



API sales boost revenues; incremental capex for backward integration...

About the stock: Granules is a large-scale vertically integrated company that manufactures API, intermediates and finished dosages and has seven manufacturing facilities along with B2B & B2C marketing & distribution.

- Revenue mix Q4FY23: Formulations – 51%, API (API+PFI) – 49%
- Top five products (Paracetamol, Ibuprofen, Metformin, Methocarbamol, Guaifenesin) contributed 85% to FY23 revenues

Q4FY23 Results: Growth in terms of revenue was led by higher API sales.

- Revenues grew 16.1% YoY to ₹ 1195.5 crore, driven by increased sales in the US and European markets
- EBITDA grew 18% YoY to ₹ 228.1 crore whereas margins expanded 40 bps YoY to 19.1%
- PAT grew 9% YoY to ₹ 119.6 crore during the quarter

What should investors do? Granules' share price has grown at ~23% CAGR over the past three years.

- We maintain **BUY** rating on the back of 1) focus on strengthening the core API portfolio, 2) geographical expansion with product mix changes, 3) compelling risk-reward matrix with an ability to play in strength areas

Target Price and Valuation: Valued at ₹ 360 i.e. 13x FY25E EPS of ₹ 27.8.

Key triggers for future price performance:

- Extending its core products via additional strength/different forms in US, launching in other geographies is likely to provide better operating leverage
- Focus towards launch of select small but high value products in the US and European markets where competition is less
- Strengthening of key APIs through backward integration into KSMs and its chemicals via green energy root

Alternate Stock Idea: Apart from Granules, 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

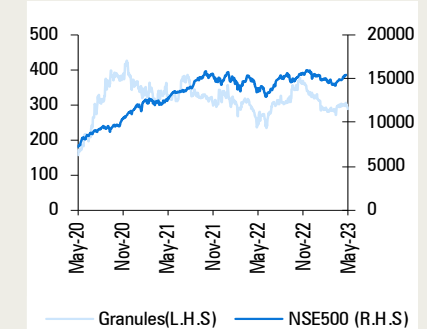
Particulars

Particular	Amount
Market Capitalisation	₹ 7018 crore
Debt (FY23)	₹ 1136 crore
Cash (FY23)	₹ 313 crore
EV	₹ 7842 crore
52 week H/L	381/227
Equity capital	₹ 24.2 crore
Face value	₹ 1

Shareholding pattern

(in %)	Jun-22	Sep-22	Dec-22	Mar-23
Promoter	42.0	42.0	42.0	42.0
Others	58.0	58.0	58.0	58.0

Price Chart



Recent Event & Key risks

- Tie up with Greenko for green molecule solutions.
- Key Risk:** (i) Lower ramp-up in key molecules (ii) Continued challenges in KSM, logistics

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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)
Revenues	2598.6	3237.5	3764.9	4511.4	21.8	5093.0	5762.4	13.0
EBITDA	525.3	853.6	722.2	913.3	27.5	1030.4	1223.5	15.7
EBITDA Margins (%)	20.2	26.4	19.2	20.2		20.2	21.2	
Net Profit	309.9	549.5	412.8	516.1	31.8	539.7	688.7	15.5
EPS (Adjusted)	12.4	22.2	16.6	20.8		21.8	27.8	
PE (x)	20.9	12.8	17.0	13.6		13.0	10.2	
EV to EBITDA (x)	14.5	8.9	10.7	8.6		7.7	6.2	
RoCE (%)	15.2	24.0	15.6	18.5		17.8	19.4	
RoE (%)	16.7	25.3	16.0	18.2		16.2	17.3	

Key takeaways of recent quarter & conference call highlights

Q4FY23 Earnings Summary: Higher API sales lead growth in revenue terms...

- Revenues grew 16.1% YoY to ₹ 1195.5 crore, driven by increased sales in the US and European markets. On the segmental front, API showed growth of 48% YoY, which came in at ₹ 366.4 crore, formulations showed an up move of 16% YoY ₹ 611.7 crore. PFI de grew 15% YoY ₹ 217.4 crore. Gross margins came in at 47.8% in Q4FY23 against 48.9% in Q4FY22. Margins were impacted due to higher mix of API sales coupled with price erosion in developed markets. EBITDA grew 18% YoY to ₹ 228.1 crore whereas margins expanded 40 bps YoY to 19.1%. PAT grew 9% YoY to ₹ 119.6 crore during the quarter
- The miss on the margins front was attributable to higher API sales and pricing pressure in some formulations. The company has announced an aggressive capex of ₹ 700 crore, which includes manufacturing of Paracetamol and Metformin KSMs and intermediates via the green route. We continue to monitor the progress on the margins front as well as execution of capex. The company's endeavour is to target 50% global market share in Paracetamol and ~80-90% market share in Metformin with full backward integration via the green route

Q4FY23 Earnings Conference Call highlights:

Business performance:

- The overall growth is primarily attributable to improved performance from the US and European geographies. The region wise mix improved for the US at 54% and Europe at 24% during the quarter
- Other regions suffered a marginal slowdown led by supply chain issue with change of 3PL. The transition is likely to be completed by end of May 2023
- It successfully introduced Paracetamol and Metformin formulations in select European countries and intends to expand its presence to additional countries and geographies
- Ibuprofen demand remained stable over the past two years on the Rx side while it is expected to pick up on the OTC side

Capital outlay:

- It intends to incur capex of ₹ 700 crore in FY24 with a mix of debt and internal accruals. Total ₹ 250 crore is dedicated to CZRO, which is the green initiative, ₹ 250 crore would be for Granules Life Sciences with additional capacity and rest for maintenance and other expenses
- The construction of the new formulation facility at Genome Valley is progressing as per schedule and we can expect Phase 1 to be completed by October 2023 and Phase 2 by May 2024. This plant, when completed, will add a capacity of 8 billion unit finished dosages to the current 24 billion units
- R&D expenses are likely to be ramped up due to the DMF and ANDA filings in FY24

Launches and approvals:

- It commercialised the new packaging facility in Virginia, US and received approval from FDA for the same. It is likely to provide benefits on the OTC and Rx side for its US-manufactured products, thus improving the working capital cycle
- The management expects new product launches to come in the US and Europe from Q2FY24

Other highlights:

- It has made significant progress on enzyme and biotransformation product development and expects validation of a couple of enzymes-driven APIs over the next few quarters
- Granules CZRO's primary goal is still to strengthen the key molecules i.e. Metformin and Paracetamol through backward integration into KSMs and its chemicals. The management has projected to commercialise the same by the end of FY25 or early FY26
- After achieving success with key molecules, the company plans to turn its attention to producing KSMs for a majority of its other APIs and certain products based on fermentation

ESG Disclosure Score*

Score	FY20	FY21	FY22
Environmental	9.0	9.0	21.9
Social	16.8	18.4	24.4
Governance	72.3	72.3	72.3
Overall ESG Score	32.8	33.3	39.6

Source: Bloomberg, ICICI Direct Research, *Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures

Exhibit 1: Variance Analysis

	Q4FY23	Q4FY23E	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	Comments
Revenue	1,195.5	1,173.4	1,030.0	16.1	1,145.6	4.4	Growth driven by increased sales in US and European markets
Raw Material Expenses	623.5	598.5	526.0	18.5	591.8	5.4	
Gross margins (%)	47.8	49.0	48.9	-108 bps	48.3	-50 bps	
Employee Expenses	126.7	122.0	108.2	17.1	119.2	6.3	
Other Expenditure	217.3	208.9	203.1	7.0	203.9	6.5	
Total Operating Expenditure	967.4	929.4	837.3	15.5	914.8	5.7	
EBITDA	228.1	244.1	192.7	18.4	230.8	-1.1	
EBITDA (%)	19.1	20.8	18.7	37 bps	20.1	-106 bps	Margins were impacted because of higher mix of API sales coupled with price erosion in developed markets
Interest	18.8	17.0	6.4	195.5	17.0	10.8	
Depreciation	48.7	48.4	40.2	21.2	48.4	0.7	
Other income	3.4	1.0	4.0	-14.7	0.9	259.6	
PBT before EO	164.0	179.7	150.1	9.2	166.4	-1.4	
Less: Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.0	
PBT	164.0	179.7	150.1	9.2	166.4	-1.4	
Tax	44.4	46.0	39.1	13.4	42.6	4.2	
MI & Share of loss/ (gain) asso.	0.0	0.0	0.0	0.0	0.0	0.0	
Adj. Net Profit	119.6	133.7	111.0	7.8	123.8	-3.4	
Key Metrics							
API	366.4	285.0	247.8	47.9	410.6	-10.8	Higher Paracetamol sales
PFI	217.4	269.6	256.8	-15.3	213.0	2.1	
Formulations	611.7	618.8	525.4	16.4	522.0	17.2	Introduction in selected european markets

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

₹ Crore	FY23			FY24E			FY25E		
	Old	New	% Change	Old	New	% Change	Old	New	% Change
Revenue	4,362.3	4,511.4	3.4	5,136.7	5,093.0	-0.8	5,797.4	5,762.4	-0.6
EBITDA	863.2	913.3	5.8	1,039.2	1,030.4	-0.8	1,230.8	1,223.5	-0.6
EBITDA Margin (%)	19.8	20.2	46 bps	20.2	20.2	3 bps	22.2	21.2	-97 bps
PAT	489.3	516.1	5.5	595.5	539.7	-9.4	731.1	688.7	-5.8
EPS (₹)	19.7	20.8	5.5	24.0	21.8	-9.3	29.5	27.8	-5.9

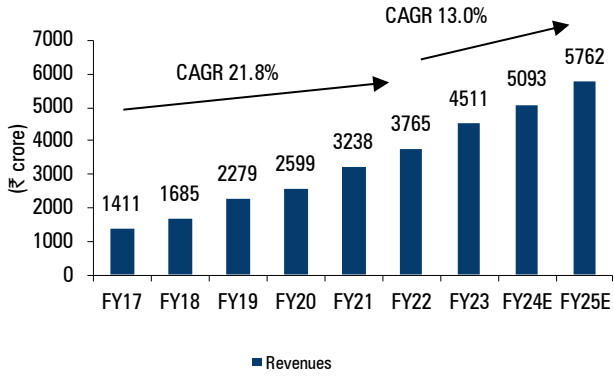
Source: ICICI Direct Research

Exhibit 3: Assumptions

₹ crore	Current						Earlier		
	FY20	FY21	FY22	FY23	FY24E	FY25E	FY23	FY24E	FY25E
API	817.0	912.6	975.0	1,341.4	1,502.4	1,682.7	1,088.4	1,219.0	1,537.4
PFI	421.4	626.6	845.6	902.1	990.2	1,089.3	1,020.1	1,142.6	1,175.7
Formulations	1,360.1	1,698.8	1,944.5	2,268.0	2,600.4	2,990.5	2,253.7	2,591.7	3,084.2

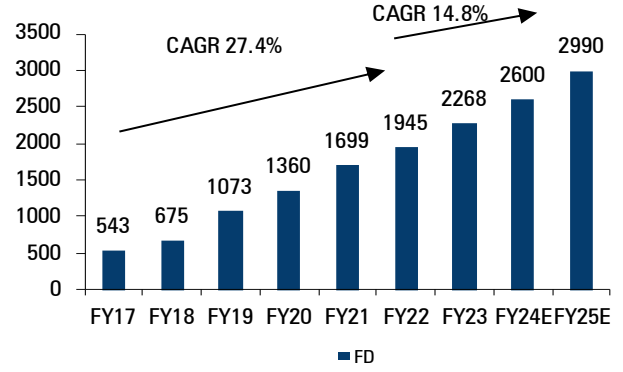
Source: ICICI Direct Research

Exhibit 4: Revenues to grow at 13% CAGR in FY23-25E



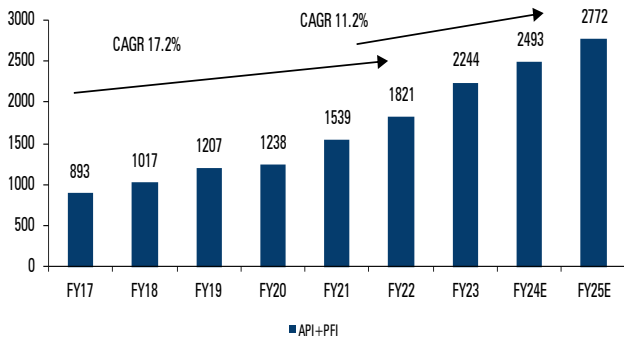
Source: Company, ICICI Direct Research

Exhibit 5: Formulations to grow at 14.8% CAGR FY23-25E



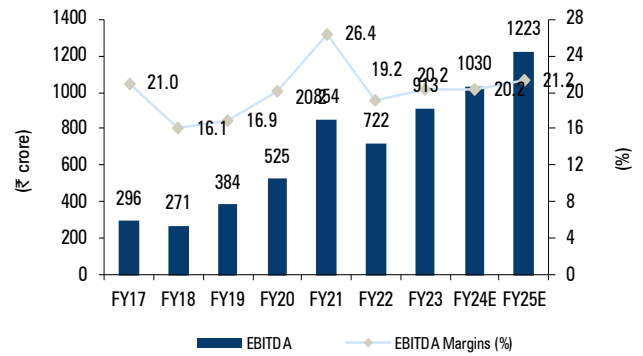
Source: Company, ICICI Direct Research

Exhibit 6: API+PFI to grow at 11.2% CAGR over FY23-25E



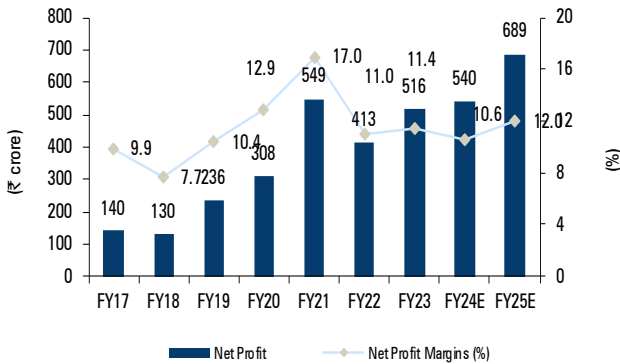
Source: Company, ICICI Direct Research

Exhibit 7: EBITDA & EBITDA margins trend



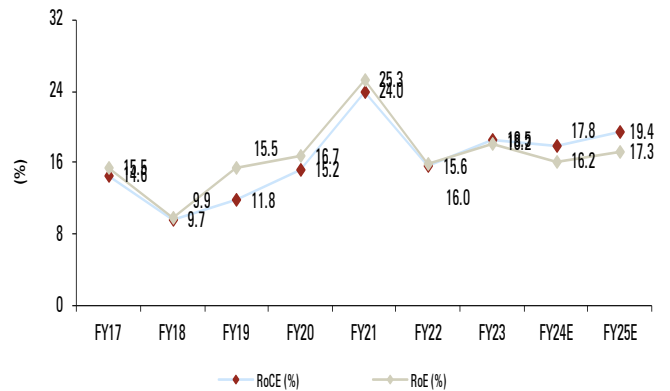
Source: Company, ICICI Direct Research

Exhibit 8: PAT & PAT margins trend



Source: Company, ICICI Direct Research

Exhibit 9: RoE & RoCE trend



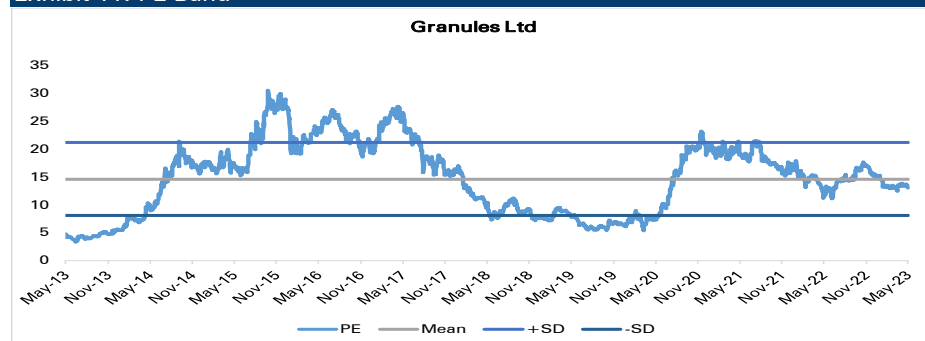
Source: Company, ICICI Direct Research

Exhibit 10: Trends in Quarterly Performance

(₹ crore)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)
Net Sales	599.9	735.6	858.1	844.5	799.3	849.8	888.3	996.8	1030.0	1019.6	1150.7	1145.6	1195.5	16.1	4.4
Raw Material Exper	279.0	297.6	361.1	391.0	341.6	389.1	436.6	531.9	526.0	513.5	578.5	591.8	623.5	18.5	5.4
% of Revenue	46.5	40.5	42.1	46.3	42.7	45.8	49.1	53.4	51.1	50.4	50.3	51.7	52.2	108 bps	50 bps
Gross Profit	320.8	438.0	497.0	453.5	457.8	460.8	451.7	464.8	503.9	506.0	572.2	553.9	572.0	13.5	3.3
Gross Profit Margin	53.5	59.5	57.9	53.7	57.3	54.2	50.9	46.6	48.9	49.6	49.7	48.3	47.8	-108 bps	-50 bps
Employee Expenses	73.8	83.7	79.7	83.1	99.9	95.4	92.5	105.3	108.2	108.7	117.7	119.2	126.7	17.1	6.3
% of Revenue	12.3	11.4	9.3	9.8	12.5	11.2	10.4	10.6	10.5	10.7	10.2	10.4	10.6	9 bps	19 bps
Other Expenditure	147.1	170.8	160.9	158.9	155.9	164.0	208.0	185.8	203.1	185.8	211.6	203.9	217.3	7.0	6.5
% of Revenue	24.5	23.2	18.7	18.8	19.5	19.3	23.4	18.6	19.7	18.2	18.4	17.8	18.2	-154 bps	37 bps
Total Expenditure	499.9	552.0	601.7	633.0	597.3	648.4	737.2	823.0	837.3	808.1	907.8	914.8	967.4	15.5	5.7
% of Revenue	83.3	75.0	70.1	74.9	74.7	76.3	83.0	82.6	81.3	79.3	78.9	79.9	80.9	-37 bps	106 bps
EBITDA	99.9	183.6	256.4	211.6	202.0	201.4	151.2	173.7	192.7	211.5	242.9	230.8	228.1	18.4	-1.1
EBITDA Margin (%)	16.7	25.0	29.9	25.1	25.3	23.7	17.0	17.4	18.7	20.7	21.1	20.1	19.1	37 bps	-106 bps
Depreciation	39.0	34.1	36.1	36.8	44.5	39.4	39.8	39.2	40.2	43.4	44.1	48.4	48.7	21.2	0.7
Interest	6.6	6.0	6.3	7.2	6.8	6.8	5.5	4.6	6.4	6.9	13.2	17.0	18.8	195.5	10.8
Other Income	82.3	5.6	3.2	16.4	3.3	7.6	4.4	4.9	4.0	4.7	4.8	0.9	3.4	-14.7	259.6
Less: Exceptional It	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	136.7	149.2	217.3	183.9	154.0	162.9	110.2	134.8	150.1	165.9	190.4	166.4	164.0	9.2	-1.4
Total Tax	44.4	37.7	53.7	37.1	26.4	42.7	29.6	33.9	39.1	38.3	45.3	42.6	44.4	13.4	4.2
Tax rate (%)	32.5	25.3	24.7	20.2	17.2	26.2	26.8	25.2	26.1	23.1	23.8	25.6	27.1	100 bps	147 bps
PAT before MI	92.3	111.5	163.6	146.8	127.6	120.2	80.7	100.9	111.0	127.6	145.1	123.8	119.6	7.8	-3.4
Minority Interest	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		
Adjusted PAT	92.3	111.5	163.6	146.8	127.6	120.2	80.7	100.9	111.0	127.6	145.1	123.8	119.6	7.8	-3.4
PAT Margin (%)	15.4	15.2	19.1	17.4	16.0	14.1	9.1	10.1	10.8	12.5	12.6	10.8	10.0	-77 bps	-80 bps
EPS (₹)	3.7	4.5	6.6	5.9	5.1	4.8	3.3	4.1	4.5	5.1	5.9	5.0	4.8		

Source: ICICI Direct Research

Exhibit 11: PE Band



Source: ICICI Direct Research

Financial Summary

Exhibit 12: Profit and loss statement					₹ crore
(Year-end March)	FY22	FY23	FY24E	FY25E	
Total Operating Income	3,764.9	4,511.4	5,093.0	5,762.4	
Growth (%)	16.3	19.8	12.9	13.1	
Raw Material Expenses	1,883.6	2,307.3	2,546.5	2,823.6	
Gross Profit	1,881.3	2,204.1	2,546.5	2,938.8	
Gross Profit Margins (%)	50.0	48.9	50.0	51.0	
Employee Expenses	401.4	472.2	548.4	620.5	
Other Expenditure	757.7	818.6	967.7	1,094.9	
Total Operating Expenditure	3,042.7	3,598.1	4,062.6	4,539.0	
EBITDA	722.2	913.3	1,030.4	1,223.5	
Growth (%)	-15.4	26.5	12.8	18.7	
Interest	23.2	55.9	82.5	69.9	
Depreciation	158.6	184.5	233.4	264.0	
Other Income	17.6	13.8	25.5	28.8	
PBT before Exceptional Items	558.0	686.7	739.9	918.3	
Less: Exceptional Items	0.0	0.0	0.0	0.0	
PBT after Exceptional Items	558.0	686.7	739.9	918.3	
Total Tax	145.2	170.6	200.2	229.6	
PAT before MI	412.8	516.1	539.7	688.7	
PAT	412.8	516.1	539.7	688.7	
Growth (%)	-24.9	25.0	4.6	27.6	
EPS (Adjusted)	16.6	20.8	21.8	27.8	

Source: Company, ICICI Direct Research

Exhibit 13: Cash flow statement					₹ crore
(Year-end March)	FY22	FY23	FY24E	FY25E	
Profit/(Loss) after taxation	412.9	511.3	539.7	688.7	
Add: Depreciation & Amortization	158.6	184.5	233.4	264.0	
Net Increase in Current Assets	-331.2	-119.5	-238.0	-285.4	
Net Increase in Current Liabilities	74.0	109.2	83.5	96.3	
Others	17.7	53.2	82.5	69.9	
CF from Operating activities:	332.1	738.7	701.2	833.5	
(Purchase)/Sale of Fixed Assets	-396.7	-410.6	-700.0	-400.0	
Investments	4.5	203.5	0.0	0.0	
Others	8.6	15.8	-2.3	0.0	
CF from Investing activities	-383.6	-191.3	-702.3	-402.4	
(inc)/Dec in Loan	247.6	-60.0	110.0	-190.0	
Dividend & Dividend tax	-37.2	-18.6	-37.2	-37.2	
Other	-20.5	-361.6	-82.5	0.0	
CF from Financing activities	190.0	-440.3	-9.7	-297.1	
Net Cash Flow	138.4	107.1	-10.8	134.0	
Cash and Cash Equivalent	46.3	184.7	312.8	302.0	
Cash	184.7	291.8	302.0	436.0	
Free Cash Flow	-64.7	328.1	1.2	433.5	

Source: Company, ICICI Direct Research

Exhibit 14: Balance Sheet					₹ crore
(Year-end March)	FY22	FY23	FY24E	FY25E	
Equity Capital	24.8	24.2	24.2	24.2	
Reserve and Surplus	2,561.7	2,810.7	3,313.2	3,964.8	
Total Shareholders funds	2,586.5	2,834.9	3,337.4	3,989.0	
Minority Interest	0.6	0.0	0.0	0.0	
Total Debt	1,106.3	1,136.2	1,246.2	1,056.2	
Net Deferred Tax Liability	12.5	11.3	11.5	11.7	
Long-Term Provisions	0.0	0.0	0.0	0.0	
Other Non Current Liabilities	28.3	29.3	29.8	30.4	
Source of Funds	3,734.3	4,011.6	4,625.0	5,087.3	
Gross Block - Fixed Assets	2,461.8	3,015.9	3,815.9	4,315.9	
Accumulated Depreciation	920.6	1,105.1	1,338.5	1,602.6	
Net Block	1,541.2	1,910.8	2,477.4	2,713.3	
Capital WIP	356.2	239.3	139.3	39.3	
Fixed Assets	1,897.4	2,150.1	2,616.7	2,752.7	
Investments	19.7	21.2	21.2	21.2	
Other non-Current Assets	89.5	157.5	160.6	163.8	
Inventory	978.6	1,149.4	1,081.4	1,199.1	
Debtors	925.0	948.5	1,251.2	1,415.7	
Other Current Assets	192.0	163.4	166.7	170.0	
Cash	409.5	312.8	302.0	436.0	
Total Current Assets	2,505.0	2,574.2	2,801.3	3,220.7	
Creditors	638.6	782.1	863.3	957.3	
Provisions	22.8	14.6	14.9	15.2	
Other Current Liabilities	115.8	99.8	101.8	103.8	
Total Current Liabilities	777.3	896.5	980.0	1,076.3	
Net Current Assets	1,727.7	1,677.6	1,821.3	2,144.4	
Application of Funds	3,734.2	4,006.5	4,619.8	5,082.2	

Source: Company, ICICI Direct Research

Exhibit 15: Key ratios				
(Year-end March)	FY22	FY23	FY24E	FY25E
Per share data (₹)				
Reported EPS	16.6	20.8	21.8	27.8
Cash EPS	21.5	26.7	29.7	36.9
BV per share	104.3	114.3	134.6	160.8
Cash per Share	16.5	12.6	12.2	17.6
Dividend per share	1.5	1.5	1.5	1.5
Operating Ratios (%)				
Gross Profit Margins	50.0	48.9	50.0	51.0
EBITDA margins	19.2	20.2	20.2	21.2
PAT Margins	11.0	11.4	10.6	12.0
Cash Conversion Cycle	155.5	134.8	120.9	120.9
Asset Turnover	1.5	1.5	1.3	1.3
EBITDA conversion Rate	46.0	80.9	68.0	68.1
Return Ratios (%)				
RoE	16.0	18.2	16.2	17.3
RoCE	15.6	18.5	17.8	19.4
RoIC	19.0	21.1	19.0	20.8
Valuation Ratios (x)				
P/E	17.0	13.6	13.0	10.2
EV / EBITDA	10.7	8.6	7.7	6.2
EV / Net Sales	2.0	1.7	1.6	1.3
Market Cap / Sales	1.9	1.6	1.4	1.2
Price to Book Value	2.7	2.5	2.1	1.8
Solvency Ratios				
Debt / EBITDA	1.5	1.2	1.2	0.9
Debt / Equity	0.4	0.4	0.4	0.3
Current Ratio	2.7	2.5	2.6	2.6
Quick Ratio				
Inventory days	189.6	181.8	155.0	155.0
Debtor days	89.7	76.7	89.7	89.7
Creditor days	123.7	123.7	123.7	123.7
Long term debt/Equity	0.2	0.1	0.1	0.1

Source: Company, ICICI Direct Research

Exhibit 16: 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	FY22	FY23E	FY24E	FY25E	
Hospitals																					
Apollo Hospitals	APOHOS	4503	5,460	Buy	64837	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	755	870	Buy	15400	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	146	180	Buy	1578	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	253	280	Buy	12673	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	306	385	Buy	4250	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	911	900	Hold	9287	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
MNC Pharma																					
Abbott India	ABBIND	21162	21,025	Hold	44440	380.3	476.5	519.3	584.0	55.6	44.4	40.8	36.2	36.6	39.7	35.6	33.5	28.3	30.9	27.5	25.8
P&G Health	MERLIM	4875	5,620	Buy	8288	113.2	152.2	144.4	165.2	43.0	32.0	33.8	29.5	39.8	43.7	34.5	33.6	31.2	33.2	26.5	25.7
Sanofi India	SANOFI	6493	6,270	Hold	14935	410.6	269.8	251.4	272.7	15.8	24.1	25.8	23.8	33.3	55.1	49.6	45.0	25.9	41.2	36.9	33.3
Pfizer	PFIZER	3818	3,830	Hold	17563	133.2	135.6	135.7	147.2	28.7	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	1274	1,520	Buy	16308	55.7	46.5	59.9	69.2	22.9	27.4	21.3	18.4	27.0	21.3	23.5	23.3	21.8	17.4	19.2	18.9
Alembic Pharma	ALEMPHA	561	530	Hold	11060	27.7	17.4	14.1	22.1	20.3	32.3	39.9	25.4	10.6	8.6	8.0	11.6	10.4	7.8	6.2	9.1
Aurobindo Pharma	AURPHA	630	525	Hold	36889	47.4	34.8	46.2	52.4	13.3	18.1	13.6	12.0	12.9	10.2	12.6	13.1	11.3	7.7	9.3	9.6
Biocon	BIOCON	246	230	Hold	29551	6.3	4.9	3.1	3.1	38.8	49.8	78.2	78.2	7.5	3.3	5.1	6.2	8.1	2.7	6.2	8.3
Zydus Lifesciences	CADHEA	515	500	Buy	52685	21.0	22.6	27.0	35.5	24.5	22.8	19.0	14.5	12.0	12.3	12.3	12.0	12.6	12.1	12.8	14.6
Cipla	CIPLA	922	1,090	Buy	74373	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	4480	5,520	Buy	74368	127.2	269.3	230.2	256.5	35.2	16.6	19.5	17.5	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	683	885	Hold	17342	34.8	20.8	31.4	37.0	19.6	32.8	21.7	18.5	17.4	12.1	15.7	16.5	16.1	8.9	12.1	12.7
Lupin	LUPIN	786	725	Hold	35754	11.9	8.3	25.6	33.0	66.2	94.5	30.7	23.8	3.4	5.7	11.0	13.0	4.4	3.0	8.6	10.2
Natco	NATPHA	621	565	Hold	11356	9.3	36.3	40.3	30.2	66.8	17.1	15.4	20.5	4.6	15.9	16.5	11.6	4.0	13.9	13.6	9.4
Sun Pharma	SUNPHA	939	1,210	Buy	225314	32.0	34.9	38.6	43.2	29.4	26.9	24.4	21.7	18.2	17.2	18.1	18.1	16.0	15.2	14.7	14.7
Torrent Pharma	TORPHA	1644	1,720	Hold	55557	32.0	36.3	45.1	53.8	51.3	45.2	36.4	30.5	19.7	17.1	20.4	23.3	18.2	17.9	19.0	19.4
Indoco Remedies	INDREM	352	440	Buy	3241	16.8	17.9	26.7	31.5	21.0	19.6	13.2	11.2	17.5	15.6	21.9	24.7	17.1	15.9	19.8	19.4
Caplin Point	CAPPOI	707	865	Buy	5373	39.5	48.8	47.9	47.9	17.9	14.5	14.8	14.8	25.3	23.5	22.4	22.4	20.2	20.2	16.7	16.7
Advanced Enzyme	ADVENZ	279	265	Reduce	3129	9.4	13.6	15.3	15.3	29.6	20.6	18.2	18.2	19.4	14.3	10.8	14.2	19.4	14.3	10.8	14.2
Hester Bios	HESPHA	1830	1,830	Hold	1647	45.7	35.6	49.7	59.8	40.0	51.3	36.8	30.6	10.9	9.9	10.9	12.0	15.0	10.7	13.5	14.4
API/CRAMS																					
Divi's Lab	DIVLAB	3270	2,945	Hold	86655	111.5	72.8	77.4	95.0	29.3	44.9	42.3	34.4	30.2	18.2	18.3	18.3	21.3	25.2	15.0	15.0
Hikal	HIKCHE	294	375	Hold	3616	13.0	5.7	14.6	20.7	22.6	51.6	20.2	14.2	13.6	7.2	14.3	17.7	15.0	6.3	14.1	17.0
Syngene International	SYNINT	688	740	Buy	27597	9.9	11.6	13.3	17.9	69.7	59.4	51.7	38.5	11.7	13.8	14.2	16.9	12.9	12.8	13.0	14.9
Granules India	GRANUL	292	360	Buy	7238	16.6	20.8	21.8	27.8	17.5	14.0	13.4	10.5	15.6	18.5	17.8	19.4	16.0	18.2	16.2	17.3
Laurus Labs	LAULAB	311	300	Hold	16693	15.4	14.7	10.5	10.5	20.2	21.1	29.6	29.6	21.3	19.8	14.6	16.0	24.7	19.6	12.4	13.5
Suven Pharma	SUVPH	475	530	Buy	12113	17.8	14.7	17.7	20.0	26.7	32.3	26.9	23.7	37.5	26.0	25.6	24.5	29.7	20.6	20.5	19.5

Source: ICICI Direct Research

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