

Monthly: May 2013 – Domestic formulations IPM grows at 9.5% in May 2013

June 24, 2013

Summary

In this report, we provide detailed sales trends (AIOCD data) for the top 10 companies and the top 10 therapy areas in the India pharmaceuticals market (IPM). We also include data for Dr Reddy's and Glenmark, which are not in the top 10 list, but are part of our coverage universe. Companies that maintained growth above the IPM in May 2013 were Sun Pharma (+20.3%), Cipla (+13.9%), Ranbaxy (20.3%), Zydus (24%), Lupin (13.7%), Glenmark (14.1%) and Dr. Reddy's (12.1%). Glaxo continued reflecting decline in net sales at -5.7% for the month of May 2013, on supply constraints, in our view.

Chronic therapies continue on a higher growth trajectory vs IPM. Cardiac, anti-diabetic and Neuro CNS segments' net sales for the month of May 2013 grew at 12.4%, 12.1% and 12.8%, respectively, vs. IPM growth of 9.5% y-y. Segments experiencing subdued growth are vitamins and gynaecology, which grew at 6.5% and 6.1% y-y in May 2013 in terms of net sales.

Primary sales growth under pressure; destocking at distributor level

On a high base, secondary growth for the IPM remained subdued at 9.5% during the month. The primary sales growth is likely to come under pressure for the following two reasons:

- **Implementation of the new pricing policy:** The implementation of the new pricing policy has commenced with the government notifying the ceiling prices of the first batch of 200 products. In our interactions, companies have acknowledged slower off-take, as trade is reducing inventory levels. Companies would have 45 days to implement the price restrictions.
- **Agitation by trade channel:** In the state of Maharashtra, the ongoing agitation by the trade channel against the local regulator could potentially impact primary sales for the month of June. Our interactions with companies suggest that no primary sales have been recorded since end-May. We expect a resolution in the near term. However, in case the situation persists until end-June, 1QFY14 primary sales will be adversely impacted. Maharashtra accounts for 13% of India sales. For companies in our coverage universe, Maharashtra sales are 11-19% of India sales, according to AIOCD AWACS (Fig 2).

The above has led to lower inventory levels in the trade channel. As per AIOCD, stock levels have declined from 38.8 days on 10 April 2013 to 30.7 days on 10 June 2013.

Anchor themes

The India pharmaceuticals market (IPM) is a secular growth story, with market growth led by new product introductions and volume growth driven by increasing penetration and better access to healthcare.

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See Appendix A-1 for analyst certification, important disclosures and the status of non-US analysts.

NPPA notifies ceiling prices

Last week, the National Pharmaceutical Pricing Authority (NPPA) issued the ceiling prices of almost 200 drugs that shall come under the new pricing policy. The notification of the remaining drugs under NLEM (National List of Essential Medicines) is expected in the near future. The companies will have 45 days from the date of pricing notification to comply with the new pricing policy.

Drugs listed under the NLEM, will come under the new pricing policy. The NLEM comprise 348 bulk drugs and 650 formulations. The market research agencies IMS and AIOCD AWACS estimate that ~18% of the pharmaceutical market will be under pricing control. The overall impact on the market due to the new pricing policy is estimated at ~2% of the market, as per AIOCD AWACS. The company level impact as computed by AIOCD AWACS is presented in Fig 1.

Fig. 1: Company level impact of DPCO 2013 (INR m)

Company	Loss at PTR level
Glaxo	1,877
Cipla	838
Ranbaxy	651
Zydus Cadila	517
Sun Pharma	277
Dr. Reddy's	245
Lupin	142
Glenmark	5

Source: AIOCD data, Nomura research

We believe companies will be able to mitigate the impact to an extent from 1) raising prices of drugs that come out of the ambit of price control. We estimate that ~6% of the Pharmaceutical market will come out of price control; 2) volume share gains on falls in prices: We expect limited volume share gains for strong brands as prices come down. We don't expect substantial gains due to intense competition at the market place. We highlight that the assessment in Fig 1 above is limited only to the standard NLEM strengths and formulation. There could be some adverse impact on pricing of non NLEM strengths and formulations for the NLEM bulk drugs, which we believe account for 7% of the pharmaceutical market. For most of the companies except for Glaxo, we expect very limited impact on the financials. We have already incorporated the impact of new pricing policy on Glaxo in our estimates (please refer to our note titled, *Downgrading to Reduce on recent rally*, dated 7 June 2013). We have considered an impact of INR750mn, INR1.5bn and INR1.2bn in CY13, CY14 and CY15, respectively.

Issues in Maharashtra

There are media reports ([Times of India, 20 Jun 2013](#)) that highlight the ongoing agitation by the chemists and wholesalers against the Maharashtra FDA. As per the media article, there are several contentious issues which include a crackdown by the FDA on chemists for operating without a qualified pharmacist, the FDA asking companies to supply medicines to small distributors, thereby bypassing the established channel etc. The distributors stopped procuring medicines since early June 2013. Some of the companies that we have interacted with suggest that supplies have been disrupted since end-May 2013. This has resulted in chemist shops running out of stock in the state. Given the critical nature of the situation, we do expect a resolution in the near term. However, in case the situation persists until end of this month, primary sales for the companies will be adversely impacted during 1QFY14. Overall, Maharashtra accounts for ~13% of the India Pharmaceutical market, as per AIOCD AWACS. In Fig 2 below, we highlight Maharashtra sales as a percentage of overall India sales for some companies.

Fig. 2: Contribution of Maharashtra to growth and sales in FY13 for our coverage companies

Dr. Reddy's and Glenmark derived ~18% of sales and ~20% of growth from Maharashtra in FY13

INR m	Maharashtra		All India		Maharashtra	
	FY13 sales	FY12 Sales	FY13 sales	FY12 Sales	% of FY13 sales	Growth contribution in FY13
Cipla	4,720	4,561	35,278	32,898	13.4%	6.7%
Sun Pharma	3,961	3,468	34,823	28,954	11.4%	8.4%
Glaxo	3,570	3,234	32,385	29,003	11.0%	10.0%
Ranbaxy	3,316	3,117	29,448	27,242	11.3%	9.0%
Zydus Cadila	3,175	2,694	28,475	23,530	11.1%	9.7%
Lupin	3,063	2,874	21,616	18,918	14.2%	7.0%
Dr. Reddys	2,542	2,208	13,702	12,111	18.6%	21.0%
Glenmark	2,521	2,061	13,958	11,677	18.1%	20.2%

Source: AIOCD data, Nomura research

India pharma market – Overview

Snapshot of the India pharmaceuticals market (IPM)

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

Company	(INR Bn)	YoY growth rate (%)							Market share (%) - MAT May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
SUN PHARMACEUTICAL INDUSTRIES LTD	35.6	20.8	17.3	21.9	14.8	17.6	25.7	20.3	5.2
CIPLA LTD.	32.6	7.4	1.9	7.3	9.0	2.0	9.4	13.9	4.7
GLAXOSMITHKLINE PHARMACEUTICALS LTD.	31.3	6.5	2.0	8.2	0.4	(7.9)	(8.8)	(5.7)	4.5
RANBAXY LABORATORIES LTD	28.9	7.8	5.4	13.5	5.5	1.6	5.3	20.3	4.2
ZYDUS CADILA	27.8	24.2	20.2	24.9	26.1	20.4	28.9	24.0	4.0
ABBOTT HEALTHCARE PVT. LTD	26.6	7.5	2.5	5.8	5.2	4.4	4.4	10.0	3.8
LUPIN LTD	21.7	14.6	9.4	14.3	11.6	16.0	14.1	13.7	3.1
MANKIND PHARMACEUTICALS LTD.	21.6	23.6	18.5	21.1	18.6	14.7	14.2	10.6	3.1
ALKEM LABORATORIES LTD.	20.4	10.5	(0.4)	7.1	5.7	4.0	14.9	14.0	2.9
INTAS PHARMACEUTICALS LTD	17.7	18.4	13.2	20.9	22.6	17.8	19.1	14.9	2.6
MACLEODS PHARMACEUTICALS PVT.LTD	17.3	18.2	17.3	18.1	12.2	8.4	9.0	12.1	2.5
PFIZER LTD	16.8	12.1	11.1	14.5	6.5	9.4	0.5	(0.5)	2.4
DR. REDDYS LABORATORIES LTD	15.6	11.8	12.3	14.4	8.0	9.3	9.0	12.1	2.3
ARISTO PHARMACEUTICALS PVT.LTD	14.9	8.5	(1.4)	4.2	2.2	0.9	9.6	4.5	2.2
SANOFI-AVENTIS	14.3	8.8	6.7	8.9	0.4	2.3	8.3	3.2	2.1
ABBOTT INDIA LTD.	14.1	6.9	7.6	3.0	(3.3)	5.2	10.6	1.3	2.0
GLENMARK PHARMACEUTICALS	13.9	16.5	9.3	15.6	10.3	12.1	17.9	14.1	2.0
USV LTD	12.8	21.0	19.1	24.9	21.0	9.4	22.3	18.5	1.9
IPCA LABORATORIES PVT LTD.	12.4	14.7	4.6	10.8	13.0	9.8	24.9	15.1	1.8
MICRO LABS LTD	12.1	5.3	(5.7)	1.6	3.5	4.3	3.5	8.4	1.8

Therapeutic Area	(INR Bn)	YoY growth rate (%)							Share of Therapy Area (MAT May 13)
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
ANTI DIABETIC	46.6	14.5	9.8	15.8	9.7	7.3	11.1	12.1	6.8
ANTI MALARIALS	5.7	10.8	(15.5)	(1.2)	2.3	2.9	10.1	(4.6)	0.8
ANTI-INFECTIVES	117.2	8.4	1.4	8.1	5.8	2.5	6.0	8.0	17.0
ANTI-NEOPLASTICS	9.0	18.7	37.0	13.4	13.0	16.7	27.0	46.9	1.3
BLOOD RELATED	8.6	5.6	5.4	4.6	8.9	5.1	(1.6)	(2.0)	1.2
CARDIAC	87.9	13.2	11.9	15.1	8.8	5.9	10.1	12.4	12.7
DERMA	37.1	11.3	6.2	10.4	5.7	5.7	11.7	11.2	5.4
GASTRO INTESTINAL	78.8	11.6	4.4	10.4	8.0	5.6	9.0	8.7	11.4
GYNAECOLOGICAL	42.2	9.4	6.0	12.2	15.4	10.1	11.9	6.1	6.1
HORMONES	12.3	16.4	12.4	12.3	13.5	13.1	14.9	11.9	1.8
NEURO / CNS	43.6	11.3	9.4	12.9	7.8	7.5	13.1	12.8	6.3
OPHTHAL / OTOLOGICALS	12.7	11.1	6.4	12.4	10.9	10.5	12.2	5.8	1.8
OTHERS	9.5	16.9	11.7	8.6	13.1	11.6	19.9	22.0	1.4
PAIN / ANALGESICS	51.1	7.6	1.8	7.6	6.2	4.0	9.4	6.4	7.4
RESPIRATORY	52.4	7.3	(0.3)	5.5	7.0	6.3	8.1	9.6	7.6
SEX STIMULANTS / REJUVENATORS	2.3	20.3	25.2	29.7	16.7	15.1	15.2	16.4	0.3
STOMATOLOGICALS	3.1	10.7	7.7	12.9	6.8	2.3	7.4	3.6	0.4
VACCINES	8.6	5.7	2.2	(3.5)	(4.7)	4.2	3.4	5.6	1.3
VITAMINS / MINERALS / NUTRIENTS	62.1	11.0	5.4	9.2	5.4	5.5	8.7	6.5	9.0
Grand Total - IPM	690.6	10.7	5.7	10.4	7.8	6.0	9.7	9.5	100.0

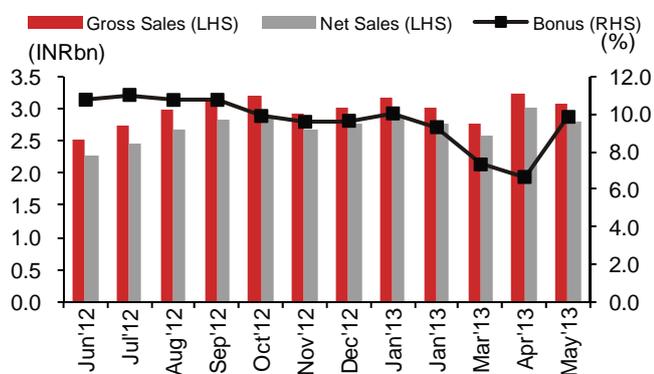
Source: AIOCD, Nomura research

Domestic formulation sales by company

Cipla Ltd (CIPLA IN, Neutral)

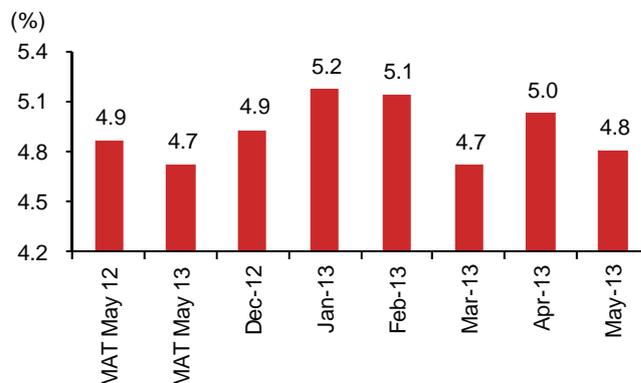
Domestic formulation sales

Fig. 4: Sales trend: Past 12 months



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 May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
ANTI-INFECTIVES	7.6	8.9	(0.3)	8.7	12.2	1.5	16.7	19.9	23.3
GYNAECOLOGICAL	2.9	1.9	8.1	7.3	15.0	(19.8)	(24.2)	0.2	9.0
GASTRO INTESTINAL	2.5	7.9	(4.9)	4.2	8.5	(1.0)	12.5	11.8	7.7
RESPIRATORY	2.4	8.8	4.1	13.1	18.8	9.4	14.1	7.7	7.4
OPHTHAL / OTOLOGICALS	1.1	6.2	5.6	10.3	8.3	10.7	17.2	18.4	3.4
PAIN / ANALGESICS	0.9	4.9	(5.6)	6.5	9.5	10.4	13.0	18.5	2.7
MINERALS / NUTRIENTS	0.7	22.1	15.7	26.9	22.9	13.6	34.9	27.8	2.1
HORMONES	0.0	(11.4)	67.3	16.3	(2.1)	(5.3)	(36.0)	31.2	0.0
DERMA	0.4	13.5	4.0	10.6	12.8	21.1	25.3	33.5	1.2
Acute	19.1	8.7	2.9	10.3	13.9	1.4	10.3	16.1	58.4
RESPIRATORY	7.9	4.2	(1.4)	2.6	1.5	1.4	3.8	8.2	24.3
CARDIAC	4.2	4.6	1.1	2.1	1.9	1.0	11.3	10.5	12.8
NEURO / CNS	0.9	14.6	12.3	17.6	12.8	11.4	17.8	17.9	2.7
ANTI DIABETIC	0.3	23.5	19.3	14.7	15.1	21.2	28.9	28.1	1.0
Chronic	13.6	5.6	0.5	3.5	2.9	2.9	8.1	10.9	41.6
Total	32.6	7.4	1.9	7.3	9.0	2.0	9.4	13.9	100.0

Source: AIOCD, Nomura research

Fig. 7: Breakdown by brand – According to size

Brands arranged by sales	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	5,504	5,550	0.8	2.1	17.0
Brands #6-#20	6,556	6,933	5.7	16.8	21.2
Brands #21-#50	7,179	7,527	4.8	15.5	23.1
Others	11,143	12,619	13.2	65.7	38.7
Total	30,383	32,629	7.4	100.0	100.0
Total number of brands:					1480

Source: AIOCD, Nomura research

Fig. 8: Top-10 brands as per MAT; sales and growth contribution

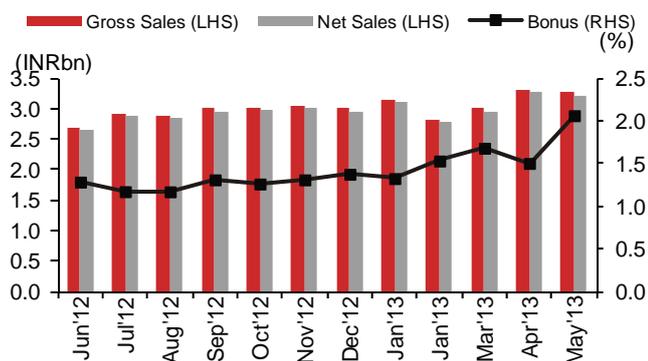
Brands	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
ASTHALIN	1515	1403	-7.4	-5.0	4.3
FORACORT	1141	1252	9.7	4.9	3.8
SEROFLO	1232	1179	-4.3	-2.4	3.6
AEROCORT	909	908	-0.1	0.0	2.8
BUDECORT	707	809	14.4	4.5	2.5
NOVAMOX	714	666	-6.8	-2.2	2.0
MTP (CIPLA)	601	623	3.6	1.0	1.9
DUOLIN	515	587	14.0	3.2	1.8
AMLOPRES AT	561	562	0.2	0.1	1.7
EMESET	500	521	4.2	0.9	1.6

Source: AIOCD, Nomura research

Sun Pharma (SUNP IN, Neutral)

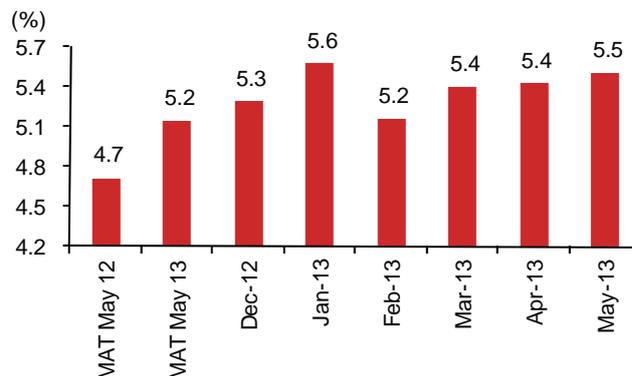
Domestic formulation sales

Fig. 9: Sales trend: Past 12 months



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 May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
GASTRO INTESTINAL	4.9	23.6	17.7	21.0	17.7	17.3	27.0	24.7	13.8
GYNAECOLOGICAL	2.5	21.5	16.5	26.5	22.1	26.7	31.6	22.0	6.9
PAIN / ANALGESICS	1.7	16.0	11.9	15.9	10.7	13.2	24.6	15.1	4.7
OPHTHAL / OTOLOGICALS	1.8	16.5	17.4	20.9	9.5	9.7	10.9	1.4	5.1
RESPIRATORY	1.3	19.6	15.1	21.9	15.4	17.5	21.2	13.3	3.6
ANTI DIABETIC	0.0	(21.5)	(69.1)	40.9	(20.3)	(4.8)	(27.3)	(33.1)	0.0
HORMONES	0.8	28.8	20.9	20.7	27.0	28.6	29.7	9.1	2.1
VITAMINS / MINERALS / NUTRIENTS	0.8	32.0	23.8	31.7	25.2	29.0	46.0	36.8	2.3
BLOOD RELATED	0.3	17.3	11.5	22.9	12.5	16.7	39.3	45.3	0.8
Acute	14.9	20.4	16.8	21.8	16.7	18.7	26.5	19.6	41.9
NEURO / CNS	9.0	15.5	11.7	16.2	8.7	12.2	24.1	22.0	25.2
CARDIAC	7.2	22.1	19.9	23.5	14.3	17.0	22.4	16.8	20.3
ANTI DIABETIC	4.0	35.1	31.6	35.5	24.4	29.3	33.3	26.0	11.3
RESPIRATORY	0.2	(3.7)	(18.1)	(17.4)	(11.8)	(5.4)	6.6	21.6	0.4
Chronic	20.7	21.1	17.6	21.9	13.5	16.9	25.1	20.9	58.1
Total	35.6	20.8	17.3	21.9	14.8	17.6	25.7	20.3	100.0

Source: AIOCD, Nomura research

Fig. 12: Breakdown by brand — According to size

Brands arranged by sales	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	3,454	4,235	22.6	12.7	11.9
Brands #6-#20	5,519	6,854	24.2	21.8	19.3
Brands #21-#50	6,092	7,703	26.5	26.3	21.7
Others	14,375	16,777	16.7	39.2	47.2
Total	29,440	35,570	20.8	100.0	100.0
Total number of brands:					789

Source: AIOCD, Nomura research

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

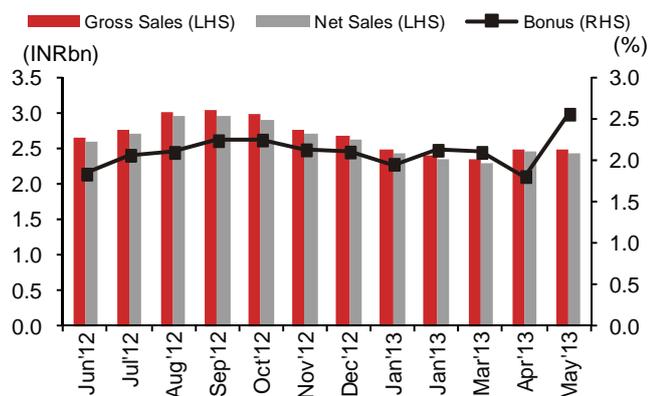
Brands	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
PANTOCID	920	1059	15.1	2.3	3.0
AZTOR	731	874	19.6	2.3	2.5
GEMER	679	861	26.8	3.0	2.4
SUSTEN	650	759	16.7	1.8	2.1
LEVIPII	475	682	43.7	3.4	1.9
PANTOCID DSR	520	654	25.9	2.2	1.8
GLUCORED	585	595	1.6	0.2	1.7
ISTAMET	116	508	338.2	6.4	1.4
OXETOL	424	494	16.5	1.1	1.4
CLOPILET	440	489	11.0	0.8	1.4

Source: AIOCD, Nomura research

GlaxoSmithKline Pharmaceuticals Ltd (GLXO IN, Reduce)

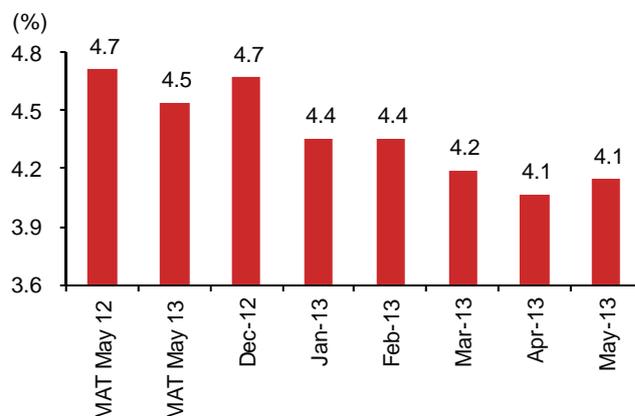
Domestic formulation sales

Fig. 14: Sales trend: Past 12 months



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 May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
ANTI-INFECTIVES	9.3	5.9	1.1	14.2	1.1	(12.2)	(18.5)	(13.6)	29.8
DERMA	4.0	13.4	6.0	10.4	10.6	(0.4)	8.0	10.1	12.7
PAIN / ANALGESICS	3.1	5.1	(4.7)	7.5	(1.0)	(9.3)	(6.5)	6.5	9.8
VITAMINS / MINERALS / NUTRIENTS	2.7	4.1	2.2	5.8	(2.9)	(12.9)	(21.0)	(15.7)	8.6
HORMONES	2.3	7.9	14.1	8.5	8.3	(4.4)	(9.5)	(9.8)	7.2
GASTRO INTESTINAL	2.0	7.1	0.7	13.1	1.8	(8.1)	(11.5)	(15.3)	6.4
RESPIRATORY	1.8	1.9	(7.0)	2.2	3.2	(2.8)	(3.1)	(1.1)	5.7
VACCINES	1.6	0.5	10.2	(13.3)	(23.5)	(4.8)	8.4	0.9	5.1
GYNAECOLOGICAL	0.9	10.8	(1.1)	11.5	6.4	(3.1)	(5.4)	(6.7)	2.8
OPHTHAL / OTOLOGICALS	0.8	4.8	(11.4)	1.9	0.6	(4.8)	(6.4)	(8.1)	2.5
STOMATOLOGICALS	0.0	227.5	255.2	153.2	221.0	208.2	178.8	377.5	0.0
Acute	28.6	6.3	1.7	8.6	0.8	(7.9)	(9.8)	(6.5)	91.1
DERMA	1.2	8.7	2.3	(4.6)	(10.8)	(10.5)	(3.7)	(2.1)	3.9
CARDIAC	1.0	17.9	23.7	23.3	11.5	2.4	8.1	12.3	3.3
Chronic	2.8	8.6	4.8	3.9	(3.6)	(8.2)	0.5	1.7	8.9
Total	31.3	6.5	2.0	8.2	0.4	(7.9)	(8.8)	(5.7)	100.0

Source: AIOCD, Nomura research

Fig. 17: Breakdown by brand — According to size

Brands arranged by sales	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	8,134	8,887	9.3	39.1	28.4
Brands #6-#20	8,925	9,493	6.4	29.5	30.3
Brands #21-#50	7,411	7,895	6.5	25.2	25.2
Others	4,953	5,072	2.4	6.2	16.2
Total	29,422	31,347	6.5	100.0	100.0
Total number of brands:					304

Source: AIOCD, Nomura research

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

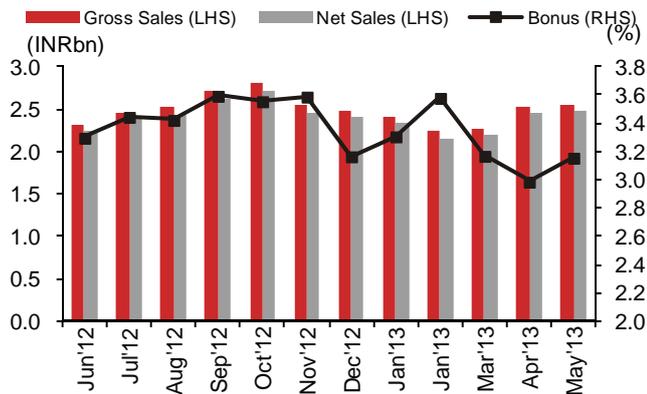
Brands	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
AUGMENTIN	2792	3131	12.1	17.6	10.0
CALPOL	1614	1833	13.6	11.4	5.8
ZINETAC	1361	1452	6.7	4.7	4.6
CEFTUM	1335	1255	-6.0	-4.1	4.0
ELTROXIN	1032	1216	17.8	9.6	3.9
BETNOVATE C	920	990	7.6	3.6	3.2
BETNOVATE N	795	937	17.8	7.4	3.0
BETNESOL	921	919	-0.2	-0.1	2.9
PHEXIN	825	894	8.4	3.6	2.9
T BACT	679	752	10.8	3.8	2.4

Source: AIOCD, Nomura research

Ranbaxy Laboratories Ltd (RBXY IN, Buy)

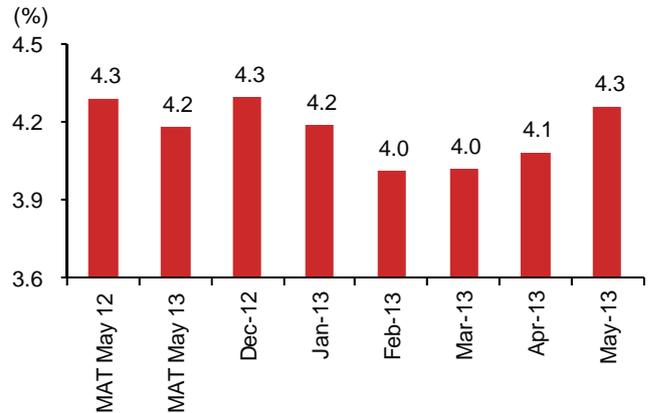
Domestic formulation sales

Fig. 19: Sales trend: Past 12 months



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 May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
ANTI-INFECTIVES	8.7	10.7	9.7	31.0	12.4	(0.1)	8.1	34.6	30.2
PAIN / ANALGESICS	3.5	7.0	(2.1)	13.3	3.5	(4.7)	0.3	15.0	12.0
DERMA	3.2	5.6	0.8	(0.6)	(8.3)	0.9	5.0	21.3	11.1
VITAMINS / MINERALS / NUTRIENTS	3.1	19.1	14.3	14.4	29.2	36.6	26.4	40.7	10.7
GASTRO INTESTINAL	1.5	6.4	(0.4)	3.6	3.2	(0.4)	4.3	19.3	5.3
RESPIRATORY	1.1	9.7	0.7	14.9	20.8	12.0	13.0	17.1	3.9
GYNAECOLOGICAL	0.9	(5.2)	(19.3)	8.1	(8.9)	(7.1)	(3.5)	(11.8)	3.0
HORMONES	0.4	68.7	70.7	11.0	157.9	145.9	80.1	22.7	1.4
ANTI-NEOPLASTICS	0.1	(57.8)	(16.7)	(85.9)	(58.2)	(46.8)	(19.2)	(56.1)	0.5
OPHTHAL / OTOLOGICALS	0.1	22.0	2.5	6.1	27.2	2.6	37.5	15.0	0.2
Acute	23.4	10.1	6.8	16.2	10.3	5.2	8.5	23.9	81.1
CARDIAC	3.3	2.5	3.4	2.2	(9.4)	(12.0)	(9.3)	9.6	11.6
NEURO / CNS	0.7	(8.3)	(3.3)	4.6	(13.9)	(8.4)	(7.4)	(0.4)	2.4
ANTI DIABETIC	0.7	(5.5)	(9.3)	(6.3)	(16.8)	(15.3)	(8.9)	2.6	2.3
OTHERS	0.2	26.3	20.6	57.4	45.6	1.2	29.2	(0.1)	0.7
Chronic	5.5	(1.1)	(0.2)	3.9	(11.2)	(11.0)	(6.2)	7.1	18.9
Total	28.9	7.8	5.4	13.5	5.5	1.6	5.3	20.3	100.0

Source: AIOCD, Nomura research

Fig. 22: Breakdown by brand — According to size

Brands arranged by sales	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	6,267	6,804	8.6	25.8	23.6
Brands #6-#20	5,284	6,313	19.5	49.3	21.9
Brands #21-#50	5,058	5,839	15.4	37.4	20.2
Others	10,165	9,904	(2.6)	(12.5)	34.3
Total	26,775	28,860	7.8	100.0	100.0
Total number of brands:					872

Source: AIOCD, Nomura research

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

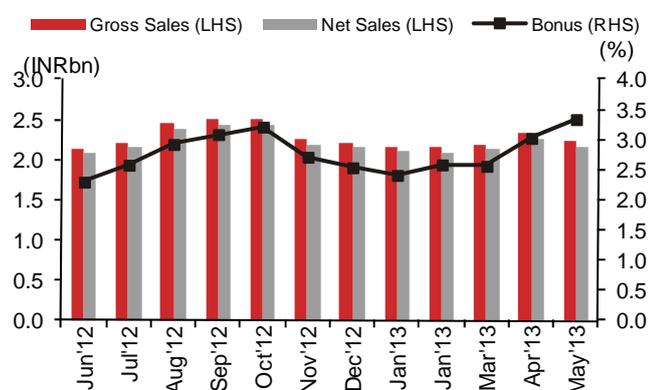
Brands	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
REVITAL	2042	2449	19.9	19.5	8.5
VOLINI	1625	1845	13.5	10.5	6.4
STORVAS	1028	928	-9.7	-4.8	3.2
MOX	891	828	-7.1	-3.0	2.9
CILANEM	681	754	10.7	3.5	2.6
ROSUVAS	623	676	8.6	2.6	2.3
ZANOCIN	521	516	-1.0	-0.2	1.8
CIFRAN	518	495	-4.4	-1.1	1.7
SILVEREX IONIC	408	443	8.5	1.7	1.5
SPORIDEX	450	436	-3.2	-0.7	1.5

Source: AIOCD, Nomura research

Abbott Healthcare Pvt Ltd (formerly known as Piramal Healthcare Ltd, not listed)

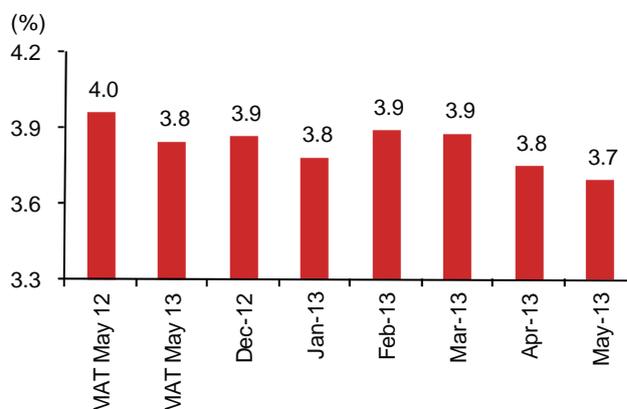
Domestic formulation sales

Fig. 24: Sales trend: Past 12 months



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 May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
ANTI-INFECTIVES	5.1	(0.9)	(10.4)	(3.3)	(7.4)	(5.6)	(4.2)	3.1	19.2
RESPIRATORY	2.6	2.8	(11.2)	(13.8)	(2.8)	3.9	17.7	13.0	9.7
GASTRO INTESTINAL	2.5	14.6	(1.3)	8.8	22.3	21.8	27.8	43.2	9.3
PAIN / ANALGESICS	2.0	5.2	12.0	7.4	5.1	1.8	(1.7)	3.2	7.5
DERMA	1.4	6.9	4.5	9.8	1.7	1.4	9.4	7.5	5.1
OPHTHAL / OTOLOGICALS	0.1	0.4	(6.6)	(9.3)	(2.9)	2.9	0.8	8.7	0.2
HORMONES	0.5	10.8	0.4	17.1	15.4	5.7	3.7	7.6	1.7
BLOOD RELATED	0.4	(9.6)	(8.0)	(4.5)	(32.1)	(10.5)	(30.8)	(6.0)	1.3
ANTI-NEOPLASTICS	0.2	214.1	2,076.6	693.0	(38.1)	2,201.9	(26.4)	902.6	0.8
Acute	16.6	4.9	(1.8)	1.1	1.7	4.9	4.9	12.1	62.3
CARDIAC	4.6	16.1	12.2	17.0	18.5	6.0	4.4	7.2	17.3
NEURO / CNS	2.6	7.1	8.6	10.8	4.5	(0.4)	2.9	5.6	9.9
ANTI DIABETIC	2.1	12.8	11.7	12.1	9.1	6.4	5.3	10.3	8.0
DERMA	0.5	5.1	2.7	0.3	(2.9)	(5.3)	(6.8)	(3.5)	1.9
Chronic	10.0	12.0	10.0	13.3	11.2	3.7	3.5	6.9	37.7
Total	26.6	7.5	2.5	5.8	5.2	4.4	4.4	10.0	100.0

Source: AIOCD, Nomura research

Fig. 27: Breakdown by brand — According to size

Brands arranged by sales	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	3,449	3,730	8.2	15.3	14.0
Brands #6-#20	4,564	5,174	13.4	33.1	19.5
Brands #21-#50	6,176	6,600	6.9	23.0	24.8
Others	10,546	11,074	5.0	28.6	41.7
Total	24,735	26,578	7.5	100.0	100.0
Total number of brands:					1055

Source: AIOCD, Nomura research

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

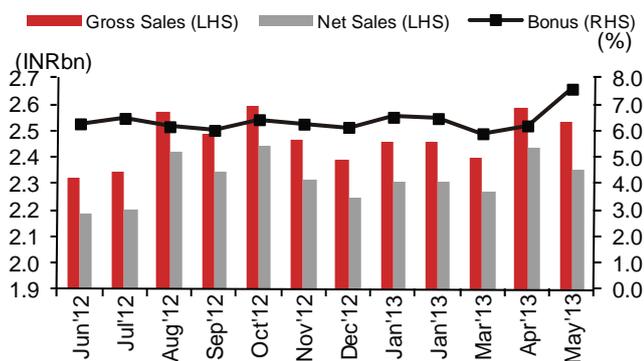
Brands	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
PHENSEDYL COUGH LINCTUS	1596	1478	-7.4	-6.4	5.6
STEMETIL	493	754	52.9	14.1	2.8
GARDENAL	485	505	4.2	1.1	1.9
TRIBET	451	503	11.5	2.8	1.9
KENACORT	423	490	15.8	3.6	1.8
LMVX	401	464	15.8	3.4	1.7
ACTROM	343	415	20.9	3.9	1.6
NEO MERCAZOLE	341	404	18.4	3.4	1.5
SUPRADYN	357	378	5.9	1.1	1.4
TOSSEX	320	374	16.8	2.9	1.4

Source: AIOCD, Nomura research

Cadila Healthcare Ltd (CDH IN, Neutral)

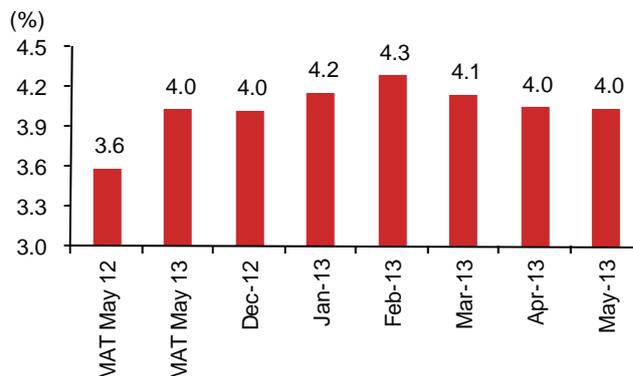
Domestic formulation sales

Fig. 29: Sales trend: Past 12 months



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 May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
GASTRO INTESTINAL	4.6	11.0	1.1	10.2	7.1	6.7	21.0	13.0	16.6
GYNAECOLOGICAL	3.0	17.4	8.2	13.8	37.9	25.7	29.3	10.8	11.0
PAIN / ANALGESICS	2.3	25.0	23.5	30.0	27.6	19.8	12.4	16.1	8.2
RESPIRATORY	2.0	21.5	14.2	16.9	23.9	22.0	33.3	31.1	7.2
ANTI-INFECTIVES	1.8	15.2	5.5	11.3	22.0	24.6	32.7	23.9	6.6
VITAMINS / MINERALS / NUTRIENTS	1.1	22.5	22.6	30.4	21.2	21.3	45.7	17.5	3.9
ANTI MALARIALS	0.8	11.8	(16.1)	4.9	(2.6)	9.5	42.9	32.4	2.7
OTHERS	0.5	54.2	70.7	47.0	49.6	59.2	59.5	149.6	1.9
HORMONES	0.8	30.8	32.4	38.7	37.7	39.3	55.7	40.0	2.9
ANTI-NEOPLASTICS	1.0	103.5	206.1	88.7	101.9	36.8	30.9	40.8	3.6
DERMA	0.5	38.2	32.3	36.8	30.1	28.9	38.2	21.3	1.9
Acute	19.2	21.0	15.2	19.8	24.4	20.0	28.2	21.4	68.9
CARDIAC	5.4	23.0	21.9	27.2	18.9	7.8	17.3	22.4	19.4
DERMA	1.3	78.0	80.7	63.2	60.7	79.7	63.9	58.2	4.6
RESPIRATORY	0.7	32.9	30.8	38.7	43.6	23.1	42.1	23.9	2.7
Chronic	8.7	32.2	32.0	36.6	29.8	21.3	30.3	30.1	31.1
Total	27.8	24.2	20.2	24.9	26.1	20.4	28.9	24.0	100.0

Source: AIOCD, Nomura research

Fig. 32: Breakdown by brand — According to size

Brands arranged by sales	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	3,574	4,639	29.8	19.6	16.7
Brands #6-#20	5,438	6,670	22.7	22.7	24.0
Brands #21-#50	4,806	5,764	19.9	17.7	20.7
Others	8,589	10,760	25.3	40.0	38.7
Total	22,406	27,832	24.2	100.0	100.0
Total number of brands:					1340

Source: AIOCD, Nomura research

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

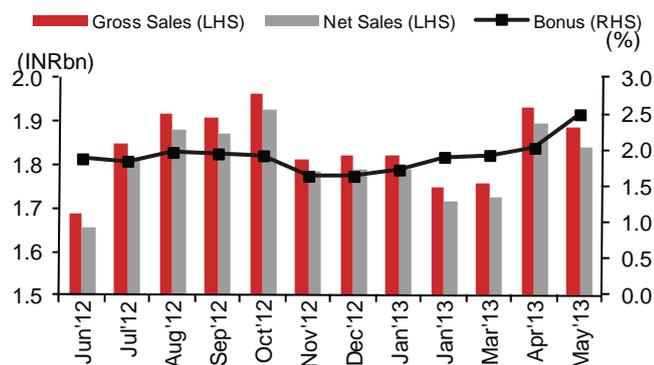
Brands	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
SKINLITE	568	1065	87.3	9.2	3.8
ATORVA	831	1052	26.6	4.1	3.8
ATEN	700	862	23.2	3.0	3.1
PANTODAC	776	856	10.3	1.5	3.1
DERIPHYLLIN	698	803	15.1	1.9	2.9
DEXONA	517	679	31.4	3.0	2.4
AMLODAC	477	637	33.4	2.9	2.3
DULCOLAX	381	498	30.6	2.1	1.8
FALCIGO	514	475	-7.6	-0.7	1.7
OCID	440	453	2.9	0.2	1.6

Source: AIOCD, Nomura research

Lupin Ltd (LPC IN, Buy)

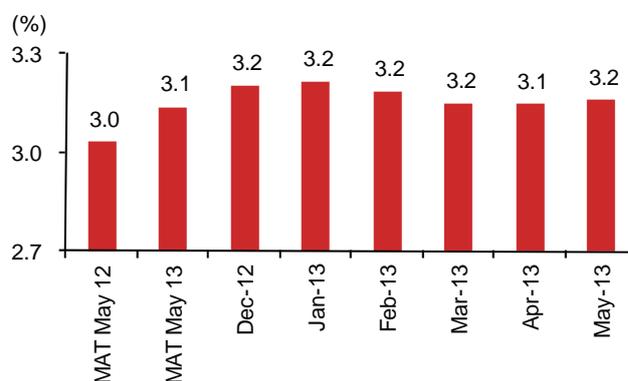
Domestic formulation sales

Fig. 34: Sales trend: Past 12 months



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 May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
ANTI-INFECTIVES	6.1	15.9	8.3	16.6	12.5	25.0	16.2	14.4	28.3
GASTRO INTESTINAL	1.7	23.6	13.5	24.1	25.6	21.6	18.9	18.8	7.7
VITAMINS / MINERALS / NUTRIENTS	1.3	16.4	5.9	12.7	15.5	19.6	14.2	12.5	6.0
OPHTHAL / OTOLOGICALS	0.1	38.1	31.1	34.4	29.1	20.3	0.6	(12.9)	0.4
RESPIRATORY	1.0	1.8	(1.9)	0.1	2.2	6.2	1.8	(4.3)	4.7
PAIN / ANALGESICS	0.8	21.8	17.6	20.0	21.2	17.9	37.2	29.5	3.9
GYNAECOLOGICAL	0.6	10.5	1.8	13.8	17.3	28.0	21.4	13.2	2.7
OTHERS	0.1	45.6	31.6	54.9	55.8	59.6	37.9	46.8	0.6
HORMONES	0.2	3.6	2.2	8.1	(8.0)	(3.0)	5.5	(6.4)	0.7
Acute	12.2	15.3	7.5	14.9	13.7	20.8	16.0	13.3	56.5
CARDIAC	5.1	13.1	12.9	14.6	8.4	8.5	11.5	12.2	23.7
ANTI DIABETIC	1.8	18.6	15.2	15.8	12.6	13.2	12.7	20.0	8.3
RESPIRATORY	1.4	11.8	7.4	12.1	8.6	16.8	18.6	21.4	6.2
NEURO / CNS	1.0	11.4	7.0	5.0	5.3	4.1	2.8	3.0	4.8
Chronic	9.4	13.8	11.8	13.5	9.0	10.4	11.9	14.1	43.5
Total	21.7	14.6	9.4	14.3	11.6	16.0	14.1	13.7	100.0

Source: AIOCD, Nomura research

Fig. 37: Breakdown by brand — According to size

Brands arranged by sales	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	2,380	2,740	15.1	13.0	12.6
Brands #6-#20	3,850	4,696	22.0	30.7	21.7
Brands #21-#50	4,941	5,682	15.0	26.8	26.2
Others	7,748	8,563	10.5	29.5	39.5
Total	18,919	21,680	14.6	100.0	100.0
Total number of brands:					978

Source: AIOCD, Nomura research

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

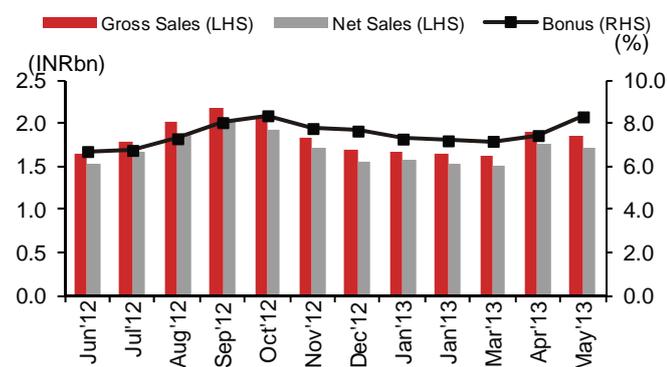
Brands	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
TONACT	717	809	12.9	3.3	3.7
GLUCONORM-G	537	673	25.4	4.9	3.1
BUDAMATE	381	443	16.2	2.2	2.0
RAMISTAR	373	407	9.1	1.2	1.9
R-CINEX	372	407	9.4	1.3	1.9
DOXCEF	139	360	158.3	8.0	1.7
MEROTROL	291	359	23.5	2.5	1.7
RABLET	301	357	18.6	2.0	1.6
CETIL	252	337	33.6	3.1	1.6
GLUCONORM-PG	267	337	26.2	2.5	1.6

Source: AIOCD, Nomura research

Alkem (not listed)

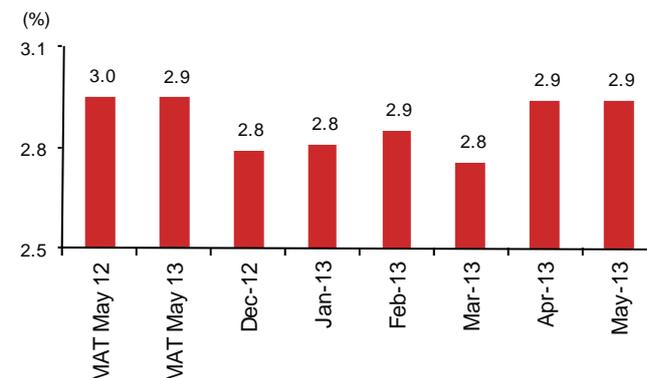
Domestic formulation sales

Fig. 39: Sales trend: Past 12 months



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 May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
ANTI-INFECTIVES	9.2	3.8	(7.5)	(2.9)	(1.0)	(2.0)	11.1	10.7	45.0
GASTRO INTESTINAL	3.5	10.8	3.6	7.6	4.7	3.0	11.9	15.7	17.2
VITAMINS / MINERALS / NUTRIENTS	2.3	14.3	3.4	9.0	4.2	6.3	14.9	11.3	11.3
PAIN / ANALGESICS	1.4	14.4	(3.6)	7.2	11.0	7.0	14.0	6.1	7.1
RESPIRATORY	0.6	3.8	(11.2)	(3.0)	6.1	(4.9)	3.0	(1.6)	3.0
ANTI-NEOPLASTICS	0.2	8.0	(41.4)	60.5	54.1	9.5	(4.3)	20.0	1.2
OTHERS	0.1	19.9	29.4	41.7	4.5	3.6	16.8	47.4	0.5
DERMA	0.2	23.0	18.7	11.0	4.6	23.4	35.4	15.8	0.9
HORMONES	0.1	75.4	82.3	58.3	59.9	118.7	127.2	68.0	0.7
NEURO / CNS	0.1	15.4	11.1	21.1	8.9	9.9	11.0	5.6	0.6
Acute	18.5	8.3	(3.3)	3.9	3.5	2.5	12.8	12.3	90.7
NEURO / CNS	0.9	42.1	37.1	55.7	33.4	19.7	44.6	31.3	4.3
DERMA	0.4	27.8	30.1	26.7	10.6	9.0	21.3	11.2	2.2
CARDIAC	0.4	32.3	24.1	33.9	31.3	21.5	22.6	31.3	1.8
Chronic	1.9	38.6	35.2	44.9	29.4	20.4	37.9	30.9	9.3
Total	20.4	10.5	(0.4)	7.1	5.7	4.0	14.9	14.0	100.0

Source: AIOCD, Nomura research

Fig. 42: Breakdown by brand — According to size

Brands arranged by sales	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	6,480	6,746	4.1	13.7	33.1
Brands #6-#20	5,293	5,656	6.9	18.7	27.8
Brands #21-#50	2,791	3,212	15.1	21.7	15.8
Others	3,857	4,747	23.1	45.9	23.3
Total	18,422	20,363	10.5	100.0	100.0
Total number of brands:					1006

Source: AIOCD, Nomura research

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

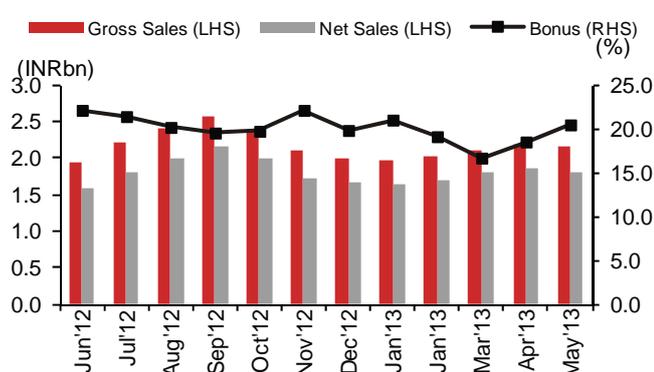
Brands	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
TAXIMO	1623	1693	4.3	3.6	8.3
CLAVAM	1345	1480	10.0	6.9	7.3
TAXIM	1464	1393	-4.8	-3.7	6.8
PAN	1218	1265	3.9	2.4	6.2
PAN D	831	915	10.2	4.4	4.5
SUMO	556	602	8.2	2.3	3.0
ONDEM	515	579	12.4	3.3	2.8
GEMCAL	582	574	-1.3	-0.4	2.8
XONE	533	536	0.5	0.1	2.6
PIPZO	494	466	-5.7	-1.5	2.3

Source: AIOCD, Nomura research

Mankind (not listed)

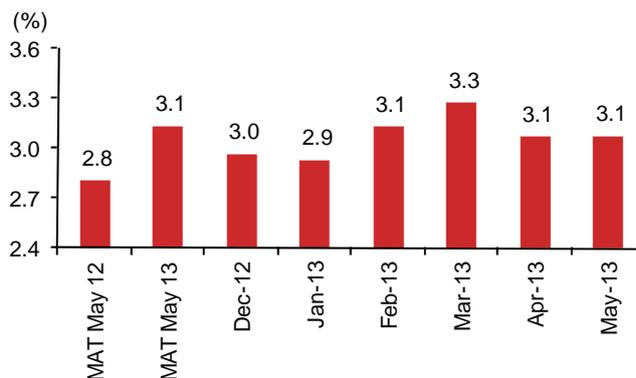
Domestic formulation sales

Fig. 44: Sales trend: Past 12 months



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 May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
ANTI-INFECTIVES	6.6	19.4	8.1	11.5	12.7	10.2	10.6	10.4	30.5
GASTRO INTESTINAL	2.7	17.0	9.7	10.6	7.5	3.0	6.5	4.1	12.3
GYNAECOLOGICAL	1.3	16.5	23.5	27.8	43.2	21.5	5.9	0.1	6.0
RESPIRATORY	1.3	32.7	14.7	16.5	23.2	18.6	15.7	16.4	5.8
PAIN / ANALGESICS	1.1	18.5	12.3	12.6	6.3	3.1	4.2	4.4	5.1
OTHERS	0.5	3.2	2.8	7.9	(15.8)	(21.1)	(13.3)	(13.5)	2.2
SEX STIMULANTS / REJUVENATORS	0.6	35.0	49.2	65.4	73.9	54.7	43.9	(5.7)	2.6
DERMA	0.4	31.2	27.8	15.5	17.0	23.7	23.2	23.2	1.7
ANTI MALARIALS	0.3	18.1	(27.2)	(13.8)	(24.1)	(0.1)	31.6	(13.5)	1.4
HORMONES	0.1	19.4	15.1	13.4	11.7	17.2	7.6	14.6	0.7
Acute	17.9	21.5	14.9	17.4	16.8	12.2	11.6	7.9	82.8
CARDIAC	1.6	30.8	31.3	37.2	25.3	24.9	22.6	22.7	7.6
ANTI DIABETIC	1.0	30.4	35.1	35.4	23.0	15.6	19.8	17.0	4.7
NEURO / CNS	0.8	32.5	34.8	30.3	19.9	27.3	23.9	18.6	3.5
Chronic	3.7	35.3	37.2	39.4	27.3	27.2	26.9	24.3	17.2
Total	21.6	23.6	18.5	21.1	18.6	14.7	14.2	10.6	100.0

Source: AIOCD, Nomura research

Fig. 47: Breakdown by brand — According to size

Brands arranged by sales	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	2,700	3,163	17.2	11.2	14.6
Brands #6-#20	3,865	4,567	18.2	17.0	21.1
Brands #21-#50	4,119	4,949	20.1	20.1	22.9
Others	6,820	8,961	31.4	51.8	41.4
Total	17,505	21,641	23.6	100.0	100.0
Total number of brands:					824

Source: AIOCD, Nomura research

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

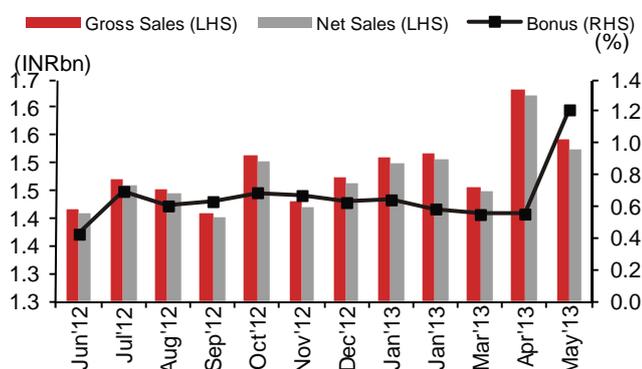
Brands	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
MOXIKIND CV	1062	1308	23.2	6.0	6.0
MANFORCE	388	525	35.5	3.3	2.4
GUDCEF	407	459	13.0	1.3	2.1
NUROKIND PLUS	462	457	-1.1	-0.1	2.1
ZENFLOX	382	414	8.4	0.8	1.9
MAHACEF	369	382	3.7	0.3	1.8
AMLOKIND-AT	314	368	17.3	1.3	1.7
MAHACEF PLUS	318	365	14.7	1.1	1.7
ZENFLOX OZ	336	353	5.1	0.4	1.6
UNWANTED KIT	275	352	27.9	1.9	1.6

Source: AIOCD, Nomura research

Intas Pharma (not listed)

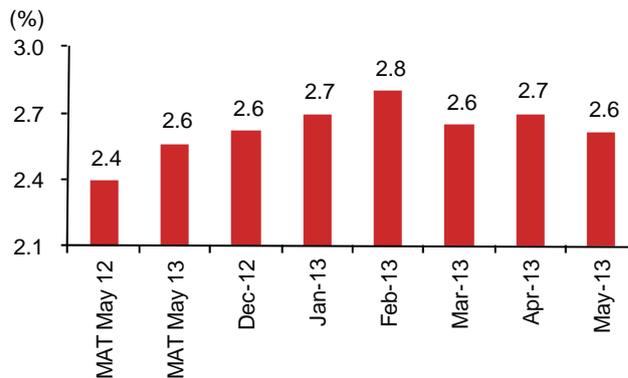
Domestic formulation sales

Fig. 49: Sales trend: Past 12 months



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 May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
GASTRO INTESTINAL	1.2	20.1	19.6	24.4	25.9	14.9	27.7	14.8	7.0
VITAMINS / MINERALS / NUTRIENTS	1.1	23.3	17.9	27.3	23.0	15.6	9.2	9.1	6.2
GYNAECOLOGICAL	1.0	21.4	16.8	14.5	42.8	21.6	38.8	17.5	5.5
PAIN / ANALGESICS	0.9	14.9	9.5	19.5	17.7	13.9	16.8	11.6	5.1
ANTI-INFECTIVES	0.8	25.6	16.6	41.3	44.3	18.9	43.0	20.3	4.5
VACCINES	0.0	(38.0)	(5.8)	4,392.5	26.0	291.8	211.3	0.8	0.0
OPHTHAL / OTOLOGICALS	0.3	12.8	11.9	18.9	24.6	30.7	30.1	5.0	1.8
NEURO / CNS	0.4	49.9	45.2	46.0	46.3	35.0	26.7	35.8	2.4
Acute	6.8	23.1	17.4	28.9	37.4	20.0	28.2	16.4	38.6
NEURO / CNS	5.6	18.3	15.0	17.5	16.2	18.5	13.8	16.4	31.6
CARDIAC	3.5	9.3	1.6	10.2	7.9	9.9	10.5	8.6	19.8
ANTI DIABETIC	1.2	13.2	5.8	11.1	13.4	14.2	13.6	18.4	6.5
Chronic	10.9	15.7	10.7	16.4	14.4	16.5	14.0	14.0	61.4
Total	17.7	18.4	13.2	20.9	22.6	17.8	19.1	14.9	100.0

Source: AIOCD, Nomura research

Fig. 52: Breakdown by brand — According to size

Brands arranged by sales	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	1,906	2,161	13.4	9.2	12.2
Brands #6-#20	2,741	3,156	15.1	15.0	17.8
Brands #21-#50	3,725	4,280	14.9	20.1	24.2
Others	6,566	8,099	23.3	55.6	45.8
Total	14,940	17,696	18.4	100.0	100.0
Total number of brands:					1151

Source: AIOCD, Nomura research

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

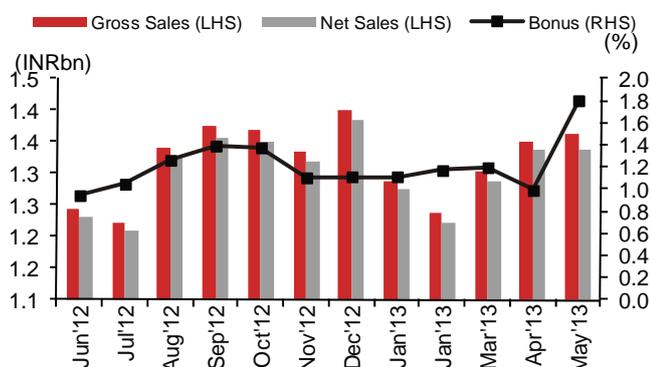
Brands	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
ZORYL M	566	635	12.1	2.5	3.6
LEVERA	380	511	34.4	4.7	2.9
LIPICURE	403	416	3.0	0.4	2.3
CEFTAS	295	310	5.1	0.5	1.8
VALPROL CR	261	290	10.8	1.0	1.6
LOOZ	215	257	19.6	1.5	1.5
ZORYL	236	251	6.5	0.6	1.4
GABAPIN	216	239	10.3	0.8	1.3
AMTAS AT	257	238	-7.4	-0.7	1.3
DIVAA	208	226	8.9	0.7	1.3

Source: AIOCD, Nomura research

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

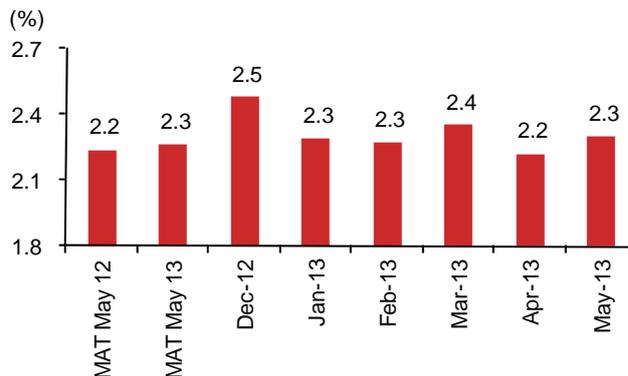
Domestic formulation sales

Fig. 54: Sales trend: Past 12 months



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 May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
GASTRO INTESTINAL	3.5	13.2	8.2	17.3	12.8	4.9	2.2	9.6	22.3
PAIN / ANALGESICS	1.3	8.1	8.3	7.3	3.7	7.9	4.3	(0.6)	8.6
ANTI-INFECTIVES	1.2	8.1	(9.5)	0.6	4.4	13.9	9.9	9.4	7.4
VITAMINS / MINERALS / NUTRIENTS	0.6	7.3	(4.1)	3.3	7.2	11.7	(3.7)	(2.6)	3.8
GYNAECOLOGICAL	0.6	9.0	8.9	12.7	10.4	7.8	6.9	11.4	3.7
RESPIRATORY	0.6	12.5	16.5	18.5	4.8	7.5	(4.9)	(7.3)	3.8
DERMA	0.4	26.0	15.8	16.8	4.4	16.2	42.6	25.5	2.8
ANTI-NEOPLASTICS	2.0	22.9	80.3	32.0	8.5	12.9	36.4	59.3	13.0
OTHERS	0.1	29.1	23.6	27.6	57.0	41.5	43.4	32.2	0.6
Acute	11.1	12.8	15.7	14.7	7.5	8.8	10.3	14.6	70.9
CARDIAC	2.7	9.9	6.4	13.8	14.2	13.6	7.9	6.8	17.0
ANTI DIABETIC	0.9	14.8	14.6	24.0	15.6	22.1	7.5	16.4	5.9
DERMA	0.6	4.1	(11.1)	6.1	(15.1)	(17.5)	(10.1)	(10.2)	3.6
Chronic	4.5	9.5	4.7	13.5	9.0	10.6	5.9	6.5	29.1
Total	15.6	11.8	12.3	14.4	8.0	9.3	9.0	12.1	100.0

Source: AIOCD, Nomura research

Fig. 57: Breakdown by brand — According to size

Brands arranged by sales	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	3,023	3,240	7.2	13.2	20.7
Brands #6-#20	3,657	4,291	17.3	38.4	27.4
Brands #21-#50	3,100	3,525	13.7	25.7	22.5
Others	4,202	4,579	9.0	22.8	29.3
Total	13,983	15,635	11.8	100.0	100.0
Total number of brands:					470

Source: AIOCD, Nomura research

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

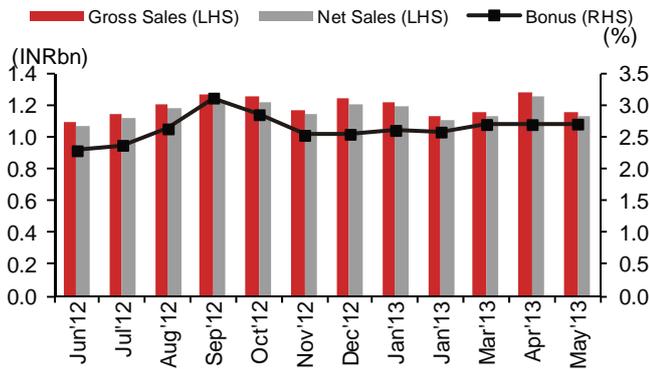
Brands	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
OMEZ	1090	1119	2.6	1.7	7.2
STAMLO	583	630	8.1	2.9	4.0
NISE	557	568	2.0	0.7	3.6
OMEZ D	453	521	14.9	4.1	3.3
RAZO	339	402	18.7	3.8	2.6
STAMLO BETA	390	398	2.2	0.5	2.5
ECONORM	309	396	28.2	5.3	2.5
REDITUX	324	373	15.0	2.9	2.4
ATOCOR	353	366	3.7	0.8	2.3
RAZO D	281	355	26.3	4.5	2.3

Source: AIOCD, Nomura research

Glenmark Pharmaceuticals Ltd (GNP IN, BUY)

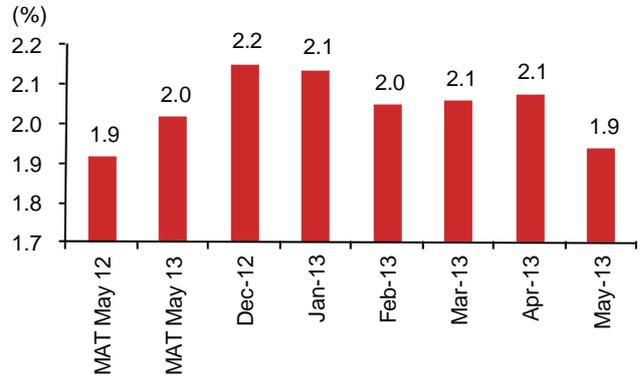
Domestic formulation sales

Fig. 59: Sales trend: Past 12 months



Source: AIOCD, 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 May 13
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
DERMA	3.5	13.4	2.5	12.8	10.2	9.6	20.1	8.1	25.1
ANTI-INFECTIVES	2.1	17.8	3.1	21.2	7.8	5.8	22.7	15.9	15.2
RESPIRATORY	2.0	27.4	17.7	33.8	31.0	34.7	37.6	32.0	14.0
PAIN / ANALGESICS	0.5	(14.2)	(26.5)	(19.9)	(18.2)	(23.7)	(16.5)	(20.9)	3.3
GYNAECOLOGICAL	0.3	27.2	22.4	60.8	11.7	21.9	(2.1)	23.8	2.4
GASTRO INTESTINAL	0.3	7.9	5.4	3.8	21.2	18.7	27.1	17.7	2.2
VITAMINS / MINERALS / NUTRIENTS	0.3	26.4	14.5	29.5	25.3	28.5	41.1	32.2	2.0
OPHTHAL / OTOLOGICALS	0.3	11.2	(4.0)	9.2	(0.3)	4.1	10.1	9.9	1.9
NEURO / CNS	0.1	17.9	8.1	15.4	11.1	21.0	11.8	(2.8)	0.5
Acute	9.3	15.5	4.9	18.2	12.7	12.2	21.3	13.6	67.0
CARDIAC	3.1	18.3	22.8	4.3	(0.2)	5.8	3.2	8.1	22.3
DERMA	0.7	19.5	17.2	17.8	31.0	35.6	32.1	18.5	4.9
ANTI DIABETIC	0.6	13.8	(1.4)	26.0	3.6	10.3	33.5	42.3	4.5
Chronic	4.6	18.7	19.2	10.7	5.7	11.9	11.8	15.1	33.0
Total	13.9	16.5	9.3	15.6	10.3	12.1	17.9	14.1	100.0

Source: AIOCD, Nomura research

Fig. 62: Breakdown by brand — According to size

Brands arranged by sales	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
Brands #1-#5	3,434	3,872	12.8	22.2	27.8
Brands #6-#20	2,604	3,043	16.9	22.2	21.8
Brands #21-#50	2,816	3,322	18.0	25.6	23.8
Others	3,102	3,693	19.1	29.9	26.5
Total	11,955	13,930	16.5	100.0	100.0
Total number of brands:					532

Source: AIOCD, Nomura research

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

Brands	MAT May 12 (INR mn)	MAT May 13 (INR mn)	Growth rate (%)	Growth contribution (%)	Sales contribution (%)
TELMA	896	1029	14.8	6.7	7.4
TELMA H	826	909	10.1	4.2	6.5
ASCORIL PLUS	735	826	12.4	4.6	5.9
CANDID-B	586	641	9.4	2.8	4.6
CANDID	392	468	19.4	3.9	3.4
TELMA AM	290	355	22.4	3.3	2.5
ELOVERA	220	231	5.1	0.6	1.7
MOMATE	193	220	13.9	1.4	1.6
LIZOLID	258	220	-14.7	-1.9	1.6
CANDID MOUTH	173	218	26.0	2.3	1.6

Source: AIOCD, Nomura research

Domestic formulations — A breakdown by therapy

Anti-infectives

MAT May 13 net sales — INR117.2bn (17.0 % 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 May 13)
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
GLAXOSMITHKLINE PHARMACEUTICALS LTD.	9.3	5.9	1.1	14.2	1.1	(12.2)	(18.5)	(13.6)	8.0
ALKEM LABORATORIES LTD.	9.2	3.8	(7.5)	(2.9)	(1.0)	(2.0)	11.1	10.7	7.8
RANBAXY LABORATORIES LTD	8.7	10.7	9.7	31.0	12.4	(0.1)	8.1	34.6	7.4
CIPLA LTD.	7.6	8.9	(0.3)	8.7	12.2	1.5	16.7	19.9	6.5
MACLEODS PHARMACEUTICALS PVT.LTD	7.2	10.9	9.8	9.9	6.6	3.5	1.6	6.1	6.2
ARISTO PHARMACEUTICALS PVT.LTD	6.2	4.6	(7.8)	(5.3)	(5.5)	(0.9)	3.8	(2.4)	5.3
MANKIND PHARMACEUTICALS LTD.	6.6	19.4	8.1	11.5	12.7	10.2	10.6	10.4	5.6
LUPIN LTD	6.1	15.9	8.3	16.6	12.5	25.0	16.2	14.4	5.2
ABBOTT HEALTHCARE PVT. LTD	5.1	(0.9)	(10.4)	(3.3)	(7.4)	(5.6)	(4.2)	3.1	4.4
FDC LTD.	3.8	2.8	(12.4)	(2.7)	2.1	6.4	6.9	6.3	3.3
Total	117.2	8.4	1.4	8.1	5.8	2.5	6.0	8.0	100.0

Source: AIOCD, Nomura research

Cardiovascular (CVS)

MAT May 13 net sales — INR87.9bn (12.7 % 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 May 13)
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
SUN PHARMACEUTICAL INDUSTRIES LTD	7.2	22.1	19.9	23.5	14.3	17.0	22.4	16.8	8.2
LUPIN LTD	5.1	13.1	12.9	14.6	8.4	8.5	11.5	12.2	5.9
ZYDUS CADILA	5.4	23.0	21.9	27.2	18.9	7.8	17.3	22.4	6.2
ABBOTT HEALTHCARE PVT. LTD	4.6	16.1	12.2	17.0	18.5	6.0	4.4	7.2	5.2
CIPLA LTD.	4.2	4.6	1.1	2.1	1.9	1.0	11.3	10.5	4.7
TORRENT PHARMACEUTICALS LTD.	4.5	16.0	17.6	16.4	13.2	14.8	15.7	13.9	5.1
SANOFI-AVENTIS	3.5	4.7	5.6	5.7	(4.6)	(4.4)	4.5	1.4	4.0
INTAS PHARMACEUTICALS LTD	3.5	9.3	1.6	10.2	7.9	9.9	10.5	8.6	4.0
RANBAXY LABORATORIES LTD	3.3	2.5	3.4	2.2	(9.4)	(12.0)	(9.3)	9.6	3.8
UNICHEM LABORATORIES LTD	3.4	10.0	3.5	15.4	12.8	5.8	16.8	9.2	3.9
Total	87.9	13.2	11.9	15.1	8.8	5.9	10.1	12.4	100.0

Source: AIOCD, Nomura research

Gastrointestinal

MAT May 13 net sales — INR78.8bn (11.4 % 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 May 13)
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
SUN PHARMACEUTICAL INDUSTRIES LTD	4.9	23.6	17.7	21.0	17.7	17.3	27.0	24.7	6.2
ZYDUS CADILA	4.6	11.0	1.1	10.2	7.1	6.7	21.0	13.0	5.9
ALKEM LABORATORIES LTD.	3.5	10.8	3.6	7.6	4.7	3.0	11.9	15.7	4.4
DR. REDDYS LABORATORIES LTD	3.5	13.2	8.2	17.3	12.8	4.9	2.2	9.6	4.4
ARISTO PHARMACEUTICALS PVT.LTD	3.3	12.5	3.6	10.9	6.7	(0.9)	8.2	5.2	4.2
MANKIND PHARMACEUTICALS LTD.	2.7	17.0	9.7	10.6	7.5	3.0	6.5	4.1	3.4
CIPLA LTD.	2.5	7.9	(4.9)	4.2	8.5	(1.0)	12.5	11.8	3.2
CADILA PHARMACEUTICALS LTD	2.4	10.7	2.5	16.8	1.1	10.6	1.0	7.9	3.0
ABBOTT HEALTHCARE PVT. LTD	2.5	14.6	(1.3)	8.8	22.3	21.8	27.8	43.2	3.1
HIMALAYA DRUG COMPANY	2.2	17.1	2.7	6.9	6.8	7.1	(2.1)	(4.5)	2.8
Total	78.8	11.6	4.4	10.4	8.0	5.6	9.0	8.7	100.0

Source: AIOCD, Nomura research

Respiratory

MAT May 13 net sales — INR52.4bn (7.6 % 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 May 13)
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
CIPLA LTD.	10.3	5.2	(0.1)	4.9	5.2	3.2	6.0	8.1	19.7
PFIZER LTD	3.1	2.0	(0.1)	8.5	9.0	12.9	(10.2)	(6.7)	5.9
ZYDUS CADILA	2.7	24.4	18.3	22.0	28.7	22.3	35.8	29.0	5.2
ABBOTT HEALTHCARE PVT. LTD	2.6	2.8	(11.2)	(13.8)	(2.8)	3.9	17.7	13.0	4.9
LUPIN LTD	2.4	7.3	3.2	6.6	5.7	12.0	11.1	9.7	4.5
GLAXOSMITHKLINE PHARMACEUTICALS LTD.	2.1	0.1	(8.8)	1.1	1.9	(6.0)	(1.9)	(2.0)	3.9
GLENMARK PHARMACEUTICALS LTD.	2.1	28.4	19.0	34.2	29.7	34.6	37.1	31.9	4.0
SANOFI-AVENTIS	1.3	2.8	0.9	(1.6)	(6.4)	(3.3)	4.3	0.7	2.5
SUN PHARMACEUTICAL INDUSTRIES LTD	1.4	16.5	10.3	16.4	11.7	14.5	19.3	14.4	2.7
WOCKHARDT LTD	1.3	5.6	(1.3)	6.4	4.5	(0.2)	(4.5)	24.4	2.5
Total	52.4	7.3	(0.3)	5.5	7.0	6.3	8.1	9.6	100.0

Source: AIOCD, Nomura research

Pain/analgesics

MAT May 13 net sales — INR51.1bn (7.4 % 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 May 13)
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
RANBAXY LABORATORIES LTD	3.5	7.0	(2.1)	13.3	3.5	(4.7)	0.3	15.0	6.8
GLAXOSMITHKLINE PHARMACEUTICALS LTD.	3.2	4.6	(5.0)	6.3	(1.8)	(9.8)	(6.9)	5.5	6.4
NOVARTIS INDIA LTD	2.7	2.0	1.0	(0.7)	0.8	(7.2)	2.2	1.0	5.3
IPCA LABORATORIES PVT LTD.	2.7	20.6	18.4	15.1	12.7	22.9	51.7	22.9	5.2
ABBOTT HEALTHCARE PVT. LTD	2.1	4.5	9.5	7.7	5.2	2.2	(1.4)	4.0	4.2
ZYDUS CADILA	2.3	25.0	23.5	30.0	27.6	19.8	12.4	16.1	4.4
SUN PHARMACEUTICAL INDUSTRIES LTD	1.7	16.7	12.4	16.4	11.0	13.5	24.8	15.0	3.3
SANOFI-AVENTIS	1.6	1.4	(9.1)	9.7	(2.7)	(7.7)	9.6	(8.1)	3.1
ALKEM LABORATORIES LTD.	1.4	14.9	(3.0)	7.8	11.7	7.5	14.6	6.6	2.8
PFIZER LTD	1.3	7.6	17.8	27.6	13.0	7.1	9.9	(2.4)	2.6
Total	51.1	7.6	1.8	7.6	6.2	4.0	9.4	6.4	100.0

Source: AIOCD, Nomura research

Vitamins/minerals/nutrients

MAT May 13 net sales — INR62.1bn (9.0 % of IPM)

Fig. 69: 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 May 13)
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
WOCKHARDT LTD	3.5	5.8	(2.6)	(0.1)	(6.8)	(15.8)	(7.1)	(4.7)	5.7
ELDER PHARMACEUTICALS LTD	3.0	3.6	4.0	0.9	(1.5)	0.3	2.4	1.1	4.8
GLAXOSMITHKLINE PHARMACEUTICALS LTD.	2.7	4.1	2.2	5.8	(2.9)	(12.9)	(21.0)	(15.7)	4.3
RANBAXY LABORATORIES LTD	3.1	19.1	14.3	14.4	29.2	36.6	26.4	40.7	5.0
ABBOTT INDIA LTD.	2.8	0.4	(7.1)	(6.3)	(30.4)	(7.7)	10.4	(0.3)	4.5
MERCK LTD	2.2	7.8	1.0	3.5	13.9	(0.1)	(4.0)	(7.5)	3.5
ALKEM LABORATORIES LTD.	2.3	14.3	3.4	9.0	4.2	6.3	14.9	11.3	3.7
MANKIND PHARMACEUTICALS LTD.	2.5	32.2	35.1	32.7	25.5	22.9	21.0	17.0	4.0
PFIZER LTD	2.1	20.7	13.3	28.4	47.1	49.8	19.0	6.6	3.4
MEYER ORGANICS PVT. LTD	1.7	(2.9)	(5.1)	(4.2)	(5.9)	(0.4)	8.4	0.2	2.7
Total	62.1	11.0	5.4	9.2	5.4	5.5	8.7	6.5	100.0

Source: AIOCD, Nomura research

Gynecology

MAT May 13 net sales — INR42.2bn (6.1 % 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 May 13)
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
CIPLA LTD.	2.9	1.6	7.3	6.4	14.5	(19.9)	(24.2)	0.2	6.9
EMCURE PHARMACEUTICALS LTD	2.7	(0.4)	(2.2)	(3.3)	2.1	(0.3)	(0.7)	(16.3)	6.3
ZYDUS CADILA	3.0	17.4	8.2	13.8	37.9	25.7	29.3	10.8	7.2
SUN PHARMACEUTICAL INDUSTRIES LTD	2.5	21.5	16.5	26.5	22.1	26.7	31.6	22.0	5.8
FRANCO INDIAN PHARMACEUTICALS PVT LTD	1.6	14.7	14.9	19.2	33.3	11.6	15.8	7.5	3.8
NOVARTIS INDIA LTD	1.3	(0.0)	(1.5)	(2.3)	(9.3)	(10.2)	(8.6)	(0.7)	3.0
WYETH LTD	1.2	(3.5)	(12.0)	(7.4)	(12.1)	(21.2)	(19.7)	(12.2)	2.8
MANKIND PHARMACEUTICALS LTD.	1.3	16.5	23.5	27.8	43.2	21.5	5.9	0.1	3.1
BHARAT SERUMS & VACCINES LTD	1.4	45.6	36.6	67.3	25.1	64.8	99.2	106.5	3.4
RANBAXY LABORATORIES LTD	0.9	(5.2)	(19.3)	8.1	(8.9)	(7.1)	(3.5)	(11.8)	2.0
Total	42.2	9.4	6.0	12.2	15.4	10.1	11.9	6.1	100.0

Source: AIOCD, Nomura research

Dermatology

MAT May 13 net sales — INR37.1bn (5.4 % 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 May 13)
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
GLAXOSMITHKLINE PHARMACEUTICALS LTD.	5.2	12.2	5.1	6.5	4.5	(3.2)	4.9	7.0	14.0
GLENMARK PHARMACEUTICALS LTD.	4.2	14.3	4.9	13.7	14.0	14.0	21.9	9.6	11.3
RANBAXY LABORATORIES LTD	3.6	4.2	(0.2)	(1.8)	(9.0)	(0.5)	5.2	19.2	9.6
WIN-MEDICARE PVT. LTD.	1.9	4.1	(4.8)	2.2	(2.1)	(1.0)	9.5	12.8	5.3
ABBOTT HEALTHCARE PVT. LTD	1.9	6.4	4.0	6.9	0.3	(0.6)	4.7	4.3	5.0
HEGDE & HEGDE	1.4	6.5	4.1	10.4	8.8	15.1	28.5	21.9	3.8
ZYDUS CADILA	1.8	64.2	64.1	55.4	52.2	63.4	56.2	46.6	4.8
FULFORD (INDIA) LTD.	0.9	(9.2)	(7.5)	(7.3)	(19.1)	(18.1)	5.5	15.5	2.5
DR. REDDYS LABORATORIES LTD	1.0	12.6	(0.2)	10.7	(7.6)	(4.6)	10.8	4.0	2.7
WOCKHARDT LTD	1.0	7.9	13.5	22.2	15.0	(13.0)	(9.1)	(7.9)	2.6
Total	37.1	11.3	6.2	10.4	5.7	5.7	11.7	11.2	100.0

Source: AIOCD, Nomura research

Neurology (CNS)

MAT May 13 net sales — INR43.6bn (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 May 13)
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
SUN PHARMACEUTICAL INDUSTRIES LTD	9.4	15.9	12.2	16.6	9.2	12.9	24.7	22.4	21.6
INTAS PHARMACEUTICALS LTD	6.0	20.1	16.7	19.2	18.0	19.5	14.7	17.6	13.8
ABBOTT HEALTHCARE PVT. LTD	2.7	7.5	9.0	11.3	4.9	(0.5)	2.8	5.7	6.2
TORRENT PHARMACEUTICALS LTD.	2.4	3.9	5.3	6.3	(0.7)	(1.2)	4.5	(0.2)	5.5
ABBOTT INDIA LTD.	2.8	8.4	12.8	6.3	6.9	6.5	11.0	9.2	6.4
SANOFI-AVENTIS	1.5	10.6	7.7	12.6	5.1	4.3	5.9	6.5	3.4
MICRO LABS LTD	1.3	(3.4)	(19.0)	(6.3)	(9.0)	2.1	6.5	18.7	2.9
LUPIN LTD	1.2	12.6	8.3	6.2	6.1	5.7	4.6	4.1	2.7
WOCKHARDT LTD	1.0	(5.5)	(11.5)	4.5	(9.8)	(5.1)	(4.5)	0.2	2.4
JOHNSON & JOHNSON	1.0	13.3	9.5	3.7	20.3	12.9	15.8	11.0	2.3
Total	43.6	11.3	9.4	12.9	7.8	7.5	13.1	12.8	100.0

Source: AIOCD, Nomura research

Anti-diabetic

MAT May 13 net sales — INR46.6bn (6.8 % 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 May 13)
	MAT May 13	MAT May 13	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	
NOVO NORDISK INDIA PVT LTD	6.2	0.7	(10.3)	3.7	(2.4)	(4.3)	(3.1)	(3.9)	13.2
USV LTD	5.5	25.7	20.6	30.0	26.9	12.7	28.2	26.6	11.7
SANOFI-AVENTIS	3.3	12.1	10.6	7.4	(0.8)	1.3	2.5	4.6	7.1
SUN PHARMACEUTICAL INDUSTRIES LTD	4.0	34.9	31.3	35.5	24.2	29.2	33.1	25.8	8.7
MSD PHARMACEUTICALS PRIVATE LTD.	2.0	(3.9)	(14.5)	(5.6)	(21.3)	(19.9)	(26.8)	(20.9)	4.2
ABBOTT HEALTHCARE PVT. LTD	2.1	12.8	11.7	12.1	9.1	6.4	5.3	10.3	4.6
ELI LILLY AND COMPANY (INDIA) PVT. LTD.	1.9	6.4	11.1	7.8	10.5	7.8	5.5	5.2	4.0
LUPIN LTD	1.8	18.6	15.2	15.8	12.6	13.2	12.7	20.0	3.9
MICRO LABS LTD	1.4	14.6	4.5	10.2	17.0	7.3	2.4	5.5	3.1
NOVARTIS INDIA LTD	1.9	43.6	56.6	44.5	32.9	37.3	27.2	13.5	4.0
Total	46.6	14.5	9.8	15.8	9.7	7.3	11.1	12.1	100.0

Source: AIOCD, Nomura research

Fig. 74: Trading multiples for our coverage universe

Current trading multiples - Actual														
Company	Recommendation	CMP (INR/share)*	P/E			EV/EBITDA			EV/Sales			RoE (Return on Equity) (%)		
			FY13F	FY14F	FY15F	FY13F	FY14F	FY15F	FY13F	FY14F	FY15F	FY13F	FY14F	FY15F
Sun Pharma	NEUTRAL	954	33.9	23.5	21.0	19.2	15.9	14.5	8.5	6.8	5.9	21.9	26.1	23.9
Cipla	NEUTRAL	378	18.8	17.9	15.3	13.6	12.8	11.1	3.6	3.1	2.7	19.6	17.2	17.2
Ranbaxy	BUY	379	17.6	9.6	5.0	8.5	8.1	4.6	1.3	1.6	1.3	27.7	37.9	49.7
Dr. Reddy's	BUY	2,176	22.8	18.6	16.5	14.2	11.8	10.4	3.4	2.8	2.4	25.3	25.0	22.9
GlaxoSmithKline	REDUCE	2,434	31.2	34.2	32.6	22.3	24.5	22.9	7.1	6.7	6.0	29.7	30.5	35.2
Lupin	BUY	783	28.4	23.4	18.9	16.9	14.0	11.6	3.9	3.4	2.9	27.4	26.4	26.1
Glenmark	BUY	572	25.1	20.9	17.8	17.6	14.5	12.3	3.6	3.0	2.6	22.3	23.3	21.5
Cadila Healthcare	NEUTRAL	756	28.2	18.2	15.6	15.2	11.8	10.3	2.9	2.4	2.1	20.0	26.3	25.1
Apollo Hospitals	NEUTRAL	995	45.6	37.2	31.4	23.7	19.9	16.9	3.8	3.2	2.7	11.3	12.7	13.7
Fortis Healthcare	BUY	92	(30.3)	66.2	29.7	14.1	14.5	11.9	1.6	1.3	1.2	11.1	11.9	12.4
Jubilant Lifesciences	BUY	154	6.4	5.2	4.4	5.7	4.5	3.9	1.1	0.9	0.8	17.8	17.8	21.0

Target price and recommendations				
Company	Recommendation	Target price	CMP	% upside
		(INR/share)	(INR/share)	
Sun Pharma	NEUTRAL	842	954	-12%
Cipla	NEUTRAL	400	378	6%
Ranbaxy	BUY	475	379	25%
Dr. Reddy's	BUY	2,238	2,176	3%
GlaxoSmithKline	REDUCE	2,236	2,434	-8%
Lupin	BUY	790	783	1%
Glenmark	BUY	578	572	1%
Cadila Healthcare	NEUTRAL	871	756	15%
Apollo Hospitals	NEUTRAL	933	995	-6%
Fortis Healthcare	BUY	124	92	35%
Jubilant Lifesciences	BUY	333	154	117%

Note: Pricing as of 14 June 2013

Ratings and price targets are as of the date of the most recently published report (<http://www.Nomura.com>) rather than the date of this document

Source: Company data, Nomura estimates

Appendix A-1

Analyst Certification

We, Saion Mukherjee and Aditya Khemka, hereby certify (1) that the views expressed in this Research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this Research report, (2) no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this Research report and (3) no part of our compensation is tied to any specific investment banking transactions performed by Nomura Securities International, Inc., Nomura International plc or any other Nomura Group company.

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Materially mentioned issuers

Issuer	Ticker	Price	Price date	Stock rating	Previous rating	Date of change	Sector rating
Apollo Hospitals	APHS IN	INR 995	14-Jun-2013	Neutral	Buy	22-May-2013	Not rated
Cadila Healthcare	CDH IN	INR 756	14-Jun-2013	Neutral	Buy	11-Feb-2013	Not rated
Cipla	CIPLA IN	INR 378	14-Jun-2013	Neutral	Reduce	17-Mar-2011	Not rated
Dr Reddy's Laboratories	DRRD IN	INR 2176	14-Jun-2013	Buy	Not Rated	11-Dec-2008	Not rated
GlaxoSmithKline Pharmaceuticals	GLXO IN	INR 2434	14-Jun-2013	Reduce	Neutral	07-Jun-2013	Not rated
Glenmark Pharmaceuticals	GNP IN	INR 572	14-Jun-2013	Buy	Not Rated	16-Dec-2008	Not rated
Jubilant Lifesciences	JOL IN	INR 154	14-Jun-2013	Buy	Not Rated	04-Feb-2010	Not rated
Lupin	LPC IN	INR 783	14-Jun-2013	Buy	Not Rated	30-Jan-2009	Not rated
Ranbaxy Laboratories	RBXY IN	INR 378	14-Jun-2013	Buy	Neutral	11-Mar-2013	Not rated
Sun Pharmaceutical Industries	SUNP IN	INR 954	14-Jun-2013	Neutral	Reduce	28-May-2010	Not rated

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Online availability of research and conflict-of-interest disclosures

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The rating system is a relative system indicating expected performance against a specific benchmark identified for each individual stock. Analysts may also indicate absolute upside to target price defined as (fair value - current price)/current price, subject to limited management discretion. In most cases, the fair value will equal the analyst's assessment of the current intrinsic fair value of the stock using an appropriate valuation methodology such as discounted cash flow or multiple analysis, etc.

STOCKS

A rating of '**Buy**', indicates that the analyst expects the stock to outperform the Benchmark over the next 12 months. A rating of '**Neutral**', indicates that the analyst expects the stock to perform in line with the Benchmark over the next 12 months. A rating of '**Reduce**', indicates that the analyst expects the stock to underperform the Benchmark over the next 12 months. A rating of '**Suspended**', indicates that the rating, target price and estimates have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including, but not limited to, when Nomura is acting in an advisory capacity in a merger or strategic transaction involving the company.

Benchmarks are as follows: **United States/Europe**: please see valuation methodologies for explanations of relevant benchmarks for stocks, which can be accessed at: <http://go.nomuranow.com/research/globalresearchportal/pages/disclosures/disclosures.aspx>; **Global Emerging Markets (ex-Asia)**: MSCI Emerging Markets ex-Asia, unless otherwise stated in the valuation methodology.

SECTORS

A '**Bullish**' stance, indicates that the analyst expects the sector to outperform the Benchmark during the next 12 months. A '**Neutral**' stance, indicates that the analyst expects the sector to perform in line with the Benchmark during the next 12 months. A '**Bearish**' stance, indicates that the analyst expects the sector to underperform the Benchmark during the next 12 months. Benchmarks are as follows: **United States**: S&P 500; **Europe**: Dow Jones STOXX 600; **Global Emerging Markets (ex-Asia)**: MSCI Emerging Markets ex-Asia.

Explanation of Nomura's equity research rating system in Japan and Asia ex-Japan

STOCKS

Stock recommendations are based on absolute valuation upside (downside), which is defined as (Target Price - Current Price) / Current Price, subject to limited management discretion. In most cases, the Target Price will equal the analyst's 12-month intrinsic valuation of the stock, based on an appropriate valuation methodology such as discounted cash flow, multiple analysis, etc. A '**Buy**' recommendation indicates that potential upside is 15% or more. A '**Neutral**' recommendation indicates that potential upside is less than 15% or downside is less than 5%. A '**Reduce**' recommendation indicates that potential downside is 5% or more. A rating of '**Suspended**' indicates that the rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including when Nomura is acting in an advisory capacity in a merger or strategic transaction involving the subject company. Securities and/or companies that are labelled as '**Not rated**' or shown as '**No rating**' are not in regular research coverage of the Nomura entity identified in the top banner. Investors should not expect continuing or additional information from Nomura relating to such securities and/or companies.

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Target Price

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