



Respectfully Indian at Heart, Global in Vision

MANAGEMENT DISCUSSION & ANALYSIS

for the Second Quarter FY22

November 02, 2021



Financials (Stand-alone)

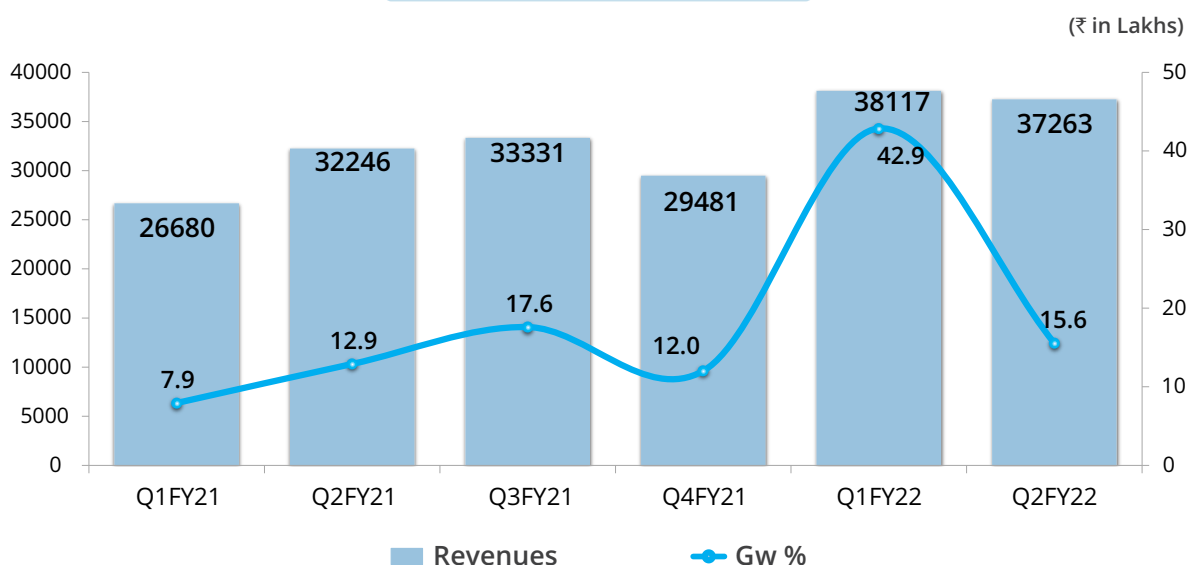
(₹ In Lakhs)

Particulars	Quarter Ended				Half Year Ended			Year Ended
	Jul'21-Sep'21	Apr'21-Jun'21	Jul'20-Sep'20	Gw%	Apr'21-Sept'21	Apr'20-Sept'20	Gw%	Apr'20-Mar'21
Gross Sales								
Formulation:								
- Domestic	21362	21506	17469	22.3	42868	32220	33.0	61898
- Export								
Regulated Market:	11136	12828	10136	9.9	23965	17784	34.8	39985
Emerging Market:	2417	2415	2004	20.6	4833	3901	23.9	9251
Export Total	13553	15243	12140	11.6	28797	21685	32.8	49235
Formulation...(A)	34915	36749	29609	17.9	71665	53905	32.9	111134
API:								
- Domestic	503	416	938	(46.4)	919	1778	(48.3)	4393
- Export	1470	672	1346	9.2	2141	2725	(21.4)	5005
API...(B)	1973	1088	2284	(13.6)	3060	4503	(32.0)	9398
Anacipher CRO & Indoco Analytical Solutions (IAS)...(C)	375	280	353	6.0	655	518	26.5	1207
Gross Sales (A+B+C)	37263	38117	32246	15.6	75380	58926	27.9	121738
Other Operating Income	1396	532	519	169.0	1928	1425	35.3	2292
Income from Operations	38659	38649	32765	18.0	77308	60351	28.1	124030
EBIDTA	8632	8681	6018	43.4	17313	10904	58.8	22357
Operating Profit	8512	7689	5138	65.7	16201	8562	89.2	18793
Profit /(Loss) Before Tax	6481	6121	3624	78.8	12602	6048	108.4	13135
Profit /(Loss) After Tax	4157	3961	2511	65.6	8118	4234	91.7	9239

Revenues of the Company grew by 15.6 % YoY. In the first half of the year, revenues grew by 27.9% at ₹ 753.8 crores, as against ₹ 589.3 crores for the same period last year.

OVERALL REVENUES

Q2 YoY Gw 15.6 %



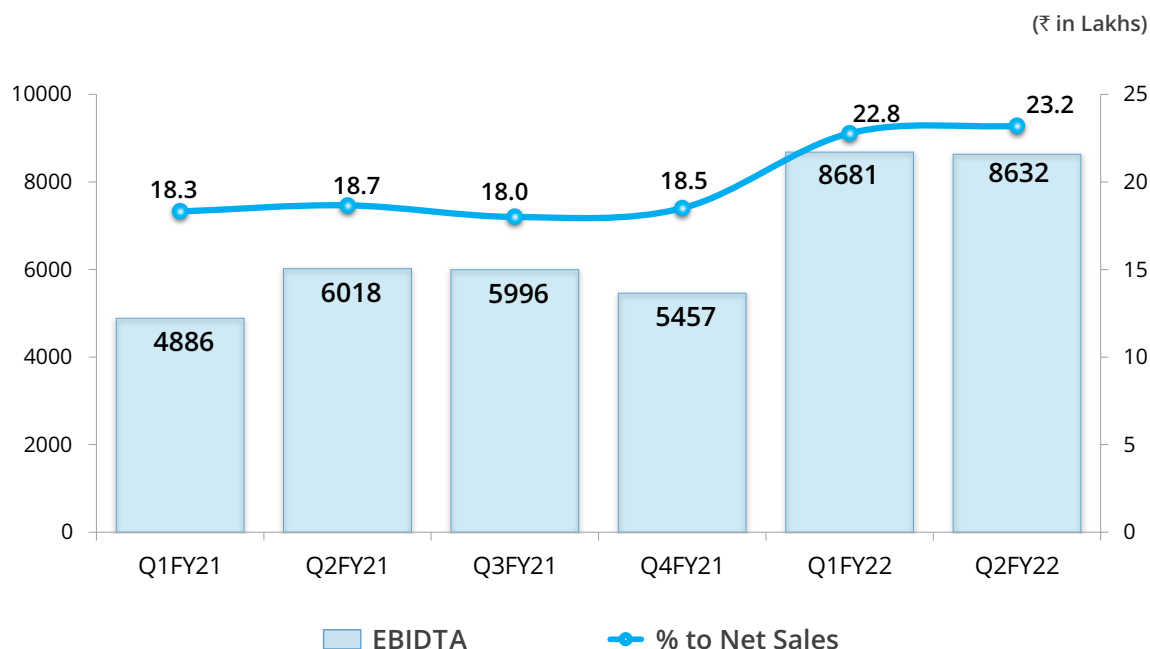
The financial ratios for the Second Quarter and YTD are as follows:

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
Material Cost (%)	28.5	28.9	28.0	28.7	29.2	29.1
Employee Benefits Expense (%)	19.8	19.6	23.2	19.7	23.8	22.4
R&D Expenses (%)	5.7	4.3	4.9	5.0	4.4	4.9
Finance Cost (%)	0.8	1.1	1.8	1.0	2.0	1.8
Depreciation (%)	5.2	5.8	5.8	5.5	6.4	6.0
Other Expenditure (%)	26.5	25.8	26.9	26.1	26.5	27.1
Profit Before Tax (%)	17.4	16.1	11.2	16.7	10.3	10.8
Tax (Curr. & Deferred- After MAT ent.) to PBT (%)	35.9	35.3	30.7	35.6	30.0	29.7
Profit After Tax (%)	11.2	10.4	7.8	10.8	7.2	7.6
EBIDTA (₹ In Lakhs)	8632	8681	6018	17313	10904	22357
EBIDTA (%)	23.2	22.8	18.7	23.0	18.5	18.4
Operating Profit (₹ In Lakhs)	8512	7689	5138	16201	8562	18793
Operating Profit (%)	22.8	20.2	15.9	21.5	14.5	15.4

EBIDTA to net sales for the quarter grew by 43.4 % YoY. EBIDTA to net sales for the first half is 23.0 % at ₹ 173.13 crores, compared to 18.5 % at ₹ 109.04 crores, for the same period last year.

EBIDTA

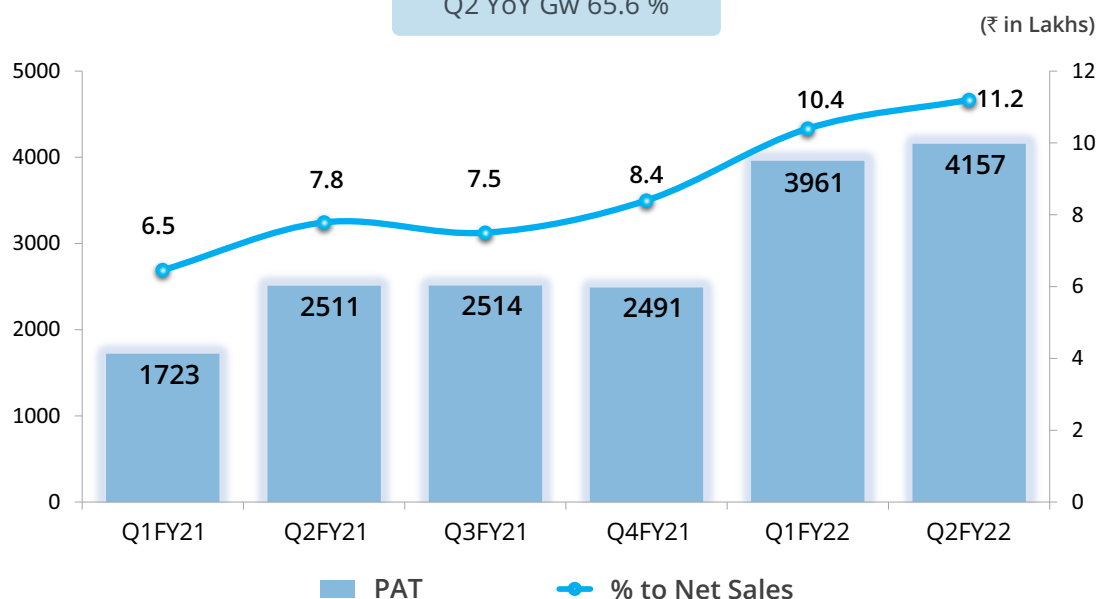
Q2 YoY Gw 43.4 %



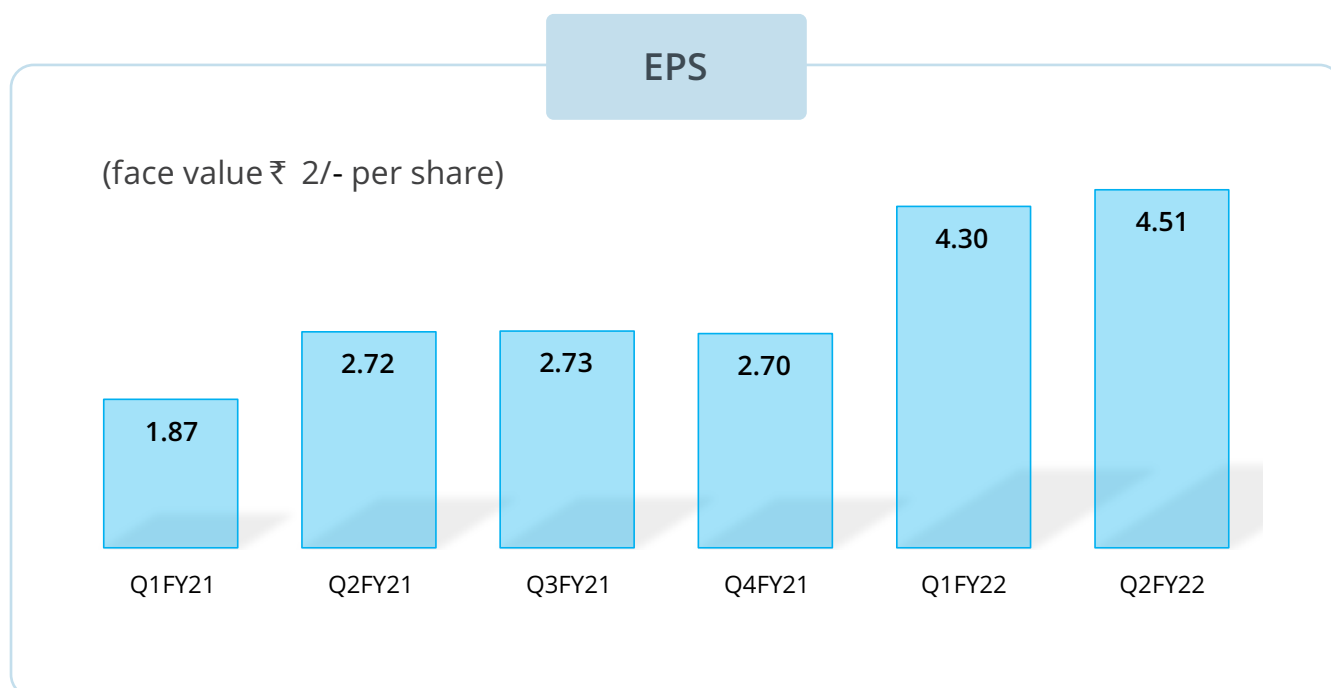
PAT to net sales for the quarter grew by 65.6 % YoY. PAT to net sales for the first half is 10.8 % at ₹ 81.18 crores, compared to 7.2 % at ₹ 42.34 crores, for the same period last year.

PAT

Q2 YoY Gw 65.6 %



Earnings Per Share (EPS) for the quarter is ₹ 4.51 compared to ₹ 2.72 for the same quarter last year. EPS for the first half is ₹ 8.81, compared to ₹ 4.59, for the same period last year.



CREDIT RATING

The Company's working capital facilities are rated as [ICRA] 'A1+' and long term borrowings are rated as [ICRA] 'AA-' with stable outlook.

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] 'AA-' Rating instruments are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

FINISHED DOSAGES

Indian Pharma Market (IPM)

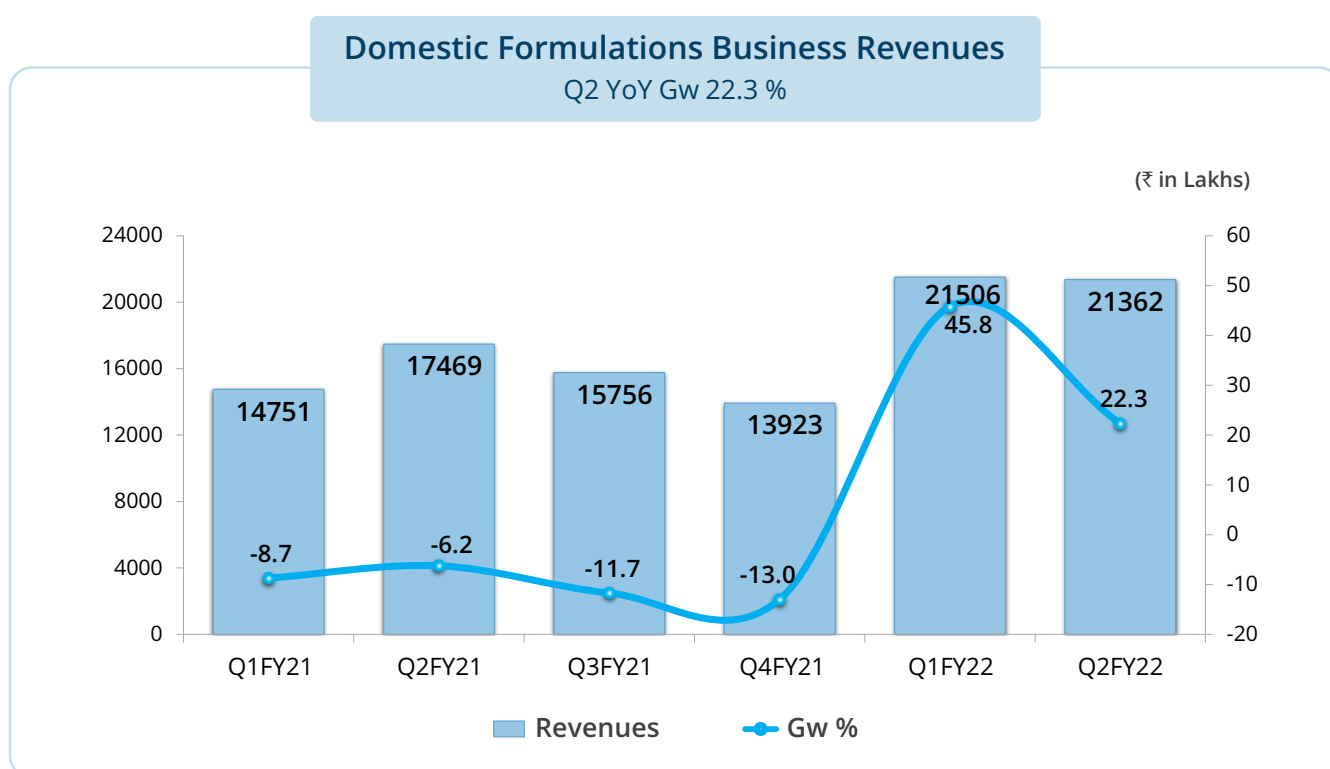
IPM has showing normalcy in sales from June'21. The sales registered for Q2FY22 is at ₹ 43064 crores with a growth of 14.6 %. Most of the therapies have shown stronger growth. Anti-infectives, Gastro-intestinals and Respiratory segments have shown significant growth.

In Sept'21, the Company's rank jumped to 25th from 29th in the IPM, with market share of 0.75 %. (Source: AWACS data).

DOMESTIC FORMULATIONS BUSINESS

Revenues from Domestic formulations business for the quarter grew by 22.3 % YoY. Major therapeutic segments, viz., Anti-infectives, Gastro Intestinal, Vitamins/Minerals/Nutrients and Ophthalmics performed well during the quarter.

For the first half, revenues grew by 33.0% at ₹ 428.7 crores, as against ₹ 322.2 crores for the same period last year.



NEW PRODUCTS

During the quarter, two new products were launched, viz., Renofen Plus Tablets 10s (Molecule: Paracetamol, Diclofenac Sodium) under Pain/Analgesics segment and Noxa Cream 5 gm (Molecule: Ozenoxacin 1.0 % w/w) under Dermatology segment. The total number of new products stand at four for the period.

Details of revenues from major therapies are as follows:

(₹ In Lakhs)

THERAPY	Q2FY22	Q2FY21	GW %
Anti-Infectives	4247	2831	50.0
Stomatologicals	4092	3807	7.5
Respiratory	3411	3134	8.9
Gastrointestinal	2818	2087	35.0
Vitamins / Minerals / Nutrients	1329	999	33.0
Ophthal / Otological	1146	823	39.2
Gynaec.	1034	872	18.7
Dermatology	904	912	-0.9
Anti-Diabetic	775	678	14.3
Pain / Analgesics	769	682	12.7

Details of revenues from major brands are as follows:

(₹ In Lakhs)

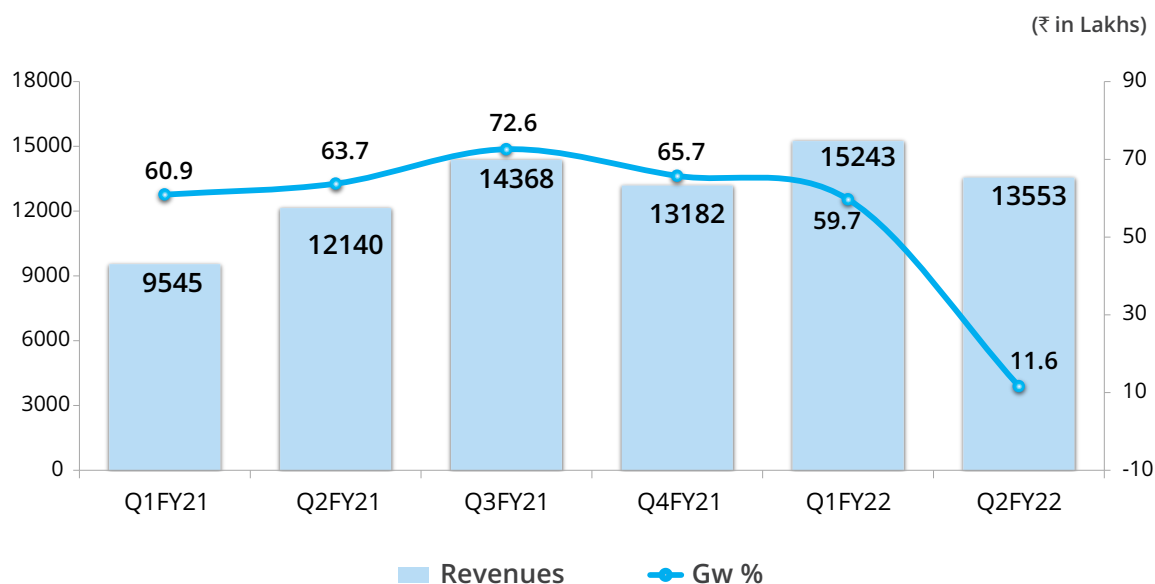
BRANDS	Q2FY22	Q2FY21	GW %
Febrex Plus	2294	1101	108.3
Cyclopam	2288	1556	47.0
ATM	1824	1739	4.9
Oxipod	1757	540	225.2
Sensodent K	1355	1302	4.1
Cital	1314	1049	25.3
Rexidin	660	452	45.9
Sensodent KF	639	668	-4.4
Cloben G	627	669	-6.3
Sensoform	620	639	-3.0
Methycal	488	290	68.0
Tuspel	458	136	236.0
Bactogard	400	181	121.5
Karvol Plus	393	1708	-77.0
Kidodent	357	409	-12.9

INTERNATIONAL FORMULATIONS BUSINESS

Revenues from International formulations business registered a growth of 11.6 % YoY. For the first half, revenues grew by 32.8 % at ₹ 288 crores, as against ₹ 216.8 crores for the same period last year.

International Formulations Business Revenues

Q2 YoY Gw 11.6 %

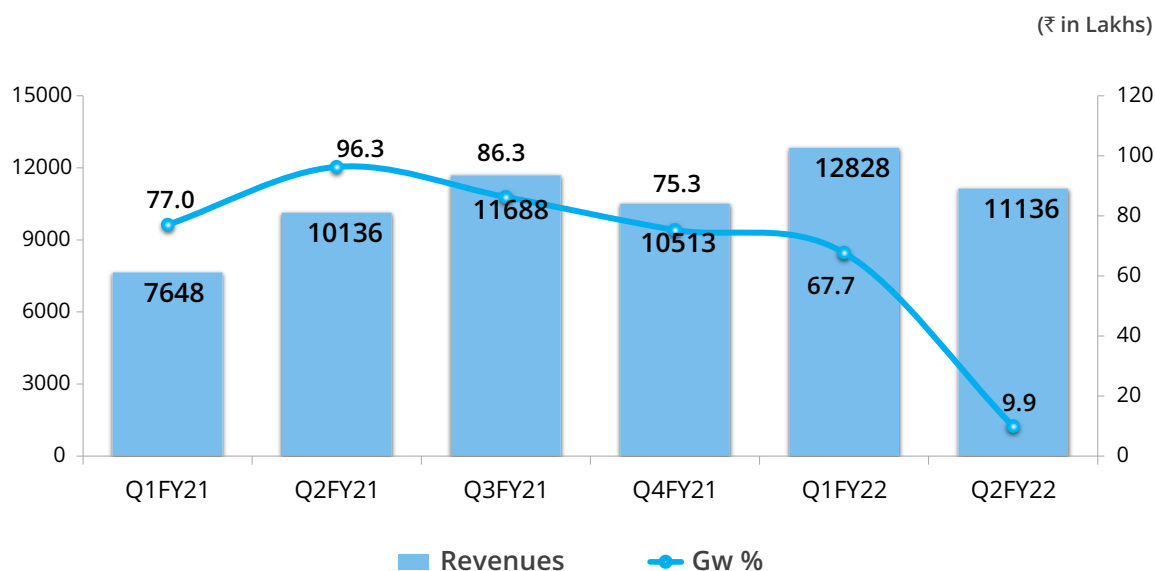


REGULATED MARKETS

Revenues from Regulated Markets grew by 9.9 % YoY. For the first half, revenues grew by 34.8 % at ₹ 239.6 crores, as against ₹ 177.8 crores for the same period last year.

Regulated Markets Revenues

Q2 YoY Gw 9.9 %



USA

Revenues from US business for the quarter grew by 10.2 % at ₹ 47.9 crores, as against ₹ 43.4 crores for the same quarter last year. For the first half, revenues grew by 33.8 % at ₹ 94.0 crores, as against ₹ 70.3 crores for the same period last year.

EUROPE

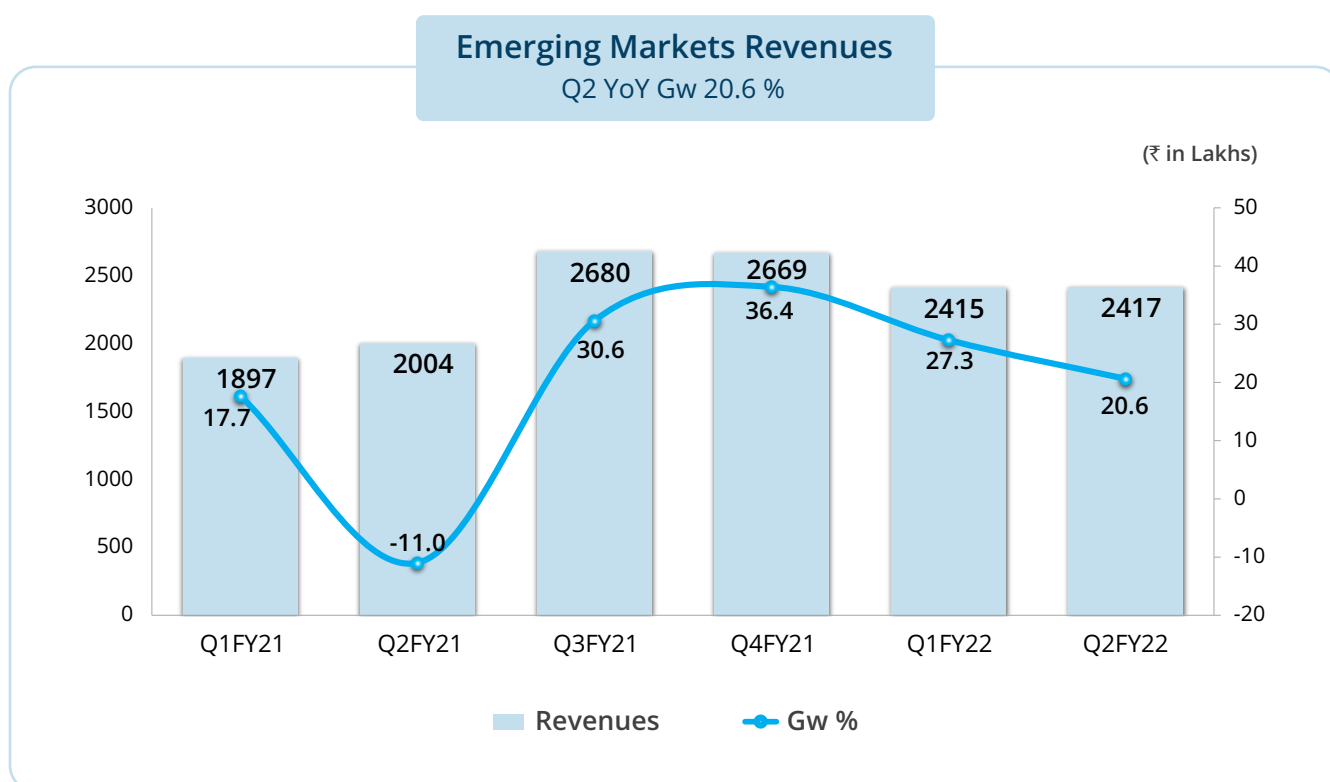
Revenues from Europe for the quarter grew by 6.3 % at ₹ 59.7 crores, as against ₹ 56.1 crores for the same quarter last year. For the first half, revenues grew by 33.5% at ₹ 138.8 crores, as against ₹ 104.0 crores for the same period last year.

SOUTH AFRICA, AUSTRALIA AND NEW ZEALAND

Revenues from SAANZ for the quarter grew by 114.1 % at ₹ 3.8 crores, as against ₹ 1.8 crores for the same quarter last year. For the first half, revenues grew by 91.0% at ₹ 6.8 crores, as against ₹ 3.5 crores for the same period last year.

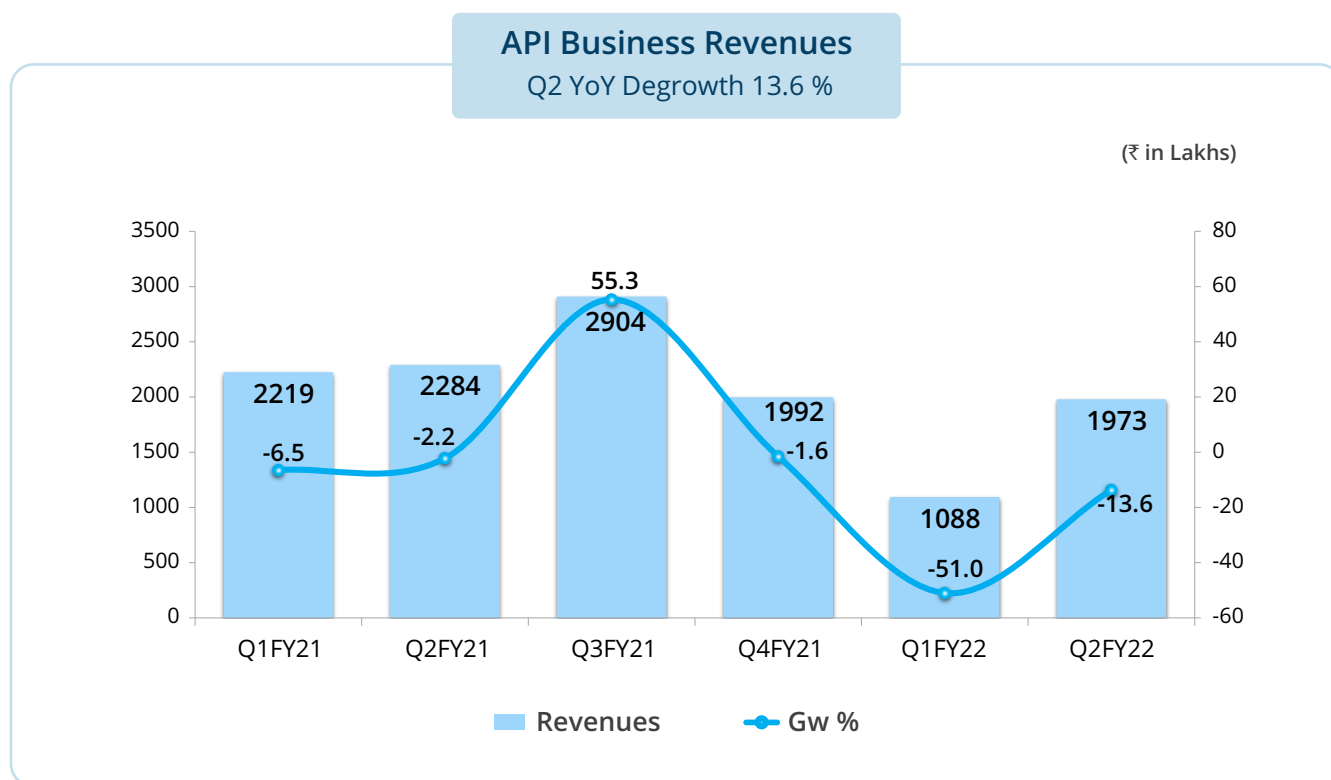
EMERGING MARKETS

Revenues from Emerging Markets for the quarter grew by 20.6 % at ₹ 24.2 crores, as against ₹ 20.0 crores for the same quarter last year. For the first half, revenues grew by 23.9% at ₹ 48.3 crores, as against ₹ 39.0 crores for the same period last year.



ACTIVE PHARMACEUTICAL INGREDIENTS (APIs)

During the quarter, revenues from API Business de-grew by 13.6 % YoY. For the first half, revenues de-grew by 32.0 % at ₹ 30.6 crores, as against ₹ 45.0 crores for the same period last year.



ANACIPHER CRO AND INDOCO ANALYTICAL SOLUTIONS (IAS)

Revenues from Anacipher CRO & Indoco Analytical Solutions for the quarter grew by 6.0 % at ₹ 3.7 crores as against ₹ 3.5 crores. For the first half, revenues grew by 26.5 % at ₹ 6.6 crores, as against ₹ 5.2 crores for the same period 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 and Injectables, will enable the Company to have an upper edge over its competitors in the International business.

The 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 and 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 its customers 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 and regulations. Actual results could differ from those expressed or implied due to risks, uncertainties and inaccurate assumptions.

STAY HEALTHY, STAY SAFE!

*Thank
you*