

Short Note on **Medicament Biotech Limited** Date:- 17/5/2022
Sister Company - Shivalik Rasayan - Agro chemical and API Producer

P/e 50
ROCE 12.7%

Book Value 116
ROE 9.73%

EV 837 Crores
Promoter Holding 43.6%

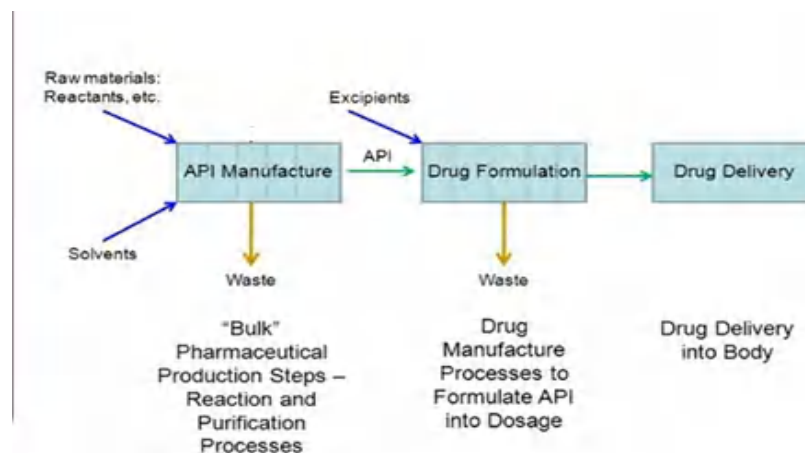
About the Business

Established in **1993**, and headquartered at New Delhi, Medicamen Biotech Limited (referred as 'MBL' or 'the Company'), develops and markets wide range of **branded and generics formulations**. The Company primarily manufactures **tablets, capsules, liquid syrup, dry syrup (beta lactum and non-beta lactum) ointment and Oral Rehydration Solution (ORS)**. The Company has **two state-of-the-art manufacturing facilities for Beta Lactum & Non- beta Lactum pharmaceuticals, located at Bhiwadi an update facility for Australian markets (Rajasthan) and Haridwar (Uttarakhand)** (both the facilities are approved by WHO, ANVISA (Brazil), NAFDAC, MCAZ, DACA) respectively. The company has an **upcoming oncology formulations plant** its third facility at Haridwar which is almost complete and expected to operational during financial year 2020-21. Medicamen has a team of **45 R&D personnel, 48 skilled industrial Pharmacists, 19 expert quality assurance Pharmacists and 100+ technicians in their core team**. Its key therapeutic areas are **antibiotic, antimalarial, antidiarrheal, antituberculosis and general pain management**. The business has presence in South East Asia, Africa, Brazil, South Asia, CIS countries, Australia. With 71% market share, generic drugs form the largest segment of the Indian pharmaceutical sector. Company is focusing on Cardiovascular, Diabetic and lifesaving medicines. The country accounts for the second largest number of (ANDAs) and is the world's leader in Drug Master Files (DMFs) applications with the US. The global pharma CMM (Contract manufacturing market forecast from 2021 to 2027 is to reach 124.7 Billion \$. The focus is on API Manufacturing and FDF (Finished Dosage Form) manufacturing. India's **domestic pharmaceutical market** is estimated at USD 42 billion in 2021 and likely to reach USD 65 billion by 2024 and further expand to reach ~USD 120-130 billion by 2030. India's drugs and pharmaceuticals exports stood at USD 24.44 billion in 2020-21.

What is Pharma / API's / Intermediaries / Oncology

The *main ingredient in Pharmaceutical is API [Active Pharmaceutical Ingredient]*. It is the main drug which cures the disease. There are many companies which produce and are specialist in only producing APIs. In producing APIs the companies either purchase intermediates from different players and mix them to produce a final API or they themselves produce all the intermediates and mix at their own place. These are the companies which deal only in API. They sell their produced APIs to different formulation players who then further process it to make it a consumable drug. The companies who produce and sell APIs need their product to get registered with US FDA by filling a [Drug Master File \[DMF\]](#) which makes sure that the facilities of the API manufacturing company are in proper shape and are safe. Most chemical reaction are step wise, that is they take more than one elementary step to complete and the intermediary formed in the process of making an API is called an intermediate. It is the form in which the drug is consumed by us. A dosage form of a drug is usually composed of two things: The API, which is the drug itself; and an excipient, which is the substance of the tablet, or the liquid the API is suspended in. Oncology deals with the prevention, diagnosis, and treatment of cancer.

Value Chain



DMF- Drug Master File :-

API manufacturers need to file a document known as Drug master File (DMF) with regulatory bodies. A Drug Master File (DMF) is a submission to the FDA that may be used to provide confidential detailed information about facilities, processes, or articles used in the manufacturing, processing, packaging, and storing of one or more human drugs.

New Drug Application

The final step formally taken by a drug sponsor, wherein it applies to the Food and Drug Administration (FDA) for the approval required to market a new drug in the U.S. An NDA is a comprehensive document with 15 sections that includes data and analyses on animal and human studies, the drug's pharmacology, toxicology and dosage, and the process to manufacture it. When an NDA is submitted, the FDA has 60 days to decide whether to file it for review, or reject it because some required information is missing. The goal of the FDA's Centre for Drug Evaluation and Research (CDER) is to review and act on at least 90% of NDAs for standard drugs within 10 months after the applications are received, and six months for priority drugs.

ANDA (Abbreviated New Drug Application)

Abbreviated New Drug Applications are "abbreviated" since they do not require the applicant to conduct clinical trials and require less information than a New Drug Application. If an ANDA is approved, the generic drug will be listed in the Orange Book, which lists all medicines the FDA has found to be safe and effective. An ANDA contains all the information the it needs to evaluate on how safe and effective a proposed generic drug is compared with its brand-name equivalent. The FDA will not approve the generic unless it is equally safe and effective.

Bio Similar

Bio similar is an approved drug that it is highly similar to an FDA-approved biologic product, and has no clinically meaningful difference in safety or effectiveness from the originally approved product. However, bio similar is not chemically identical to the drug they refer, and may include slight differences. Medical practitioners or pharmacists don't have the liberty to give a bio similar drug in place of the biologic.

PARA 1 Fillings

A Para 1 filing is made during the launch of a generic drug when the innovator has not provided the required information in the orange book.

PARA 2 Fillings

Para 2 filing is made when the drug is already off patent.

PARA 3 Fillings

Para 3 filing is made when the applicant does not have any plans to sell the generic drug until the original drug is off patent.

PARA 4 Fillings

A Para IV filing for the launch of generic drug is made when the applicant believes its product or the use of its product does not infringe on the innovator patents or where the applicant believes such patents are not valid or enforceable.

Generic Drug

A generic drug is a drug that is not branded but is similar to a branded or reference listed drug in terms of dosage, administration and performance.

(Source:- Alpha Invesco)

Trigger's for Growth:- Entry in Oncology segment. The 3rd plant in Haridwar will manufacture oncology tablets, capsules, injectables and lyophilizes. The new facility is USFDA approved and EU compliant. The facility is under product validation stage and the management has soft launched 15 oncology products from the same.

KEY HIGHLIGHTS

- ✓ *MBL is gearing up for ANDA filing for its Oncology products.*
- ✓ *The company has soft launched Oncology products in Domestic market. The company is introducing approximate 15 oncology formulation products in the domestic market.*

A * The other expenses includes Rs. 2.50 Cr in respect of Oncology formulation Plant at Haridwar which is under product validation stage.

(Key highlights from Q3 FY21-22 results)



Mr. Rahul Bishnoi

Management's vision / motto for this plant is to "Out of Pocket Expense" in getting "Quality Cancer Care" with affordability. We are entering in domestic market with our focused approach in Oncology space with novel targeted therapy in treatment of Solid Tumors, Breast, Lung and Hematology Cancer in the month of January 2022. We see next leg of growth coming from oncology segment from regulated markets where we shall be filing at least two ANDA next year. Apart from this, we have developed 10 products in R&D for regulated market specially for Australia and EU. Supportive care in Oncology is also one of our focus areas to develop and manufacture pro-

-ducts for managing side-effects caused by chemo-therapy drugs treatment. We have established a state-of-the-art R&D in the year 2018 by spending `15 crores in 6000 sq.ft. area at our Bhiwadi campus. Today we have a team of 60 experience scientist under the leadership of Dr. Akshay Kant Chaturvedi. Dr. Chaturvedi has experience of working with Shilpa Medicare, Granules India and Dr. Reddy's Lab. During this current financial year, we have spent another `15 crores in R&D by expanding it into 12000 sq. ft area. We have got the best-in-class equipment's in our R&D which is approved by DSIR. The R&D team is fully capable of handling para-4 filing.

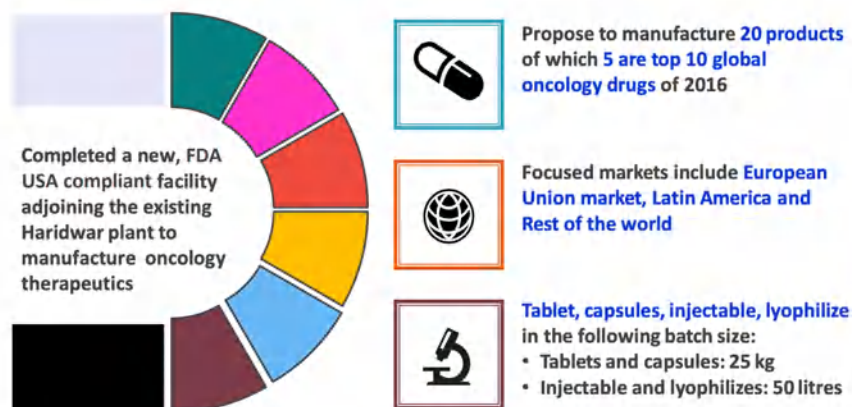
Rahul Bishnoi

(Source: Jan 22 DSJI Interview)

The oncology market was valued at USD 143 billion in 2019, and is expected to witness a CAGR of 12% between 2020 and 2025 to reach to USD 250-260 billion. **The growing prevalence of cancer around the world will spur opportunities for this market.** Through our state-of-the-art plant in Haridwar, we are committed to meeting the growing needs of patients in this niche segment. Though our schedule was pushed back due to the pandemic-induced lockdown, we have now completed the plant setup and are in the process of validating it. The WHO-GMP upgrade of Haridwar Unit 1 is underway and will be completed by the middle of FY 2021-22. The Bhiwadi (Beta Lactum) unit has been upgraded. We are now prepared for the EU and Australian markets with our new products. In addition, a UN audit is scheduled for 2021-22.

(Source: - Chairman's Letter AR 2021)

KEY UPDATE - NEW ONCOLOGY FACILITY AT HARIDWAR



Targeting the “Biosimilars” markets which is one of the fastest growing segments in pharma sector. A biosimilar, or biosimilar drug, is a medicine that is very close in structure and function to a biologic medicine. A biologic, or biologic drug, is a medicine made in a living system, such as yeast, bacteria, or animal cells. Biologics used in the treatment of cancer can work in many ways.

(Biosimilar update:- www.cancer.org)

The company ([Medicamen Biotech](#)) is **backward integrated** for API's procurement with impressive pipeline and chemistry capability with [Shivalik Rasayan](#). Shivalik will be a key raw material supplier to Medicamen. This guards Medicamen from supply chain and pricing issues.

Focus area for the Business

- Antibiotic
- Antimalarial
- Antidiarrheal
- Antituberculosis
- General Pain Management **Oncology** formulations

Medicamen Product Portfolio

Tablets, Capsules, Liquid syrup and Dry syrup (beta lactum and non-beta lactum) Ointment and Oral Rehydration Solution (ORS). It has two world-class formulations plants at Bhiwadi (Rajasthan) and Haridwar (Uttarakhand) and recently commissioned 3rd Oncology plant in Haridwar with soft launch of 15 oncology products for domestic markets.

Financials:-

The management has been able to increase the sales of the business from 101 Crores in 2012 to 123 crores to 110 crores in last 10 years. The sales growth rate has not been linear. The sales in 2013 dropped to 64 which again had a drop down to 67 crores in 2016 and third time the sales dropped in 2020 and 2021 to 117 and 110 from 123 in 2019. The business has seen erratic operating profit margins from 3% in 2012 to 9% in 2014 to 6-8% from 2014 till 2016 which got a boost up in 2017 to 2020 in the range of 14% - 15% and moving towards 18% in 2021 and in last 4 quarters the company has reported 21% operating profit margins. The net profit for the business jumped to 5.16 crores from 48 lakhs in 2 years when Shivalik Rasayan the new promoter took over the business in late 2016. This was the year 2017 where the business saw a good jump in operating profit margins from sub 6-8% to 14%. It's the same 2017 when the company got enhanced exports from 20 to 25 countries and the new management filed 100 donaries which increased the donaries from 100 to 200. The business got better operating margins in 2017 from higher penetration in Latin America and South America and repeat orders because of established relations with customers. The management is focused to increase the product registration in new countries across both Latin America and ROW. 280 employees of MBL who persisted with their efforts to provide

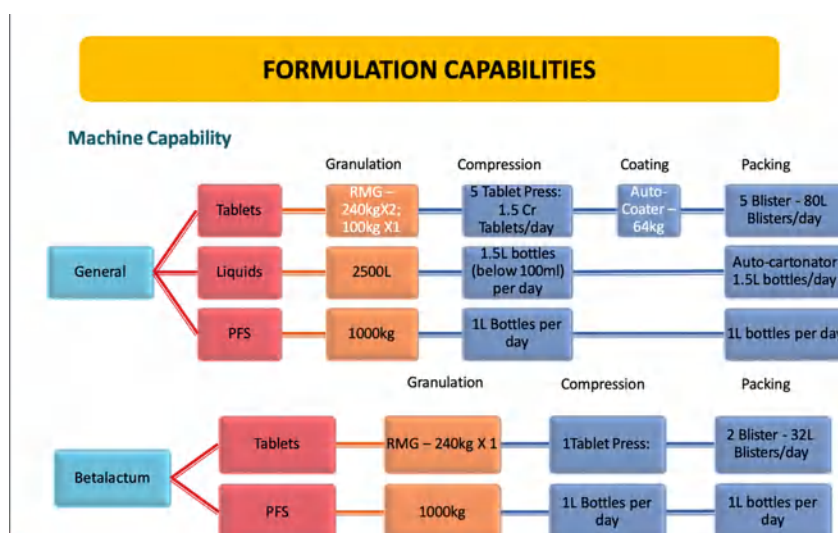
cost effective drugs to needy patients in one of the most challenging environments. The reason for sales dip by 18 crores in FY 2020 was given by the management in their investor presentation as under.

(INR Crores/10 Millions)	MEDICAMEN BIOTECH LTD										Dec-21
Narration	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Last 4 Quarters
Year Numbers	1	2	3	4	5	6	7	8	9	10	
Sales	101	64	73	78	67	82	112	123	117	110	113
Sales YoY%		-36.34%	14.45%	6.20%	-13.51%	22.55%	35.23%	9.95%	-4.29%	-6.14%	2.63%
coped from screener	1.07%	12.98%	11.67%	11.44%	12.43%	0.70%	0.67%	0.91%	0.68%	0.43%	
Gross Profit	99.45	55.69	64.70	68.89	58.92	81.87	110.75	121.47	116.53	109.66	23
GP Margin	99%	87%	88%	89%	88%	99%	99%	99%	99%	100%	21%
Operating Profit	3	(0)	5	5	6	12	17	17	18	20	23
Operating Profit Margin (OPM%)	3%	0%	7%	6%	8%	14%	15%	14%	15%	18%	21%
Other Income	0.74	0.73	0.61	1.10	0.70	0.31	1.88	3.65	1.85	0.75	1.93
EBIT	2	(1)	4	4	4	10	17	19	18	18	23
EBIT Margin%	1.92%	-1.73%	5.77%	5.19%	6.44%	12.09%	14.90%	15.43%	14.94%	16.58%	18.32%
EBIT YoY %		-157.51%	-481.09%	-4.49%	7.18%	130.25%	66.60%	13.85%	-7.30%	4.16%	13.42%
Interest	3	4	4	4	4	4	3	1	1	1.51	1
Depreciation	2	2	2	2	2	2	2	2	3	3	5
Profit before tax (PBT)	(1)	(5)	0	0	1	6	14	18	17	16.75	19.52
PBT Margin(PBT%)	-0.65%	-7.63%	0.25%	0.15%	1.06%	7.71%	12.47%	14.30%	14.15%	15.21%	17.27%
Tax	0.18	0.05	0.08	(0.32)	0.23	1.20	3.79	5.50	4.35	4.27	3.22
Tax%	-28%	-1%	44%	-267%	32%	19%	27%	31%	26%	25%	16%
Net profit after tax (PAT)	-0.83	-4.93	0.09	0.44	0.48	5.16	10.11	12.03	12.26	12.49	16
PAT YoY%		493.98%	-101.83%	388.89%	9.09%	975.00%	95.93%	18.99%	1.91%	1.88%	30.42%
Net Profit Margin (NPM%)	-1%	-8%	0%	1%	1%	6%	9%	10%	10%	11%	14%

Due to ban on exports and rise in the prices of API, the Company had to forgo sales order worth ~INR 1,800 lacs in Q4, FY20

The company has tie up's with **Mission Pharma**. **Mission Pharam** is a private company and has large presence in pharma products across value chain. Eurapharma (**Mission Pharma**) is a French company with **3,200 employees worldwide** and an annual turnover of **EUR 1.6 billion**. Eurapharma is one of the leading distributors of branded-originator pharmaceuticals to the private market in Africa and a part of the French company CFAO.

Production Capacities



(Source: Investor Presentation Q4 Fy 20)

Management: - R S Bishnoi (**Director Growel Remedies Limited**) acquired Shivalik Rasayan in 2000. The new management (Rahul Bishnoi chairman of Shivalik Rasayan Limited) took over the company on 4th Jan 2016. Mr. Rajesh Madan (CEO & Advisor for SRL) having 34 years of experience in Pharma Industry. Mr. Vimal Kumar Sherawat (COO of Shilpa Medicare, and has more than 31 years of experience with other pharma companies, vast experience working with large Pharma industries such as Fresenius Kabi Oncology Limited (Formerly Dabur Pharma Ltd), Ranbaxy Laboratories Ltd and VAM Organics Ltd., spanning across activities of R&D, pilot and plant

productions, QA/QC, administration, CRAMS, and project management), Mr. Ashwani Kumar Sharma (also holding a post of director in Shivalik Rasayan Limited). Mr. Klaus Snej Jensen has over 25 years of experience in the field of Biotech and Pharmaceuticals. Mr. S K Singh (Director + COO at Shivalik) was working with Shivalik Rasayan for last 29 years and was MD of Shivalik Rasayan in 1997. Mr Singh developed Quality Management Systems across the Company to ensure best possible products. Mr Harish Pande having 30 years of experience in the field of Agro Chemicals, Technical Formulations and Industrial Chemical. Mr Sanjay Bansal having 27 years of experience in finance, investment and taxation. Mr Ashutosh Gupta with 7 years' experience in marketing distribution of pharmaceuticals.

Curious Case of Opal Pharma

The new management bought OPAL Pharma in Sept 2019 for 2.06 Crores.

The business was acquired for 42000 AUD (INR to AUD in Sept 2019 was 49.08. i.e., approx. 2.06 crores plus). **Immediately** with the acquisition the company sold 25% of OPAL Pharma Baxryan Healthcare Pharma Limited for 51.53 Lakhs. In the same note the management disclosed the revenue of OPAL Pharma was 695494 AUD i.e Rs 3.4 Crores and how they can scale that up to 3 to 5 million AUD in next 3 years (likely 15-25 crores turnover).

<p>Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)</p>	<p>OPAL pharmaceuticals have been incorporated in Australia in the year 2018 and have achieved a turnover of (AU) \$ 695,494 [(AU) \$ Six Lakh Ninety Five Thousand Four Hundred and Ninety Four]. It has got marketing authorization of 14 pharmaceuticals products to be marketed in Australia and New Zealand.</p> <p>The product range has good potential and we expect a turnover of 3-5 million Au Dollars in 3 years' time.</p>
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The performance of OPAL Pharma is as under.

Opal Pharma

Report Date	Sept-19	Dec-19	Mar-20	Jun-20	Sept-20	Dec-20	Mar-21	Jun-21	Sept-21	Dec-21
Sales	0	0	8.16	1.66	0	0	0.9	0	0	0
Expenses	0	0	6.82	1.48	0	0	1.44	0	0	0
Other Income	0	0	0.03	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0
Profit before tax	0	0	1.37	0.18	0	0	-0.54	0	0	0
Tax	0	0	0.34	0.05	0	0	-0.05	0	0	0
Net profit	0	0	1.03	0.14	0	0	-0.49	0	0	0
Operating Profit	0	0	1.34	0.18	0	0	-0.54	0	0	0

Erratic sales and no sales in last 3 reported quarters with hardly any profitability. Some inputs from OPAL Pharma Annual reports as under

For the period ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue			
Other Income	4	25,287	95,242
Expenses			
Research and Development Costs		(12,928)	(199,615)
Administration Expenses		(435,887)	(366,216)
Employment Costs		(54,794)	(65,762)
Loss before income tax expense		(478,322)	(536,351)
Income tax expense	5	-	-
Loss after income tax expense for the period attributable to the owners of Opal Biosciences Limited		(478,322)	(536,351)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable to the owners of Opal Biosciences Limited		(478,322)	(536,351)

Statement of cash flows

For the period ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Income received		-	27,500
Payments to suppliers and employees (inclusive of GST)		(427,082)	(571,705)
R&D tax incentive		218,270	-
Net cash used in operating activities	16	(208,812)	(544,205)
Assets			
Current assets			
Cash and cash equivalents	6	187,529	247,761
Trade and other receivables	7	9,838	13,007
Other assets	8	20,861	213,844
Total current assets		218,228	474,612
Total assets		218,228	474,612
Liabilities			
Current liabilities			
Trade and other payables	9	121,801	48,443
Funds received in advance	10	147,580	-
Total current liabilities		269,381	48,443
Total liabilities		269,381	48,443
Net assets/(liabilities)		(51,153)	426,169
Equity			
Issued capital	11	2,015,157	2,014,157
Accumulated losses		(2,066,310)	(1,587,988)
Total equity/(deficiency)		(51,153)	426,169

The management does not write down the investment even if its reporting losses and its value has gone down in due course of time.

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Investment in OPAL PHARMACEUTICALS PTY LTD	2,06,13,600	2,06,13,600
TOTAL	2,06,13,600	2,06,13,600

Management stated in Q2 investor presentation FY 20 that Australian subsidiary has 14 products but alas these 14 products were not able to do any good for the company for reasons stated above.

The management issued 3.06 lakh CCW (compulsory convertible warrants to the promoters and non-promoters at a price of 546 a share) in Nov 2020 to fund the 3rd upcoming oncology plant in Haridwar.

Growel remedies holding 50.32% in Shivalik Rasayan (as promoter) also holds 1.64% in Medicamen Biotech as promoter. Growel Remedies is the promoter of Shivalik Rasayan holding 50.32%

Shareholding Pattern

Numbers in percentages

INSIDER TRADES

	Jun 2019	Sep 2019	Dec 2019	Mar 2020	Jun 2020	Sep 2020	Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022
Promoters -	52.50	52.50	52.78	52.92	52.92	52.92	52.92	52.92	52.92	52.92	50.32	50.32
Growel Remedies Limited >	52.50	52.50	52.78	52.92	52.92	52.92	52.92	52.92	52.92	52.92	50.32	50.32
Flls +	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06
Dlls +	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public +	47.46	47.50	47.21	47.08	47.08	47.08	47.08	47.08	47.08	47.08	49.68	49.62

and Shivalik Rasayan is promoter of Medicamen holding 41.96% stake and 1.64% stake by Growel Remedies directly. Growel direct stake has been reducing since June 2020 reportable quarter from 5.25% down to 1.64% as per march 2022 reportable data.

	Jun 2019	Sep 2019	Dec 2019	Mar 2020	Jun 2020	Sep 2020	Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022
Promoters -	44.77	44.77	44.77	44.77	44.77	44.77	44.77	44.83	44.83	44.83	43.60	43.60
Shivalik Rasayan Limited >	39.52	39.52	39.52	39.52	39.52	39.52	40.33	41.79	41.79	41.79	41.96	41.96
Growel Remedies Limited >	5.25	5.25	5.25	5.25	5.25	5.25	4.44	3.05	3.05	3.05	1.64	1.64
Flls +	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.44	0.41	0.35	0.35	0.40
Public +	54.76	54.76	54.76	54.76	54.76	54.76	54.76	54.73	54.75	54.82	56.06	56.01

Medicamen biotech is the step-down subsidiary of Growel Remedies.

Similar address of all the group companies as under

MEDICAMEN BIOTECH LIMITED 1506, Chiranjiv Tower, 43, Nehru Place New Delhi South Delhi DL 110019 IN

ASRA INFRAHOMES PRIVATE LIMITED 1506 CHIRANJIV TOWER 43NEHRU PLACE NEW DELHI DL 110019 IN

GROWEL REMEDIES LIMITED 1506 CHIRANJIV TOWER 43 NEHRU PLACE NEW DELHI DL 110019 IN

NSE LISTING: - The Shares of the company were only traded on BSE. They got approval to get listed on nse and started trading on nse from 27.10.2021 only.

Oncology Portfolio

Serial No.	Therapy	Generic Name	Strength Available
1	Oncology	Abiraterone acetate	250mg
2		Anastrozole	1mg
3		Bicalutamide	50mg
4		Bendamustine HCL	25mg/vial
5		Bortezomib	3.5mg/vial
6		Busulfan	6mg/ml
7		Capecitabine	150mg, 500mg
8		Cisplatin	1mg/ml
9		Erlotinib HCL	25mg, 100mg, 150mg
10		Gefitinib	250mg
11		Imatinib mesylate	100mg, 400mg
12		Lenalidomide	2.5mg, 5mg, 10mg, 15mg, 20mg, 25mg
13		Letrozole	2.5mg
14		Melphalan	50mg/vial
15		Melphalan	2mg
16		Nilotinib HCl	150mg, 200mg
17		Oxaliplatin	50mg/vial, 100mg/vial
18		Pazopanib	200mg, 400mg
19		Pomalidomide	1mg, 2mg, 3mg, 4mg
20		Tegafur	200mg, 400mg
21		Temozolomide	5mg, 20mg, 100mg, 140mg, 180mg, 250mg

[Company is poised to launch novel oncology products in the FY 2021- 2022 in Indian region and South East Asian markets.](#)

Market Size of some of the above products

Temozolomide- Brain Cancer: US Sales: \$ 69 Million.

Bortezomib- Bone marrow Cancer: US Sales \$ 646 Million.

Busulfan – Treat CML Cancer for white blood cells: US Sales \$ 16 Million

Bendamustine HCL - Treat chronic lymphocytic leukaemia: US Sales \$ 539 Million USD

Linalidomide: small molecule in oral solid oncology products: US Sales \$ 10 billion.

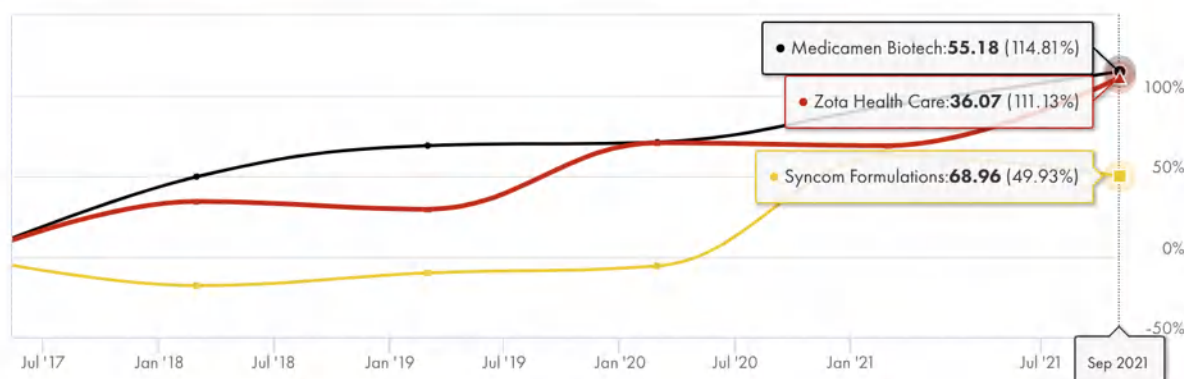
Pomalidomide: Global sales \$ 3.75 billion USD.

Working Capital: - The company has had a high debtor days (attributes of most pharma companies). But Medicamen has face slower payment cycle from its debtors. The company has entered, commissioned new oncology facility and the trend is expected to improve in near future once they get the approvals and do business in full flow. The company gets higher payment terms from its vendors / suppliers / creditors. The business has been able to significantly lower its inventory days from 85 in 2020 to 28 in fy 21 which has lead to significant improvement in turn over from 4.71 times to 6.28 times.

Industry Comparison

		Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021
Inventory Turnover	Medicamen Biotech	9.18	7.15	6.09	3.43	3.72	4.19	3.70	4.14	5.03	5.80	4.71	6.28
	Syncom Formul.	10.72	5.00	10.66	15.09	13.04	11.40	10.17	10.29	10.67	11.25	10.44	8.56
	Zota Health Care						2.46					2.33	2.78
Debtor Days	Medicamen Biotech	81	65	66	105	102	124	87	114	126	129	137	165
	Syncom Formul.	105	112	74	92	71	66	91	91	87	81	77	112
	Zota Health Care					79	77				95	112	99

● Medicamen Biotech ● Syncom Formulations ✕ ● Zota Health Care ✕ + Add a Company



Ratios

Standalone Figures in Rs. Crores / [View Consolidated](#)

	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021
Debtor Days	81	65	66	105	102	124	87	114	126	129	137	165
Inventory Days	45	63	63	122	95	95	95	102	77	67	85	28
Days Payable	84	183	158	225	209	187	160	165	118	134	160	161
Cash Conversion Cycle	41	-54	-10	1	-13	32	22	51	85	62	62	32
Working Capital Days	27	11	32	50	44	82	90	101	136	151	167	171
ROCE %	30%	22%	6%	-3%	13%	12%	12%	25%	25%	20%	15%	13%

\There has been a drop in fixed asset turns for Medicamen vs its peers. This is due to the new Oncology facility setup which still has to give output in full flow. The permissions are awaited for the same.

Balance Sheet

Standalone Figures in Rs. Crores / [View Consolidated](#)

Pref Allotment

[CORPORATE ACTIONS](#)

	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Sep 2021
Share Capital +	8	8	8	8	9	10	10	11	12	12	12	12	12
Reserves	9	12	11	7	7	7	8	15	63	75	110	122	129
Borrowings	13	10	14	17	15	21	19	18	14	12	11	19	25
Other Liabilities +	29	40	35	33	33	31	23	30	28	38	43	39	35
Total Liabilities	58	70	69	65	65	69	60	73	118	137	176	192	202
Fixed Assets +	20	23	23	23	22	20	19	19	25	24	34	90	93
CWIP	1	0	0	0	1	0	0	0	0	15	40	0	0
Investments	0	0	0	0	0	0	0	0	0	0	2	2	2
Other Assets +	37	47	46	42	42	49	41	54	92	97	100	101	107
Total Assets	58	70	69	65	65	69	60	73	118	137	176	192	202

Fixed Asset Turnover	Medicamen Biotech	5	5	4	8	3	4	4	4	4	5	3	1
	Syncora Formul.	3	2	2	2	3	4	4	2	2	2	2	3
	Zota Health Care					5	7				9	6	6

Valuation: - With the launch of 15 oncology (high margin) products and many more in the pipe line which the company would be launching once they start getting the FD approvals, the topline and bottom line would pick up speed of growth. Currently the business is available at 50 P/e (which is not at all cheap), P/B 5.85 and return on assets are sub 7%. It's the future growth potential (Oncology Division) which counts: -

	2022	2023	2024	2025
Current Business				
Revenue	128	173	220	260
Ebidta	19.2	27.68	39.6	46.8
Margin	15%	16%	18%	18%
PAT	13.4	20.76	29.7	35.1
Oncology				
Revenue	40	90	135	220
Ebidta	8	19.8	33.75	55
Margin	20%	22%	25%	25%
PAT	6	14.85	23.6	41.2
Opal Pharma				
Revenue	8	18	36	60
Ebidta	1.2	3.24	6.84	10.2
Margin	15%	18%	19%	17%
PAT	0.9	2.43	5.13	7.65
Cumulative				
Topline	176	281	391	540
PAT	20.3	38	58.4	84

Total Estimated Pat for FY 25 is 80-85 Crores. With today's market cap of 828 crores it gives the business 10-11 Price to earnings on FY 25 3year forward basis.

[Key Reported Financials Statements](#)

Profit & Loss

Standalone Figures in Rs. Crores / [View Consolidated](#)

	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	TTM
Sales +	102	123	101	64	73	78	67	82	112	123	117	110	113
Expenses +	94	117	98	64	68	73	62	71	95	105	99	90	90
Operating Profit	8	6	3	-0	5	5	6	12	17	17	18	20	23
OPM %	8%	5%	3%	-0%	7%	6%	8%	14%	15%	14%	15%	18%	21%
Other Income +	1	1	1	1	1	1	1	0	2	4	2	1	2
Interest	2	2	3	4	4	4	4	4	3	1	1	2	1
Depreciation	1	1	2	2	2	2	2	2	2	2	2	3	5
Profit before tax	6	4	-1	-5	0	0	1	6	14	18	17	17	20
Tax %	33%	36%	-28%	-1%	44%	-267%	32%	19%	27%	31%	26%	25%	
Net Profit	4	3	-1	-5	0	0	0	5	10	12	12	12	16
EPS in Rs		3.52	-1.01	-5.81	0.10	0.46	0.48	4.91	8.89	10.28	10.04	10.22	13.33
Dividend Payout %	15%	0%	0%	0%	0%	0%	0%	0%	12%	10%	5%	10%	

Balance Sheet

Standalone Figures in Rs. Crores / [View Consolidated](#)

[CORPORATE ACTIONS](#)

	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Sep 2021
Share Capital +	8	8	8	8	9	10	10	11	12	12	12	12	12
Reserves	9	12	11	7	7	7	8	15	63	75	110	122	129
Borrowings	13	10	14	17	15	21	19	18	14	12	11	19	25
Other Liabilities +	29	40	35	33	33	31	23	30	28	38	43	39	35
Total Liabilities	58	70	69	65	65	69	60	73	118	137	176	192	202
Fixed Assets +	20	23	23	23	22	20	19	19	25	24	34	90	93
CWIP	1	0	0	0	1	0	0	0	0	15	40	0	0
Investments	0	0	0	0	0	0	0	0	0	0	2	2	2
Other Assets +	37	47	46	42	42	49	41	54	92	97	100	101	107
Total Assets	58	70	69	65	65	69	60	73	118	137	176	192	202

Cash Flows

Standalone Figures in Rs. Crores / [View Consolidated](#)

	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021
Cash from Operating Activity +	1	11	-3	-2	5	-3	6	4	-5	4	12	13
Cash from Investing Activity +	-3	-4	-1	-1	-1	0	-1	-2	-8	-15	-39	-18
Cash from Financing Activity +	3	-4	3	2	-4	3	-5	-1	33	-4	21	6
Net Cash Flow	0	4	-2	-1	1	-0	0	0	20	-14	-6	1