

June 20, 2020

Covid related shutdown, deferred sales impact Q4...

Q4FY20 revenues fell 17.2% YoY to ₹ 379 crore due to the temporary shutdown of the company's manufacturing facilities and ~₹ 50 crore sales deferral due to Covid-19. Crop protection segment fell 23% to ₹ 153 crore whereas pharma segment de-grew 12.7% to ₹ 226 crore. EBITDA margins stayed stable at 18.6% (up 28 bps YoY) with a 564 bps increase in GM (48.8%) offset by higher staff & other expenses. Subsequently, EBITDA de-grew 15.9% to ₹ 70.6 crore. Net profit declined 26.6% YoY to ₹ 24.5 crore.

Expertise in APIs to drive pharma growth

Hikal ventured into the pharma API business by virtue of acquisition of Novartis' Panoli plant in the year 2000. In a short span of time, banking on its chemistry skills, the company has been able to tap incremental customers via the CDMO route. Hikal also operates as a dedicated API supplier as it expands its portfolio. We expect the pharma segment to grow at 13.1% CAGR in FY20-22E to ₹ 1135.3 crore on the back of new offerings and repeat business from CDMO customers.

Crop protection growth to piggyback on client relationship

Hikal started operations as a crop protection company in 1991 after acquiring Merck's facility in Mahad. Since then, it has come a long way with a predominantly CDMO focused business model catering mainly to global innovators. Over the years, it has increased its product offerings with a foray into niche products and specialty chemicals. We expect crop protection segment to grow at 14.0% CAGR in FY20-22E to ₹ 806.2 crore due to sustained product offerings and optimum capacity utilisation.

Valuation & Outlook

Hikal had a difficult FY20 in which flooding, NGT issues, planned shutdown besides Covid related disturbances at the fag end of the year created significant headwinds in an otherwise steady business model. The silver lining, if any, was that despite negative operating leverage, the margin performance stayed steady on the back of a judicious product mix and focus on backward integration besides cost control measures. Going ahead, the management expects a margin improvement from this year onwards on the back of several cost rationalisation and efficiency improvement measures undertaken during the pandemic. Going by the capex guidance, (₹ 300 crore out of which remaining ₹ 140 crore to be spent through FY21) things are looking promising for FY22. Hikal remains a fair value proposition as it continues to expand in both pharma, crop protection segments with separate focus and a calibrated approach. This bodes well in the current scenario when Chinese supply disturbances, government incentives are likely to create opportunities for Indian players both in APIs, crop protection CDMO. We arrive at a valuation of ₹ 165 based on 12x FY22E EPS of ₹ 13.8.



Particulars

Particular	Amount
Market Cap	₹1444 crore
Debt (FY 20)	₹622 crore
Cash (FY 20)	₹64 crore
EV	₹2003 crore
52 week H/L (₹)	178/57
Equity capital	₹24.7 crore
Face value	₹2

Key Highlights

- Q4 revenues fell 17.2% YoY to ₹ 379 crore due to the temporary shutdown of the company's manufacturing facilities and ~₹ 50 crore sales deferment due to Covid-19
- Margin performance remained steady on the back of judicious product mix and focus on backward integration besides cost control measures
- With proven capabilities and management pedigree, we believe Hikal offers a compelling value proposition as it continues to expand in both pharma and crop protection segments
- Maintain BUY

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Key Financial Summary

(₹Crore)	FY19	FY20	FY21E	FY22E	CAGR (FY20-22E) %
Revenues	1589.6	1507.3	1697.8	1964.7	14.2
EBITDA	298.1	273.2	311.2	372.4	16.8
EBITDA Margins (%)	18.8	18.1	18.3	19.0	
Adjusted PAT	103.1	99.8	132.9	170.0	30.5
EPS (₹)	8.4	8.1	10.8	13.8	
PE (x)	14.0	14.5	10.9	8.5	
EV to EBITDA (x)	7.0	7.3	6.5	5.1	
Price to book (x)	1.9	1.8	1.5	1.3	
RoE (%)	13.6	12.2	14.2	15.6	
RoCE (%)	14.3	13.0	14.2	15.7	

Source: ICICI Direct Research, Company

Exhibit 1: Variance Analysis

₹ crore	Q4FY20	Q4FY19	Q3FY20	YoY (%)	QoQ (%)	Comments
Revenue	379.0	457.5	404.1	-17.2	-6.2	Decline in revenues mainly due to deferral of ~₹ 50 crore of business amid Covid-19
Raw Material Expenses	194.2	260.3	208.9	-25.4	-7.0	
Gross Margins (%)	48.8	43.1	48.3	564 bps	44 bps	YoY improved mainly due to change in product mix
Employee Expenses	40.0	36.2	41.9	10.4	-4.5	
Other Expenditure	74.2	77.0	77.7	-3.8	-4.5	
Operating Profit (EBITDA)	70.6	84.0	75.7	-15.9	-6.6	
EBITDA (%)	18.6	18.4	18.7	28 bps	-9 bps	Improvement in gross margins largely offset by negative operational leverage
Interest	13.7	12.6	13.1	8.4	4.7	
Depreciation	20.9	23.2	20.7	-9.9	1.2	
Other Income	1.7	0.1	0.5	3,360.0	268.1	
PBT	37.7	48.2	42.3	-21.7	-10.9	
Exceptional Items	0.0	0.0	0.0	NA	NA	
Tax	13.3	14.8	14.0	-10.6	-5.2	
Tax Rate (%)	35.1	30.8	33.0	14.2	6.4	
Reported PAT	24.5	33.3	28.4	-26.6	-13.7	
Adjusted PAT	24.5	33.3	28.4	-26.6	-13.7	Decline mainly due to lower operational performance and higher tax outgo
EPS (₹)	2.0	2.7	2.3	-26.6	-13.7	
Key Metrics						
Pharma	226.4	259.2	248.4	-12.7	-8.9	Decline in revenues mainly due to deferral of business amid Covid-19
Crop Protection	152.6	198.4	155.6	-23.0	-1.9	Decline in revenues mainly due to deferral of of business amid Covid-19

Source: ICICI Direct Research

Exhibit 2: Change in Estimates

(₹ Crore)	FY21E			FY22E			Comments
	Old	New	Change	Old	New	Change	
Revenue	1,762.5	1,697.8	-3.7	2,026.9	1,964.7	-3.1	
E BITDA	328.2	311.2	-5.2	377.5	372.4	-1.3	Changed mainly due to negative operational leverage amid Covid-19
E BITDA Margin (%)	18.6	18.3	-29 bps	18.6	19.0	33 bps	
PAT	136.8	132.9	-2.9	164.6	170.0	3.3	Changed mainly in sync with operational performance
EPS (₹)	11.1	10.8	-2.9	13.3	13.8	3.3	

Source: ICICI Direct Research

Exhibit 3: Change in Estimates

(₹ crore)	Current				Earlier		
	FY19	FY20	FY21E	FY22E	FY21E	FY22E	
Pharma	939.1	886.9	981.9	1,135.3	1,011.5	1,163.2	
Crop Protection	650.5	620.4	695.8	806.2	730.1	839.6	Changed mainly due to lower-than-expected sales in Q4 and delay in order book and projects amid Covid-19

Source: ICICI Direct Research

Conference Call Highlights

- Covid-19
 - The company shut down its manufacturing facilities from March 23–April 5, 2020 in accordance with the government mandate due to Covid-19. Post this, it took 10-15 days to return to normal operations; Current plant utilisation at 80-85% was at 60% in May
 - Q4FY20 sales of ~₹ 50 crore were deferred due to Covid-19, which will be reflected in Q1 + Q2FY21
 - No major demand impact; no order cancellation
- Construction activity at Panoli had been halted due to Covid-19. Now, it has restarted but commissioning has been pushed back by three to six months
- RM supply
 - Logistical issues initially impacted RM supply. Now it has mostly been resolved. There are still some delays
 - The company has started domestic sourcing for key raw materials
 - Currently, 35-40% of total raw material procurement is from China. The management expects this to drop to 20% in 18-24 months
- Out of the ₹ 300 crore capex plan, the company has spent ₹ 158 crore while the balance is expected to be completed by the end of the current financial year. Revenues will start rolling in from FY22 while major contribution is expected to start from FY23. Expected assets turnover is 1.5x at optimum utilisation
 - Future capex will depend on opportunities in the API space and on a case-to-case basis
- Crop protection business – inventory correction by major clients is over now
- Export: domestic - 80:20
- FY21 growth is likely to be impacted due to Covid-19, expecting growth to be back on track mostly from FY22
- The company has filed few new generation DMFs. It expects major revenues from FY22-23. Legacy product contribution is likely to go down in the next three to five years
- Capacity utilisation is segregated between existing: new products in nearly 50:50 ratio
- All plants are multipurpose plants
- Pharma business is mostly exports; US: 50-55%, EU: 10-15%, Japan 10% (fast growing), RoW: 20%. The company plans to grow domestic business in both pharma and crop segments
- Product basket/pipeline: The company has four to five early stage proprietary products
 - Pharma: Nine or 10 products for custom synthesis and 10-15 on proprietary side; one or two additions every year
 - Crop: Total 11-12 in CRAMs and five to six proprietary; one or two additions every year
- Gross margins – product mix improved, especially in Q4
- EBITDA margins were pulled down by operational leverage

- Growth prospects — additional inquiries from customers who are looking to de-risk their current supply chains; planning to replace lower margins with higher margins products
- The ₹ 2500 crore revenue by FY22 guidance in AGM is likely delayed by a year
- The management expects margin improvement from this year onwards on the back of several cost rationalisation and efficiency improvement measures undertaken during the pandemic
- FY20 revenue de-growth of 5% can be attributed to 6-7% volume decline and 1% price increase
- In FY20, working capital days reduced by 10 days to 110 days; debt rate has gone down
- The company has an additional 40-50% land bank at Panoli for future expansion

Exhibit 4: Trends in quarterly performance

(₹Crore)	14FY17	11FY18	12FY18	13FY18	14FY18	11FY19	12FY19	13FY19	14FY19	11FY20	12FY20	13FY20	14FY20	YoY (%)	QoQ (%)
Total Operating Income	309.6	262.7	292.3	350.6	390.5	325.6	394.8	406.0	457.5	403.2	321.1	404.1	379.0	-17.2	-6.2
Raw Material Expenses	167.5	130.3	155.3	195.6	217.8	164.7	205.8	223.0	260.3	228.3	145.0	208.9	194.2	-25.4	-7.0
% of revenue	54.1	49.6	53.1	55.8	55.8	50.6	52.1	54.9	56.9	56.6	45.2	51.7	51.2		
Gross Profit	142.1	132.4	136.9	155.1	172.7	160.9	189.0	183.0	197.3	174.9	176.1	195.2	184.8	-6.3	-5.3
Gross Profit Margin (%)	45.9	50.4	46.9	44.2	44.2	49.4	47.9	45.1	43.1	43.4	54.8	48.3	48.8	564 bps	44 bps
Employee Expenses	29.4	33.2	30.2	32.6	32.1	36.2	38.6	39.3	36.2	42.2	43.8	41.9	40.0	10.4	-4.5
% of revenue	9.5	12.6	10.3	9.3	8.2	11.1	9.8	9.7	7.9	10.5	13.6	10.4	10.6		
Other Expenses	54.5	49.6	53.0	55.6	69.1	64.0	75.2	71.0	77.0	64.2	74.0	77.7	74.2	-3.8	-4.5
% of revenue	17.6	18.9	18.1	15.9	17.7	19.7	19.1	17.5	16.8	15.9	23.0	19.2	19.6		
Total Expenditure	251.5	213.0	238.5	283.8	319.0	265.0	319.6	333.4	373.5	334.7	262.7	328.4	308.4	-17.4	-6.1
% of revenue	81.2	81.1	81.6	80.9	81.7	81.4	81.0	82.1	81.6	83.0	81.8	81.3	81.4		
EBITDA	58.1	49.7	53.8	66.9	71.5	60.6	75.2	72.6	84.0	68.5	58.4	75.7	70.6	-15.9	-6.6
EBITDA Margins (%)	18.8	18.9	18.4	19.1	18.3	18.6	19.0	17.9	18.4	17.0	18.2	18.7	18.6	28 bps	-9 bps
Depreciation	17.1	21.3	21.5	21.5	21.4	22.6	23.6	23.5	23.2	20.3	20.5	20.7	20.9	-9.9	1.2
Interest	10.0	11.7	13.1	11.9	12.5	16.0	16.4	13.4	12.6	12.1	13.6	13.1	13.7	8.4	4.7
Other Income	1.2	1.6	0.4	0.9	1.6	1.4	0.3	0.5	0.1	0.7	0.8	0.5	1.7	3360.0	268.1
Forex & EO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-15.4	0.0	0.0		
PBT	32.1	18.3	19.7	34.4	39.2	23.4	35.5	36.3	48.2	36.8	9.7	42.3	37.7	-21.7	-10.9
Total Tax	3.2	5.0	4.3	11.1	13.9	7.5	11.1	12.6	14.8	11.6	3.3	14.0	13.3	-10.6	-5.2
Tax rate (%)	9.9	27.2	22.0	32.4	35.3	32.0	31.3	34.7	30.8	31.5	34.3	33.0	35.1	435.5	210.9
PAT	28.9	13.3	15.3	23.2	25.3	15.9	24.4	23.7	33.3	25.2	6.4	28.4	24.5	-26.6	-13.7
EPS (₹)	2.3	1.1	1.2	1.9	2.1	1.3	2.0	1.9	2.7	2.0	0.5	2.3	2.0	-26.6	-13.7

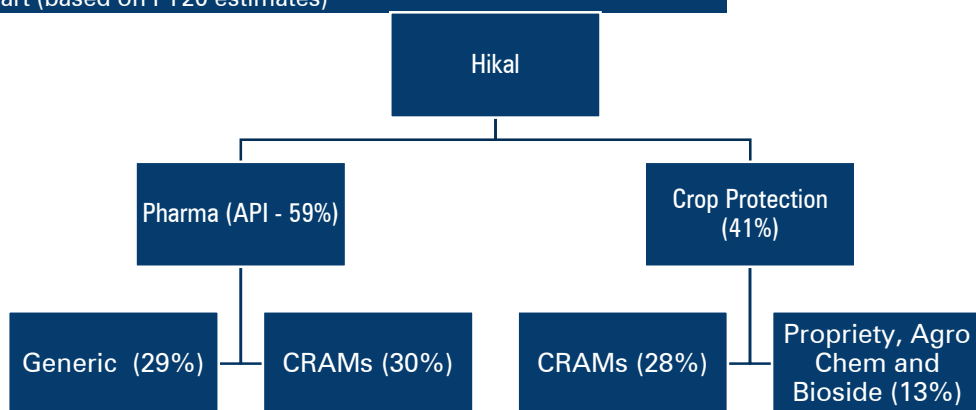
Source: ICICI Direct Research

Company background

Established in 1988, Hikal is predominantly a B2B player that provides intermediates and active ingredients to global pharmaceutical, animal health, crop protection and specialty chemical companies. For FY20, pharma and crop protection accounted for 59% and 41%, respectively, of operating revenues. The pharma business is currently divided almost equally between generic active pharma ingredients (APIs) and contract development and manufacturing organisation (CDMO) businesses. Animal health business accounts for 20-25% of CDMO business. In crop protection, 70% of revenues are derived from CDMO with the remaining from proprietary products, specialty chemicals and specialty biocides. Hikal owns five manufacturing facilities: Talaja, Mahad (Maharashtra), Panoli (Gujarat) Jigani (Karnataka) and an R&D centre at Pune.

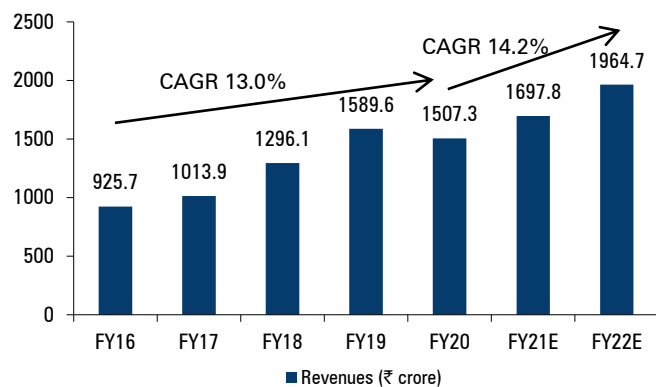
Hikal is predominantly a B2B player that provides intermediates and active ingredients to global pharmaceuticals, animal health, crop protection and specialty chemicals companies

Exhibit 5: Flow chart (based on FY20 estimates)



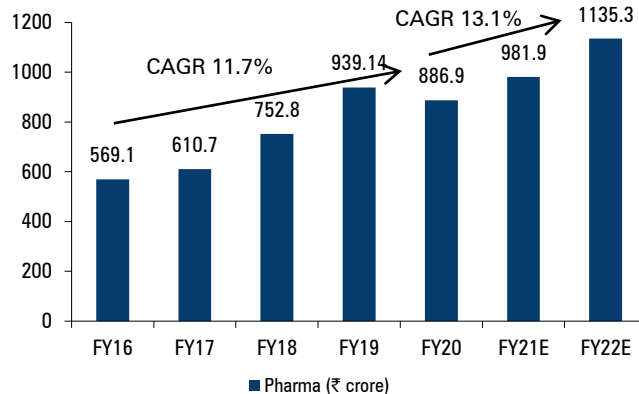
Source: ICICI Direct Research, Company

Exhibit 6: Revenues to grow at 14% CAGR over FY20-22E



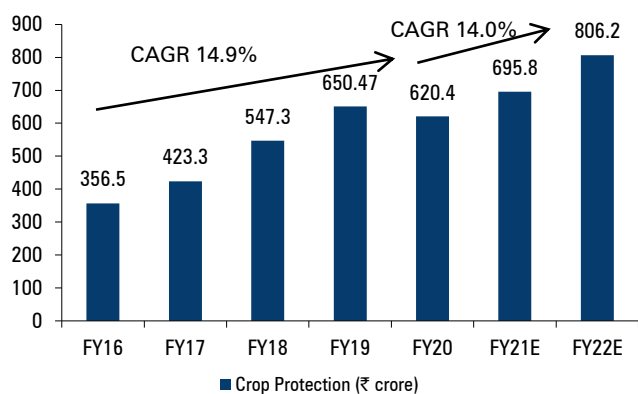
Source: ICICI Direct Research, Company

Exhibit 7: Pharma to grow at CAGR of 13% over FY20-22E



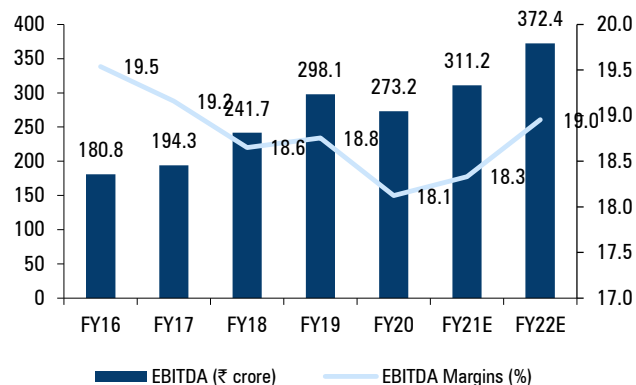
Source: ICICI Direct Research, Company

Exhibit 8: Crop to grow at CAGR of 14% over FY20-22E



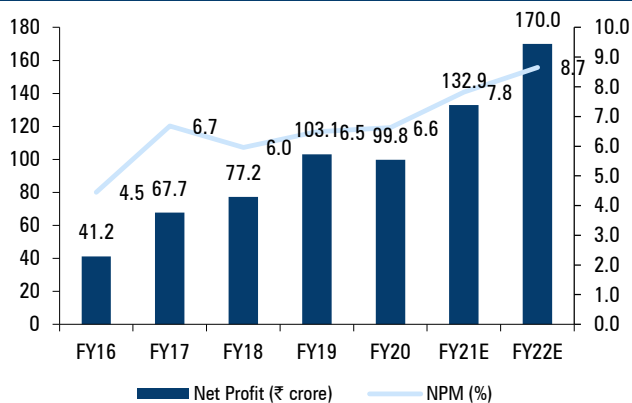
Source: ICICI Direct Research, Company

Exhibit 9: EBITDA & EBITDA margins trend



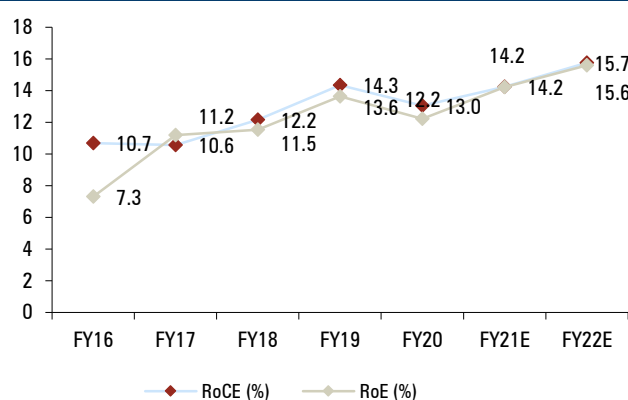
Source: ICICI Direct Research, Company

Exhibit 10: PAT & PAT margins trend



Source: ICICI Direct Research, Company

Exhibit 11: RoE & RoCE trend



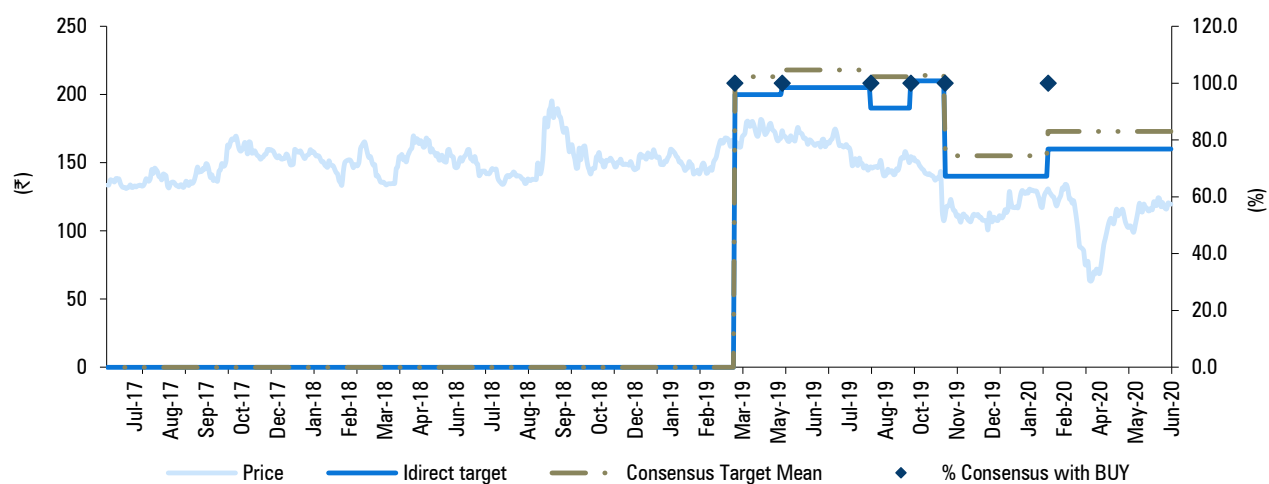
Source: ICICI Direct Research, Company

Exhibit 12: Valuation

	Revenues	Growth	Adj. EPS	Growth	P/E	EV/EBITDA	RoE	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY 19	1590	23	8.4	34	14.0	7.0	13.6	14.3
FY 20	1507	-5.2	8.1	-3.2	14.5	7.3	12.2	13.0
FY 21E	1698	12.6	10.8	33.1	10.9	6.5	14.2	14.2
FY 22E	1965	15.7	13.8	27.9	8.5	5.1	15.6	15.7

Source: ICICI Direct Research, Company

Exhibit 13: Recommendation History vs. Consensus



Source: ICICI Direct Research; Bloomberg

Exhibit 14: Top 10 Shareholders

Rank	Investor Name	Filing Date	% O/S	Position (m)	Change
1	Kalyani Investment Co Ltd	31-Mar-20	31.4	38.67m	0.0m
2	Shri Badrinath Investment	31-Mar-20	16.2	19.91m	0.0m
3	Shri Rameshwara Investment	31-Mar-20	8.0	9.81m	0.0m
4	Hiremath Sungandha Jhai	31-Mar-20	7.8	9.67m	0.0m
5	BF Investment Ltd	31-Mar-20	2.7	3.27m	0.0m
6	Government Pension Fund - Global	31-Mar-20	2.2	2.73m	0.0m
7	Norges Bank	31-Dec-19	2.2	2.72m	0.0m
8	Agarwal Madhulika	31-Mar-20	1.4	1.75m	0.0m
9	Canara Robeco Mutual Fund	31-Dec-19	1.2	1.45m	0.0m
10	Kacholia Ashish	31-Mar-20	1.2	1.42m	0.0m

Source: ICICI Direct Research; Bloomberg

Exhibit 15: Shareholding Pattern

(in %)	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Promoter	68.8	68.8	68.8	68.8	68.8
Others	31.2	31.2	31.2	31.2	31.2

Source: ICICI Direct Research; Company

Financial Summary

Exhibit 16: Profit & Loss (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
Revenues	1,589.6	1,507.3	1,697.8	1,964.7
Growth (%)	22.6	-5.2	12.6	15.7
Raw Material Expenses	853.8	776.3	874.4	1,009.5
Employee Expenses	150.4	167.8	182.1	205.7
Other Manufacturing Expenses	287.3	290.0	330.1	377.0
Total Operating Expenditure	1,291.5	1,234.1	1,386.6	1,592.3
EBITDA	298.1	273.2	311.2	372.4
Growth (%)	23.3	-8.4	13.9	19.6
Interest	58.4	52.4	52.4	52.4
Depreciation	92.9	82.5	86.8	105.2
Other Income	2.3	3.7	5.1	11.8
PBT before Exceptional Item	149.1	142.0	177.2	226.6
Less: Forex & Exceptional Item	0.0	15.4	0.0	0.0
PBT	149.1	126.6	177.2	226.6
Total Tax	46.0	42.1	44.3	56.7
PAT before MI	103.1	84.4	132.9	170.0
Minority Interest	0.0	0.0	0.0	0.0
PAT	103.1	84.4	132.9	170.0
Adjusted PAT	103.1	99.8	132.9	170.0
Growth (%)	33.5	-3.2	33.1	27.9
EPS	8.4	6.8	10.8	13.8

Source: ICICI Direct Research

Exhibit 17: Cash Flow Statement (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
Profit/(Loss) after taxation	116.5	117.7	132.9	170.0
Add: Depreciation & Amortization	92.9	82.5	86.8	105.2
Add: Interest Cost	56.5	52.4	52.4	52.4
Net Increase in Current Assets	-205.1	34.6	-88.4	-122.0
Net Increase in Current Liabilities	31.6	-3.5	33.0	43.9
Others	9.5	1.3	0	0
CF from operating activities	101.7	284.9	216.7	249.4
(Inc)/dec in Fixed Assets	-128.1	-158.0	-160.0	-80.0
(Inc)/dec in Investments	0.0	0.0	0.0	0.0
Others	2.5	89.6	-1.1	-1.0
CF from investing activities	-125.6	-68.4	-161.1	-81.0
Inc / (Dec) in Equity Capital	0.0	0.0	0.0	0.0
Inc / (Dec) in sec. Loan	19.3	-25.0	0.0	0.0
Dividend & Dividend Tax	-16.4	-23.8	-14.8	-14.8
Others	-58.4	-52.1	-52.4	-52.4
CF from financing activities	-55.4	-100.9	-67.2	-67.2
Net Cash flow	-79.3	115.7	-11.6	101.3
Opening Cash	27.2	-52.1	63.6	52.0
Closing Cash	-52.1	63.6	52.0	153.2
Free Cash Flow	-26.4	126.9	56.7	169.4

Source: ICICI Direct Research

Exhibit 18: Balance Sheet (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
Equity Capital	24.7	24.7	24.7	24.7
Reserve and Surplus	731.6	791.8	909.9	1,065.1
Total Shareholders fund	756.2	816.5	934.6	1,089.8
Total Debt	660.9	622.1	622.1	622.1
Others Liabilities	28.9	51.8	55.5	59.5
Source of Funds	1,446.0	1,490.4	1,612.2	1,771.4
Gross Block - Fixed Assets	960.3	1,065.0	1,085.0	1,315.0
Accumulated Depreciation	247.3	329.8	416.6	521.8
Net Block	713.0	735.2	668.4	793.2
Capital WIP	78.7	160.8	300.8	150.8
Net Fixed Assets	791.6	896.0	969.2	944.0
Investments	1.0	0.7	0.7	0.7
Inventory	364.2	312.5	352.0	407.3
Cash	31.7	63.6	52.0	153.2
Debtors	349.7	340.4	383.5	443.8
Loans & Advances & Other CA	0.0	0.0	0.0	0.0
Total Current Assets	830.0	774.8	851.5	1,074.8
Creditors	161.0	201.2	226.6	262.2
Provisions & Other CL	78.4	76.4	84.0	92.3
Total Current Liabilities	239.5	277.6	310.6	354.5
Net Current Assets	590.5	497.2	540.9	720.3
LT L& A, Other Assets	62.8	96.5	101.3	106.4
Deferred Tax Assets (Net)	0.0	0.0	0.0	0.0
Application of Funds	1,446.0	1,490.4	1,612.2	1,771.4

Source: ICICI Direct Research

Exhibit 19: Key Ratios (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
Per share data (₹)				
EPS	8.4	8.1	10.8	13.8
Cash EPS	6.9	6.9	9.6	12.6
BV	61.3	66.2	75.8	88.4
DPS	1.4	1.2	1.2	1.2
Cash Per Share	20.1	26.7	33.8	42.3
Operating Ratios (%)				
Gross Margins	46.3	48.5	48.5	48.6
EBITDA margins	18.8	18.1	18.3	19.0
Net Profit margins	6.5	6.6	7.8	8.7
Inventory days	83.6	75.7	75.7	75.7
Debtor days	80.3	82.4	82.4	82.4
Creditor days	37.0	48.7	48.7	48.7
Asset Turnover	1.7	1.4	1.6	1.5
Return Ratios (%)				
RoE	13.6	12.2	14.2	15.6
RoCE	14.3	13.0	14.2	15.7
RoIC	15.4	15.1	17.8	18.2
Valuation Ratios (x)				
P/E	14.0	14.5	10.9	8.5
EV / EBITDA	7.0	7.3	6.5	5.1
EV / Revenues	1.3	1.3	1.2	1.0
Market Cap / Revenues	0.9	1.0	0.9	0.7
Price to Book Value	1.9	1.8	1.5	1.3
Solvency Ratios				
Debt / Equity	0.9	0.8	0.7	0.6
Debt/EBITDA	2.2	2.3	2.0	1.7
Current Ratio	3.3	2.6	2.6	2.6

Source: ICICI Direct Research

Exhibit 20: ICICI direct Coverage Universe (Healthcare)

Company	I-Direct	CMP	TP	ating	M Cap	EPS (₹)				PE(x)				RoCE (%)				RoE (%)			
	Code	(₹)	(₹)		(₹cr)	FY19	Y20E	Y21E	Y22E	FY19	Y20E	Y21E	Y22E	'Y19	'20E	'21E	'22E	FY19	Y20E	Y21E	Y22E
Ajanta Pharma	AJAPHA	1452	1,730	Buy	12666	43.5	53.4	56.0	72.0	33.3	27.2	25.9	20.2	21.8	24.7	22.3	24.2	17.1	18.1	16.7	18.5
Alembic Pharm	LEMPHA	947	875	Buy	17843	31.4	46.3	41.4	39.8	30.1	20.4	22.9	23.8	19.6	20.6	17.7	16.0	21.8	26.3	19.5	16.2
Apollo Hospital	APOHOS	1371	1,490	Buy	19070	17.0	21.5	35.2	65.7	80.8	63.6	38.9	20.9	8.8	10.4	12.6	16.8	7.1	8.1	11.2	17.9
Aurobindo Pha	AURPHA	783	920	Buy	45905	41.9	48.8	55.0	61.4	18.7	16.1	14.2	12.8	15.9	17.2	18.2	18.7	17.7	17.0	16.3	15.6
Biocon	BIOCON	381	390	Buy	45750	6.2	5.8	9.8	18.2	61.4	65.5	38.7	21.0	10.9	10.9	15.1	22.1	12.2	10.4	15.2	22.4
Cadila Healthc	CADHEA	362	375	Hold	37065	18.1	14.3	17.5	20.9	20.0	25.3	20.7	17.3	13.0	10.6	12.1	13.4	17.8	12.9	14.1	14.9
Cipla	CIPLA	636	670	Buy	51295	18.6	19.2	23.0	30.2	34.2	33.1	27.6	21.0	10.9	12.0	13.0	15.4	10.0	9.8	10.8	12.6
Divi's Lab	DIVLAB	2305	2,355	Hold	61184	51.0	51.9	58.2	73.6	45.2	44.4	39.6	31.3	25.5	23.9	23.0	24.1	19.4	18.8	18.1	19.2
Dr Reddy's Lab	DRREDD	4006	4,615	Buy	66558	114.7	121.9	163.8	209.7	34.9	32.9	24.5	19.1	11.1	10.0	18.0	20.8	13.6	13.0	15.2	16.6
Glenmark Phar	GLEPHA	409	340	Hold	11551	26.9	26.8	34.6	43.2	15.2	15.3	11.8	9.5	15.3	12.8	14.5	16.1	13.5	12.0	13.5	14.5
Hikal	HIKCHE	117	165	Buy	1444	8.4	8.1	10.8	13.8	14.0	14.5	10.9	8.5	14.3	13.0	14.2	15.7	13.6	12.2	14.2	15.6
Ipca Laboratori	IPCLAB	1616	1,900	Buy	20413	35.1	47.8	63.3	79.2	46.1	33.8	25.5	20.4	15.0	17.4	19.7	20.7	14.2	16.6	18.1	18.6
Jubilant Life	JUBLIF	647	550	Buy	10299	54.9	59.9	69.8	89.8	11.8	10.8	9.3	7.2	14.3	14.6	17.2	19.7	17.8	16.6	16.4	17.5
Lupin	LUPIN	914	930	Hold	41430	16.5	-12.7	25.6	38.7	55.3	-72.0	35.8	23.6	9.4	10.6	10.4	14.6	5.4	-4.6	8.5	11.6
Narayana Hrud	NARHRU	271	340	Buy	5546	2.9	6.4	-3.1	9.6	93.5	42.7	-88.4	28.2	7.7	11.0	0.0	14.2	5.5	11.4	-5.8	15.7
Natco Pharma	NATPHA	629	740	Buy	11446	35.4	25.3	23.9	22.4	17.8	24.8	26.3	28.1	21.3	14.0	12.9	11.3	18.5	12.2	10.7	9.3
Sun Pharma	SUNPHA	488	540	Buy	117109	15.9	16.8	18.4	24.5	30.8	29.1	26.6	19.9	10.3	10.0	10.3	12.4	9.2	8.9	8.9	10.8
Syngene Int.	SYNINT	378	390	Buy	15120	8.3	10.3	8.6	12.2	45.7	36.7	38.6	27.3	14.8	15.0	12.9	16.4	16.8	15.7	13.7	16.3
Torrent Pharm	TORPHA	2543	2,475	Hold	43039	48.9	60.6	67.0	88.3	52.0	42.0	38.0	28.8	14.2	15.7	17.7	21.2	17.5	21.2	20.0	22.0

Source: ICICI Direct Research, Bloomberg

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