

CMP: ₹ 870

Target: ₹ 900 (3%)

Target Period: 12 months

HOLD

May 16, 2023

Significant beat across all parameters...

About the stock: Rainbow Children's Medicare (RCML) is a leading chain of paediatric multi-speciality and perinatal hospitals in India, operating 16 hospitals and three clinics in six cities, with a total bed capacity of 1,655 beds.

- Paediatric: Perinatal revenues break-up- 70:30
- Revenue, EBITDA grew at CAGR of 21.3%, 24.2%, respectively, in FY19-23
- Healthy return ratios with last three-year's average RoE, RoCE of 15.1%, 15.2%, respectively
- RCML registered blended ARPOB of ₹ 48,932 with occupancy at 55.40% and ALOS at 2.76 days for FY23

Q4FY23 Results: Significant beat across all parameters.

- Rainbow Children's revenue grew 3.4% QoQ to ₹ 317 crore led by occupancy levels in matured hospitals, which reached 67.18%
- EBITDA de-grew 8.2 % to ₹ 98 crore
- PAT came in at ₹ 53.6 crore

What should investors do? RCML's share price grew by 92% since listing.

- We downgrade from BUY to **HOLD** as current price more or less factors in the FY25 earnings based on our estimates

Target Price and Valuation: We value RCML at 19x FY25E EV/EBITDA to arrive at a target price of ₹ 900.

Key triggers for future price performance:

- Expertise in the most case-sensitive healthcare cohort that is paediatric and perinatal care encompassing areas like neurology, nephrology, oncology and cardiology among others
- Following of hub & spoke model approach for expansion in new areas to aid growth, accessibility for patients
- Progress on Gurugram greenfield expansion of ₹ 450 crore
- Progress and profitability of new hospitals in Hyderabad, Bangalore, New Delhi among others

Alternate Stock Idea: Apart from RCML, in our hospital coverage we like Narayana.

- Narayana operates a dual model, which perfectly blends established "asset-right" India business with a hospital in Cayman Islands
- BUY with a target price of ₹ 870



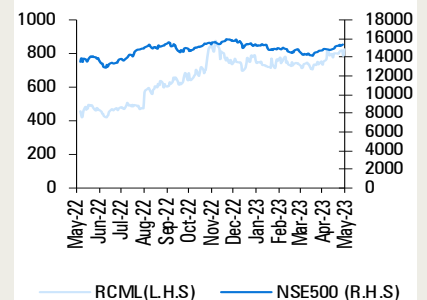
Particulars

Particular	Amount
Market Capitalisation	₹ 7156 crore
Debt (FY23)	₹ 570 crore
Cash (FY23)	₹ 46 crore
EV	₹ 7680 crore
52 week H/L (₹)	889/410
Equity capital	₹ 101.5 crore
Face value	₹ 10

Shareholding pattern

(in %)	Jun-22	Sep-22	Dec-22	Mar-23
Promoter	49.8	49.8	49.8	49.8
Others	50.2	50.2	50.2	50.2

Price Chart



Recent Event & Key risks

- Announcement of greenfield capex of ₹ 450 crore at Gurugram
- **Key Risk:** (i) Dependence on certain clusters (ii) Better than expected Improvement in occupancy

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Key Financial Summary

Key Financials (₹ Crore)	FY19	FY20	FY21	FY22	3 year CAGR (FY19-22)	FY23	FY24E	FY25E	2 year CAGR (FY23-25E)
Revenues	542.8	719.4	650.0	973.8	21.5	1173.6	1352.0	1600.6	16.8
EBITDA	148.5	197.0	162.8	304.9	27.1	352.1	378.5	448.2	12.8
EBITDA margins (%)	27.4	27.4	25.0	31.3		30.0	28.0	28.0	
Net Profit	44.6	55.5	38.3	138.3	45.8	210.8	194.8	204.9	-1.4
EPS (₹)	4.4	5.5	3.8	13.6		20.8	19.2	20.2	
PE (x)	198.0	159.2	230.5	63.9		41.9	45.3	43.1	
EV to EBITDA (x)	62.1	46.8	56.8	30.3		26.4	24.6	20.9	
RoCE (%)	11.5	15.1	10.3	20.2		17.8	14.5	16.5	
ROE	12.0	13.7	8.6	22.9		19.9	15.5	14.0	

Source: Company, ICICI Direct Research

Key takeaways of recent quarter & conference call highlights

Q4FY23 Results: Significant beat across all estimates

- RCML's revenue grew 3.4% QoQ to ₹ 317 crore. Momentum continued across all key operating metrics including outpatient footfalls, inpatient volumes and occupancy. Occupancy levels in matured hospitals, which touched 67.18% in Q4FY23 against 63.32% in Q4FY22. On the operational front, EBITDA de-grew 8.2% QoQ to ₹ 98 crore whereas margins were impacted by 392 bps to 30.9%. PAT came at ₹ 53.6 crore during the quarter.
- Overall, there was a significant beat vis-à-vis I-direct estimate, which was attributable to higher-than-expected occupancy in matured hospitals (greater than five years). Typically, the occupancy in Q4 remains lower but has shown an improvement as a positive surprise. We remain positive on the company's focused approach of catering to paediatric and perinatal cohort of hospitals vertical

Q4FY23 Earnings Conference Call highlights:

- The strong performance was on the back of more than anticipated outbreak of Adenovirus (viral) infections (causing pneumonia) leading to higher occupancy levels
- Moreover, the performance was a blend of both higher volumes as well as improving case mix
- The category mix remains at 70% paediatric and 30% perinatal services
- The payor mix remains at 50:50 between cash and insurance
- Matured hospitals are likely to experience similar occupancy levels in the near future
- The entire benefit of insurance price hike is likely to reflect in FY24
- The management expects ARPOB to grow at 7-8% considering case mix and inflationary measures
- The cost of consumables to account for 14-15% of expenses whereas repair and maintenance cost to hover around 2.5% of costs
- The 100-bed hospital in Hyderabad and the 55-bed hospital in Chennai's Sholinganallur (OMR) have both seen significant growth during the quarter and are proceeding in the expected manner
- The management has guided for additional 270 beds in FY24 in the southern region of India whereas additional 160 bed capacity for FY25
- The second part of the current fiscal year is when most project work of hospitals are anticipated to begin operations
- It has proposed greenfield capacity addition (~300 beds in sector 44 and ~100 beds in sector 56) with an approximate capex of ₹ 450 crore to strengthen its network in NCR. The cost per bed is likely to touch ~1.25 crore including land parcel
- The hospitals in Hyderabad region achieved EBITDA positive much faster due to their strong established presence whereas other regions attained 30% occupancy levels or within 12-18 months of operational performance whichever is earlier

Exhibit 1: Variance Analysis

	Q4FY23	Q4FY23E	Q4FY22	Q3FY23	YoY (%)	QoQ (%)	Comments
Revenue	317.0	241.3	212.4	306.4	49.2	3.4	Exceptional growth due to higher than expected occupancy in matured hospitals
Raw Material Expenses	42.7	35.0	33.8	40.2	26.6	6.2	
Employee Expenses	40.6	33.5	31.7	38.4	28.0	5.6	
Other Expenditure	135.6	99.2	98.8	121.0	37.2	12.1	
Operating Profit (EBITDA)	98.0	73.6	48.1	106.8	103.6	-8.2	
EBITDA (%)	30.9	30.5	22.7	34.8	826 bps	-392 bps	
Interest(Financial Expense)	14.1	14.4	16.3	13.6	-13.5	3.2	
Depreciation	22.7	23.4	22.3	23.2	2.0	-1.9	
Other Income	8.9	8.4	6.2	8.4	43.8	6.3	
PBT before EO & Forex	70.1	44.1	15.8	78.3	344.8	-10.5	
Forex & EO	0.0	0.0	0.0	0.0	0.0	0.0	
PBT after Exceptional Items	70.1	44.1	15.8	78.3	344.8	-10.5	
Tax	16.2	11.5	3.5	20.1	364.1	-19.1	
PAT before MI	53.9	32.6	12.3	58.2	339.3	-7.5	
MI	0.3	0.3	0.1	0.3	306.1	-18.0	
Net Profit	53.6	32.3	12.2	57.9	339.5	-7.5	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY22		FY23		FY24E			FY25E			Comments
	Old	New	Old	New	Old	New	Old	New	Change		
(₹ Crore)				% Change			% Change			% Change	
Revenue	973.8	1,097.9	1,173.6	6.9	1,319.3	1,352.0	2.5	1,556.0	1,600.6	2.9	
EBITDA	304.9	329.4	352.1	6.9	369.4	378.5	2.5	451.2	448.2	-0.7	
EBITDA Margin (%)	31.3	30.0	30.0	0 bps	28.0	28.0	0 bps	29.0	28.0	-100 bps	Gurugram bed addition will lead to higher capex related expense
PAT	138.3	189.6	210.8	11.2	193.4	194.8	0.7	235.3	204.9	-12.9	
EPS (₹)	13.6	18.7	20.8	11.2	19.1	19.2	0.7	23.2	20.2	-12.9	

Source: ICICI Direct Research

Exhibit 3: Financial Summary

	Revenues	Growth	Adj. EPS	Growth	P/E	EV/EBITDA	RoNW	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY21	650	-9.6	3.8	-30.9	230.5	56.8	8.6	10.3
FY22	974	49.8	13.6	260.9	63.9	30.3	22.9	20.2
FY23	1174	20.5	20.8	52.5	41.9	26.4	19.9	17.8
FY24E	1352	15.2	19.2	-7.6	45.3	24.6	15.5	14.5
FY25E	1601	18.4	20.2	5.2	43.1	20.9	14.0	16.5

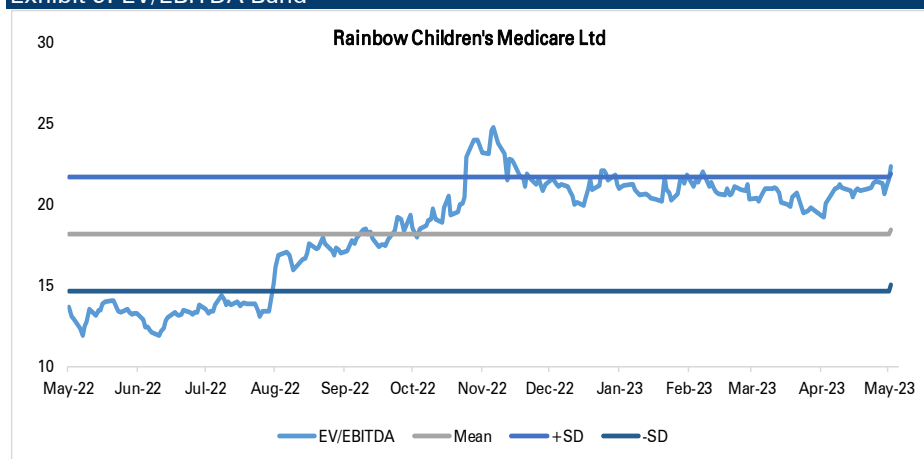
Source: ICICI Direct Research

Exhibit 4: Trends in Quarterly Performance

(₹ crore)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)
Total Operating In	246.4	266.2	248.8	212.4	237.2	313.1	306.4	317.0	49.2	3.4
Raw Material Ex	58.8	64.1	38.1	33.8	31.8	43.5	40.2	42.7	26.6	6.2
% of Revenue	23.9	24.1	15.3	15.9	13.4	13.9	13.1	13.5	-241 bps	35 bps
Gross Profit	187.5	202.1	210.7	178.7	205.4	269.5	266.2	274.2	53.5	3.0
Gross Profit Mar	76.1	75.9	84.7	84.1	86.6	86.1	86.9	86.5	241 bps	-35 bps
Employee Expen	25.1	30.1	29.1	31.7	30.5	34.5	38.4	40.6	28.0	5.6
% of Revenue	10.2	11.3	11.7	14.9	12.9	11.0	12.5	12.8	-212 bps	26 bps
Other Expenditur	84.1	82.9	92.3	98.8	92.7	125.5	121.0	135.6	37.2	12.1
% of Revenue	34.1	31.1	37.1	46.5	39.1	40.1	39.5	42.8	-373 bps	331 bps
Total Expenditur	168.1	177.0	159.5	164.3	155.1	203.5	199.6	219.0	33.3	9.7
% of Revenue	68.2	66.5	64.1	77.3	65.4	65.0	65.2	69.1	-826 bps	392 bps
EBITDA	78.3	89.2	89.3	48.1	82.1	109.5	106.8	98.0	103.6	-8.2
EBITDA Margin (%)	31.8	33.5	35.9	22.7	34.6	35.0	34.8	30.9	826 bps	-392 bps
Other Income	2.1	4.9	5.7	6.2	6.0	7.6	8.4	8.9	43.8	6.3
Interest(Final	13.0	12.3	11.6	16.3	14.2	13.3	13.6	14.1	-13.5	3.2
Depreciation	19.3	20.5	21.1	22.3	21.9	22.4	23.2	22.7	2.0	-1.9
PBT	48.1	61.2	62.3	15.8	52.0	81.4	78.3	70.1	344.8	-10.5
Total Tax	12.2	15.9	17.1	3.5	13.2	19.9	20.1	16.2	364.1	-19.1
Tax rate (%)	25.4	26.0	27.4	22.2	25.5	24.4	25.6	23.2	96 bps	-246 bps
PAT	35.9	45.2	44.9	12.2	38.2	61.1	57.9	53.6	339.5	-7.5
PAT Margin (%)	14.6	17.0	18.1	5.7	16.1	19.5	18.9	16.9		
EPS (₹)	3.5	4.5	4.4	1.2	3.8	6.0	5.7	5.3		

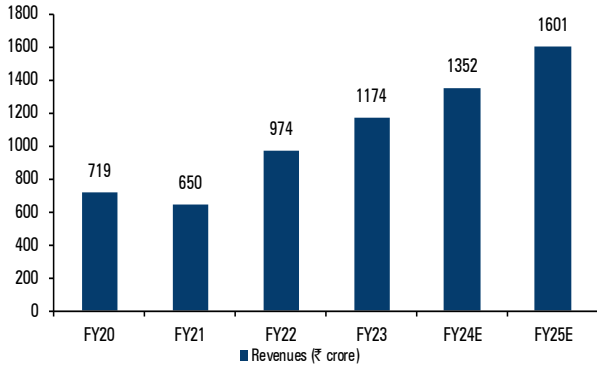
Source: ICICI Direct Research

Exhibit 5: EV/EBITDA Band



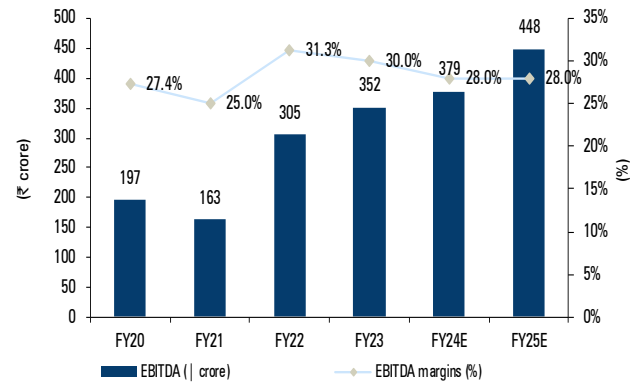
Source: ICICI Direct Research

Exhibit 6: Revenues to grow at 16.8% CAGR over FY23-25E



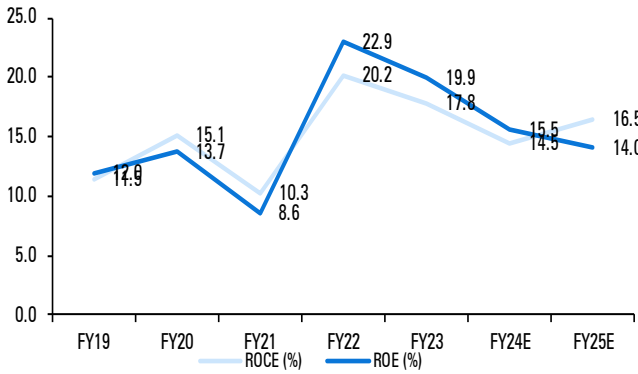
Source: Company, ICICI Direct Research

Exhibit 7: EBITDA & EBITDA margins



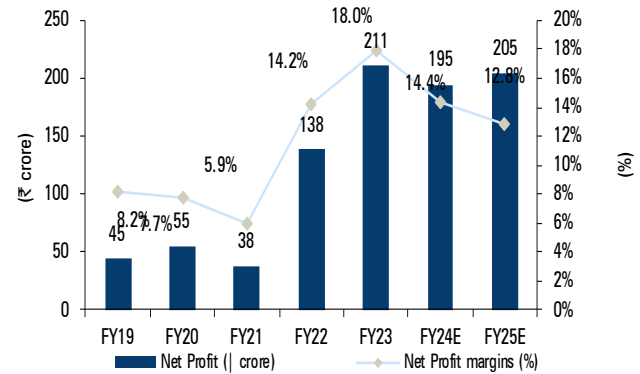
Source: Company, ICICI Direct Research

Exhibit 8: RoE & RoCE trend



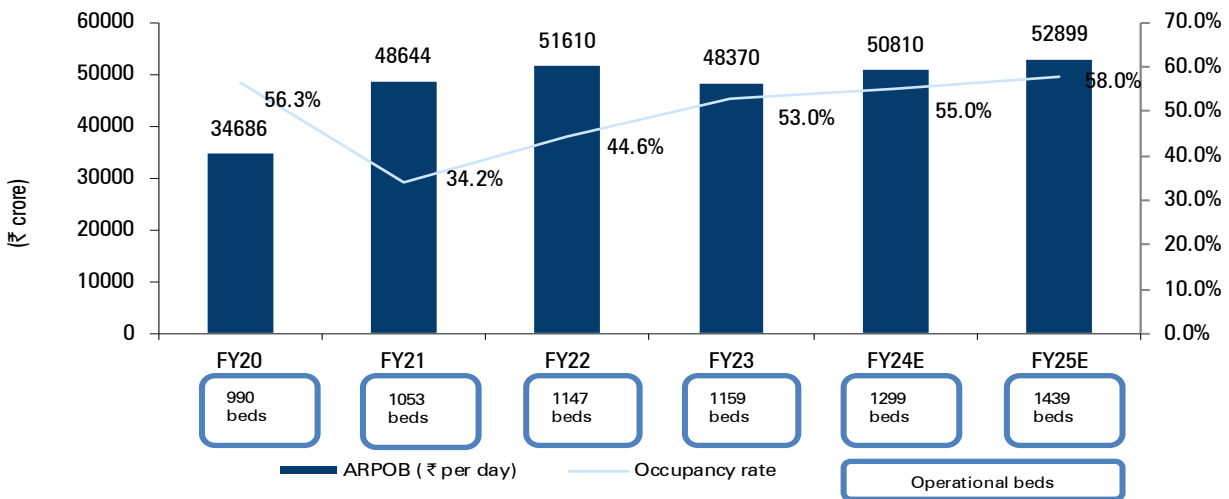
Source: Company, ICICI Direct Research

Exhibit 9: PAT & PAT margins trend



Source: Company, ICICI Direct Research

Exhibit 10: Key Performance Indicators



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 11: Profit and loss statement ₹ crore

(Year-end March)	FY22	FY23	FY24E	FY25E
Revenues	973.8	1,173.6	1,352.0	1,600.6
Growth (%)	49.8	20.5	15.2	18.4
Raw Material Expenses	194.7	158.3	202.8	240.1
Employee Expenses	116.1	144.1	243.4	288.1
Other Expenditure	358.1	474.8	500.2	624.2
Total Operating Expenditure	668.9	777.2	946.4	1,152.4
EBITDA	304.9	352.1	378.5	448.2
Growth (%)	87.2	15.5	7.5	18.4
Interest/ Financial Expenses i	53.2	55.2	56.9	59.7
Depreciation	83.3	90.3	116.3	142.2
Other Income	18.9	30.9	8.4	40.0
PBT before Exceptional Items	187.3	281.8	265.9	279.7
Less: Forex & Exceptional lte	0.0	0.0	0.0	0.0
PBT	187.3	281.8	265.9	279.7
Total Tax	48.7	69.4	69.1	72.7
PAT before MI	138.7	212.4	196.8	207.0
Minority Interest	0.4	1.5	2.0	2.1
PAT	138.3	210.8	194.8	204.9
Adjusted PAT	138.3	210.8	194.8	204.9
Growth (%)	260.9	52.5	-7.6	5.2
EPS	13.6	20.8	19.2	20.2
EPS (Adjusted)	13.6	20.8	19.2	20.2

Source: Company, ICICI Direct Research

Exhibit 12: Cash flow statement ₹ crore

(Year-end March)	FY22	FY23	FY24E	FY25E
Profit/(Loss) after taxation	124.7	200.9	194.8	204.9
Add: Depreciation & Amortization	83.3	90.3	116.3	142.2
Net Increase in Current Assets	-34.8	-16.1	-24.7	-46.5
Net Increase in Current Liabilities	12.8	18.4	-12.5	17.8
Others	37.7	33.7	56.9	59.7
Net cash flow from operating ac	223.7	327.2	330.7	378.1
(Inc)/dec in Fixed Assets	-62.2	-141.1	-255.0	-355.0
(Inc)/dec in Investments	-100.1	-349.7	0.0	0.0
Others	73.2	25.7	-32.7	-35.9
CF from investing activities	-89.1	-465.2	-287.7	-390.9
Inc / (Dec) in Equity Capital	26.3	266.1	0.0	0.0
Proceeds/(Repayment) Loan	-57.7	-99.2	28.5	29.9
Dividend & Dividend Tax	-9.2	-20.3	0.0	0.0
Others	-3.4	-3.2	-56.9	-59.7
CF from financing activities	-44.1	143.4	-28.4	-29.8
Net Cash flow	90.5	5.4	14.7	-42.6
Opening Cash	94.7	185.2	46.0	60.7
Closing Cash	185.2	190.6	60.7	18.1
FCF	161.6	186.0	75.7	23.1

Source: Company, ICICI Direct Research

Exhibit 13: Balance Sheet ₹ crore

(Year-end March)	FY22	FY23	FY24E	FY25E
Equity Capital	105.0	101.5	101.5	101.5
Reserve and Surplus	497.8	958.4	1,153.2	1,358.1
Total Shareholders fund	602.8	1,059.9	1,254.7	1,459.6
Total Debt	580.9	570.3	598.8	628.8
Deferred Tax Liability	0.0	0.0	0.0	0.0
Minority Interest	3.5	5.0	5.5	6.1
Long term Provisions	5.7	7.1	7.8	8.6
Other Non Current Liabilities	0.0	0.0	0.0	0.0
Source of Funds	1,192.9	1,642.3	1,866.8	2,103.0
Gross Block - Fixed Assets	1,155.8	1,321.3	1,571.3	1,921.3
Accumulated Depreciation	300.4	390.7	506.9	649.1
Net Block	855.5	930.7	1,064.4	1,272.2
Capital WIP	5.8	22.8	27.8	32.8
Net Fixed Assets	861.2	953.4	1,092.2	1,305.0
Goodwill on Consolidation	3.0	0.0	0.0	0.0
Investments	0.0	58.1	58.1	58.1
Inventory	14.8	18.8	15.4	18.3
Cash	185.2	46.0	60.7	18.1
Debtors	40.4	58.3	56.1	66.4
Loans & Advances & Other C	49.8	302.9	333.2	366.5
Total Current Assets	290.2	426.0	465.4	469.3
Creditors	64.4	84.5	67.0	79.4
Provisions & Other CL	38.5	49.5	54.4	59.9
Total Current Liabilities	102.8	134.0	121.5	139.3
Net Current Assets	187.4	292.0	343.9	330.1
LT L&A, Other Assets	124.2	312.8	344.1	378.5
Deferred Tax Assets	17.2	26.0	28.6	31.4
Application of Funds	1,192.9	1,642.4	1,866.9	2,103.1

Source: Company, ICICI Direct Research

Exhibit 14: Key ratios

(Year-end March)	FY22	FY23	FY24E	FY25E
Per share data (₹)				
EPS	13.6	20.8	19.2	20.2
Cash EPS	21.8	29.7	30.6	34.2
BV	59.4	104.4	123.6	143.8
DPS	0.0	0.0	0.0	0.0
Cash Per Share	29.6	38.5	49.9	64.0
Operating Ratios (%)				
Gross Profit	80.0	86.5	85.0	85.0
EBITDA margins	31.3	30.0	28.0	28.0
Net Profit margins	14.2	18.0	14.4	12.8
Inventory days	27.8	43.3	27.8	27.8
Debtor days	15.1	18.1	15.1	15.1
Creditor days	120.7	194.8	120.7	120.7
Assets Turnover	0.8	0.9	0.9	0.8
Return Ratios (%)				
RoE	22.9	19.9	15.5	14.0
RoCE	20.2	17.8	14.5	16.5
RoIC	22.1	17.3	15.2	15.3
Valuation Ratios (x)				
P/E	63.9	41.9	45.3	43.1
EV / EBITDA	30.3	26.4	24.6	20.9
EV / Revenues	9.5	7.9	6.9	5.9
Market Cap / Revenues	9.1	7.5	6.5	5.5
Price to Book Value	14.6	8.3	7.0	6.0
Solvency Ratios				
Debt / Equity	1.0	0.5	0.5	0.4
Debt/EBITDA	1.9	1.6	1.6	1.4
Current Ratio	1.0	2.8	3.3	3.2
Quick Ratio	0.9	2.7	3.2	3.1

Source: Company, ICICI Direct Research

Exhibit 15: 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	4612	5,460	Buy	66416	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	769	870	Buy	15686	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	142	180	Buy	1528	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	255	280	Buy	12758	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	291	385	Buy	4040	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	869	900	Hold	8860	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	21206	21,025	Hold	44533	380.3	476.5	519.3	584.0	55.8	44.5	40.8	36.3	36.6	39.7	35.6	33.5	28.3	30.9	27.5	25.8
P&G Health	MERLIM	4720	5,315	Buy	8025	113.2	165.6	166.2	183.2	41.7	28.5	28.4	25.8	39.8	51.2	44.7	43.1	31.2	38.6	33.5	32.2
Sanofi India	SANOFI	6350	6,270	Hold	14605	410.6	269.8	251.4	272.7	15.5	23.5	25.3	23.3	33.3	55.1	49.6	45.0	25.9	41.2	36.9	33.3
Pfizer	PFIZER	3821	4,505	Hold	17577	133.2	139.7	149.3	162.0	28.7	27.3	25.6	23.6	26.1	23.5	24.0	22.6	21.4	17.6	18.4	17.3
Pharma																					
Ajanta Pharma	AJAPHA	1267	1,520	Buy	16220	55.7	46.5	59.9	69.2	22.8	27.2	21.2	18.3	27.0	21.3	23.5	23.3	21.8	17.4	19.2	18.9
Alembic Pharma	ALEMPHA	562	530	Hold	11062	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	614	525	Hold	35980	47.4	34.8	46.2	52.4	13.0	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	29569	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	517	500	Buy	52941	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	74365	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	4515	5,520	Buy	74949	127.2	269.3	230.2	256.5	35.5	16.8	19.6	17.6	12.5	23.9	18.8	21.1	11.0	19.2	14.4	14.2
Glenmark	GLEPHA	607	440	Hold	17103	42.7	33.3	47.4	54.8	14.2	18.2	12.8	11.1	14.8	14.9	15.7	16.4	13.2	9.4	11.9	12.2
Ipca Lab	IPCLAB	695	885	Hold	17652	34.8	20.8	31.4	37.0	20.0	33.4	22.1	18.8	17.4	12.1	15.7	16.5	16.1	8.9	12.1	12.7
Lupin	LUPIN	787	725	Hold	35813	11.9	8.3	25.6	33.0	66.3	94.7	30.7	23.9	3.4	5.7	11.0	13.0	4.4	3.0	8.6	10.2
Natco	NATPHA	631	565	Hold	11542	9.3	36.3	40.3	30.2	67.9	17.4	15.6	20.9	4.6	15.9	16.5	11.6	4.0	13.9	13.6	9.4
Sun Pharma	SUNPHA	954	1,210	Buy	228865	32.0	34.9	38.6	43.2	29.9	27.3	24.7	22.1	18.2	17.2	18.1	18.1	16.0	15.2	14.7	14.7
Torrent Pharma	TORPHA	1667	1,720	Hold	56336	32.0	36.3	45.1	53.8	52.0	45.9	36.9	31.0	19.7	17.1	20.4	23.3	18.2	17.9	19.0	19.4
Indoco Remedies	INDREM	353	440	Buy	3250	16.8	17.9	26.7	31.5	21.0	19.7	13.2	11.2	17.5	15.6	21.9	24.7	17.1	15.9	19.8	19.4
Caplin Point	CAPPOI	705	865	Buy	5358	39.5	48.8	47.9	47.9	17.9	14.4	14.7	14.7	25.3	23.5	22.4	22.4	20.2	20.2	16.7	16.7
Advanced Enzyme	ADVENZ	280	265	Reduce	3140	9.4	13.6	15.3	15.3	29.7	20.7	18.3	18.3	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	3280	2,945	Hold	86921	111.5	72.8	77.4	95.0	29.4	45.0	42.4	34.5	30.2	18.2	18.3	18.3	21.3	25.2	15.0	15.0
Hikal	HIKCHE	297	375	Hold	3647	13.0	5.7	14.6	20.7	22.8	52.1	20.4	14.3	13.6	7.2	14.3	17.7	15.0	6.3	14.1	17.0
Syngene International	SYNINT	698	740	Buy	27988	9.9	11.6	13.3	17.9	70.7	60.3	52.4	39.0	11.7	13.8	14.2	16.9	12.9	12.8	13.0	14.9
Granules India	GRANUL	293	355	Buy	7271	16.6	21.4	16.6	16.6	17.6	13.7	17.6	17.6	15.6	20.0	15.6	15.6	16.0	18.7	16.0	16.0
Laurus Labs	LAULAB	311	300	Hold	16690	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	474	530	Buy	12087	17.8	14.7	17.7	20.0	26.6	32.2	26.8	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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Reduce: -15% to -5%;

Sell: <-15%



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