

Clear  
**Strategy**  
Consistent  
**Performance**



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## Consistent Performance

At Ajanta, we strongly believe that **Clear Strategy** leads to **Consistent Performance** which enables us to enhance value for all stakeholders. We did it again in FY 2022. Following pages of this report elaborate on the same.



## Message from **Management**

L to R: Rajesh M. Agrawal (JMD) and Yogesh M. Agrawal (MD)

### **Dear Shareholder,**

Compliments for the strong growth momentum achieved by your Company across the major markets during FY 2022.

At Ajanta, we have been successfully enhancing value for all our stakeholders for decades with the help of our focus on 'Clear Strategy'. The core of this strategy is based on three pillars: smart product selection, superior formulation development capabilities, and focused business segments.

Your Company has three focused business segments: Branded Generics in India and Emerging Markets, Generics in the USA, and Institutional business in Africa. During any business cycle, some business segments do better while others face headwinds. Our strategy has an inherent dynamism which enables us to provide 'Consistent Performance' year-on-year, despite these cycles. Like in FY 2022, accelerated growth of our Branded Generics segment helped in registering healthy growth despite the headwinds of double-digit price erosion in the US Generics and lower demand for Institutional business in Africa.

## Segment Review

All our strategic initiatives resulted in enhancing the contribution of Branded Generics business to 73% of revenue in FY 2022, against 67% in FY 2021. The robust growth of 23% for Branded Generics business during FY 2022 was contributed by growth of 21% in India, 42% in Africa and 14% in Rest of Asia. This was the result of sharpening of strategy by penetrating deeper in the markets and expanding product basket.

Generics business in the US grew relatively slower at 9% in FY 2022, against 23% in FY 2021. This was due to higher price erosion and fewer approvals/ launches.

Institutional business in Africa registered de-growth of 24% due to lower demand from the sponsors.

Having different growth engines for your Company enables us to maintain consistent performance, despite turbulence in one or the other segment.

## Financial Highlights

Revenue from operations grew by 16% to ₹ 3,341 cr. displaying robust performance. Our EBITDA margin normalised to 28% in FY 2022, as marketing and R&D activities returned to normalcy post Covid-19 disruptions. Our net profit for the year grew by 9% to ₹ 713 cr.

Your Company's balance sheet position remains pristine with ₹ 334 cr. as cash and liquid investments, even after paying back ₹ 436 cr. to the shareholders through Buyback (₹ 354 cr. including tax) and dividend (₹ 82 cr.). Our Pay-out ratio is 61% of PAT for FY 2022, up from 38% for FY 2021. This is also 74% higher than ₹ 251 cr. payback done in the previous financial year. We generated operating free cash flow of ₹ 453 cr. in the year, up from ₹ 202 cr. in the previous financial year. We remain prudent on our capital allocation

with returning excess cash generated in the business to shareholders.

Further, the Board of Directors have already recommended issue of bonus shares for your approval in the ratio of 1 bonus share for every 2 shares held.

*This consistent performance is also an outcome of sustainable business practices, that we've been following for several years now. As a responsible corporate, your Company has well-defined Environmental, Social and Governance (ESG) policies under which we continue to implement various sustainable initiatives. We've been enhancing our utilisation of solar energy, maintaining water neutrality and following zero-discharge policy at our facilities.*

This remarkable performance of your Company is the result of dedicated and passionate efforts put in by Ajantaitees across the world, who are aligned to our 'Clear Strategy' for 'Consistent Performance'. We congratulate all Ajantaitees for the same. We have been putting sincere efforts to enable Ajantaitees through adequate training and by providing them with digital interfaces, so that they can execute their tasks efficiently.

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

## At a Glance



Products

500+



Countries

30+



Revenue

₹3,341 cr.



Ajantaites

7,000+

## Growth Drivers



**Smart**

Product Portfolio



**1<sup>st</sup>**

to Market Products



**Leadership**

in Molecules/  
Therapies



**Robust**

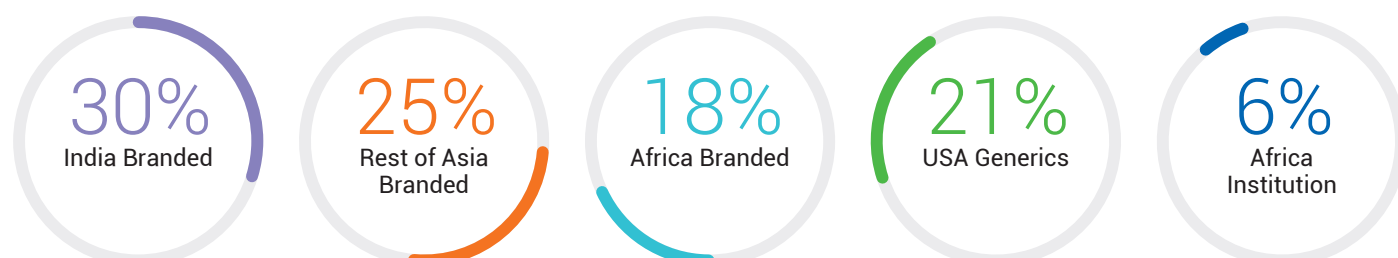
Execution

## Vision

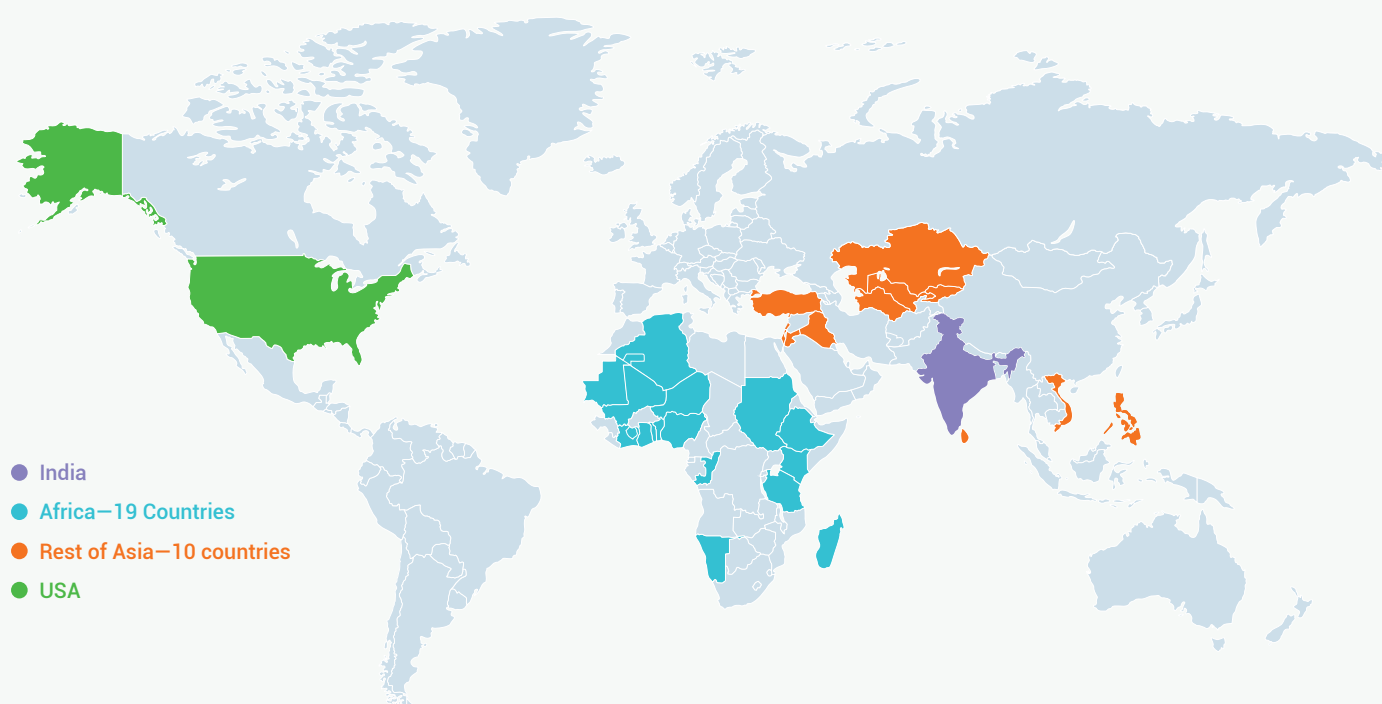


Be a Niche Player in Global  
Pharma Space and to  
Enhance Value for All  
Stakeholders

## Diversified Revenue Streams



## Global Presence



This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

## Mission



Serving Global Healthcare Needs through  
Empathy, Innovation and Technology



## Strategy at Play

Customers remain central to your Company's business endeavour, and all our strategies are built to serve them with empathy and compassion.



## Branded Generics

Ajanta holds a unique position having 73% business contribution from Branded Generics, and especially getting it from diversified 30+ countries i.e., India, rest of Asia and Africa. While the Branded Generics business remains sticky by nature, our unique geographical diversification provides it further cushion from country specific market volatility.

This has been built diligently over the years with smart product selection, out of which many are 1<sup>st</sup> to market in respective countries. This has helped us create smart product portfolio and achieve leadership positions in various molecules/ sub-therapeutic segments. Our Robust supply chain ensures product availability every single day across all these markets.



## India



Participation in Ophthalmology Conference

At ₹ 982 cr., India business contributed 30% of total revenue, and 41% of Branded Generics business.

Indian business is focused on 4 large specialty therapeutic segments. Your company has been able to grow faster than the industry in all segments. In Pain Management, the growth was the highest at 28% vs. 22% for industry segment, followed by Ophthalmology with growth of 25% vs. 21%, Dermatology with 17% vs 10% and Cardiology with 11% vs. 10%. On overall basis, Ajanta

grew at 18% matching Indian Pharmaceutical Market's (IPM) growth rate, as per IQVIA.

Ajanta launched 16 new products in FY 2022, including four 1<sup>st</sup> to market products in the country. Three of your Company's brands appear in the top 500 in IPM now. Ajanta has 300+ products in India, with 50%+ being 1<sup>st</sup> to market products.