

## Indoco Remedies

### Performance Highlights

Y/E March (₹ cr)	1QFY17	4QFY16	% chg (qoq)	1QFY16	% chg (yoy)
<b>Net sales</b>	<b>253</b>	<b>255</b>	<b>(0.9)</b>	<b>216</b>	<b>17.0</b>
Other operating income	5	9	(45.0)	8	(34.9)
Gross profit	164	173	(5.1)	140	17.3
Operating profit	37	32	14.9	35	5.6
<b>Net profit</b>	<b>20</b>	<b>20</b>	<b>(1.1)</b>	<b>21</b>	<b>(4.9)</b>

Source: Company, Angel Research

For 1QFY2017, the company posted sales of ₹253cr V/s ₹220cr expected and V/s ₹216cr in 1QFY2016, a yoy growth of 17.0%. The formulations (₹234.5cr) grew 14.8% yoy while API (₹175.9cr) grew 40.8% yoy. On the operating profit front, the OPM came in at 14.7% V/s 16.3% in 1QFY2016 and V/s 17.0% expected. The dip in the OPM was mainly on back of 85.0% yoy rise in R&D expenses, which were around 4.7% V/s 3.0% in 1QFY2016. This led the company to post an Adj. net profit of ₹19.7cr V/s ₹20.8cr in 1QFY2016, a yoy de-growth of 4.9%. **We maintain our Sell rating.**

**Results lower than expected:** For 1QFY2017, the company posted sales of ₹253cr V/s ₹220cr expected and V/s ₹216cr in 1QFY2016, a yoy growth of 17.0%. The formulations (₹234.5cr) grew 14.8% yoy while API (₹175.9cr) grew 40.8% yoy. Formulations growth was driven by domestic formulations (₹142.1cr) which grew 12.7% yoy while export (₹92.3cr) grew 18.4% yoy. On the operating profit front, the OPM came in at 14.7% V/s 16.3% in 1QFY2016 and V/s 17.0% expected. A dip in the OPM was mainly on back of 85.0% yoy rise in R&D expenses, which were around 4.7% V/s 3.0% in 1QFY2016. This led the company to post an Adj. net profit of ₹19.7cr V/s ₹20.8cr in 1QFY2016, a yoy de-growth of 4.9%.

**Outlook and valuation:** We expect net sales to post a 14.9% CAGR to ₹1,289cr and EPS to post a 31.5% CAGR to ₹15.6 over FY2016-18E. At the current market price, the stock is trading at 23.7x and 20.1x its FY2017E and FY2018E earnings, respectively. **We recommend a SELL rating.**

#### Key financials (Consolidated)

Y/E March (₹ cr)	FY2015	FY2016	FY2017E	FY2018E
<b>Net sales</b>	<b>852</b>	<b>977</b>	<b>1112</b>	<b>1289</b>
% chg	18.0	14.6	13.8	16.0
<b>Net profit</b>	<b>82.8</b>	<b>83.0</b>	<b>121.8</b>	<b>143.5</b>
% chg	42.3	0.2	46.7	17.9
<b>EPS (₹)</b>	<b>9.0</b>	<b>9.0</b>	<b>13.2</b>	<b>15.6</b>
EBITDA margin (%)	18.9	14.9	18.2	18.2
P/E (x)	34.9	34.8	23.7	20.1
RoE (%)	17.0	15.1	19.2	19.2
RoCE (%)	18.3	11.9	17.1	19.1
P/BV (x)	5.6	4.9	4.2	3.6
EV/Sales (x)	3.5	3.1	2.7	2.3
EV/EBITDA (x)	18.4	20.7	14.8	12.5

Source: Company, Angel Research; Note: CMP as of August 3, 2016

## SELL

CMP	₹313
Target Price	₹225

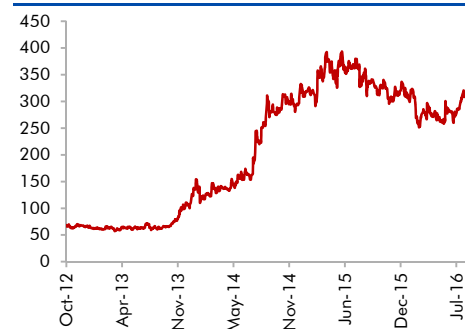
Investment Period	-
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Stock Info	
Sector	Pharmaceutical
Market Cap (₹ cr)	2,857
Net Debt (₹ cr)	113
Beta	0.7
52 Week High / Low	363/244
Avg. Daily Volume	15,003
Face Value (₹)	2
BSE Sensex	27,982
Nifty	8,623
Reuters Code	INRM.BO
Bloomberg Code	INDR@IN

Shareholding Pattern (%)	
Promoters	59.2
MF / Banks / Indian Fls	11.3
FII / NRIs / OCBs	12.5
Indian Public / Others	17.0

Abs. (%)	3m	1yr	3yr
Sensex	3.1	(8.7)	28.2
Indoco	15.8	(9.2)	405.0

#### 3-Year Daily Price Chart



Source: Company, Angel Research

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**Exhibit 1: 1QFY2017 (Consolidated) performance**

Y/E March (₹ cr)	1QFY2017	4QFY2016	% chg (qoq)	1QFY2016	% chg (yoy)	FY2016	FY2015	% chg (yoy)
<b>Net sales</b>	<b>253</b>	<b>255</b>	<b>(0.9)</b>	<b>216</b>	<b>17.0</b>	<b>977</b>	<b>849</b>	<b>15.0</b>
Other income	5.0	9.0	(45.0)	8	(34.9)	28	7	304.4
<b>Total income</b>	<b>258</b>	<b>264</b>	<b>(2.4)</b>	<b>224</b>	<b>15.2</b>	<b>1005</b>	<b>856</b>	<b>17.4</b>
Gross profit	164	173	(5.1)	140	17.3	635	550	15.5
<b>Gross margins (%)</b>	<b>64.8</b>	<b>67.7</b>		<b>64.6</b>		<b>65.0</b>	<b>64.8</b>	
Operating profit	37.2	32.3	14.9	35.2	5.6	145.2	160.4	(9.5)
<b>OPM (%)</b>	<b>14.7</b>	<b>12.7</b>		<b>16.3</b>		<b>14.9</b>	<b>18.9</b>	
Interest	2	5	(47.6)	2	13.0	13	10	25.1
Dep & amortisation	17	15	10.2	15	12.2	60	47	28.4
PBT	23	21	6.6	26	(10.9)	101	110	(8.9)
Provision for taxation	3.1	1.4	113.9	5	(42.9)	18	27	(34.8)
<b>Reported Net profit</b>	<b>20</b>	<b>20</b>	<b>(1.1)</b>	<b>21</b>	<b>(4.9)</b>	<b>83</b>	<b>83</b>	<b>0.6</b>
Less : Exceptional items	0	0	-	0		0	0	
<b>PAT after exceptional items</b>	<b>20</b>	<b>20</b>	<b>(1.1)</b>	<b>21</b>	<b>(4.9)</b>	<b>83</b>	<b>83</b>	<b>0.6</b>
<b>EPS (₹)</b>	<b>2.1</b>	<b>2.2</b>		<b>2.3</b>		<b>9.0</b>	<b>9.0</b>	

Source: Company, Angel Research

**Exhibit 2: 1QFY2017 – Actual vs. Angel estimates**

(₹ cr)	Actual	Estimate	Variation (%)
<b>Net sales</b>	<b>255</b>	<b>220</b>	<b>15.7</b>
Other operating income	4	9	(53.1)
Operating profit	39	37	4.6
Tax	5	1	556.2
<b>Net profit</b>	<b>20</b>	<b>26</b>	<b>(20.6)</b>

Source: Company, Angel Research

**Revenues above expectations:** For 1QFY2017, the company posted sales of ₹253cr V/s ₹220cr expected and V/s ₹216cr in 1QFY2016, a yoy growth of 17.0%. The formulations (₹234.5cr) posted a yoy growth of 14.8%, while API (₹175.9cr) grew 40.8% yoy. Formulations growth was driven by domestic formulations (₹142.1cr), which posted a yoy growth of 12.7%, while export formulations (₹92.3cr) grew 18.4% yoy.

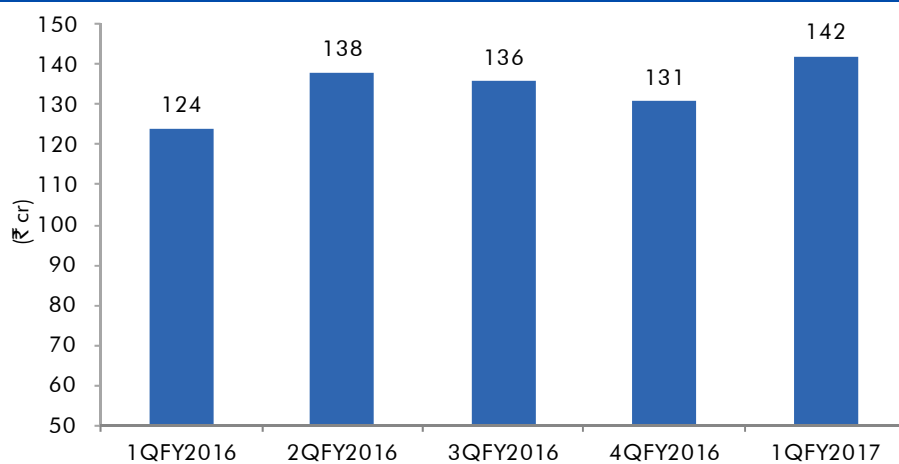
During the quarter, the company launched 14 new products, 6 in Anti-diabetic category, 2 each in Gynaec and Stomatologicals, and 1 each in Anti-infective, Gastro intestinal, Ophthalmic and Urological respectively.

Exports formulations (₹92.3cr) grew 18.4% yoy while API exports (₹7.8cr) de-grew by 57.9% yoy. The regulated markets during the quarter grew by 15.5% yoy to ₹79.4cr as against ₹68.7cr during the same quarter last year. The Emerging markets (₹12.9cr) posted a yoy growth of 39.3%.

During the quarter, the company's US business grew by 27.5% yoy with revenues at ₹28.1cr. The company (through partners or by itself) filed 23 ANDAs which are pending approvals; 9 ANDAs have been approved till date.

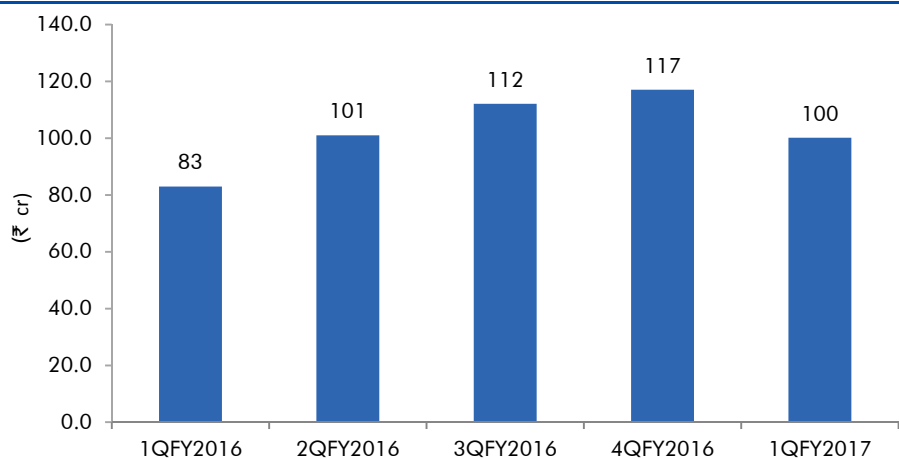
For the quarter, emerging markets grew by 39.4% to ₹12.9cr as against ₹9.3cr during the same quarter last year. Kenya, French West Africa, Tanzania, Sri Lanka, Croatia and Bolivia are the major revenue contributors. The company launched three ophthalmic products in Kenya.

**Exhibit 3: Domestic Formulation sales trend**



Source: Company, Angel Research

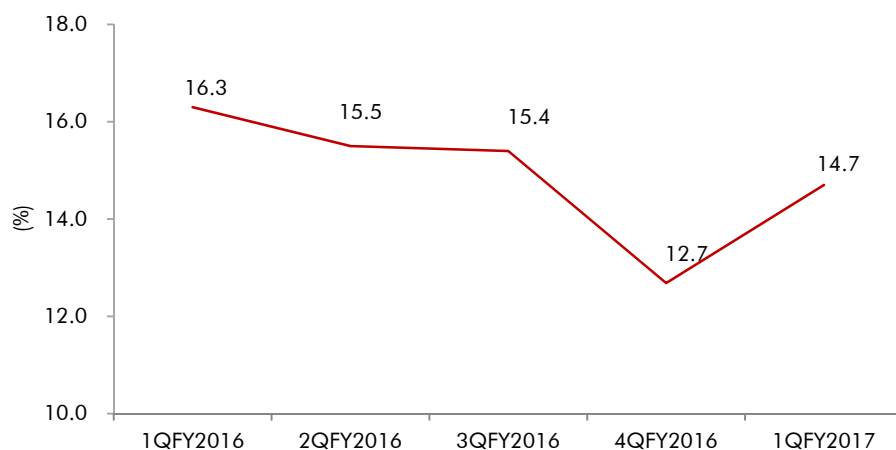
**Exhibit 4: Export sales trend**



Source: Company, Angel research

**OPM lower than estimated:** On the operating profit front, the OPM came in at 14.7% V/s 16.3% in 1QFY2016 and V/s 17.0% expected. Dip in the OPM was mainly on back of 85.0% yoy rise in R&D expenses, which were around 4.7% V/s 3.0% in 1QFY2016.

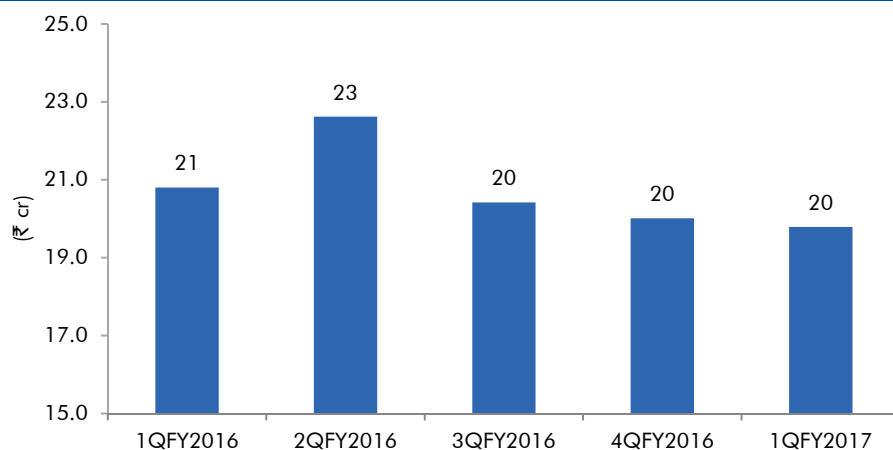
**Exhibit 5: OPM trend**



Source: Company, Angel Research

**Net profit lower than expectation:** The company posted an Adj. net profit of ₹19.7cr V/s ₹21cr in 1QFY2016, a yoy de-growth of 4.9%. The net profit came below our expectation of ₹26cr.

**Exhibit 6: Net profit trend**



Source: Company, Angel Research

**Concall Highlights**

- Company's 9.5-10% of domestic portfolio is currently under NLEM.
- The company guided for ~15% growth in the domestic market for FY2017.
- The company has guided for ~4% of R&D in FY2017.
- Watson contributed ₹5.5cr to revenues in 1QFY2017.
- Capex guidance of ₹125-150cr in FY2017.
- Tax rate guidance of 17-18% for FY2017.

## Investment arguments

**Focus on domestic formulations- Aiming for a higher-than-industry growth:** Indoco has a strong brand portfolio of 135 products and a base of ~2,800 MRs. It 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 has seen strong growth across the respiratory, anti-infective, ophthalmic and alimentary therapeutic segments. Further, the company is investing to enhance the share of the chronic segment, which constitutes 10% of overall 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 growing at 15.1% in FY2015. We expect the domestic formulation segment to grow at a CAGR of 15.0% over FY2016-18E, factoring in a muted FY2016, restructuring, and low monsoon.

**Scaling-up on the exports 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, and covering a number of products for its clients in the UK, Germany and Slovenia. Indoco has received a nod from the USFDA for two of its facilities in Goa. The company derived ~46% of its revenues from exports in 2015-16.

The US cumulative ANDA filings stood at 34 with 26 pending approvals (including 3 tentative approvals). 54 products are under the development pipeline for the US. The company has launched 8 products in the US market (five ophthalmic, one solid dosage and two products supplied by Watson). A total of 14 products have been filed through Watson. We expect the exports segment to grow at an 18.1% CAGR over FY2016-18E.

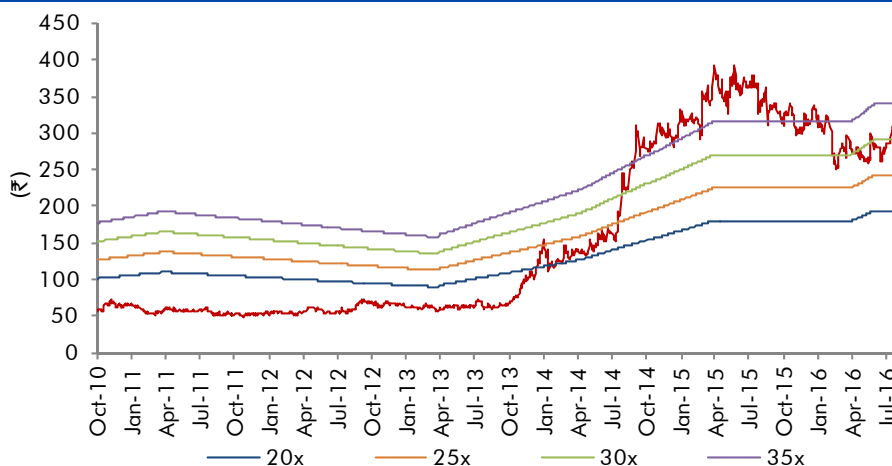
**Partnering with pharmaceutical majors:** The company has a large customer base of small and medium sized generic companies across the globe and has major tie-ups with generic companies for certain territories and products. The company has a deal with Watson Pharmaceuticals to develop and manufacture a number of sterile (ophthalmic) products for marketing in the USA. The agreement with South Africa's largest pharmaceutical company, Aspen Pharmacare, encompasses a number of solid dosages and ophthalmic products, extending to 30 emerging market countries, while the contract signed with DSM, Austria is for marketing 8 of Indoco's APIs in various geographies. These deals have further strengthened Indoco's image in the international arena.

**Valuation:** We expect net sales to post a 14.9% CAGR to ₹1,289cr and EPS to post a 31.5% CAGR to ₹15.6 over FY2016-18E. At the current market price, the stock is trading at 23.7x and 20.1x its FY2017E and FY2018E earnings, respectively. **We recommend a SELL rating on the stock, given the valuations.**

**Exhibit 7: Key assumptions**

	FY2017E	FY2018E
Domestic sales growth (%)	15.0	15.0
Exports growth	18.0	18.0
Operating margins (%)	18.2	18.2
Capex (₹ cr)	60.0	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 (%)	FY2017E			FY15-17E	FY2017E	
					PE (x)	EV/Sales (x)	EV/EBITDA (x)	CAGR in EPS (%)	RoCE (%)	RoE (%)
Alembic Pharma	Neutral	622	-	-	20.5	2.7	12.8	(10.8)	27.5	25.3
Aurobindo Pharma	Buy	749	877	17.2	15.8	2.6	11.0	18.1	22.5	26.1
Cadila Healthcare	Buy	347	399	15.3	17.4	2.6	11.8	15.8	24.3	26.6
Cipla	Neutral	529	-	-	19.5	2.5	13.4	20.4	13.5	15.2
Dr Reddy's	Neutral	2,942	-	-	18.6	2.7	10.9	6.9	18.1	17.1
Dishman Pharma	Neutral	164	-	-	15.8	1.7	8.0	(1.1)	9.6	10.2
GSK Pharma*	Neutral	3,139	-	-	52.9	6.8	36.2	15.9	35.8	31.8
<b>Indoco Remedies</b>	<b>Sell</b>	<b>313</b>	<b>225</b>	<b>(19.6)</b>	<b>20.1</b>	<b>2.3</b>	<b>12.8</b>	<b>31.5</b>	<b>19.1</b>	<b>19.2</b>
Ipca labs	Buy	508	613	20.6	25.8	1.8	11.7	17.9	11.8	14.9
Lupin	Accumulate	1,680	1,809	7.7	24.2	4.0	14.9	17.2	24.4	20.9
Sanofi India	Neutral	4,545	-	-	26.9	3.4	19.5	21.2	24.9	28.4
Sun Pharma	Buy	838	944	12.6	25.6	5.2	16.7	22.0	33.1	18.9

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

## Company Background

Indoco has a strong brand portfolio of 135 products and a base of 2,300 MRs. The company operates in various therapeutic segments including 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% of its 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)	FY13	FY14	FY15	FY15	FY17E	FY18E
<b>Gross sales</b>	<b>638</b>	<b>735</b>	<b>863</b>	<b>987</b>	<b>1,124</b>	<b>1,303</b>
Less: Excise duty	11	13	11	10	12	14
<b>Net sales</b>	<b>626</b>	<b>722</b>	<b>852</b>	<b>977</b>	<b>1,112</b>	<b>1,289</b>
Other operating income	4	10	5	27	27	27
<b>Total operating income</b>	<b>630</b>	<b>733</b>	<b>857</b>	<b>1,004</b>	<b>1,139</b>	<b>1,316</b>
% chg	10.4	16.2	17.0	17.1	13.5	15.6
Total expenditure	537	612	691	831	910	1,055
Net raw materials	262	272	300	341	411	477
Other mfg costs	37	42	50	57	65	75
Personnel	100	130	140	183	199	231
Other	138	168	201	250	234	272
<b>EBITDA</b>	<b>89</b>	<b>110</b>	<b>161</b>	<b>145</b>	<b>202</b>	<b>234</b>
% chg	5.4	23.5	46.1	(9.7)	39.0	16.0
(% of Net Sales)	14.2	15.2	18.9	14.9	18.2	18.2
Depreciation & amortisation	24	31	47	60	65	70
<b>EBIT</b>	<b>65</b>	<b>79</b>	<b>114</b>	<b>85</b>	<b>136</b>	<b>164</b>
% chg	0.1	21.0	43.7	(25.4)	60.9	20.0
(% of Net Sales)	10.4	11.0	13.3	8.7	12.3	12.7
Interest & other charges	22	19	11	13	13	13
Other income	1	2	2	1	1	1
(% of PBT)	1.8	2.4	1.6	1.1	0.7	0.6
Share in profit of Associates	-	-	-	1.0	2.0	3.0
<b>Recurring PBT</b>	<b>48</b>	<b>72</b>	<b>110</b>	<b>101</b>	<b>152</b>	<b>179</b>
<b>PBT (reported)</b>	<b>48</b>	<b>72</b>	<b>110</b>	<b>101</b>	<b>152</b>	<b>179</b>
Tax	6	14	27	18	30	36
(% of PBT)	11.8	19.6	24.3	17.5	20.0	20.0
<b>PAT (reported)</b>	<b>43</b>	<b>58</b>	<b>83</b>	<b>83</b>	<b>122</b>	<b>144</b>
Add: Share of earnings of asso.	-	-	-	-	-	-
Less: Minority interest (MI)	-	-	-	-	-	-
Prior period items	-	-	-	-	-	-
<b>PAT after MI (reported)</b>	<b>43</b>	<b>58</b>	<b>83</b>	<b>83</b>	<b>122</b>	<b>144</b>
<b>ADJ. PAT</b>	<b>43</b>	<b>58</b>	<b>83</b>	<b>83</b>	<b>122</b>	<b>144</b>
% chg	(7.9)	36.5	42.3	0.2	46.7	17.9
(% of Net Sales)	6.8	8.1	9.7	8.5	11.0	11.1
<b>Basic EPS (₹)</b>	<b>4.6</b>	<b>6.3</b>	<b>9.0</b>	<b>9.0</b>	<b>13.2</b>	<b>15.6</b>
<b>Fully Diluted EPS (₹)</b>	<b>4.6</b>	<b>6.3</b>	<b>9.0</b>	<b>9.0</b>	<b>13.2</b>	<b>15.6</b>
% chg	(7.9)	36.5	42.3	0.2	46.7	17.9

**Balance Sheet (Consolidated)**

Y/E March (₹ cr)	FY13	FY14	FY15	FY15	FY17E	FY18E
<b>SOURCES OF FUNDS</b>						
Equity share capital	18	18	18	18	18	18
Reserves & surplus	396	439	500	566	667	790
<b>Shareholders funds</b>	<b>414</b>	<b>457</b>	<b>519</b>	<b>583</b>	<b>685</b>	<b>808</b>
Minority Interest	0	-	-	-	-	-
Total loans	90	72	88	127	120	50
Other Long Term Liab.	9	9	9	9	9	9
Long Term Provisions	7	16	16	18	18	18
Deferred tax liability	35	31	27	24	24	24
<b>Total liabilities</b>	<b>555</b>	<b>585</b>	<b>659</b>	<b>762</b>	<b>829</b>	<b>882</b>
<b>APPLICATION OF FUNDS</b>						
Gross block	447	481	561	649	709	769
Less: acc. depreciation	126	156	203	264	329	399
<b>Net block</b>	<b>321</b>	<b>325</b>	<b>358</b>	<b>386</b>	<b>380</b>	<b>370</b>
Capital work-in-progress	38	44	44	44	44	44
Goodwill	0	-	0	-	-	-
<b>Investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>15</b>
Long Term Loans And Adv.	57	55	58	71	109	126
Current assets	273	305	385	448	554	644
Cash	12	13	15	14	13	16
Loans & advances	41	42	85	78	111	129
Other	220	249	285	356	430	499
Current liabilities	134	144	187	201	274	318
<b>Net current assets</b>	<b>139</b>	<b>160</b>	<b>199</b>	<b>247</b>	<b>280</b>	<b>326</b>
Mis. Exp. not written off	0	-	-	-	-	-
<b>Total assets</b>	<b>555</b>	<b>585</b>	<b>659</b>	<b>762</b>	<b>829</b>	<b>882</b>



**Cash Flow Statement (Consolidated)**

Y/E March (₹ cr)	FY13	FY14	FY15	FY15	FY17E	FY18E
Profit before tax	48	72	110	101	152	179
Depreciation	24	31	47	60	65	70
(Inc)/Dec in working capital	13	(18)	(39)	(63)	(73)	(60)
Less: Other income	1	2	2	1	1	1
Direct taxes paid	6	14	27	18	30	36
<b>Cash Flow from Operations</b>	<b>79</b>	<b>69</b>	<b>90</b>	<b>80</b>	<b>113</b>	<b>153</b>
(Inc.)/Dec.in fixed assets	(49)	(41)	(80)	(88)	(60)	(60)
(Inc.)/Dec. in investments	-	-	-	-	-	-
Other income	1	2	2	1	1	1
<b>Cash Flow from Investing</b>	<b>(48)</b>	<b>(39)</b>	<b>(78)</b>	<b>(87)</b>	<b>(59)</b>	<b>(59)</b>
Issue of equity	-	-	-	(1)	-	-
Inc./(Dec.) in loans	(22)	(9)	16	41	(7)	(70)
Dividend Paid (Incl. Tax)	(12)	(12)	(22)	(21)	(21)	(21)
Others	3	(16)	(3)	(15)	9	9
<b>Cash Flow from Financing</b>	<b>(30)</b>	<b>(37)</b>	<b>(9)</b>	<b>5</b>	<b>(19)</b>	<b>(82)</b>
Inc./(Dec.) in Cash	1	(7)	3	(2)	35	12
<b>Opening Cash balances</b>	<b>10</b>	<b>12</b>	<b>13</b>	<b>15</b>	<b>14</b>	<b>13</b>
<b>Closing Cash balances</b>	<b>12</b>	<b>13</b>	<b>15</b>	<b>14</b>	<b>13</b>	<b>16</b>

**Key Ratios**

Y/E March	FY13	FY14	FY15	FY15	FY17E	FY18E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	60.9	44.6	31.4	31.3	21.3	18.1
P/CEPS	39.1	29.1	20.0	18.1	13.9	12.1
P/BV	6.3	5.7	5.0	4.5	3.8	3.2
Dividend yield (%)	0.4	0.4	0.7	0.7	0.7	0.7
EV/Sales	4.3	3.7	3.1	2.8	2.4	2.0
EV/EBITDA	30.0	24.1	16.6	18.7	13.4	11.2
EV / Total Assets	4.8	4.5	4.1	3.6	3.3	3.0
<b>Per Share Data (₹)</b>						
EPS (Basic)	4.6	6.3	9.0	9.0	13.2	15.6
EPS (fully diluted)	4.6	6.3	9.0	9.0	13.2	15.6
Cash EPS	7.2	9.7	14.1	15.6	20.3	23.2
DPS	1.1	1.0	2.0	2.0	2.0	2.0
Book Value	44.9	49.6	56.3	63.3	74.3	87.6
<b>Dupont Analysis</b>						
EBIT margin	10.4	11.0	13.3	8.7	12.3	12.7
Tax retention ratio	88.2	80.4	75.7	82.5	80.0	80.0
Asset turnover (x)	1.2	1.3	1.4	1.4	1.5	1.6
ROIC (Post-tax)	10.8	11.6	14.2	10.3	14.3	15.9
Cost of Debt (Post Tax)	18.9	18.7	10.0	9.6	8.1	11.8
Leverage (x)	0.2	0.2	0.1	0.2	0.2	0.1
Operating ROE	8.9	10.4	14.8	10.5	15.4	16.3
<b>Returns (%)</b>						
ROCE (Pre-tax)	11.9	13.9	18.3	11.9	17.1	19.1
Angel ROIC (Pre-tax)	13.0	15.3	20.2	13.0	18.5	20.5
ROE	10.7	13.4	17.0	15.1	19.2	19.2
<b>Turnover ratios (x)</b>						
Asset Turnover (Gross Block)	1.5	1.6	1.6	1.7	1.7	1.8
Inventory / Sales (days)	52	50	55	54	59	59
Receivables (days)	66	64	62	68	75	75
Payables (days)	43	40	46	42	52	52
WC cycle (ex-cash) (days)	78	68	70	76	80	80
<b>Solvency ratios (x)</b>						
Net debt to equity	0.2	0.1	0.1	0.2	0.2	0.0
Net debt to EBITDA	0.9	0.5	0.5	0.8	0.5	0.1
Interest Coverage (EBIT / Int.)	3.0	4.2	10.7	6.8	10.9	13.1

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### Indoco Remedies

1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

**Ratings (Based on expected returns over 12 months investment period):**

Buy (> 15%)

Accumulate (5% to 15%)  
Reduce (-5% to -15%)

Neutral (-5 to 5%)  
Sell (< -15)