

For Future

A N N U A L R E P O R T 2 0 1 2 - 1 3



Milestones

INFRASTRUCTURE ...

USFDA, UK MHRA, WHO Pre-Qualification Approved Manufacturing Facility

DOMESTIC MARKET HIGHLIGHTS ...

- **45th Ranking in Indian Pharmaceutical Market¹**
- **Focused Presence in Speciality Segments**
Ophthalmology | Dermatology | Cardiology
- **New Product Launches in India during FY 2012-13**
Total - 19 | First To Market - 4

EMERGING MARKETS SCENARIO ...

- **Presence in 25+ Countries via Branded Generic Formulations**
- **Customised Product Portfolio with Rich Pipeline**
1,592 Approved Product Registrations | 1,218 Product Registrations Awaiting Approval
- **Specialised On-Ground Product Promotion Teams of 380+ Professionals**

REGULATED MARKETS SCENARIO ...

- **Entry in Regulated Markets with First Product Launched in U.S.A.**
Total ANDA Filed - 14 | Approved - 2 | Undergoing Approval - 12
- **Exploring Europe with 1 Product Approval in Hand**
Approval Granted - 11 Countries | Approval Awaited - 3 Countries

Source:

1. IMS - Mar 2013 MAT

Board of Directors

Mannalal B. Agrawal

Chairman

Purushottam B. Agrawal

Vice Chairman

Madhusudan B. Agrawal

Vice Chairman

Yogesh M. Agrawal

Managing Director

Rajesh M. Agrawal

Joint Managing Director

Chandrakant M. Khetan

Director

Dr. Anil Kumar

Director

K. H. Vishwanathan

Director

Subal Chandra Saha

Nominee Director - IDBI Bank

Madhu G. Verma

Nominee Director - Exim Bank

Auditors

Kapoor & Parekh Associates

Cost Auditors

Sevekari Khare & Associates

Company Secretary

Deodatta Pandit

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For Future

While we have been posting sound performances year after year, we have also been working on laying the foundation for delivering consistent growth in future as well. And this year was no exception.

We have been consistently taking measures on an on-going basis which will ensure that we continue to post above industry average growth in future as well.

The strategies for growth have been - identifying right products, development of products, regulatory approvals, expanding markets, launching of new products in the existing markets, augmenting manufacturing facilities, supplementing team strength, tightening our belts on finances to name a few. We are working on every aspect to be ready "For Future".

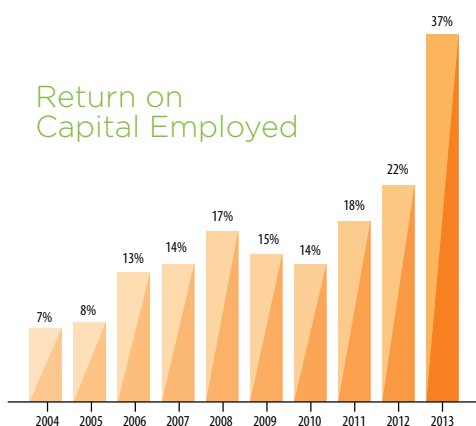
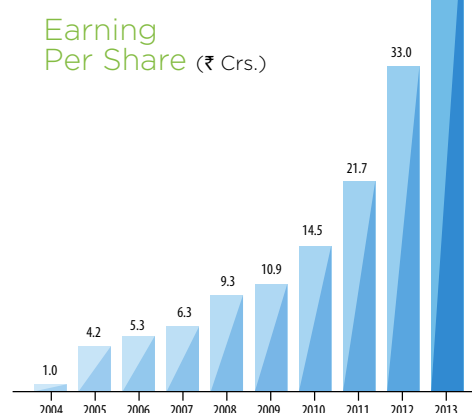
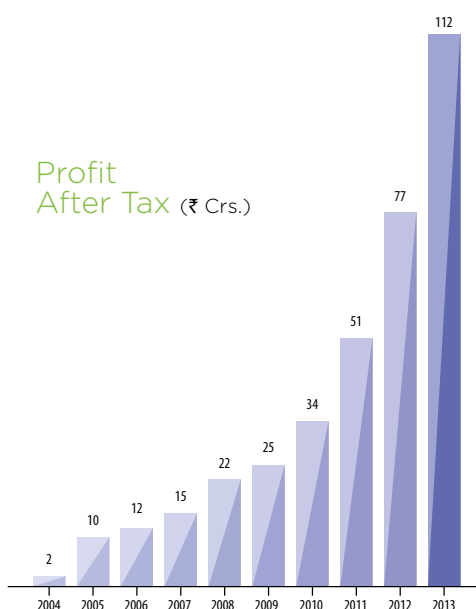
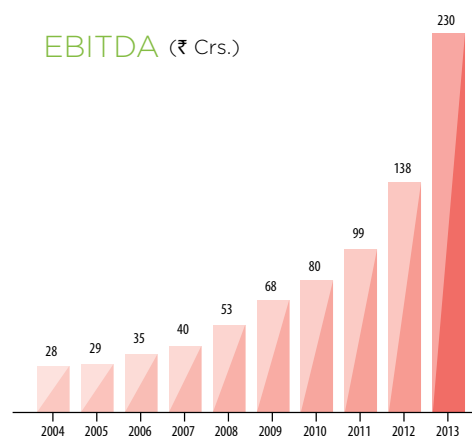
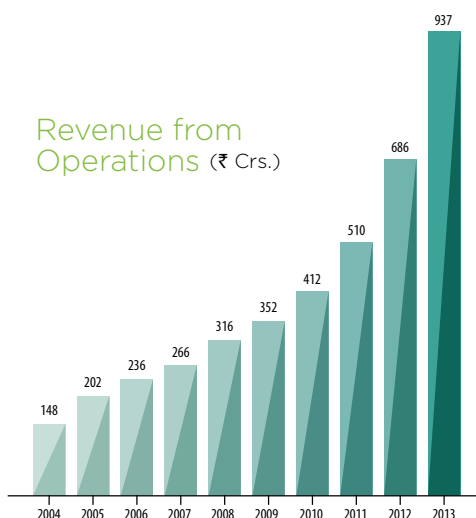
In the world where variables are constantly changing, we work craftily to identify future opportunities and trends. Learning from yesterday and today, we move forward with bigger resolve and determination to excel and lead in the space we operate.

Every waking hour, we strive to build a robust, sustainable and scalable quality business. We see a bright tomorrow, a tomorrow that is part of our today's dream.



Management Discussion & Analysis

CONSOLIDATED FINANCIAL HIGHLIGHTS



Raising the bar of expectation "For Future!"

It was another year of sound performance which demonstrates our comprehensive strategic planning, robust execution capability and strong management bandwidth. We have been consistently making efforts to move up the value chain. It is due to our values, hard-work and tenacity of our dedicated team of professionals that we find ourselves in a stable, sound and sustainable position today.

With consolidated revenue at ₹931Cr and profit after tax of ₹112Cr, we have been able to post a growth of 37% and 45% respectively.

DOMESTIC MARKET

Daring to go above and beyond “For Future!”

Darwin Boy Sxander once said, ***“The future belongs to one who dares to take a step further.”*** At Ajanta Pharma, we persevere on our path... pushing the boundaries of medical science and pharmaceuticals with every step we take towards a brighter future.

It's been a decade since Ajanta Pharma took its first baby steps in the Domestic Prescription Market. From there, we took our accomplishments a step further by venturing exclusively into Speciality Segments. Today, we find that one of the major components of our business lies in our home base – India; one of the fastest growing pharmaceutical markets in the world.

Our focus on the Speciality Segments of Ophthalmology, Dermatology and Cardiology in the Domestic Market has enabled us to further enhance our market share; taking our all India rank from 50th last year to 45th as per IMS MAT March '13. We today enjoy an enviable position in all three of the speciality therapeutic segments with improved rankings, gaining market share and leadership for some of our products.

Our immense capability to launch new products, few of them being first-to-market, has been our foundation for success throughout these years and will continue to be so in the coming years.



EMERGING MARKETS

Believing in the beauty of dreams “For Future!”

When it comes to envisaging our path, we firmly believe that big dreams give forth to even bigger accomplishments. And, it is precisely this belief which has enabled us to achieve consistent growth in the emerging markets and also build a strong foundation for future growth.

In addition to this accomplishment, we have also successfully achieved leadership in numerous sub-therapeutic segments in emerging markets. We've succeeded in establishing a strong brand presence across Africa, CIS, West Asia, South-East Asia and Latin America. Currently, **emerging markets account for about 65% of our business.**

With a talented team of 380+ professionals on the ground and 1,500+ product registrations in hand, we are in an ideal position to strengthen our presence in these markets. How do we intend to accomplish further growth? We are poised to grow in these markets with over 1,200 product dossiers awaiting approval in several countries, and a further 300+ product dossiers to be filed in coming financial year.

Special mention must be made of two of our successful subsidiaries in Mauritius and Philippines. Both companies have played a significant role in our growth in emerging markets through their sizeable contribution and tremendous performance. They continue to show great promise “For Future” having prepared and initiated strategies in line with our goal of consistent growth.

Ajanta Pharma has embarked on yet another progress path having made a move towards augmenting manufacturing capacities for emerging and Domestic Markets by setting up an additional facility at GIDC Savli in Gujarat. Our new plant is expected to be operational during FY14-15, which will be capable of meeting our future demand.



REGULATED MARKETS



The fate of our dreams “For Future” lies in what we do today!

Mahatma Gandhi once said ***“The future depends on what you do today.”*** We, at Ajanta Pharma have adopted this statement as a strong driving force that encourages us to strive for bigger and better achievements every year.

In our quest to prepare “For Future”, we have identified USA to be one of the key drivers for the company. As always, every market has its own set of challenges and USA is no different. However, we being the company with global aspiration, it will be only apt to have a sizeable presence in USA, largest pharma market of the world. Currently, we have 2 products approved, out of which 1 product is already commercialized through tie-up in USA. Another 12 ANDAs, including 5 filed during financial year 2012-13, are under approval from

USFDA. These approvals, expected in coming years, will enable us to achieve continued growth. And to continue our preparation for growth, we plan to file 6 to 8 ANDAs every year, building a differentiated product pipeline encompassing niche opportunities.

Our plans for expansion to EU countries have also been initiated, having received approval from eleven countries for one of our products and awaiting approval for this product in three more EU countries. Our compliance with stringent EU regulations has further bolstered our confidence and reinforced our efforts to continue on this growth path. The launch of approved product will be carried out at an appropriate time in the coming years.

One of our oral solid dosage manufacturing facilities has the approval from both USFDA and UK MHRA. Our preparation for augmenting capacities for regulated markets is taking shape at Dahej SEZ in Gujarat for meeting the above requirement. With the new plant slated for operations during FY 2014-15, we will be ready “For Future” in terms of our manufacturing capabilities for Regulated Markets.

RESEARCH & DEVELOPMENT



Building a sturdy foundation
“For Future!”

***“Tomorrow belongs to those
who can hear it coming”***

said David Bowie and it is
precisely the way Company’s
R & D efforts are guided for
future.

This is borne by the fact that we have introduced 19 new products for domestic market with 4 being first to market, filed 300+ product dossiers in emerging markets and 5 ANDAs in US for approval during FY’2012-13. The Company’s state-of-the-art R & D centre, ‘Advent’ has been able to optimise ideas into opportunities and we continue to invest in every facet of R & D, be it space, advanced instrumentations, scientists, resources and many more, every year.

It is due to our commitment towards R&D that we remain ready “For Future”, from the point of conceptualisation of a new product to the point of commercialisation.



MANUFACTURING FACILITIES



Quality, Quality & Quality – the mantra

The mantra is engrained in every manufacturing location at Ajanta Pharma. Though looks repetitive, the mantra reflects 3 different facets we follow.

First, Quality in terms of the product we provide to a customer - world class and best. Second, Quality with respect to manufacturing practices to ensure consistency in every single product coming out of the facility. And the third, Quality of technical expertise used to achieve optimum productivity.

A strong and dedicated Quality assurance function is responsible for making sure that this mantra is followed in letter and spirit. Today, Ajanta boasts of one of the best quality systems in the industry and continuous approvals of our Paithan facility from stringent regulatory authorities such as US FDA, UK MHRA, WHO Prequalification, Brazil ANVISA, etc is testimony to that.



Company today operates 4 formulation manufacturing facilities and 1 API facility, which are certified for current Good Manufacturing Practices (cGMP) prescribed by World Health Organization (WHO). All our facilities have excellent processes and documentation procedures and keep sharp eye on environment protection.

Our preparations have begun “For Future”, in the form of two new manufacturing facilities – one for regulated markets and other for domestic and emerging markets. These facilities are expected to be up and running during FY 2014-15.

Addition of these two new facilities, coupled with our existing facilities, will make sure that we sustain our growth in coming years without any capacity constraints.

It is our belief in manufacturing capacities that has given us the wings to fly high and be ready “For Future”.



HUMAN RESOURCES



Believing in the force that matters most in business ... people!

We have been investing in multiple facets that lie within the domain of Human Resources; be it attaining excellence in induction practices, creation of a comfortable work environment, addressing new challenges, continuous training, building motivation, enhancing personal growth, providing opportunity to harness hidden talent in other areas such as sports, culture, etc. and above all, in our ability to deliver the utmost professional satisfaction to employees regarding the tasks they are performing. This entire exercise is a conscious effort on our part to build a brighter future for not only our company, but also the people who have served it so diligently through the years and who continue to serve it even today.

The strong, dedicated and committed team of over 4,000 Ajantaites spread across the globe today are ever ready to face new challenges and emerge triumphant in everything we, as a global organisation, aspire to achieve "For Future".



CORPORATE SOCIAL RESPONSIBILITY

Through the years, Ajanta Pharma has strived to make the world around it a better place. Corporate Social Responsibility (CSR) is not just an integral part of our business but devotion; the promise of a brighter future for every life we touch.

This year also, our CSR efforts focussed on 'how to not turn a blind eye' to a common yet growing medical concern in India. Our free eye camps have helped make a very simple yet vital procedure accessible to needy patients, averting the need for them to face a bleak yet highly preventable long-term reality - a life without sight. We're extremely satisfied that during FY12-13, 12,000 people have been operated successfully for cataract through our eye camps.

Apart from regular medical initiatives, we have also been working in the domain of rural upliftment having built community halls, adopted villages, installed hand pumps, etc. We are certain that these efforts will contribute in some small measure towards making the world better "For Future". Our CSR initiatives also encompass running subsidised food schemes at Government-run hospitals for needy patients and their relatives, where more than 60,000 people benefitted last year.

