



FORTUNE
500

Plan.
Prepare.
Perform.

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Notice



For more details, please visit:
www.ajantapharma.com



Turnover

₹2,000+ cr.



Profit

₹500+ cr.



Entered the
league of



Indian companies



We are **planning** with a global mindset with focus on specific markets, where we can be a meaningful player.

We are **preparing** ourselves to deliver effective solutions that matter in the global healthcare landscape.

We are **performing** to build a sustainable business, which creates value for all stakeholders.

Planning, preparing and performing at Ajanta Pharma represent a continuous sequence of initiatives to deliver differentiated products to global markets. We fine tune our scientific strategy in line with changing requirements of global customers.

During the year, we continued to move towards building long-term value through our three-pronged strategy of plan, prepare and perform. The result is encouraging:

- Enhanced presence in USA driven by product launches and superior execution
- Reinforced therapy specific strategy to drive growth in India business
- Strengthened efforts to regain growth momentum in emerging markets
- Build healthy product pipeline for each focused market
- Enhanced R&D spend for robust product development
- Successful US FDA inspection in 2 manufacturing facilities
- Commissioned new manufacturing facility for future growth requirements

Serving Healthcare Needs Worldwide

Ajanta Pharma is a specialty pharmaceutical company engaged in development, manufacturing and marketing of quality finished dosages. Its business includes branded generics in India, rest of Asia, Africa and generics in the USA.



Mission

To Serve Global Healthcare needs through Empathy, Innovation and Technology.



Scale and Leadership

- Global footprint with leadership in its segments
- State-of-the-art R&D facilities
- Large manufacturing facilities approved by leading regulatory agencies
- Resilient leadership with proven track record of delivering sustained growth



Robust Service Delivery

- Global marketing network with own field force in all geographies
- Customer-centric approach with innovative 1st to market solutions
- Proactive and efficient execution to ensure timely launches and distribution
- Committed and inspired team adding value to each stakeholder



Operational Excellence

- Single-minded focus on quality excellence
- Ingenious use of science and technology to provide advanced solutions
- Optimum utilisation of resources to deliver superior returns



Operational Highlights

- Filed additional 8 ANDAs with US FDA, taking the total count to 34
- Commissioned 1st phase of manufacturing facility at Guwahati
- US FDA completes inspection at Dahej and Paithan manufacturing facilities
- Enhanced R&D spend to 8% of revenue from 6% of revenue last year



Manufacturing Facilities

- 5 formulation and 1 API manufacturing facilities in India
- 1 formulation facility at Mauritius



Business Segments

India



- ❖ Specialty segments (ophthalmology, dermatology, cardiology and pain management)
- ❖ Leadership in products and segments
- ❖ 250+ products on the shelf
- ❖ 3,000+ medical representatives
- ❖ Launched many 'firsts' in the market

Emerging Markets



- ❖ Customised product portfolio for each market
- ❖ Many first-to-market products
- ❖ Amongst leading players in many markets
- ❖ Presence in 30+ countries across Asia and Africa
- ❖ Institutional sales (amongst 6 global suppliers of anti-malarial drug to Global Fund)

USA



- ❖ Focus on Oral Solids
- ❖ Mix of Para II, III and IV
- ❖ 17 final ANDAs approved
- ❖ 12 products commercialised
- ❖ 2 tentative ANDA approvals
- ❖ 15 ANDAs under review
- ❖ 8 ANDAs filed in FY 2017



Our Strengths

Employees

6,500+

for the year ended
31st March 2017

Team From

28

different nationalities

R&D Scientists

800+

for the year ended
31st March 2017

Financial Performance

Revenue

₹2,026 cr.

EBITDA

35%

Net Profit

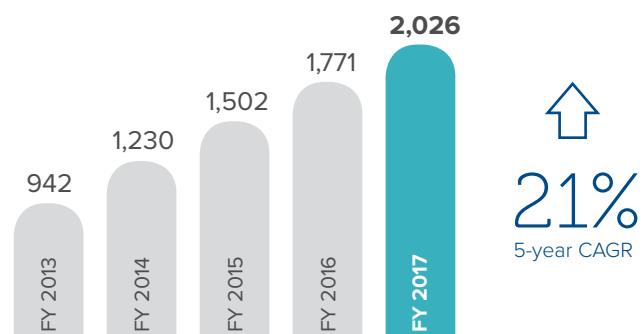
25%

Free cash flow

₹568 cr.

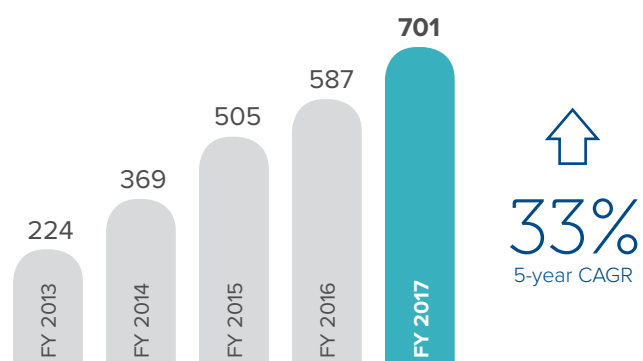
Total Income

₹ in cr.



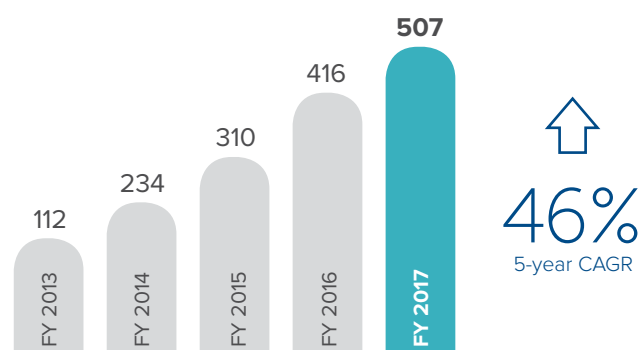
EBITDA

₹ in cr.



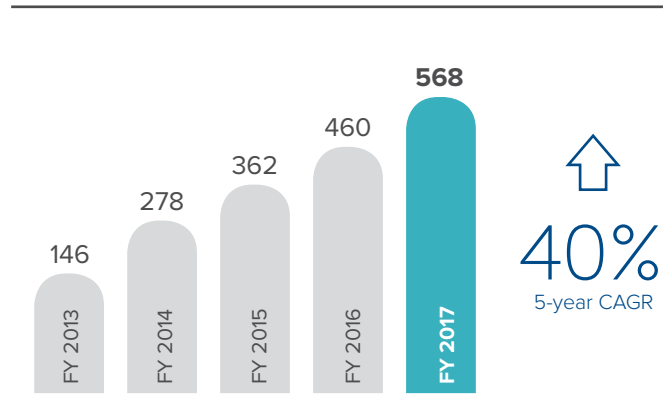
Net Profit

₹ in cr.



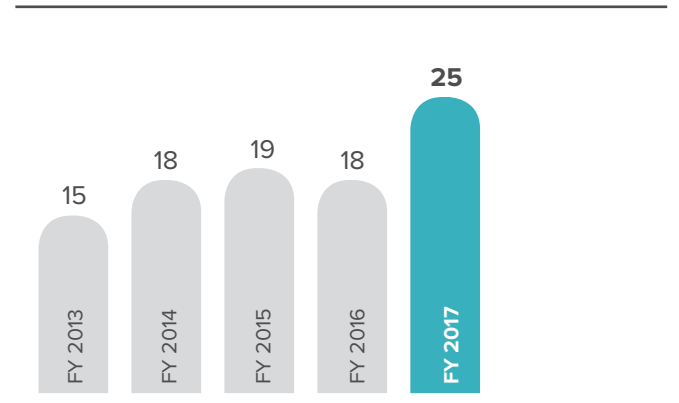
Cash Profit

₹ in cr.



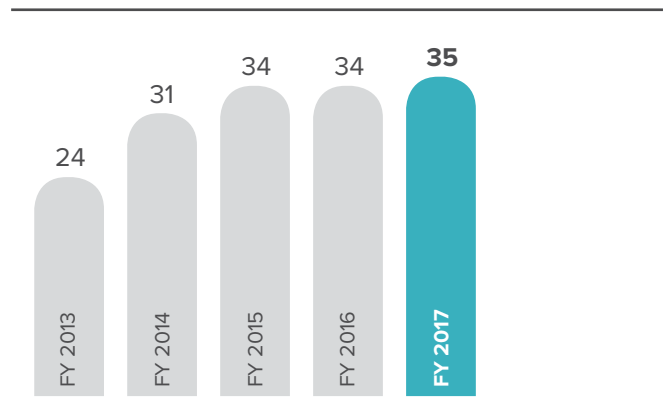
Dividend Payout

in %



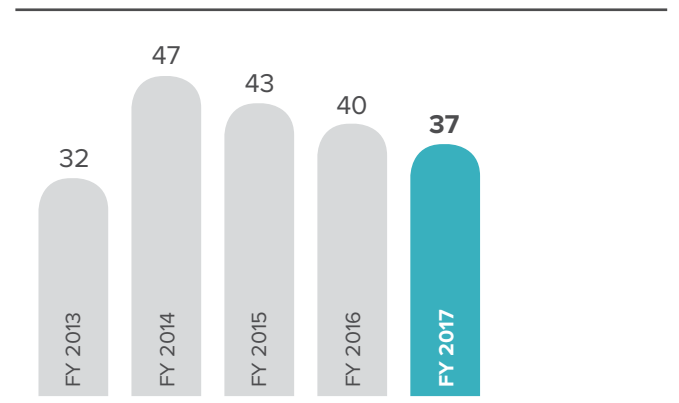
EBITDA Margin

in %



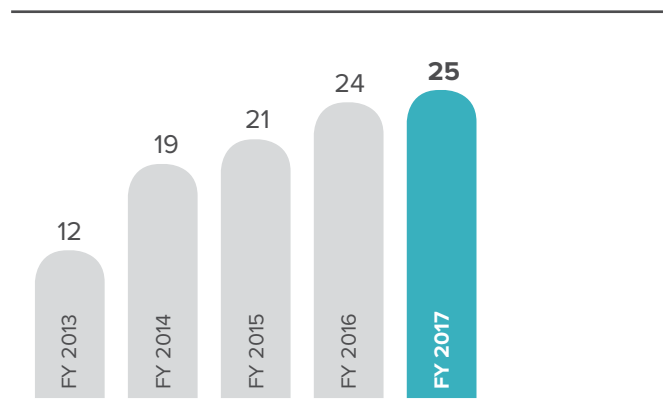
RONW

in %



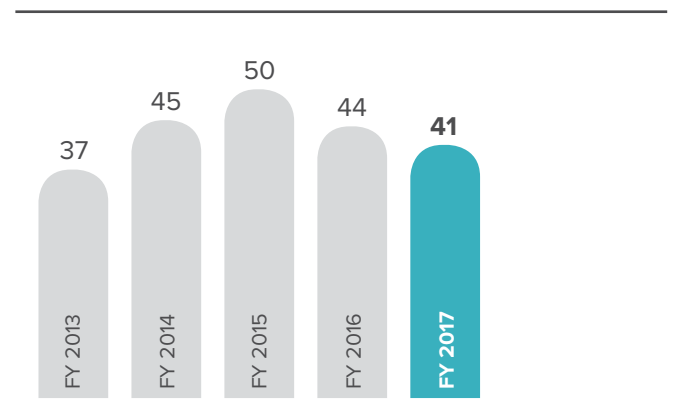
Net Margin

in %



ROCE

in %



Management Speak

Our strategy to be present in the right markets with differentiated, difficult-to-produce products has been designed to create impact and optimise opportunities across geographies.

Dear Stakeholders,

Our steady growth, over the years, has been characterised by our ability to plan, prepare and perform in line with market opportunities and dynamics. Ajanta Pharma's achievements in FY 2017, too, are the outcome of this philosophy. We demonstrated meticulous planning and proactive preparedness across our operations, resulting in a satisfactory performance.

Our strategy to be present in the right markets with differentiated, difficult-to-produce products has been designed to create impact and optimise opportunities across geographies. This ensures consistent growth for us each year.

For the India market, our plan to be a leader in the sub-therapeutic segments has been supported by many innovative first-to-market product launches for better customer experience.

We continue to plan for revival of growth in the emerging markets by implementing sustainable business strategies. The expansion of the emerging markets team during FY 2017 was part of preparation for reviving growth in these markets.

Our USA success in the current year, was, for instance, the outcome of a plan laid down in FY 2010 to be a meaningful player in that market. We introduced seven new products including two successful day one launches in USA in FY 2017 and more launches are planned in FY 2018. Our precise preparation allowed us to file eight more ANDAs with the US FDA and we are ready for 12-15 filings in the ensuing year. This demonstrates a strong product pipeline that can be monetised on approval and a validation of our R&D efforts.

In order to fulfil these global aspirations, we have also worked on meticulous plan to augment and enhance our manufacturing and R&D

infrastructure. The timely expansion of our R&D facilities and commencement of Guwahati plant during the year is an outcome of the foresight and future-oriented actions, taken two years ago.

Similarly we strengthened and grew our R&D team for accelerating product filings in different markets. Our detailed preparation for the recent US FDA inspections of manufacturing plants helped us to sail through these inspections without any major concerns or comments.

Our industry is largely knowledge-driven. Therefore, the importance of innovation as an important preparedness too cannot be overemphasised. Consequently, we are steadily augmenting our R&D investments to help doctors treat the most difficult diseases that patients have to grapple with. These investments are growing both in absolute terms and also as a percentage of our turnover, signifying



Rajesh Agrawal,
Joint Managing Director

Yogesh Agrawal,
Managing Director

The timely expansion of our R&D facilities and commencement of Guwahati plant during the year is an outcome of the foresight and future-oriented actions, taken two years ago.

the immense importance we place on innovation. The R&D investments for FY 2017 rose to ₹ 153 cr. (8% of revenue) from ₹ 106 cr. (6% of the revenue) FY 2016.

At the core of these investments and performance is our belief that sustainable growth is possible to achieve notwithstanding a dynamic business environment and an evolving regulatory scenario.

Planning and preparedness across every aspect of our business have borne fruit in the performance outcomes of FY 2017. We delivered outstanding results in the USA, continued to grow in India and effectively managed the currency

headwinds and other challenges to remain relevant in the emerging markets, in a manner that is value accretive.

Our financial performance is reflective of the ambition and ability to grow, despite challenges. In FY 2017, we achieved a consolidated net profit of ₹ 507 cr. (a 22% growth) compared to ₹ 416 cr. last year. Our consolidated total income also touched ₹ 2,026 cr., compared to ₹ 1,771 cr., a rise of 14% over the previous year.

Our core objective is to augment our differentiated product portfolio further and offer impactful solutions (backed by intensive and extensive research) for specialty therapeutic segments.

We will also reinforce our footprint in chosen markets, strengthen the balance sheet, enhance the capabilities of our talent pool and continue to create value for all stakeholders.

We have achieved many milestones backed by our three-pronged strategy of 'Plan, Prepare and Perform'. We believe in this approach and shall continue to work on it and are confident of delivering an even better performance in the future, because our best is yet to come.

Regards,
Yogesh Agrawal and Rajesh Agrawal

The Opportunity Landscape

Rising income, increased government healthcare expenditure, higher life expectancies and growing chronic illnesses are augmenting the demand for pharmaceutical products and services globally.

Ajanta Pharma is uniquely positioned in the pharmaceutical opportunity landscape. Our vision has led us to follow an unconventional path that we believe offers sustainable revenues and a competitive advantage. This will enable us to grow consistently in the coming years.



Strategic Priorities FY 2018

Reinforcing India market



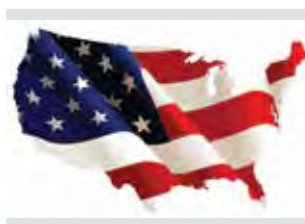
- ⊕ Continue Innovation
- ⊕ Strengthen leadership in sub-therapeutic segments
- ⊕ Enhance sales force productivity

Reviving Emerging Markets



- ⊕ Deploy additional resources
- ⊕ Launch new products
- ⊕ Increase market share

Building the USA Market



- ⊕ Quick launch of approved products
- ⊕ Enhance customer's supply chain experience
- ⊕ File 12-15 ANDAs to create a strong pipeline

Operational Excellence



- ⊕ Strengthen processes
- ⊕ Enhance R&D and plant productivity
- ⊕ Scaling up operations in new plants