

## Margins below par but outlook upbeat...

**About the stock:** Started by renowned orthopaedic surgeon Dr Vikram Shah, Shalby is a multi-specialty hospitals chain with expertise in joint replacement.

- Revenue-wise breakup Q4FY23: Arthroplasty: 41%, Critical care & General medicine: 10%, Cardiac science: 10%, Orthopaedic: 7%, Oncology: 10%, Neurology: 4%, Nephrology: 5%, Others: 13%
- Shalby registered a blended ARPOB of ₹ 34,865 and ALOS of 4.01 days (without day care procedures) in Q4FY23
- Acquisition of US based Consensus to diversify into related implant business besides supporting arthroplasty and orthopaedic segments

**Q4FY23 Results:** Mixed numbers, revenues in line but margins missed.

- Revenues de-grew 1.7% QoQ to ₹ 199 crore
- EBITDA was at ~₹ 26 crore, down 24.5% QoQ with margins at 12.9%
- Adjusted PAT was at ₹ 13.9 crore (de-growth of ~9% QoQ)

**What should investors do?** Shalby's share price has grown at 34% CAGR over the past three years.

- We maintain **BUY** on the back of 1) strong arthroplasty legacy and diversification into other super-specialties 2) asset light model via franchisee drive, 3) expansion of implant business into newer geographies besides stronger India and US traction

**Target Price and Valuation:** We value Shalby at ₹ 170 based on SOTP valuation.

**Key triggers for future price performance:**

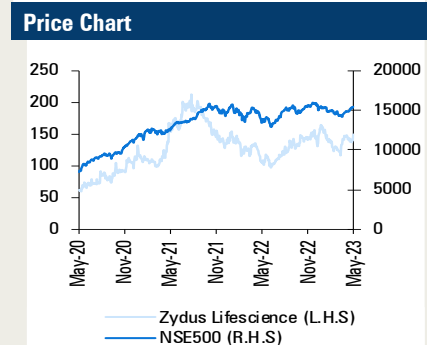
- Shalby is a market leader in arthroplasty procedure with ~15% market share of all joint replacement surgeries by organised private corporate hospitals
- Diversification of arthroplasty and orthopaedics with cardiac science, oncology and neuro-science with availability of additional bed capacity to support growth
- Re-establishment of implant business in core-markets while creating a platform to enter growth markets
- Set on an inspirational target to achieve 2.5x sales in the next three to five years on the back of expansion to 50 franchises in the next three years, better occupancies and new service offerings (home care)

**Alternate Stock Idea:** Besides Shalby, in our hospital coverage we like Narayana.

- It operates a chain of multispecialty, tertiary & primary healthcare facilities. Operations are improving on the back of a judicious case mix identification
- BUY with a target price of ₹ 870

Particulars	
Particular	Amount
Market Capitalisation	₹ 1675 crore
Debt (FY23)	₹ 142 crore
Cash (FY23)	₹ 12 crore
EV	₹ 1805 crore
52 week H/L	168/95
Equity capital	₹ 108.0 crore
Face value	₹ 10

Shareholding pattern				
(in %)	Jun-22	Sep-22	Dec-22	Mar-23
Promoter	74.0	74.0	74.1	74.1
Others	26.0	26.0	25.9	25.9



- Recent Event & Key risks**
- Launch of TUKS in US and India
  - Key Risk:** (i) Slower ramp up in elective surgeries (ii) Lower than guided traction from implants

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### Key Financial Summary

Key Financials (₹ Crore)	FY20	FY21	FY22	FY23	5 year CAGR (FY17-22)	FY24E	FY25E	2 year CAGR (FY23E-25E)
Revenues	486.9	430.9	698.9	804.9	16.6	918.3	1049.0	9.2%
EBITDA	81.7	86.4	119.9	137.4	10.9	167.6	192.7	11.9%
EBITDA margins (%)	16.8	20.1	17.2	17.1		18.2	18.4	
Net Profit	27.6	42.4	54.0	68.3	13.5	88.9	111.3	17.6%
EPS (₹)	2.6	3.9	5.4	6.3		8.2	10.3	
PE (x)	54.8	35.7	27.9	22.1		17.0	13.6	
EV to EBITDA (x)	18.4	16.9	12.8	10.9		8.1	6.7	
RoCE (%)	7.2	6.5	8.4	9.9		11.8	13.9	
ROE (%)	3.5	5.1	6.7	7.4		8.9	10.2	

## Key takeaways of recent quarter & conference call highlights

### Q4FY23 Results: Mixed numbers with below-par margins

- Revenues were down QoQ at ₹ 199 crore on account of fewer surgeries taking place. It was at 6,553 in Q4FY23 against 6,782 in Q3FY23. On the operational front, EBITDA showed de growth of 24.5% QoQ to ~₹ 26 crore. EBITDA margins saw a QoQ decline of 388 bps due to a rise in employee expenses. PAT came in at ₹ 13.9 crore, down ~9% QoQ
- Q4 results were below our estimates on the margins front. ARPOB was lower, which came in at ₹ 34865 in Q4FY23 against 36291 in Q3FY23. Arthroplasty (~15% market share) in Q4FY23 contributed 41% of revenue vis-a-vis 43% in Q3FY23. In asset light franchise model, Shalby remains focused on having over 50 Shalby franchise hospital across India within the next three years. Shalby continues to maintain leadership position in arthroplasty but has also transformed itself as a multispecialty hospital with diversified revenue mix. Shalby's strategic initiatives are expected to drive its sustainable growth momentum in the coming years. That said, we will particularly focus on the management commentary on the margins front, which was one of the lowest in the last few quarters

### Q4FY23 Earnings Conference Call highlights:

#### Business performance mix:

- Total surgeries count for Q4FY23 was 6,553 vs. 6,782 in Q3FY23. Total inpatient count in Q4FY23 came in at 18,551. Total beds occupied in Q4FY23 were at 579 vs. 544 in Q3FY23 with occupancy rate hovering around 46% vs. 43.3% in Q3FY23
- Average revenue per operating bed (ARPOB) during Q4FY23 was ₹ 34,865 vs. ₹ 36,291 in Q3FY23 and average length of stay was 4.01 in Q4FY23 vs. 3.74 days in Q3FY23
- Focus remains on capitalising its expertise in arthroplasty to further expand into Shalby franchise hospitals network across India
- Its SOCE franchise business and implant business have delivered a healthy performance in Q4FY23
- Gwalior SOCE unit (franchise owned and Shalby managed) has become fully operationalised from January 2023
- Its US customer sales mix was at 58% and 42% between retail and wholesale, respectively, in FY23
- Its implant production capabilities have improved to an average of 4500 components per month in FY23 against 2000+ components per month last year
- Total capacity was at 70,000-80,000 components per year while the current capacity utilisation was at ~65% in FY23

#### Other highlights:

- It received the license approval to sell implants in Indonesia during Q4FY23
- It launched a product called TUKS (Tahoe Unicompartmental Knee) in the US and India
- It added new franchises in Lucknow and Gwalior under the SOCE model
- International revenue included majority of patients coming from East African countries
- Payor mix remained at: cash- 36%, insurance- 40%, government- 23%
- During the quarter lost contract from a large hospital in the US. Most contracts are on an annual basis whereas some are for three years
- The management expects Naroda and Mohali hospitals to be the biggest growth driver in the coming years
- The Nashik franchise, which would have 146 bed capacity, is likely to be operationalised in Q4FY24
- At present 70-75% implants manufactured are for captive use and rest are sold in the markets

**Exhibit 1: Variance Analysis**

	Q4FY23	Q4FY23E	Q4FY22	Q3FY23	YoY (%)	QoQ (%)	Comments
Revenue	199.0	207.2	162.6	202.5	22.4	-1.7	Revenues de-grew due to slowdown in surgeries which led to reduction in ARPOB
Raw Material Expenses	11.9	14.8	23.8	16.4	-50.1	-27.5	
Employee Expenses	41.7	34.6	32.9	36.6	26.7	13.8	
Other Expenditure	119.8	117.6	81.9	115.5	46.2	3.7	
Total Operating Expenditure	173.3	166.9	138.6	168.5	25.1	2.9	
EBITDA	25.7	40.3	24.0	34.0	6.9	-24.5	
EBITDA (%)	12.9	19.4	14.8	16.8	-187 bps	-388 bps	Arthroplasty contribution reduced to 41% vis-à-vis 43% in Q3
Interest	2.8	2.7	1.7	2.7	62.8	6.4	
Depreciation	12.8	11.8	11.2	11.8	14.9	8.6	
Other income	9.2	4.1	4.3	4.0	114.8	127.2	
PBT before EO	19.2	30.0	15.4	23.5	24.8	-18.5	
Less: Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.0	
PBT	19.2	30.0	15.4	23.5	24.8	-18.5	
Tax	5.3	10.5	5.3	8.3	0.7	-35.9	
Minority Interest	0.0	-0.1	-0.1	0.0	NA	NA	
Adj. Net Profit	13.9	19.5	10.2	15.3	36.3	-9.1	

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	813.2	804.9	-1.0	931.9	918.3	-1.5	1,067.8	1,049.0	-1.8	
EBITDA	151.4	137.4	-9.2	183.3	167.6	-8.6	206.6	192.7	-6.7	Higher marketing cost for consensus business
EBITDA Margin (%)	18.6	17.1	-155 bps	19.7	18.2	-142 bps	19.3	18.4	-98 bps	
PAT	73.4	68.4	-6.8	102.4	89.0	-13.1	123.6	111.3	-9.9	
EPS (₹)	6.8	6.3	-6.8	9.5	8.2	-13.1	11.4	10.3	-9.9	

Source: ICICI Direct Research

**Exhibit 3: Financial Summary**

	Revenues	Growth	EPS	Growth	P/E	EV/EBITDA	RoE	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY21	431	-11.5	3.9	53.6	35.7	16.9	5.1	6.5
FY22	699	62.2	5.4	27.4	27.9	12.8	6.7	8.4
FY23	805	15.2	6.3	26.6	22.1	10.9	7.4	9.9
FY24E	918	14.1	8.2	30.1	17.0	8.1	8.9	11.8
FY25E	1049	14.2	10.3	25.1	13.6	6.7	10.2	13.9

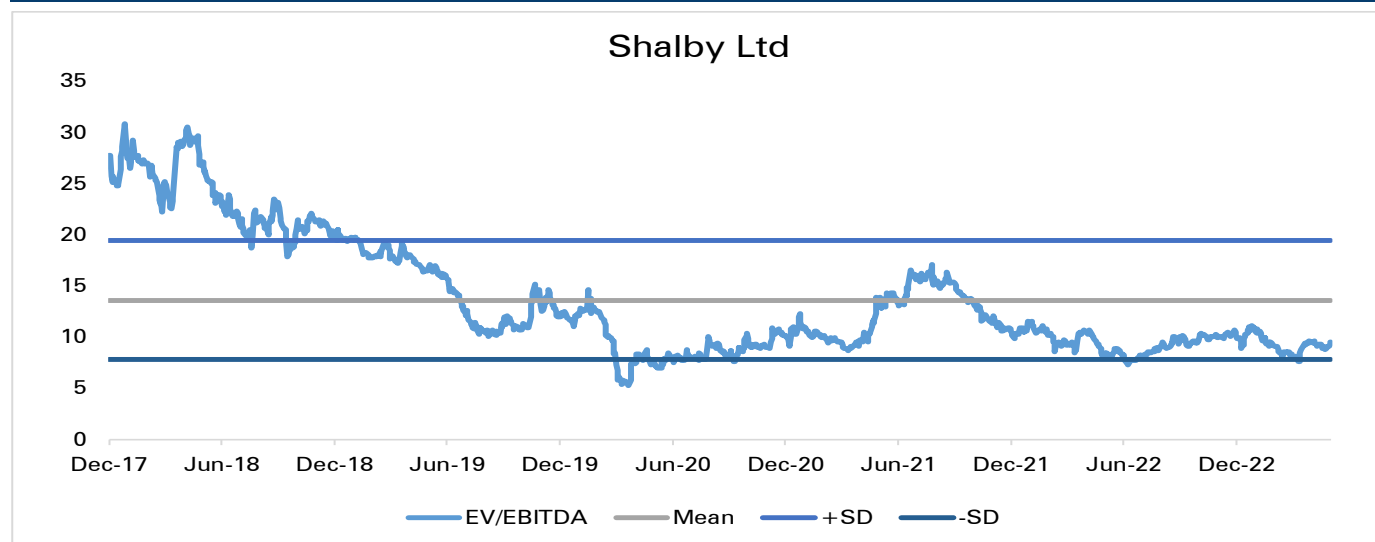
Source: ICICI Direct Research

Exhibit 4: Trends in Quarterly Performance

(₹ crore)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)
Total Operating Income	108.9	38.4	115.6	131.8	145.0	192.4	181.6	162.4	162.6	201.7	201.8	202.5	199.0	22.4	-1.7
Raw Material Expenses	12.5	5.4	9.4	11.9	7.9	13.3	3.4	0.3	23.8	16.8	14.4	16.4	11.9	-50.1	-27.5
% of Revenue	11.5	14.0	8.2	9.1	5.5	6.9	1.9	0.2	14.6	8.3	7.1	8.1	6.0	-865 bps	-212 bps
Gross Profit	96.4	33.0	106.2	119.9	137.1	179.0	178.2	162.1	138.8	184.9	187.4	186.1	187.1	34.8	0.5
Gross Profit Margin (%)	88.5	86.0	91.8	90.9	94.5	93.1	98.1	99.8	85.4	91.7	92.9	91.9	94.0	865 bps	212 bps
Employee Expenses	16.1	8.8	14.3	16.5	17.4	25.0	29.5	31.0	32.9	32.3	33.7	36.6	41.7	26.7	13.8
% of Revenue	14.8	22.9	12.3	12.5	12.0	13.0	16.2	19.1	20.2	16.0	16.7	18.1	20.9	72 bps	286 bps
Other Expenditure	77.8	29.1	62.4	72.6	88.7	115.8	119.3	102.8	81.9	112.5	116.6	115.5	119.8	46.2	3.7
% of Revenue	71.4	75.6	54.0	55.1	61.2	60.2	65.7	63.3	50.4	55.8	57.8	57.1	60.2	980 bps	314 bps
Total Expenditure	106.4	43.3	86.1	101.0	114.0	154.1	152.2	134.2	138.6	161.6	164.7	168.5	173.3	25.1	2.9
% of Revenue	97.7	112.6	74.5	76.7	78.6	80.1	83.8	82.6	85.2	80.1	81.6	83.2	87.1	187 bps	388 bps
EBITDA	2.5	-4.8	29.5	30.8	31.0	38.3	29.4	28.2	24.0	40.1	37.1	34.0	25.7	6.9	-24.5
EBITDA Margin (%)	2.3	-12.6	25.5	23.3	21.4	19.9	16.2	17.4	14.8	19.9	18.4	16.8	12.9	-187 bps	-388 bps
Other Income	10.1	2.3	2.4	2.3	2.1	2.5	2.8	2.8	4.3	4.0	5.3	4.0	9.2	114.8	127.2
Interest	1.7	1.2	0.8	0.9	0.8	1.0	1.6	1.6	1.7	1.8	1.8	2.7	2.8	62.8	6.4
Depreciation	9.0	9.0	9.2	9.3	9.4	9.0	11.5	11.3	11.2	11.6	11.9	11.8	12.8	14.9	8.6
PBT	1.9	-12.7	21.9	22.9	23.0	30.8	19.2	18.2	15.4	30.6	28.7	23.5	19.2	24.8	-18.5
Total Tax	19.0	-4.0	-2.6	6.0	13.2	10.6	8.4	0.9	5.3	10.5	10.3	8.3	5.3	0.7	-35.9
Tax rate (%)	1005.5	31.4	-11.9	26.4	57.5	34.5	44.0	4.7	34.2	34.4	35.9	35.1	27.6		
PAT	-17.1	-8.7	24.5	16.8	9.8	20.2	10.8	12.9	10.2	20.1	18.4	15.3	13.9	36.3	-9.1
PAT Margin (%)	-15.7	-22.6	21.2	12.8	6.8	10.5	5.9	8.0	6.3	10.0	9.1	7.6	7.0		
EPS (₹)	-1.6	-0.8	2.3	1.6	0.9	1.9	1.0	1.2	0.9	1.9	1.7	1.4	1.3		
No. of shares	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8		

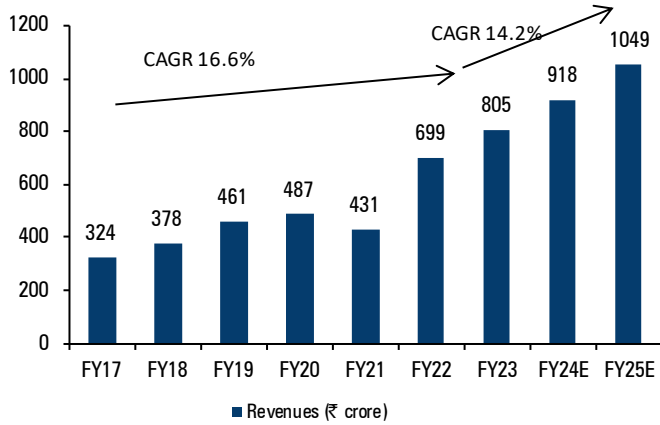
Source: ICICI Direct Research

Exhibit 5: EV/EBITDA Band



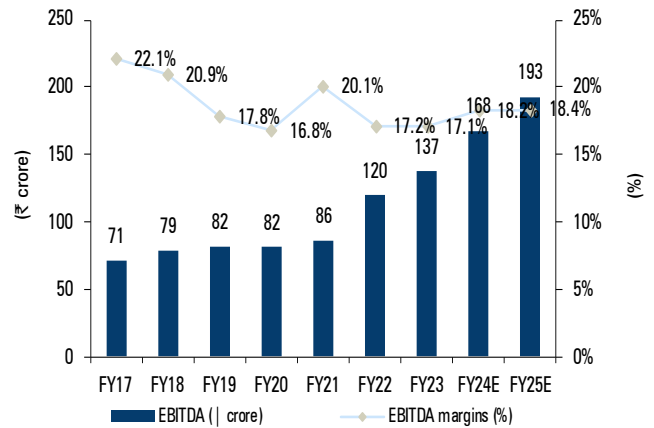
Source: ICICI Direct Research

Exhibit 6: Revenue to grow at CAGR of 14.2% over FY23-25E



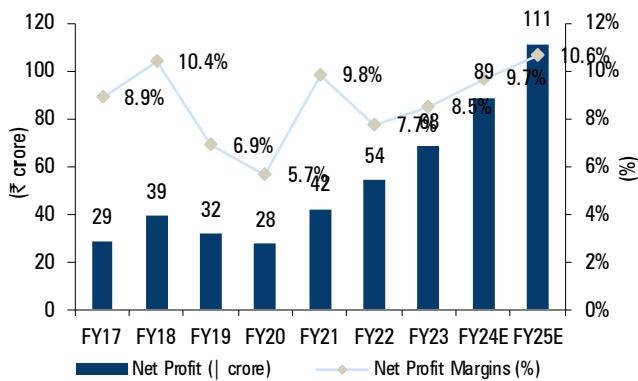
Source: Company, ICICI Direct Research

Exhibit 7: EBITDA & EBITDA margins trend



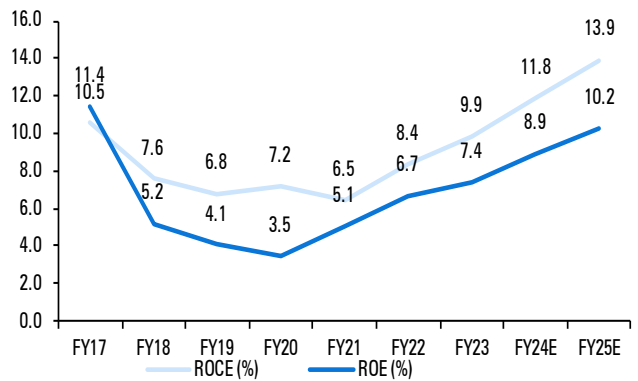
Source: Company, ICICI Direct Research

Exhibit 8: PAT & PAT margins trend



Source: Company, ICICI Direct Research

Exhibit 9: RoE & RoCE trend



Source: Company, ICICI Direct Research

Exhibit 10: Valuation

Particulars	FY25E (₹ cr)	Valuation Matrix	Multiple (x)	EV (₹ cr)
Hospital	199.3	EV/EBITDA	9.0	1,794
Shalby Consensus	159.1	EV/Sales	1.0	159
EV				1,953
Net Debt FY25E (₹ cr)				84.3
Minority Interest				1.0
Targeted MCap (₹ cr)				1,868
No of shares (cr)				10.8
<b>Per Share Value (₹)</b>				<b>170</b>

Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 11: Profit and loss statement		₹ crore			
Year-end March	FY22	FY23	FY24E	FY25E	
Total Operating Income	698.9	804.9	918.3	1,049.0	
Growth (%)	62.2	15.2	14.1	14.2	
Raw Material Expenses	41.6	59.4	54.7	62.5	
Gross Profit	657.4	745.5	863.6	986.5	
Gross Profit Margins (%)	94.0	92.6	94.0	94.0	
Employee Expenses	118.4	143.6	163.9	187.2	
Other Expenditure	419.0	464.5	532.2	606.7	
Total Operating Expenditure	579.0	667.5	750.8	856.4	
<b>EBITDA</b>	<b>119.9</b>	<b>137.4</b>	<b>167.6</b>	<b>192.7</b>	
Growth (%)	38.8	14.6	21.9	15.0	
Interest	5.9	9.1	6.4	2.9	
Depreciation	42.9	48.1	49.1	47.6	
Other Income	12.4	22.5	18.4	21.0	
<b>PBT before Exceptional Items</b>	<b>83.6</b>	<b>102.7</b>	<b>130.4</b>	<b>163.2</b>	
Less: Exceptional Items	4.4	0.0	0.0	0.0	
PBT after Exceptional Items	79.1	102.7	130.4	163.2	
Total Tax	25.2	34.4	41.5	51.9	
PAT before MI	54.0	68.3	88.9	111.3	
<b>PAT</b>	<b>54.0</b>	<b>68.3</b>	<b>88.9</b>	<b>111.3</b>	
Growth (%)	27.4	26.6	30.1	25.1	
<b>EPS (Adjusted)</b>	<b>5.4</b>	<b>6.3</b>	<b>8.2</b>	<b>10.3</b>	

Source: Company, ICICI Direct Research

Exhibit 12: Cash flow statement		₹ crore			
Year-end March	FY22	FY23	FY24E	FY25E	
Profit/(Loss) after taxation	56.2	73.6	89.0	111.3	
Add: Depreciation & Amortization	42.9	38.8	49.1	47.6	
Net Increase in Current Assets	-118.6	-63.4	112.8	-26.7	
Net Increase in Current Liabilities	27.8	17.6	8.3	16.8	
Others	10.6	7.2	3.9	3.9	
<b>CF from Operating activities</b>	<b>18.9</b>	<b>177.6</b>	<b>208.8</b>	<b>208.8</b>	
Investments	-8.8	0.0	0.0	0.0	
(Purchase)/Sale of Fixed Asset:	-48.3	-17.7	-100.0	-50.0	
Others	-25.3	-5.0	-5.6	-5.6	
<b>CF from Investing activities</b>	<b>-82.4</b>	<b>-112.0</b>	<b>-105.6</b>	<b>-105.6</b>	
Inc / (Dec) in Equity Capital	0.0	0.0	0.0	0.0	
Dividend & Dividend tax	-10.8	-17.1	-24.0	-24.0	
Other	101.3	-57.2	-53.9	-53.9	
<b>CF from Financing activities</b>	<b>90.5</b>	<b>-74.4</b>	<b>-77.8</b>	<b>-77.8</b>	
<b>Net Cash Flow</b>	<b>27.0</b>	<b>-8.7</b>	<b>25.4</b>	<b>25.4</b>	
Cash and Cash Equivalent	83.6	110.6	101.8	101.8	
<b>Cash</b>	<b>110.6</b>	<b>101.8</b>	<b>127.2</b>	<b>127.2</b>	
<b>Free Cash Flow</b>	<b>-29.4</b>	<b>70.6</b>	<b>108.8</b>	<b>108.8</b>	

Source: Company, ICICI Direct Research

Exhibit 13: Balance Sheet		₹ crore			
Year-end March	FY22	FY23	FY24E	FY25E	
Equity Capital	108.0	107.3	107.3	107.3	
Reserve and Surplus	768.3	820.4	891.6	980.6	
Total Shareholders funds	876.3	927.7	998.9	1,088.0	
Total Debt	155.0	141.7	91.7	41.7	
Deferred Tax Liability	30.6	43.4	44.3	45.2	
Minority Interest	-0.1	-0.1	-0.1	-0.1	
Other Non Current Liabilities	26.9	48.5	49.5	50.5	
<b>Source of Funds</b>	<b>1,088.7</b>	<b>1,161.2</b>	<b>1,184.3</b>	<b>1,225.2</b>	
Gross Block - Fixed Assets	852.7	910.6	930.6	900.6	
Accumulated Depreciation	187.5	235.6	284.7	332.3	
Net Block	665.2	675.0	645.9	568.3	
Capital WIP	5.8	10.5	90.5	170.5	
Goodwill	10.2	10.2	10.2	10.2	
Fixed Assets	681.2	695.7	746.6	749.0	
Investments	24.7	145.7	145.7	145.7	
Other non-Current Assets	41.5	41.7	45.8	50.4	
Deferred Tax Assets	20.0	26.7	29.4	32.4	
Inventory	121.1	185.4	45.0	51.4	
Debtors	101.0	106.4	132.7	151.6	
Loans and Advances	0.0	0.0	0.0	0.0	
Other Current Assets	93.6	67.5	68.8	70.2	
Cash	110.6	12.1	98.5	119.6	
Total Current Assets	426.3	371.3	345.0	392.7	
Creditors	70.7	87.9	93.0	106.3	
Provisions	1.1	1.5	1.6	1.8	
Other Current Liabilities	33.0	30.6	33.6	37.0	
Total Current Liabilities	104.8	119.9	128.3	145.0	
Net Current Assets	321.4	251.4	216.7	247.7	
<b>Application of Funds</b>	<b>1,088.7</b>	<b>1,161.2</b>	<b>1,184.3</b>	<b>1,225.2</b>	

Source: Company, ICICI Direct Research

Exhibit 14: Key ratios					
Year-end March	FY22	FY23	FY24E	FY25E	
<b>Per share data (₹)</b>					
Reported EPS	5.0	6.3	8.2	10.3	
Cash EPS	8.4	9.5	11.1	12.7	
BV per share	81.1	85.9	92.5	100.7	
Cash per Share	10.2	1.1	9.1	11.1	
Dividend per share	1.0	1.3	1.6	2.1	
<b>Operating Ratios (%)</b>					
Gross Profit Margins	94.0	92.6	94.0	94.0	
EBITDA margins	17.2	17.1	18.2	18.4	
PAT Margins	8.4	8.5	9.7	10.6	
Cash Conversion Cycle	495.0	647.4	-267.8	-267.8	
Asset Turnover	0.8	0.9	1.0	1.2	
EBITDA conversion Rate	15.8	107.4	100.9	100.9	
<b>Return Ratios (%)</b>					
RoE	6.7	7.4	8.9	10.2	
RoCE	8.4	9.9	11.8	13.9	
RoIC	8.3	9.2	14.4	19.2	
<b>Valuation Ratios (x)</b>					
P/E	27.9	22.1	17.0	13.6	
EV / EBITDA	12.8	10.9	8.1	6.7	
EV / Net Sales	2.2	1.9	1.5	1.2	
Market Cap / Sales	2.2	1.9	1.6	1.4	
Price to Book Value	1.7	1.6	1.5	1.4	
<b>Solvency Ratios</b>					
Debt / EBITDA	1.3	1.0	0.5	0.2	
Debt / Equity	0.2	0.2	0.1	0.0	
Current Ratio	3.0	3.0	1.9	1.9	
<b>Quick Ratio</b>					
Inventory days	1,063	1,140	300	300	
Debtor days	53	48	53	53	
Creditor days	621	540	621	621	

Source: Company, ICICI Direct Research

Exhibit 15: ICICI Direct Universe Coverage (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
<b>Hospitals</b>																					
Apollo Hospitals	APOHOS	4440	5,460	Buy	63936	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	139	170	Buy	1500	5.4	6.3	8.2	10.3	12.8	#N/A	8.1	6.7	8.4	9.9	11.8	13.9	6.7	7.4	8.9	10.2
Aster DM	ASTDM	256	280	Buy	12775	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	312	385	Buy	4333	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	889	900	Hold	9067	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
<b>Pharma</b>																					
<b>MNC Pharma</b>																					
Abbott India	ABBIND	20950	21,025	Hold	43995	380.3	476.5	519.3	584.0	55.1	44.0	40.3	35.9	36.6	39.7	35.6	33.5	28.3	30.9	27.5	25.8
P&G Health	MERLIM	5003	5,620	Buy	8505	113.2	152.2	144.4	165.2	44.2	32.9	34.6	30.3	39.8	43.7	34.5	33.6	31.2	33.2	26.5	25.7
Sanofi India	SANOFI	6300	6,270	Hold	14491	410.6	269.8	251.4	272.7	15.3	23.3	25.1	23.1	33.3	55.1	49.6	45.0	25.9	41.2	36.9	33.3
Pfizer	PFIZER	3825	3,830	Hold	17593	133.2	135.6	135.7	147.2	28.7	28.2	28.2	26.0	26.1	24.8	22.7	21.6	21.4	18.4	17.1	16.3
<b>Pharma</b>																					
Ajanta Pharma	AJAPHA	1295	1,520	Buy	16576	55.7	46.5	59.9	69.2	23.3	27.8	21.6	18.7	27.0	21.3	23.5	23.3	21.8	17.4	19.2	18.9
Alembic Pharma	ALEMPHA	551	530	Hold	10855	27.7	17.4	14.1	22.1	19.9	31.7	39.1	25.0	10.6	8.6	8.0	11.6	10.4	7.8	6.2	9.1
Aurobindo Pharma	AURPHA	589	525	Hold	34524	47.4	34.8	46.2	52.4	12.4	16.9	12.8	11.2	12.9	10.2	12.6	13.1	11.3	7.7	9.3	9.6
Biocon	BIOCON	242	230	Hold	29034	6.3	4.9	3.1	3.1	38.1	48.9	76.8	76.8	7.5	3.3	5.1	6.2	8.1	2.7	6.2	8.3
Zydus Lifesciences	CADHEA	495	600	Buy	50657	21.0	21.6	25.3	33.3	23.6	22.9	19.5	14.9	12.0	14.2	14.8	14.9	12.6	12.6	13.1	14.8
Cipla	CIPLA	917	1,090	Buy	74002	32.9	36.4	42.7	48.2	27.9	25.2	21.5	19.0	16.7	17.4	17.8	18.2	12.7	12.5	13.2	13.4
Dr Reddy's Lab	DRREDD	4392	5,520	Buy	72906	127.2	269.3	230.2	256.5	34.5	16.3	19.1	17.1	12.5	23.9	18.8	21.1	11.0	19.2	14.4	14.2
Glenmark	GLEPHA	626	440	Hold	17653	42.7	33.3	47.4	54.8	14.7	18.8	13.2	11.4	14.8	14.9	15.7	16.4	13.2	9.4	11.9	12.2
Ipca Lab	IPCLAB	675	885	Hold	17145	34.8	20.8	31.4	37.0	19.4	32.4	21.5	18.3	17.4	12.1	15.7	16.5	16.1	8.9	12.1	12.7
Lupin	LUPIN	772	725	Hold	35144	11.9	8.3	25.6	33.0	65.0	92.9	30.1	23.4	3.4	5.7	11.0	13.0	4.4	3.0	8.6	10.2
Natco	NATPHA	618	565	Hold	11307	9.3	36.3	40.3	30.2	66.5	17.0	15.3	20.4	4.6	15.9	16.5	11.6	4.0	13.9	13.6	9.4
Sun Pharma	SUNPHA	927	1,210	Buy	222435	32.0	34.9	38.6	43.2	29.0	26.5	24.0	21.4	18.2	17.2	18.1	18.1	16.0	15.2	14.7	14.7
Torrent Pharma	TORPHA	1661	1,720	Hold	56142	32.0	36.3	45.1	53.8	51.8	45.7	36.8	30.9	19.7	17.1	20.4	23.3	18.2	17.9	19.0	19.4
Indoco Remedies	INDREM	350	440	Buy	3221	16.8	17.9	26.7	31.5	20.8	19.5	13.1	11.1	17.5	15.6	21.9	24.7	17.1	15.9	19.8	19.4
Caplin Point	CAPPOI	702	865	Buy	5337	39.5	48.8	47.9	47.9	17.8	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	275	310	Hold	3081	11.5	13.1	10.7	10.7	23.8	21.1	25.8	25.8	14.3	10.9	13.4	14.2	11.0	8.7	10.7	11.3
Hester Bios	HESPHA	1740	1,490	Reduce	1566	45.7	31.1	40.5	53.3	38.1	56.0	43.0	32.6	10.9	7.5	8.8	10.3	15.0	9.4	11.2	13.1
<b>API/CRAMS</b>																					
Divi's Lab	DIVLAB	3098	2,945	Hold	82105	111.5	72.8	77.4	95.0	27.8	42.6	40.0	32.6	30.2	18.2	18.3	18.3	21.3	25.2	15.0	15.0
Hikal	HIKCHE	300	375	Hold	3685	13.0	5.7	14.6	20.7	23.0	52.6	20.6	14.5	13.6	7.2	14.3	17.7	15.0	6.3	14.1	17.0
Syngene International	SYNINT	700	740	Buy	28070	9.9	11.6	13.3	17.9	70.9	60.5	52.6	39.2	11.7	13.8	14.2	16.9	12.9	12.8	13.0	14.9
Granules India	GRANUL	276	360	Buy	6852	16.6	20.8	21.8	27.8	16.6	13.3	12.7	9.9	15.6	18.5	17.8	19.4	16.0	18.2	16.2	17.3
Laurus Labs	LAULAB	312	300	Hold	16776	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	475	0	Buy	12107	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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