

IPO ANALYSIS

Sector: Pharma
Issue Price: INR 1026 to INR 1080
Issue Size: INR 4326.36 crores
Issue Opens/Closes: Apr 25/ Apr 27

IPO Basics

Promoter: Ramesh Juneja
Selling Shareholders: Ramesh Juneja and others
Lead Managers: Kotak Mahindra Capital Company Limited, Axis Capital Limited, IIFL Securities Limited.
Registered Office: Delhi
Registrar: KFin Technologies Limited
Listing: BSE and NSE

IPO Capital Structure

Fresh Issue	NIL
Offer for Sale	INR 4326.36 Cr.
Total Issue as % of total capital (Post-Issue)	9.99%
Post Issue No. of Shares (Cr.)	40.05
Post Issue Market Cap	INR 43,264 Cr
Face Value	INR 1
Issue Route	Book Build Issue
Bid Lot (Shares)	13
Minimum Bid Amount	INR 14,040
<i>All values calculated at upper band</i>	

Financial Snapshot (INR in crs)

Y/E Mar	FY20	FY21	FY22
Equity Share Capital	40.1	40.1	40.1
Other Equity	3445.3	4681.9	6115.2
Net Worth as stated	3485.3	4722.0	6155.2
Revenue	5865	6214	7782
Growth (%)	-	5.95%	25.2%
EBITDA	1448	1660	2004
Net Profit	1056	1293	1453
Basic EPS	25.72	31.59	35.78
RONW (%)	29.56	26.8	23.29
OPM (%)	25%	27%	26%
Shareholding Pattern			
Holders	Pre-issue	Post Issue	
Promoters	79	77	
Public	21	24	
Total	100	100	

Mankind Pharma Ltd

April 20, 2022

Company Background:

Mankind Pharma Ltd. (MPL) is India's fourth largest pharmaceutical company in terms of Domestic Sales and third largest in terms of sales volume for MAT December 2022. The company is engaged in developing, manufacturing and marketing a diverse range of pharmaceutical formulations across various acute and chronic therapeutic areas, as well as several consumer healthcare products. The company entered the consumer healthcare industry in 2007 and has since established several differentiated brands in the condoms, pregnancy detection, emergency contraceptives, antacid powders, vitamin and mineral supplements and anti-acne preparations categories. It operates 25 manufacturing facilities across India and had 4,121 manufacturing personnel as of December 31, 2022. As of December 31, 2022, the Company had a team of over 600 scientists and a dedicated in-house R&D centre. Some of its largest-selling popular brands are Manforce Condoms, Prega News, Gas-O-Fast, Nurokind, Telmkind, Dydroboon, etc.

MPL's Domestic Sales grew at a compounded annual growth rate ("CAGR") of approximately 12% from approximately Rs. 6094 cr. to approximately Rs. 8390 cr. which is approximately 1.3 times that of the IPM, which grew at a CAGR of approximately 10% from approximately Rs. 1,503 cr. to approximately Rs. 1,938 cr. over the same period. The company is present in several acute and chronic therapeutic areas in India, including anti-infectives, cardiovascular, gastrointestinal, anti-diabetic, neuro/CNS, vitamins/minerals/nutrients and respiratory.

Object of the Issue:

- Carry out the Offer for Sale of 40,058,844 Equity Shares by the Selling Shareholders aggregating to Rs. 4326.36 Crs
- Achieve the benefits of listing the Equity Shares on the Stock Exchanges.

Issue Size

Particulars	No. of Shares (Cr)	INR in Cr. at Lower Band	INR in Cr. at Upper Band	% Of Issue
QIB	2.00	2055	2163	50
NIB	0.60	617	649	15
Retail	1.40	1439	1514	35
Total Issue	4.01	4110	4326	100

An Indicative Timetable Post Issue Closing

Particulars	Tentative Date
Finalization of Basis of Allotment	May 03, 2023
Refunds/un-blocking of ASBA Accounts	May 04, 2023
Credit of Equity Shares to DP Ac	May 08, 2023
Trading Commences	May 09, 2023

Investors are advised to refer disclosures made at the end of the research report.

The Company was incorporated as “Mankind Pharma Private Limited” on July 3, 1991. Ramesh Juneja, Rajeev Juneja, Sheetal Arora, Ramesh Juneja Family Trust, Rajeev Juneja Family Trust and Prem Sheetal Family Trust are the Promoters of the company. Currently, the Promoters, hold 269,504,246 Equity Shares, representing 67.29% of the issued, subscribed and paid-up equity share capital of the company.

Brief profiles of Directors

Ramesh Juneja is the Chairman and a Whole-Time Director of the company. He is a founder and Promoter of the company. He has been associated with the company since its incorporation. He has experience of over 31 years in the pharmaceutical industry.

Rajeev Juneja is the Vice-Chairman and Managing Director of the company. He is also a Promoter of the Company and has been associated with the company since December 22, 1992. He has experience of over 29 years in the pharmaceutical industry.

Sheetal Arora is the Chief Executive Officer and a Whole-Time Director of the company. He is also a Promoter of the company and has been associated with the company since September 21, 2007. He has experience of over 14 years in the pharmaceutical industry.

Satish Kumar Sharma is a Whole-Time Director of the company. He has been associated with the company since September 23, 2016. He was previously associated with T.C. Health Care Pvt Ltd., Nicholas Piramal India Ltd and Wockhardt Ltd.

Leonard Lee Kim is a Non-Executive Director of the company and a nominee of Cairnhill CIPEF Ltd and Cairnhill CGPE Ltd. He has been associated with the company since March 14, 2016. He has been associated with the Capital Group since 1997 and currently serves as managing partner for Asia for Capital Group Private Markets. He currently serves on the board of directors of InterGlobe Technology Quotient Pvt Ltd and Jinxin Hospital Management (Cayman) Co Ltd.

Surendra Lunia is an Independent Director of the company. He has been associated with the company since February 19, 2015. He is currently the managing director of Infotel Business Solutions Ltd and is a promoter of its holding company namely Digivision Ventures Pvt Ltd.

Tilokchand Punamchand Ostwal is an Independent Director of the company. He has been associated with the company since January 1, 2020. He currently serves on the board of directors of Oberoi Reality Ltd, Polycab India Ltd, Oberoi Constructions Ltd, Intas Pharmaceuticals Ltd.

Bharat Anand is an Independent Director of the company. He has been associated with the company since August 31, 2018. He has been previously associated with Freshfields Bruckhaus Deringer, London, and has been a partner with Khaitan & Co, Delhi since 2009.

Vivek Kalra is an Independent Director of the company. He has been associated with the company since August 1, 2022. He has been previously associated with Capital Group Investment Management Pte. Ltd as a partner of the Capital Group Private Markets, Singapore and with McKinsey & Co. in India and New York.

Offer Details

Sr. No.	Selling Shareholder	Maximum number of Offered Shares	Average cost of acquisition per Equity Share (in INR)
	Promoter Selling Shareholder		
1	Ramesh Juneja	Up to 3,705,443	Negligible
2	Rajeev Juneja	Up to 3,505,149	Negligible
3	Sheetal Arora	Up to 2,804,119	Negligible
	Investor Selling Shareholder		
4	Cairnhill CIPEF Limited	Up to 17,405,559	276.34
5	Cairnhill CGPE Limited	Up to 2,623,863	276.34
6	Beige Limited	Up to 9,964,711	550.44
7	Link Investment Trust	Up to 50,000	550.44
	TOTAL	Upto 40,058,844	

Shareholding Pattern

Shareholders	Pre-Offer		Number of Shares Offered	Post-Offer	
	Number of Equity Shares	% of Total		Number of Equity Shares	% of Total
		Equity Share			Equity Share
		Capital			Capital
Promoter and Promoters Group					
<i>Promoter</i>	269,504,246	67.29%	10,014,711	259,489,535	64.78%
<i>Promoter Group</i>	46,960,611	11.71%	-	46,960,611	11.71%
Total for Promoter and Promoter Group	316,464,857	79.00%	10,014,711	306,450,146	76.50%
<i>Public – Investor Selling Shareholders</i>	68,100,045	17.00%	30,044,133	38,055,912	9.50%
<i>Public - Other</i>	16,023,538	4.00%	-	56,082,382	14.00%
Total for Public Shareholders	84,123,583	21.00%	30,044,133	94,138,294	23.50%
Total Equity Share Capital	400,588,440	100%	40,058,844	400,588,440	100%

Business Overview

Mankind Pharma Ltd (“Mankind”) is India’s 4th largest pharmaceutical company in terms of Domestic Sales and 3rd largest in terms of sales volume for Moving Annual Total (“MAT”) December 2022. They are engaged in developing, manufacturing and marketing a diverse range of pharmaceutical formulations across various acute and chronic therapeutic areas, as well as several consumer healthcare products. They are focused on the domestic market, as a result of which their revenue from operations in India contributed to 97.60% of the total revenue from operations for the Financial Year 2022, which was one of the highest among peers identified by IQVIA Consulting and Information Services India Pvt Ltd. (“IQVIA”).

Mankind has primarily grown organically and is the youngest company among the 5 largest pharmaceutical companies in India, in terms of Domestic Sales in 2022. They operate at the intersection of the Indian pharmaceutical formulations and consumer healthcare sectors with the aim of providing quality products at affordable prices and have an established track record of building and scaling brands in-house. They have created 36 brands in their pharmaceutical business that have each achieved over ₹ 50 crore in Domestic Sales for MAT December 2022. They have one of the largest distribution networks of medical representatives in the Indian pharmaceutical market (“IPM”) and over 80% of doctors in India prescribed their formulations for MAT December 2022, which has assisted them in establishing their brands in India. Their brands have enabled them to consistently generate the highest share of drug prescriptions in the IPM over the Financial Years 2018 to 2022. Further, in their Covered Markets, they were ranked 2nd by market share for MAT December 2022.

Mankind has experienced sustained growth and has consistently outperformed the growth of the IPM. Between the Financial Year 2020 and MAT December 2022, their Domestic Sales grew at a CAGR of approximately 12% from approximately ₹6,094.2 crore to approximately ₹8,390.2 crore, which is approximately 1.3 times that of the IPM, which grew at a CAGR of approximately 10% from approximately ₹150,300 crore to approximately ₹193,800 crore over the same period.

Between the Financial Year 2020 and MAT December 2022, their Domestic Sales had the 3rd fastest growth (at a CAGR of approximately 12%) among the 10 largest corporates in the IPM by Domestic Sales. During the same period, the average growth for the 10 largest corporates in the IPM (excluding Mankind) by Domestic Sales was approximately 10%, and the average growth for Peers Identified by IQVIA was approximately 11%.

Company’s Domestic Sales ranking in the IPM improved from 8th in the Financial Year 2012 to 4th for MAT December 2022, and their domestic market share in the IPM increased from approximately 3.3% to approximately 4.3% over the same period. Between the Financial Year 2020 and MAT December 2022, their market share in terms of Domestic Sales in the IPM increased by 0.3% from 4.1% to 4.3%, which represents the fastest growth in market share among the 10 largest corporates in the IPM by Domestic Sales. During the same period, the average market share of the 10 largest corporates in the IPM (excluding Mankind) by Domestic Sales increased by 0.05% whereas the average market share of Peers Identified by IQVIA increased by 0.03%. Their consistent growth has been backed by their capital efficiency,

and they had RoCE of 35.86%, 30.41%, 25.50%, 25.08% and 16.58% for the Financial Years 2020, 2021 and 2022, and the 9 months ended December 31, 2021 and 2022, respectively.

Mankind is present in several acute and chronic therapeutic areas in India, including anti-infectives, cardiovascular, gastrointestinal, anti-diabetic, neuro/CNS, vitamins/minerals/nutrients and respiratory. Their Covered Market presence in the IPM has increased from approximately 62% to approximately 69% between the Financial Year 2020 and MAT December 2022. They have achieved this through their focus on increasing penetration in the chronic therapeutic areas and, in the past 3 Financial Years and the 9 months ended December 31, 2022, they have launched new divisions across several chronic therapeutic areas including anti-diabetic, cardiovascular, neuro/CNS and respiratory. Following an increased focus on chronic therapeutic areas, Domestic Sales from the chronic therapeutic areas grew at a CAGR of approximately 14% between the Financial Year 2020 and MAT December 2022, outperforming the IPM's chronic therapeutic areas CAGR of approximately 10% over the same period, by approximately 1.4 times.

REVENUE FROM OPERATIONS

(Rs. Cr)

	For the 8 Months ended November 30		For the Year Ended March 31,		
Particulars	2022	2021	2022	2021	2020
Revenue from Operations	6,691.26	6055.79	7781.56	6214.43	5865.23
Sales of Products	6649.24	6053.47	7778.09	6211.91	5863.68
Sales of services	9.69	2.33	3.46	2.52	1.56
Sale of Inventories in Housing Project	32.33	-	-	-	-
Other operating revenues	5.51	-	-	-	-
Royalty Income	5.51	-	-	-	-
Total for Revenue from Operations	6696.77	6055.79	7781.56	6214.43	5865.23

The revenue contribution based on geography:

(Rs. Cr)

	For the 8 Months ended November 30		For the Year Ended March 31,		
Particulars	2022	2021	2022	2021	2020
In India	6476.09	5918.38	7594.75	6028.53	5788.83
Outside India	215.17	137.42	186.81	185.9	76.4
United States	106.02	63.07	73.93	104.11	13.07
Bangladesh	22.85	11.46	17.82	6.71	3.53
Sri Lanka	18.14	12.24	16.31	12.45	13.79
Nepal	9.82	7.19	10.31	6.33	7.12
Others	58.33	43.46	68.43	56.31	38.89
Total for Revenue from Operations	6691.26	6055.79	7781.56	6214.43	5865.23

COMPANY BUSINESS AND PRODUCTS

Mankind is engaged in developing, manufacturing and marketing a diverse range of pharmaceutical formulations across various acute and chronic therapeutic areas, as well as several consumer healthcare products.

Domestic Business

Mankind is India's 4th largest pharmaceutical company in terms of Domestic Sales for MAT December 2022. Between the Financial Year 2020 and MAT December 2022, their Domestic Sales grew at a CAGR of approximately 12% from approximately ₹6,094.2 crore to approximately ₹8,390.2 crore, which is approximately 1.3 times that of the IPM, which grew at a CAGR of approximately 10% from approximately ₹150,300 crore to approximately ₹193,800 crore over the same period. Between the Financial Year 2020 and MAT December 2022, their Domestic Sales had the third fastest growth at a CAGR of approximately 12% among the 10 largest corporates in the IPM by Domestic Sales, compared to the average growth of approximately 10% for the 10 largest corporates (excluding Mankind) in the IPM by Domestic Sales and the average growth of approximately 11% for Peers Identified by IQVIA. During MAT December 2022, they had the 3rd lowest exposure of approximately

17% to the products listed under the National List of Essential Medicines – 2011 among the 10 largest corporates in the IPM by Domestic Sales, compared to approximately 21% in the IPM and approximately 34% for the highest exposure among the 10 largest corporates in the IPM by Domestic Sales. They also manufacture certain products using “DMF-grade” APIs for sale in India.

Company's Products and Brands

Therapeutic Area	IPM	Mankind		
	CAGR for the Financial Year 2020 to MAT December 2022 (%)	CAGR for the Financial Year 2020 to MAT December 2022 (%)	Market Ranking in Covered Markets for MAT December 2022	Domestic Sales for MAT December 2022 (Rs. Crs)
Anti-infectives	7	9	5	1213.58
Cardiovascular	11	16	4	1061.38
Gastrointestinal	12	11	6	919.93
Vitamins/minerals/nutrients	10	9	2	731.44
Respiratory	11	15	3	775.54
Anti-diabetic	8	16	3	692.84
Dermatology	7	2	3	537.49
Gynaecology	11	31	2	656.46
Pain/analgesics	10	5	8	431.74
Neuro/CNS	11	10	5	229.74
Others	10	14	-	1140.07
Total	10	12	-	8390.21

The Domestic Sales in chronic and acute therapeutic areas in the IPM, for the years/periods indicated:

(Rs Crs)

Particulars	For the FY ending Mar'31		For MAT Dcember	
	2020		2022	
Acute therapeutic areas	4133.36	67.82%	5555.01	66.21%
Chronic therapeutic areas	1960.89	32.18%	2835.2	33.79%
Total Domestic Sales	6094.25	100.00%	8390.21	100%

MANUFACTURING FACILITIES

25 manufacturing and 4 research and development facilities with capabilities across key therapeutic Areas

The company operates 25 manufacturing facilities across India, in the states of Himachal Pradesh, Sikkim, Rajasthan, Andhra Pradesh, Maharashtra and Uttarakhand, and had 4,121 manufacturing personnel as of December 31, 2022. Their formulations manufacturing facilities have a total installed capacity of 42.05 billion units per annum across a wide range of dosage forms, including tablets, capsules, syrups, vials, ampoules, blow fill seal, soft and hard gels, eye drops, creams, contraceptives and other over-the-counter products, as of December 31, 2022.

Their focus on process excellence and improvement has led to awards by bodies. Several of their facilities have obtained approvals or certifications from, and are subject to inspections and audits by, a range of regulatory bodies including the CDSCO and the USFDA. Several of their facilities have obtained approvals or certifications from, and are subject to inspections by, a range of regulatory bodies including the Central Drugs Standard Control Organisation of the Ministry of Health and Family Welfare (“CDSCO”) and the United States Food and Drug Administration (“USFDA”). Additionally, certain of their facilities have obtained certificates under the World Health Organization (“WHO”) and PIC/S good manufacturing practices and guidelines, among others.

Mankind has established an independent quality assurance function, comprising 1,318 personnel as of December 31, 2022. Through their research and development (“R&D”) capabilities, they have developed a portfolio of differentiated products across several therapeutic areas. As of December 31, 2022, the Company had a team of over 600 scientists and a dedicated in-house R&D centre with 4 units located in IMT Manesar, Gurugram, Haryana and Thane, Maharashtra. 1 unit of this R&D centre is recognized by the DSIR, and 1 unit is in compliance with

World Health Organization Good Manufacturing Practices (“WHO GMP”) and has been inspected by the USFDA. Their R&D operations comprise several divisions including for drug discovery, generic active pharmaceutical ingredients (“APIs”), formulations and biotechnology, and are also supported by dedicated intellectual property, global regulatory compliance, clinical research and biopharmaceutical teams. As of December 31, 2022, they were the second pharmaceutical company to launch the synthetic hormonal API, “Dydrogesterone”, in India. Further, on July 29, 2022, they had filed 1 investigational new drug application (“INDA”) for a novel G protein-coupled receptor target for the treatment of type 2 diabetics and obesity, GPR119, a new chemical entity (“NCE”) anti-diabetic molecule, which is in phase I clinical trials.

COMPETITIVE STRENGTHS

Domestic focused business of scale with potential for growth

Mankind is among the largest domestic formulations businesses in India with Domestic Sales of approximately ₹8,390.2 crore during MAT December 2022, ranking 4th in the IPM in terms of Domestic Sales. Between the Financial Year 2020 and MAT December 2022, their market share in terms of Domestic Sales in the IPM increased from 4.1% to 4.3%, which represents the fastest growth among the 10 largest corporates in the IPM by Domestic Sales. The revenue from operations in India contributed to 97.60% of their total revenue from operations for the Financial Year 2022, which was one of the highest among Peers Identified by IQVIA.

In India, Mankind has historically been present through their product portfolio in acute therapeutic areas and have gradually focused on chronic therapeutic areas. Their Domestic Sales in acute therapeutic areas grew at a CAGR of approximately 11% from approximately ₹4,133.4 crore in the Financial Year 2020 to approximately ₹5,555 crore for MAT December 2022, which has outpaced that of the IPM’s growth rate for acute therapeutic areas, by approximately 1.2 times, which grew at a CAGR of approximately 9% over the same period.

The increased focus on chronic therapeutic areas, the Domestic Sales in chronic therapeutic areas grew at a CAGR of approximately 14% from approximately ₹1,960.9 crore in the Financial Year 2020 to approximately ₹2,835.2 crore for MAT December 2022, which has outpaced by approximately 1.4 times that of the IPM’s growth rate for chronic therapeutic areas, which grew at a CAGR of approximately 10% over the same period.

Domestic Sales growing at 1.3 times the growth rate of the IPM between the FY2020 and MAT December 2022

Between the Financial Year 2020 and MAT December 2022, company’s Domestic Sales grew at a CAGR of approximately 12%, also outperforming the overall IPM growth in Domestic Sales of approximately 10%, by approximately 1.3 times. Between the Financial Year 2020 and MAT December 2022, the Domestic Sales had the third fastest growth at a CAGR of approximately 12% among the 10 largest corporates in the IPM by Domestic Sales, compared to the average growth of approximately 10% for the 10 largest corporates (excluding Mankind) in the IPM by Domestic Sales and the average growth of approximately 11% for Peers Identified by IQVIA. Their growth has been primarily driven by growth in volumes, and they had the 3rd largest volume share among the 10 largest corporates in the IPM by Domestic Sales for MAT December 2022.

Several products in portfolio with top 10 rankings across key therapeutic areas

Several products in company’s portfolio across key therapeutic areas were ranked amongst the 10 largest companies in the Covered Markets in 10 of the leading therapeutic areas, in terms of Domestic Sales for MAT December 2022.

Established consumer healthcare franchise with brand recall

Mankind operates at the intersection of the Indian pharmaceutical formulations and consumer healthcare sectors with the aim of providing quality products at affordable prices and have an established track record of building and scaling brands in-house. They have established number of consumer healthcare brands in the condoms, pregnancy detection, emergency contraceptives, antacid powders, vitamin and mineral supplements and anti-acne preparations categories, among others.

Leveraged the corporate brand to build and scale brands

Mankind has 10 brand families, 19 brand families and 36 brand families with Domestic Sales over ₹200 crore, ₹100 crore and ₹50 crore, respectively, for MAT December 2022, as compared to 7 brand families, 13 brand families and 29 brand families for the Financial Year 2020, representing a growth of approximately 1.4 times, 1.5 times and 1.2 times, respectively. 36 of their brand families with Domestic Sales of above ₹50 crore during MAT December 2022 contributed to approximately ₹5,698.6 crore or 68% of their Domestic Sales in the same period. Further, 19 brands of their 20 highest selling brands which ranked among the 3 highest selling brands in their respective molecule groups in the IPM, and 21 brands which ranked among the 300 highest selling brands in the IPM, during MAT December 2022. For MAT December 2022, 21 of their brands had annual Domestic Sales of more than ₹100 crore, compared to approximately 16 brands on average among the

10 largest corporates in the IPM (excluding Mankind) by Domestic Sales and approximately 14 brands on average among Peers Identified by IQVIA.

Pan-India market and distribution coverage with focus on affordability and accessibility

Mankind has pan-India marketing and distribution presence, and had one of the largest distribution networks in the IPM with 11,691 medical representatives and 3,561 field managers, as of December 31, 2022, and over 80% of doctors in India prescribed their formulations during MAT December 2022. They have also established a significant distribution network and, during the 9 months ended December 31, 2022, they sold their products to over 12,000 stockists and engaged with 75 C&F agents. They implement a calibrated marketing strategy that emphasizes affordability and accessibility. They have an established presence and a large share of Domestic Sales in Class II-IV cities and rural markets. The Domestic Sales from Class II-IV cities and rural markets contributed to approximately 47% of their total Domestic Sales for MAT December 2022, higher than approximately 37% recorded for the IPM, indicating their established presence across high-growth markets in India.

During MAT December 2022, their Domestic Sales in the North India, South India, East India and West India regions amounted to approximately ₹29,673 million, ₹19,178 million, ₹15,991 million and ₹19,061 million, respectively, contributing to approximately 35%, 23%, 19% and 23%, respectively, of their total Domestic Sales. Between the Financial Year 2020 and MAT December 2022, their Domestic Sales in each of these regions grew at a CAGR of approximately 15%, 8%, 17% and 10%, respectively, as compared to the IPM's CAGR in such regions of approximately 11%, 10%, 11% and 7%, respectively.

Professional management team with industry experience and backed by private equity investors

Company's business and operations are led by a professional management team and Board of Directors, who come from diverse backgrounds with expertise in various fields such as R&D, pharmaceutical sciences, corporate affairs, management, finance, legal affairs, taxation, mergers and acquisitions, private equity and investments. They benefit from the industry experience, vision and guidance of their individual Promoters, Directors of the company. They also have experienced professionals with substantial healthcare domain knowledge and sectoral experience leading key aspects of their business including, among others.

KEY BUSINESS STRATEGIES

Increase Covered Market presence including in chronic therapeutic areas

Mankind had a Covered Market presence of approximately 69% of the IPM in terms of Domestic Sales for MAT December 2022 and they intend to continue to increase their Covered Market presence and strengthen their position in the IPM. In particular, they plan to grow their market share in the following therapeutic areas: (i) Anti-diabetic, where they plan to foray into SGLT2 inhibitors and new gliptin drugs, (ii) Cardiovascular, where they plan to launch new formulations for the treatment of heart failure, (iii) Neuro/CNS, where they will focus on introducing anti-epileptics, antidepressants and anxiolytics (iv) respiratory, where their prime focus will be inhalers, (v) critical care, where they plan to launch new anti-infectives, (vi) Ophthalmology, where they will be introducing biologicals for anti-VEGF therapy and new molecules for glaucoma treatment, and (vii) Gynaecology, where they plan to focus on both male and female infertility care. They also plan to enter into new therapeutic areas such as urology and nephrology in the future.

The company strategically acquire brands and companies across key markets as well as explore in-licensing and co-development opportunities with other companies to diversify their therapeutic portfolio. Toward this, they completed the acquisition of 1 dermatology brand (Daffy) and 1 respiratory brand (Combihale) from Dr. Reddy's Laboratories in February 2022, which they expect to further strengthen their presence in these therapeutic areas. Further, in February 2022, they acquired several pharmaceutical formulations brands from Panacea Biotec Pharma Ltd and Panacea Biotec Ltd in India and Nepal. For the Financial Year 2022, their capital expenditures (₹2,345.52 Cr) mainly related to this acquisition.

Focus on increasing penetration in metro and Class I cities

The company aim to explore the potential to grow their presence in metro and Class I cities. Their Domestic Sales from metro and Class I cities contributed to approximately 53% of their total Domestic Sales for MAT December 2022, lower than approximately 64% recorded for the IPM. They plan to engage key opinion leaders in the healthcare industry as well as corporate hospitals through a dedicated team of regional medical advisors. In addition, they recently launched specialty divisions in cardiovascular cardio-diabetology, neurology, ophthalmology, respiratory, gynaecology and critical care along with their launch of a transplant and oncology division.

Focus on building alternative channels for growth

Company's established distribution network relies primarily on traditional trade channels for pharmaceuticals, i.e., distribution by stockists. During the 9 months ended December 31, 2022, they sold their products to over 12,000 stockists. Going forward, they will expand their focus on building their market share through alternative channels for growth, including through e-commerce and modern trade channels. New channels such as e-pharmacies emerged during the COVID-19 pandemic as patients sought refills of drugs for the treatment of chronic conditions.

Grow the consumer healthcare business

Mankind plans to grow their consumer healthcare business through expanding their distribution channel and increasing the market share of their existing brands. They plan to expand their distribution reach through grocers and small stores. They plan to hire additional field force for this purpose and seek collaborative arrangements with appropriate distributors. In particular, they plan to further expand their market share of their key consumer healthcare brands, including Manforce, Prega News and Gas-O-Fast, by increasing the retail presence of these brands. Further, on November 9, 2022, they completed a cash acquisition for a majority stake in Upakarma Ayurveda Pvt Ltd, a company engaged in premium ayurvedic products.

Continue to develop and invest in digital platforms to enhance doctor engagement

Company's in-house developed DrOnA Health service is a dedicated virtual-consultation platform that enables doctors to easily consult and interact with their patients across various channels, including in-clinic and virtually. They also recently launched Docflix, an over-the-top ("OTT") platform solely for doctors. Other digital platforms developed by them include Mankind Connect, which is their knowledge dissemination channel for healthcare providers, and Prana, a virtual patient assist chatbot that provides real time information to patients on lifestyle diseases.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2022)

Name of the Company	Consolidated / Standalone	Face Value	Revenue from Operations (₹ Cr)	EPS Diluted	NAV	P/E	RoNW (%)
Mankind Pharma Ltd	Consolidated	1	7781.56	35.78	153.65	-	23.29
Sun Pharmaceuticals Industries Ltd	Consolidated	1	38654.49	13.6	200.1	71.54	6.82
Cipla Ltd	Consolidated	2	21763.34	31.17	258.32	28.18	12.08
Zydus Lifesciences Ltd	Consolidated	1	15265.2	43.83	166.05	10.95	26.4
Torrent Pharmaceutical Ltd	Consolidated	5	8508.04	22.97	175.89	66.25	13.06
Alkem Laboratories	Consolidated	2	10634.19	137.63	722.44	23.03	19.05
JB Chemicals & Pharmaceuticals Ltd	Consolidated	2	2424.24	49.82	240.83	39.48	18.06
Eris Lifesciences Ltd	Consolidated	1	1347.04	29.88	140.39	19.1	21.28
Ipca Laboratories Ltd	Consolidated	2	5829.79	34.85	216.47	22.38	16.1
Abbott India Ltd	Consolidated	10	4919.27	375.86	1327	56.19	28.32
Glaxosmithkline Pharmaceuticals Ltd	Consolidated	10	3278.03	100.04	157.19	57.03	63.64
Dabur India Ltd	Consolidated	1	10888.68	9.81	47.41	54.55	20.75
Procter & Gamble Health Ltd	Consolidated	10	1114.41	116	371.39	42.27	31.23
Zydus Wellness Ltd	Consolidated	10	2009.1	48.54	761.26	31.11	6.38

DISCLAIMER

The information and opinions contained herein have been compiled or arrived at based on the information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy completeness or correctness. This document is for information purposes only. This report is based on information that we consider reliable; we do not represent that it is accurate or complete and one should exercise due caution while acting on it. Description of any company(ies) or its/their securities mentioned herein are not complete and this document is not and should not be construed as an offer or solicitation of an offer to buy or sell any securities or other financial instruments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. All opinions, projections and estimates constitute the judgment of the author as on the date of the report and these, plus any other information contained in the report, are subject to change without notice. Prices and availability of financial instruments are also subject to change without notice. This report is intended for distribution to institutional investors.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject to SSSIL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual in such country, especially USA, the same may be ignored and brought to the attention of the sender. Neither this document nor any copy of it may be taken or transmitted into the United States (to U.S. persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. Any unauthorized use, duplication, redistribution or disclosure of this report including, but not limited to, redistribution by electronic mail, posting of the report on a website or page, and/or providing to a third party a link, is prohibited by law and will result in prosecution. The information contained in the report is intended solely for the recipient and may not be further distributed by the recipient to any third party.

SSSIL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, SSSIL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that they cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. Our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The compensation of the analyst who prepared this document is determined exclusively by SSSIL; however, compensation may relate to the revenues of the Systematix Group as a whole, of which investment banking, sales and trading are a part. Research analysts and sales persons of SSSIL may provide important inputs to its affiliated company(ies).

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations which could have an adverse effect on their value or price or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk. SSSIL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on the basis of this report including but not restricted to fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

SSSIL and its affiliates, officers, directors, and employees subject to the information given in the disclosures may: (a) from time to time, have long or short positions in, and buy or sell, the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation (financial interest) or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential material conflict of interest with respect to any recommendation and related information and opinions. The views expressed are those of the analyst and the company may or may not subscribe to the views expressed therein.

SSSIL, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall SSSIL, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. The company accepts no liability whatsoever for the actions of third parties. The report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of the company, the company has not reviewed the linked site. Accessing such website or following such link through the report or the website of the company shall be at your own risk and the company shall have no liability arising out of, or in connection with, any such referenced website.

SSSIL will not be liable for any delay or any other interruption which may occur in presenting the data due to any technical glitch to present the data. In no event shall SSSIL be liable for any damages, including without limitation, direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by SSSIL through this presentation.



SSSIL or any of its other group companies or associates will not be responsible for any decisions taken on the basis of this report. Investors are advised to consult their investment and tax consultants before taking any investment decisions based on this report.

Systematix Shares and Stocks (India) Limited:

Registered and Corporate address: The Capital, A-wing, No. 603 – 606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

CIN - U65993MH1995PLC268414 | BSE SEBI Reg. No.: INZ000171134 (Member Code: 182) | NSE SEBI Reg. No.: INZ000171134 (Member Code: 11327) | MCX SEBI Reg. No.: INZ000171134 (Member Code: 56625) | NCDEX SEBI Reg. No.: INZ000171134 (Member Code: 1281) | Depository Participant SEBI Reg. No.: IN-DP-480-2020 (DP Id: 34600) | PMS SEBI Reg. No.: INP000002692 | Research Analyst SEBI Reg. No.: INH200000840 | Investment Advisor SEBI Reg. No. INA000010414 | AMFI: ARN - 64917