

Sector update

Company update

- Alembic Pharma (ADD)
- Alkem Labs (BUY)
- Aurobindo (ADD from Buy)
- Biocon (ADD)
- Cadila Health (HOLD from Buy)
- Cipla (BUY)
- Divis Labs (ADD)
- Dr Reddy's (ADD)
- Glenmark (ADD from Buy)
- JB Chemicals (ADD from Buy)
- Jubilant Life (ADD)
- Lupin (HOLD)
- Natco Pharma (HOLD from Add)
- Shilpa Medicare (HOLD from Add)
- Strides (ADD from Buy)
- Sun Pharma (BUY)
- Torrent Pharma (ADD)
- Abbott India (BUY)
- GSK Pharma (HOLD)
- Pfizer (REDUCE from Hold)
- Sanofi (ADD from Hold)

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Pharmaceuticals

Outlook 2021: Valuation rerating to sustain

We remain positive on the pharma sector for next year as we expect growth in India formulations to revive to 10-11%, cost control measures undertaken during the pandemic to aid profitability, and positive growth in US sales on a corrected base coupled with normalised price erosion. Pharma companies under our coverage witnessed an average 58% growth in stock prices over the past one year largely due to improved profitability and valuation rerating given growth visibility. USFDA inspections have been restricted in CY20 due to the pandemic and would resume once the COVID-19 situation normalises. We recommend BUY on companies with strong India business and pipeline of complex generics in the US. Cipla, Alkem and Abbott India are our top picks.

- ▶ **Outlook for CY21:** We are positive on the sector and expect revenue growth to improve in the coming year. We believe India business would see healthy recovery in growth on the low base of CY20, which has been impacted by COVID-19 led lockdown. We believe ~10% growth is sustainable over the medium term while CY21 may witness higher growth. In the US, companies with clean FDA record and complex generics pipeline are poised to grow with steady improvement in profitability. USFDA inspections were restricted in CY20 owing to travel restrictions caused by the pandemic. We expect these inspections to resume as the situation normalises with an option of implementing desktop audit for quick resumption of the process. Progress on specialty business in the US would be closely monitored as this segment has lagged expectations. API and CRAMS businesses would continue to grow at a healthy pace with India becoming a preferred manufacturing destination.
- ▶ **Key sector trends in CY20:** Key notable trends in pharma were: 1) lack of USFDA inspections at Indian plants as travel restrictions were imposed since Mar-Apr'20 due to the pandemic; 2) weak growth in India formulations, especially in the acute segment as new prescriptions dwindled with low doctor-patient interaction due to the lockdown; 3) strong traction in API business; and 4) cost rationalisation. The sector outperformed the broader market led by growth visibility, profitability improvement led by cost savings, stable pricing in US market, and no major regulatory hurdles. Indian plants received four warning letters in CY20-TD vs 15 in CY19 as the number of inspections was limited this year.
- ▶ **Key expectations in CY21:**
 - Growth recovery in Indian branded pharma market to be >10% vs ~3% in CY20.
 - High number of USFDA inspections once situation normalises since several plants are due for re-inspection.
 - Positive growth in US generic business as price erosion has normalised.
 - Improved profitability and cost-savings undertaken during lockdown would partially sustain.
 - Focus on execution to improve growth and moderation in capex & R&D spend.
- ▶ **Our view:** We continue to prefer companies with higher India sales, complex generic pipeline in the US, and clean FDA status. **Top picks:** Cipla, Alkem Labs, and Abbott India. Rationale: higher India sales, and improving margins and return ratios. Considering the recent run-up in stock price, we downgrade Aurobindo to **ADD** from **Buy**, Cadila to **HOLD** from **Buy**, Glenmark to **ADD** from **Buy**, JB Chemicals to **ADD** from **Buy**, Natco to **HOLD** from **Add**, Pfizer to **REDUCE** from **Hold**, Shilpa Medicare to **HOLD** from **Add** and Strides to **ADD** from **Buy**. Post the recent stock price correction we upgrade Sanofi to **ADD** from **Hold**.
- ▶ **Key risks:** High number of USFDA inspections, currency volatility, and inclusion of more products under NLEM in India.

Valuation summary

	RATING	CMP (Rs)	TP (Rs)	M Cap (Rs bn)	PE (x)			EV/EBITDA (x)			ROE (%)			RoCE (%)		
					FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Pharma																
Alembic	Add	1,087	1,151	205	18.8	21.2	20.4	13.3	13.6	12.6	28.3	19.3	17.5	21.0	16.8	15.7
Alkem	Buy	2,896	3,566	346	23.5	22.5	19.9	17.0	16.1	14.1	22.1	19.9	19.6	18.1	17.3	18.1
Aurobindo	Add	897	970	526	16.6	15.5	14.1	10.0	9.4	8.3	17.4	16.0	15.3	13.9	14.4	14.6
Biocon	Add	455	490	546	61.3	38.8	26.4	29.6	20.9	15.2	12.5	17.1	20.9	8.2	11.6	15.5
Cadila	Hold	467	476	478	24.2	22.9	20.3	15.5	14.8	13.2	18.1	17.2	17.5	11.1	11.3	12.3
Cipla	Buy	756	938	609	26.3	23.1	20.2	14.0	12.4	10.6	13.8	13.9	14.0	11.9	12.4	13.0
Divis Labs	Add	3,641	3,960	967	50.1	41.8	35.4	34.7	28.8	24.2	23.9	23.6	23.2	23.0	22.9	22.5
Dr Reddy's	Add	5,016	5,412	832	30.1	26.4	18.0	17.4	15.2	10.6	16.6	16.6	21.0	14.5	14.7	18.8
Glenmark	Add	527	586	149	16.2	15.4	13.5	8.7	8.2	7.3	14.1	13.1	13.2	10.2	10.0	10.4
JB Chemicals	Add	997	1,114	77	21.1	19.2	16.8	13.9	12.5	10.7	22.9	20.6	19.7	21.9	19.9	19.1
Jubilant LifeScienc	Add	796	852	124	14.5	12.3	11.0	8.1	7.0	6.2	14.6	15.2	15.0	10.0	10.9	11.3
Lupin	Hold	940	964	426	39.5	25.9	22.2	17.7	13.3	11.5	8.3	11.7	12.4	6.7	10.1	11.0
Natco	Hold	951	974	173	31.1	30.3	14.1	23.0	22.1	10.2	14.0	12.9	24.0	12.8	12.0	22.2
Shilpa Medicare	Hold	475	472	38	23.5	21.6	18.9	16.7	15.8	13.8	11.5	11.1	11.4	9.2	8.8	9.2
Strides Pharma Sci	Add	784	822	70	28.3	18.8	15.8	12.6	10.7	9.3	9.4	12.6	13.3	7.2	9.5	10.2
Sun	Buy	567	652	1,360	27.6	23.5	20.2	16.6	14.3	12.1	10.8	11.9	12.5	8.8	10.1	10.9
Torrent Pharma	Add	2,646	3,014	448	35.9	29.5	24.8	19.4	17.0	14.9	24.1	25.4	26.0	16.3	18.9	21.4
MNC																
Abbott India	Buy	16,006	18,435	340	46.0	39.1	34.2	33.3	28.2	24.4	29.1	29.1	26.6	26.9	27.1	25.1
GSK Pharma	Hold	1,551	1,511	263	51.4	43.9	38.5	34.9	30.1	26.4	26.9	28.5	29.0	23.3	24.9	25.3
Pfizer	Reduce	5,278	4,963	241	48.6	40.1	34.7	31.3	26.8	23.3	17.1	22.5	21.8	16.7	21.8	21.2
Sanofi India (CY er)	Add	7,984	8,731	184	32.2	32.3	28.3	22.5	22.8	20.1	24.0	22.9	22.8	23.1	22.1	22.1

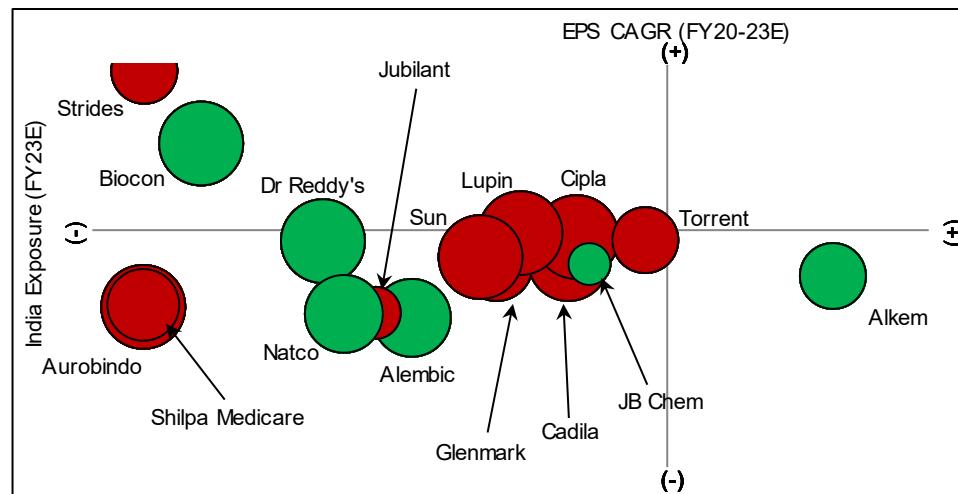
Source: Company data, I-Sec research

Prefer companies with India focus and complex generic pipeline for US

We retain our positive view on India branded formulations business and diversified US generic pipeline of complex products (including Para IV / FTFs) with clear FDA status.

- India branded formulations business was affected in CY20 as the populace was confined to their homes and doctor clinics and hospitals were working at lower occupancies due to COVID-19 led lockdown. However, lockdown restrictions have eased in most parts of the country and marketing/promotional activities have normalised. Hence, we expect growth to revert to ~10% in the medium term and CY21 may see an even higher growth on a low base. Industry growth reverted to high single digit in Oct-Nov'20 vs ~3% MAT growth in H1FY21. We expect the double-digit growth (>10% in CY21) to be largely driven by pick-up in acute portfolio, steady growth in chronic segment, ~5% volume growth, price hikes and new product introductions. We believe India business provides sustainability in terms of revenue growth with limited foreseeable threats, and that operating leverage would help improve profitability.
- Consistent launch momentum backed by pipeline of higher number of pending ANDAs along with complex or niche generics are critical for sustaining positive growth momentum in a challenging US environment where competition is constantly increasing. However, price erosion has largely eased and normalised to ~5%.
- Increasing USFDA observations over the past few years have forced companies to become more compliant. Clean FDA status would help companies in maintaining the launch momentum including FTFs and limited-competition products that are time sensitive and any adverse FDA outcome may result in opportunity lost.

Chart 1: Positioning based on India sales, EPS CAGR and US pipeline



Source: Industry data, I-Sec research

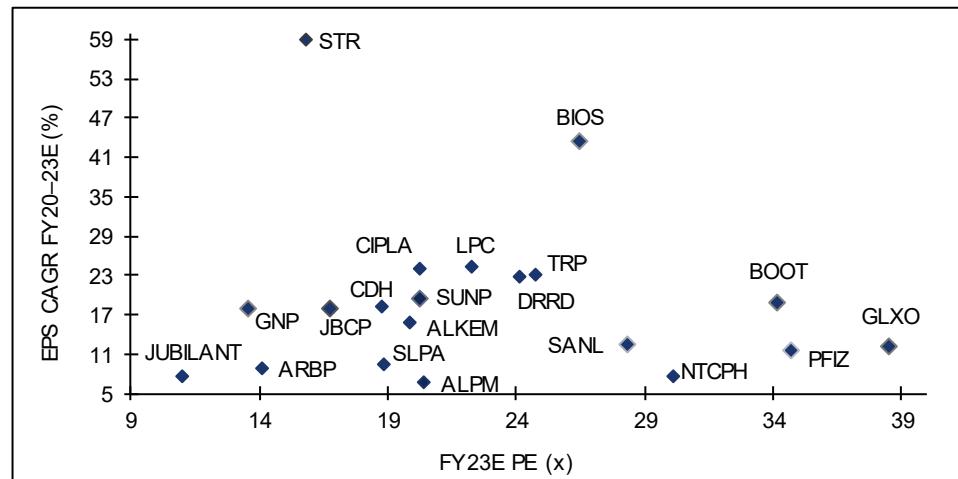
Note: 1) Warning letter/import alert, 483 observations and no ongoing FDA issues.

2) Bigger size of bubble denotes better pipeline for US.

Relative attractiveness of pharma companies

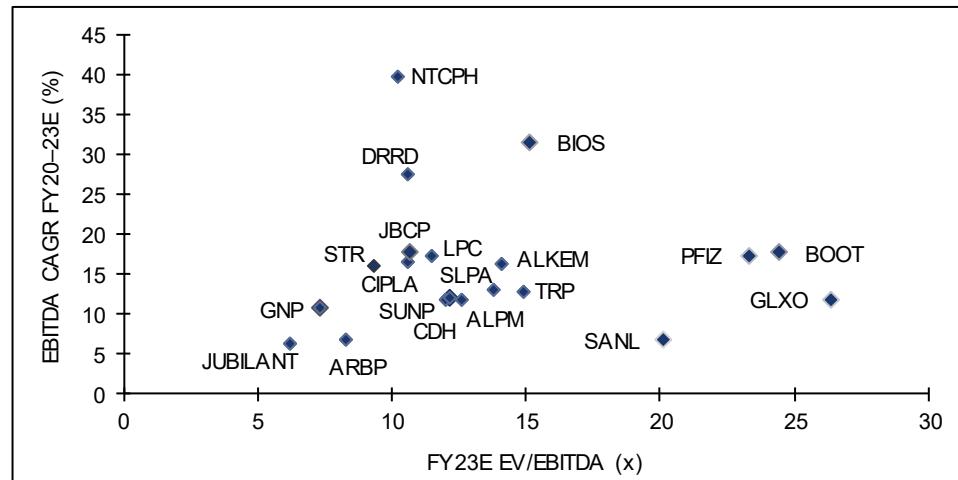
Based on relative growth and valuations, Alkem, Lupin and Shilpa Medicare look better placed compared to other companies. Natco Pharma is featuring in the bottom half (high relative valuation vs growth) as its current price factors-in the upside expected from generic *Revlimid* opportunity to some extent. However, growth does not capture this as it will be monetised from FY22.

Chart 1: P/E vs EPS CAGR – STR and BIOS look better

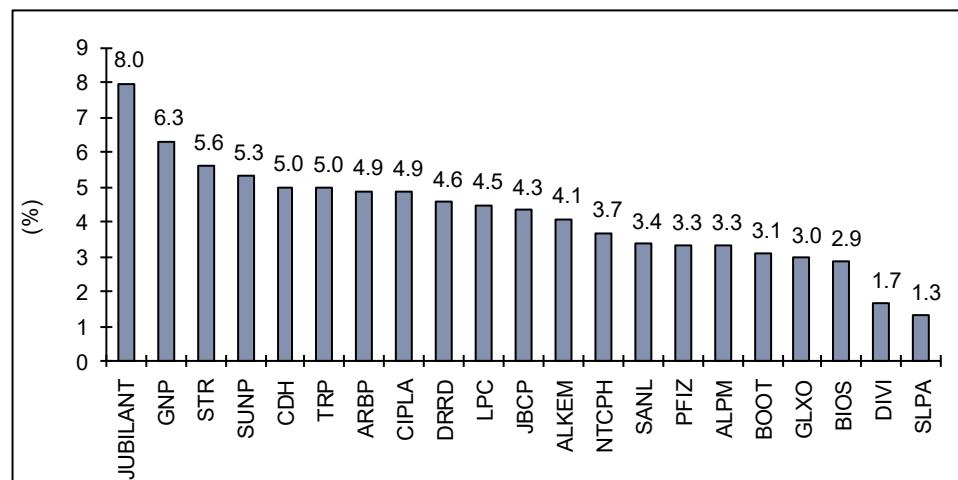


Source: Industry data, I-Sec research

Chart 2: EV/EBITDA vs EBITDA CAGR – NTCPH, DRRD and BIOS look better



Source: Industry data, I-Sec research

Chart 3: FCF yield – ARBP, JUBILANT, STR and JBCP look better

Source: Industry data, I-Sec research

Cost control benefits drive earning upgrades

During the pandemic, most companies focused on controlling costs including natural cost savings such as reduction in marketing & promotional activities, travel, etc. Significant EBITDA margin expansion was observed in H1FY21. As per management commentary of various companies, part of the cost savings implemented in H1FY21 would be sustainable on the back of cautious decisions on various cost items and move towards digital activities including marketing. This along with improved growth visibility has led to material earning upgrades.

Table 1: EBITDA margin expansion in H1FY21

Company	H1FY21	H1FY20	change (bps)
Abbott India	22.4	18.4	400
Alembic	30.4	26.0	440
Alkem	26.0	17.4	860
Aurobindo	21.7	20.9	80
Biocon	23.6	27.8	(420)
Cadila	22.5	19.3	320
Cipla	23.7	21.6	210
Divis Labs	41.4	33.6	780
Dr Reddy's	25.1	19.9	520
Glenmark	19.8	15.9	390
GSK Pharma	20.9	21.5	(60)
JB Chemicals	27.5	21.7	580
Jubilant LifeSciences	18.5	20.3	(180)
Lupin	14.5	16.5	(200)
Natco	32.8	33.3	(50)
Pfizer	35.1	29.7	540
Sanofi India (CY ending)	25.0	21.7	330
Shilpa Medicare	26.8	21.5	530
Strides Pharma Science	19.6	19.3	30
Sun	25.0	22.7	230
Torrent Pharma	31.8	26.9	490

Source: Bloomberg, I-Sec research

Table 2: Earning upgrades over past one year

Company	Dec'20		Jan'20		% change	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Abbott India	347.8	409.6	342.6	401.3	1.5	2.1
Alembic	57.9	51.3	32.3	39.0	79.2	31.5
Alkem	123.3	128.5	100.7	115.3	22.4	11.4
Aurobindo	53.9	57.7	56.7	57.0	(4.9)	1.2
Biocon	7.4	11.7	-	-	-	-
Cadila	19.3	20.4	15.0	18.5	28.3	10.0
Cipla	28.7	32.7	23.0	26.9	24.8	21.4
Divis Labs	72.7	87.1	-	-	-	-
Dr Reddy's	166.8	190.0	127.9	150.1	30.4	26.6
Glenmark	32.5	34.3	28.5	33.5	13.9	2.2
GSK Pharma	30.2	35.3	39.7	46.1	(24.1)	(23.4)
JB Chemicals	47.3	51.9	34.2	39.1	38.4	32.8
Jubilant LifeSciences	54.9	64.7	60.0	68.3	(8.5)	(5.1)
Lupin	23.8	36.3	32.9	42.2	(27.6)	(14.0)
Natco	30.6	31.4	32.6	35.8	(6.4)	(12.5)
Pfizer	108.6	131.5	141.4	163.7	(23.2)	(19.7)
Sanofi India (CY ending)	247.7	247.0	247.8	288.0	(0.0)	(14.2)
Shilpa Medicare	20.2	22.0	17.8	20.6	13.7	6.7
Strides Pharma Science	27.8	41.7	34.6	44.0	(19.9)	(5.2)
Sun	20.5	24.2	21.4	24.4	(3.9)	(1.1)
Torrent Pharma	73.7	89.8	71.1	88.4	3.6	1.5

Source: Bloomberg, I-Sec research

Table 3: Revenue and earnings growth expectations (FY20-FY23, CAGR %)

Company	Revenue	EBITDA	PAT
Abbott India	8.6	17.7	18.8
Alembic	15.8	11.7	5.2
Alkem	9.4	16.3	15.7
Aurobindo	5.5	6.8	8.9
Biocon	20.4	31.6	43.5
Cadila	7.3	11.8	18.3
Cipla	9.9	16.6	23.9
Divis Labs	20.8	28.4	25.7
Dr Reddy's	14.0	27.5	35.5
Glenmark	7.2	12.1	17.9
GSK Pharma	6.7	11.9	12.1
JB Chemicals	11.3	17.8	18.0
Jubilant LifeSciences	6.4	6.4	7.7
Lupin	7.5	17.3	24.4
Natco	20.7	39.8	38.5
Pfizer	9.1	17.4	11.6
Sanofi India (CY ending)	2.1	6.8	12.6
Shilpa Medicare	9.5	13.2	9.5
Strides Pharma Science	13.3	16.2	59.0
Sun	6.8	12.2	19.5
Torrent Pharma	7.6	12.8	23.0

Source: I-Sec research

Valuation rerating to sustain

Sector valuations have rerated in CY20 driven by relatively sustainable growth during pandemic, earning upgrades and stable pricing environment in US. We believe this valuation rerating would continue considering the future growth visibility and tailwinds from potential manufacturing shift from China to India for APIs and likely high growth in India in CY21 on low base.

Table 4: Change in estimates, target price and rating

Company	Change in Revenue (%)			Change in EPS (%)			Target Price (Rs)		Rating	
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	New	Old	New	Old
Abbott	-	-	-	-	-	-	18,435	18,435	Buy	Buy
Alembic	-	-	-	-	-	-	1,151	1,151	Add	Add
Alkem	-	-	-	-	-	-	3,566	3,566	Buy	Buy
Aurobindo	-	-	-	-	-	-	970	970	Add	Buy
Biocon	-	-	-	-	-	-	490	466	Add	Add
Cadila	-	-	-	-	-	-	476	476	Hold	Buy
Cipla	-	-	-	-	-	-	938	938	Buy	Buy
Divis Labs	-	-	-	-	-	-	3,960	3,960	Add	Add
Dr Reddys	-	-	-	-	-	-	5,412	5,412	Add	Add
Glenmark	-	-	-	-	-	-	586	586	Add	Buy
GSK	-	-	-	-	-	-	1,511	1,511	Hold	Hold
JB Chemicals	-	-	-	-	-	-	1,114	1,114	Add	Buy
Jubilant Life	-	0.6	0.6	-	0.8	0.8	852	806	Add	Add
Lupin	-	-	-	-	-	-	964	964	Hold	Hold
Natco	-	-	-	-	-	-	974	974	Hold	Add
Pfizer	-	-	-	-	-	-	4,963	4,963	Reduce	Hold
Sanofi	-	-	-	-	-	-	8,731	8,731	Add	Hold
Shilpa Med	-	-	-	-	-	-	472	472	Hold	Add
Strides	-	-	-	-	-	-	822	776	Add	Buy
Sun Pharma	-	0.4	0.8	-	2.0	3.1	652	610	Buy	Buy
Torrent	-	-	-	-	-	-	3,014	3,014	Add	Add

Source: I-Sec research

Table 5: Financial summary

	Revenue (Rs m)				EBITDA Margin (%)				Adjusted PAT (Rs m)				EPS (Rs)			
	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E
Pharma																
Alembic	46,058	56,975	64,615	71,540	26.6	29.3	25.1	23.8	8,375	11,376	10,092	10,481	45.8	57.9	51.3	53.3
Alkem	83,444	90,118	99,355	109,188	17.7	22.4	20.9	21.2	10,957	14,738	15,359	17,435	94.3	123.3	128.5	145.8
Aurobindo	230,985	249,827	255,854	271,310	21.1	21.2	21.2	21.8	28,807	31,610	33,803	37,240	49.1	53.9	57.7	63.5
Biocon	63,672	74,699	92,669	111,059	25.2	25.9	29.3	32.9	6,986	8,910	14,066	20,647	5.8	7.4	11.7	17.2
Cadila	142,019	154,100	163,216	175,227	19.1	21.9	21.3	21.7	14,194	19,740	20,840	23,507	13.9	19.3	20.4	23.0
Cipla	171,320	191,137	208,699	227,100	19.0	22.3	22.3	22.8	15,838	23,178	26,345	30,097	19.6	28.7	32.7	37.3
Divis Labs	53,944	68,654	81,549	95,174	33.8	40.0	40.1	40.5	13,765	19,308	23,109	27,324	51.9	72.7	87.1	102.9
Dr Reddy's	167,371	193,836	212,321	247,718	21.1	24.4	24.9	29.5	25,055	27,682	31,547	46,283	112.0	166.8	190.0	278.8
Glenmark	106,410	110,946	121,405	131,253	16.0	18.9	18.1	18.2	6,713	9,170	9,665	10,999	23.8	32.5	34.3	39.0
JB Chemicals	17,747	19,886	22,138	24,475	21.3	25.7	24.9	25.2	2,799	3,657	4,012	4,594	36.2	47.3	51.9	59.5
Jubilant LifeScienc	91,544	94,872	102,570	110,152	21.3	20.4	21.1	21.3	9,239	8,745	10,314	11,534	58.0	54.9	64.7	72.4
Lupin	152,307	154,120	173,454	189,163	14.5	15.9	18.3	18.9	(104,541)	10,786	16,446	19,149	22.0	23.8	36.3	42.3
Natco	19,150	23,528	23,363	33,638	30.4	30.9	32.1	47.4	4,608	5,561	5,707	12,236	25.3	30.6	31.4	67.2
Shilpa Medicare	9,079	10,257	10,792	11,917	24.2	25.3	26.0	26.7	1,562	1,648	1,795	2,052	19.2	20.2	22.0	25.2
Strides Pharma Sc	27,520	32,665	36,448	39,972	19.4	19.9	20.7	21.0	1,310	2,379	3,734	4,448	12.4	27.8	41.7	49.7
Sun	327,875	338,570	369,189	399,357	21.2	23.2	23.7	24.5	39,410	49,302	57,954	67,225	16.4	20.5	24.2	28.0
Torrent Pharma	79,393	81,099	89,938	98,861	27.3	31.0	31.2	31.5	10,247	12,473	15,195	18,066	57.4	73.7	89.8	106.7
MNC																
Abbott India	40,931	43,457	48,082	52,429	18.5	21.9	22.9	23.5	5,929	7,390	8,704	9,950	279.0	347.8	409.6	468.2
GSK Pharma	32,244	32,510	35,887	39,180	20.4	22.0	22.9	23.5	1,973	5,109	5,982	6,817	28.6	30.2	35.3	40.2
Pfizer	21,517	23,034	25,424	27,943	26.6	31.6	32.6	33.1	4,422	4,968	6,017	6,957	109.3	108.6	131.5	152.1
Sanofi India (CY er)	30,706	29,487	29,808	32,662	21.7	25.6	24.5	24.8	4,551	5,697	5,680	6,490	197.9	247.7	247.0	282.2

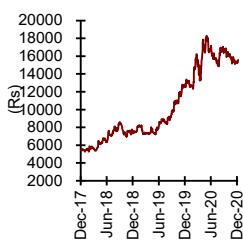
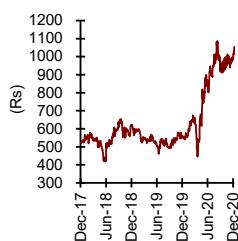
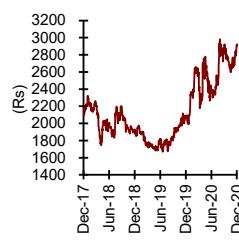
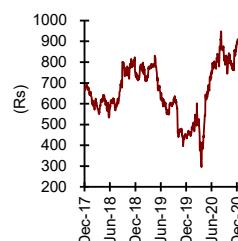
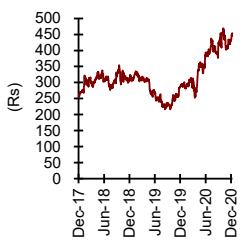
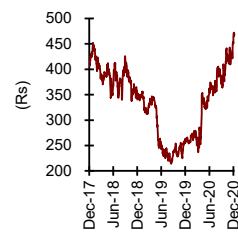
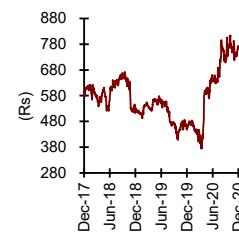
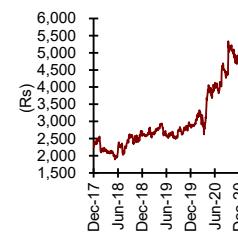
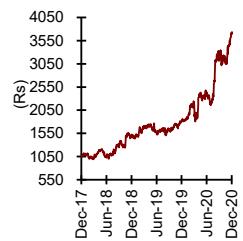
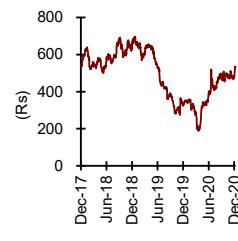
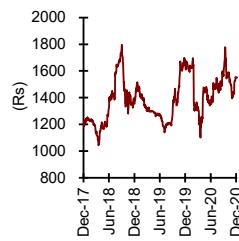
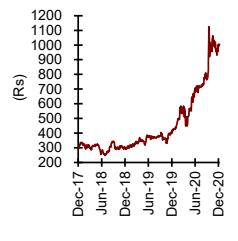
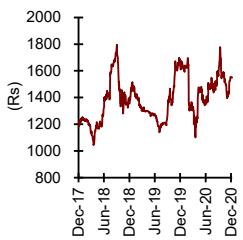
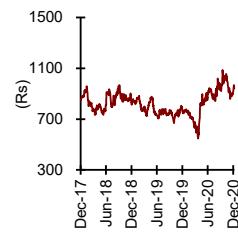
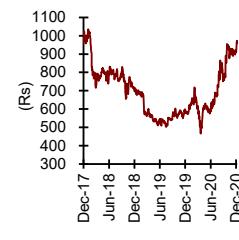
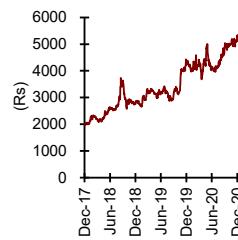
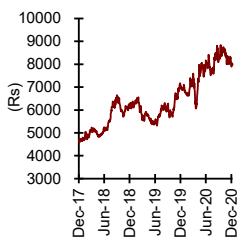
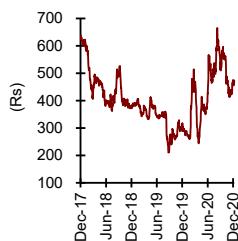
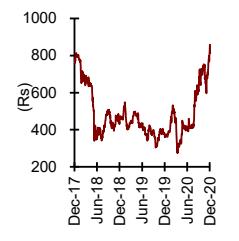
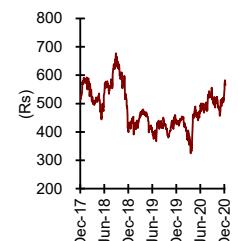
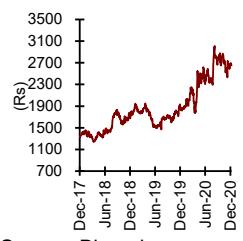
Source: I-Sec research

Table 6: Latest status of USFDA inspections on Indian facilities

Company	Location	API/Formulations	Last inspection	Status
Alembic	Panelav, Gujarat	Formulations	Mar-20	Cleared
	Panelav, Gujarat	API	Dec-18	Cleared
	Karakhadi, Vadodara, Gujarat	API	Jan-20	Cleared
	Karakhadi, Vadodara, Gujarat (Aleor)	Formulations	Jan-20	Cleared
Alkem	Daman	Formulations	Aug-19	Cleared
	Mandava, Gujarat	API	Sep-15	Cleared
	Ankleshwar, Gujarat	API	Dec-16	Cleared
	Baddi, HP	Formulations	Feb-20	Cleared
	California, US	API	2015	Cleared
	St Louis, Missouri, US	Formulations	Feb-20	Cleared
	Taloja, Maharashtra	R&D	Oct-19	Cleared
Aurobindo	Unit I, Medak, Telangana	API	Feb-19	OAI
	Unit III, Bachupally, Telangana	Formulations	May-19	Ten 483 observations
	Unit IV, Pashamylaram, Telangana	Formulations	Nov-19	Fourteen 483 observations (VAI on 21/4/20)
	Unit V, Patancheru, Hyderabad	Formulations	Aug-19	Four 483 observations (VAI on 9/12/19)
	Unit VI, Chitkul, Telangana	Formulations	Aug-17	Cleared
	Unit VII, Polepally, Telangana	Formulations	Sep-19	Seven 483 observations (OAI in Jan'20)
	Unit VIII, Sangareddy, Telangana	Formulations	Oct-19	Cleared
	Unit IX, Hatnoora, Telangana	API/Intermediates	Jan-19	Five 483 observations (OAI)
	Unit XI, Pydihimavaram, Srikantham	API	Feb-19	Three 483 observations (OAI) & WL
	Unit XII, Bachupally, Telangana	Formulations	Jul-15	Cleared
	Unit XVI, Jadcherla, Telangana	Formulations/Injectables	Mar-19	Cleared
Biocon	Malaysia	Formulations/Injectables	Feb-20	Cleared
	Bangalore (2 units)	Formulations	Sep-20	Cleared
	Bangalore (Small Molecule)	API	Jan-20	Cleared
Cadila	Moraiya, Gujarat	API	May-19	Fourteen 483 observations (OAI) & WL
	Ankhleshwar, Gujarat	API	Jul-19	Cleared
	Baddi, HP	Formulations	Mar-20	Cleared
	Ahmedabad, Gujarat	Formulations	Dec-19	Cleared
	St Louis, US	Formulations	May-19	Eight 483 observations (VAI)
	Dabhsa, Gujarat	API	Oct-19	Cleared
Cipla	Salcette, Goa	Formulations	Sep-19	Twelve 483 observations (OAI)
	Bengaluru, Karnataka	API	Jul-19	Cleared
	Kurkumbh Village, Maharashtra	API+Formulations	Dec-16	Cleared
	Pithampur, MP	Formulations	Apr-18	Three 483 observations
	Patalganga, Maharashtra	API+Formulations	Nov-19	Cleared
Divis Labs	Unit 2, Chippada, AP	API/CRAMS	Jan-20	Cleared
	Unit 1, Choutuppal, Telangana	API/CRAMS	May-18	Cleared
DRL	Bollaram, Telangana	API	Jul-19	Cleared
	Jeeditmetla, Telangana	API	Apr-15	Cleared
	Srikakulam, AP	API	Jan-20	Cleared (VAI) on 8/5/20
	Srikakulam, AP (SEZ)	API	Oct-19	Cleared
	Srikakulam, AP	Formulations	Jan-19	Four 483 observations (VAI)
	Bachupally, Telangana	Formulations	Feb-19	Cleared
	Duvvada, Vizag	Formulations	Aug-19	Eight 483 observations (VAI on 16/2/20)
	Miryaluguda, Telangana	API	Mar-20	Cleared
	Bristol, US	Formulations	Jan-15	Cleared
	Shreveport, US	Formulations	Aug-19	Cleared
Glenmark	Middleburgh, US	API	Oct-17	Cleared
	Colvale, Goa	Formulations	Oct-19	Two 483 observations
	Pithampur, MP	Formulations	Aug-17	Cleared
	Baddi, HP	Formulations	Apr-19	WL in Oct'19
	Ankleshwar, Gujarat	API	Oct-18	Cleared
	Dahej, Gujarat	API	Apr-15	Cleared
	Aurangabad, Maharashtra	Formulations	Aug-18	Cleared
	Indore, MP	Formulations	Sep-19	Cleared

Company	Location	API/Formulations	Last inspection	Status
Lupin	Mandideep, MP (Unit 1)	API+Form	Dec-18	10-API + 8-Form 483 observations (OAI in Mar'19, WL in Sep'19)
	Mandideep, MP (Unit 2)	API	Dec-18	Cleared
	Chikalthana, Maharashtra	Formulations	Feb-20	Cleared
	Salcette, Goa	Formulations	4/7/2017, 2/8/19	Warning Letter and Two 483 observations (OAI)
	Dabhosa, Gujarat	API	Jul-16	Cleared
	Unit II, Indore, MP	Formulations	5/19/2017, 1/25/2019	Warning Letter and Six 483 observations (OAI)
	Unit III, Pithampur, MP	Formulations	Oct-18	Cleared
	Tarapur, Maharashtra	API	Sep-19	Three 483 observations (OAI)
	Wakad, Maharashtra	R&D	Jun-17	Cleared
	Somerset	Formulations	Nov-20	Thirteen 483 observations (OAI from previous inspection)
Natco	Nagpur, Maharashtra	Formulations	Jan-20	Cleared
	Vizag, AP	API	Jan-20	Cleared
	Coral Springs, Florida	Inhalation research	Feb-20	Cleared
	Mehboobnagar, Kothur, Telangana	Formulations	Jun-19	Cleared
Shilpa	Mekaguda, Telangana	API	Aug-19	Cleared
	Manali, Chennai, TN	API	Feb-16	Cleared
Strides	Vizag, AP	Formulations	Mar-20	Cleared
	Raichur (Unit 1&2)	API	Feb-20	Cleared
	Jaldchera, Telangana	Formulations	Feb-20	Warning Letter and Thirteen 483 observations
	Bangalore	Formulations	Jan-20	Cleared
	Beltapharm Milan, Italy	API	May-15	Cleared
Sun	Chennai (JV with Vivimed)/Alathur	Formulations	Aug-19	Cleared
	Puducherry	Formulations	Feb-19	Warning Letter
	Riviera Beach, Florida	Formulations	Dec-19	Cleared
	Panoli, Gujarat	API	Jul-15	Cleared
	Ahmednagar, Maharashtra	API	Jun-15	Cleared
	Halol, Gujarat	Formulations	Aug-18	Six 483 observations (OAI in Mar'20)
	Karkhad, Gujarat	API+Formulations	May-15	Cleared
	Dadra	Formulations	Mar-19	Eleven 483 observations (VAI)
Torrent	Mohali	Formulations	Nov-17	Cleared
	Toansa	API	Dec-12	Warning Letter
	Cranbury, US	Formulations	Mar-17	Cleared
	Detroit, US	Formulations	May-13	Cleared
Sun	Halol, Gujarat (Baska)	Formulations	Feb-19	Cleared
	Indrad, Mehsana, Gujarat	Formulations	Apr-19	Four 483 observations (OAI in Aug'19)
	Pithampur, MP	Formulations	Mar-19	Cleared
Sun	Dahej, Gujarat	Formulations	Mar-19	Five 483 observations (OAI in Jul'19)

Source: Industry data, I-Sec research

Price charts**Abbott India****Alembic Pharma****Alkem****Aurobindo****Biocon****Cadila****Cipla****Dr Reddy's****Divis Lab****Glenmark****GSK Pharma****JB Chemicals****Jubilant Life****Lupin****Natco Pharma****Pfizer****Sanofi India****Shilpa Medicare****Strides Pharma Science****Sun Pharma****Torrent Pharma**

Source: Bloomberg

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