



Driving Sustainable Value

ANNUAL REPORT 2019-20

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Our performance in FY20

FINANCIAL

18.1% ▲ Revenues ₹230,985 million	23.1% ▲ EBITDA ₹48,643 million	90bps ▲ EBITDA margin 21.1%	19.7% ▲ Net profit ₹28,310 million
₹439,688 million Market capitalisation*	₹289,264 million Balance sheet size	₹168,105 million Shareholder's fund	

SOCIAL

₹486 million CSR spend	600,000+ Lives impacted
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*3 June 2020

▲ Growth in FY20 over FY19



Driving Sustainable Value

Driving sustainable value is at the core of our purpose-driven business, which is dedicated to patient care.

Value build-up is the outcome of how we have nurtured our business from a very modest base. If we take a broad and overarching perspective, we can evaluate how we have, over the years, strengthened our fundamentals in terms of scale, market reach and diversity of our product portfolio.

In little more than three decades, we have transformed into a leading global generic pharmaceutical company with large, state-of-the-art manufacturing facilities conforming to the stringent guidelines of various regulatory authorities across the world. Our expanding market presence is evidenced by the fact that in FY10 only 70% of our revenues accrued from international markets whereas in FY20 that has surged to over 90%. Interestingly, our portfolio mix is complemented by the steady rollout of a complex pipeline of products.

Our future pipeline includes differentiated and margin-accretive products in the realms of oncology, hormones, depot injections, inhalers, biosimilars, vaccines, topicals and patches. Our product pipeline is underpinned by enhanced R&D capabilities, supported by teams with in-depth knowledge of regulatory and intellectual properties.

We have steadily stepped up our strategic investments to fast-track our growth both organically and inorganically. This has translated into a strong growth momentum in FY20 in our core geographies. With improved cash generation, we have reduced our debt significantly last year.

We will continue to remain focused on strengthening our existing businesses, developing a differentiated & specialty product basket and regulatory compliance. FY21 has ushered in unprecedented challenges for societies and businesses. In such a scenario, we are committed to sharpen our risk mapping and response mechanism with focus on business continuity and sustainable growth. That same commitment is reflected in the way we are contributing to patient care, protecting the health and well-being of our employees, their families and all other stakeholders.

Story in numbers

Our world is expanding



Leading with confidence

7th

Largest generic company by revenue globally[#]

2nd

Largest listed Indian pharmaceutical company by revenues*

2nd

Largest generic company by Rx dispensed in the US**

Amongst

Top 10

Generic companies in seven out of 11 countries in Europe[@]



Building scale

29

Global state-of-the-art manufacturing and packaging facilities

8

R&D Centres

3,810 Dossiers | 3,104 DMFs

Product registrations in other markets (excluding USA)

>36 billion

Diverse dosage forms manufactured in FY20

586

ANDAs filed

254

DMFs filed

[#]Source: OctavusConsulting;

^{*}As per FY20 revenue;

^{**}Source: IQVIA MAT April 2020 data

[@]Source: IQVIA Q2 2019



Growing footprint

155+

Countries where we
have export presence

35

Countries with
frontend presence



Nurturing teams

23,000+

Global workforce

1,600+

R&D team size



Corporate identity

Dynamism in our DNA

In a little over three decades, we have deepened our integration across products, processes, compliances and multi-geography capabilities to emerge among the leading manufacturers of Generic Formulations and Active Pharmaceutical Ingredients (API) the world over.

Our investment and acquisitions over the years have always been strategic in nature; and they have steadily fuelled our revenue momentum and acted as a catalyst for us to foray into new geographies, therapeutic areas and dosage forms.

We have several manufacturing facilities for drug intermediates, APIs - oral & sterile formulations. We develop and manufacture a wide range of pharmaceutical products, driven by our commitment to enhance access to high-quality, cost-effective generics to patients in need globally.

Moments that made us proud

1992-2002

- Commencement of API Exports
- Initial Public Offering in 1995
- Began production of formulations

2006

- Acquired UK based Milpharm

2007

- Acquired formulations facility in USA (Aurolife) and Pharmacin in the Netherlands

2010

- Commenced operations of SEZ Unit VII and Aurolife, USA facilities

2012

- First approval of controlled substance formulations in USA
- Set up Auro Peptide to foray into peptides

2013

- Commenced marketing injectable products in USA through AuroMedics
- Building capabilities in Penem, Oncology & Bio-catalysis

We have built a strong presence in key therapeutic segments such as Central nervous system (CNS), cardiovascular (CVS), anti-retroviral (ARV), anti-diabetics, gastroenterology and antibiotics. Also, we are building a diversified pipeline in high-margin specialty generic formulations segment.

We rank among the top two pharmaceutical companies in India in terms of consolidated revenues. With strong R&D focus, we have built a multi-product portfolio with manufacturing facilities in several countries. We have 11 units for APIs / intermediates and 18 units (11 in India, 4 in USA and one each in Brazil, the Netherlands and Portugal) for formulations (including one for formulations packaging), designed to meet the requirements of both advanced as well as emerging markets. We have

an extensive export presence across six continents with around 92% of revenues derived from international operations.

Our facilities have been inspected by regulatory agencies such as USFDA, EU GMP, UK MHRA, South Africa-MCC, Health Canada, WHO and Brazil ANVISA. We leverage our in-house R&D for rapid filing of Drug Master Files (DMFs), Abbreviated New Drug Applications (ANDAs) and formulation dossiers for our target markets. We are among one of the largest filers of DMFs and ANDAs/ dossiers from India.

2014

- Acquired Western European commercial operations from Actavis and US dietary supplements company, Natrol

2016

- Forayed into biosimilars and vaccines
- Filed first peptide DMF

2017

- Acquired Generis in Portugal
- Focus on differentiated technology platforms and Specialty Pharmaceuticals
- Commissioned fully-automated distribution centre in US, meeting all track-and-trace requirements, and enhancing supply chain excellence

2018

- Established a Joint Venture with Shandong Luoxin, Pharmaceutical Group Stock Co., Ltd., China to manufacture nebuliser inhalation formulation products
- Unit X, a multi-product oral dosage facility at Naidupet (in Special Economic Zone), India commissioned. Capacity for topical and nasal products added
- Completed at-scale engineering batches for first biosimilar product

2019

- Acquired Apotex Inc's businesses in 5 European countries
- Acquired a portfolio of 7 marketed oncology injectable products from Spectrum Pharmaceuticals Inc.
- Started setting up an oral solid manufacturing facility at Taizhou for China
- Started clinical trials for first biosimilar

2020

- Completed clinical trials for first metered dose inhaler (MDI)
- Acquired vaccine-related R&D assets from Profectus Biosciences
- Received approval for first Nasal product

Business highlights

Steady progress



Formulations

₹200,119 million

Revenue from formulations

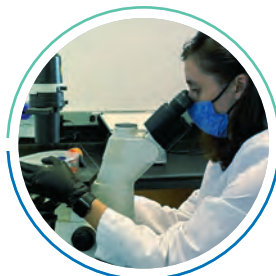
24%

Growth in formulation
revenue over FY19

86.6%

Contribution to the
total revenue pie

USA



₹114,835 million

Revenue from the US

27.2%

Growth in the US revenue
over FY19

- Filed 55 ANDAs with USFDA, including 19 injectables and received final approval for 22 ANDAs, including eight injectables
- Filed 586 ANDAs with USFDA and received approval for 425 ANDAs, including 28 tentative* approvals so far (cumulative basis)
- Launched 34 products, including seven injectable products
- As per IQVIA data, our Rx market share has increased to 8.5% for the 12 months ending April 2020 vis-à-vis 7% in the previous year
- Acquired R&D assets of US clinical-stage viral vaccine development firm Profectus BioSciences Inc.
- Contribution of injectables (both branded and generic) in the US revenue increased significantly, primarily driven by strong growth in generic injectable sales and consolidation of acquired portfolio of branded injectables from Spectrum Pharmaceuticals

*includes 8 ANDAs tentatively approved under PEPFAR

EUROPE



₹59,218 million

Revenue from Europe

19.4%

Growth in Europe revenue
over FY19

- Growth driven by Spain, UK, Italy and the Netherlands
- Completed integration of acquired Apotex businesses in five countries and started leveraging synergies
- Strengthened foothold across 11 countries with presence across pharmacy, hospital and tender sales infrastructure offering commercialised 450+ INNs

GROWTH MARKETS



₹13,551 million

Revenue from Growth Markets

13.5%

Growth in rest of the world markets over FY19

- Strengthened presence in Brazil, Canada, Columbia and South Africa with robust operations and portfolio
- Launched 13 products and submitted dossier filings for 13 products in Canada
- Target is to build branded generics presence in select markets

ANTI-RETROVIRAL DRUGS (ARVs)



₹12,515 million

Revenue from ARV

28.7%

Growth in the ARV revenue over FY19

- Leveraged early mover advantage in TLD (Tenofovir + Lamivudine + Dolutegravir tablets) in the institution segment
- Started supplies of Dolutegravir single dose and TLD to South Africa



API

₹30,834 million

API revenue

13.4%

Contribution to total revenues

- Made additional investments for capacity creation and capability building
- Reinforced focus on complex products with varying volumes
- Filed 12 DMFs with the USFDA and 27 DMFs (including multiple registration) in Europe in FY20

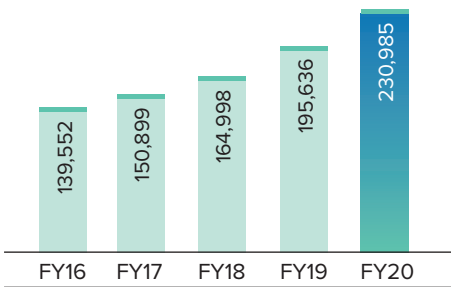
Key performance indicators

Delivering on our commitments

Profit and loss

Revenues

▲ 13.4% 5-year CAGR
(₹ in Million)



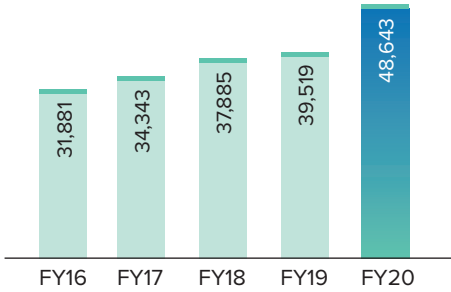
Net profit

▲ 8.7% 5-year CAGR
(₹ in Million)



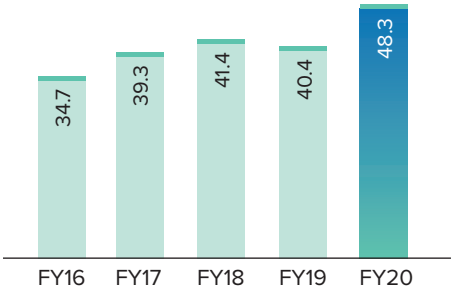
EBITDA

▲ 11.1% 5-year CAGR
(₹ in Million)



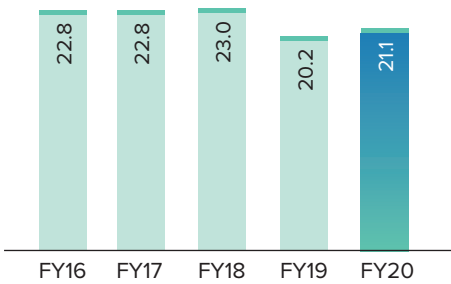
Earnings per share

▲ 8.7% 5-year CAGR
(₹)



EBITDA margin

(%)



Revenue mix

(%)

