



MANAGEMENT DISCUSSION & ANALYSIS

for the Fourth Quarter FY21

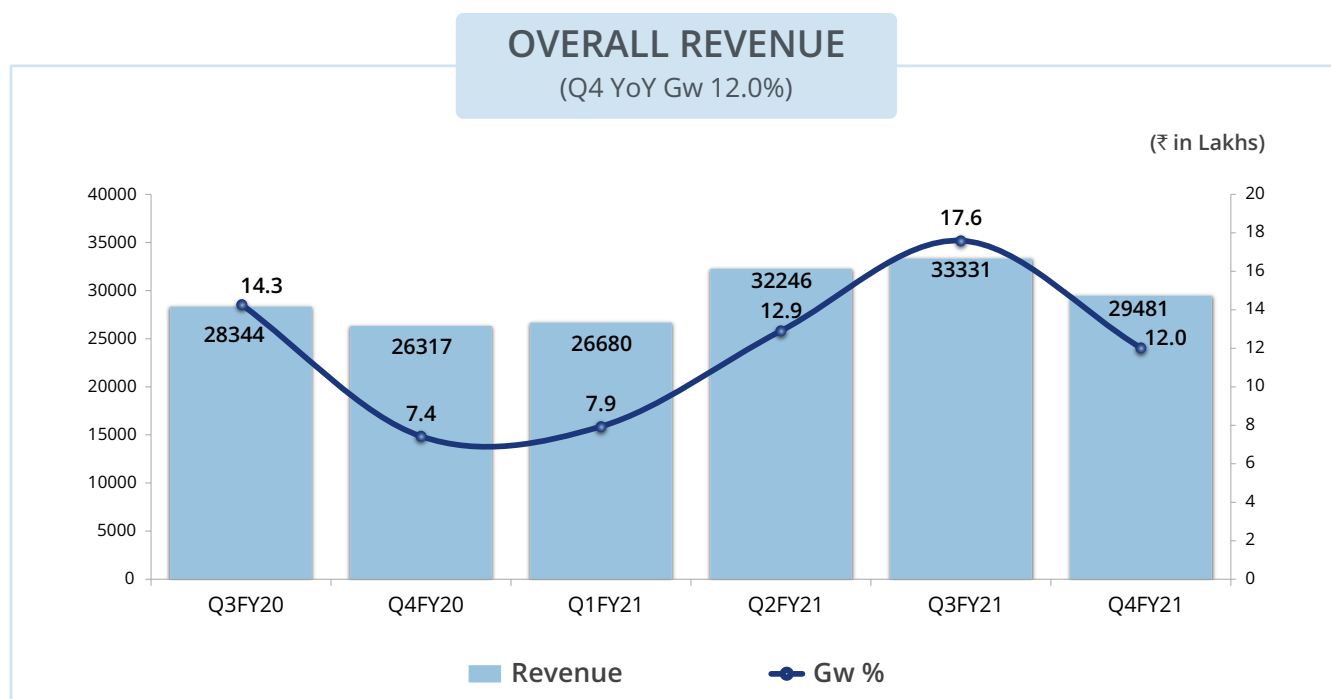
May 25, 2021

Financials (Stand-alone)

(₹ In Lakhs)

Particulars	Quarter Ended				Year to Ended		
	Audited	Unaudited	Audited		Audited		
	Jan'21-Mar'21	Oct'20-Dec'20	Jan'20-Mar'20	Gw%	Apr'20-Mar'21	Apr'19-Mar'20	Gw%
Gross Sales							
Formulation:							
- Domestic	13923	15756	16000	(13.0)	61898	68624	(9.8)
- Export							
Regulated Market:	10513	11688	5996	75.3	39985	21754	83.8
Emerging Market:	2669	2680	1957	36.4	9251	7872	17.5
Export Total	13182	14368	7953	65.7	49235	29626	66.2
Formulation...(A)	27105	30124	23953	13.2	111134	98250	13.1
API:							
- Domestic	917	1698	777	18.0	4393	2858	53.7
- Export	1075	1206	1246	(13.8)	5005	5743	(12.8)
API...(B)	1992	2904	2023	(1.6)	9398	8601	9.3
CRO & Analytical Services(C)	384	304	340	13.0	1207	1088	10.9
Gross Sales (A+B+C)	29481	33331	26317	12.0	121738	107939	12.8
Other Operating Income	1004	(137)	885	13.4	2292	2661	(13.9)
Income from Operations	30485	33194	27202	12.1	124030	110600	12.1
EBIDTA	5457	5996	3334	63.7	22357	12334	81.3
Operating Profit	4790	5441	2134	124.5	18793	7598	147.3
Profit Before Tax	3345	3742	780	328.8	13135	2871	357.5
Profit After Tax	2491	2514	540	361.3	9239	2425	281.0

Revenue of the Company grew by 12.0% YoY. For the year ended March'21, the revenue grew by 12.8 % at ₹ 1217.4 crores, as against ₹ 1079.4 crores, last year.



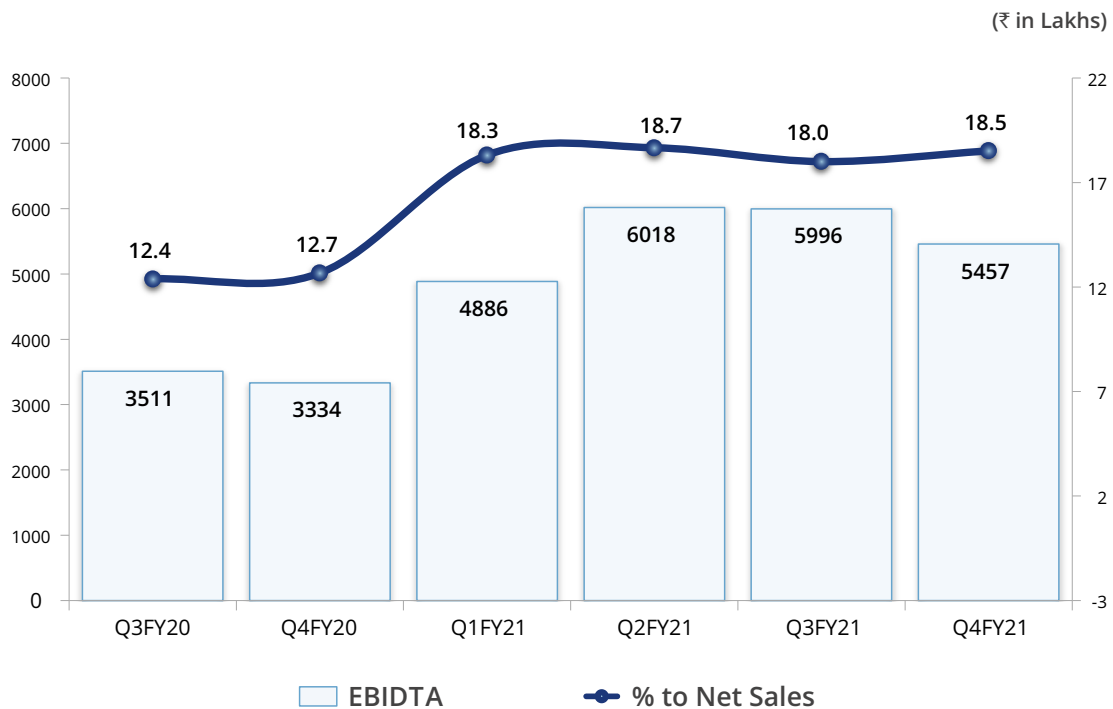
Financial ratios for the Fourth Quarter and Full Year are as follows:

Particulars	Quarter Ended			Full Year	
	31.03.2021 (Audited)	31.12.2020 (Unaudited)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
Material Cost (%)	29.8	28.3	27.5	29.1	30.6
Employee Benefits Expense (%)	20.3	21.8	23.9	22.4	23.7
R&D Expenses (%)	5.6	5.2	5.3	4.9	4.6
Finance Cost (%)	1.5	1.8	3.0	1.8	2.4
Depreciation (%)	6.3	5.1	6.9	6.0	6.6
Other Expenditure (%)	29.2	26.3	33.9	27.1	32.2
Profit Before Tax (%)	11.3	11.2	3.0	10.8	2.7
Tax (Curr. & Deferred- After MAT ent.) to PBT (%)	25.5	32.8	30.8	29.7	15.5
EBIDTA (₹ In Lakhs)	5457	5996	3334	22357	12334
EBIDTA (%)	18.5	18.0	12.7	18.4	11.4
Operating Profit (₹ In Lakhs)	4790	5441	2134	18793	7598
Operating Profit (%)	16.2	16.3	8.1	15.4	7.00

EBIDTA grew by 63.7 % YoY. For the year ended March'21, EBIDTA grew by 81.3 % at ₹ 223.57 crores, compared to ₹ 123.34 crores, last year.

EBIDTA

(Q4 YoY Gw 63.7%)



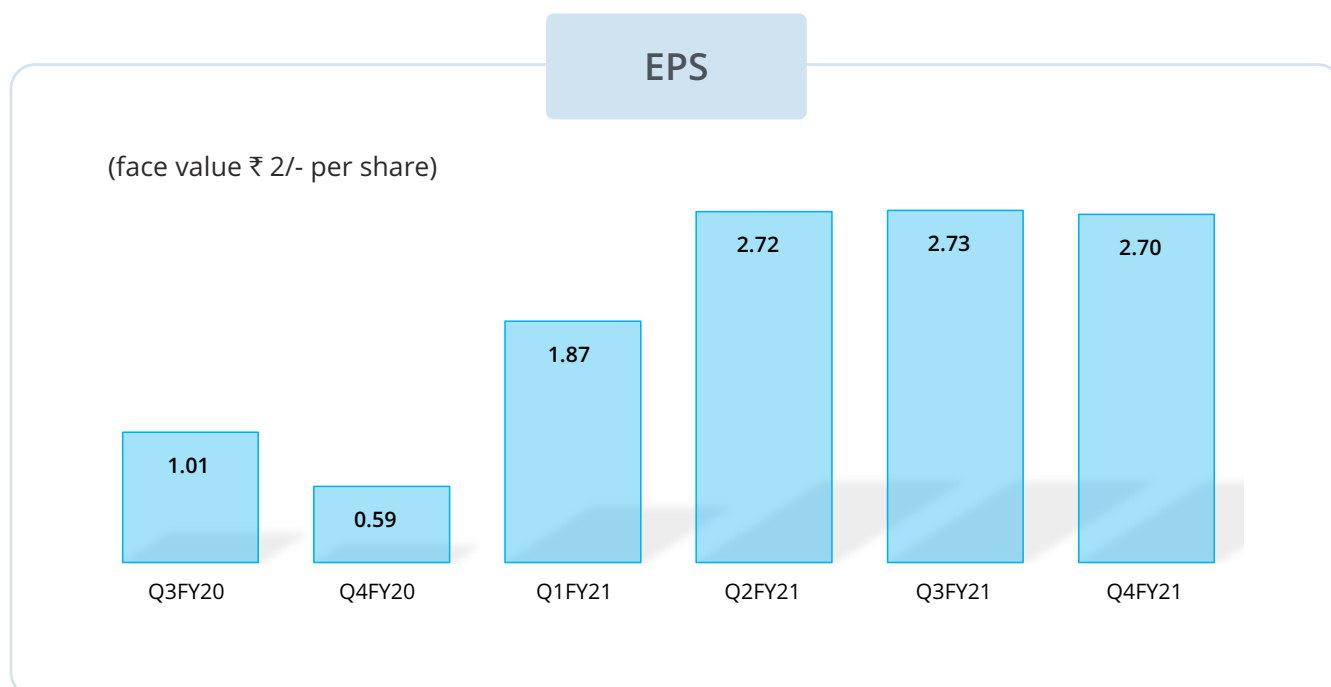
PAT grew by 361.3% YoY. For the year ended March'21, PAT grew by 281.0% at ₹ 92.40 crores, compared to ₹ 24.25 crores, last year.

PAT

(Q4 YoY Gw 361.3 %)



Earnings Per Share (EPS) for the quarter is ₹ 2.70 compared to ₹ 0.59 for the same quarter last year. For the year ended March'21, EPS is ₹ 10.03, compared to ₹ 2.63, last year.



CREDIT RATING

The Company's working capital facilities are rated as [ICRA] 'A1' and long term borrowings are rated as [ICRA] 'A+'.

Short term [ICRA] 'A1' rating Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

Long term [ICRA] 'A+' rating instruments are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

FINISHED DOSAGES

Indian Pharma Market (IPM)

As per AWACS data, the IPM is showing signs of recovery and has registered a sale of ₹ 38253 crores, with a growth of 5.3 % in Q4FY21. During the quarter, Indoco has registered a sale of ₹ 231 crores with de-growth of 1.6 %. The Company ranks 29th in the IPM, with market share of 0.61 % as on 31st Mar'21 (Source: AWACS data).

SMSRC bi-monthly Rx data for Jan-Feb'21 has shown recovery in terms of overall Rx generation for IPM, with Rx de-growth of 4%, over last year Jan-Feb'20. Indoco reflects Rx de-growth of 20 % during Jan-Feb'21, with Rx share as 0.73%.

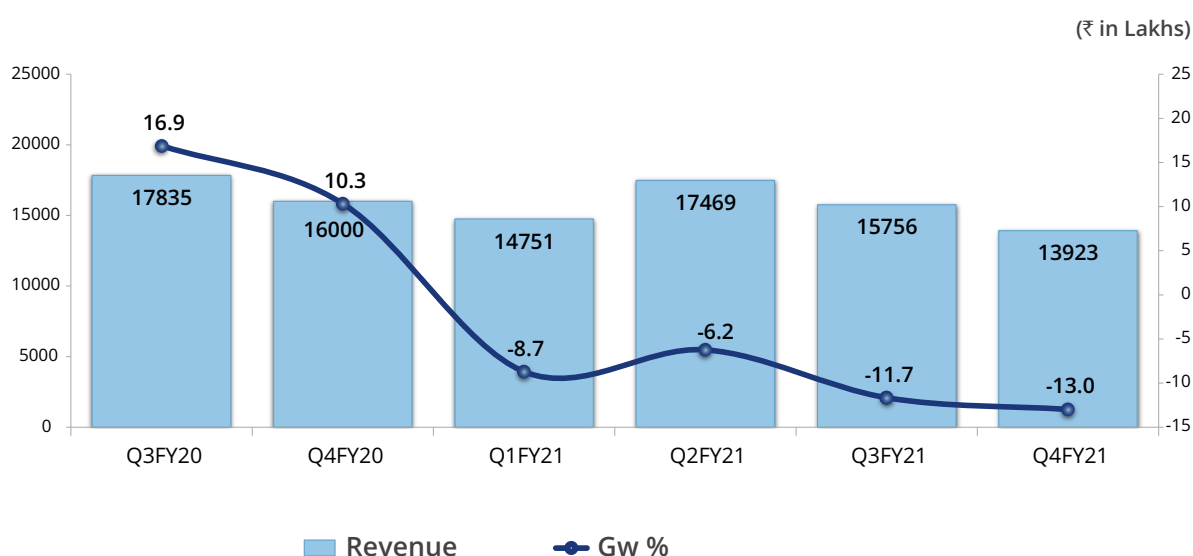
(Source: SMSRC Rx data)

DOMESTIC FORMULATIONS BUSINESS

Revenue from Domestic formulations business de-grew by 13.0% YoY. Two major therapeutic segments, viz., Anti-infectives and Respiratory did not perform as expected, resulting in muted growth. For the year ended March'21, revenue de-grew by 9.8 % at ₹ 619.0 crores, as against ₹ 686.2 crores, last year.

Domestic Formulation Business Revenue

(Q4 YoY Gw -13.0%)



Details of revenue from major therapies are as follows:

(₹ In Lakhs)

THERAPY	Q4FY21	Q4FY20	GW %	2020-21	2019-20	GW %
Stomatologicals	2717	2832	-4.1	13242	12729	4.0
Gastro-Intestinal	2258	2229	1.3	8730	9729	-10.3
Anti-Infectives	1626	2307	-29.5	8229	10504	-21.7
Respiratory	1479	2821	-47.6	9479	11354	-16.5
Vitamins / Minerals / Nutrients	1300	1243	4.6	4457	4887	-8.8
Gynaec.	846	1045	-19.0	3425	3754	-8.8
Ophthal / Otological	746	778	-4.1	3010	3998	-24.7
Anti-Diabetic	624	619	0.9	2830	2780	1.8
Pain / Analgesics	593	743	-20.3	2488	3337	-25.4
Dermatology	573	621	-7.8	2838	2955	-3.9

Details of revenue from major brands are as follows:

(₹ In Lakhs)

BRANDS	Q4FY21	Q4FY20	GW %	2020-21	2019-20	GW %
Cyclopam	1723	1748	-1.4	6663	7510	-11.3
Cital	994	1181	-15.9	4021	4344	-7.4
Febrex Plus	959	1561	-38.6	4609	6718	-31.4
Sensodent K	803	935	-14.1	4475	4223	6.0
ATM	674	865	-22.1	4216	3723	13.3
Methycal	629	551	14.2	1698	1650	2.9
Rexidin	558	419	33.2	1871	1868	0.2
Oxipod	483	872	-44.6	2083	3964	-47.4
Cloben G	407	410	-0.7	2023	2022	0.0
Sensodent KF	404	508	-20.3	2216	2098	5.6
Sensoform	382	446	-14.3	2113	2093	1.0
Atherochek	330	114	188.7	771	702	9.9
Carmicide	329	278	18.0	1159	1172	-1.1
Kidodent	260	242	7.6	1267	1122	12.9
Karvol Plus	249	632	-60.6	3660	2271	61.1

NEW PRODUCTS

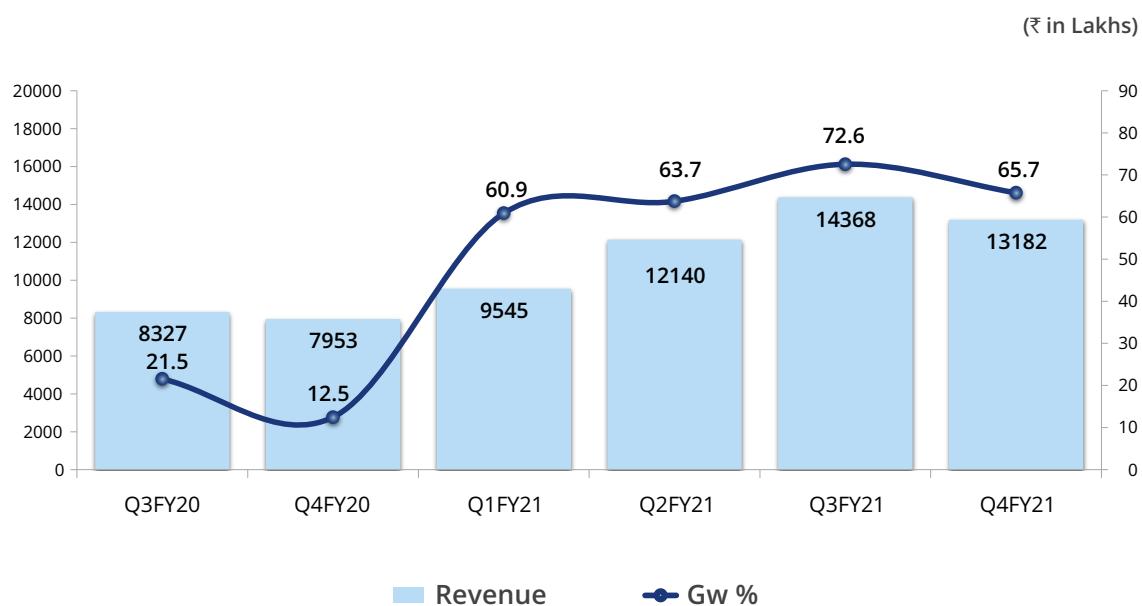
During the quarter, Dapagliflozin 5mg & 10mg tablets under the brand name 'Depaja' were launched. The tally of new products/SKUs launched for the year stands at nine.

INTERNATIONAL FORMULATIONS BUSINESS

Revenue from International formulations business posted robust growth of 65.7% YoY. For the year ended March'21, revenue grew by 66.2 % at ₹ 492.3 crores, as against ₹ 296.3 crores, last year.

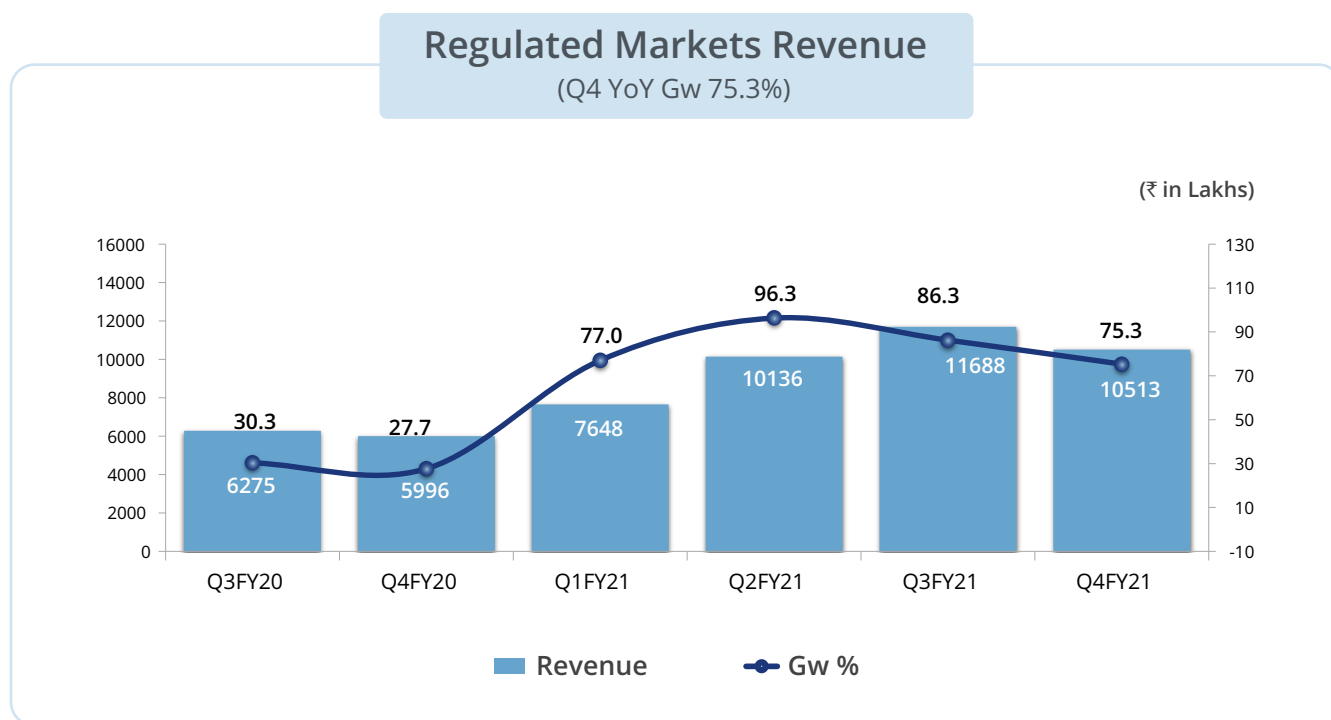
International Formulation Business Revenue

(Q4 YoY Gw 65.7%)



REGULATED MARKETS

Revenue from Regulated Markets grew by 75.3% YoY. For the year ended March'21, the revenue grew by 83.8% at ₹ 399.8 crores, as against ₹ 217.5 crores, last year.



USA

Revenue from US business for the quarter grew by 23.5 % at ₹ 33.1 crores, as against ₹ 26.8 crores for the same quarter last year. Brinzolamide Suspension was launched in the USA in March 2021 in partnership with TEVA, as the first generic.

For the year ended March'21, the revenue grew by 162.3 % at ₹ 148.2 crores, as against ₹ 56.5 crores, last year.

EUROPE

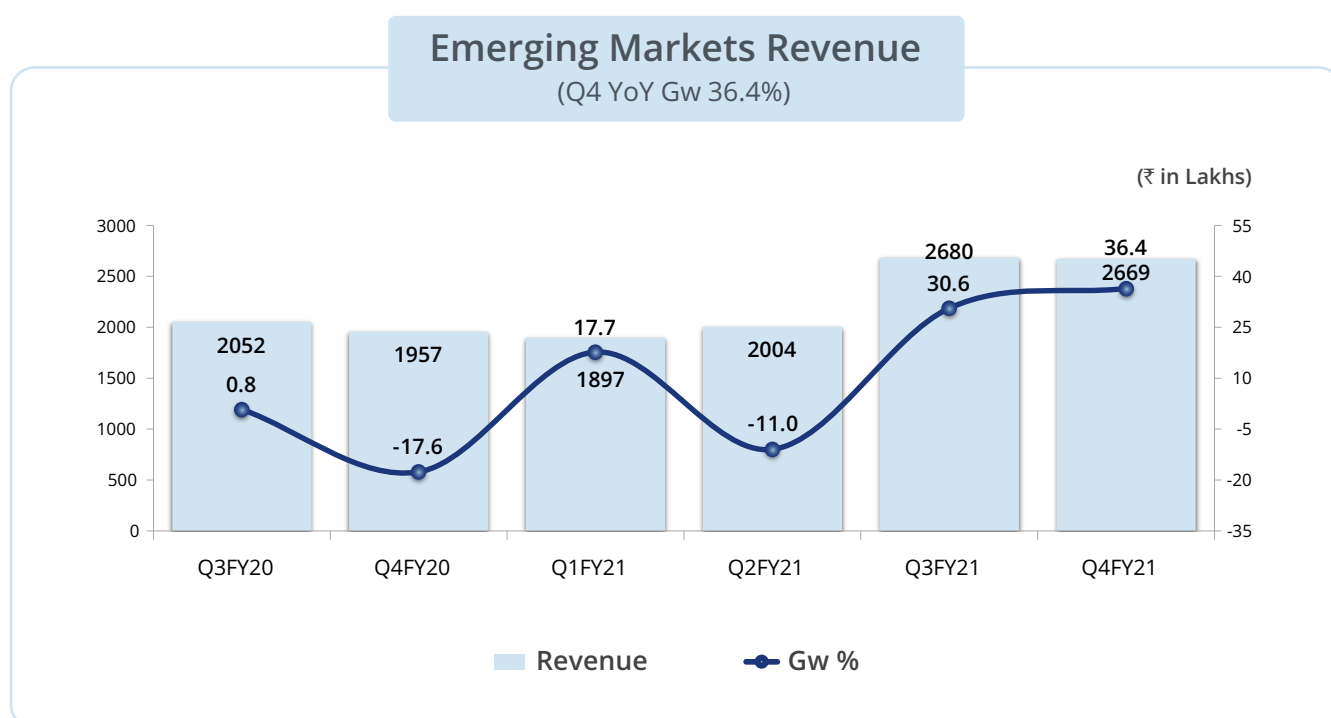
Revenue from Europe for the quarter grew by 120.4% at ₹ 69.5 crores, as against ₹ 31.5 crores for the same quarter last year. For the year ended March'21, the revenue grew by 55.5 % at ₹ 239.4 crores, as against ₹ 154.0 crores, last year.

SOUTH AFRICA, AUSTRALIA AND NEW ZEALAND

Revenue from SAANZ for the quarter grew by 53.3 % at ₹ 2.5 crores, as against ₹ 1.6 crores for the same quarter last year. For the year ended March'21, revenue grew by 74.3% at ₹ 12.2 crores, as against ₹ 7.0 crores, last year.

EMERGING MARKETS

Revenue from Emerging Markets for the quarter grew by 36.4% at ₹ 26.7 crores, as against ₹ 19.6 crores for the same quarter last year. For the year ended March'21, the revenue grew by 17.5 % at ₹ 92.5 crores, as against ₹ 78.7 crores, last year.



REGULATORY UPDATE

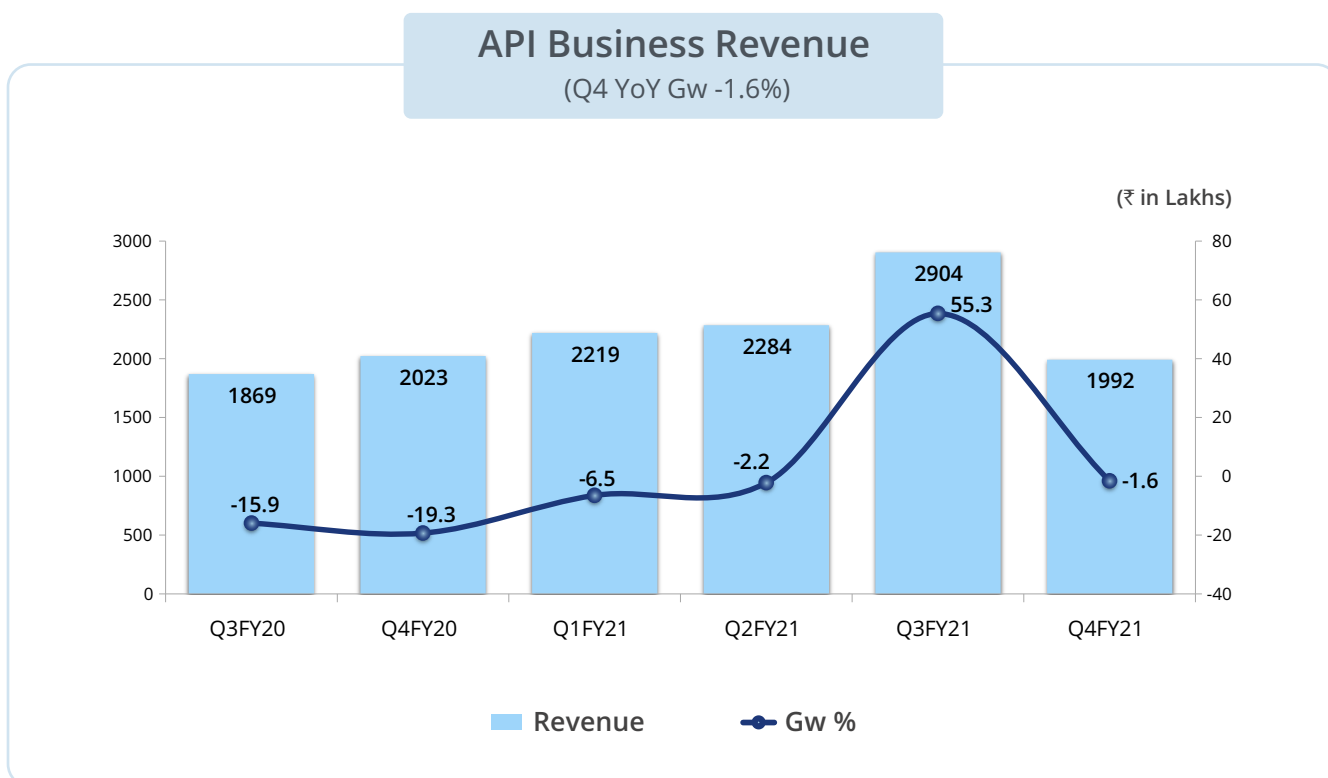
For Goa Plant-I, request for inspection of the site has been submitted to the US health regulators in Sept'20. The Company is awaiting the date of inspection from USFDA.

For Goa Plant-II and Goa Plant-III, valid GMP certifications from US & EU Regulator continues.

The Company received GMP approval from SAHPRA for all the three Goa facilities.

ACTIVE PHARMACEUTICAL INGREDIENTS (APIs)

Revenue from API Business de-grew by 1.6% YoY. For the year ended March'21, the revenue grew by 9.3 % at ₹ 94.0 crores, as against ₹ 86.0 crores, last year.



CRO AND ANALYTICAL SERVICES

Revenue from CRO & Analytical Services for the quarter grew by 13.0% at ₹ 3.8 crores, as against ₹ 3.4 crores, same quarter last year. For the year ended March'21, the revenue grew by 10.9 % at ₹ 12.1 crores, as against ₹ 10.9 crores, last year.

FUTURE OUTLOOK

The Company's Domestic business continues to focus on brand building, thrust on chronic and sub-chronic segment, as well as, penetration in the North and East Region. The Company will selectively launch new products in the specialty segment to boost growth. Well-known legacy brands, Doctors loyalty over 7 decades, highly motivated field force, distribution network across India and presence in growing segments, including Stomatologicals and Ophthalmology will help the Domestic business to grow on sustainable basis.

On International front, the Company's US business is expected to grow as ANDAs are being commercialized at regular intervals and USFDA approvals have started flowing in. Reinstatement of the EU-GMP compliance certificate for Goa Plant-I and the EU-GMP approval of solid dosages manufacturing facility at Baddi (Plant-III) will boost the EU business, with availability of larger manufacturing capacity. Indoco is also consolidating its position in the Emerging Markets through active brand promotion in select markets. Robust pipeline in speciality dosages, viz., Ophthalmics & Injectables, will enable the Company to have an upper edge over its competitors in the International business.

The recent capacity expansion at the Company's API manufacturing facility at Patalganga will augment the captive requirements and boost external sale of APIs.

Expertise in Research & Development, backward integration with own APIs, a full-fledged CRO set-up, excellence in finished dosages manufacturing and a strong customer base makes the Company, a preferred partner, offering complete solutions to generic companies worldwide.

SAFE HARBOUR

Statements made in this Management Discussion and Analysis (MDA) describing the Company's objective, projections, estimates and expectations may be 'Forward-looking statements' within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied due to risks, uncertainties and inaccurate assumptions.

STAY HEALTHY, STAY SAFE!

*Thank
you*