



ajanta pharma limited

Ajanta Pharma Limited

Result

Third quarter ended 31st December, 2019



Revenue from operation in Q3 up by 34%

(3rd Quarter & 9 Months, FY 2020 Consolidated Results)

Mumbai, 5th February, 2020: Ajanta Pharma Ltd. a specialty pharmaceutical formulation company reported today its performance for the 3rd quarter & 9 months ended 31st December 2019.

Q3 FY 2020 performance highlights (compared to Q3 FY 2019)

- Revenue from operation at Rs. 651 cr. against Rs. 485 cr., up 34%.
- EBITDA at Rs. 186 cr. against Rs. 107 cr., up 73%; EBITDA at 29% of revenue from operation.
- Profit after tax at Rs. 108 cr. against Rs. 67 cr., up 61%; PAT at 17% of revenue from operation.

9 Months FY 2020 performance highlights (compared to 9 months FY 2019)

- Revenue from operation at Rs. 1,906 cr. against Rs. 1,540 cr., up 24%.
- EBITDA at Rs. 540 cr. against Rs. 431 cr., up 25%; EBITDA at 28% of revenue from operation.
- Profit after tax at Rs. 339 cr. against Rs. 298 cr., up 14%; PAT at 18% of revenue from operation.

India

Q3 FY 2020, India sales was Rs. 195 cr. (against Rs. 174 cr.), up 12%. 9 Months FY 2020, India sales was Rs. 592 cr. (against Rs. 531 cr.) posting growth of 12%.

As per iqvia MAT December 2019, we have posted healthy growth of 13% in Cardiology (segment growth of 11%), 17% in Ophthalmology (segment growth of 10%), 9% in Dermatology (segment growth of 9%) and 17% in Pain Management (segment growth of 12%).

Exports

Q3 FY 2020, total export sales were Rs. 448 cr. (against Rs. 304 cr.) posting growth of 47%.

- Emerging Market branded generic sales was Rs. 240 cr. (against Rs. 188 cr.) posting 28% growth. Out of which:
 - Africa branded generic sales was Rs. 80 cr. (against Rs. 64 cr.) posting 25% growth.
 - Asia branded generic sales was Rs. 158 cr. (against Rs. 121 cr.) posting 30% growth.
- US generic sales was Rs. 159 cr. (against Rs. 66 cr.) posting 140% growth.
- Africa Institution sales was Rs. 49 cr. (against Rs. 50 cr.) posting 2% de-growth.

9 Months FY 2020, total export sales were Rs. 1,300 cr. (against Rs. 981 cr.) posting growth of 32%.

- Emerging Market branded generic sales was Rs. 726 cr. (against Rs. 625 cr.) posting 16% growth. Out of which:
 - Africa branded generic sales was Rs. 254 cr. (against Rs. 232 cr.) posting 9% growth.
 - Asia branded generic sales was Rs. 465 cr. (against Rs. 385 cr.) posting 21% growth.
- US generic sales was Rs. 372 cr. (against Rs. 207 cr.) posting 80% growth.
- Africa Institution sales was Rs. 202 cr. (against Rs. 149 cr.) posting 35% growth.

In US, during **9 Months** FY 2020, we received 7 ANDA final approval, 1 tentative approval and filed 8 ANDA with US FDA. Out of 31 final ANDA approvals, we have commercialized 28 products. We hold 1 tentative approvals and 23 ANDAs are awaiting US FDA approval. Company plans to file 10-12 ANDAs during this financial year.

R&D

During Q3 FY 2020, R&D expenses were Rs. 35 cr., (Q3 FY 2019 Rs. 45 cr.) which is 5% of operating revenue. During 9 Months FY 2020, R&D expenses were Rs. 114 cr., (9 Months FY 2019 Rs. 136 cr.) which is 6% of operating revenue.

About Ajanta Pharma Limited

Ajanta Pharma is a speciality pharmaceutical formulation company having branded generic business in India and emerging markets, generic business in US and institution business in Africa. Many of company's products are 1st to market and are leading in their sub-therapeutic segments.

Company's state of the art R&D centres for formulation development and API are located at Mumbai, having a team of 650+ scientists. Company has 8 world class manufacturing facilities (including one newly operationalised at Pithampur) located in India and Mauritius.

For last 10 financial years, company has posted healthy performance with its consolidated total income growing at 20% CAGR and net profit at 31% CAGR.

For more details visit www.ajantapharma.com

For regular updates follow us on twitter– www.twitter.com/ajantapharmaltd

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Reuters: AJPH.NS, Bloomberg: AJP:IN, NSE: AJANTPHARM, BSE: 532331
Corporate Identity Number (CIN): L24230MH1979PLC022059

Safe Harbour Statement

Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December 2019

₹ in Crore

Particulars	3 months ended			9 months ended		Year Ended
	31/12/2019 Unaudited	30/09/2019 Unaudited	31/12/2018 Unaudited	31/12/2019 Unaudited	31/12/2018 Unaudited	31/03/2019 Audited
Income						
Revenue from operations	651.21	642.76	485.11	1,905.91	1,540.21	2,055.37
Other income	14.64	13.22	4.41	35.50	19.45	21.08
Total Income	665.85	655.98	489.52	1,941.41	1,559.66	2,076.45
Expenses						
Cost of materials consumed	138.34	124.28	81.97	386.80	265.02	391.84
Purchases of stock-in-trade	24.15	24.54	7.29	82.44	36.60	48.25
Changes in inventories of finished goods, work-in-progress and stock-in-trade	6.60	17.66	8.63	8.87	(23.67)	(56.61)
Employee benefits expense	120.38	117.41	112.78	356.11	323.31	430.71
Finance costs	1.57	4.93	0.09	8.29	0.39	1.16
Depreciation and amortisation expense	23.60	23.30	18.67	69.68	53.33	72.08
Other expenses	175.77	181.23	167.13	539.70	499.60	674.75
Total Expenses	490.41	493.35	396.56	1,451.89	1,154.58	1,562.18
Profit before exceptional items and tax	175.44	162.63	92.96	489.52	405.08	514.27
Exceptional Item						
Exceptional Item (Refer note 7)	0.34	1.07	-	1.41	-	-
Profit before tax	175.10	161.56	92.96	488.11	405.08	514.27
Tax Expense						
Current Tax	63.44	40.18	23.40	136.82	110.58	123.86
Deferred Tax	4.11	5.02	2.66	12.75	(3.58)	3.44
Profit for the period	107.55	116.36	66.90	338.54	298.08	386.97
Other Comprehensive Income (OCI)						
Items that will be reclassified subsequently to profit or loss	2.57	1.31	0.13	2.90	(2.20)	(1.95)
Income tax relating to Items that will be reclassified subsequently to profit or loss	-	-	-	-	-	-
Items that will not to be reclassified subsequently to profit or loss	(1.14)	(1.80)	(0.50)	(3.43)	(1.49)	(1.97)
Income tax relating to items that will not be reclassified to profit or loss	0.40	0.63	0.18	1.20	0.52	0.69
Other Comprehensive Income for the year, net of tax	1.83	0.14	(0.19)	0.67	(3.17)	(3.23)
Total Comprehensive Income for the period	109.38	116.50	66.71	339.21	294.91	383.74
Paid-up Equity Share Capital (Face value of ₹ 2 each)	17.54	17.54	17.69	17.54	17.69	17.54
Other Equity						2,227.67
Earnings Per Share (Face value of ₹ 2 each)						
(a) Basic - in ₹	12.33	13.34	7.60	38.80	33.87	43.97
(b) Diluted - in ₹	12.32	13.33	7.60	38.79	33.86	43.96

Notes :

- The above consolidated results have been reviewed by Audit Committee and approved by the Board of Directors at their meeting held on 5 February 2020.
- Statutory Auditors have carried out Limited Review of the consolidated financial results for the quarter and nine month ended 31 December 2019.
- The consolidated unaudited financial results of the Company, its wholly owned subsidiaries and step-down subsidiary ("the Group") have been prepared as per Ind AS 110 on Consolidated Financial Statements. There is no minority interest.
- During the quarter, Nil (nine month 7,500) equity shares of ₹ 2 each, fully paid up, were allotted upon exercise of vested options pursuant to the Employees Stock Options Scheme, 2011, resulting in an increase in the paid-up share capital by ₹ Nil (nine month ₹ 15,000) and securities premium account by ₹ Nil (nine month ₹ 0.93 crores).
- The Group operates exclusively in one reportable business segment i.e., "Pharmaceuticals".
- The Group has adopted the modified retrospective approach as per Ind AS 116 - Leases to account for its leases, effective from reporting periods beginning 1 April 2019. This has resulted in recognising right of use assets of ₹ 34.97 crores and a corresponding lease liability of ₹ 39.02 crores by adjusting retained earnings by ₹ 2.65 crores (net of deferred tax of ₹ 1.40 crores) as at 1 April 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. Due to this change, current quarter profit before tax is lower by ₹ Nil (nine month ₹ 0.17 crores). To this extent, performance for the current period ended 31 December 2019 is not comparable with previous period results.
- Pursuant to a fire incident on 31 August 2019 at Guwahati plant, certain property, plant and equipment and inventory were damaged. The Company has lodged an initial estimate of loss with the insurance company and the survey is currently in process. The Company has recorded a loss of ₹ 23.27 crores towards impairment of part of property, plant and equipment and inventory arising from the incident. The Company has also recognised a minimum insurance claim receivable of ₹ 21.86 crores in the current nine month, for which auditor has given modified opinion. However, Company is confident of receiving the said claim. The aforementioned loss and the income from insurance claim receivable has been presented under exceptional item in the financial result with a net impact of ₹ 1.41 crores. The Company is in process of determining its final claim and will make adjustments to the estimated loss when the assessment is completed.
- Figures for the previous period's have been regrouped, wherever necessary, to correspond with the figures of the current period.
- The Standalone Financial Results are available on the company's website www.ajantapharma.com.

 By order of the Board
 For Ajanta Pharma Ltd.


Yogesh M. Agrawal
 Managing Director

Mumbai, 5 February 2020



Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31 December 2019

₹ in Crore

Particulars	3 months ended			9 months ended		Year Ended
	31/12/2019	30/09/2019	31/12/2018	31/12/2019	31/12/2018	31/03/2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income						
Revenue from operations	530.55	559.45	451.85	1,635.74	1,359.09	1,772.62
Other income	51.17	39.31	12.97	130.10	98.96	102.15
Total Income	581.72	598.76	464.82	1,765.84	1,458.05	1,874.77
Expenses						
Cost of materials consumed	137.00	123.14	81.01	383.93	262.36	388.71
Purchases of stock-in-trade	24.82	22.29	18.05	75.74	49.11	70.79
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3.80)	26.09	5.48	33.36	(31.34)	(67.38)
Employee benefits expense	107.02	106.17	100.13	320.56	292.29	389.37
Finance costs	0.84	4.24	0.03	6.17	0.21	0.41
Depreciation and amortisation expense	22.50	22.19	18.28	66.40	51.70	69.90
Other expenses	127.23	132.74	116.14	395.22	372.68	509.92
Total Expenses	415.61	436.86	339.12	1,281.38	997.01	1,361.72
Profit before exceptional items and tax	166.11	161.90	125.70	484.46	461.04	513.05
Exceptional Item						
Exceptional Item (Refer note 7)	0.34	1.07	-	1.41	-	-
Profit before tax	165.77	160.83	125.70	483.05	461.04	513.05
Tax Expense						
Current Tax	61.45	35.27	26.84	125.60	100.18	108.66
Deferred Tax	(4.00)	4.86	3.39	4.83	10.47	12.63
Profit for the period	108.32	120.70	95.47	352.62	350.39	391.76
Other Comprehensive Income (OCI)						
Items that will not be reclassified subsequently to profit or loss	(1.14)	(1.80)	(0.50)	(3.43)	(1.49)	(1.97)
Income tax relating to items that will not be reclassified to profit or loss	0.40	0.63	0.18	1.20	0.52	0.69
Other Comprehensive Income for the year, net of tax	(0.74)	(1.17)	(0.32)	(2.23)	(0.97)	(1.28)
Total Comprehensive Income for the period	107.58	119.53	95.15	350.39	349.42	390.48
Paid-up Equity Share Capital (Face value of ₹ 2 each)	17.54	17.54	17.69	17.54	17.69	17.54
Other Equity						2,124.54
Earnings Per Share (Face value of ₹ 2 each)						
(a) Basic - in ₹	12.41	13.83	10.85	40.41	39.81	44.51
(b) Diluted - in ₹	12.41	13.83	10.85	40.41	39.81	44.51

Notes :

- The above standalone results have been reviewed by Audit Committee and approved by the Board of Directors at their meeting held on 5 February 2020.
- Statutory Auditors have carried out Limited Review of the standalone financial results for the quarter and nine month ended 31 December 2019.
- Other income includes :

	3 months ended			9 months ended		Year Ended
	31/12/2019	30/09/2019	31/12/2018	31/12/2019	31/12/2018	31/03/2019
Dividend from subsidiaries (₹ in Crore)	41.86	24.73	16.44	101.30	77.42	77.42

- During the quarter, Nil (nine month 7,500) equity shares of ₹ 2 each, fully paid up, were allotted upon exercise of vested options pursuant to the Employees Stock Options Scheme, 2011, resulting in an increase in the paid-up share capital by ₹ Nil (nine month ₹ 15,000) and securities premium account by ₹ Nil (nine month ₹ 0.93 crores).

- The Company has adopted the modified retrospective approach as per Ind AS 116 - Leases to account for its leases, effective from reporting periods beginning 1 April 2019. This has resulted in recognising right of use assets of ₹ 28.14 crores and a corresponding lease liability of ₹ 31.95 crores by adjusting retained earnings by ₹ 2.48 crores (net of deferred tax of ₹ 1.33 crores) as at 1 April 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. Due to this change, current quarter profit before tax is higher by ₹ 0.02 crores (nine month is lower by ₹ 0.10 crores). To this extent, performance for the current period ended 31 December 2019 is not comparable with previous period results.

- The Company operates exclusively in one reportable business segment i.e., "Pharmaceuticals".

- Pursuant to a fire incident on 31 August 2019 at Guwahati plant, certain property, plant and equipment and inventory were damaged. The Company has lodged an initial estimate of loss with the insurance company and the survey is currently in process. The Company has recorded a loss of ₹ 23.27 crores towards impairment of part of property, plant and equipment and inventory arising from the incident. The Company has also recognised a minimum insurance claim receivable of ₹ 21.86 crores in the current nine month, for which auditor has given modified opinion. However, Company is confident of receiving the said claim. The aforementioned loss and the income from insurance claim receivable has been presented under exceptional item in the financial result with a net impact of ₹ 1.41 crores. The Company is in process of determining its final claim and will make adjustments to the estimated loss when the assessment is completed.

- Figures for the previous period's have been regrouped, wherever necessary, to correspond with the figures of the current period.

 By order of the Board
 For Ajanta Pharma Ltd.


 Yogesh M. Agrawal
 Managing Director

Mumbai, 5 February 2020

