

2017-18 ANNUAL REPORT



01-19

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At Ajanta Pharma, we do not just aim for excellence, we drive it.

From strengthening our branded generic business in spite of challenges, continuing investment in R&D to continuously enhancing our manufacturing capabilities, we are in pursuit of excellence to deliver sustained value to our stakeholders.

Our story of excellence spans many frontiers. This annual report is a narration of some of them.

















Dear Shareholders,

At Ajanta Pharma, our ability to challenge the now has been central to the excellence mantra of our business approach. Driven by this belief, we have delivered many milestones of industry-leading accomplishments, thus opening new vistas of growth on the global landscape.

In spite of challenging macro environment in FY 2018, we passionately launched new products, advanced our product pipeline, pursued innovation, enhanced our manufacturing capabilities with improved technologies and made a real difference to the lives of people.

SEGMENT PERFORMANCE

In India, we improved our industry ranking by staying ahead in majority of the therapeutic segments of our presence. We are happy to state that the market slowdown on account of transition to Goods & Services Tax (GST) regime and the lingering after-effects of demonetisation have now petered out, and the industry is on recovery. With our strong portfolio of brands, including a significant number of first-to-market launches, we believe we are well-positioned to reap the benefits of the upswing.

02 In Pursuit of Excellence

Our most impressive performance has been in the branded generic segment of emerging markets, where launch of several differentiated products and enhanced marketing efforts have enabled us to achieve stellar growth. This is reflected in our improved ranking in some of the markets and retaining our stance in a few others. With the currency stability expected to continue in key emerging economies, we are confident of further strengthening our market position. However, Africa institutional business saw a de-growth in FY 2018, and impacted the overall growth of the Company.

In the USA, the market environment has been challenging because of pricing pressure due to buyers' consolidation. Driven by new launches and seamless execution, we have weathered the headwinds satisfactorily which is reflected in our year-on-year growth. Our focus remains on maintaining a robust product pipeline through increased filing of ANDAs as well as quicker launches.

FINANCIAL PERFORMANCE

Consolidated income from operations for FY 2018 was at ₹ 2,131 cr. - growth of 6%. Consolidated net profit was ₹ 469 cr. - down by 8%. Our EBIDTA margins were impacted due to operational cost of two new plants being fully charged, whereas the capacity utilisation was low. Higher R&D expenses and changes in gratuity limit also compressed the margins.

THE FUTURE BECKONS

With further thrust on productivity of marketing team, continuous addition of exciting products, sustained investments in R&D and technology excellence in

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manufacturing, we will continue to remain focussed on creating better value for all.

With an impressive global footprint and a diversified product portfolio, we now have the most diversified revenue stream in our Company's history. We continue our journey of excellence by investing in our growth drivers that will steer tomorrow's success.

We would like to take this opportunity to thank our talented employees for their passion and dedication and our stakeholders for their continued support.

We are confident that with your continued cooperation and our uncompromised focus on quality products, we will continue to move forward in serving healthcare needs globally.

Regards,

Rajesh Agrawal *Joint Managing Director*

Yogesh Agrawal *Managing Director*



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ENGAGED IN PURSUIT OF EXCELLENCE

"We are what we repeatedly do. Excellence, then, is not an act, but a habit."



During the last decade, we have seen rapid evolution towards excellence, with focus on creating first-to-market products to fulfil unmet health care needs worldwide. With this, we have created an exciting portfolio of first-ofits-kind branded generics in different specialty segment in India and rest of the world, which we sell in more than 30 countries.

We have been able to provide solutions for the unmet needs of patients, thereby gaining market leadership positions in therapy areas of our focus in different markets

WHO WE ARE

Ajanta Pharma is a leading specialty pharmaceutical Company engaged in development, manufacturing and marketing of quality finished dosages. Driven by innovation-led approach, execution agility and technological expertise; we are continuously striving to "Serve Global Healthcare Needs through Empathy, Innovation and Technology." We have a geographically de-risked operations with branded generics offering in the domestic markets of India as well as other markets in Asia and Africa.

We also have a meaningful presence in select generics space in the USA.

850+ Scientists engaged de Caller Steer our excellence journey Scientists engaged at our R&D centre to

Employees working worldwide to give shape to our vision



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KEY MARKETS

We have developed a sustainable business model with diversified markets, niche therapy segments and differentiated products. We entered select markets with high growth potential and established ourselves as a leading player implementing our strategy seamlessly. Our key markets are:

INDIA

- Presence in
 - Cardiology
 - Ophthalmology
 - Dermatology
 - Pain Management
- Leadership position in sub-therapeutic segments
- About 60% first-to-market products, in a basket of 270+
- Extensive pan-nation presence through 3,000+ medical representatives



3rd largest

Ophthalmology player in India (IMS MAT March 2018)



Met-XI

among Top 200 pharma brands in the country

EMERGING MARKETS

- Presence across 30+ countries, with leading positions in many
- Customised product portfolio for each country/region
- Bouquet of 350+ products across multiple therapeutic segments
- Institutional sales of antimalaria products



2nd fastest

growing pharma Company in Philippines, ranked 17th (IMS Dec. 17)



1 of the largest

pharma Company in Franco Africa

USA

- Niche complex generic products with some of them being day 1 launches
- 19 final Abbreviated New Drug Application (ANDA) approvals (4 in FY 2018)
- 2 tentative ANDA approvals (1 in FY 2018)
- 18 ANDAs under review (8 ANDAs filed in FY 2018)



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products on shelf

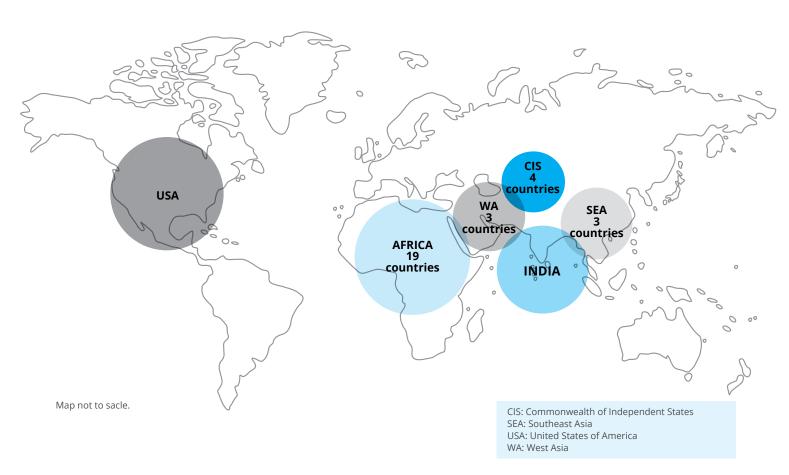


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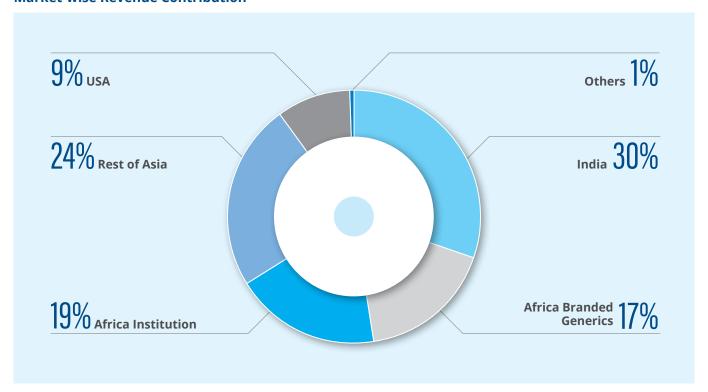
launches in FY 2018

06 In Pursuit of Excellence

STRONG GLOBAL PRESENCE



Market-wise Revenue Contribution



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It is our firm belief that the road to excellence is not limited by boundaries. Though it was challenging to spread wings into geographies having stricter regulations, more complex structures and different demands, we focussed on identifying niche opportunities specific to these geographies which helped us in pursuing excellence.



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