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BOBCAPS ELIXIR

Pharmaceuticals and Healthcare
Investment Banking Newsletter

Second Quarterly Edition
October – December 2018



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Dear Reader,

It gives me immense pleasure to share the second edition of BOBCAPS ELIXIR, Investment Banking Newsletter covering Pharmaceuticals and Healthcare sectors. Our endeavour is to publish ELIXIR as a quarterly newsletter covering the industry deal dynamics, trends and events that has shaped the industry in recent times.

We have covered the following key subsectors – Pharmaceuticals, Biotechnology & Life Sciences, Healthcare & Diagnostics and Medical Devices & Consumables. Additionally, we have included our Institutional Equity Analyst coverage on Pharma stocks.

We hope you find this newsletter interesting and we look forward to receiving your feedback to help us improvise on our future editions.

Please get in touch with us: ib.equity@bobcaps.in

Warm Regards,

Avdhoot Deshpande

President, Investment Banking – Equity

Product Launch

Lupin launches potassium chloride oral solution

Lupin, announced the launch of the US FDA approved potassium chloride oral solution USP, 20 mEq/15mL (10%) and 40 mEq/15 mL (20%). It is indicated for the treatment and prophylaxis of hypokalemia with or without metabolic alkalosis, in patients for whom dietary management with potassium-rich foods and/or diuretic dose reduction are insufficient.

Aurobindo Pharma to launch potassium chloride pills in US

Aurobindo Pharma has got the USFDA approval to market potassium chloride tablets of 600 mg and 750 mg. The potassium chloride tablets are for treating hypokalemia, a condition wherein there is a drop in the potassium-level in the blood.

Accel-backed Portea Medical to provide ICU services at home

Home healthcare services provider Portea Medical has expanded its services and forayed into specialized and critical home care. The suite of services also includes end of life care for terminally ill patients.

Dr. Reddy's launches anti-coagulant drug in US market

Drug major Dr Reddy's announced the launch of anti-coagulant drug Aspirin and extended-release dipyridamole capsules in the US market. The product is a therapeutic equivalent to generic version of Aggrenox (aspirin and extended-release dipyridamole) capsules.

Dr. Reddy's launches heartburn drug in the US market

Dr Reddy's has launched Omeprazole delayed-release tablets in the strength of 20 mg, an over-the-counter (OTC) store-brand equivalent of Prilosec tablets, in the US market used to treat frequent heartburn.

Dr. Reddy's launches blood pressure drug chlorthalidone tablets in US market

Dr Reddy's launched Chlorthalidone tablets USP in the strengths of 25 mg and 50 mg, a therapeutic equivalent generic version of Hygroton tablets used to treat high blood pressure in the US market.

Dr. Reddy's Laboratories launches generic anti-cancer drug in US market

Dr Reddy's announced the launch of Imatinib Mesylate tablets, a generic version of Novartis' blockbuster anti-cancer drug Gleevec, in US.

Aurobindo Pharma to launch oncology, respiratory products in US by 2021

Aurobindo Pharma is looking to launch first set of oncology, respiratory, complex injectables and topical products in the US in the next three years as part of plans to build a robust specialty products portfolio.

Glenmark's arm launches hair loss treatment product in Russia

Glenmark Pharmaceuticals announced the launch Nourkrin, used to treat hair loss, in the Russian market. The product catering to both male and female patients will be exclusively marketed in Russia by Glenmark Impex LLC, a subsidiary of the company, under a licensing agreement with Denmark's Pharma Medico ApS.

Sun Pharma launches psoriasis treatment drug Ilumya in US

Sun Pharma launched its plaque psoriasis treatment drug Ilumya (tildrakizumab-asmn) in the US market. Ilumya is prescribed for the treatment of moderate-to-severe psoriasis.

Appointments/Professional movements

Fortis Healthcare appoints Shirish Moreshwar Apte as Vice Chairman

Fortis Healthcare has appointed Shirish Moreshwar Apte as vice-chairman of the company. The board of directors of the company has approved the appointment of Apte as an additional director designated as vice-chairman.

Novartis India MD Milan Paleja to step down

Drug firm Novartis India announced that Vice Chairman and Managing Director Milan Paleja has decided to step down from company, with effect from May 31, 2019.

Lupin CFO Ramesh Swaminathan resigns

Lupin's Chief Financial Officer Ramesh Swaminathan has announced his resignation on November 27. Swaminathan was with Lupin for close to 12 years and was instrumental in the company's largest mergers and acquisition in the US and Japan, one of them being Gavis Pharma.

Regulatory Approvals

Cipla receives US FDA approval for generic Valcyte tablets

Cipla's valganciclovir tablets 450 mg is AB-rated generic therapeutic equivalent version of Roche's Valcyte. It is a deoxynucleoside analogue cytomegalovirus (CMV) DNA polymerase inhibitor indicated for use in the treatment of CMV retinitis in patients with AIDS and prevention of CMV disease in kidney, heart, and kidney-pancreas transplant patients.

Zydus Cadila gets US FDA nod for anti-fungal ointment

Zydus Cadila has received final approval from the US health regulator to market Nystatin and Triamcinolone Acetonide Ointment, 100,000 units/gram and 1 mg/gram, used in the treatment of fungal skin infections.

Zydus gets US FDA marketing approval for generic Duac gel 1.2%/5%

Zydus Cadila has received the final approval from the US FDA to market clindamycin phosphate and benzoyl peroxide Gel, (Duac gel), 1.2%/5%. This combination medication is used to treat a certain type of acne (inflammatory acne vulgaris).

Zydus Cadila gets US FDA nod for generic gout attacks drug

Drug firm Zydus Cadila received a tentative nod to market generic Colchicine tablets with strength of 0.6 mg used for prevention and treatment of gout attacks in US market.

Zydus Cadila gets US FDA nod to market skin treatment cream

Zydus Cadila received the final approval from the US FDA to market Clobetasol Propionate cream in the strength of 0.05% used to treat various skin disorders in the US market.

Zydus Cadila gets US FDA nod to market generic Abacavir for HIV treatment

Zydus Cadila received final approval from the US health regulator to market generic Abacavir and Lamivudine tablets in the strength of 600 mg/300 mg used for treatment of a type of HIV infection.

Alembic Pharma gets US FDA nod for diabetes drug

The company has received tentative approval from the US FDA for its Alogliptin tablets in the strengths of 6.25 mg, 12.5 mg and 25 mg used for treatment of type 2 diabetes.

Alembic Pharma's subsidiary gets US FDA nod peptic ulcer drug

Alembic Pharmaceuticals' wholly owned subsidiary, Orit Laboratories LLC has received approval for its ANDA Glycopyrrolate tablets USP in the strengths of 1 mg and 2 mg used in the treatment of peptic ulcer.

Alembic Pharmaceuticals received US FDA nod to market Vardenafil Hydrochloride

Alembic Pharmaceuticals received approval from the USFDA to market Vardenafil Hydrochloride orally disintegrating tablets, used to treat erectile dysfunction. Alembic had previously received tentative approval for this product from the US FDA.

Aurobindo Pharma gets US FDA nod for infections treatment drug

Aurobindo Pharma received final approval from the USFDA to manufacture and market Azithromycin oral suspension 100 mg /5 mL and 200 mg/5 mL used for treatment of infections.

Glenmark gets US FDA nod for generic Westcort cream used for skin conditions

Glenmark Pharmaceuticals received final nod from the US health regulator for generic Hydrocortisone Valerate cream used for providing relief in inflammation and itching due to various skin conditions.

Glenmark receives US FDA nod for Azelaic Acid gel for treating acne

Glenmark Pharmaceuticals has received approval from the US health regulator for Azelaic Acid gel 15%, used in the treatment of acne.

...Regulatory Approvals

Shilpa Medicare gets tentative US FDA nod for multiple sclerosis drug

Shilpa Medicare received tentative approval from the US health regulator for Dimethyl Fumarate delayed release capsules, in the strengths of 120 mg and 240 mg, used for treatment of relapsing forms of multiple sclerosis.

Glenmark gets USFDA nod for multiple sclerosis medication

Glenmark Pharmaceuticals, USA, has been granted final approval by the US FDA for Teriflunomide tablets in the strengths of 7 mg and 14 mg.

Lupin gets US FDA nod for myelodysplastic syndrome drug

Drug firm Lupin received approval from the US health regulator to market Decitabine for injection, 50 mg/vial, single-dose vial, used for the treatment of myelodysplastic syndromes (MDS).

Lupin gets US FDA nod for Asthma drug

Drug major Lupin has received approval from the US health regulator to market Budesonide Inhalation Suspension single-dose ampules, 5 mg/2 mL, used for treating Asthma.

Suven Life gets product patents from Australia, Hong Kong

Suven Life Sciences has been granted a product patent each by Australia and Hong Kong for a new chemical entity (NCE) for the treatment of disorders associated with neuro-degenerative diseases.

Glenmark's generic oil for skin inflammation treatment gets US FDA nod

Glenmark Pharmaceuticals' US arm has received the final nod from the US health regulator for generic Fluocinolone Acetonide Topical oil used for the treatment of inflammation of the skin.

Zydus Cadila gets US FDA nod for breast cancer drug

Zydus Cadila received final approval from the US health regulator to market Exemestane tablets in the strength of 25 mg, used for treatment of breast cancer.

Strategic Alliances / Partnerships

Lupin partners with AbbVie to develop, commercialize novel oncology drug

Drug firms Lupin and AbbVie announced a partnership to develop and commercialize Lupin's novel oncology drug to treat hematological cancers for an upfront fee of USD 30 mn and up to USD 947 mn on achieving certain milestones.

AstraZeneca Pharma inks distribution pact with Abbott for diabetes drug

Drug firm AstraZeneca Pharma India has entered into a distribution agreement with Abbott Healthcare for distribution of diabetes medicine Dapagliflozin in India. Dapagliflozin, an innovative Type 2 diabetes medicine, is AstraZeneca Pharma's leading diabetes medicine.

Eight Roads-backed Core Diagnostics scouts for tie-ups, M&As for expansion

Core Diagnostics has been stitching a slew of partnerships to boost its main high-end oncology diagnostics test platform as well as to diversify into other verticals as it gears up for the next round of fundraising. The company recently tied up with precision oncology company Guardant Health AMEA to bring its comprehensive liquid biopsy to India. Guardant Health AMA is a joint venture between Nasdaq-listed Guardant Health Inc.

Expansion and Diversification

AVA Group launches Sanjeevanam Ayurveda Hospital in Kochi

Chennai based ayurvedic manufacturing company, AVA Group, has launched a 110-bed multi-specialty Ayurveda hospital 'Sanjeevanam Ayurveda Hospital' in Pallikara in Kochi in Kerala. The hospital aims to offer specialized treatment for musculoskeletal disorders, obesity-related disorders, neuromuscular disorders, obstetrics and gynaecology, skin and hair care clinic and lifestyle management.

SMT to invest INR 2,500 mn to set up stent manufacturing plant in Telangana

Surat based Sahajanand Medical Technologies (SMT) is planning to invest about INR 2,500 mn for setting up of a stent manufacturing plant at Medical Devices Park in Sultanpur in Telangana. The plant, regarded as Asia's largest minimally invasive stent manufacturing unit, would provide employment to more than 2,000 skilled workers.

Boiron to expand market presence in India, introduce 150 more standardised homeopathic medicines

Boiron India, subsidiary of Boiron SA France, worldwide leader in homeopathy will expand its presence in the Indian market by introducing 150 high potency standardised homeopathic medicines in addition to the existing 480 products. The company shall market medicines from US FDA-approved homeopathy manufacturing plants in sealed Multidose Tubes and Single Dosage tubes.

Jubilant Life Sciences to invest about INR 5.5 bn in capex

Jubilant Life Sciences to invest about INR 5.5 bn in capital expenditure in the current financial year to meet the increased demand in its businesses. The company is present across three major business segments namely pharmaceuticals, life science ingredients and drug discovery solutions. In addition, the company plans to invest INR 3 mn in research and development during the year, including INR 1.5 mn in product development expenditure.

Netmeds opens first retail drug store in Nanded, Maharashtra

Netmeds.com, an online pharmacy enterprise promoted by Chennai's Dadha Pharmacy, has announced the opening of Netmeds Pharmacy, a brick-and-mortar store in Nanded, Maharashtra, as the first Netmeds franchisee. The Netmeds franchise programme will see the launch of a number of branded stores in locations ranging from metros like Chennai, Bengaluru, Mumbai and Delhi to tier 2, 3 cities like Surat, Ahmedabad, Pali, Rajasthan and Balurghat.

Poonyah provides tech-based platform for remote health monitoring & seamless care to elderly

Poonyah, a London-based technology-enabled home healthcare firm, has introduced a tech-based platform solution for remote monitoring and seamless care to the elderly. Amongst the key services that Poonyah provides skilled and responsive staff, FDA-approved health-monitoring devices, an expert panel of doctors, wellness programs, events and workshops, an app-based health monitoring platform, emergency support as well as regular weekly and monthly monitoring.

Cocoon Fertility to expand operations

Cocoon Fertility, one of India's leading IVF chain in Maharashtra has expanded its footprints in Kerala with their franchise centre in Kochi, Ernakulum. Currently, Cocoon Fertility has centres at Thane, Versova, Dadar, Santacruz, Cochin and Pune along with centres coming up at Nasik, Vashi and Pune.

Apollo Hospitals enters Kerala market, to manage 250-bed hospital in Kochi

Healthcare service provider Apollo Hospitals Enterprise has forayed into the Kerala market by entering into an operations and management (O&M) contract for a 250-bed super-specialty hospital at Angamaly, in Kochi. The Apollo Adlux Hospital is scheduled to begin operations in four to six months and will begin services as a tertiary care hospital with an advanced Oncology section in the next phase.

Sun pharma invests INR 1,200 mn in Assam to set up production line

Sun Pharma has invested INR 1,200 mn in Assam to set up production line which will boost the company's capacity to manufacture liquid vials, injectable, eye drops and tablets.

Recalls / Exits / Regulatory

Gujarat oral care product manufacturer Skylark CMC gets FDA warning for restricting plant inspection

Skylark CMC, a Gujarat based exporter of gel and anti-bacterial toothpaste brands and oral care products has been issued a warning letter and is put on import alert for violating regulations by restricting inspection of its production facility by US FDA. Under the Federal Food, Drug and Cosmetic Act (FD&C Act), the products are considered “adulterated” if they have been “manufactured, processed, packed or held in an establishment where the owner or operator has limited inspection and refused inspection”.

Lupin gets five observations from US FDA for Pithampur Unit-3

Lupin has received five observations from US FDA after the inspection of its Pithampur Unit-3. The inspection was a GMP inspection for the facility and also a pre-approval inspection for the company's Tiotropium DPI ANDA.

Aurobindo recalls hypertensive drug in US citing cancer risk

Aurobindo Limited has initiated voluntary recall of 22 batches of drug substance Irbesartan, used in treatment of hypertension from the US market due to the presence of an impurity, which is believed to cause cancer. The impurity N-nitrosodiethylamine (NDEA), is a substance that occurs naturally in certain foods, drinking water, air pollution, and industrial processes and has been classified as a probable human carcinogen as per International Agency for Research on Cancer (IARC).

Sun Pharma recalls about 14k cartons of anesthesia injection from US market

Sun Pharmaceuticals' US subsidiary has started voluntarily recalling 13,918 cartons of Vecuronium Bromide Injection of 10 mg and 20 mg strengths from US market at hospital level, following the identification of "particulate matter identified as glass" in the product.

Pfizer to shutdown Chennai, Aurangabad plants

US-drug giant Pfizer is planning to close down two of its plants in Aurangabad, Maharashtra and Irungattukottai (IKKT) near Chennai in Tamil Nadu citing lack of viability. The two sites employ about 1,700 people. Both the plants are export-oriented and came under Pfizer's ownership after it acquired US-based drug maker Hospira in February 2015.

Lupin recalls over 23,000 bottles of antibiotic drug in US

Lupin is recalling 23,460 bottles of Nitrofurantoin oral suspension which is used to treat or prevent certain bladder infections. The company is recalling the lot due to below specification results for assay. The drug is manufactured by Novel Laboratories for Baltimore-based Lupin Pharmaceuticals.

US FDA recommends regulatory action after Jubilant Life's Roorkee plant inspection

The US health regulator has recommended a regulatory or administrative action after the inspection of Roorkee manufacturing facility of drug firm Jubilant Life Sciences. The FDA has classified the inspection of the Roorkee plant as 'Official Action Indicated', which means approvals of pending applications or supplements from this site maybe withheld. According to the FDA, Official Action Indicated means regulatory and/or administrative actions will be recommended against a facility after an inspection.

Private Equity

Symbiotec Pharmalab raises USD 100 million from India Business Excellence Fund III and Rosewood Investments

Symbiotec Pharmalab raised USD 100 million (INR 7.17 bn) funding from India Business Excellence Fund, an affiliate of Motilal Oswal Private Equity Advisors and Rosewood Private Investments (arm of InvAscent PE). The terms of the transaction were not disclosed. As a part of the transaction, Actis Advisers has sold its entire 70% stake in the company.

Veeda Clinical Research raises funding from CX Partners

Veeda Clinical Research raised funding from CX Partners Fund and other investors for a significant equity ownership. Veeda promoters Apurva Shah and Binoy Gardi will remain on the board of the company and continue leading the management team.

ChrysCapital invests in GeBBS Healthcare Solutions for a majority stake

ChrysCapital Investment Advisors India invested USD 140 mn (INR 10.3 bn) in GeBBS Healthcare Solutions for a 75.01% stake from the promoter Vijay Singh. The investment would help the company significantly to accelerate its growth trajectory, GeBBS would continue to be led by Nitin Thakor, Chief Executive Officer and Milind Godbole, Managing Director and would hold 20% stake along with the management.

Entero Healthcare raises USD 21.4 mn

Entero Healthcare Solutions raised USD 21.4 mn (INR 1.51 bn) from Orbimed Asia Partners III LP, IM Investments Trust and an individual investor. As a part of the transaction, Orbimed invested INR 1.05 bn where IM Investments Trust and an individual investor invested INR 460 mn.

Stelis Biopharma raises USD 100 mn from Strides Pharma Science

Stelis Biopharma is raising USD 100 mn (INR 7.1 bn) in a Series B round of funding from Strides Pharma Science and other existing investors including GMS Holdings. As a part of the transaction, the company will raise USD 35 mn in the first tranche out of which Strides will invest USD 15 mn and USD 20 mn will be invested by GMS and Tenshi Life Sciences. With this round, the company would have raised an equity capital of USD 114 mn of which Strides would have invested USD 37 mn for an effective ownership of 38%.

Apollo Medicals raises funding from Jhelum Investment

Apollo Medicals has entered into an agreement to raise funding from Jhelum Investment Fund, an affiliate of Arpwood Capital, Enam Securities and Hemendra Mathradas Kothari, Chairman of DSP BlackRock Investment Managers. The financial terms of the transaction were not disclosed. Post transaction, Apollo Hospitals Enterprise will hold a 25.5% stake, Jhelum Investment Fund will hold a 19.9% stake, Hemendra Kothari will hold 9.9% stake and Enam Securities will hold a 44.7% stake. Apollo Medicals is the standalone pharmacy business of Apollo Hospitals formed through divestment as a part of Apollo Hospitals restructuring exercise.

RAHI Care raises funding from Neev fund for a minority stake

RAHI Care raised funding from Neev Fund for a minority stake. The financial terms of the transaction were not disclosed. The proceeds would be used to strengthen its information technology infrastructure, scale up its existing operations and enter newer markets, and plans to further increase the number of dialysis healthcare centers across India, including, in the under-invested states to reach 100 centers, by 2022.

Strategic Mergers and Acquisitions

Sun Pharma Global acquires Pola Pharma for a consideration of USD 0.8 mn (INR 62.21 mn) from Pola Orbis Holdings

This acquisition is in line with its strategy to strengthen its global dermatology presence. Pola Pharma is a leading dermatology company and it will help the company to launch its specialty and generic dermatology products in the Japanese market in future.

Unichem acquires 19.9% equity stake in API & Intermediate businesses of Optimus Group for USD 9.75 mn (INR 720.8 mn)

The transaction will give Unichem Laboratories access to Optimus' US FDA approved API manufacturing facilities. It would help Optimus with additional capacity to meet its immediate requirements and fulfil its export orders. The transaction was done through primary infusion and secondary share transfer.

MedGenome acquires Mumbai based Centre For Genetic Health Care (CGHC)

MedGenome, India's premier genomics based research and diagnostics company, has acquired CGHC in Mumbai. It will henceforth be called MedGenome-Centre For Genetic Health Care offering cytogenetic and FISH tests in paediatrics, prenatal, reproductive genetics and haematological oncology segments.

Strand Life Sciences acquires India medical diagnostics business of Quest Diagnostics

This acquisition is an important addition to Strand's network of 24 diagnostic labs across India, Especially oncology, genomics, and precision medicine. It also adds strong North India presence and marquee clientele that includes leading hospital chains, corporates and pharmaceutical clients to the portfolio

Jubilant Life Sciences acquires 10% stake in Inipharm for around USD 28.5 mn (INR 1.99 bn)

The transaction is carried out on a cash consideration of USD 534.20 per share. The acquisition is for early-stage drug discovery research investment. As a part of the transaction, the buyer will acquire 534,194 Equity Shares. The transaction is expected to be closed within three months.

Aurobindo Pharma to acquire under development product, related assets from Advent for USD 12.5mn

Aurobindo Pharma USA has signed a pact to acquire an under-development product and certain related assets from Australian Advent Pharmaceuticals for USD 12.5 million. It will acquire a product under development and related assets from Advent Pharmaceuticals Australia, through its subsidiary AuroScience

Dr. Reddy's Laboratories announces sale of its API manufacturing unit in Jeedimetla

Dr. Reddy's Laboratories has entered into a definitive agreement for the sale of its API manufacturing business unit located in Jeedimetla, Hyderabad, to Therapiva, an emerging generics pharmaceutical company. This divestiture is being done by way of slump sale (as a going concern) and includes all related fixed assets (land and building), current assets, current liabilities, and its employees.

Zydus Hospital and Healthcare Research acquires Ahmedabad hospital of Columbia Asia Hospitals

Zydus Hospital And Healthcare Research acquired Ahmedabad hospital of Columbia Asia Hospitals Pvt. Ltd. for a total consideration of \$10.7 million. Zydus, already has two hospitals in Gujarat: a 650-bed unit in Ahmedabad and another hospital in Anand.

Neopharma acquires Dr. Reddy's Laboratories Tennessee, US

Neopharma has acquired Dr. Reddy's Laboratories Tennessee for an undisclosed consideration. As a part of the transaction, Dr. Reddy sold all the issued and outstanding membership interests in Dr. Reddy's Laboratories Tennessee, LLC and certain related assets. The acquisition is synergetic and would strengthen the product portfolio for driving long-term, sustainable growth by leveraging the global presence for Neopharma

...Strategic Mergers and Acquisitions

Oaknet Healthcare acquires three cardiology focused brands of GlaxoSmithKline Pharmaceuticals

Oaknet Healthcare acquired three cardiology focused brands of GlaxoSmithKline Pharmaceuticals. The financial terms of the transaction were not disclosed. The acquisition is a part of Oaknet's plan of looking for brands that would meet to this segment.

NBCC India acquires Hospital Services Consultancy Corporation for USD 39.2 mn (INR 2.85 bn)

The acquisition would synergy benefits and having a specialized team of professionals with vast experience of the healthcare sector would add more value to the organisation and to the expansion of the company in the health infrastructure sector. Post transaction, Hospital Services Consultancy Corporation Ltd. operate as a subsidiary of NBCC India,

NephroPlus buys India operations of DaVita; in talks to raise INR 1,500 mn

Dialysis and kidney care provider NephroPlus has acquired Indian operations of the world's second largest kidney care provider and US-listed Fortune 500 firm DaVita for an undisclosed sum. The acquisition will extend NephroPlus' network to 176 centres in 97 cities across 18 states in India, serving over 13,700 patients.

CureFit acquires Samvida Healthcare (Seraniti)

As a part of the transaction, All the angel investors including Ashwin Naik, Founder and Chief Executive Officer of Vaatsalya Healthcare Solutions sold their entire stake in the company. Post transaction, Cure.fit would onboard Seraniti's team of 15 therapists and its 8,000 customers and Seraniti would be added to its mental wellness vertical Mind.Fit.

BRS Ventures Investment acquires Seven Hills Health Services for USD 190.1 mn (INR 14.1 bn)

As a part of the transaction, JPMorgan Asian Infrastructure and Related Resources Opportunity (AIRRO) Fund will sell its entire stake in the company. Seven Hills Hospital was referred to the bankruptcy court originally by Axis Bank which had an exposure of INR 7700 mn to the hospital. Founded by Maganti in the 1980s, Seven Hills had set up two hospital properties. The first in Vishakhapatnam in 1986 and second in Mumbai in 2010. Post transaction, Seven Hills Health Services will operate as a wholly owned subsidiary of BRS Ventures Investment.

IPCA Laboratories acquires an 80% stake in Bayshore Pharmaceuticals for USD 10.3 mn

IPCA Laboratories through its subsidiary IPCA Pharmaceuticals Inc., acquired an 80% stake in Bayshore Pharmaceuticals LLC for \$10.3 million (INR 744 million). The acquisition would enable IPCA to commercialize its registered Generics Drug Products in the US market.

Equity Capital Markets

Deccan Health Care raises INR 420 mn through IPO

Deccan Health Care engaged in the business of developing, manufacturing and marketing a broad range of nutraceutical, cosmeceutical, Ayurveda and healthcare products, closed its IPO for 42,12,000 equity shares at a price band of INR 95-100 per share amounting to gross proceeds of INR 421.2 mn. IPO proceed will be used to part finance repayment / prepayment of certain debts, purchase of plant and machinery and related civil work , working capital and general corpus fund needs.

Natco Pharma to commence INR 2.5 bn share buyback

Natco Pharma announced upto INR 2.5 bn buyback program at a price not exceeding INR 1,000 per share payable in cash from the open market through stock exchange mechanism in such manner as may be prescribed in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

Cabinet approves setting up of the National Commission for Homoeopathy (NCH) Bill, 2018

The Union Cabinet chaired by Prime Minister Narendra Modi has approved the draft National Commission for Homoeopathy, Bill, 2018, which seeks to replace the existing regulator Central Council for Homoeopathy (CCH) with a new body to ensure transparency. The draft bill provides for the constitution of a National Commission with three autonomous boards entrusted with conducting overall education of Homoeopathy by Homoeopathy Education Board.

Maha FDA to take action against gamma irradiation plants running without cold storage facilities

Taking cognizance of the issue of gamma irradiation plants running without cold storage facilities in gross violation of Drugs and Cosmetics (D&C) Act, the Maharashtra Food and Drug Administration (FDA) will soon begin inspections on a priority basis and make it mandatory for irradiation plants to have cold storage facilities for product quality and safety. Drug manufacturers had urged Maharashtra FDA to take prompt action against four gamma irradiation plants in the Konkan region which does not have cold storage facilities.

Central govt plans 75% trade margin cap on imported & domestic medical devices

In a bid to protect patients from being fleeced by exorbitant 1000%-3000% mark up on maximum retail prices (MRP) of medical devices, the central government is considering a proposal to bring down prices of the devices by putting 75% trade margin cap on the first point of sale of imported and local devices. The announcement to this effect was made by Union minister of state for health and family welfare Ashwini Kumar Choubey on the sidelines of global conference on medical devices in Visakhapatnam recently.

Madras High Court stays order banning e-pharmacies

The Madras High Court has granted a stay on the order banning online sale of drugs following an appeal by online pharmacy players and directed the central government to notify regulations by January 31, 2019. Justice Pushpa Sathyanarayana on December 17 issued a ban on online sale of drugs on a petition filed by the Tamil Nadu Chemists and Druggists Association (TNCDA). The high court said till rules facilitating online sale of drugs are notified, the online traders are bound not to proceed with their online business in drugs and cosmetics.

Govt approves compensation formula for J&J's hip implant cases

Union health ministry has approved formula for determination of compensation for patients who had received faulty Articular Surface Replacement (ASR) hip implants manufactured by DePuy International Limited, UK, a subsidiary of Johnson & Johnson (J&J) Pvt Ltd. Patients in India suffering due to J&J faulty hip implants will get as much as INR 12 mn each and an additional INR 1 mn for 'non pecuniary' losses as compensation. The formula prepared by central expert committee, paving the way for patients to secure compensation from J&J in days to come.

AP govt to spend INR 4.86 bn for upgrading bed capacities in 58 government hospitals across the state

The Andhra Pradesh government has given green signal to increase the bed capacities in about 54 Community Health centres (CHCs) and 4 area hospitals and has decided to spend INR 4,860 mn for increasing the proportionate infrastructure facilities in these hospitals. The state government has taken this decision keeping in mind the growing number of inpatient and outpatient coming to these hospitals on a daily basis.

Finance ministry clarifies on procedure for return of expired drugs under GST

The Central Board of Indirect Taxes and Customs (CBITC) under the Union finance ministry has come out with the clarification on the procedure for return of time expired drugs under the Goods and Services Tax (GST) regime thus bringing respite to pharmaceutical industry and drug traders. The All India Organisation of Chemists and Druggists Association (AIOCD), a representative body of 0.85 mn chemists in the country, had earlier urged the GST Council to come out with a clear policy framework on date expired, damaged and non resaleable drugs in GST.

Key Transactions

M&A and Private Equity

Date	Target Company Name	Investor (s) / Buyer (s)	Deal Type	Deal Value (\$ mn)	% Sought
Pharmaceuticals, Biotechnology and Lifesciences					
2018-12-18	Symbiotec Pharmedlab	India Business Excellence Fund, Rosewood Private Investments	Private Equity	100.0	-
2018-12-07	Veeda Clinical Research	CX Partners	Private Equity	-	-
2018-11-29	Inipharm	Jubilant Life Sciences	M&A – Outbound	-	10.0
2018-11-26	Pola Pharma	Sun Pharmaceutical Industries	M&A – Outbound	0.9	100.0
2018-11-22	Stelis Biopharma	Strides Pharma Science, GMS Holdings	Venture Capital	100.0	-
2018-11-13	Avenue Therapeutics	InvaGen Pharmaceuticals	M&A	215.0	100.0
2018-11-12	Advent Pharmaceuticals R & D Assets	Aurobindo Pharma USA	M&A	12.5	100.0
2018-11-02	Optrix Laboratories	Unichem Laboratories	M&A – Domestic	6.5	19.9
2018-11-02	Optimus Drugs	Unichem Laboratories	M&A – Domestic	9.7	19.9
2018-10-31	Strides Global Consumer Healthcare	-	Venture Capital	-	-
2018-10-31	Strides Consumer	-	Venture Capital	-	-
2018-10-23	GSK Pharmaceuticals (Cardiology Brands)	Oaknet Healthcare	M&A – Domestic	-	100.0
2018-10-15	Dr. Reddy's Laboratories – API Plant	Therapiva	M&A – Domestic	-	100.0
2018-10-02	Bayshore Pharmaceuticals	Ipca Laboratories	M&A – Outbound	10.3	80.0
2018-10-01	Dr. Reddy's Laboratories Tennessee	Neopharma Inc.	M&A – Inbound	-	100.0
Healthcare and Diagnostics					
2018-12-21	Healthvista India	Alteria Capital India Fund	Venture Debt	3.5	-
2018-12-04	GeBBS Healthcare Solutions	Chryscapital Investment Advisors India	Private Equity	140.0	75.0
2018-11-26	Entero Healthcare Solutions	Orbimed Asia Partners	Private Equity	21.4	-
2018-11-14	Apollo Medicals	Jhelum Investment Fund, Enam Securities ,HNIs	Others	-	74.5
2018-11-06	HSCC India	NBCC India	M&A – Domestic	39.2	100.0
2018-11-01	Davita Care India	Nephrocare Health Services	M&A – Domestic	-	100.0
2018-11-01	Samvida Healthcare	CureFit Healthcare	M&A – Domestic	-	100.0
2018-10-19	RAHI Care	Neev Fund	Angel/Seed	-	-
2018-10-15	Columbia Asia Hospitals - Ahmedabad Hospital	Zydu Hospital And Healthcare Research	M&A- Domestic	10.7	100.0
2018-10-10	Seven Hills Health Services	BRS Ventures Investment	M&A – Inbound	190.1	100.0
2018-10-02	Quest Diagnostics - Medical Diagnostics Business	Strand Life Sciences	M&A – Domestic	-	100.0
Medical Devices and Consumables					
2018-12-21	HGS Axis Point Health, US Nurse Advice Line Cont.	Infomedia Group	M&A	5.3	100.0
2018-12-19	Adiuvio Diagnostics	Menterra Social Impact Fund	Venture Capital	-	-
2018-11-27	Niramai Health Analytix	Ankur Capital, Pi Ventures, Axilor Ventures, Binny Bansal	Venture Capital	-	-
2018-11-09	HealthCubed	Acumen Fund	Angel/Seed	-	-
2018-10-26	Abita Innovations	Sky7 Ventures	Angel/Seed	-	-

Source: Deal Databases

Radiant Life Care

- Radiant Life Care is in the business of developing / redeveloping hospitals to provide high-end quaternary care
- Promoted by Abhay Soi with track record of turning around underperforming businesses
- Long-term re-development and commissioning collaboration with two hospitals:
 - BLK Hospital, Delhi (650 beds)
 - Nanavati Hospital, Mumbai (350 beds)
- Over the next four years, Radiant plans to transform Nanavati into a 800 bed state-of-the-art quaternary care institute and expand BLK by another 200 beds
- Backed by KKR



Max Healthcare

- Max Healthcare (MHC) is India's leading comprehensive provider of international-class healthcare services
- MHC is a JV between Max India and Life Healthcare (South Africa)
- Max Healthcare has 14 facilities in North India, offering services in over 30 medical disciplines
 - 11 facilities are located in Delhi & NCR and others in Mohali, Bathinda and Dehradun
- Max Healthcare has a base of over 3,000 doctors, 10,000 employees
- Combined capacity of 2,377 beds catering to 2.2 mn patients

Deal Contours

- In the initial tranche, Radiant Life Care will acquire 49.7% stake in Max Healthcare for INR 21,360 mn - MHC to be valued at INR 42,980 mn
- The purchase by Radiant will be funded by a mix of Debt, Equity, Cash advance by KKR to existing promoter of Max, followed by a share swap
- Newly listed combined entity is expected to be valued at INR 72,420 mn

Strategic Rationale

- Creating India's leading hospital chain with significant synergy potential
- ✓ One of the top 3 hospital chains in India
 - ✓ Attractively positioned in two leading metros
 - ✓ Well recognized local brands
 - ✓ Balanced vintage mix of hospitals and brownfield potential
 - ✓ Resilient financial performance
 - ✓ Significant potential to extract cost savings and realize synergies
 - ✓ Direct holding in OpCo, unlocks value by removing HoldCo discount

Future Plans

- Expand capacity across locations to provide long term growth
- Brownfield expansion in Delhi NCR region
- Optimise infrastructure facilities across specialities
- Scale presence through focus on metro based quaternary care hospitals
- Tapping International as well as national patients with realization driven by medical tourism and complex tertiary care services

Company	Ent. Value	Market Cap	Stock Price	Revenue	EBITDA margin	PAT margin	EV/Sales(x)			EV/EBITDA(x)			P/E(x)			ROE	ROCE
	(INR bn)	(INR bn)	(INR)	(INR bn)	(%)	(%)	TTM	FY19E	FY20E	TTM	FY19E	FY20E	TTM	FY19E	FY20E	(%)	(%)
Sun Pharmaceuticals	1,092	1,086	452	260	21.6%	8.3%	4.6x	3.7x	3.3x	21.4x	16.8x	13.5x	50.3x	27.6x	20.7x	5.8%	12.3%
Piramal Enterprises	805	439	2,346	106	48.8%	48.4%	7.1x	6.1x	4.9x	14.6x	17.3x	13.9x	8.3x	24.9x	19.3x	24.8%	NA
Aurobindo Pharma	499	461	787	162	23.2%	14.9%	2.2x	2.7x	2.1x	9.6x	12.4x	9.6x	19.0x	18.4x	14.6x	23.0%	28.1%
Dr. Reddy's Laboratories	467	431	2,595	142	16.7%	6.9%	2.6x	3.0x	2.6x	15.8x	15.2x	11.9x	43.9x	25.8x	19.9x	7.8%	12.2%
Lupin	443	384	850	156	20.2%	1.6%	2.5x	2.7x	2.4x	12.3x	16.3x	12.3x	152.8x	31.7x	22.7x	1.9%	2.7%
Cipla	440	415	515	147	19.2%	9.6%	3.2x	2.7x	2.4x	16.4x	14.6x	12.0x	29.4x	26.9x	21.3x	10.5%	12.6%
Cadila Healthcare	404	364	356	116	24.6%	15.3%	3.7x	3.2x	2.9x	14.9x	13.9x	12.4x	20.3x	19.4x	17.7x	22.6%	29.0%
Biocon	398	389	648	47	22.1%	26.9%	9.1x	7.5x	5.8x	41.1x	29.9x	20.4x	55.5x	59.0x	36.0x	13.5%	0.0%
Divi's Laboratories	385	404	1,522	38	33.9%	23.0%	7.1x	8.2x	7.2x	20.8x	21.8x	18.3x	46.1x	32.3x	27.4x	15.5%	15.5%
Torrent Pharmaceuticals	360	320	1,892	59	23.0%	11.5%	4.5x	4.7x	4.1x	19.5x	18.1x	15.4x	47.2x	39.8x	29.0x	15.1%	24.0%
Alkem Laboratories	235	230	1,921	63	16.3%	10.0%	3.8x	3.2x	2.8x	23.4x	19.0x	15.3x	36.4x	26.3x	20.6x	13.5%	20.1%
GSK Pharmaceuticcals	232	245	1,445	29	17.7%	12.3%	5.7x	7.1x	6.3x	32.3x	35.3x	29.6x	69.8x	54.5x	46.0x	17.3%	19.8%
Glenmark Pharmaceuticals	219	188	665	89	18.1%	8.7%	2.0x	2.2x	2.0x	11.3x	12.8x	11.0x	24.2x	20.5x	17.9x	14.7%	14.2%
Abbott India	159	172	8,112	33	16.0%	12.2%	3.2x	NA	NA	20.1x	NA	NA	43.0x	NA	NA	26.1%	26.4%
Jubilant Life Sciences	147	115	720	75	20.2%	8.6%	2.2x	1.6x	1.5x	10.8x	8.1x	6.9x	17.4x	12.6x	10.2x	17.1%	17.9%
Sanofi India	138	145	6,294	25	21.8%	13.2%	4.1x	NA	NA	18.9x	NA	NA	44.5x	NA	NA	16.7%	21.3%
Natco Pharma	127	128	693	22	43.2%	32.4%	6.4x	5.3x	5.0x	14.9x	12.6x	13.2x	17.6x	16.3x	17.3x	29.5%	30.3%
Alembic Pharmaceuticals	123	113	598	31	20.5%	13.2%	3.5x	3.2x	2.9x	17.0x	15.1x	13.8x	27.3x	22.2x	20.5x	20.0%	18.9%
Pfizer Limited	105	124	2,701	20	25.4%	18.3%	4.2x	NA	NA	16.4x	NA	NA	34.3x	NA	NA	14.1%	24.8%
Ipca Laboratories	103	99	783	32	14.1%	7.4%	2.7x	2.8x	2.4x	19.1x	16.2x	12.9x	41.3x	25.9x	19.7x	9.3%	9.2%
Ajanta Pharma	100	102	1,160	21	31.9%	22.7%	5.8x	4.7x	4.1x	18.2x	16.1x	13.6x	21.8x	24.2x	19.8x	26.0%	26.7%
Eris Lifesciences	90	89	647	9	37.6%	34.4%	13.1x	8.5x	7.3x	34.8x	22.7x	19.2x	30.2x	27.8x	22.6x	41.2%	189.2%
Wockhardt	79	56	509	39	NM	NM	2.8x	NA	NA	32.9x	NA	NA	NA	NA	NA	NM	0.0%
Strides Pharma Science	71	46	514	28	15.4%	23.3%	2.8x	2.3x	2.0x	18.4x	15.6x	11.8x	69.6x	51.3x	19.1x	25.4%	44.7%
Laurus Labs	52	40	379	20	20.7%	8.4%	3.2x	2.2x	1.9x	15.2x	12.6x	9.0x	23.9x	28.1x	15.8x	11.9%	14.7%
Merck	49	53	3,202	11	12.8%	8.8%	1.8x	NA	NA	12.7x	NA	NA	56.6x	NA	NA	13.4%	15.1%
Astrazeneca India	39	41	1,639	6	5.2%	5.7%	6.2x	NA	NA	119.2x	NA	NA	487.8x	NA	NA	3.5%	4.1%

Source: Bloomberg as on 15th January, 2019

NA: Not Available NM: Not Meaningful

Company	Ent. Value	Market Cap	Stock Price	Revenue	EBITDA margin	PAT margin	EV/Sales(x)			EV/EBITDA(x)			P/E(x)			ROE	ROCE
	(INR bn)	(INR bn)	(INR)	(INR bn)	(%)	(%)	TTM	FY19E	FY20E	TTM	FY19E	FY20E	TTM	FY19E	FY20E	(%)	(%)
Granules India	32.2	22	88	17	16.5%	7.9%	2.1x	1.5x	1.3x	12.5x	9.0x	7.3x	16.1x	11.0x	8.9x	12.0%	14.7%
Shilpa Medicare	30.8	31.5	386	7.5	20.2%	14.0%	5.0x	3.9x	3.2x	24.9x	16.2x	12.7x	29.6x	23.1x	16.9x	10.2%	10.3%
Caplin Point Laboratories	30.1	31.2	412	5.3	37.1%	27.5%	8.0x	4.8x	4.0x	21.7x	12.7x	10.3x	21.5x	18.5x	14.6x	49.2%	52.0%
Hikal	26.0	20.0	162	12.8	18.9%	6.0%	1.8x	1.7x	1.4x	9.5x	8.8x	7.4x	25.8x	20.0x	16.2x	12.1%	12.5%
FDC	25.7	30.0	172	10.6	21.3%	16.3%	3.7x	2.2x	1.9x	16.8x	9.2x	7.3x	17.6x	13.2x	10.4x	13.6%	14.6%
Suven Life Sciences	25.1	27.8	219	6.1	32.9%	20.2%	3.0x	3.8x	3.4x	9.2x	13.0x	10.7x	22.5x	21.9x	18.0x	17.2%	17.2%
J.B. Chemicals & Pharma	22.6	26.4	316	13.9	15.7%	10.0%	1.6x	1.4x	1.3x	10.1x	8.4x	6.9x	19.2x	15.1x	12.4x	9.9%	11.4%
Indoco Remedies	22.6	20.5	222	10.2	13.3%	4.0%	2.1x	NA	NA	16.1x	NA	NA	NM	NA	NA	6.2%	9.6%
Sequent Scientific	21.8	19.3	79	8.5	11.7%	49.7%	2.6x	2.1x	1.7x	22.0x	15.8x	11.5x	NA	34.5x	22.0x	51.9%	NM
Aarti Drugs	19.4	14.3	606	12.4	16.0%	6.6%	1.4x	1.3x	1.1x	8.6x	9.2x	7.5x	17.6x	16.2x	12.1x	19.0%	15.0%
Advanced Enzymes	18.6	19.0	170	3.9	42.3%	23.2%	6.2x	4.1x	3.4x	14.7x	9.7x	7.7x	21.1x	15.9x	11.7x	17.6%	36.2%
Panacea Biotec	16.7	9.6	157	6.0	15.4%	NM	3.9x	NA	NA	25.6x	NA	NA	NA	NA	NA	NM	NM
Bliss GVS Pharma	16.6	16.8	163	3.7	29.2%	15.8%	5.6x	1.9x	1.7x	19.3x	6.9x	6.0x	NM	11.6x	10.0x	11.5%	20.5%
Nectar Lifesciences	12.9	4.5	20	18.8	12.6%	2.8%	0.8x	NA	NA	6.1x	NA	NA	8.6x	NA	NA	5.1%	10.5%
Marksans Pharma	12.0	11.4	28	9.0	8.7%	4.0%	1.5x	1.1x	NA	17.6x	7.3x	NA	31.8x	NA	NA	7.9%	10.7%
Neuland Laboratories	11.5	8.7	502	5.3	9.6%	2.3%	1.7x	1.8x	1.5x	18.2x	18.4x	9.9x	46.4x	34.0x	11.7x	2.2%	8.2%
Novartis India	11.3	17.8	722	5.2	NM	15.2%	1.4x	NA	NA	NA	NA	NA	25.4x	NA	NA	9.5%	11.4%
Vivimed Labs	10.5	2.8	34	11.9	17.9%	6.6%	1.0x	NA	NA	5.7x	NA	NA	3.7x	NA	NA	8.0%	7.7%
Ind-Swift Laboratories	10.4	2.2	48	7.7	17.5%	2.9%	1.4x	NA	NA	8.0x	NA	NA	9.9x	NA	NA	4.0%	5.1%
Hester Biosciences	9.8	9.5	1,117	1.4	37.6%	17.0%	10.6x	NA	NA	28.3x	NA	NA	NM	NA	NA	17.6%	14.6%
TTK Healthcare	9.8	10.7	758	5.8	8.2%	3.1%	2.5x	NA	NA	30.3x	NA	NA	NM	NA	NA	9.3%	12.2%
Morepen Laboratories	9.5	9.8	22	6.1	10.7%	4.9%	2.3x	NA	NA	21.3x	NA	NA	33.0x	NA	NA	14.0%	48.8%
Gufic Biosciences	8.1	7.2	93	3.0	15.1%	5.3%	3.0x	NA	NA	20.0x	NA	NA	44.7x	NA	NA	35.3%	43.9%
SMS Pharmaceuticals	7.2	6.3	74	4.6	20.0%	6.9%	1.6x	NA	NA	7.9x	NA	NA	19.7x	NA	NA	11.8%	13.0%
Medicamen Biotech	5.1	5.2	442	1.1	14.8%	9.1%	6.2x	NA	NA	NM	NA	NA	48.9x	NA	NA	NM	NM
Lincoln Pharmaceuticals	4.6	4.5	224	3.6	14.5%	9.6%	1.3x	1.2x	1.0x	8.6x	5.4x	4.8x	13.0x	8.4x	7.2x	16.6%	18.5%
RPG Life Sciences	4.3	3.8	231	3.4	10.9%	3.9%	2.0x	NA	NA	18.1x	NA	NA	28.4x	NA	NA	8.7%	11.7%
Themis Medicare	3.8	3.1	335	2.1	12.0%	5.4%	2.8x	NA	NA	23.3x	NA	NA	27.2x	NA	NA	7.0%	15.7%
Anuh Pharma	3.7	3.9	157	2.4	9.1%	6.9%	1.5x	NA	NA	19.6x	NA	NA	23.8x	NA	NA	11.4%	14.7%
NGL Fine-Chem	3.0	2.8	459	1.1	18.8%	11.1%	2.3x	NA	NA	12.5x	NA	NA	22.5x	NA	NA	19.2%	20.1%
Kopran	2.6	1.8	41	3.1	9.7%	6.5%	1.0x	NA	NA	10.5x	NA	NA	8.6x	NA	NA	15.2%	15.7%
Jenburkt Pharmaceuticals	2.0	2.4	520	1.1	20.7%	15.0%	2.1x	NA	NA	10.3x	NA	NA	13.9x	NA	NA	29.8%	29.5%
Albert David	1.9	2.4	413	2.9	7.6%	3.4%	0.6x	NA	NA	7.4x	NA	NA	17.5x	NA	NA	5.3%	6.0%

Source: Bloomberg as on 15th January, 2019

NA: Not Available NM: Not Meaningful

Public Market Data

Healthcare, Diagnostics and Medical Devices

Company	Ent. Value	Market Cap	Stock Price	Revenue	EBITDA margin	PAT margin	EV/Sales(x)			EV/EBITDA(x)			ROE	ROCE
	(INR bn)	(INR bn)	(INR)	(INR bn)	(%)	(%)	TTM	FY19E	FY20E	TTM	FY19E	FY20E	(%)	(%)
Healthcare														
Apollo Hospitals Enterprise	215.8	184.9	1329	82.4	9.6%	1.4%	2.2x	2.3x	2.0x	22.3x	21.3x	17.8x	3.6%	2.6%
Fortis Healthcare	128.3	104.3	138	45.0	6.1%	NM	1.9x	2.7x	2.4x	31.0x	31.3x	19.7x	NM	0.0%
Aster DM Healthcare	109.8	83.0	164	66.2	9.3%	4.1%	1.6x	1.3x	1.2x	17.7x	13.7x	10.8x	11.4%	12.3%
Narayana Hrudayalaya	48.8	41.7	204	22.8	9.3%	2.3%	2.8x	1.7x	1.5x	29.7x	18.6x	14.1x	5.1%	5.9%
Max India	30.5	22.9	85	15.9	5.4%	NM	1.9x	1.1x	1.0x	35.0x	12.5x	9.6x	NM	NA
Healthcare Global Enterprise	23.2	17.6	201	8.3	14.3%	2.5%	3.5x	2.4x	2.0x	24.6x	17.4x	13.8x	4.3%	5.2%
Shalby	15.6	15.6	144	3.8	21.8%	11.2%	5.8x	3.1x	2.6x	26.5x	14.8x	11.4x	8.5%	8.0%
Kovai Medical Center And Hospital	9.3	7.9	720	5.9	22.1%	9.9%	2.6x	NA	NA	11.7x	NA	NA	22.2%	15.9%
Indraprastha Medical Corp	3.7	3.7	40	7.2	10.0%	2.9%	0.7x	NA	NA	6.8x	NA	NA	15.1%	8.9%
KMC Speciality Hospitals	2.0	2.0	12	0.7	20.0%	9.4%	4.2x	NA	NA	21.2x	NA	NA	NA	NA
Fortis Malar Hospitals	1.0	1.0	55	1.5	1.2%	2.2%	0.6x	NA	NA	53.7x	NA	NA	NM	NM
Lotus Eye Hospital And Institute	0.5	0.6	27	0.4	11.3%	4.5%	0.7x	NA	NA	11.2x	NA	NA	0.8%	0.9%
Diagnostics														
Dr Lal Pathlabs	77.5	83.0	996	10.6	24.9%	16.2%	6.7x	6.3x	5.4x	27.0x	24.7x	20.8x	24.6%	29.1%
Thyrocare Technologies	28.5	29.4	547	3.5	41.3%	26.6%	8.8x	6.7x	5.6x	21.4x	17.5x	14.5x	21.9%	30.5%
Medical Devices and Consumables														
Poly Medicure	20.4	19.6	222	5.2	23.1%	13.6%	4.4x	NA	NA	19.1x	NA	NA	23.4%	22.9%
Opto Circuits India	11.4	2.6	9	2.3	22.9%	15.3%	4.8x	NA	NA	21.0x	NA	NA	3.9%	NA

Source: Bloomberg as on 15th January, 2019

NA: Not Available NM: Not Meaningful

Pharma and Healthcare Research Lead



Vivek Kumar

*Vice President
Pharmaceuticals and
Chemicals*

- ▲ Over 12 years of experience in Investments and Equity Research (both Sell side and Buy side)
- ▲ Previously worked for GeeCee Investments, SBICAPS Research and Tata Securities covering Pharmaceuticals, Agrochemicals and Speciality Chemicals

BOBCAPS Pharma Research Coverage

Company	Ticker	Share Price ¹	Target Price	Rating
Aurobindo	ARBP IN	774	920	BUY
Cipla	CIPLA IN	509	615	BUY
Divis Lab	DIVI IN	1,504	1,630	ADD
Dr. Reddy's	DRRD IN	2,616	2,710	REDUCE
Laurus Labs	LAURUS IN	377	495	BUY
Lupin	LPC IN	868	930	ADD
Sun Pharma	SUNP IN	427	615	BUY

Share Price and Target in INR

¹Price as on 18th January, 2019

<https://www.barodaetrade.com/reports/Pharmaceuticals-SectorReportNov2018.pdf>



Pharmaceuticals
 Structural challenges persist – prefer Cipla, Sun, Aurobindo, Laurus

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Avdhoot Deshpande

*President,
Investment Banking -
Equity*

- ▲ With over 25 years of work experience in Equity Capital Markets, he has worked with marquee names in the Investment Banking space like IL&FS, Avendus Capital, HSBC InvestDirect, Axis Bank and Centrum Capital
- ▲ Strong network of relationships with investors and the corporate community over the years has led to several marquee and successful capital market mandates

- ▲ Over 12 years of investment banking experience in cross border/domestic M&As, PE syndication and capital markets
- ▲ Successfully originated & advised several mid and large corporates across Pharmaceuticals, Healthcare, Consumer, Industrials and Chemicals sectors
- ▲ He has worked with KPMG, Elara Capital and JP Morgan Services. He was heading the Pharma and Consumer sectors at Elara Capital and was also a member of the Board

Saurabh Drolia

Vice President



Chirag Vora

Manager

- ▲ Over 2 years of experience in M&A, Private Equity, Debt Syndication transactions across India and South Asia region
- ▲ Transaction experience in diverse sectors: Chemicals, Financial Services, Consumer, Plastics and Renewables
- ▲ B.Tech (Information Technology) and MBA (Finance) from NMIMS Mumbai

- ▲ Over a year's technical experience in the Specialty Chemicals segment
- ▲ Chemical Technology graduate from the Institute of Chemical Technology (UDCT), Mumbai and MBA (Finance) from Jambhwal Institute of Management Studies (JBIMS), Mumbai

Shradhda Somkuwar

Analyst



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