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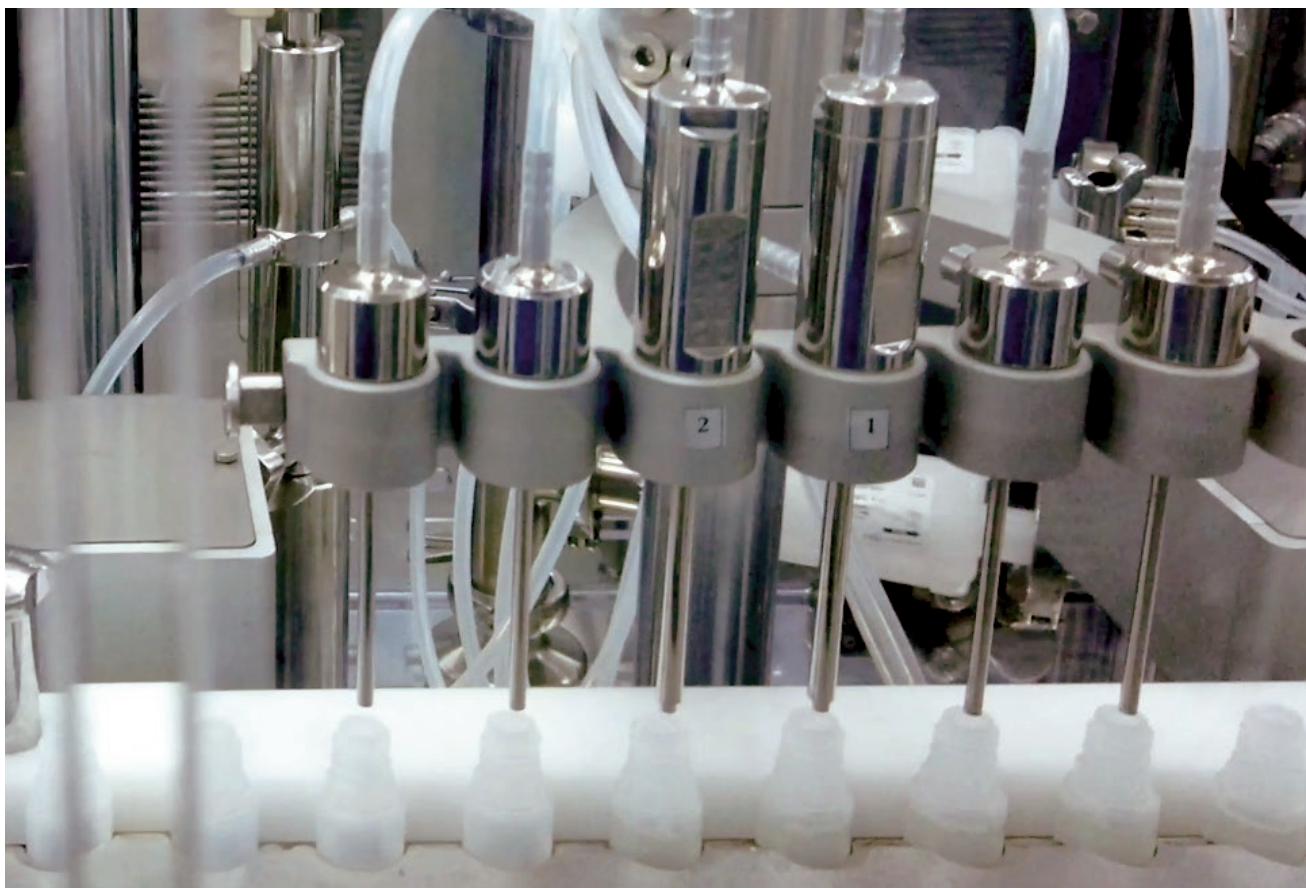
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<http://www.ajantapharma.com>

or simply scan



Persistent to Grow



Sterile Eye Drop Production Unit at Guwahati Facility

Persistent to Grow is exhibited in our determination to perform despite all odds.

It was indeed a tough year with COVID-19 pandemic disrupting life and businesses across the world. Our business was disrupted too with the initial lockdowns leading to impact on manufacturing, R&D and marketing activities globally. While the fear of the unknown gripped the world, our proactive preparation with adequate inventory levels of key raw materials, quick transition to digital marketing efforts and preparedness for the work-from-home facility for Ajantaites ensured that we bounce back quickly. The year saw gradual normalization of activities over a long period but we were able to achieve impressive realization of opportunities in various markets.

These pages detail our persistent efforts to grow. We are sincerely determined to maintain our profitable growth trajectory despite various challenges that our business keeps facing.

Letter to Shareholder



**WE GENERATED OPERATING FREE CASH
FLOW OF ₹ 284 CR. IN THE YEAR.**

Yogesh M. Agrawal
Managing Director

Dear Shareholder,

We sincerely hope that all of you are safe and healthy and you have emerged stronger out of the unprecedentedly challenging year. FY 2021 saw the full impact of COVID-19 on life and business. As we were *Persistent to Grow*, we quickly adapted to the new normal for working. We ensured that we service all our customers globally without any interruption or shortages in supply of essential medicines. This has enabled us to achieve once again a remarkable performance in a difficult year.

There were series of measures taken at every level of operations. The beginning was with our complete concentration on keeping the manufacturing operations going, with safety of our employees being the first priority. Immediate steps were taken for our team members to reach our manufacturing facilities and back home safely on daily basis, training to take extra care during pandemic, sanitisation at every stage, social distancing and other measures prescribed from time to time. We are happy to say that we lost minimum production even in the most challenging times of our generation.

Supply chain was another major area where we had to proactively take some difficult decisions. As soon as we realised the possible disruption due to the pandemic, we increased our inventory levels. This not only increased our investment in working capital but also came at little higher cost. Similarly, on the other side of the supply chain, we ensured regular dispatches both in India and

globally, in spite of steep increase in freight costs across locations.

The year witnessed our determination to complete the 1st in-house production line for sterile ophthalmic products at our Guwahati facility, despite the challenges.

You will be glad to know that our marketing teams across the globe had quickly adapted to the digital media. Webinars on different subjects, expert talks, interactive meetings, group meeting, etc. became the new normal in terms of our customer relationship management initiatives. Medical professionals, who participated in these events in large numbers, also appreciated our efforts.

Our R&D activities suffered the maximum impact of the lockdowns. Delays in completion of projects resulted in we missing out on many targets for product filings across global markets. However, our team geared up after the operations were allowed. The team is committed to recuperate part of the delays in the coming months.

All these and many more initiatives show our commitment to persistently grow to serve our customers, the stakeholders of the Company, including you, our dear shareholders.

Segment Review

Ajanta's unique positioning of having over 68% of sales coming from branded generics from diversified markets



OUR MARKETING TEAMS ACROSS THE GLOBE HAD QUICKLY ADAPTED TO THE DIGITAL MEDIA.

Rajesh M. Agrawal
Joint Managing Director

of 30 countries across India, Asia and Africa, is a part of our persistent growth plan. As the year exhibited, branded generics business managed to grow at 8% in spite of adversity. India business grew by 6%, whereas the emerging markets branded generics revenue grew by 9%. This is certainly a remarkable achievement considering the circumstances prevailing during the year.

Our generics business in the US achieved a healthy growth of 24% during the year. This was on the back of 12 Abbreviated New Drug Application (ANDA) approvals (including tentative) and 9 product commercialisations during the year.

Our institutional sales in Africa also saw a growth of 11% on the back of confidence reposed in us by the funding agencies and we have been able to retain our market share in this category.

Financial Highlights

Despite the unprecedented challenges, revenue from operations grew by 12% to ₹ 2,890 cr., which reaffirms our determination to achieve growth in spite of all odds. In the first half of the year, our EBITDA margin jumped to 35% from 26% on account of savings in marketing, R&D and other costs due to lockdown in the first half of the year. In the second half of the year, operations began to resume to normalcy, these expenses have resumed to its normal levels. There will certainly be some operating leverage

in new manufacturing facilities attributed to higher capacity utilisation, we expect our EBITDA margin to get normalised going forward.

Our net profit for the year grew by 40% to ₹ 654 cr. Our balance sheet position remains pristine with more than ₹ 375 cr. as cash and liquid investments, even after paying back ₹ 250 cr. to shareholders through Buyback (₹ 136 cr. and tax on it ₹ 31 cr.) and dividend (₹ 83 cr.). We generated operating free cash flow of ₹ 284 cr. in the year. We remain prudent on our capital allocation with returning excess cash generated in the business to shareholders.

Ajantaites, the world over, have shown exemplary commitment in the fight against COVID-19, ensuring supply of essential drugs. Despite all the challenges, they exhibited their passion to drive growth, which is reflecting on the Company's achievements. We sincerely congratulate all Ajantaites for the same.

Your continued support always inspires us to perform better and we acknowledge the same. We do hope that you will continue to repose your faith in us.

Warm Regards,

Yogesh M. Agrawal
Managing Director

Rajesh M. Agrawal
Joint Managing Director

Business Overview



CONSOLIDATED REVENUE
FROM OPERATIONS

₹ **2,890** cr.



REVENUE FROM OPERATIONS
SPENT ON R&D

5%



AJANTAITES ACROSS
THE WORLD

7,000+

Growth Drivers



CUSTOMISED
Market specific
product portfolio



Many
1ST TO MARKET
products



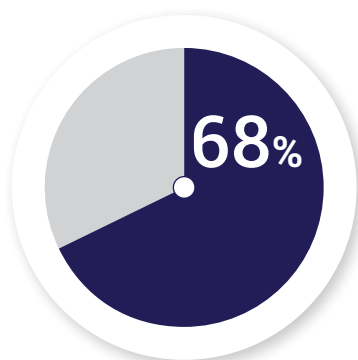
Leveraging
BRAND POWER
of our key products



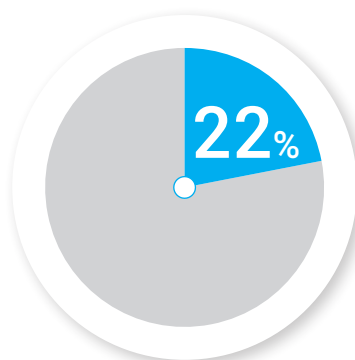
10 TO 12 ANDAS
filing in US
every year



Sales % by Market Segments



Branded Generics
(India & Emerging Markets)



US Generics



Institution



Vision

Be a niche player in global pharma space and to enhance value for all stakeholders.



Mission

To serve global healthcare needs through empathy, innovation and technology.



Persistent in Action

Expecting the unexpected, though rare, is a part of the business risk management.

FY 2021 was one of those rare years when global pandemic caught businesses off guard. But Ajanta Pharma, like always, remained persistent in action.

Our agile response mechanism built over the years, healthy balance sheet, diversified markets and customised business segments for each market, gave us the strength to persist with the growth despite all odds.

Branded Generics

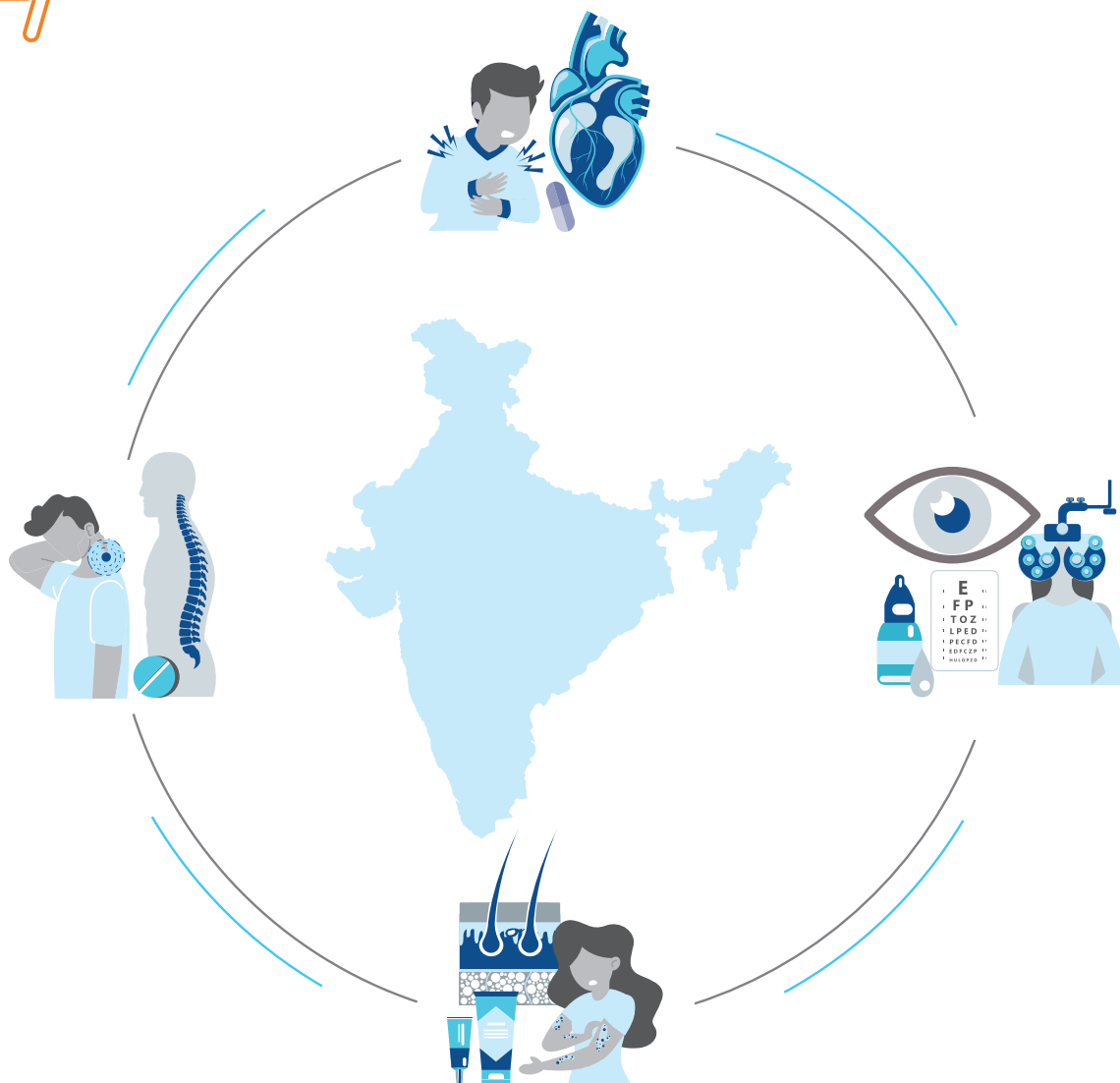


Branded generics is core to our business and it is the result of us being *Persistent to Grow*. We have been able to grow this business consistently over the years, with carefully cultivated markets and customised product portfolio in India and, across 30 countries. The passion to persistently perform enabled us to take a unique path of having our own ground presence for marketing and promotion in every market, which enabled us to overcome the challenges of the COVID-19 pandemic.

FY 2021 started with the pandemic and its impact was maximum during initial months due to lockdowns imposed across the markets. Initially, there was shock. On one side we had to ensure uninterrupted supply of life-saving medicines, especially looking at the emergency situation, and on the other side, there were challenges on movement of goods and people.

We could, however, overcome this quickly, with better supply chain management and adopting digital media to reach doctors in all the markets where we are present. This helped our overall branded generics business grow by 8% to ₹ 1,937 cr.

India



At ₹ 813 cr. India business contributed 28% of total revenue from operations and 42% of branded generics business. The year was indeed challenging with Indian Pharmaceutical Market (IPM) achieving only marginal growth of 4% as per IQVIA. Ajanta did better with 8% growth as we persisted with our product launches and outreach programmes for doctors through digital means.

We launched 21 new products in the Indian market, out of which, 5 were 1st to Market. These new launches were spread across all our 4 focused therapies of Ophthalmology, Cardiology, Dermatology and Pain Management. These launches provided renewed momentum to our basket of over 300 products in India and they will enable us to persist on our growth path despite challenges.