

Indoco Remedies

Performance Highlights

| Y/E March (₹ cr) | 3QFY2013 | 2QFY2013 | % chg (qoq) | 3QFY2012 | % chg (yoy) |
|------------------------|------------|------------|---------------|------------|---------------|
| Net sales | 150 | 165 | (8.7) | 142 | 6.0 |
| Other operating income | 3 | (2) | - | 4 | (10.3) |
| Gross profit | 87 | 96 | (9.6) | 79 | 9.6 |
| Operating profit | 16 | 25 | (36.2) | 13 | 25.3 |
| Net profit | 7 | 12 | (38.9) | 8 | (10.7) |

Source: Company, Angel Research

For 3QFY2013, Indoco Remedies (Indoco)'s revenues as well as net profit were lower than expected. The company posted a sales growth of 6.0% yoy, while the net profit growth came in lower than expected, de-growing by 10.7% yoy. This was mainly on account of lower-than-expected sales. The OPM was resultantly impacted, which came in at 10.8%. While FY2013 has witnessed an overall lower sales growth, FY2014 is likely to witness a robust growth, both on the back of exports and domestic formulations. **We recommend Buy with a revised target price of ₹78.**

Results lower than expected: Indoco reported net sales of ₹150cr (₹142cr in 3QFY2012), up 6.0% yoy, but lower than our expectation of ₹185cr for 3QFY2013. The growth for the quarter came in mainly on the back of domestic business, which grew by 8.8% yoy. The domestic formulations grew by 11.0% yoy. The gross margin came in at 57.8%, ie higher than our expectations. Also, the OPM came in at 10.8%, below our expectations of 16.4%, and contracting by 214bp on a yoy basis, mainly on back of lower sales during the quarter. Consequently, the net profit for the quarter came in at ₹7.0cr, 60.0% below our estimate of ₹18cr.

Outlook and valuation: We expect net sales to post a 17.4% CAGR to ₹784cr and EPS to post a 24.8% CAGR to ₹7.8 over FY2012-14E. At ₹62, the stock is trading at 10.8x and 7.9x FY2013E and FY2014E earnings, respectively. **We recommend Buy on the stock with a revised target price of ₹78.**

Key financials (Consolidated)

| Y/E March (₹ cr) | FY2011 | FY2012E | FY2013E | FY2014E |
|-------------------|--------------|--------------|--------------|--------------|
| Net sales | 478.5 | 568.8 | 641.5 | 784.3 |
| % chg | 20.1 | 18.9 | 12.8 | 22.3 |
| Net profit | 51.0 | 46.3 | 52.5 | 72.2 |
| % chg | 21.5 | (9.2) | 13.2 | 37.5 |
| EPS (₹) | 5.5 | 5.0 | 5.7 | 7.8 |
| EBITDA margin (%) | 13.5 | 14.9 | 14.2 | 15.2 |
| P/E (x) | 11.1 | 12.3 | 10.8 | 7.9 |
| RoE (%) | 15.5 | 12.6 | 12.9 | 15.6 |
| RoCE (%) | 11.8 | 13.0 | 12.5 | 14.6 |
| P/BV (x) | 1.6 | 1.5 | 1.3 | 1.2 |
| EV/Sales (x) | 1.3 | 1.2 | 1.1 | 0.9 |
| EV/EBITDA (x) | 9.6 | 7.9 | 7.5 | 6.1 |

Source: Company, Angel Research

BUY

| | |
|--------------|-----|
| CMP | ₹62 |
| Target Price | ₹78 |

| | |
|-------------------|-----------|
| Investment Period | 12 months |
|-------------------|-----------|

| | |
|--------------------|----------------|
| Stock Info | |
| Sector | Pharmaceutical |
| Market Cap (₹ cr) | 568 |
| Net Debt (₹ cr) | 117 |
| Beta | 0.1 |
| 52 Week High / Low | 83/50 |
| Avg. Daily Volume | 22,901 |
| Face Value (₹) | 2 |
| BSE Sensex | 19,991 |
| Nifty | 6,050 |
| Reuters Code | INRM.BO |
| Bloomberg Code | INDR@IN |

| | |
|--------------------------|------|
| Shareholding Pattern (%) | |
| Promoters | 59.2 |
| MF / Banks / Indian Fls | 17.6 |
| FII / NRIs / OCBs | 2.2 |
| Indian Public / Others | 21.0 |

| Abs. (%) | 3m | 1yr | 3yr |
|----------|-------|------|------|
| Sensex | 7.3 | 16.0 | 22.2 |
| Indoco | (1.1) | 9.7 | 42.5 |

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Exhibit 1: 3QFY2013 (Consolidated) performance

| Y/E March (₹ cr) | 3QFY2013 | 2QFY2013 | % chg (qoq) | 3QFY2012 | % chg (yoy) | 9MFY2013 | 9MFY2012 | % chg (yoy) |
|------------------------------------|-------------|-------------|---------------|-------------|---------------|-------------|-------------|-------------|
| Net sales | 150 | 165 | (8.7) | 142 | 6.0 | 466 | 412 | 13 |
| Other income | 3 | (2) | (244.6) | 4 | (10.3) | 6 | 11 | (0) |
| Total income | 154 | 162 | (5.2) | 146 | | 472 | 423 | 12 |
| Gross profit | 87 | 96 | (9.6) | 79 | 9.6 | 268 | 232 | |
| Gross margins (%) | 57.8 | 58.4 | | 55.9 | | 57.5 | 56.3 | |
| Operating profit | 16.2 | 25.4 | (36.2) | 18.3 | (11.6) | 62.2 | 54.3 | 14.5 |
| OPM (%) | 10.8 | 15.4 | | 12.9 | | 13.4 | 13.2 | |
| Interest | 5 | 4 | 37.7 | 8 | (35.4) | 17 | 14 | 24 |
| Dep & amortisation | 6 | 6 | (3.7) | 5 | 7.3 | 17 | 14 | 25 |
| PBT | 5 | 16 | (65.3) | 5 | 4.0 | 28 | 27 | 4 |
| Provision for taxation | 1.6 | 1.4 | 16.9 | 1 | 76.7 | 4.3 | 3.9 | 11 |
| Reported Net profit | 7 | 12 | (38.9) | 8 | (10.7) | 30 | 34 | (12) |
| Less : Exceptional items | 0 | 0 | - | 0 | | 0 | 0 | |
| PAT after exceptional items | 7 | 12 | (38.9) | 8 | (10.7) | 30 | 34 | (12) |
| EPS (₹) | 0.8 | 1.3 | | 0.9 | | 3.2 | 3.7 | |

Source: Company, Angel Research

Exhibit 2: 3QFY2013 – Actual vs Angel estimates

| (₹ cr) | Actual | Estimate | Variation (%) |
|------------------------|------------|------------|---------------|
| Net sales | 150 | 185 | (19.0) |
| Other operating income | 3 | 1 | 189.2 |
| Operating profit | 16 | 30 | (46.7) |
| Tax | 2 | 4 | (60.3) |
| Net profit | 7 | 18 | (60.0) |

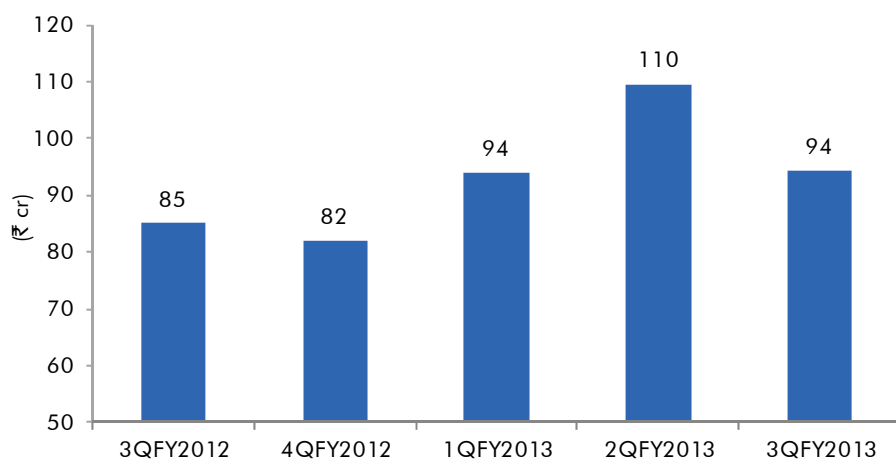
Source: Company, Angel Research

Revenue below expectations: For 3QFY2013, Indoco reported net sales of ₹150cr (₹142cr in 3QFY2012), up 6.0% yoy, but below our expectation of ₹185cr. While the domestic business grew by 8.8%, exports were almost flat registering a growth of 1.2% yoy.

In the domestic market, the formulation business during the period grew by 11.0% yoy. The therapeutic segments which performed well during the quarter are Respiratory, Stomatological, Anti- Infectives, Life Style and Gastro Intestinal.

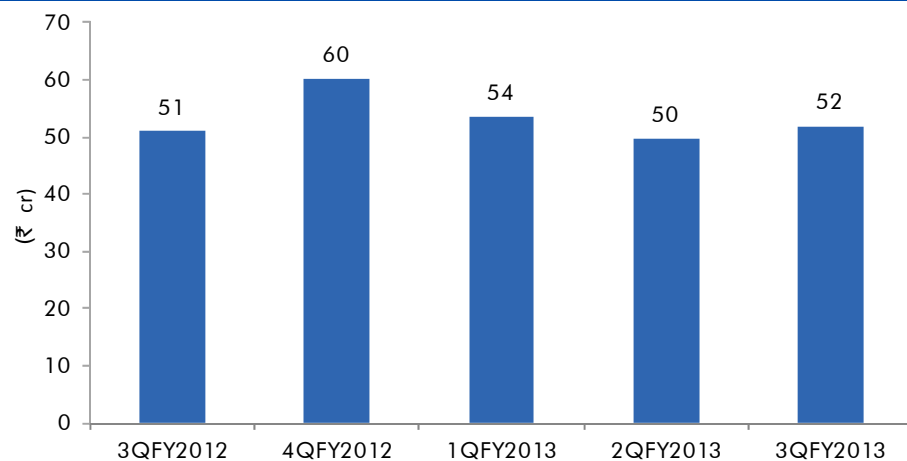
Revenue from the regulated market grew by 14.4% to ₹42.3cr in 3QFY2013 as against ₹41.6cr in 3QFY2012. Revenue from emerging markets came in at ₹4.42cr as against ₹8.52cr in 3QFY2012. API export sales stood at ₹5.15cr as compared to ₹5.76cr during 3QFY2012.

Exhibit 3: Domestic formulation sales trend



Source: Company, Angel research

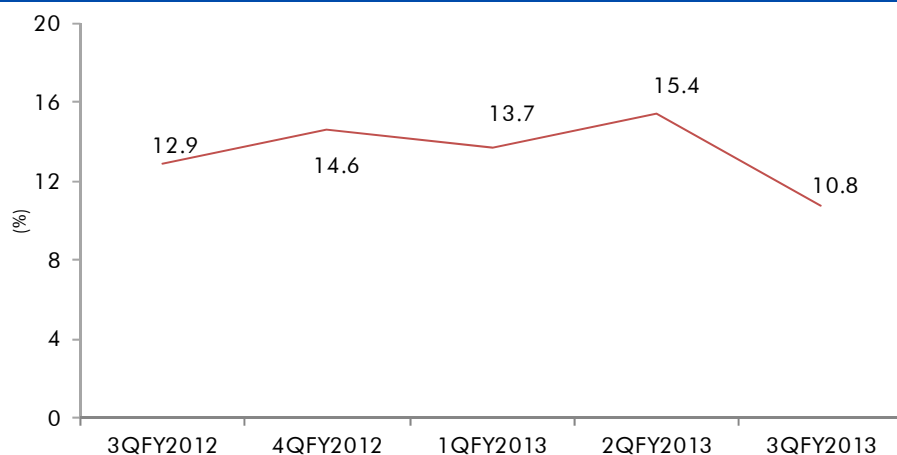
Exhibit 4: Export sales trend



Source: Company, Angel research

OPM lower than estimates: The OPM came in lower than expected, on back of the lower-than-expected sales. The gross margin came in at 57.8%, a yoy expansion of 188bp. However, in spite of the same, the OPM contracted by 214bp to end the period at 10.8%, lower than expectations of 16.4%.

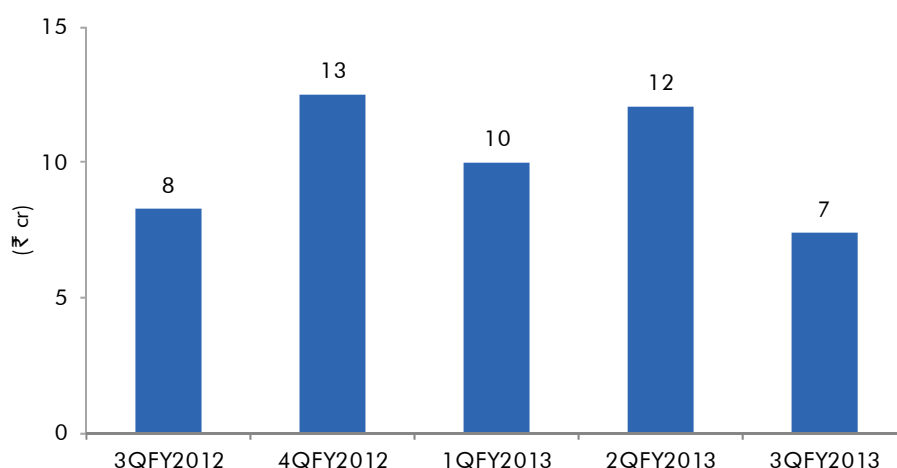
Exhibit 5: OPM trend



Source: Company, Angel Research

Net profit below expectation: The net profit for the quarter came in at ₹7cr, 60% below our estimate of ₹18cr. This mainly came on back of the lower-than-expected sales and OPM during the quarter. On a yoy basis, the net profit fell by 10.7%.

Exhibit 6: Net profit trend



Source: Company, Angel Research

Concall takeaways

- The domestic formulation business during the quarter was impacted by seasonality along with higher contribution by the Acute segment. The Management targets to grow at 18% over FY2012-14 on the back of change in product mix from Acute to Chronic and increasing productivity of the MRs.
- Indoco has already shipped products to Watson under the pre-launch request and is awaiting approval for the ANDA and API facilities.

Investment arguments

Domestic formulations back on the growth trajectory: Indoco has a strong brand portfolio of 135 products and a base of 2,200MRs. The company operates in various therapeutic segments, including anti-infective, anti-diabetic, CVS, ophthalmic, dental care, pain management and respiratory. Prominent Indoco brands include *Cyclopam*, *Vepan*, *Febrex Plus*, *ATM*, *Sensodent-K* and *Sensoform*. The company's top 10 brands contribute 60% to domestic sales. Post the restructuring of the domestic business in FY2009, which has resulted in an improvement in the working capital cycle, Indoco is back on the growth trajectory with its domestic formulation business outpacing the industry growth rate in the last two quarters. The company has seen strong growth across the respiratory, anti-infective, ophthalmic and alimentary therapeutic segments. Further, the company is investing to enhance its share of the chronic segment, which constitutes 10% of the overall sales. During the quarter, the company recruited 254 MRs for its chronic segment, taking the total MRs in the chronic segment to around 400. Thus, going forward, the Management expects the domestic formulation business to outperform the industry.

Scaling-up on the export front: Indoco has also started focusing on regulated markets by entering into long-term supply contracts. The company is currently executing several contract-manufacturing projects, covering a number of products for its clients in the UK, Germany and Slovenia. The company has indicated at a capex of ₹55cr for the construction being undertaken near the API facility in Patalganga. The same is expected to be completed over the next 18 months, which would cater to the increase in export demand.

Watson and Aspen Pharma contract – a growth driver: Indoco has entered into a supply agreement for ophthalmic products with Watson (US market) and Aspen Pharma (emerging markets). Although milestone payments from the contracts have commenced in FY2011, we expect substantial revenue flow from the deals to commence from FY2013-14. Post the new product development (basket of 5-6 products) deals signed with Aspen Pharma (Aspen) to extend its reach to Europe and Australia, Indoco further extended the manufacturing agreement with Aspen in 4QFY2011, thus increasing its solid dosage product portfolio to 12 for the year. These products would cater to Aspen's requirement in the Latin American and Sub-Saharan African markets. Also, the company has signed a contract research deal with Aspen, where it would cater to Aspen's global requirement. This contract currently is for products in the oral solids category.

Valuations: We expect net sales to post a 17.4% CAGR to ₹784cr and EPS to post a 24.8% CAGR to ₹7.8 over FY2012-14E. At ₹62, the stock is trading at 10.8x and 7.9x FY2013E and FY2014E earnings, respectively. **We recommend Buy on the stock with a revised target price of ₹78.**

Exhibit 7: Key assumptions

| | FY2013E | FY2014E |
|-----------------------|---------|---------|
| Sales growth (%) | 12.8 | 22.3 |
| Operating margins (%) | 14.2 | 15.2 |
| Capex (₹ cr) | 69.0 | 60.0 |

Source: Company, Angel Research

Exhibit 8: One-year forward PE band


Source: Company, Angel Research

Exhibit 9: Recommendation summary

| Company | Reco | CMP (₹) | Tgt. price (₹) | Upside % | FY2014E | | FY12-14E | | FY2014E | |
|------------------------|------------|------------|-------------------|-------------|------------|--------------|---------------|-----------------|-------------|-------------|
| | | | | | PE (x) | EV/Sales (x) | EV/EBITDA (x) | CAGR in EPS (%) | RoCE (%) | RoE (%) |
| Alembic Pharma. | Buy | 76 | 95 | 25.0 | 8.1 | 0.9 | 5.2 | 17.1 | 29.4 | 30.2 |
| Aurobindo Pharma | Accumulate | 183 | 208 | 13.7 | 13.1 | 1.3 | 8.9 | 69.7 | 10.7 | 17.8 |
| Cadila Healthcare | Accumulate | 851 | 926 | 10.2 | 19.0 | 2.7 | 13.6 | 18.7 | 19.3 | 26.6 |
| Cipla | Accumulate | 397 | 419 | 8.8 | 18.4 | 3.3 | 13.2 | 23.2 | 19.1 | 17.6 |
| Dr Reddy's | Neutral | 1,940 | - | - | 20.9 | 2.8 | 13.4 | 2.3 | 15.1 | 20.8 |
| Dishman Pharma | Buy | 105 | 145 | 38.1 | 9.3 | 1.1 | 6.2 | 26.6 | 8.7 | 8.8 |
| GSK Pharma* | Neutral | 2,055 | - | - | 24.9 | 5.0 | 15.5 | 8.7 | 38.9 | 29.0 |
| Indoco Remedies | Buy | 62 | 78 | 25.8 | 7.9 | 0.9 | 6.1 | 24.8 | 14.6 | 15.6 |
| Ipca labs | Neutral | 488 | - | - | 13.1 | 1.8 | 8.7 | 30.6 | 25.7 | 26.4 |
| Lupin | Accumulate | 597 | 655 | 9.7 | 19.2 | 2.7 | 13.5 | 26.5 | 22.5 | 24.7 |
| Ranbaxy* | Neutral | 455 | - | - | 14.2 | 1.6 | 9.8 | 50.3 | 29.7 | 16.1 |
| Sanofi India* | Neutral | 2,238 | - | - | 25.5 | 2.8 | 16.9 | 2.7 | 12.5 | 14.8 |
| Sun Pharma | Neutral | 712 | - | - | 24.5 | 4.8 | 11.3 | 0.1 | 27.0 | 19.1 |

Source: Company, Angel Research; Note: *December year ending

Background

Indoco has a strong brand portfolio of 120 products and a base of 1,600 medical representatives. The company operates in various therapeutic segments including the Anti-infective, Anti-diabetic, CVS, Ophthalmic, Dental care, Pain management and respiratory areas. Prominent Indoco brands include Cyclopam, Vepan, Febrex Plus, ATM, Sensodent-K and Sensoform. The company's top-10 brands contribute over 50% to domestic sales. Indoco now proposes to scale up its exports through higher exposure to the regulated markets.

Profit & loss statement (Consolidated)

| Y/E March (₹ cr) | FY2009 | FY2010 | FY2011 | FY2012 | FY2013E | FY2014E |
|---------------------------------|------------|------------|------------|------------|------------|------------|
| Gross sales | 355 | 402 | 484 | 576 | 649 | 792 |
| Less: Excise duty | 5 | 4 | 5 | 7 | 8 | 8 |
| Net sales | 351 | 398 | 478 | 569 | 642 | 784 |
| Other operating income | 2 | 5 | 8 | 2 | 8 | 8 |
| Total operating income | 352 | 403 | 486 | 571 | 649 | 792 |
| % chg | 33.6 | 14.4 | 20.7 | 17.4 | 13.7 | 22.0 |
| Total expenditure | 304 | 345 | 414 | 484 | 550 | 665 |
| Net raw materials | 150 | 174 | 213 | 245 | 287 | 351 |
| Other mfg costs | 38 | 46 | 29 | 39 | 38 | 46 |
| Personnel | 48 | 56 | 67 | 82 | 83 | 102 |
| Other | 68 | 69 | 105 | 119 | 142 | 165 |
| EBITDA | 46 | 53 | 64 | 85 | 91 | 119 |
| % chg | 8.1 | 14.8 | 21.5 | 31.2 | 7.9 | 30.8 |
| (% of Net Sales) | 13.2 | 13.3 | 13.5 | 14.9 | 14.2 | 15.2 |
| Depreciation& amortisation | 11 | 12 | 13 | 19 | 21 | 26 |
| EBIT | 35 | 41 | 51 | 65 | 70 | 93 |
| % chg | 0.3 | 16.8 | 24.5 | 28.1 | 7.0 | 33.1 |
| (% of Net Sales) | 10.0 | 10.3 | 10.7 | 11.5 | 10.9 | 11.9 |
| Interest & other charges | 6 | 3 | 2 | 16 | 18 | 18 |
| Other income | 2 | 0 | 0 | - | 2 | 2 |
| (% of PBT) | 7.0 | 0.4 | 0.1 | 0.0 | 3.2 | 2.4 |
| Share in profit of Associates | - | - | - | - | - | - |
| Recurring PBT | 33 | 43 | 57 | 51 | 62 | 85 |
| PBT (reported) | 33 | 43 | 57 | 51 | 62 | 85 |
| Tax | 2 | 1 | 5 | 5 | 9 | 13 |
| (% of PBT) | 5.1 | 2.4 | 9.7 | 9.6 | 15.0 | 15.0 |
| PAT (reported) | 31 | 42 | 51 | 46 | 52 | 72 |
| Add: Share of earnings of asso. | - | - | - | - | - | - |
| Less: Minority interest (MI) | - | - | - | - | - | - |
| Prior period items | - | - | - | - | - | - |
| PAT after MI (reported) | 31 | 42 | 51 | 46 | 52 | 72 |
| ADJ. PAT | 31 | 42 | 51 | 46 | 52 | 72 |
| % chg | (1.4) | 33.5 | 21.5 | (9.2) | 13.2 | 37.5 |
| (% of Net Sales) | 9.0 | 10.5 | 10.7 | 8.1 | 8.2 | 9.2 |
| Basic EPS (₹) | 3.4 | 4.6 | 5.5 | 5.0 | 5.7 | 7.8 |
| Fully Diluted EPS (₹) | 3.4 | 4.6 | 5.5 | 5.0 | 5.7 | 7.8 |
| % chg | (1.4) | 33.5 | 21.5 | (9.2) | 13.2 | 37.5 |

Balance Sheet (Consolidated)

| Y/E March (` cr) | FY2009 | FY2010 | FY2011 | FY2012 | FY2013E | FY2014E |
|------------------------------|------------|------------|------------|------------|------------|------------|
| SOURCES OF FUNDS | | | | | | |
| Equity share capital | 12 | 12 | 12 | 12 | 18 | 18 |
| Reserves & surplus | 266 | 298 | 338 | 372 | 413 | 473 |
| Shareholders funds | 278 | 311 | 350 | 385 | 432 | 492 |
| Total loans | 56 | 66 | 77 | 114 | 120 | 170 |
| Other Long Term Liabilities | - | - | 9 | 9 | 9 | 9 |
| Long Term Provisions | - | - | 3 | 5 | 5 | 5 |
| Deferred tax liability | 23 | 24 | 26 | 29 | 29 | 29 |
| Total liabilities | 357 | 401 | 465 | 542 | 581 | 691 |
| APPLICATION OF FUNDS | | | | | | |
| Gross block | 234 | 268 | 299 | 404 | 473 | 533 |
| Less: acc. depreciation | 58 | 70 | 83 | 102 | 123 | 150 |
| Net block | 176 | 197 | 216 | 302 | 349 | 383 |
| Capital work-in-progress | 16 | 31 | 53 | 33 | 33 | 33 |
| Investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Long Term Loans And Advances | | | 69 | 55 | 63 | 77 |
| Current assets | 223 | 251 | 226 | 267 | 294 | 392 |
| Cash | 29 | 38 | 27 | 10 | 8 | 10 |
| Loans & advances | 42 | 53 | 69 | 38 | 62 | 78 |
| Other | 153 | 160 | 130 | 219 | 224 | 304 |
| Current liabilities | 59 | 78 | 98 | 114 | 158 | 193 |
| Net current assets | 165 | 173 | 128 | 152 | 136 | 199 |
| Mis. Exp. not written off | 0 | 0 | 0 | 0 | 0 | - |
| Total assets | 357 | 401 | 465 | 542 | 581 | 691 |

Cash Flow Statement (Consolidated)

| Y/E March (₹ cr) | FY2009 | FY2010 | FY2011 | FY2012 | FY2013E | FY2014E |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Profit before tax | 33 | 43 | 57 | 51 | 62 | 85 |
| Depreciation | 11 | 12 | 13 | 19 | 21 | 26 |
| (Inc)/Dec in working capital | (5) | 1 | 35 | (41) | 14 | (61) |
| Less: Other income | 2 | 0 | 0 | - | 2 | 2 |
| Direct taxes paid | 5 | 8 | 4 | 1 | 9 | 13 |
| Cash Flow from Operations | 32 | 48 | 101 | 28 | 86 | 36 |
| (Inc.)/Dec.in fixed assets | (30) | (48) | (54) | (84) | (69) | (60) |
| (Inc.)/Dec. in investments | - | - | - | 0 | - | - |
| Other income | 2 | 0 | 0 | - | 2 | 2 |
| Cash Flow from Investing | (28) | (48) | (54) | (84) | (67) | (58) |
| Issue of equity | - | - | - | - | - | - |
| Inc./(Dec.) in loans | 21 | 13 | 23 | 39 | 6 | 50 |
| Dividend Paid (Incl. Tax) | (12) | (3) | (10) | (12) | (12) | (12) |
| Others | (1) | (2) | (70) | 14 | (15) | (14) |
| Cash Flow from Financing | 8 | 8 | (57) | 41 | (21) | 24 |
| Inc./(Dec.) in Cash | 13 | 9 | (10) | (16) | (2) | 2 |
| Opening Cash balances | 16 | 29 | 38 | 27 | 10 | 8 |
| Closing Cash balances | 29 | 38 | 27 | 10 | 8 | 10 |

Key Ratios

| Y/E March | FY2009 | FY2010 | FY2011 | FY2012 | FY2013E | FY2014E |
|---------------------------------|--------|--------|--------|--------|---------|---------|
| Valuation Ratio (x) | | | | | | |
| P/E (on FDEPS) | 18.1 | 13.5 | 11.1 | 12.3 | 10.8 | 7.9 |
| P/CEPS | 13.3 | 10.5 | 8.8 | 8.7 | 7.7 | 5.8 |
| P/BV | 2.0 | 1.8 | 1.6 | 1.5 | 1.3 | 1.2 |
| Dividend yield (%) | 5.5 | 7.6 | 9.0 | 0.2 | 0.2 | 0.2 |
| EV/Sales | 1.7 | 1.5 | 1.3 | 1.2 | 1.1 | 0.9 |
| EV/EBITDA | 12.9 | 11.3 | 9.6 | 7.9 | 7.5 | 6.1 |
| EV / Total Assets | 1.7 | 1.5 | 1.3 | 1.2 | 1.2 | 1.1 |
| Per Share Data (₹) | | | | | | |
| EPS (Basic) | 3.4 | 4.6 | 5.5 | 5.0 | 5.7 | 7.8 |
| EPS (fully diluted) | 3.4 | 4.6 | 5.5 | 5.0 | 5.7 | 7.8 |
| Cash EPS | 4.6 | 5.9 | 7.0 | 7.1 | 8.0 | 10.7 |
| DPS | 3.4 | 4.7 | 5.5 | 0.1 | 0.1 | 0.1 |
| Book Value | 30.2 | 33.7 | 38.0 | 41.8 | 46.8 | 53.4 |
| Dupont Analysis | | | | | | |
| EBIT margin | 10.0 | 10.3 | 10.7 | 11.5 | 10.9 | 11.9 |
| Tax retention ratio | 94.9 | 97.6 | 90.3 | 90.4 | 85.0 | 85.0 |
| Asset turnover (x) | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.3 |
| ROIC (Post-tax) | 10.7 | 11.7 | 11.7 | 12.2 | 10.9 | 12.7 |
| Cost of Debt (Post Tax) | 12.4 | 4.7 | 3.0 | 15.5 | 12.9 | 10.4 |
| Leverage (x) | 0.1 | 0.1 | 0.1 | 0.2 | 0.3 | 0.3 |
| Operating ROE | 10.6 | 12.4 | 12.7 | 11.6 | 10.4 | 13.4 |
| Returns (%) | | | | | | |
| ROCE (Pre-tax) | 10.5 | 10.8 | 11.8 | 13.0 | 12.5 | 14.6 |
| Angel ROIC (Pre-tax) | 11.6 | 12.7 | 14.2 | 14.8 | 13.5 | 15.7 |
| ROE | 11.8 | 14.3 | 15.5 | 12.6 | 12.9 | 15.6 |
| Turnover ratios (x) | | | | | | |
| Asset Turnover (Gross Block) | 1.6 | 1.6 | 1.7 | 1.6 | 1.5 | 1.6 |
| Inventory / Sales (days) | 50 | 55 | 53 | 56 | 55 | 60 |
| Receivables (days) | 108 | 86 | 75 | 71 | 69 | 76 |
| Payables (days) | 41 | 39 | 40 | 47 | 49 | 50 |
| WC cycle (ex-cash) (days) | 133 | 123 | 89 | 78 | 76 | 73 |
| Solvency ratios (x) | | | | | | |
| Net debt to equity | 0.1 | 0.1 | 0.1 | 0.3 | 0.3 | 0.3 |
| Net debt to EBITDA | 0.6 | 0.5 | 0.8 | 1.2 | 1.2 | 1.3 |
| Interest Coverage (EBIT / Int.) | 6.0 | 14.1 | 21.2 | 4.0 | 3.9 | 5.2 |

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Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Limited and its affiliates may have investment positions in the stocks recommended in this report.

Disclosure of Interest Statement

Indoco Remedies

| | |
|--|----|
| 1. Analyst ownership of the stock | No |
| 2. Angel and its Group companies ownership of the stock | No |
| 3. Angel and its Group companies' Directors ownership of the stock | No |
| 4. Broking relationship with company covered | No |

Note: We have not considered any Exposure below ₹ 1 lakh for Angel, its Group companies and Directors

Ratings (Returns):

Buy (> 15%)

Reduce (-5% to 15%)

Accumulate (5% to 15%)

Sell (< -15%)

Neutral (-5 to 5%)