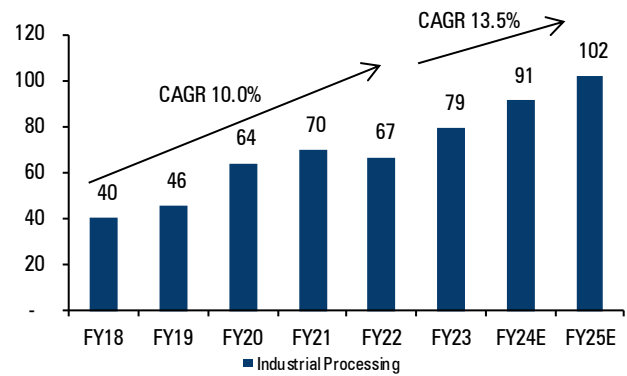
Source: Company, ICICI Direct Research

Exhibit 9: Animal nutrition to grow at 13.5% CAGR (FY23-25E)



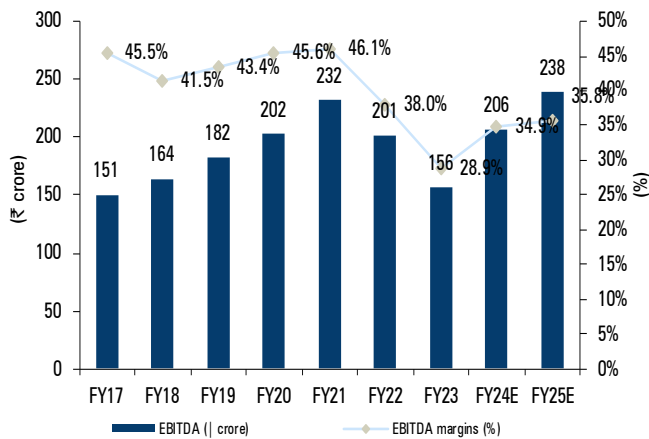
Source: Company, ICICI Direct Research

Exhibit 10: Industrial processing CAGR 13.5% in FY23-25E



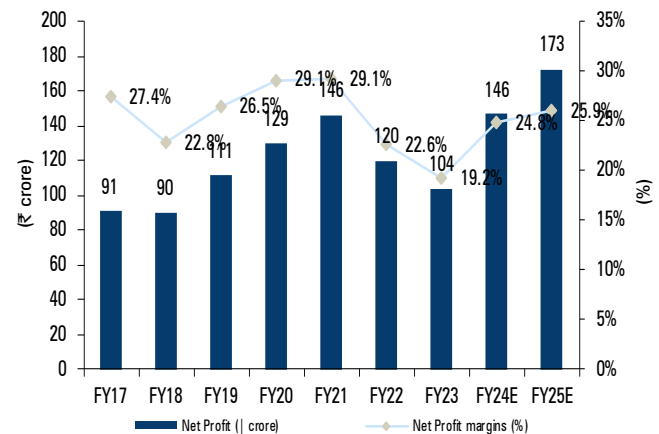
Source: Company, ICICI Direct Research

Exhibit 11: EBITDA & EBITDA margins trend



Source: Company, ICICI Direct Research

Exhibit 12: PAT & PAT margins trend



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 13: Profit and loss statement				
	₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E
Revenues	529.4	540.7	590.7	665.1
Growth (%)	5.5	2.1	9.2	12.6
Raw Material Expenses	109.7	131.8	135.7	146.2
Employee Expenses	104.0	114.8	116.4	131.1
Other Manufacturing Expenses	114.3	137.6	132.6	149.4
Total Operating Expenditure	328.0	384.2	384.7	426.6
EBITDA	201.4	156.5	206.0	238.4
Growth (%)	-13.0	-22.3	31.6	15.7
Interest	1.8	2.4	2.4	2.4
Depreciation	35.0	35.0	36.1	37.2
Other Income	6.4	25.3	27.6	31.1
PBT before Exceptional Items	171.1	144.3	195.1	229.9
Less: Forex & Exceptional Items	0.0	4.0	0.0	0.0
PBT	171.1	140.3	195.1	229.9
Total Tax	47.3	36.5	48.8	57.5
PAT before MI	123.8	103.8	146.3	172.4
Minority Interest	4.2	-0.1	-0.1	-0.2
PAT	119.6	103.9	146.5	172.6
Adjusted PAT	119.6	107.9	146.5	172.6
Growth (%)	-18.2	-9.7	35.7	17.8
EPS	10.7	9.3	13.1	15.4
EPS (Adjusted)	10.7	9.7	13.1	15.4
Growth (%)	-18.2	-9.7	35.7	17.8

Source: Company, ICICI Direct Research

Exhibit 14: Cash flow statement				
	₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E
Profit/(Loss) after taxation	116.5	103.7	146.5	172.6
Add: Depreciation & Amortization	35.0	35.0	36.1	37.2
Net Increase in Current Assets	-26.8	-6.9	-24.4	-24.7
Net Increase in Current Liabilities	-0.6	7.5	0.3	4.2
Others	-1.8	0.9	2.4	2.4
CF from operating activities	122.3	140.3	160.9	191.7
(Inc)/dec in Fixed Assets	-26.9	-38.0	-20.0	-20.0
(Inc)/dec in Investments	0.7	-268.0	0.0	0.0
Others	7.1	7.9	-0.7	-3.9
CF from investing activities	-19.1	-298.1	-20.7	-23.9
Inc / (Dec) in Equity Capital	0.4	0.1	0.0	0.0
Inc / (Dec) in Debt	-14.2	-4.5	0.0	0.0
Dividend & Dividend Tax	-11.9	-12.5	-14.0	-14.0
Others	-1.8	-8.9	-2.4	-2.4
CF from financing activities	-27.4	-25.8	-16.4	-16.4
Net Cash flow	75.9	-183.6	123.8	151.4
Opening Cash	197.8	273.6	90.0	213.9
Closing Cash	273.6	90.0	213.9	365.3
Free Cash Flow	95.4	102.3	140.9	171.7

Source: Company, ICICI Direct Research

Exhibit 15: Balance Sheet				
	₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E
Equity Capital	22.4	22.4	22.4	22.4
Reserve and Surplus	1,066.2	1,212.7	1,345.2	1,503.8
Total Shareholders funds	1,088.6	1,235.1	1,367.5	1,526.2
Total Debt	29.3	27.8	27.8	27.8
Deferred Tax Liability	39.3	37.2	33.5	30.2
Minority Interest	51.8	49.1	50.1	51.1
Long term Provisions	1.1	0.1	0.1	0.1
Other Non Current Liabilities	0.0	0.0	0.0	0.0
Source of Funds	1,210.0	1,349.2	1,479.0	1,635.2
Gross Block - Fixed Assets	545.1	585.3	603.3	621.3
Accumulated Depreciation	222.1	257.1	293.2	330.4
Net Block	323.0	328.2	310.1	290.9
Capital WIP	15.1	17.8	19.8	21.8
Net Fixed Assets	338.1	346.0	329.9	312.7
Goodwill on Consolidation	296.1	320.8	320.8	320.8
Investments	102.0	359.6	359.6	359.6
Inventory	120.9	124.0	149.6	161.1
Cash	273.6	123.3	213.9	365.3
Debtors	88.2	100.3	98.4	110.8
Loans & Advances & Other CA	19.7	14.8	15.5	16.3
Total Current Assets	502.5	362.4	477.4	653.5
Creditors	17.9	24.2	22.1	23.8
Provisions & Other CL	57.6	72.1	72.4	76.7
Total Current Liabilities	57.6	72.1	72.4	76.7
Net Current Assets	444.9	290.3	405.0	576.9
LT L& A, Other Assets	21.5	21.2	18.6	19.5
Deferred Tax Assets	7.4	11.3	11.9	12.5
Application of Funds	1,210.0	1,349.2	1,479.0	1,635.2

Source: Company, ICICI Direct Research

Exhibit 16: Key ratios				
(Year-end March)	FY22	FY23	FY24E	FY25E
Per share data (₹)				
EPS	10.7	9.7	13.1	15.4
Cash EPS	12.8	11.8	15.1	17.5
BV	97.4	110.5	122.3	136.5
DPS	1.0	1.0	1.3	1.3
Cash Per Share	24.5	11.0	19.1	32.7
Operating Ratios (%)				
Gross Profit Margins	79.3	75.6	77.0	78.0
EBITDA margins	38.0	28.9	34.9	35.8
PAT Margins	22.6	20.0	24.8	25.9
Inventory days	402.3	343.3	402.3	402.3
Debtor days	60.8	67.7	60.8	60.8
Creditor days	59.5	67.1	59.5	59.5
Asset Turnover (x)	1.0	0.9	1.0	1.1
Return Ratios (%)				
RoE	11.0	8.7	10.7	11.3
RoCE	14.3	10.9	13.4	14.2
RoIC	20.3	14.3	19.2	22.6
Valuation Ratios (x)				
P/E	27.4	31.5	22.4	19.0
EV / EBITDA	14.6	18.0	13.3	10.8
EV / Revenues	5.5	5.2	4.6	3.9
Market Cap / Revenues	6.2	6.1	5.5	4.9
Price to Book Value	3.0	2.7	2.4	2.1
Solvency Ratios				
Debt / Equity	0.0	0.0	0.0	0.0
Debt/EBITDA	0.1	0.2	0.1	0.1
Current Ratio	4.0	3.3	3.6	3.8

Source: Company, ICICI Direct Research

Exhibit 17: ICICI Direct Coverage Universe (Healthcare)

Company	I-Direct Code	CMP (₹)	TP (₹)	Rating	M Cap (₹ cr)	EPS (₹)				EV/EBITDA(x)				RoCE (%)				RoE (%)			
						FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E
Hospitals																					
Apollo Hospitals	APOHOS	4492	5,460	Buy	64688	59.1	60.5	80.2	126.8	30.2	31.6	25.8	18.8	15.1	14.1	16.6	21.8	15.1	13.8	16.0	21.1
Narayana Hrudalaya	NARHRU	773	870	Buy	15769	16.7	27.9	29.0	27.4	23.1	16.7	14.0	13.7	20.5	23.6	21.2	17.1	23.0	27.9	22.7	17.8
Shalby	SHALIM	149	180	Buy	1612	5.4	6.8	9.5	11.4	13.3	10.3	8.2	6.9	8.4	11.3	13.9	15.7	6.7	7.9	10.1	11.1
Aster DM	ASTDM	265	280	Buy	13250	10.5	8.6	18.1	23.6	10.1	9.3	6.2	4.7	9.0	8.7	13.6	15.4	13.3	9.8	17.1	18.2
Healthcare Global	HEAGLO	314	385	Buy	4365	3.9	2.3	6.1	8.5	19.8	15.2	11.9	10.2	5.0	8.8	12.8	14.8	5.0	3.6	8.5	10.7
Rainbow Children's Medicare	RAICHI	902	900	Hold	9198	13.6	20.8	19.2	20.2	30.3	26.4	24.6	20.9	20.2	17.8	14.5	16.5	22.9	19.9	15.5	14.0
Company																					
Company	I-Direct Code	CMP (₹)	TP (₹)	Rating	M Cap (₹ cr)	EPS (₹)				P/E(x)				RoCE (%)				RoE (%)			
						FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E
MNC Pharma																					
Abbott India	ABBIND	21280	21,025	Hold	44688	380.3	476.5	519.3	584.0	56.0	44.7	41.0	36.4	36.6	39.7	35.6	33.5	28.3	30.9	27.5	25.8
P&G Health	MERLIM	5038	5,620	Buy	8564	113.2	152.2	144.4	165.2	44.5	33.1	34.9	30.5	39.8	43.7	34.5	33.6	31.2	33.2	26.5	25.7
Sanofi India	SANOFI	6591	6,270	Hold	15160	410.6	269.8	251.4	272.7	16.1	24.4	26.2	24.2	33.3	55.1	49.6	45.0	25.9	41.2	36.9	33.3
Pfizer	PFIZER	3813	3,830	Hold	17540	133.2	135.6	135.7	147.2	28.6	28.1	28.1	25.9	26.1	24.8	22.7	21.6	21.4	18.4	17.1	16.3
Pharma																					
Ajanta Pharma	AJAPHA	1296	1,520	Buy	16583	55.7	46.5	59.9	69.2	23.3	27.9	21.6	18.7	27.0	21.3	23.5	23.3	21.8	17.4	19.2	18.9
Alembic Pharma	ALEMPHA	565	530	Hold	11131	27.7	17.4	14.1	22.1	20.4	32.5	40.1	25.6	10.6	8.6	8.0	11.6	10.4	7.8	6.2	9.1
Aurobindo Pharma	AURPHA	612	525	Hold	35875	47.4	34.8	46.2	52.4	12.9	17.6	13.3	11.7	12.9	10.2	12.6	13.1	11.3	7.7	9.3	9.6
Biocon	BIOCON	246	230	Hold	29593	6.3	4.9	3.1	3.1	38.8	49.9	78.3	78.3	7.5	3.3	5.1	6.2	8.1	2.7	6.2	8.3
Zydus Lifesciences	CADHEA	516	500	Buy	52849	21.0	22.6	27.0	35.5	24.6	22.9	19.1	14.5	12.0	12.3	12.3	12.0	12.6	12.1	12.8	14.6
Cipla	CIPLA	922	1,090	Buy	74381	32.9	36.4	42.7	48.2	28.0	25.3	21.6	19.1	16.7	17.4	17.8	18.2	12.7	12.5	13.2	13.4
Dr Reddy's Lab	DRREDD	4440	5,520	Buy	73704	127.2	269.3	230.2	256.5	34.9	16.5	19.3	17.3	12.5	23.9	18.8	21.1	11.0	19.2	14.4	14.2
Glenmark	GLEPHA	609	440	Hold	17174	42.7	33.3	47.4	54.8	14.3	18.3	12.8	11.1	14.8	14.9	15.7	16.4	13.2	9.4	11.9	12.2
Ipca Lab	IPCLAB	681	885	Hold	17286	34.8	20.8	31.4	37.0	19.6	32.7	21.7	18.4	17.4	12.1	15.7	16.5	16.1	8.9	12.1	12.7
Lupin	LUPIN	779	725	Hold	35456	11.9	8.3	25.6	33.0	65.6	93.7	30.4	23.6	3.4	5.7	11.0	13.0	4.4	3.0	8.6	10.2
Natco	NATPHA	626	565	Hold	11451	9.3	36.3	40.3	30.2	67.4	17.2	15.5	20.7	4.6	15.9	16.5	11.6	4.0	13.9	13.6	9.4
Sun Pharma	SUNPHA	933	1,210	Buy	223719	32.0	34.9	38.6	43.2	29.2	26.7	24.2	21.6	18.2	17.2	18.1	18.1	16.0	15.2	14.7	14.7
Torrent Pharma	TORPHA	1654	1,720	Hold	55893	32.0	36.3	45.1	53.8	51.6	45.5	36.6	30.7	19.7	17.1	20.4	23.3	18.2	17.9	19.0	19.4
Indoco Remedies	INDREM	360	440	Buy	3309	16.8	17.9	26.7	31.5	21.4	20.0	13.4	11.4	17.5	15.6	21.9	24.7	17.1	15.9	19.8	19.4
Caplin Point	CAPPOI	717	865	Buy	5452	39.5	48.8	47.9	47.9	18.2	14.7	15.0	15.0	25.3	23.5	22.4	22.4	20.2	20.2	16.7	16.7
Advanced Enzyme	ADVENZ	282	310	Hold	3161	11.5	13.1	10.7	10.7	24.4	21.6	26.4	26.4	14.3	10.9	13.4	14.2	11.0	8.7	10.7	11.3
Hester Bios	HESPHA	1719	1,490	Reduce	1547	45.7	31.1	40.5	53.3	37.6	55.3	42.4	32.2	10.9	7.5	8.8	10.3	15.0	9.4	11.2	13.1
API/CRAMS																					
Divi's Lab	DIVLAB	3161	2,945	Hold	83764	111.5	72.8	77.4	95.0	28.3	43.4	40.8	33.3	30.2	18.2	18.3	18.3	21.3	25.2	15.0	15.0
Hikal	HIKCHE	299	375	Hold	3680	13.0	5.7	14.6	20.7	23.0	52.5	20.5	14.5	13.6	7.2	14.3	17.7	15.0	6.3	14.1	17.0
Syngene International	SYNINT	698	740	Buy	28004	9.9	11.6	13.3	17.9	70.8	60.3	52.5	39.1	11.7	13.8	14.2	16.9	12.9	12.8	13.0	14.9
Granules India	GRANUL	283	360	Buy	7027	16.6	20.8	21.8	27.8	17.0	13.6	13.0	10.2	15.6	18.5	17.8	19.4	16.0	18.2	16.2	17.3
Laurus Labs	LAULAB	312	300	Hold	16779	15.4	14.7	10.5	10.5	20.3	21.2	29.8	29.8	21.3	19.8	14.6	16.0	24.7	19.6	12.4	13.5
Suven Pharma	SUVPH	476	0	Buy	12137	17.8	14.7	17.7	20.0	26.7	32.3	27.0	23.8	37.5	26.0	25.6	24.5	29.7	20.6	20.5	19.5

Source: ICICI Direct Research

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Reduce: -15% to -5%;

Sell: < -15%



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