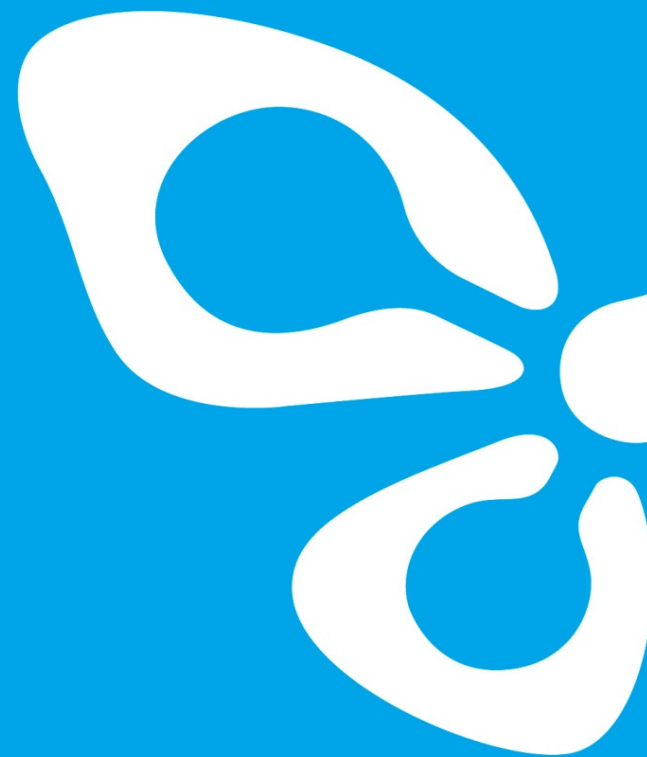


Ipca Laboratories Ltd.

Corporate Presentation

May 2014

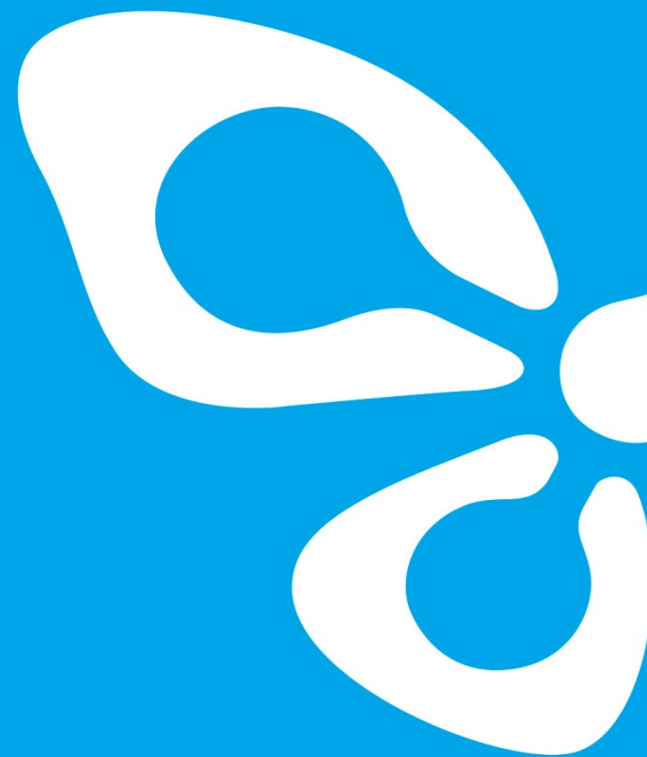


Incorporation	:	1949
Present Management	:	Since 1975
Total income F. Y. 2013-2014	:	₹ 3256.25 Crs / US\$ 538 Mn
Exports F. Y. 2013-2014	:	₹ 2047.80 Crs / US\$ 338 Mn
Number of Employees	:	11,727 including 5917 in marketing and distribution
Business Model	:	Fully integrated pharmaceutical company producing Branded and Generics Formulations, APIs and Intermediates

	2009-10	2010-11	2011-12	2012-13	2013-14
Domestic Income (₹ Crs)	759.42	864.43	941.01	1,081.00	1,208.45
Domestic Income (US \$ Mn)	125.40	142.74	155.38	178.50	199.55
Export Income (₹ Crs)	806.08	1,025.18	1,401.97	1,716.08	2,047.80
Export Income (US \$ Mn)	133.10	169.28	231.50	283.37	338.14
Total Income (₹ Crs)	1,565.50	1,889.61	2,342.98	2,797.08	3,256.25
Total Income (US \$ Mn)	258.50	312.02	386.89	461.87	537.69
Net Profit After Tax (₹ Crs)	209.19	255.37	280.17	331.39	477.37
Net Profit After Tax (US \$ Mn)	34.54	42.17	46.26	54.72	78.83

Manufacturing Facilities

Formulations



Location	Dosage Form	Approvals / Inspections
Athal, Silvassa	Tablets & Capsules	UK-MHRA, TGA-Australia, MCC-South Africa, HPB-Canada, WHO-Geneva
Ratlam, Madhya Pradesh	Tablets, Liquids, Injectables & Ointments	MCC-South Africa
Kandla, Gujarat	Betalactum – Tablets, Capsules & Dry Syrups	UK-MHRA, MCC-South Africa
Silvassa	Tablets & Capsules	UK-MHRA, US-FDA, TGA-Australia, HPB-Canada

Location	Dosage Form	Approvals / Inspections
Dehradun, Uttaranchal	Tablets & Cephalosporin Injectables	WHO-GMP
Indore (SEZ), Madhya Pradesh	Tablets & Capsules	UK-MHRA US-FDA
Sikkim	Tablets & Capsules	GMP

Manufacturing Facilities

Active Pharmaceutical Ingredients (APIs)

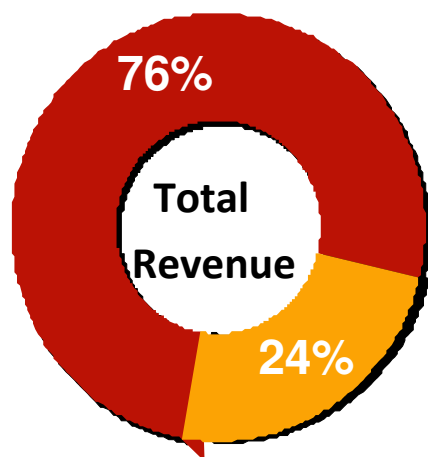


Location	Approvals / Inspections
Ratlam, Madhya Pradesh	US-FDA ,TGA-Australia, EDQM, Danish Regulatory Authority, PMDA-Japan, WHO-Geneva
Indore, Madhya Pradesh	WHO-GMP
Ankleshwar, Gujarat	PMDA -Japan
Aurangabad, Maharashtra	WHO-GMP
Mahad, Maharashtra	GMP

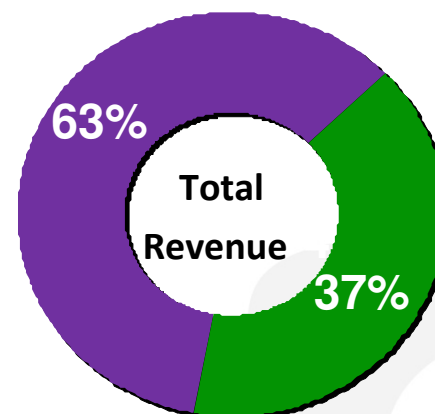
The company has taken effective steps for setting up a new green field API manufacturing facility at **Village Ranu, Tehsil Padra, District Vadodara, Gujarat.**

Revenue Break-up

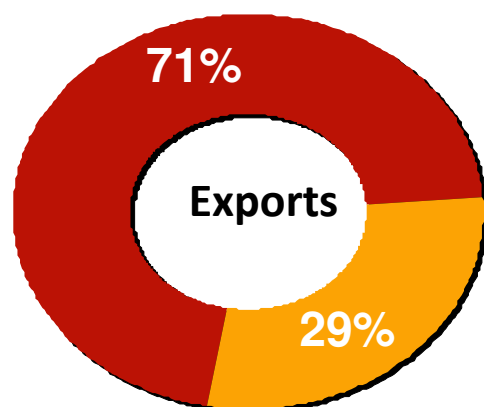




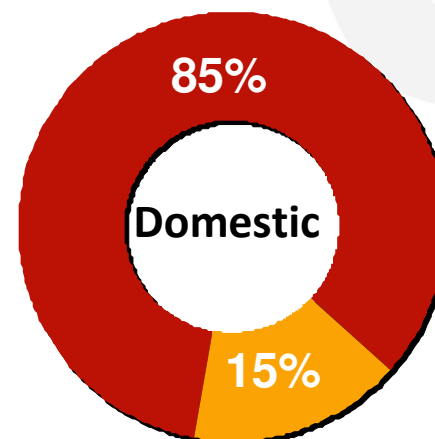
■ Formulations
■ APIs



■ Exports
■ Domestic



■ Formulations
■ APIs



■ Formulations
■ APIs

₹ Crs	2013-14			2012-13			Growth
	Domestic	Exports	Total	Domestic	Exports	Total	
Branded Formulations	969.42	351.61	1321.03	878.10	281.17	1159.27	14.0%
Generic Formulations	-	1095.96	1095.96	-	913.01	913.01	20.0%
Total Formulations	969.42	1447.57	2416.99	878.10	1194.18	2072.28	16.6%
API / Intermediates	164.54	600.23	764.77	144.64	521.90	666.54	14.7%
Others	74.49	-	74.49	58.26	-	58.26	
Total Income	1208.45	2047.80	3256.25	1081	1716.08	2797.08	16.4%
Growth	11.8%	19.3%	16.4%				

Financials



F.Y. 2013 - 14			F.Y. 2012 - 13		
	₹ Crs	US\$ Mn	₹ Crs	US\$ Mn	% Growth
Total Income	3256.25	538	2797.08	462	16%
EBIDT	805.23	133	621.29	103	30%
EBIDT %	24.89%		22.36%		
PBT #	629.09	104	461.37	76	36%
PBT %	19.45%		16.61%		
PAT #	477.37	79	331.39	55	44%
PAT %	14.76%		11.93%		

After forex loss of ₹ 72.10 Crs as against ₹ 63.28 Crs for previous year.

Profitability to Net Income	FY 2013-14	FY 2012-13	FY 2011-12
PBIDT	24.89%	22.36%	22.04%
PBT	19.45%	16.61%	15.83%
PAT	14.76%	11.93%	12.02%

Business Characteristics	FY 2013-14	FY 2012-13	FY 2011-12
Return on Capital Employed % (PBIT / Capital Employed)	25.28%	22.81%	23.27%
Return on Net Worth % (PAT / Net Worth)	24.09%	21.11%	22.20%
Fixed Asset Turnover Ratio (Total Income / Net Fixed Assets)	2.21	2.32	2.33
Capital Employed Turnover Ratio (Total Income / Capital Employed)	1.26	1.29	1.34
Asset Coverage Ratio (to term loan) (Net Fixed Assets / Total Long Term Borrowings)	3.22	2.62	2.52
Long Term Debt Equity Ratio (Total Long Term Borrowings / Net Worth)	0.23	0.29	0.32
Debtors Turnover Ratio (Days) (Trade Receivables / Turnover) x 365	51	55	55
Creditors Turnover Ratio (Days) (Trade Payables / Purchases) x 365	100	84	76
Inventory Turnover Ratio (Days) (Inventory / Turnover) x 365	96	98	105

Growth	FY 2013-14	FY 2012-13	FY 2011-12
Net Total Income	16.40%	19.40%	24.00%
Domestic Sales	10.90%	13.90%	6.80%
Export Sales	19.30%	22.40%	36.80%
PBIDT	29.60%	21.00%	36.70%
PBT	36.40%	25.10%	7.30%
Net Profit	44.10%	18.30%	9.70%

2012 - 13		Therapeutic Segment	2013 - 14	
Exports	Domestic		Exports	Domestic
17%	32%	Non Steroidal Anti-Inflammatory Drugs (NSAID)	17%	35%
29%	25%	Cardiovasculars & Anti-Diabetics	31%	24%
37%	17%	Anti-Malarials	35%	14%
9%	6%	Anti-Bacterials	10%	6%
1%	6%	Gastro-Intestinal (GI) Products	1%	5%
1%	3%	Neuro Psychiatry	1%	3%
1%	5%	Cough Preparations	1%	4%
-	3%	Dermatology	-	4%
-	1%	Urology	-	1%
-	1%	Neutraceuticals	-	2%
5%	1%	Others	4%	2%
100%	100%	Total	100%	100%

Branded Formulations

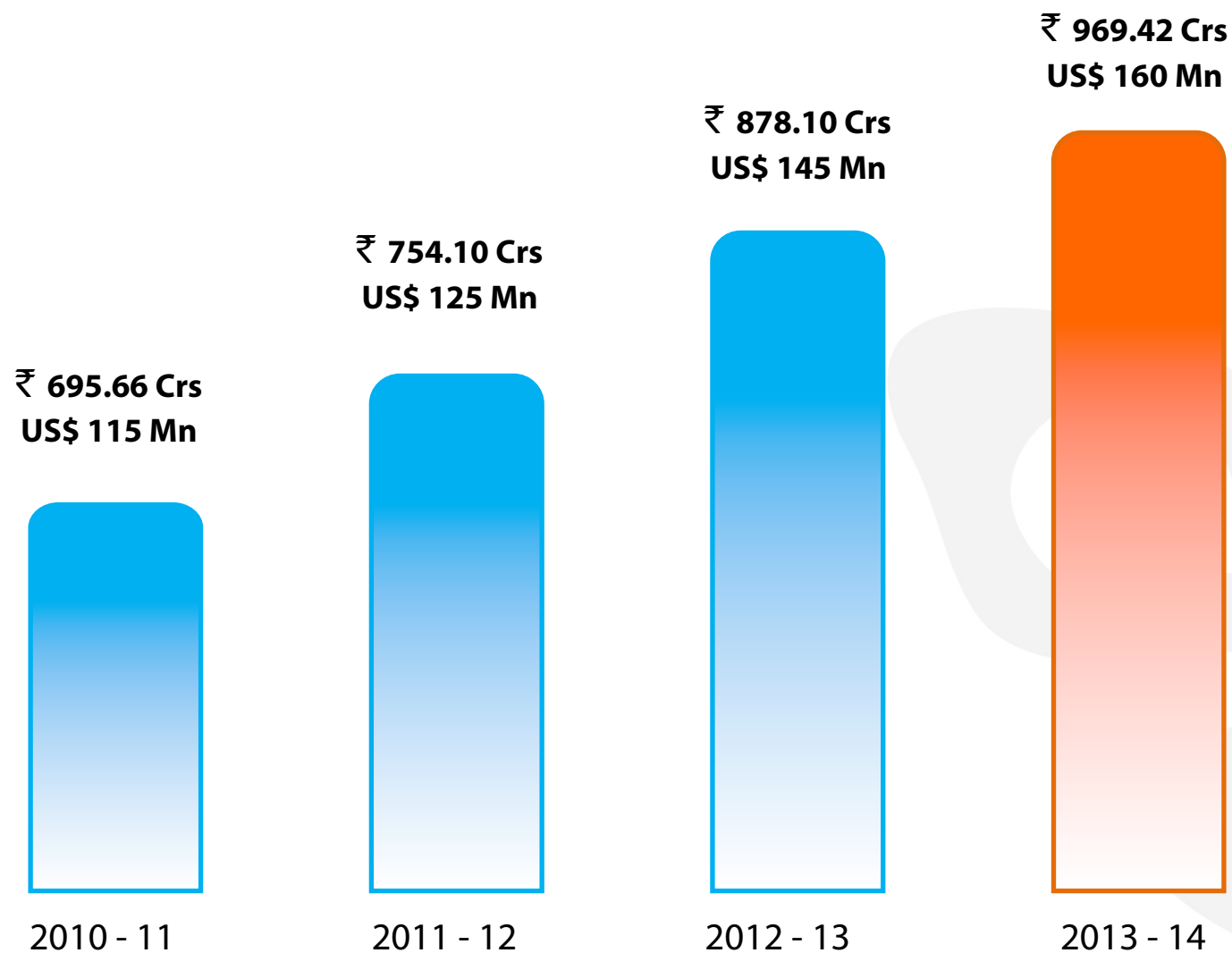
Domestic



- All India Rank ORG-IMS : 24th (MAT Mar'14).
- 25 Depots & 2 C&F agents.
- 12 Therapy Focused Marketing Divisions.
- Field Strength – 4154.
- Over 2000 Wholesalers.
- 5 brands among top 300 brands (HCQS, Lariago, Rapither-AB, Zerodol-P & Zerodol-SP).
- Market leaders in Anti-malarials & Rheumatoid Arthritis.

CAGR = 12%

Sales



Future Growth Drivers

- The company introduced 13 new Brands in the India market during 2013-14.
- Clinical research as a tool to launch innovative combination formulations / NDDS.
- Strong Brand building with focused promotion.
- In licensing/ out licensing to build business in the promoted therapy.
- Portfolio optimization, strategies to identify need gaps to build, enter, maintain and exit approach.

International Business

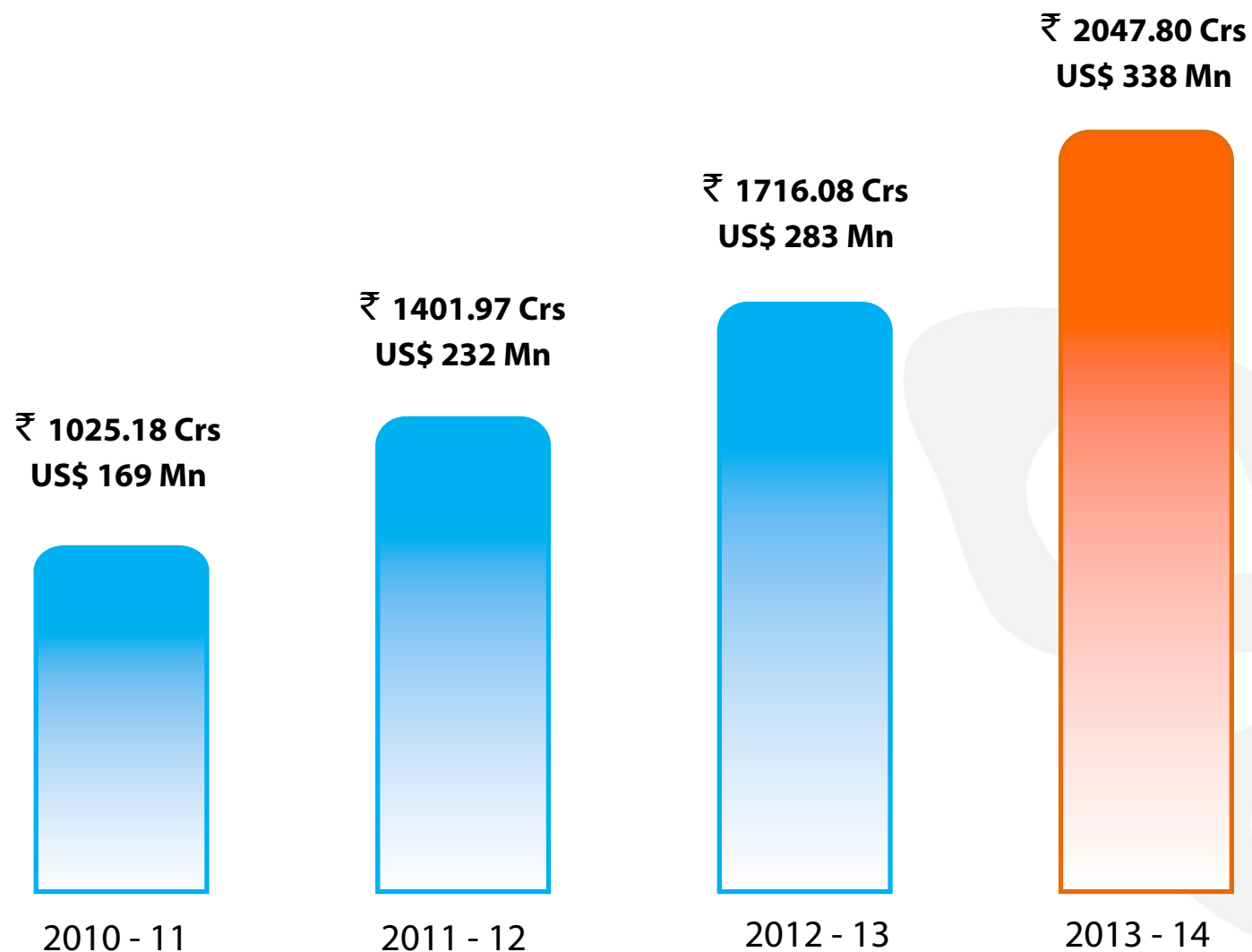


- Exports to over 130 countries.
- Recognized Star Trading House.
- Among top 10 pharmaceutical exporters from India.
- 63% sales from exports.
- Field-force to promote brands in more than 30 countries of CIS, South East Asia, Middle East, Latin America and Africa.

- Marketing offices in Russia, Ukraine, Vietnam, Philippines, Kenya, Columbia, Sri Lanka, Malaysia and Nigeria (subsidiary company).
- Formulation dossiers for branded formulations registered in 63 countries.

CAGR = 26%

Sales



Continent-wise Exports 2013 – 14 (₹ Crs)

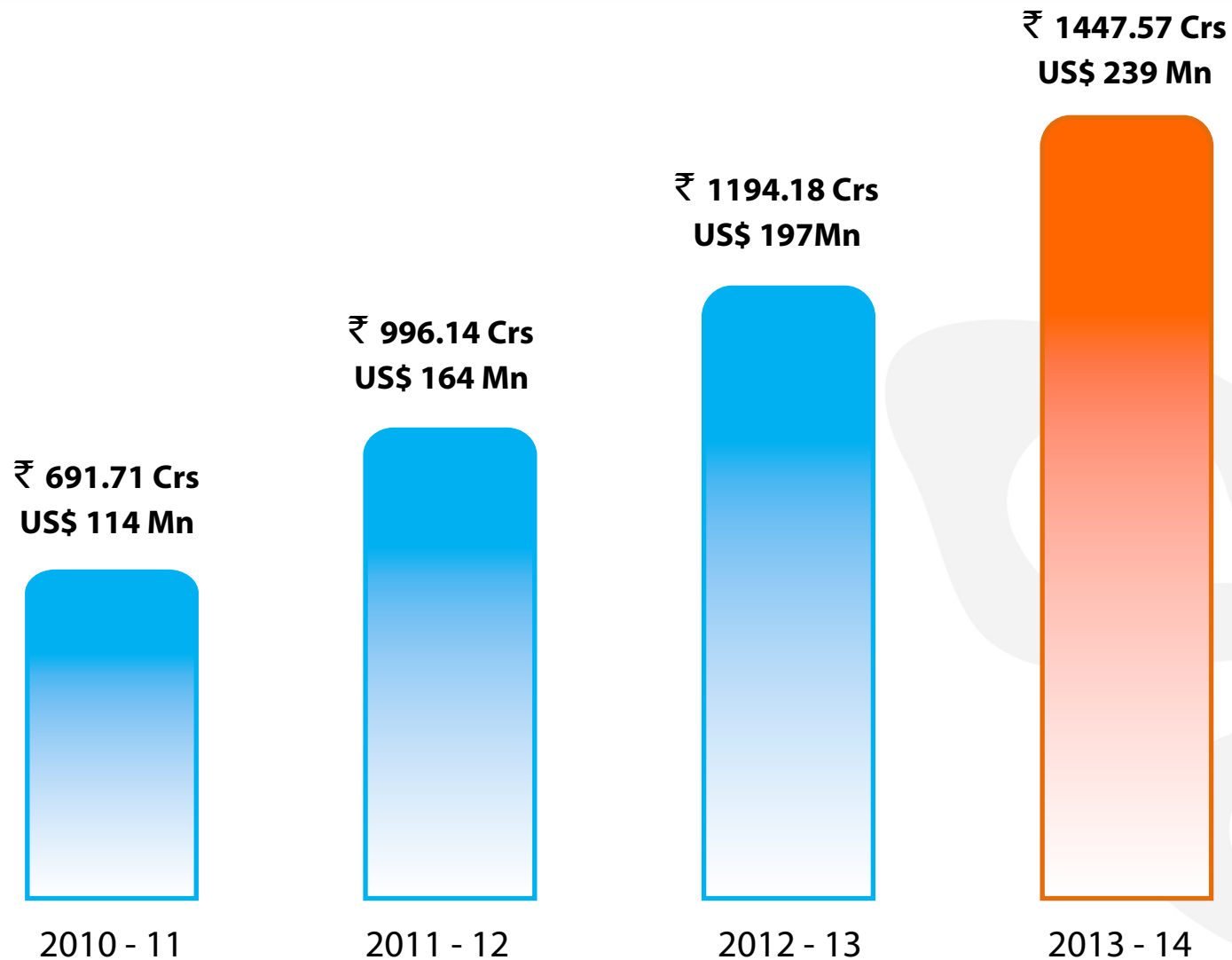
Continent	Formulations	Bulk Drugs / Intermediates	Total	% Contribution
Europe	378.46	215.08	593.54	29%
Americas	254.20	165.46	419.66	20%
CIS	165.82	4.41	170.23	8%
Asia	66.88	175.48	242.36	12%
Africa	529.83	36.25	566.08	28%
Australasia	52.38	3.55	55.93	3%
Total	1447.57	600.23	2047.80	100%

International Formulations

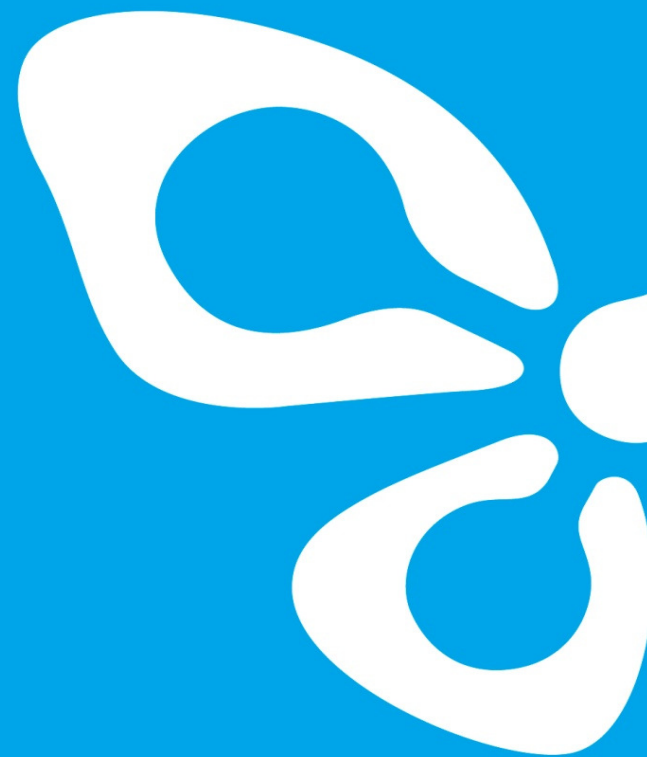


CAGR = 28%

Sales

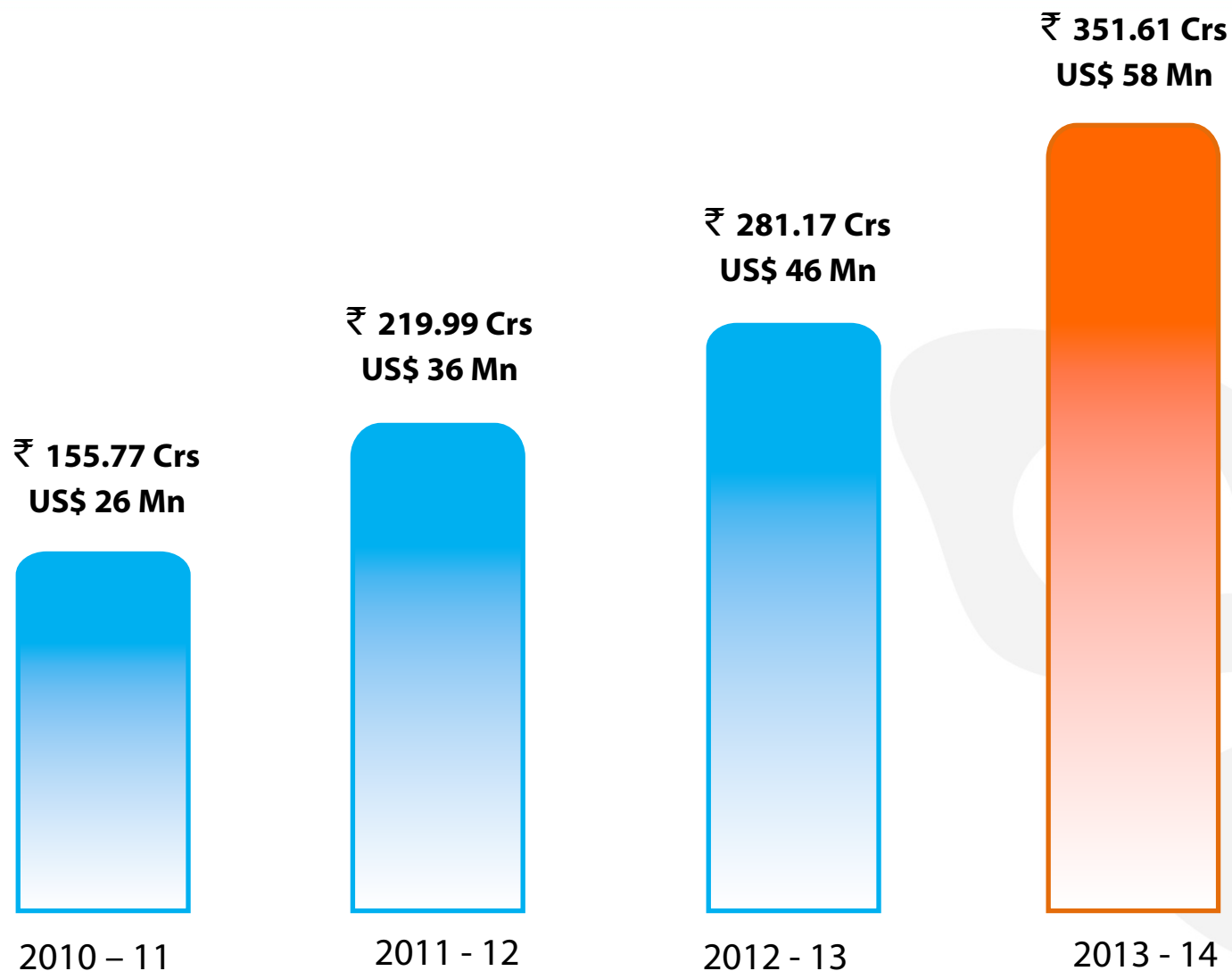


International Branded Formulations



CAGR = 31%

Sales



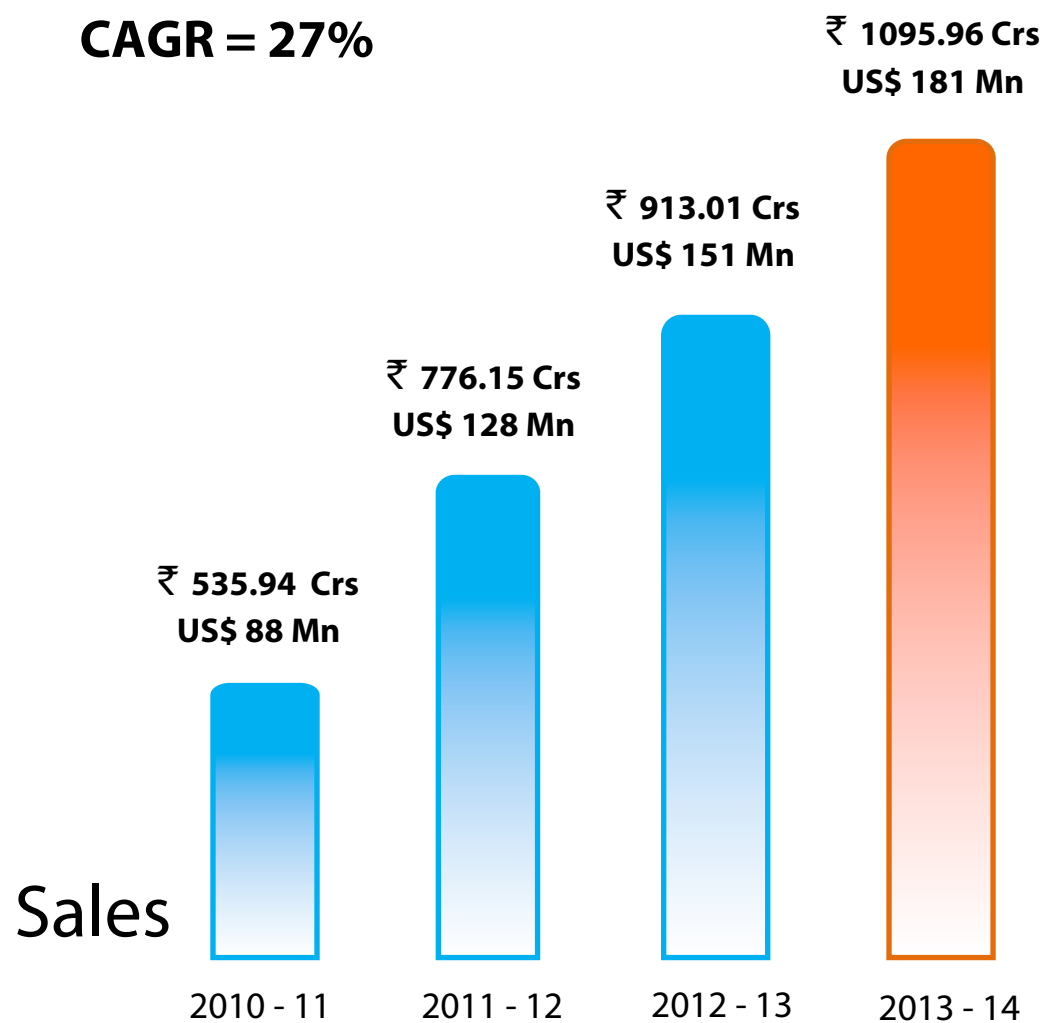
Future Growth Drivers

- Thrust on brand building in Pain, CVS, CNS, Anti-infective and Anti-malarial segments.
- Geographical expansion in covered countries through additional field force.
- Expansion in business lines - Institutions and Distributors.
- Introduction of new products - Existing developed formulations are identified for registration and launch across all continents.

International Generics



CAGR = 27%



Country	Products Registered	Products Under Registration
United Kingdom / Europe	59	2
Australia / New Zealand	45	14
South Africa	40	14
United States / Canada	28	26

Future Growth Drivers

- Dossiers developed by company approved in UK are being taken for registration in other EU countries.
- Most formulations registered to be backed by own API.
- Sale of generic dossiers with or without supply agreements.
- Contract manufacturing arrangements.



Future Growth Drivers – North America

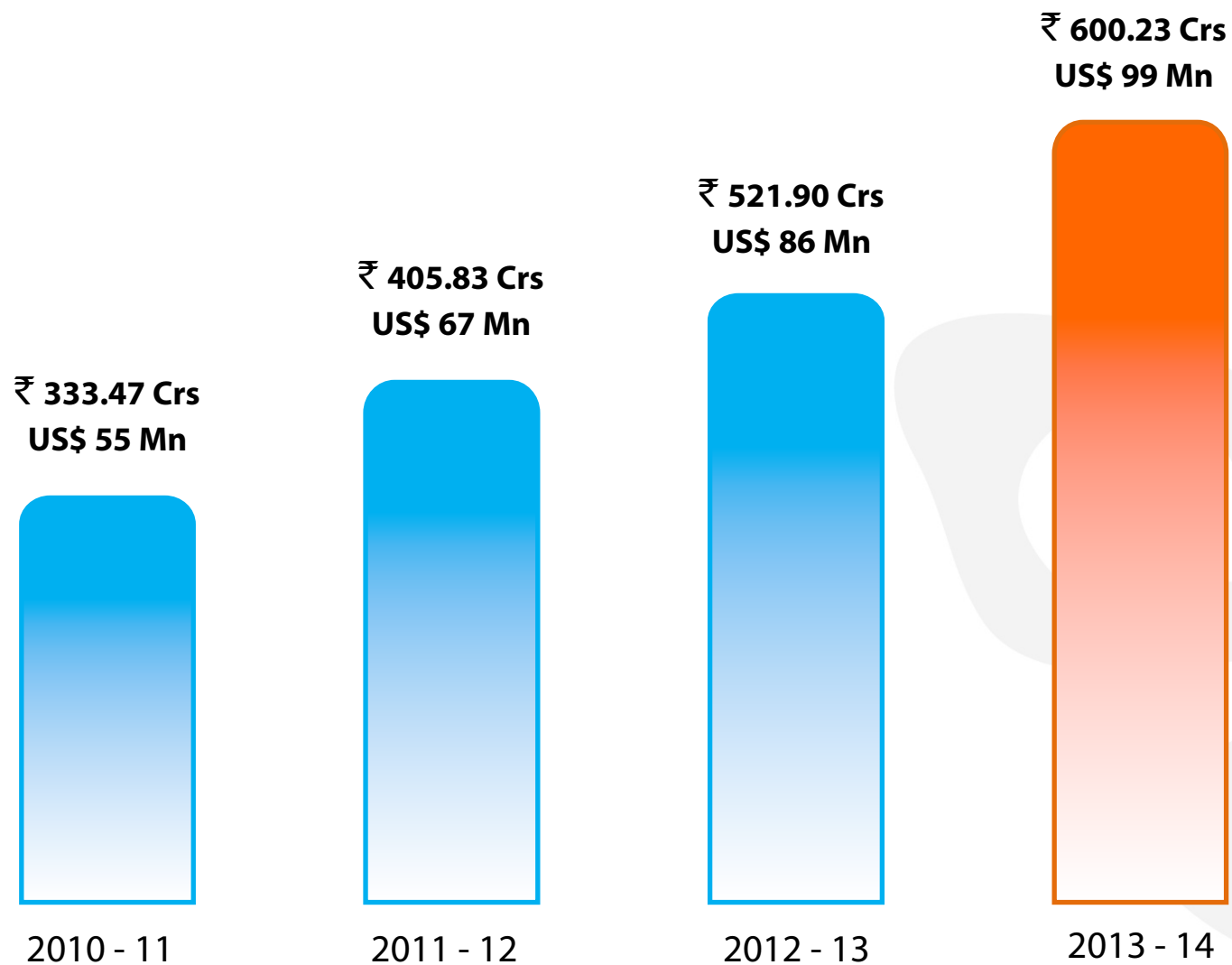
- Strategic tie up with 3 marketing partners for sale/distribution of Generic formulations.
- 40 ANDAs filed of which 18 ANDAs are approved.
- 8 to 10 ANDAs targeted for filing for every year.
- 505 (b) (2) projects/ Sustained Release Formulations.
- Exploring contract development and manufacturing opportunities.
- Marketing operations started in Canada.
-

International APIs



CAGR = 22%

Sales



Sr. No.	Name of the API	US- FDA	UK - MHRA	Canada- HPFB	WHO	Japan - PMDA	TGA - Australia	EDQM - Europe
1	2,4 Dichlorobenzyl Alcohol (2,4 DCBA)		✓					
2	Atenolol	✓	✓	✓		✓	✓	✓
3	Artemether			✓	✓			
4	Artesunate				✓			
5	Amodiaquine Hcl				✓			
6	Amlodipine Besylate	✓						✓
7	Allopurinol	✓		✓				✓
8	Beventalol Hcl					✓		
9	Benzarone					✓		
10	Benzbromarone					✓		
11	Bendroflumethiazide							✓
12	Bisoprolol Fumarate	✓						
13	Carvedilol	✓		✓				✓
14	Cetirizine Dihydrochloride	✓						✓
15	Chloroquine Phosphate	✓						✓

Sr. No.	Name of the API	US- FDA	UK - MHRA	Canada- HPFB	WHO	Japan - PMDA	TGA - Australia	EDQM - Europe
16	Chloroquine Sulphate		✓					
17	Chlorthalidone	✓		✓				✓
18	Cilostazole	✓						
19	Citalopram HBR	✓						✓
20	Clopidogrel Bisulfate	✓						
21	Dihydroartemesinin				✓			
22	Etodolac	✓						✓
23	Ebastine					✓		
24	Escitalopram Oxalate	✓						
25	Famotidine					✓		✓
26	Fenofibrate	✓						✓
27	Fluconazole	✓						✓
28	Flumequine							✓
29	Furosemide	✓		✓		✓	✓	✓
30	Glimeperide	✓				✓		✓

Sr. No.	Name of the API	US- FDA	UK - MHRA	Canada- HPFB	WHO	Japan - PMDA	TGA - Australia	EDQM - Europe
31	Hydrochlorothiazide	✓		✓		✓	✓	✓
32	Hydrozyne Di Hcl	✓						✓
33	Hydroxychloroquine Sulphate	✓	✓	✓			✓	
34	Indapamide	✓					✓	✓
35	Isotretinoin							✓
36	Losartan Potassium	✓	✓	✓		✓		✓
37	Lumefantrine				✓			
38	Methylphenidate			✓				✓
39	Mesalamine/ Mesalazine	✓						✓
40	Metformin HCL	✓		✓				✓
41	Metoclopramide HCl	✓	✓	✓		✓		✓
42	Metoprolol Succinate	✓						✓
43	Metoprolol Tartrate	✓		✓		✓	✓	✓
44	Midodrine Hydrochloride	✓						
45	Nabumetone	✓						✓

Sr. No.	Name of the API	US- FDA	UK - MHRA	Canada- HPFB	WHO	Japan - PMDA	TGA - Australia	EDQM - Europe
46	Ondansetron Hydrochloride	✓		✓			✓	✓
47	Ondansetron Base	✓						
48	Pantoprazole Sodium Sesquihydrate	✓						✓
49	Perindopril	✓						✓
50	Primaquine Phosphate	✓					✓	
51	Piperaquine Phosphate				✓			
52	Probenecid	✓						
53	Proguanil Hydrochloride	✓						✓
54	Propranolol HCl	✓		✓		✓	✓	✓
55	Pyrantel Pamoate	✓				✓	✓	✓
56	Pyrimethamine Hcl	✓						✓
57	Promethazine Hydrochloride	✓						
58	Quetiapine Fumarate	✓		✓				
59	Resperidone	✓		✓				
60	Resindronate Sodium	✓						

Sr. No.	Name of the API	US- FDA	UK - MHRA	Canada- HPFB	WHO	Japan - PMDA	TGA - Australia	EDQM - Europe
61	Ractopamine Hcl	✓						
62	Sodium Alendronate	✓				✓		✓
63	Sulfadoxine		✓					
64	Telmisartan	✓						
65	Torsemide	✓						✓
66	Tramadol Hydrochloride	✓		✓				✓
67	Trimethoprim	✓	✓	✓		✓	✓	✓
68	Triamterene	✓						✓
69	Triclabendazole		✓					
70	Valsartan			✓				✓
71	Warfarin Sodium Clathrate	✓						✓
72	Warfarin Sodium							✓
73	Zaltoprofen					✓		
74	Zolpidic Acid					✓		
75	Zoledronic Acid	✓	✓			✓		
	Total	52	10	20	6	19	11	43

Future Growth Drivers

- Pursuing MNC tie-ups for supply agreements.
- Non-infringing process Patent filed for APIs.

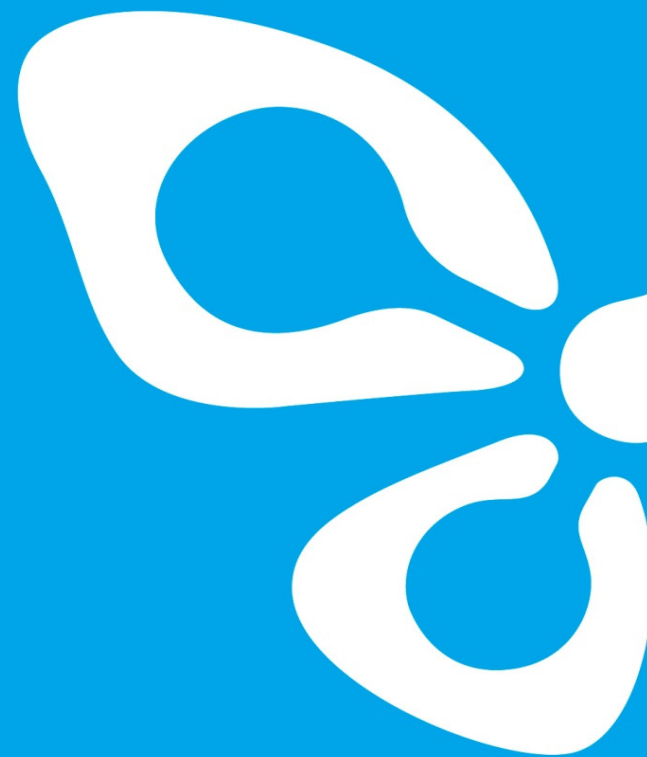


Future Growth Drivers

- Own API manufacturing to back formulations, especially for the Generic market.
- Exploring strategic business relationship with smaller API manufacturers for increasing product basket.

Research & Development

APIs & Formulations



R & D Spending		
Year	₹ Crs	% to Sales
2009 – 10	57.28	3.71%
2010 – 11	71.27	3.82%
2011-12	77.96	3.39%
2012-13	100.74	3.68%
2013-14	123.24	3.87%

- Current scientist manpower of over 600.
- Research focus on developing APIs with non-infringing process and development of finished dosage forms.
- Development of NDDS for domestic and international market.
- 220 patent applications filed.
- 73 patents granted (Indian - 53, US PTO - 12, EU- 8).

Future Strategy

- Bio-tech / fermentation research facility established and working under contract research on two products.
- Undertaking contract research activities for APIs & Formulations for international clients.

Thank you

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