

Message from the Chairman



Dear Stakeholders,

It gives me immense pleasure to express my pride in our country and the pharmaceutical industry, especially our Company, which have played a crucial role in fighting the COVID-19 pandemic in Financial Year 2020-21.

The Indian Pharmaceutical Industry reinforced its importance and calibre of becoming a global manufacturing hub, having delivered several life-saving drugs, developed indigenous vaccines for COVID-19 for adults and under-18s', and undertaken large-scale manufacturing of COVID-19 vaccines. At the country level, the

Government focused on helping nations globally with these drugs, vaccines and other essential supplies.

At our Company, we too played a part in the welfare of mankind while building on our capabilities. On one hand, we leveraged our R&D competence to launch several key products, in line with their heightened demand during the pandemic; on the other hand, we capitalised on our manufacturing excellence to ensure sustained deliveries to our customers globally, despite the challenges of API unavailability and travel restrictions. The entire management of the Company was constantly monitoring the pandemic situation and striving to minimise the impact of the same on its operations.

The Company considers its employees as an important asset. During these difficult times, it provided them with strong support by implementing various safety and healthcare measures. The Company also ensured paying full salaries with other privileges to all its employees during the whole pandemic period.

Further, in view of the economic challenges, the Executive Directors voluntarily decided to forgo a part

of their remuneration. They also awarded the outstanding performers during the pandemic period out of their personal funds.

I am thankful to our team, whose unparalleled dedication helped the Company tide over the crisis.

We further utilised this year to build on our strong foundation by intensifying our focus on product development and strengthening our global presence. We marked our presence in several emerging countries in Asia Pacific, CIS, Africa, Middle East and LATAM. We continue to explore more strategic partnerships to penetrate markets.

The coming years are going to be exciting for the Indian Pharmaceutical Industry in terms of global growth opportunities, and our Company has the potential to grow faster with it. We remain determined to continue with our legacy of serving people with quality products and to create more value for all stakeholders while doing so.

Warm Regards,

CA Uday Kumar Gurkar
Chairman of the Board

Message from the Managing Director



Our performance validates the robustness of our business model and portfolio. I am particularly thankful to our team-it displayed the spirit that enabled us to honour our commitment to customers, thus maintaining our global reputation for quality and reliability.



Extraordinary times necessitate extraordinary responses. Financial Year 2020-21 was one such year. The outbreak of COVID-19 pandemic put lives and livelihood at stake, and governments across the globe were under pressure to balance both. In India, too, the pandemic caused severe crisis in two waves. Most of the sectors faced tough operating challenges throughout the year. For the Indian Pharmaceutical Market (IPM), which includes companies like ours, the challenges were altogether different. On one hand, demand was high, and on the other hand there were various logistical issues, increase in freight costs and non-availability of key raw materials. The situation also demanded shifting to the production of COVID-19 relevant drugs, formulations and APIs that witnessed sharp demand.

Given the scenario, IPM grew by 4% in the Financial Year 2020-21, recovering from the decline witnessed in the first quarter of 2020. The Antiviral segment saw a sharp growth led by increased demand for Remdesivir and Favipiravir. Cardiac, Vitamins, Minerals and Nutrients segments registered double-digit growth. However, the Anti-infective demand was impacted. Despite the lacklustre in the FY 2020-21, the long-term prospects of IPM are positive with expectations of strong growth in the coming years. The domestic segment is expected to triple in the current decade, supported by increased healthcare spending by the Government, increased thrust on rural health programmes,

and alignment of companies' product portfolios to therapies that are in demand. The Indian pharmaceutical exports are also expected to grow strongly. IPM has already proved its competence in the global arena with supplies of quality and low-cost drugs across more than 200 countries. India is steadily improving its reputation from being just a contract manufacturing hub to a globally competitive centre of excellence in research and development. This shift in focus will play a critical role in the growth of IPM, going forward. Further, India's advantage of low-cost manufacturing, Government support through production-linked incentive scheme, and shift of supply chain from China to India are likely to help exports from India.

PERFORMANCE REVIEW FOR THE FINANCIAL YEAR 2020-21

Our performance validates the robustness of our business model and portfolio. I am particularly thankful to our team – it displayed the spirit that enabled us to honour our commitment to customers, thus maintaining our global reputation for quality and reliability. Our R&D team also exhibited its competence by coming up with selective molecules like Favipiravir, Hand Sanitiser, Ivermectin, Dexamethasone and Paracetamol, enabling us to launch 13 products during the year.

OVERCOMING THE CRISIS

With the pandemic impacting our supply chain, API availability and overall operations, we implemented multiple strategies to bounce back. In the shortest span, COVID-19 Guide was developed in line with Government regulations which enabled us to ensure safety of our people and uninterrupted operations across all locations. Most meetings and audits were done virtually. Sales and marketing teams were encouraged to use digital tools to engage with general and consulting physicians, who are our key customers. We focused on advance ordering of APIs to ensure sustained availability of raw materials for uninterrupted manufacturing, so that customer's orders could be met.

VOTE OF THANKS

On behalf of the Board, I thank all stakeholders for their unflinching support to us. The Indian Pharmaceutical Industry is at a significant intersection and we see strong growth opportunities in the domestic as well as export markets. With our talented teams, manufacturing prowess and R&D excellence, we are well on track to attain our long-term goals and create value for all stakeholders sustainably.

Best Regards and Prayers,

Mohan A. Chandavarkar
 Managing Director