

November 17, 2011

Monthly: Oct 2011 – Domestic formulations **IPM growth remains steady; NPPP 2011, if implemented, may materially impact MNCs**

Summary

In this report, we provide detailed sales trends (AIOCD data) for the top-10 companies and the top-10 therapy areas in the Indian pharmaceutical market (IPM). We also include data for Dr Reddy's and Glenmark, which are not in the top-10 companies but are part of our coverage universe.

Among the top-20 companies, Sun Pharma, Lupin and Glenmark continued to post higher net sales growth than the overall IPM in October 2011. On the other hand, Ranbaxy and Dr Reddy's are notable laggards.

IPM net sales growth sustained at mid-teen levels

The domestic pharma market grew 13.8% y-y in October 2011, recovering from the year's low of 10.2% y-y (July). In our view, key growth drivers for the industry are new product launches and volume growth in older products.

Key therapy areas

Among the key therapy areas, anti-diabetes and cardiovascular segments continued to grow above IPM levels, with net sales growth at >20% in the month. The key laggards were the anti-infectives and gastrointestinal segments, which grew in single digits in Oct 2011.

NPPP 2011, if implemented, may materially impact MNCs

We base our impact analysis of the National Pharmaceutical Pricing Policy 2011 (NPPP 2011) on a sample of 72 SKU that cover ~21% of the impacted market. Based on this study, we believe industry sales may drop by INR15bn (~3% of the market) as higher priced products are brought below the ceiling price (CP). We believe MNCs are impacted the most as: 1) they are largely dependent on domestic formulation sales; 2) a large portion of their portfolio (>50%) would come under price control and 3) in general, MNCs price products at a premium, which would result in a greater drop in prices. Among Indian companies, Ranbaxy's base business earnings are at risk on premium anti-infective portfolio. We see Lupin and Glenmark as relatively less impacted, based on the limited sample study. We believe the markets have so far ignored the impact of the proposed policy. This is reflected in the stock performance since the announcement of the policy as highlighted in Fig 2. The policy presents risks to domestic business profitability.

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NPPP 2011 – digging a hole in MNC pharma's pockets

Approx 3% of India pharma market sales may be impacted

As per the proposed policy, almost 60% of the India pharma market would come under price control. We reworked the impact the potential price control based on a sample of 72 stock keeping units (SKUs) where we have pricing information (compared to 36 that we highlighted in our report "*NPPP '11 unveiled; varied –ve impact across cos*" dated 31 October 2011). The sample accounts for ~21% of the impacted market. Based on this study, we believe industry sales may drop by INR15bn (~3% of the market) as higher priced products are brought below the ceiling price (CP). The assessment of the quantum of impact is unchanged. AIOCD estimates the impact to be higher in the range of INR18-20bn.

Impact significantly higher on MNCs

The extent of impact on company's financials is determined by three factors: 1) the percentage of overall sales in India, 2) the percentage of India sales that would come under price control and 3) current pricing. Companies with large India dependence, high coverage under price control and premium pricing would be impacted most. MNCs are impacted on all three counts, in our assessment. For MNCs, sales are largely dependent on domestic formulations, the coverage under price control is high (>50%) and they mostly price products at a premium. In addition, Ranbaxy's base business earnings are at risk due to its premium anti-infective portfolio. We see Lupin and Glenmark as relatively less impacted, based on the limited sample study.

Analysing the impact on financials; Glaxo most impacted in our coverage

It is difficult to assess the exact impact on companies, as our analysis is restricted to a limited sample, which covers 21% of the impacted market. We appreciate that there can be material quantitative differences between the actual impact and what our sample study suggests. However, the assessment does help us get a direction and a sense of the relative impact. In Fig 2, we indicate the impact of price control as a percentage of FY12 EBITDA for large listed companies in India. This is based on extrapolating the results of the sample study that we conducted to the entire India portfolio. As the analysis suggests, amongst the companies analysed, MNC firms would be impacted most.

Most companies have not indicated the potential impact of the policy as it is still at a draft stage and there can be material changes to the proposed policy over time. However, Cipla indicated that if the proposed policy goes through, the impact would be 2-3% of domestic sales, translating to an impact of INR550-900mn (our assessment is INR510mn).

Markets have largely ignored the impact so far

We believe the markets have so far largely ignored the impact of the proposed policy. This is reflected in the stock performance since the announcement of the policy as highlighted in Fig 2. The policy presents risks to domestic business profitability.

Fig. 1: Molecule and stock keeping units studied in sample (sales and impact in INRmn)

Molecule & Stock Keeping Unit	Net Sales (MAT Sep 2011)	Impact
Amoxicillin+Clauvinic Acid 500/125 Mg Tabs	4,148	442
Atenolol+Amlodipine 50/5mg	2,612	318
Cefixime 200 Mg Tabs	4,521	300
Glimeperide+Metformin 2/500mg Tabs	2,205	176
Pantoprazole 40mg Tabs	2,631	170
Ofloxacin 200mg Tabs	1,737	161
Amlodipine 5 Mg Tabs	2,043	148
Glimeperide+Metformin 1/500mg Tabs	1,818	124
Clopidogrel 75mg	1,560	118
Domeperidone + Pantoprazole 30/40 Mg	1,569	85
Chlorpheniramine + Codeine 100ml	3,365	77
Azithromycin 500mg Tabs	2,329	75
Paracetamol 650mg Tabs	654	74
Cipro 500 Mg Tabs	2,237	69
Cefixime 100mg Tabs	937	67
Atorvastatin 10 Mg Tabs	3,341	53
Aceclofenac + Paracetamol 100/500mg Tabs	1,163	51
Azithromycin 250mg Tabs	1,235	48
Pantoprazole 40mg Inj	1,100	45
Calcium + Cholecalciferol 500 Mg Tab	1,120	45
Amoxicillin+Clauvinic Acid 1000/200 Mg Inj	1,267	44
Atorvastatin 20 Mg Tabs	1,864	39
Methylprednisolone 4 Mg Tabs	284	37
Paracetamol 500mg Tabs	1,070	35
Cefixime 50mg Sol	656	35
Amlodipine 2.5 Mg Tabs	454	35
Ofloxacin 400mg Tabs	482	34
Omeprazole 20mg	1,717	34
Artesunate 60 Mg Inj	1,091	32
Norethisterone 5 Mg Tabs	989	31
Diclofenac Gel 30gm	1,365	30
Domperidone + Omeprazole 15/10 Mg	453	29
Glibenclamide + Metformin 5/500mg Tabs	324	28
Enoxaparin 40mg Inj	766	24
Atorvastatin 40 Mg Tabs	953	23
Clindamycin 300mg Caps	171	23
Methylprednisolone 500 Mg Inj	139	22
Domeperidone + Pantoprazole 10/20 Mg	478	21
Methylprednisolone 1000 Mg Inj	268	21
Cefixime 50mg Tabs	249	21
Cipro 250 Mg Tabs	442	19
Cefalaxin 125 Mg Syrup 30ml	200	19
Methylprednisolone 16 Mg Tabs	155	19
Guaifenesin + Terbutaline + Bromhexine 100 Ml	1,459	18
Domperidone + Omeprazole 30/20 Mg	623	18
Aluminium + Magnesium + Simetico 175 Ml	445	18
Sodium Valproate 200mg Syrup	282	12
Amoxicillin 500mg Caps	1,058	11
Aceclofenac + Paracetamol + Serratiopeptidase 100/500/15 Mg Tablet	787	11
Gliclazide+Metformin 80/500mg Tabs	1,441	11
Hydroxychloroquine 200 Mg Tabs	502	9
Amoxicillin 250mg Caps	466	7
Levo-Thyroxine 50 Mcg Tab	31	7
Cefalaxin 500mg Caps	701	7
Sodium Valproate 300mg Tab	272	7
Paracetamol 250 Mg Suspension	403	7
Clotrimazole 1 % Cream 15 Gm	117	6
Glibenclamide + Metformin 2.5/500 Mg Tab	483	6
Sodium Valproate 500mg Tab	353	6
Atenolol 50 Mg Tab	1,018	6
Atenolol 25 Mg Tab	580	5
Artemether + Lumefantrine 80/480mg Tab	464	4
Cefalaxin 250mg Caps	245	4
Methylprednisolone 125 Mg Inj	144	3
Paracetamol 120 Mg Suspension	278	2
Beclomethasone + Clotrimazole 0.025/1 % Cream 15 Gm	309	2
Metoclopramide 5 Mg Inj	138	2
Metoclopramide 10 Mg Tab	139	2
Diclofenac Gel 15 Gm	266	2
Clotrimazole 1 % Dusting Pow der 100 Gm	201	1
Beclomethasone + Clotrimazole 0.025/1 % Cream 5 Gm	106	0
Levo-Thyroxine 100 Mcg Tab	783	0
Total Sample	72,256	3,492

Source: AIOCD data, Nomura estimates

Fig. 2: Impact of NPPP 2011 on companies FY12E EBITDA (Sales, EBITDA and impact in INRmn)

Company	Sample sales (a)	Sample Size (=a/d)	Sales impacted (b)	% Impact (c=b/a)	Overall sales (d)	Proposed DPCO coverage (e)	Impact (f=e*c)	FY12 EBITDA (g)	Impact (=f/g)	Stock performance since NPPP draft date
IPM	72,256	23.3%	3,492	4.8%	557,965	309,698	14,968	NA	NA	NA
Glaxosmithkline	4,400	26.6%	419	9.5%	26,111	16,510	1,572	8,550	18.4%	-3.2%
Sanofi-Aventis	1,270	20.8%	292	23.0%	11,886	6,098	1,400	2,102	66.6%	0.8%
Alkem	4,013	32.4%	415	10.3%	16,316	12,374	1,279	NA	NA	NA
Ranbaxy	5,188	39.7%	367	7.1%	26,344	13,054	923	23,220	4.0%	-4.9%
Novartis India	771	12.3%	102	13.3%	9,390	6,281	834	1,678	49.7%	2.7%
Sun Pharma	3,502	32.6%	194	5.5%	25,420	10,727	594	27,210	2.2%	2.1%
Wockhardt	855	15.5%	92	10.8%	10,873	5,531	598	11,985	5.0%	-9.3%
Pfizer	2,896	37.7%	208	7.2%	12,827	7,690	553	1,898	29.1%	-0.5%
Cipla	3,693	24.0%	123	3.3%	27,533	15,359	510	16,620	3.1%	-0.1%
Zydus Cadila	5,401	42.4%	218	4.0%	21,404	12,745	514	11,880	4.3%	-3.2%
Micro Labs	1,995	33.9%	162	8.1%	9,867	5,883	477	NA	NA	NA
Intas	1,745	28.8%	132	7.6%	13,614	6,048	457	NA	NA	NA
Piramal Healthcare	3,458	23.7%	104	3.0%	23,601	14,616	439	NA	NA	NA
Alembic	1,206	29.8%	93	7.7%	7,739	4,048	311	NA	NA	NA
Dr. Reddys	3,143	53.4%	156	5.0%	12,011	5,885	293	23,840	1.2%	4.1%
Aristo	1,806	21.8%	46	2.6%	12,627	8,273	213	NA	NA	NA
Cadila	668	18.5%	35	5.2%	4,470	3,618	188	NA	NA	NA
Abbott India	456	15.0%	27	5.9%	6,906	3,039	179	NA	NA	5.2%
Lupin	1,561	20.4%	24	1.5%	17,252	7,663	117	13,220	0.9%	-2.3%
Glenmark	1,660	40.0%	39	2.3%	10,002	4,152	98	9,550	1.0%	11.6%
Wyeth	205	6.1%	6	2.7%	4,656	3,378	90	1,980	4.6%	-1.5%
Ipca	2,671	39.6%	30	1.1%	9,484	6,740	76	4,826	1.6%	8.1%
Unichem	496	12.1%	6	1.2%	6,506	4,107	50	1,451	3.5%	-8.2%
JB Chemicals	237	8.8%	3	1.2%	3,012	2,690	32	948	3.4%	-6.0%
FDC	2,246	45.4%	10	0.4%	7,178	4,942	21	NA	NA	-8.8%
Torrent	955	21.0%	4	0.5%	8,816	4,552	21	5,318	0.4%	-0.3%
Indoco Remedies	464	17.3%	4	0.8%	4,358	2,677	22	842	2.6%	5.6%
Elder	999	28.3%	2	0.2%	6,221	3,526	6	2,332	0.3%	-0.8%
Panacea Biotech	444	45.8%	1	0.2%	2,334	969	2	2,837	0.1%	4.7%

Source: AIOCD data, Nomura estimates

India pharma market — Overview

Snapshot of the Indian pharmaceutical market (IPM)

Fig. 3: Growth profile — breakdown by company and by therapy area

Company	(INR Bn)	YoY growth rate (%)							Market share (%) - MAT Oct 11
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
CIPLA LTD.	27.8	10.8	10.5	11.1	11.3	11.9	8.5	12.3	4.9
RANBAXY LABORATORIES LTD	26.5	19.0	30.1	17.4	16.8	10.2	14.1	6.1	4.7
GLAXOSMITHKLINE PHARMA CEUTICALS LTD.	26.4	12.0	19.2	11.7	4.0	12.2	11.4	11.9	4.7
SUN PHARMA CEUTICAL INDUSTRIES LTD	25.9	23.0	22.2	24.6	18.0	18.6	25.1	25.6	4.6
PIRAMAL HEALTHCARE LIMITED	23.9	12.3	20.2	19.2	11.8	12.6	12.7	15.3	4.2
ZYDUS CADILA	21.6	15.8	16.8	19.6	4.4	8.3	12.1	11.7	3.8
LUPIN LTD	17.5	20.6	22.2	17.0	13.7	25.3	19.0	16.7	3.1
ALKEM LABORATORIES LTD.	16.5	16.9	19.3	20.4	11.7	12.3	12.1	10.4	2.9
MANKIND PHARMA CEUTICALS LTD.	15.5	17.4	23.4	14.5	14.2	5.4	13.2	7.0	2.7
INTAS PHARMA CEUTICALS LTD	13.6	12.2	21.8	9.9	9.6	21.7	18.8	2.2	2.4
PFIZER LTD	13.2	23.7	22.1	18.6	14.5	25.4	29.1	32.1	2.3
ARISTO PHARMA CEUTICALS	12.7	6.7	7.4	9.6	4.1	7.9	6.7	5.2	2.2
MACLEODS PHARMA CEUTICALS PVT.LTD	12.4	31.9	40.3	31.7	23.6	36.5	41.0	37.7	2.2
SANOFI-AVENTIS	12.1	24.2	21.2	21.3	18.3	26.7	22.7	23.5	2.1
DR. REDDYS LABORATORIES LTD	12.0	7.8	12.3	6.4	4.1	0.9	8.7	3.5	2.1
WOCKHARDT LTD	11.1	8.2	6.0	(3.1)	(1.0)	9.2	13.0	25.9	2.0
GLENMARK PHARMA CEUTICALS	10.2	16.8	18.6	11.4	11.0	11.1	18.3	22.2	1.8
MICRO LABS LTD	10.0	14.7	9.7	7.6	16.4	30.9	35.1	21.4	1.8
IPCA LABORATORIES PVT LTD.	9.6	15.9	28.9	18.7	8.4	10.8	9.1	14.7	1.7
NOVARTIS INDIA LTD	9.5	15.9	16.8	14.2	10.6	14.9	17.8	13.8	1.7

Therapeutic Area	(INR Bn)	YoY growth rate (%)							Share of Therapy Area (MAT Oct 11)
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
ANTI DIABETIC	35.9	24.2	24.5	21.7	17.4	28.7	29.3	28.0	6.4
ANTI MALARIALS	4.9	9.6	24.9	16.3	(0.9)	(8.2)	6.2	12.7	0.9
ANTI-INFECTIVES	91.5	9.4	12.5	11.3	7.9	6.7	5.8	7.2	16.2
ANTI-NEOPLASTICS	5.3	32.9	29.7	46.7	34.0	45.0	40.0	37.0	0.9
ANTI-PARASITIC	2.3	1.6	3.0	1.3	(7.3)	(7.4)	5.2	0.3	0.4
ANTI-TUBERCULAR	3.9	9.1	12.0	9.3	4.7	15.2	12.4	3.8	0.7
BLOOD RELATED	5.2	15.6	1.1	16.1	16.4	20.9	37.1	25.2	0.9
CARDIAC	69.0	19.5	20.9	18.7	15.6	20.7	21.7	20.6	12.2
DERMA	29.0	15.2	14.8	13.2	10.0	17.1	20.4	16.7	5.1
GASTRO INTESTINAL	65.0	12.2	13.5	9.1	5.3	11.1	13.0	9.2	11.5
GYNAECOLOGICAL	32.7	14.1	9.7	11.9	10.2	14.7	20.0	10.3	5.8
HEPATOPROTECTIVES	0.1	18.6	29.2	23.1	19.4	(1.1)	1.7	5.7	0.0
HIV	2.3	26.7	29.2	23.5	15.8	24.4	43.2	40.5	0.4
HORMONES	9.0	14.5	20.7	14.2	6.8	21.4	14.8	14.6	1.6
NEURO / CNS	35.4	14.8	16.3	13.8	10.1	17.3	17.0	12.8	6.3
OPHTHAL / OTOLOGICALS	9.7	10.4	13.4	10.6	9.7	7.5	1.5	(0.8)	1.7
OTHERS	11.4	17.5	16.0	16.8	22.3	27.2	26.2	25.5	2.0
PAIN / ANALGESICS	44.1	11.8	14.3	13.2	7.1	12.1	14.0	12.1	7.8
PARENTERAL	1.6	11.7	14.6	9.3	(8.5)	23.4	25.1	12.9	0.3
RESPIRATORY	44.7	11.2	16.9	13.1	10.2	8.8	6.4	15.9	7.9
SEX STIMULANTS / REJUVENATORS	1.7	9.0	(1.9)	7.9	14.7	14.8	17.5	17.1	0.3
STOMATOLOGICALS	2.6	11.2	13.6	14.1	9.3	9.4	7.9	2.4	0.5
VACCINES	7.9	11.3	18.8	14.5	4.4	12.2	9.1	(1.4)	1.4
VITAMINS / MINERALS / NUTRIENTS	49.1	16.3	16.4	15.5	12.0	19.8	21.6	16.8	8.7
Grand Total - IPM	564.2	14.2	15.7	14.0	10.2	14.3	15.1	13.8	100.0

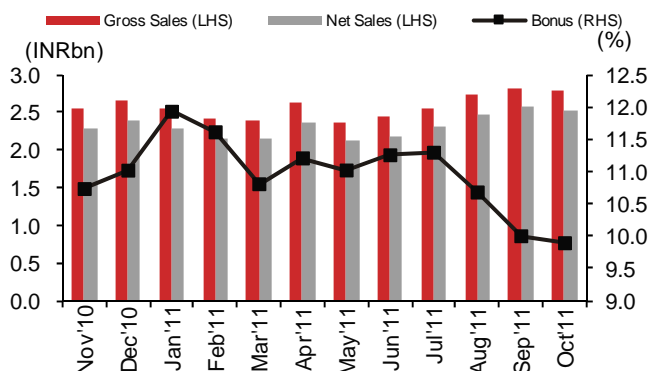
Source: AIOCD, Nomura research

Domestic formulation sales — by company

Cipla Ltd (CIPLA IN, NEUTRAL)

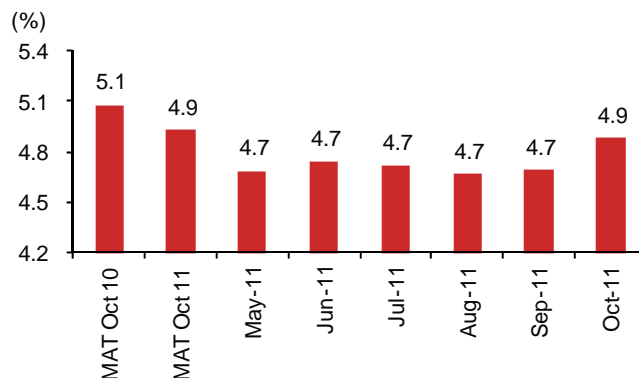
Domestic formulation sales

Fig. 4: Last 12 months' sales trend



Source: AIOCD, Nomura research

Fig. 5: Market share trend



Source: AIOCD, Nomura research

Fig. 6: Therapy area breakdown

Therapy Area	(INR Bn)	YoY growth rate (%)							Therapy area as % of company sales - MAT Oct 11
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
ANTI-INFECTIVES	5.3	3.2	(2.2)	3.3	3.5	2.7	0.5	7.9	19.1
GASTRO INTESTINAL	2.1	8.0	8.0	7.6	9.8	8.7	6.1	10.8	7.4
GYNAECOLOGICAL	1.7	20.6	18.5	28.7	35.1	10.5	5.9	0.2	6.2
OPHTHAL / OTOLOGICALS	1.0	4.2	(0.1)	0.8	2.0	(3.5)	(13.9)	(1.7)	3.5
HIV	1.1	12.8	11.6	8.2	2.6	18.5	15.1	18.3	3.9
PAIN / ANALGESICS	0.8	7.6	3.9	10.9	16.0	13.0	8.2	8.7	2.8
RESPIRATORY	0.9	10.7	14.7	23.1	(4.0)	0.8	1.3	1.1	3.1
DERMA	0.5	9.7	6.5	6.8	5.9	12.5	14.5	7.4	1.7
VITAMINS / MINERALS / NUTRIENTS	0.5	7.0	1.6	5.9	4.8	12.3	10.0	2.7	1.8
Acute	15.4	8.3	6.0	9.3	8.9	7.3	4.5	7.7	55.4
RESPIRATORY	7.7	13.7	17.4	12.5	16.5	17.7	13.4	20.6	27.8
CARDIAC	3.7	13.2	14.7	15.2	12.3	20.0	15.6	14.3	13.3
NEURO / CNS	0.7	15.5	16.3	8.0	6.9	14.2	10.6	12.9	2.6
ANTI DIABETIC	0.2	19.6	12.7	28.5	25.8	25.4	31.2	24.6	0.8
Chronic	12.4	13.9	16.5	13.6	14.7	18.4	14.2	18.4	44.6
Total	27.8	10.8	10.5	11.1	11.3	11.9	8.5	12.3	100.0

Source: AIOCD, Nomura research

Fig. 7: Breakdown by brand — according to size

Brands arranged by sales	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	4,177	4,644	11.2	17.3	16.7
Brands #6-#20	5,629	6,214	10.4	21.6	22.3
Brands #21-#50	5,758	6,578	14.2	30.4	23.7
Others	9,545	10,375	8.7	30.7	37.3
Total	25,109	27,811	10.8	100.0	100.0
Total number of brands:					1404

Source: AIOCD, Nomura research

Fig. 8: Top 10 Brands as per MAT; sales & growth contribution

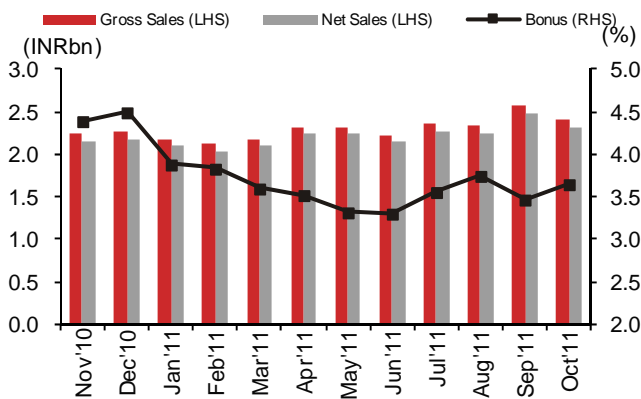
Brands	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
SEROFLO	1028	1139	10.8	4.1	4.1
ASTHALIN	895	1004	12.2	4.0	3.6
FORACORT	789	999	26.7	7.8	3.6
AEROCORT	769	860	11.9	3.4	3.1
NOVAMOX	697	642	-7.9	-2.0	2.3
BUDECORT	560	610	9.0	1.9	2.2
MTP KIT	388	576	48.3	6.9	2.1
AMLOPRES AT	513	537	4.6	0.9	1.9
CIPLOX	481	500	3.9	0.7	1.8
DUOLIN	393	452	14.9	2.2	1.6

Source: AIOCD, Nomura research

Ranbaxy Laboratories Ltd (RBXY IN, REDUCE)

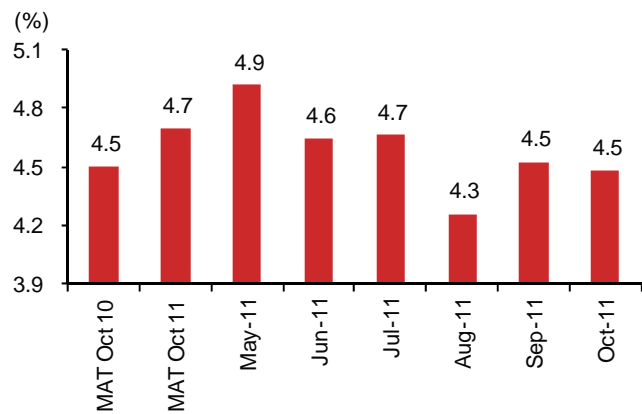
Domestic formulation sales

Fig. 9: Last 12 months' sales trend



Source: AIOCD, Nomura research

Fig. 10: Market share trend



Source: AIOCD, Nomura research

Fig. 11: Therapy area breakdown

Therapy Area	(INR Bn)	YoY growth rate (%)							Therapy area as % of company sales - MAT Oct 11
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
ANTI-INFECTIVES	8.3	13.9	26.1	18.4	8.4	2.7	1.1	(2.7)	31.2
PAIN / ANALGESICS	2.8	30.0	60.6	23.9	30.7	16.8	16.4	(0.5)	10.5
DERMA	2.4	22.2	28.9	12.1	15.3	8.5	21.4	17.9	9.0
VITAMINS / MINERALS / NUTRIENTS	2.1	11.9	18.6	20.6	19.7	4.3	19.2	5.5	7.8
GASTRO INTESTINAL	1.6	5.1	12.0	(2.7)	(7.0)	9.3	20.1	0.1	5.9
GYNAECOLOGICAL	0.6	38.4	40.9	41.7	39.8	39.4	42.7	14.7	2.1
VACCINES	0.3	(32.8)	(14.3)	(29.1)	(9.3)	(23.1)	(15.6)	(16.3)	1.2
RESPIRATORY	0.5	22.9	24.9	14.3	11.4	(1.4)	4.1	8.6	1.9
SEX STIMULANTS / REJUVENATORS	0.3	27.0	22.4	36.6	57.3	59.7	19.2	13.0	1.1
OTHERS	0.5	110.8	92.3	90.3	96.6	93.3	103.1	110.6	1.9
Acute	20.0	18.9	30.5	18.8	16.4	10.5	15.1	6.0	75.3
CARDIAC	4.0	20.2	25.8	9.5	19.4	7.1	11.4	7.3	15.2
NEURO / CNS	1.1	8.4	18.4	4.3	(4.5)	(4.4)	(4.3)	(14.1)	4.0
ANTI DIABETIC	0.8	30.0	49.8	35.8	30.5	22.2	24.1	29.2	3.1
RESPIRATORY	0.5	20.3	50.0	24.0	33.9	19.5	12.1	16.4	1.8
Chronic	6.5	19.5	28.8	13.6	17.8	9.5	10.8	6.5	24.7
Total	26.5	19.0	30.1	17.4	16.8	10.2	14.1	6.1	100.0

Source: AIOCD, Nomura research

Fig. 12: Breakdown by brand — according to size

Brands arranged by sales	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	5,084	5,918	16.4	19.7	22.4
Brands #6-#20	5,440	6,121	12.5	16.1	23.1
Brands #21-#50	4,745	5,467	15.2	17.1	20.6
Others	6,980	8,973	28.6	47.1	33.9
Total	22,249	26,479	19.0	100.0	100.0
Total number of brands:					843

Source: AIOCD, Nomura research

Fig. 13: Top 10 Brands as per MAT; sales & growth contribution

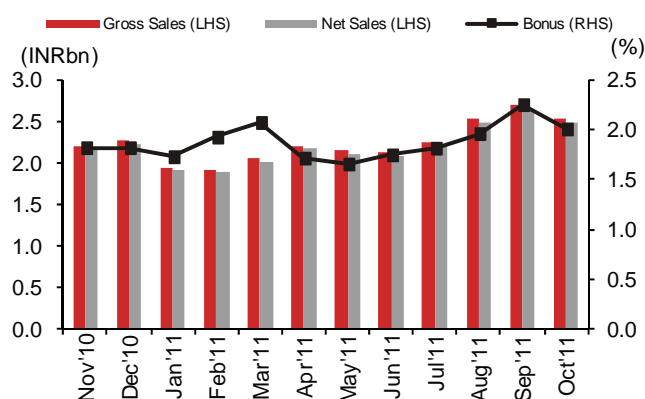
Brands	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
REVITAL	1356	1519	12.1	3.9	5.7
STORVAS	1302	1433	10.1	3.1	5.4
VOLINI	866	1256	45.0	9.2	4.7
MOX	1061	999	-5.8	-1.5	3.8
ROSUVAS	499	711	42.5	5.0	2.7
CIFRAN	773	703	-9.1	-1.7	2.7
CEPODEM	542	634	16.8	2.2	2.4
ZANOCIN	573	625	9.0	1.2	2.4
SPORIDEX	547	594	8.6	1.1	2.2
CILANEM	406	561	38.1	3.7	2.1

Source: AIOCD, Nomura research

GlaxoSmithKline Pharmaceuticals Ltd (GLXO IN, NEUTRAL)

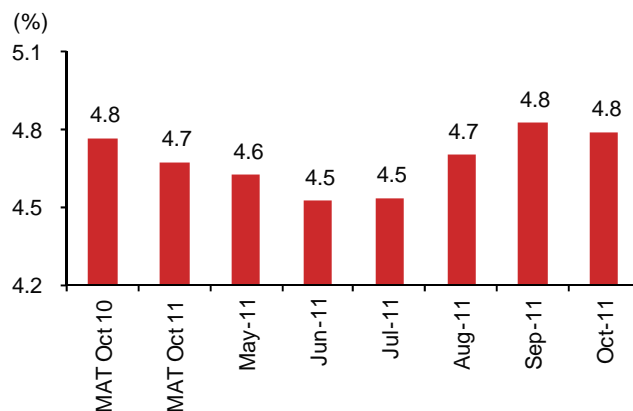
Domestic formulation sales

Fig. 14: Last 12 months' sales trend



Source: AIOCD, Nomura research

Fig. 15: Market share trend



Source: AIOCD, Nomura research

Fig. 16: Therapy area breakdown

Therapy Area	(INR Bn)	YoY growth rate (%)							Therapy area as % of company sales - MAT Oct 11
		MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	
ANTI-INFECTIVES	6.7	11.5	15.5	10.1	8.9	14.3	14.4	17.6	25.2
DERMA	4.3	16.8	18.5	17.0	6.5	17.1	22.8	20.9	16.3
PAIN / ANALGESICS	2.7	11.2	11.6	8.5	6.5	10.5	11.3	13.6	10.2
VITAMINS / MINERALS / NUTRIENTS	2.3	10.3	16.8	11.8	7.3	6.7	13.7	4.3	8.8
GASTRO INTESTINAL	1.7	4.0	17.9	5.3	(1.8)	3.5	2.4	22.2	6.4
RESPIRATORY	1.6	8.6	9.5	2.7	(0.8)	(0.4)	(6.1)	2.3	6.1
HORMONES	1.8	1.9	4.5	(0.6)	0.8	11.1	4.8	(0.8)	6.9
VACCINES	1.5	39.6	165.4	77.2	(17.1)	37.4	11.2	0.1	5.9
ANTI-PARASITIC	0.8	0.7	(1.5)	(1.2)	(8.8)	(5.4)	19.4	7.9	2.9
GYNAECOLOGICAL	0.7	10.1	20.7	8.3	4.7	9.9	(9.9)	(1.4)	2.8
OPHTHAL / OTOLOGICALS	0.4	9.3	19.7	12.4	8.6	6.5	(10.5)	(9.9)	1.4
Acute	25.0	11.8	19.0	11.7	3.7	11.8	11.0	11.7	94.6
CARDIAC	0.8	23.6	34.9	25.7	20.8	32.3	28.1	31.0	3.0
RESPIRATORY	0.4	14.9	13.5	(3.0)	(1.7)	16.9	13.0	10.8	1.5
Chronic	1.4	15.3	21.8	11.0	8.1	20.9	18.8	16.0	5.4
Total	26.4	12.0	19.2	11.7	4.0	12.2	11.4	11.9	100.0

Source: AIOCD, Nomura research

Fig. 17: Breakdown by brand — according to size

Brands arranged by sales	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	5,628	6,275	11.5	23.0	23.8
Brands #6-#20	7,528	8,508	13.0	34.8	32.3
Brands #21-#50	6,308	7,073	12.1	27.2	26.8
Others	4,097	4,521	10.3	15.0	17.1
Total	23,561	26,377	12.0	100.0	100.0
Total number of brands:					286

Source: AIOCD, Nomura research

Fig. 18: Top 10 Brands as per MAT; sales & growth contribution

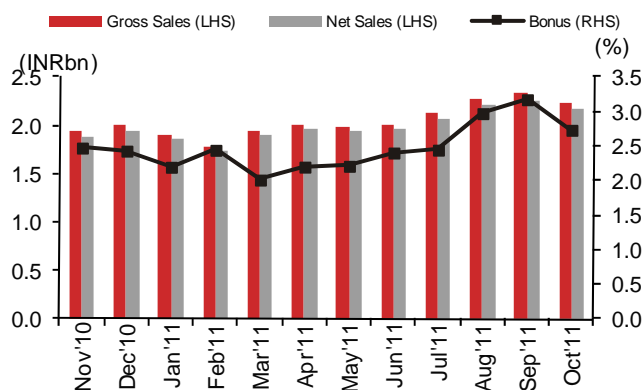
Brands	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
AUGMENTIN	1497	1687	12.7	6.8	6.4
CALPOL	1265	1383	9.3	4.2	5.2
ZINETAC	1191	1210	1.6	0.7	4.6
CEFTUM	973	1116	14.7	5.1	4.2
ELTROXIN	701	879	25.3	6.3	3.3
BETNESOL	863	780	-9.6	-2.9	3.0
PHXIN	773	779	0.8	0.2	3.0
BETNOVATE C	610	748	22.6	4.9	2.8
NEOSPORIN	659	704	6.9	1.6	2.7
AUGMENTIN DUO	553	667	20.8	4.1	2.5

Source: AIOCD, Nomura research

Piramal Healthcare Ltd (acquired by Abbott May '10, not rated)

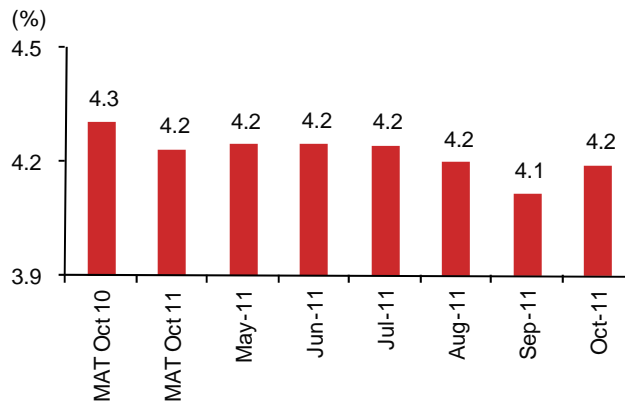
Domestic formulation sales

Fig. 19: Last 12 months' sales trend



Source: AIOCD, Nomura research

Fig. 20: Market share trend



Source: AIOCD, Nomura research

Fig. 21: Therapy area breakdown

Therapy Area	(INR Bn)	YoY growth rate (%)							Therapy area as % of company sales - MAT Oct 11
		MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	
ANTI-INFECTIVES	4.7	12.2	18.3	19.6	5.8	11.2	7.6	9.6	19.6
RESPIRATORY	2.5	(4.6)	13.7	4.1	5.1	11.6	3.2	37.0	10.5
GASTRO INTESTINAL	2.1	11.9	17.3	18.4	11.7	10.1	7.5	2.2	9.0
DERMA	1.8	12.8	17.9	22.5	9.4	10.5	7.7	7.8	7.6
PAIN / ANALGESICS	1.8	11.1	12.1	16.0	11.6	13.8	17.2	11.3	7.5
VITAMINS / MINERALS / NUTRIENTS	1.6	12.1	15.9	17.6	12.2	13.7	15.5	12.4	6.5
PARENTERAL	0.4	(3.7)	3.7	(16.5)	(28.0)	(12.5)	4.0	(28.6)	1.6
HORMONES	0.4	22.3	30.0	28.8	21.7	20.0	23.4	21.2	1.6
ANTI MALARIALS	0.1	9.4	(9.7)	36.2	0.2	(15.0)	28.1	16.1	0.6
Acute	16.2	8.9	16.3	16.7	8.2	11.2	8.9	11.6	67.9
CARDIAC	3.5	18.5	30.1	25.3	21.4	4.3	18.1	27.1	14.7
NEURO / CNS	2.3	18.5	25.7	20.3	18.5	27.0	24.6	16.2	9.8
ANTI DIABETIC	1.7	26.4	29.3	30.3	23.9	30.4	29.2	29.8	7.0
PAIN / ANALGESICS	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-
Chronic	7.7	20.1	28.6	24.8	21.0	15.9	22.3	23.9	32.1
Total	23.9	12.3	20.2	19.2	11.8	12.6	12.7	15.3	100.0

Source: AIOCD, Nomura research

Fig. 22: Breakdown by brand — according to size

Brands arranged by sales	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	2,911	3,074	5.6	6.2	12.9
Brands #6-#20	3,943	4,271	8.3	12.6	17.9
Brands #21-#50	5,179	5,901	13.9	27.6	24.7
Others	9,244	10,643	15.1	53.5	44.6
Total	21,277	23,889	12.3	100.0	100.0
Total number of brands:					1015

Source: AIOCD, Nomura research

Fig. 23: Top 10 Brands as per MAT; sales & growth contribution

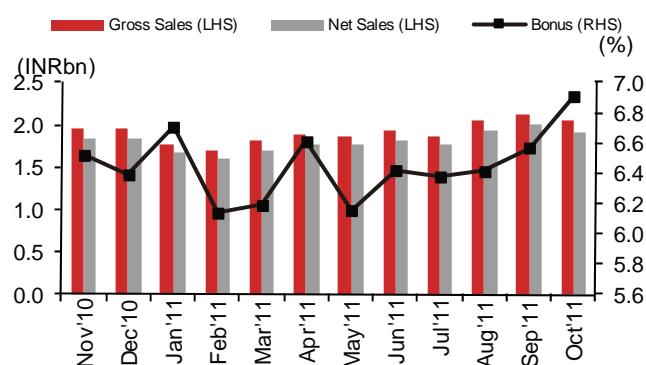
Brands	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
PHENSEDYL COUGH LINCTUS	1472	1372	-6.8	-3.8	5.7
STEMETIL	417	473	13.5	2.2	2.0
GARDENAL	385	437	13.5	2.0	1.8
TRIBET	312	397	26.9	3.2	1.7
KENACORT	325	395	21.8	2.7	1.7
HAEMACCEL	385	369	-4.2	-0.6	1.5
SUPRADYN	297	327	10.4	1.2	1.4
LMVX	264	323	22.6	2.3	1.4
ACITROM	267	321	20.0	2.0	1.3
NEO MERCAZOLE	250	318	27.1	2.6	1.3

Source: AIOCD, Nomura research

Cadila Healthcare Ltd (CDH IN, BUY)

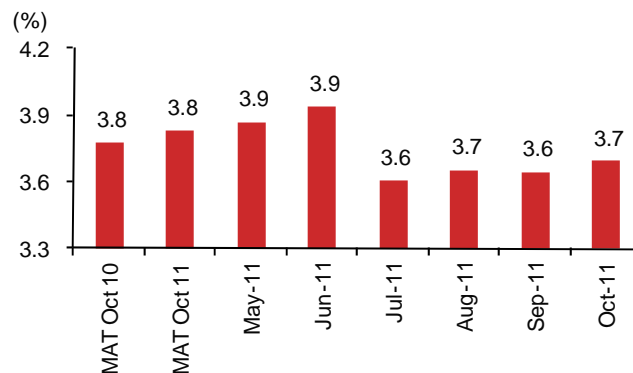
Domestic formulation sales

Fig. 24: Last 12 months' sales trend



Source: AIOCD, Nomura research

Fig. 25: Market share trend



Source: AIOCD, Nomura research

Fig. 26: Therapy area breakdown

Therapy Area	(INR Bn)	YoY growth rate (%)							Therapy area as % of company sales - MAT Oct 11
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
GASTRO INTESTINAL	4.0	15.7	20.6	15.8	1.4	8.9	13.0	6.9	18.5
GYNAECOLOGICAL	2.6	21.1	17.9	16.1	10.0	2.9	4.6	(12.5)	11.9
PAIN / ANALGESICS	1.9	7.5	0.5	42.4	(9.2)	(1.6)	6.9	25.6	8.8
ANTI-INFECTIVES	1.2	(2.4)	(1.6)	0.7	2.9	3.1	5.7	9.2	5.7
ANTI MALARIALS	0.8	18.8	22.6	23.6	(0.6)	5.6	8.1	35.9	3.7
VITAMINS / MINERALS / NUTRIENTS	1.0	34.3	31.6	32.2	21.4	39.0	45.8	26.6	4.4
RESPIRATORY	0.4	17.2	13.2	11.9	7.6	4.0	12.1	19.8	2.0
DERMA	0.6	48.0	54.4	44.5	28.2	27.9	49.5	59.0	2.7
VACCINES	0.2	(26.2)	(4.7)	(0.5)	(17.9)	(61.7)	(29.1)	(4.9)	1.1
ANTI-NEOPLASTICS	0.3	39.6	88.0	52.4	(14.7)	(18.0)	(19.6)	(11.4)	1.2
OTHERS	0.5	8.9	12.1	5.2	(9.7)	6.7	7.2	34.5	2.3
Acute	14.4	14.9	16.0	20.5	3.4	5.6	11.4	12.8	66.4
CARDIAC	4.2	20.9	26.4	24.3	14.1	25.3	25.6	17.2	19.3
RESPIRATORY	1.8	19.2	18.1	25.1	7.0	2.4	4.4	4.4	8.4
NEURO / CNS	0.6	8.6	17.2	4.3	(1.8)	(1.6)	1.8	8.0	2.9
Chronic	7.3	17.5	18.2	17.8	6.5	14.1	13.8	9.5	33.6
Total	21.6	15.8	16.8	19.6	4.4	8.3	12.1	11.7	100.0

Source: AIOCD, Nomura research

Fig. 27: Breakdown by brand — according to size

Brands arranged by sales	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	3,173	3,671	15.7	16.9	17.0
Brands #6-#20	4,473	5,268	17.8	27.0	24.4
Brands #21-#50	4,784	4,934	3.1	5.1	22.8
Others	6,231	7,732	24.1	51.0	35.8
Total	18,662	21,605	15.8	100.0	100.0
Total number of brands:					1272

Source: AIOCD, Nomura research

Fig. 28: Top 10 Brands as per MAT; sales & growth contribution

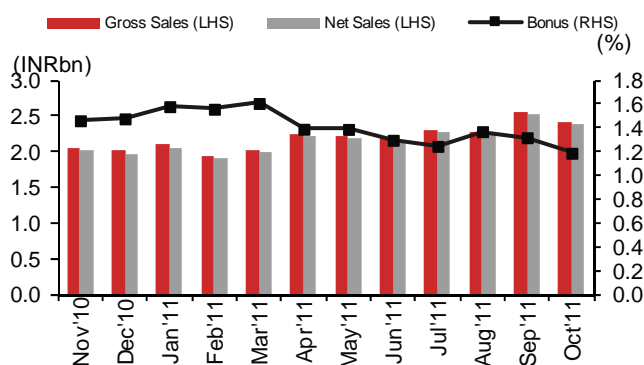
Brands	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
ATEN	849	905	6.6	1.9	4.2
ATORVA	600	757	26.1	5.3	3.5
DERIPHYLLIN	673	741	10.2	2.3	3.4
PANTODAC	525	646	23.1	4.1	3.0
FALCIGO	526	622	18.3	3.3	2.9
OCID	528	506	-4.1	-0.7	2.3
PRIMOLUT N	382	446	16.8	2.2	2.1
AMLODAC	366	435	19.0	2.4	2.0
DULCOLAX	341	409	20.3	2.3	1.9
DEXONA	383	407	6.0	0.8	1.9

Source: AIOCD, Nomura research

Sun Pharma (SUNP IN, NEUTRAL)

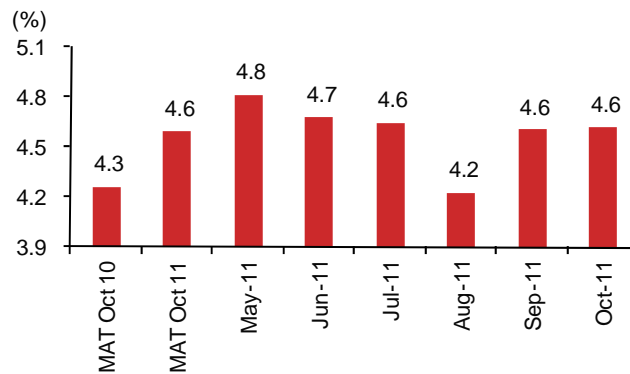
Domestic formulation sales

Fig. 29: Last 12 months' sales trend



Source: AIOCD, Nomura research

Fig. 30: Market share trend



Source: AIOCD, Nomura research

Fig. 31: Therapy area breakdown

Therapy Area	(INR Bn)	YoY growth rate (%)							Therapy area as % of company sales - MAT Oct 11
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
GASTRO INTESTINAL	3.6	27.9	27.6	28.1	27.1	26.2	29.6	30.8	14.0
PAIN / ANALGESICS	1.4	31.7	32.7	32.3	26.8	25.5	31.3	25.6	5.3
GYNAECOLOGICAL	1.9	19.5	14.9	16.5	15.3	18.9	25.4	31.5	7.3
OPHTHAL / OTOLOGICALS	1.2	11.7	24.5	13.8	8.9	(2.5)	1.8	(5.5)	4.6
VITAMINS / MINERALS / NUTRIENTS	0.4	27.3	38.7	30.7	24.3	22.1	39.0	41.5	1.6
RESPIRATORY	0.2	(13.7)	(36.4)	(35.2)	(14.4)	(26.6)	(20.8)	(18.7)	0.9
ANTI-NEOPLASTICS	0.4	23.7	22.8	26.4	21.2	18.5	27.2	3.1	1.6
HORMONES	0.3	26.4	32.8	25.0	17.6	24.5	43.9	36.6	1.2
BLOOD RELATED	0.3	21.6	16.7	22.9	15.6	19.8	42.0	45.9	1.0
Acute	10.4	23.7	24.4	23.7	21.4	19.9	26.1	24.8	40.0
NEURO / CNS	7.0	18.0	16.1	19.0	12.3	15.1	19.5	19.8	27.1
CARDIAC	5.1	24.3	22.1	28.3	15.6	16.1	23.7	30.3	19.7
ANTI DIABETIC	2.4	30.6	26.0	32.3	21.5	25.9	37.8	30.9	9.4
RESPIRATORY	0.9	31.4	44.2	51.4	36.3	30.8	37.1	45.1	3.3
Chronic	15.6	22.5	20.7	25.2	15.7	17.7	24.4	26.2	60.0
Total	25.9	23.0	22.2	24.6	18.0	18.6	25.1	25.6	100.0

Source: AIOCD, Nomura research

Fig. 32: Breakdown by brand — according to size

Brands arranged by sales	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	2,677	3,149	17.6	9.7	12.2
Brands #6-#20	3,893	4,779	22.8	18.3	18.4
Brands #21-#50	4,519	5,581	23.5	21.9	21.5
Others	9,974	12,398	24.3	50.0	47.9
Total	21,064	25,908	23.0	100.0	100.0
Total number of brands:					745

Source: AIOCD, Nomura research

Fig. 33: Top 10 Brands as per MAT; sales & growth contribution

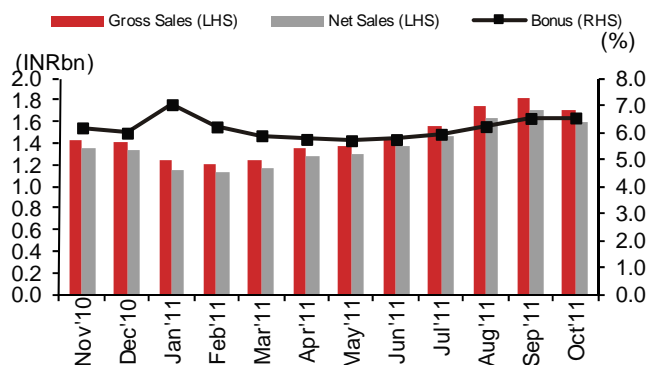
Brands	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
PANTOCID	669	810	21.1	2.9	3.1
AZTOR	504	617	22.3	2.3	2.4
SUSTEN	566	611	7.8	0.9	2.4
GLUCORED	525	563	7.2	0.8	2.2
GEMER	413	549	32.9	2.8	2.1
PANTOCID DSR	348	438	25.9	1.9	1.7
OXETOL	316	383	21.3	1.4	1.5
CLOPILET	291	374	28.4	1.7	1.4
LEVIPIL	201	360	79.4	3.3	1.4
CARDIVAS	288	340	18.2	1.1	1.3

Source: AIOCD, Nomura research

Alkem (not listed)

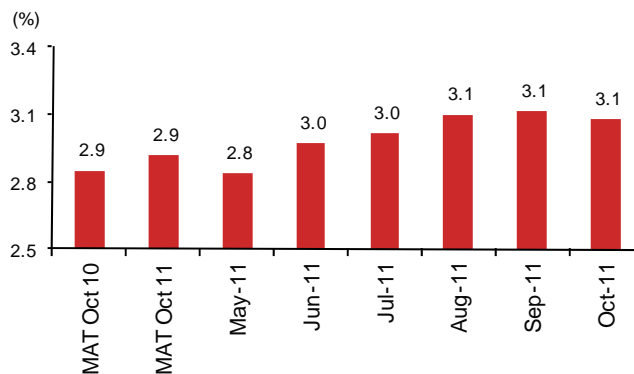
Domestic formulation sales

Fig. 34: Last 12 months' sales trend



Source: AIOCD, Nomura research

Fig. 35: Market share trend



Source: AIOCD, Nomura research

Fig. 36: Therapy area breakdown

Therapy Area	(INR Bn)	YoY growth rate (%)							Therapy area as % of company sales - MAT Oct 11
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
ANTI-INFECTIVES	7.9	13.3	16.8	20.6	12.9	7.3	5.1	11.6	47.8
GASTRO INTESTINAL	2.7	23.0	26.4	24.4	13.1	18.3	25.2	18.8	16.3
VITAMINS / MINERALS / NUTRIENTS	1.7	18.6	17.6	17.2	16.9	22.2	25.4	23.9	10.4
PAIN / ANALGESICS	1.2	(0.6)	2.3	0.1	(12.4)	(8.7)	(9.5)	(14.9)	7.2
RESPIRATORY	0.4	19.0	17.0	8.9	6.5	(2.2)	(8.6)	5.5	2.6
DERMA	0.4	29.0	20.7	26.4	21.0	40.5	46.1	31.4	2.4
ANTI-PARASITIC	0.2	7.6	8.9	7.3	(6.7)	6.1	5.0	3.8	1.0
ANTI-NEOPLASTICS	0.2	81.0	127.1	76.4	(23.0)	67.3	140.1	(10.7)	1.1
HORMONES	0.1	3.5	10.1	(4.4)	(17.1)	(8.0)	19.1	12.3	0.4
OTHERS	0.2	108.9	145.6	161.9	175.4	246.3	(27.2)	(67.2)	1.4
Acute	15.1	15.8	18.1	19.0	10.5	10.5	10.2	8.4	91.5
GYNAECOLOGICAL	0.4	15.8	17.0	14.9	4.5	12.7	12.7	13.5	2.5
NEURO / CNS	0.6	47.8	53.7	61.4	60.1	67.9	75.7	69.6	3.4
CARDIAC	0.2	21.3	18.3	37.3	22.5	44.4	39.8	34.2	1.3
Chronic	1.4	29.4	32.8	37.0	26.4	35.8	37.8	38.1	8.5
Total	16.5	16.9	19.3	20.4	11.7	12.3	12.1	10.4	100.0

Source: AIOCD, Nomura research

Fig. 37: Breakdown by brand — according to size

Brands arranged by sales	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	4,964	5,752	15.9	33.2	34.9
Brands #6-#20	4,437	4,891	10.2	19.1	29.7
Brands #21-#50	2,369	2,751	16.1	16.1	16.7
Others	2,322	3,072	32.3	31.6	18.7
Total	14,092	16,466	16.9	100.0	100.0
Total number of brands:					883

Source: AIOCD, Nomura research

Fig. 38: Top 10 Brands as per MAT; sales & growth contribution

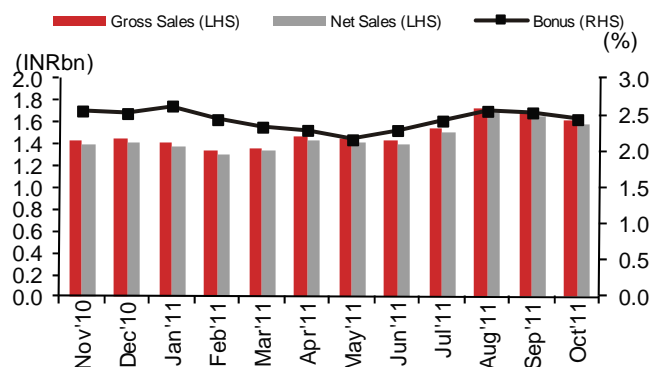
Brands	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
TAXIMO	1381	1485	7.5	4.4	9.0
TAXIM	1332	1393	4.6	2.6	8.5
CLAVAM	952	1141	19.9	8.0	6.9
PAN	775	1025	32.3	10.6	6.2
PAN D	524	707	34.9	7.7	4.3
SUMO	684	599	-12.5	-3.6	3.6
GEMCAL	493	504	2.2	0.5	3.1
XONE	424	487	14.9	2.7	3.0
PIPZO	371	482	29.9	4.7	2.9
HEMFER	303	343	13.5	1.7	2.1

Source: AIOCD, Nomura research

Lupin Ltd (LPC IN, BUY)

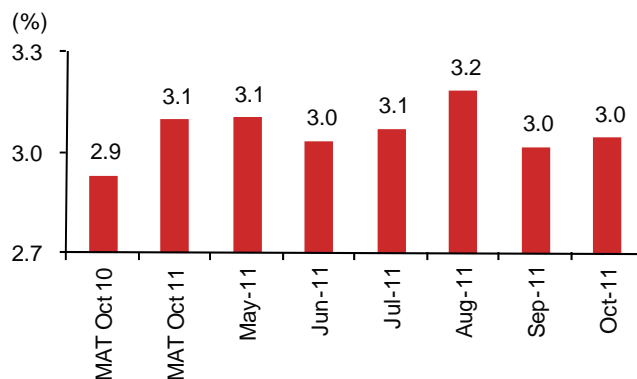
Domestic formulation sales

Fig. 39: Last 12 months' sales trend



Source: AIOCD, Nomura research

Fig. 40: Market share trend



Source: AIOCD, Nomura research

Fig. 41: Therapy area breakdown

Therapy Area	(INR Bn)	YoY growth rate (%)							Therapy area as % of company sales - MAT Oct 11
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
ANTI-INFECTIVES	3.0	3.4	4.7	(2.9)	1.3	13.7	0.4	6.1	17.3
ANTI-TUBERCULAR	1.9	17.8	23.1	16.8	13.6	27.5	19.0	4.6	11.1
GASTRO INTESTINAL	1.2	19.5	16.4	8.9	9.2	26.2	21.6	18.8	6.9
VITAMINS / MINERALS / NUTRIENTS	0.9	43.7	45.7	40.9	35.9	61.6	46.4	24.7	5.4
PAIN / ANALGESICS	0.6	40.2	45.2	36.5	34.2	41.6	52.0	45.7	3.5
RESPIRATORY	0.3	12.9	14.6	13.2	12.0	8.7	0.9	9.2	1.8
GYNAECOLOGICAL	0.4	38.8	28.6	33.8	24.6	50.4	42.8	11.6	2.2
DERMA	0.1	(20.8)	(16.8)	(30.6)	(32.5)	(11.7)	(11.6)	(5.0)	0.4
VACCINES	0.0	(54.8)	(59.9)	(83.9)	(86.4)	(99.2)	(67.9)	(18.6)	0.1
Acute	9.1	16.7	19.7	13.1	11.6	23.7	15.6	13.7	52.2
CARDIAC	4.2	25.2	22.1	20.2	15.5	26.5	24.8	24.8	23.9
RESPIRATORY	1.7	19.2	25.9	19.0	16.8	24.4	18.5	13.7	9.9
ANTI DIABETIC	1.4	27.8	21.4	19.8	16.3	28.3	23.4	17.8	7.7
NEURO / CNS	0.9	21.0	25.7	14.2	6.1	21.0	13.6	9.6	5.2
Chronic	8.4	25.2	25.1	21.7	16.3	27.4	23.1	20.1	47.8
Total	17.5	20.6	22.2	17.0	13.7	25.3	19.0	16.7	100.0

Source: AIOCD, Nomura research

Fig. 42: Breakdown by brand — according to size

Brands arranged by sales	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	1,724	2,167	25.7	14.8	12.4
Brands #6-#20	3,277	3,679	12.3	13.5	21.1
Brands #21-#50	3,777	4,546	20.4	25.7	26.0
Others	5,712	7,085	24.0	46.0	40.5
Total	14,490	17,478	20.6	100.0	100.0
Total number of brands:					869

Source: AIOCD, Nomura research

Fig. 43: Top 10 Brands as per MAT; sales & growth contribution

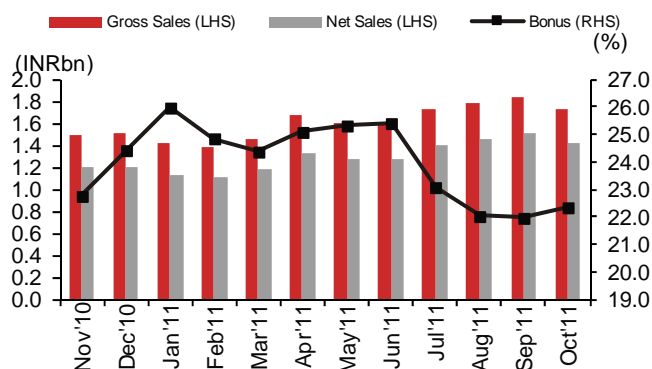
Brands	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
TONACT	545	666	22.2	4.1	3.8
GLUCONORM G	287	429	49.6	4.8	2.5
BUDAMATE	280	358	27.9	2.6	2.1
RAMISTAR	314	357	13.6	1.4	2.0
R-CINEX	298	357	19.8	2.0	2.0
TAZAR	240	297	24.2	1.9	1.7
ESIFLO	263	295	12.1	1.1	1.7
L CIN	274	293	6.8	0.6	1.7
AKT 4	243	281	15.5	1.3	1.6
RABLET	254	278	9.5	0.8	1.6

Source: AIOCD, Nomura research

Mankind (not listed)

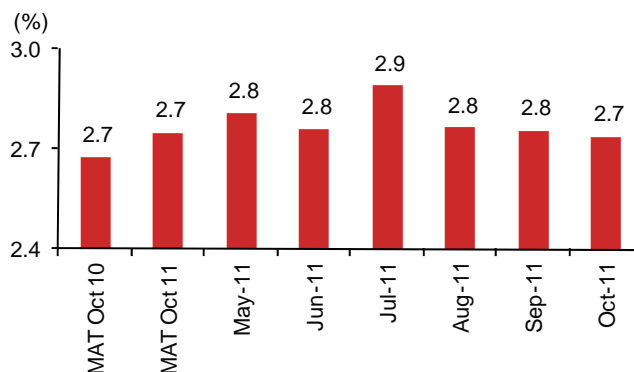
Domestic formulation sales

Fig. 44: Last 12 months' sales trend



Source: AIOCD, Nomura research

Fig. 45: Market share trend



Source: AIOCD, Nomura research

Fig. 46: Therapy area breakdown

Therapy Area	(INR Bn)	YoY growth rate (%)							Therapy area as % of company sales - MAT Oct 11
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
ANTI-INFECTIVES	4.8	8.8	15.8	5.9	5.3	(7.1)	(4.8)	(4.7)	31.0
GASTRO INTESTINAL	2.2	13.1	17.3	7.8	6.4	(5.3)	8.7	(1.2)	13.9
VITAMINS / MINERALS / NUTRIENTS	1.5	35.7	43.9	31.9	29.9	29.8	43.8	25.5	9.9
PAIN / ANALGESICS	0.8	10.4	13.8	5.5	9.2	(1.8)	5.3	(0.0)	5.4
OTHERS	0.5	46.5	44.6	28.4	46.7	52.8	69.1	50.0	3.0
GYNAECOLOGICAL	0.9	9.6	12.6	7.6	17.4	3.1	9.4	(11.8)	5.7
RESPIRATORY	0.5	10.9	18.0	8.2	13.6	(1.7)	5.4	9.4	3.4
DERMA	0.3	26.2	29.8	19.3	17.7	18.6	36.0	23.0	1.9
ANTI MALARIALS	0.2	37.2	43.0	58.7	53.9	31.3	54.2	(2.3)	1.5
SEX STIMULANTS / REJUVENATORS	0.3	7.8	12.2	3.8	10.8	2.2	25.5	35.5	2.2
Acute	12.9	14.9	20.7	11.5	12.4	1.6	9.5	3.2	83.0
CARDIAC	1.1	27.5	36.0	28.1	19.8	24.1	30.4	23.4	7.1
NEURO / CNS	0.5	19.1	24.8	19.6	8.3	17.0	18.8	14.1	3.4
ANTI DIABETIC	0.7	35.0	44.1	32.9	27.2	32.8	43.6	30.9	4.2
Chronic	2.6	31.2	38.0	30.3	24.5	30.4	37.0	30.9	17.0
Total	15.5	17.4	23.4	14.5	14.2	5.4	13.2	7.0	100.0

Source: AIOCD, Nomura research

Fig. 47: Breakdown by brand — according to size

Brands arranged by sales	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	2,353	2,532	7.6	7.8	16.3
Brands #6-#20	3,030	3,481	14.9	19.7	22.4
Brands #21-#50	3,107	3,639	17.1	23.2	23.5
Others	4,727	5,860	24.0	49.4	37.8
Total	13,217	15,513	17.4	100.0	100.0
Total number of brands:					754

Source: AIOCD, Nomura research

Fig. 48: Top 10 Brands as per MAT; sales & growth contribution

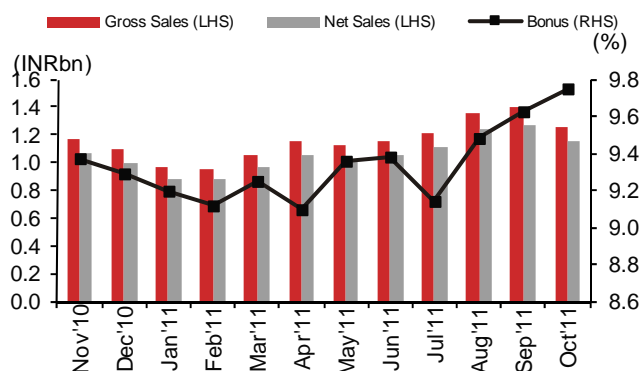
Brands	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
MOXIKIND CV	848	991	16.8	6.2	6.4
NUROKIND PLUS	435	457	5.0	0.9	2.9
ZENFLOX	395	398	0.6	0.1	2.6
GUDCEF	306	354	15.7	2.1	2.3
MAHACEF	368	332	-9.8	-1.6	2.1
MANFORCE	296	331	11.8	1.5	2.1
ZENFLOX OZ	293	321	9.6	1.2	2.1
AMLOKIND-AT	236	295	24.7	2.5	1.9
MAHACEF PLUS	227	291	28.3	2.8	1.9
CEFAKIND	290	277	-4.5	-0.6	1.8

Source: AIOCD, Nomura research

Aristo Pharma (not listed)

Domestic formulation sales

Fig. 49: Last 12 months' sales trend



Source: AIOCD, Nomura research

Fig. 50: Market share trend



Source: AIOCD, Nomura research

Fig. 51: Therapy area breakdown

Therapy Area	(INR Bn)	YoY growth rate (%)							Therapy area as % of company sales - MAT Oct 11
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
ANTI-MALARIALS	0.1	14.9	12.5	23.0	2.5	7.2	21.4	25.1	0.7
ANTI-INFECTIVES	5.7	1.7	(0.3)	3.4	(2.8)	2.6	(2.9)	(3.5)	44.7
ANTI-NEOPLASTICS	0.0	(5.5)	14.1	12.5	24.2	(7.6)	(7.2)	(31.1)	0.1
ANTI-TUBERCULAR	0.0	(34.8)	(23.7)	(70.4)	62.4	(39.1)	(62.6)	(53.5)	0.0
BLOOD RELATED	0.0	10.4	(3.9)	(41.7)	45.6	1.2	37.2	46.3	0.1
DERMA	0.0	5.6	2.3	3.7	(5.6)	(1.3)	61.9	89.1	0.3
GASTRO INTESTINAL	2.6	13.4	14.2	15.1	12.8	16.9	10.9	10.9	20.8
GYNAECOLOGICAL	0.3	13.3	8.5	16.3	22.0	23.4	37.6	29.4	2.4
Acute	10.5	5.5	5.6	8.1	2.3	6.3	4.6	2.7	83.0
ANTI-DIABETIC	0.6	15.6	16.1	14.5	11.5	15.5	26.2	26.3	4.4
BLOOD RELATED	0.0	19.9	14.7	47.2	48.6	37.5	24.9	22.6	0.2
CARDIAC	0.9	14.8	20.7	21.0	17.2	24.9	21.1	22.5	6.9
Chronic	2.2	13.1	16.8	17.4	14.2	17.5	19.1	19.6	17.0
Total	12.7	6.7	7.4	9.6	4.1	7.9	6.7	5.2	100.0

Source: AIOCD, Nomura research

Fig. 52: Breakdown by brand — according to size

Brands arranged by sales	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	4,140	4,271	3.2	16.4	33.7
Brands #6-#20	3,052	3,338	9.3	35.6	26.3
Brands #21-#50	2,188	2,492	13.9	37.8	19.6
Others	2,501	2,583	3.3	10.2	20.4
Total	11,882	12,684	6.7	100.0	100.0
Total number of brands:					292

Source: AIOCD, Nomura research

Fig. 53: Top 10 Brands as per MAT; sales & growth contribution

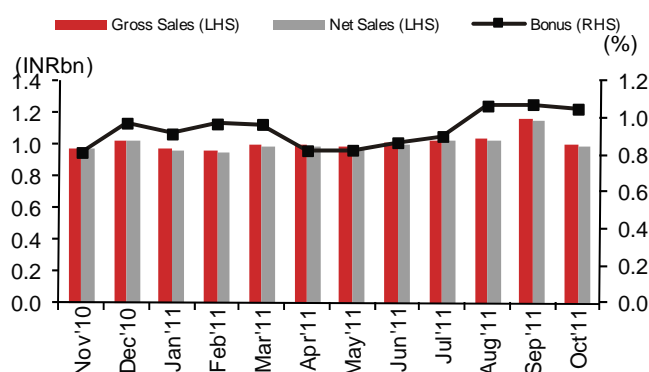
Brands	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
MONOCEF	1436	1518	5.7	10.3	12.0
MIKACIN	786	789	0.4	0.4	6.2
MONOCEF O	736	733	-0.4	-0.3	5.8
PANTOP	553	627	13.5	9.3	4.9
MEGAPEN	630	603	-4.2	-3.3	4.8
FLEXON	426	404	-5.1	-2.7	3.2
PANTOP D	316	390	23.3	9.2	3.1
ARISTOZYME	349	380	8.8	3.8	3.0
MONTAZ	283	328	15.7	5.5	2.6
MEGA CV	310	315	1.7	0.7	2.5

Source: AIOCD, Nomura research

Dr Reddy's Laboratories Ltd (DRRD IN, BUY)

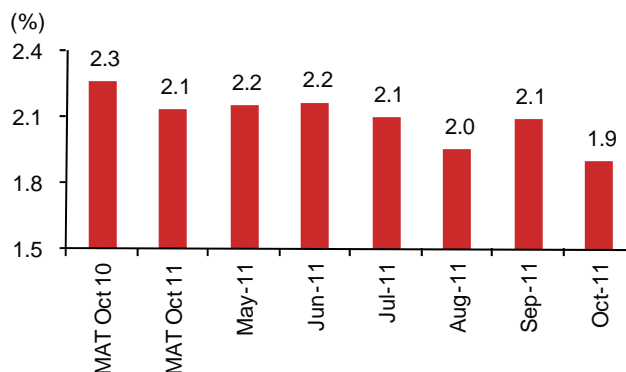
Domestic formulation sales

Fig. 54: Last 12 months' sales trend



Source: AIOCD, Nomura research

Fig. 55: Market share trend



Source: AIOCD, Nomura research

Fig. 56: Therapy area breakdown

Therapy Area	(INR Bn)	YoY growth rate (%)							Therapy area as % of company sales - MAT Oct 11
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
GASTRO INTESTINAL	3.0	9.0	16.7	6.3	5.2	3.8	4.2	1.9	24.5
PAIN / ANALGESICS	1.3	(8.8)	(6.3)	(10.4)	(10.9)	(20.7)	(17.7)	(20.2)	10.6
ANTI-INFECTIVES	1.0	(4.8)	(5.4)	(9.5)	(9.2)	(22.2)	(12.2)	(16.3)	8.3
DERMA	0.8	39.1	46.6	47.8	30.6	28.8	55.7	33.7	6.5
STOMATOLOGICALS	0.5	8.4	17.8	13.9	7.1	7.1	15.0	2.5	4.3
VITAMINS / MINERALS / NUTRIENTS	0.5	1.0	4.5	(8.3)	(3.4)	(1.5)	3.9	4.0	4.5
OTHERS	0.5	6.4	3.0	6.6	4.1	20.8	34.2	17.1	3.9
RESPIRATORY	0.3	18.4	22.1	9.3	6.8	(5.8)	3.5	15.0	2.8
ANTI-NEOPLASTICS	0.1	29.8	16.0	40.7	(10.0)	(7.2)	60.1	(8.1)	1.1
Acute	8.3	6.0	10.5	4.3	1.7	(2.8)	3.9	(1.1)	69.0
CARDIAC	2.4	11.6	14.8	10.8	8.3	11.2	24.7	16.6	19.8
ANTI DIABETIC	0.8	17.3	17.6	12.3	18.9	23.7	23.3	19.5	6.5
RESPIRATORY	0.4	17.7	44.8	37.6	22.8	0.9	19.1	24.2	3.0
Chronic	3.7	12.2	16.5	11.3	10.1	10.7	21.3	15.2	31.0
Total	12.0	7.8	12.3	6.4	4.1	0.9	8.7	3.5	100.0

Source: AIOCD, Nomura research

Fig. 57: Breakdown by brand — according to size

Brands arranged by sales	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	3,198	3,174	(0.8)	(2.8)	26.4
Brands #6-#20	2,871	3,212	11.9	39.0	26.7
Brands #21-#50	2,361	2,558	8.3	22.5	21.2
Others	2,740	3,101	13.2	41.3	25.7
Total	11,170	12,044	7.8	100.0	100.0
Total number of brands:					436

Source: AIOCD, Nomura research

Fig. 58: Top 10 Brands as per MAT; sales & growth contribution

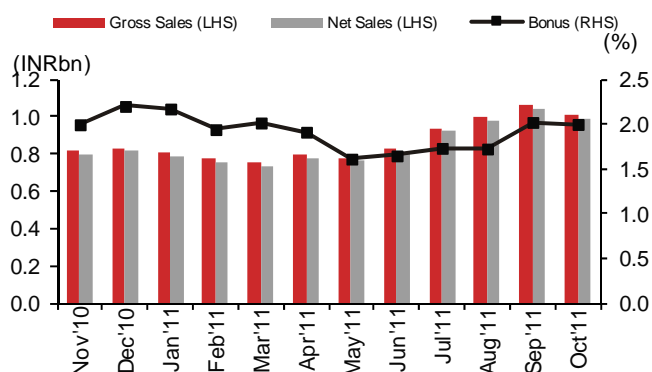
Brands	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
OMEZ	1113	1147	3.0	3.9	9.5
NISE	823	646	-21.5	-20.3	5.4
STAMLO	543	565	4.0	2.5	4.7
OMEZ D	359	423	17.8	7.3	3.5
STAMLO BETA	360	394	9.3	3.8	3.3
ATOCOR	318	358	12.5	4.5	3.0
RAZO	310	334	7.7	2.7	2.8
MINTOP	238	303	27.2	7.4	2.5
ECONORM	222	265	19.1	4.9	2.2
RAZO D	212	255	20.1	4.9	2.1

Source: AIOCD, Nomura research

Glenmark Pharmaceuticals Ltd (GNP IN, BUY)

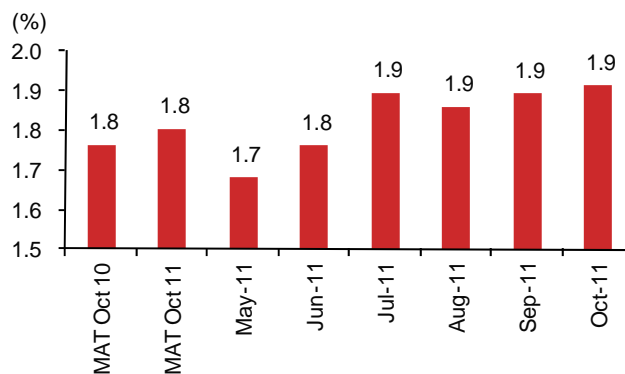
Domestic formulation sales

Fig. 59: Last 12 months' sales trend



Source: AIOC, Nomura research

Fig. 60: Market share trend



Source: AIOCD, Nomura research

Fig. 61: Therapy area breakdown

Therapy Area	(INR Bn)	YoY growth rate (%)							Therapy area as % of company sales - MAT Oct 11
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
DERMA	3.2	16.2	19.7	8.0	5.8	14.5	21.0	22.0	31.1
ANTI-INFECTIVES	1.6	10.7	13.2	5.6	14.8	7.5	17.3	22.4	15.3
RESPIRATORY	1.4	10.7	20.1	8.9	2.0	(14.3)	(6.7)	4.3	13.5
PAIN / ANALGESICS	0.5	(1.0)	2.1	(8.5)	(6.8)	(12.8)	(5.2)	(2.7)	5.0
GASTRO INTESTINAL	0.3	14.4	0.7	5.6	37.3	13.1	13.9	5.5	2.5
GYNAECOLOGICAL	0.2	(1.8)	(10.1)	(24.2)	(25.3)	(31.2)	(11.6)	(1.5)	2.1
OPHTHAL / OTOLOGICALS	0.2	12.7	13.8	(4.2)	3.3	8.0	9.7	5.7	2.2
NEURO / CNS	0.1	(2.8)	(13.0)	(19.6)	(14.4)	(18.9)	(13.2)	(7.4)	0.6
VITAMINS / MINERALS / NUTRIENTS	0.2	155.7	219.2	160.4	154.2	136.4	124.3	118.5	1.6
Acute	7.6	13.4	16.4	7.0	8.5	5.0	12.4	16.0	74.5
CARDIAC	1.9	36.6	32.7	35.1	25.2	38.2	42.3	51.7	19.0
ANTI DIABETIC	0.5	(2.1)	(3.1)	(7.1)	(7.2)	6.7	15.1	10.3	4.8
RESPIRATORY	0.2	89.1	110.7	106.8	79.9	86.3	95.5	88.6	1.6
Chronic	2.6	28.3	25.3	25.3	19.1	32.6	38.4	43.1	25.5
Total	10.2	16.8	18.6	11.4	11.0	11.1	18.3	22.2	100.0

Source: AIOCD, Nomura research

Fig. 62: Breakdown by brand — according to size

Brands arranged by sales	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	2,131	2,555	19.9	28.9	25.1
Brands #6-#20	2,296	2,543	10.7	16.8	25.0
Brands #21-#50	2,188	2,546	16.4	24.5	25.0
Others	2,101	2,539	20.8	29.8	24.9
Total	8,716	10,183	16.8	100.0	100.0
Total number of brands:					445

Source: AIOCD, Nomura research

Fig. 63: Top 10 Brands as per MAT; sales & growth contribution

Brands	MAT Oct 10 (INR mn)	MAT Oct 11 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
TELMA	492	654	33.0	11.1	6.4
TELMA H	474	609	28.5	9.2	6.0
CANDID-B	461	520	12.7	4.0	5.1
ASCORIL PLUS	413	432	4.7	1.3	4.2
CANDID	291	340	16.8	3.3	3.3
ASCORIL	286	295	3.1	0.6	2.9
LIZOLID	249	241	-3.3	-0.6	2.4
ALTACEF	196	204	4.0	0.5	2.0
TELMA AM	116	198	70.9	5.6	1.9
ELOVERA	174	192	10.1	1.2	1.9

Source: AIOCD, Nomura research

Domestic formulations — breakdown by therapy

Anti-infectives

MAT Oct 11 net sales — INR91.5bn (16.2 % of IPM)

Fig. 64: Anti-infective (top 10 companies among the overall top 50 companies analysed)

Company	(INR Bn)	YoY growth rate (%)							Company's MS (%) in TA (MAT Oct 11)
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
RANBAXY LABORATORIES LTD	8.3	13.9	26.1	18.4	8.4	2.7	1.1	(2.7)	9.0
ALKEM LABORATORIES LTD.	7.9	13.3	16.8	20.6	12.9	7.3	5.1	11.6	8.6
GLAXOSMITHKLINE PHARMACEUTICALS LTD.	6.7	11.5	15.5	10.1	8.9	14.3	14.4	17.6	7.3
CIPLA LTD.	5.3	3.2	(2.2)	3.3	3.5	2.7	0.5	7.9	5.8
ARISTO PHARMACEUTICALS PVT.LTD	5.7	1.7	(0.3)	3.4	(2.8)	2.6	(2.9)	(3.5)	6.2
PIRAMAL HEALTHCARE LIMITED	4.7	12.2	18.3	19.6	5.8	11.2	7.6	9.6	5.1
MANKIND PHARMACEUTICALS LTD.	4.8	8.8	15.8	5.9	5.3	(7.1)	(4.8)	(4.7)	5.3
MACLEODS PHARMACEUTICALS PVT.LTD	4.8	34.5	44.0	33.9	26.4	39.5	39.9	39.1	5.3
FDC LTD.	3.4	3.7	7.5	8.3	0.9	5.7	(10.6)	(3.9)	3.8
LUPIN LTD	3.0	3.4	4.7	(2.9)	1.3	13.7	0.4	6.1	3.3
Total	91.5	9.4	12.5	11.3	7.9	6.7	5.8	7.2	100.0

Source: AIOCD, Nomura research

Cardiovascular (CVS)

MAT Oct 11 net sales — INR69.0bn (12.2 % of IPM)

Fig. 65: Cardiovascular (CVS) (top 10 companies among the overall top-50 companies analysed)

Company	(INR Bn)	YoY growth rate (%)							Company's MS (%) in TA (MAT Oct 11)
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
SUN PHARMACEUTICAL INDUSTRIES LTD	5.1	24.3	22.2	28.3	15.5	16.1	23.6	30.2	7.5
LUPIN LTD	4.2	25.2	22.1	20.2	15.5	26.5	24.8	24.8	6.1
ZYDUS CADILA	4.2	20.9	26.4	24.3	14.1	25.3	25.6	17.2	6.0
CIPLA LTD.	3.7	13.1	14.6	15.1	12.2	19.9	15.6	14.2	5.4
RANBAXY LABORATORIES LTD	4.1	20.0	26.1	9.5	19.1	7.1	11.2	7.4	5.9
PIRAMAL HEALTHCARE LIMITED	3.5	18.5	30.1	25.3	21.4	4.3	18.1	27.1	5.1
UNICHEM LABORATORIES LTD	3.0	7.2	7.5	4.6	(0.8)	(1.6)	(4.4)	(1.0)	4.4
TORRENT PHARMACEUTICALS LTD.	2.9	13.2	17.9	18.5	10.7	14.6	12.7	12.3	4.2
INTAS PHARMACEUTICALS LTD	3.0	12.5	20.2	11.1	13.1	24.6	26.0	3.4	4.3
SANOFI-AVENTIS	3.1	24.4	21.2	24.2	26.1	26.5	24.6	26.3	4.5
Total	69.0	19.5	20.9	18.7	15.6	20.7	21.7	20.6	100.0

Source: AIOCD, Nomura research

Gastrointestinal

MAT Oct 11 net sales — INR65.0bn (11.5 % of IPM)

Fig. 66: Gastrointestinal (top 10 companies among the overall top-50 companies analysed)

Company	(INR Bn)	YoY growth rate (%)							Company's MS (%) in TA (MAT Oct 11)
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
ZYDUS CADILA	4.0	15.7	20.6	15.8	1.4	8.9	13.0	6.9	6.2
SUN PHARMACEUTICAL INDUSTRIES LTD	3.6	27.9	27.6	28.1	27.1	26.2	29.6	30.8	5.6
DR. REDDYS LABORATORIES LTD	3.0	9.0	16.7	6.3	5.2	3.8	4.2	1.9	4.5
ARISTO PHARMACEUTICALS PVT.LTD	2.6	13.4	14.2	15.1	12.8	16.9	10.9	10.9	4.1
ALKEM LABORATORIES LTD.	2.7	23.0	26.4	24.4	13.1	18.3	25.2	18.8	4.1
SOLVAY PHARMA INDIA LTD.	1.9	26.0	24.0	18.3	22.9	32.5	34.0	24.1	2.9
PIRAMAL HEALTHCARE LIMITED	2.1	11.9	17.3	18.4	11.7	10.1	7.5	2.2	3.3
CADILA PHARMACEUTICALS LTD	2.1	9.5	17.2	4.8	(5.9)	0.4	2.5	(2.1)	3.2
MANKIND PHARMACEUTICALS LTD.	2.2	13.1	17.3	7.8	6.4	(5.3)	8.7	(1.2)	3.3
CIPLA LTD.	2.1	8.0	8.0	7.6	9.8	8.7	6.1	10.8	3.2
Total	65.0	12.2	13.5	9.1	5.3	11.1	13.0	9.2	100.0

Source: AIOCD, Nomura research

Respiratory

MAT Oct 11 net sales — INR44.7bn (7.9 % of IPM)

Fig. 67: Respiratory (top 10 companies among the overall top-50 companies analysed)

Company	(INR Bn)	YoY growth rate (%)							Company's MS (%) in TA (MAT Oct 11)
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
CIPLA LTD.	8.6	13.4	17.1	13.5	14.2	15.7	11.9	18.5	19.2
PIRAMAL HEALTHCARE LIMITED	2.5	(4.4)	13.6	4.2	5.1	11.3	3.3	36.5	5.7
PFIZER LTD	2.7	9.9	20.4	17.4	20.7	20.9	7.0	20.9	5.9
ZYDUS CADILA	2.2	18.8	17.2	22.7	7.1	2.7	5.9	7.5	5.0
LUPIN LTD	2.0	18.2	24.2	18.1	16.0	21.6	15.3	13.0	4.6
GLAXOSMITHKLINE PHARMACEUTICALS LTD.	2.0	9.8	10.3	1.5	(1.0)	2.6	(2.9)	3.8	4.5
GLENMARK PHARMACEUTICALS LTD.	1.5	15.7	26.4	15.7	7.3	(7.4)	0.4	10.7	3.4
SANOFI-AVENTIS	1.2	7.6	(2.0)	(1.3)	(6.6)	6.7	1.8	6.1	2.6
WOCKHARDT LTD	1.1	6.5	14.9	14.1	3.0	2.3	2.4	12.7	2.5
SUN PHARMACEUTICAL INDUSTRIES LTD	1.1	18.3	21.6	24.9	20.7	12.4	20.7	26.6	2.4
Total	44.7	11.2	16.9	13.1	10.2	8.8	6.4	15.9	100.0

Source: AIOCD, Nomura research

Pain/analgesics

MAT Oct 11 net sales — INR44.1bn (7.8 % of IPM)

Fig. 68: Pain/analgesics (top 10 companies among the overall top-50 companies analysed)

Company	(INR Bn)	YoY growth rate (%)							Company's MS (%) in TA (MAT Oct 11)
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
GLAXOSMITHKLINE PHARMACEUTICALS LTD.	2.8	11.9	13.0	9.1	7.1	11.4	12.3	13.2	6.5
NOVARTIS INDIA LTD	2.5	7.9	7.5	9.9	(3.4)	9.6	11.3	12.5	5.7
RANBAXY LABORATORIES LTD	2.8	29.9	60.6	24.0	30.8	16.8	16.4	(0.5)	6.3
PIRAMAL HEALTHCARE LIMITED	1.8	11.1	12.1	16.0	11.6	13.8	17.2	11.3	4.0
SUN PHARMACEUTICAL INDUSTRIES LTD	1.4	31.2	32.2	31.9	26.4	24.9	30.8	25.2	3.1
IPCA LABORATORIES PVT LTD.	1.9	31.4	53.7	38.4	20.3	31.7	17.3	22.2	4.3
SANOFI-AVENTIS	1.6	2.7	1.3	(5.6)	(8.8)	(2.0)	(13.5)	(11.4)	3.5
ZYDUS CADILA	1.9	7.5	0.5	42.4	(9.2)	(1.6)	6.9	25.6	4.3
DR. REDDYS LABORATORIES LTD	1.3	(8.8)	(6.3)	(10.4)	(10.9)	(20.7)	(17.7)	(20.2)	2.9
ALKEM LABORATORIES LTD.	1.2	(0.6)	2.3	0.1	(12.4)	(8.7)	(9.5)	(14.9)	2.7
Total	44.1	11.8	14.3	13.2	7.1	12.1	14.0	12.1	100.0

Source: AIOCD, Nomura research

Vitamins/minerals/nutrients

MAT Oct 11 net sales — INR49.1bn (8.7 % of IPM)

Fig. 69: Exhibit 1. Vitamins/minerals/nutrients (top 10 companies among the overall top-50 companies analysed)

Company	(INR Bn)	YoY growth rate (%)							Company's MS (%) in TA (MAT Oct 11)
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
WOCKHARDT LTD	3.5	8.9	5.6	(4.7)	(1.5)	17.4	21.4	41.0	7.1
ELDER PHARMACEUTICALS LTD	2.5	9.9	2.2	9.7	17.9	20.4	26.4	14.7	5.1
GLAXOSMITHKLINE PHARMACEUTICALS LTD.	2.3	10.3	16.8	11.8	7.3	6.7	13.7	4.3	4.7
MERCK LTD	1.9	9.2	10.1	15.9	(2.8)	(1.6)	(12.8)	(2.3)	3.9
RANBAXY LABORATORIES LTD	2.1	11.9	18.6	20.6	19.7	4.3	19.2	5.5	4.2
PFIZER LTD	1.6	14.3	6.0	9.3	11.4	17.5	15.6	12.1	3.2
ALKEM LABORATORIES LTD.	1.7	18.6	17.6	17.2	16.9	22.2	25.4	23.9	3.5
ABBOTT INDIA LTD.	1.9	49.5	51.7	53.2	37.2	49.0	49.1	32.3	3.9
PIRAMAL HEALTHCARE LIMITED	1.6	12.1	15.9	17.6	12.2	13.7	15.5	12.4	3.2
MEYER ORGANICS PVT. LTD	1.4	32.5	43.1	48.4	31.3	44.7	30.8	19.5	2.8
Total	49.1	16.3	16.4	15.5	12.0	19.8	21.6	16.8	100.0

Source: AIOCD, Nomura research

Gynecology

MAT Oct 11 net sales — INR32.7bn (5.8 % of IPM)

Fig. 70: Gynaecology (top 10 companies among the overall top-50 companies analysed)

Company	(INR Bn)		YoY growth rate (%)						Company's MS (%) in TA (MAT Oct 11)
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
ZYDUS CADILA	2.7	20.4	16.7	15.3	10.2	3.7	5.6	(11.8)	8.2
SUN PHARMACEUTICAL INDUSTRIES LTD	1.9	19.2	14.8	16.3	15.0	18.5	25.0	30.9	5.8
FRANCO INDIAN PHARMACEUTICALS PVT LTD	1.4	13.0	5.2	26.9	0.6	20.5	34.8	39.9	4.4
CIPLA LTD.	1.7	21.6	19.2	29.5	35.2	11.0	6.2	0.3	5.4
WYETH LTD	1.1	16.9	8.5	8.5	2.4	17.6	13.8	14.9	3.4
NOVARTIS INDIA LTD	1.1	15.4	21.0	13.1	14.7	19.2	13.2	11.1	3.5
VHB LIFE SCIENCES INC	0.8	(8.8)	(23.6)	(30.8)	(39.4)	(1.5)	22.5	(34.6)	2.5
SOLVAY PHARMA INDIA LTD.	1.1	25.9	33.0	24.0	25.3	26.9	34.9	47.7	3.2
EMCURE PHARMACEUTICALS LTD	1.5	23.8	26.6	36.7	27.1	18.4	41.1	27.1	4.7
GLAXOSMITHKLINE PHARMACEUTICALS LTD.	0.7	10.1	20.6	8.3	4.7	9.9	(9.7)	(1.4)	2.3
Total	32.7	14.1	9.7	11.9	10.2	14.7	20.0	10.3	100.0

Source: AIOCD, Nomura research

Dermatology

MAT Oct 11 net sales — INR29.0bn (5.1 % of IPM)

Fig. 71: Dermatology (top 10 companies among the overall top-50 companies analysed)

Company	(INR Bn)		YoY growth rate (%)						Company's MS (%) in TA (MAT Oct 11)
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
GLAXOSMITHKLINE PHARMACEUTICALS LTD.	4.3	16.8	18.5	17.0	6.5	17.1	22.8	20.9	14.9
GLENMARK PHARMACEUTICALS LTD.	3.2	16.2	19.7	8.0	5.8	14.5	21.0	22.0	10.9
RANBAXY LABORATORIES LTD	2.4	22.2	28.9	12.1	15.3	8.5	21.4	17.9	8.2
PIRAMAL HEALTHCARE LIMITED	1.8	12.8	17.9	22.5	9.4	10.5	7.7	7.8	6.2
WIN-MEDICARE PVT. LTD.	1.7	15.5	9.1	6.9	6.0	25.6	28.0	26.9	5.7
HEGDE & HEGDE	1.2	28.1	45.2	33.6	32.4	34.2	35.3	21.9	4.2
GALDERMA INDIA PVT. LTD	0.6	20.1	22.4	27.1	35.6	30.8	13.1	12.6	2.1
FULFORD (INDIA) LTD.	1.0	7.2	4.8	4.8	(2.1)	18.7	14.4	19.6	3.6
WOCKHARDT LTD	0.8	11.8	5.7	0.5	1.4	11.6	15.2	18.4	2.7
DR. REDDYS LABORATORIES LTD	0.8	39.1	46.6	47.8	30.6	28.8	55.7	33.7	2.7
Total	29.0	15.2	14.8	13.2	10.0	17.1	20.4	16.7	100.0

Source: AIOCD, Nomura research

Neurology (CNS)

MAT Oct 11 net sales — INR35.4bn (6.3 % of IPM)

Fig. 72: Neurology (CNS) (top 10 companies among the overall top-50 companies analysed)

Company	(INR Bn)	YoY growth rate (%)							Company's MS (%) in TA (MAT Oct 11)
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
SUN PHARMACEUTICAL INDUSTRIES LTD	7.2	18.4	16.4	19.4	12.9	16.0	20.0	20.5	20.3
INTAS PHARMACEUTICALS LTD	4.4	13.4	21.3	13.3	7.2	27.0	22.0	7.5	12.3
PIRAMAL HEALTHCARE LIMITED	2.4	19.9	27.3	22.2	20.4	29.1	26.6	18.4	6.7
TORRENT PHARMACEUTICALS LTD.	1.9	15.6	16.5	22.6	16.0	14.5	12.5	3.4	5.3
ABBOTT INDIA LTD.	1.7	11.2	10.6	(0.2)	3.6	22.8	11.4	25.4	4.8
RANBAXY LABORATORIES LTD	1.1	8.3	18.1	4.0	(4.7)	(4.3)	(4.0)	(14.1)	3.0
SANOFI-AVENTIS	1.2	26.9	21.7	22.4	16.8	29.4	29.5	26.3	3.4
WOCKHARDT LTD	1.0	12.1	10.1	2.7	10.0	12.8	16.7	18.3	2.9
MICRO LABS LTD	1.0	18.2	13.1	2.7	30.5	36.8	44.7	34.5	2.9
LUPIN LTD	1.0	25.2	30.5	19.2	10.4	26.7	17.9	13.4	2.7
Total	35.4	14.8	16.3	13.8	10.1	17.3	17.0	12.8	100.0

Source: AIOCD, Nomura research

Anti-diabetic

MAT Oct 11 net sales — INR35.9bn (6.4 % of IPM)

Fig. 73: Anti-diabetics (top 10 companies among the overall top-50 companies analysed)

Company	(INR Bn)	YoY growth rate (%)							Company's MS (%) in TA (MAT Oct 11)
	MAT Oct 11	MAT Oct 11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
NOVO NORDISK INDIA PVT LTD	5.3	13.8	13.3	8.9	2.5	13.0	12.7	18.5	14.8
USV LTD	3.8	33.3	36.3	26.3	26.8	40.8	36.4	26.4	10.5
SUN PHARMACEUTICAL INDUSTRIES LTD	2.4	30.5	25.7	32.1	21.3	25.7	37.5	30.8	6.8
SANOFI-AVENTIS	2.7	50.2	47.3	42.6	37.3	58.0	62.3	61.1	7.5
MSD PHARMACEUTICALS PRIVATE LTD.	2.1	36.1	47.7	55.5	35.7	52.1	59.2	81.0	5.9
ELI LILLY AND COMPANY (INDIA) PVT. LTD.	1.7	18.3	19.6	20.4	6.3	14.3	10.2	3.6	4.9
PIRAMAL HEALTHCARE LIMITED	1.7	26.4	29.3	30.3	23.9	30.4	29.2	29.8	4.7
LUPIN LTD	1.4	27.8	21.4	19.8	16.3	28.3	23.4	17.8	3.8
MICRO LABS LTD	1.1	7.4	(0.4)	(4.8)	2.1	30.2	40.6	20.5	3.1
WOCKHARDT LTD	1.0	10.3	7.7	(0.7)	3.9	16.9	23.3	32.2	2.8
Total	35.9	24.2	24.5	21.7	17.4	28.7	29.3	28.0	100.0

Source: AIOCD, Nomura research

Fig. 74: Trading Multiples for our coverage universe

Current trading multiples - Actual													
Company	Ticker	Recommendation	Market Cap (INR mn)	CMP (INR/share)*	P/E			EV/EBITDA			EV/Sales		
					FY11F	FY12F	FY13F	FY11F	FY12F	FY13F	FY11F	FY12F	FY13F
Sun Pharma	SUNP IN	NEUTRAL	526,076	511	29.1	25.3	22.0	26.0	20.7	17.7	8.9	6.7	5.6
Cipla	CIPLA IN	NEUTRAL	231,322	288	23.9	20.0	17.3	17.9	14.0	12.0	3.7	3.3	2.8
Ranbaxy	RBXY IN	REDUCE	204,691	485	13.7	13.3	11.2	9.5	9.8	4.5	2.3	2.1	1.5
Dr. Reddy's	DRRD IN	BUY	278,750	1,645	25.1	18.1	16.8	17.3	11.8	10.7	3.9	3.1	2.6
GlaxoSmithKline	GLXO IN	NEUTRAL	171,922	2,030	30.7	26.8	23.7	19.6	17.4	15.2	7.0	6.2	5.4
Lupin	LPC IN	BUY	208,222	466	24.8	23.1	17.7	18.0	16.1	12.5	3.8	3.3	2.7
Glenmark	GNP IN	BUY	91,848	340	20.0	13.8	15.4	18.5	11.2	11.9	3.7	2.9	2.5
Cadila Healthcare	CDH IN	BUY	148,033	732	22.5	18.3	14.9	15.8	13.1	10.8	3.6	3.0	2.5
Jubilant Organosys	JOL IN	BUY	33,441	210	7.7	14.0	12.4	9.1	11.4	8.5	1.6	1.8	1.6

Current trading multiples - Adjusted													
Company	Ticker	Recommendation	Market Cap (INR mn)	Adj. CMP (INR/share)*	P/E			EV/EBITDA			EV/Sales		
					FY11F	FY12F	FY13F	FY11F	FY12F	FY13F	FY11F	FY12F	FY13F
Sun Pharma	SUNP IN	NEUTRAL	526,076	506	42.4	29.5	22.4	37.6	23.9	19.4	10.1	7.0	6.0
Cipla	CIPLA IN	NEUTRAL	231,322	288	24.2	20.0	17.3	17.9	14.0	12.3	3.7	3.3	2.9
Ranbaxy	RBXY IN	REDUCE	204,691	377	143.1	55.0	24.2	67.7	28.7	14.8	2.4	2.0	1.6
Dr. Reddy's	DRRD IN	BUY	278,750	1,573	25.1	24.0	19.3	16.6	11.3	10.3	4.1	3.4	2.8
GlaxoSmithKline	GLXO IN	NEUTRAL	171,922	2,030	29.8	26.8	23.7	19.6	17.4	15.2	7.0	6.2	5.4
Lupin	LPC IN	BUY	208,222	466	24.8	23.1	17.7	18.0	16.1	12.9	3.8	3.3	2.8
Glenmark	GNP IN	BUY	91,848	310	22.2	18.2	14.0	20.2	13.6	11.0	3.6	2.8	2.4
Cadila Healthcare	CDH IN	BUY	148,033	732	22.5	18.3	14.9	15.8	13.1	10.8	3.6	3.0	2.5
Jubilant Organosys	JOL IN	BUY	33,441	210	7.7	14.0	12.4	9.1	11.4	8.5	1.6	1.8	1.6

Note: Prices as of 15th November 2011. *Adjusted CMP is adjusted for Para IV opportunities, Innovation R&D value and other one off income

Source: Company data, Nomura estimates

Appendix 1

Any Authors named on this report are Research Analysts unless otherwise indicated

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Explanation of Nomura's equity research rating system for Asian companies under coverage ex Japan published from 30 October 2008 and in Japan from 6 January 2009

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Explanation of Nomura's equity research rating system in Japan published prior to 6 January 2009

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