Plan.
Prepare.
Perform.

2016-17 Annual Report

ajanta pharma limited

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

Turnover

₹2,000+ cr.

Profit

₹500+ cr.

Entered the league of FORTUNE 500 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%

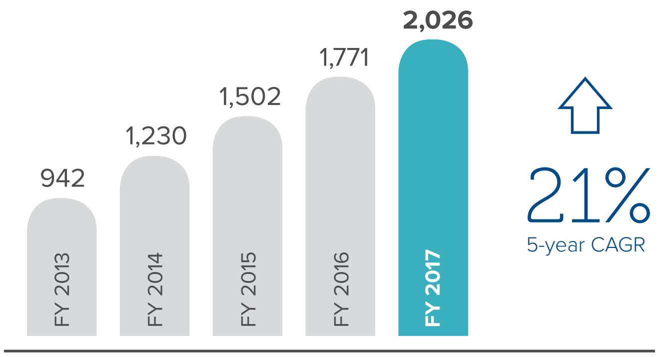
Net Profit

25%

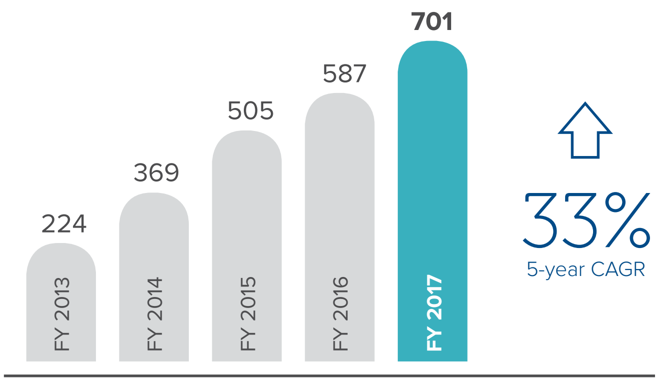
Free cash flow

₹568 cr.

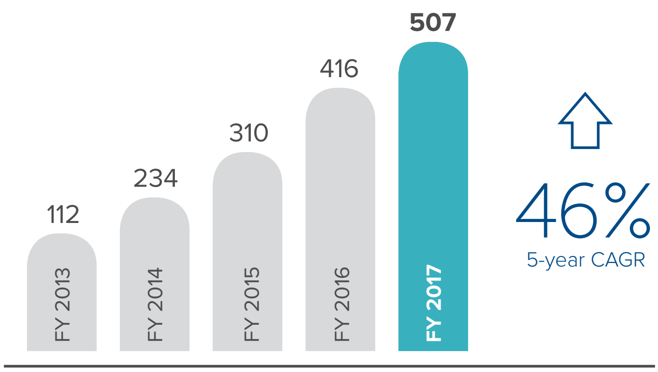
Total Income ₹ in cr.



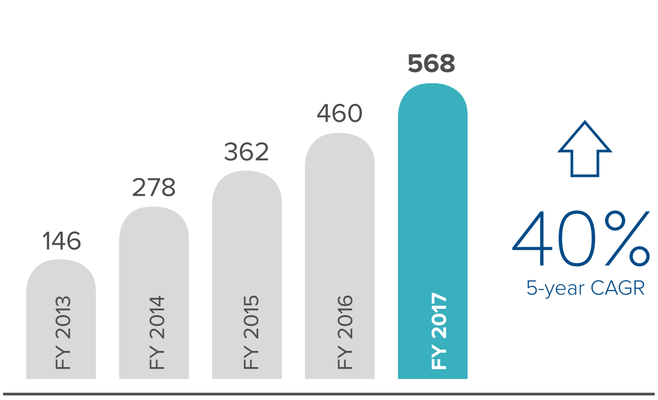
EBITDA ₹ in cr.



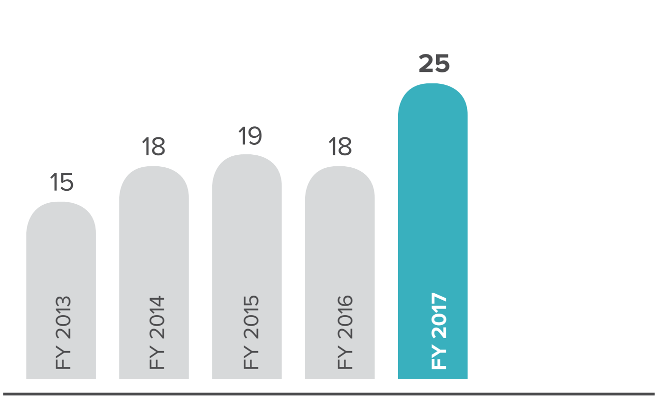
Net Profit ₹ in cr.



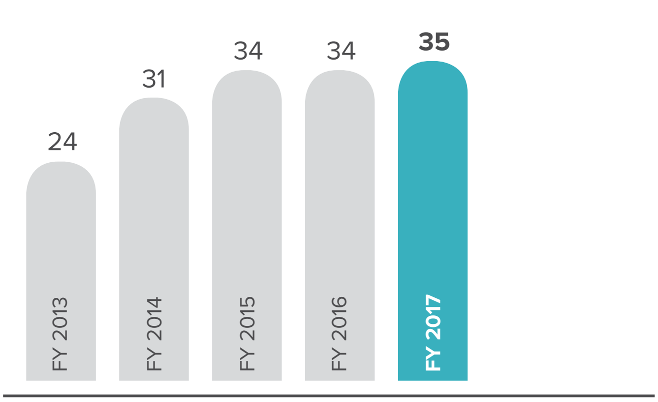
Cash Profit ₹ in cr.



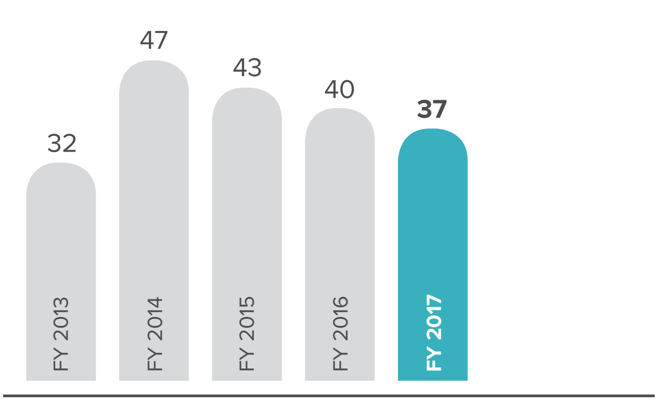
Dividend Payout in %



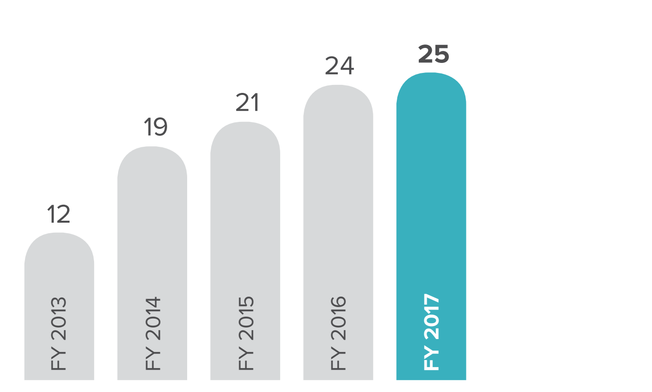
EBITDA Margin in %



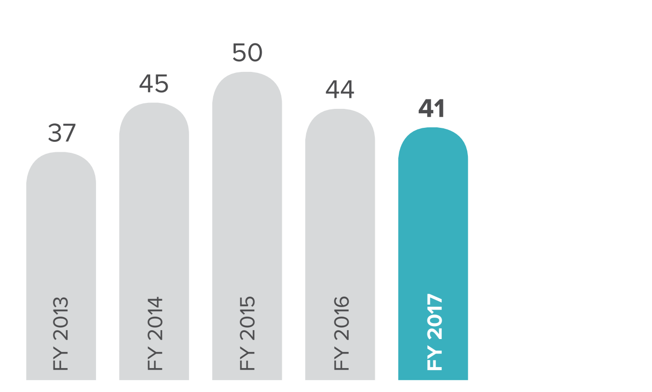
RONW in %



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

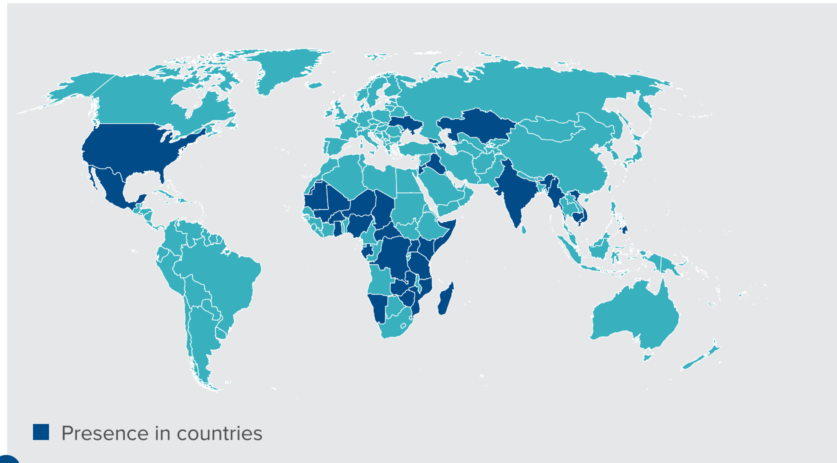
Building the USA Market

- 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

While we have put in place multiple growth catalysts, we believe that our greatest competitive advantage is our passion to deliver outcomes.



Planning

with a market-specific global strategy

At Ajanta Pharma, our strategy is always to be present in the right markets. We plan our entry to new geographical markets, based on a clear understanding of opportunity and our ability to place specialty, differentiated and complex products in that market. Our meticulous planning has resulted in greater scale, enhanced product portfolio and higher penetration across global markets.

At Ajanta Pharma, we follow a very country-specific and therapeutic requirement specific model. The approach to focus on select countries with a wider product portfolio has resulted in a sustainable and profitable business.

Strengthening presence in India

Over the years, we have developed a propensity for launching a number of firsts to markets, with a focus on new drug delivery system (NDDS). Of around 250+ actively marketed brands, 150+ brands were India's first. Focus on specialty therapies and niche products has led us to post a strong CAGR of 25.6% in branded generic business during FY 2013-17.

We plan to remain focused on few high-growth specialty therapeutic segments in India and enhance leadership in cardiology, dermatology, ophthalmology, and pain management. Aggressive launches and improving research productivity has led to superior growth. During FY 2017, we have launched 25+ products in India, which will further propel the growth in coming years. A strong pipeline of products is in the offing, in line with our strategy of Plan, Prepare and Perform.

Invigorating Asia and Africa

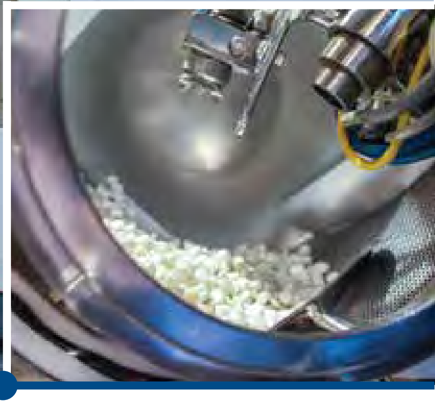
We have established a strong presence in rest of Asia and Africa, in branded generics business. Our major segments are anti-malaria, anti-bacterial, cardiovascular, orthopaedic, gynaecology, and paediatric, among others. With 700+ medical representatives on the field, we have formidable presence in these markets.

We continue to launch more products and strengthen marketing teams to invigorate the market in coming years. With these measures and stability in the economic scenario, we expect to regain growth momentum in the branded generics business over the medium term.

We entered Philippines six years ago, as we recognised the inherent growth potential of the market. These insights allowed us to cater to specific therapeutic areas, such as anti-infectives, dermatology, orthopaedics, ophthalmic, cardiovascular and gastro intestinal. We are among the top 25 pharma companies, and have demonstrated one of the fastest growth graphs in the Philippines market. We have delivered a CAGR of 32% over five years, driven by new product launches and increased traction in existing products.

Creating a sound USA strategy

Our growth aspirations have inspired our presence to large and complex marketplaces that provide profitable opportunities. We have focused on creating a presence in the USA, the world's largest pharmaceuticals marketplace by selecting niche and complex products in the oral solid space. We have filed 34 Abbreviated New Drug Applications (ANDAs), of which we have received 17 final approvals and two tentative approvals. We are awaiting approvals for 15 ANDAs and plan to file 12-15 ANDAs in FY 2018 with the US FDA. During FY 2017, we accomplished 2 day one launches, which confirms our strategy of Plan, Prepare and Perform.



Preparing

for emerging opportunities and challenges

At Ajanta Pharma, our future readiness is dependent on our research and development (R&D) capabilities and world-class manufacturing facilities. Over the years, we have proactively and steadily enhanced our investments in both these areas to service the changing needs of patients, healthcare professionals and society. We are equipped to address global healthcare needs through empathy, innovation, and technology.

Strengthening our R&D core

R&D remains a critical differentiator in our strategic positioning, and an important element of our brand image. It is supremely important in reinforcing our market leadership. Our R&D initiatives are driven by market demand, and the implementation of advanced technology plays a key role in this context.

We have significant expertise to develop and manufacture complex formulations in various dosage forms, including tablets, capsules, powders, ophthalmic sterile eye drops, ointments and injectables.

R&D agenda

- Support growth strategy by developing new products and processes, which enrich and enhance our portfolio
- Strive for constant process improvement and attain manufacturing cost competency
- Focus on developing complex products with high entry barrier

These initiatives are expected to enhance product registration filings and broaden our product basket in the key markets of our presence.

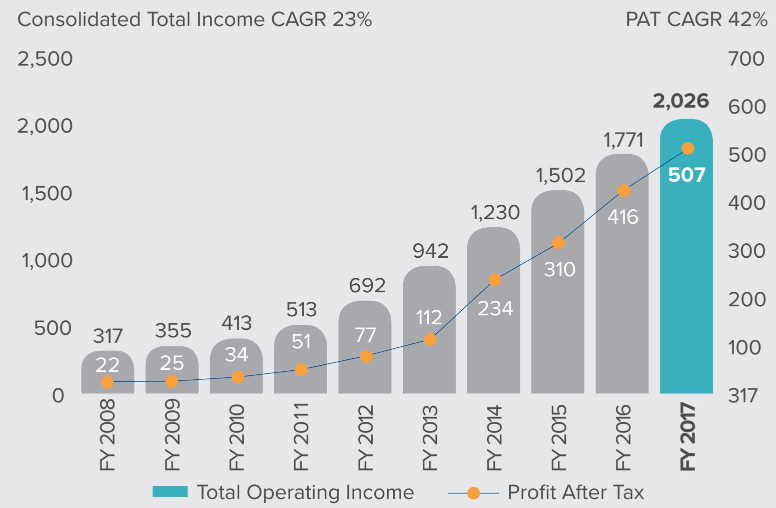
Manufacturing Facilities

Along with expansion of existing facilities, we are building new facilities to pursue our growth objectives in the coming years.

Quality is key to our survival and growth in the global pharmaceutical landscape. The manufacturing facilities conform to rigorous quality framework and assurance procedures. The team focuses on multiple strategies to reduce cost after obtaining regulatory conformity.

- We regularly upgrade our processes in line with the evolving regulatory scenario
- Our quality control and quality assurance standards are benchmarked with the best in the industry, and we strive to enhance the same consistently
- We continuously review and upgrade standards and performance to match with the best in industry
- We follow standard operating procedures to ensure best manufacturing processes

Consolidated Total Income and Profit after Tax - 10-year Trend ₹ in cr.



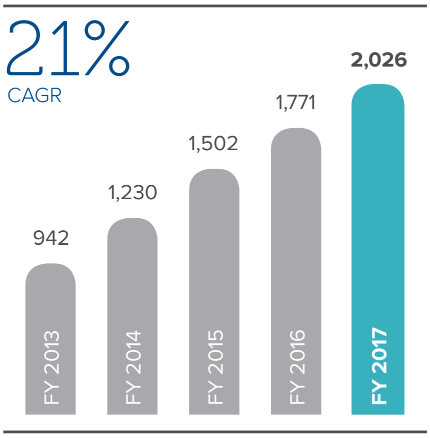
Performing

to set an industry benchmark

At Ajanta Pharma, our flexible and risk-focused business model enables us to deliver effective solutions to customers, generate healthy returns for shareholders and build a sustainable business. Our vision and commitment to stakeholders have enabled us to grow our revenues from ₹ 942 cr. in FY 2013 to ₹ 2,026 cr. in FY 2017, at 21% CAGR.

Ajanta Pharma is built on a strong foundation of entrepreneurial energy, professional integrity, and commitment. Our Board of Directors and the leadership team consistently provide guidance to create and nurture sustainable value for all our stakeholders. We operate our business with the highest ethical standards and remain committed to achieving sustainable and profitable growth.

Consolidated Total Income ₹ in cr.



We monitor operating margins and prudently manage operating costs to ensure the business is cost-effective. We leverage our scale, flexible delivery models, effective procurement and the value added services we deliver to clients.

By exercising rigorous fiscal discipline, strengthening transparency, and developing risk matrix, we adhere to the highest standards of corporate governance. At the same time, we are ensuring accuracy of financial reporting with effective internal controls.

The country-specific and product-specific model of business is augmenting well to enhance market share in international markets. We have over 1,400 product registrations in hand and equal number under approval. Thus, the investment in facilities, R&D and new products is fuelling future growth plan.

As a part of our professional ethos, we focus on improving operational efficiencies, HR practices and customer effectiveness. These investments give us a chance to strengthen our industry standing and thought leadership.

Supporting the Community

Our sustainability strategy is embedded in our approach to community services, too. We work in the realms of healthcare, education and general community well-being.

Healthcare

Ajanta Pharma focuses on bringing meaningful transformation in the life of those who lack resources or opportunities, the less privileged ones in rural and tribal India. We provide such needy patients best of health in the areas of cataract operations, family planning programmes and plastic surgery. During the year, we also added prisoners in Maharashtra jails in our healthcare initiative. Additionally, for long-term benefit of poor patients, we provided assistance in up-gradation of charitable hospitals. Our subsidised food facility for patients and their relatives near government hospitals has benefitted a large section.

Education

Education brings awareness, awareness brings confidence and confidence brings change. We are associated with various schools in rural and tribal areas. Here, we provide educational infrastructure in the form of renovating schools, building science laboratories, libraries, computer labs, and so on. The emphasis is more on promoting education for the girl child. Besides, we provide vocational training to many girl students in the areas of sewing, embroidery, singing, and computer, training among others. This enhances the girl child's employability right after her formal education. We are also in the process of setting-up an independent technical institute for vocational training for rural unemployed.

Summary of total direct beneficiary in health activities in FY 2017

95,000+

patients benefitted from free eye check-up

750+

camps organised in different parts of the country

58,000+

cataract surgeries performed giving vision to poor people

2,500+

family planning surgeries performed

1,700+

provided skin treatment/ plastic surgery treatment

Corporate Information

Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Madhusudan B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Rajesh M. Agrawal
Joint Managing Director

Chandrakant M. Khetan
Director

Dr. Anil Kumar
Director

K. H. Vishwanathan
Director

Prabhakar R. Dalal
Director

Dr. Anjana Grewal
Director

Auditors
Kapoor & Parekh Associates

Cost Auditors
Sevekari Khare & Associates

Internal Auditors
Mahajan & Aibara

Chief Financial Officer
Arvind Agrawal

Company Secretary
Gaurang Shah

CIN NO
L24230MH1979PLC022059

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Email: info@ajantapharma.com

Management Discussion & Analysis

Economic Overview & Outlook

The International Monetary Fund (IMF) expects global economy to grow by 3.4% in FY 2017 and by 3.6% in FY 2018 versus the 3.1% growth in FY 2016. The outlook for emerging market economies is expected to broadly improve, though volatility in capital flow will remain a challenge.

According to the Economic Survey 2016–17, India's real GDP growth is projected at 7.1% for FY 2017, and could reach 6.75–7.5% in FY 2018. This projects India as one of the fastest growing countries in the landscape of an uncertain global economy.

Pharmaceutical Sector Overview

Global

Pharmaceutical industry is one of the world's fastest growing industries, and remains one of the biggest contributors to world economy. The unprecedented expansion in global healthcare access over the past few years has seen hundreds of millions of people in low and middle income groups, benefiting because of governmental programmes and rising incomes.

USA will continue as world's largest pharmaceutical market and emerging markets will make up 9 of the top 20 markets. Developed market spending growth will be driven by original brands, while emerging markets will continue to be driven by non-original products that make up an average 91% of emerging market volume and 78% of spending.

In emerging markets, long-term economic growth, increasing expectations for healthcare provision and changing diets and lifestyles are increasing the demand for healthcare products across all life stages. This is primarily to treat chronic conditions, including respiratory and cardiovascular disease. This demand is expected to grow significantly faster in these markets over the coming years than in more mature economies. At the same time, downward pressure on pricing by government, focus on prevention than treatment and high cost of R&D pose major challenges to the industry globally.

India

India's pharma industry is placed third in global rankings in terms of volume, but 14th in value. The industry has grown at a CAGR of 17.46% during FY 2005-16, which is expected to grow from $6 billion in FY 2005 to $36.7 billion in FY 2016 (Source: IBEF).

Indian pharma companies have a well-diversified business model with an optimal business mix across all primary geographies – India, Emerging Markets and the USA.

The industry has been on a commendable growth path; and is now poised for a step-up in its trajectory with a combination of factors. Under-penetration, rising healthcare spends by households and greater prevalence of chronic diseases drive growth in domestic markets. At the same time, generic drugs in the developed markets and foray into growing emerging markets will drive performance internationally.

By FY 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size. The overall market size is expected to grow to $ 100 billion by FY 2025, primarily due to rising consumer spending, rapid urbanisation and increasing healthcare insurance awareness. The industry is poised to grow, driven by increasing affordability, shifting disease patterns and healthcare reforms. However, recent policy shift, increased government controls and other factors create uncertainty about market growth.

By FY 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size.

Emerging Markets

There is a huge potential for growth in spending in emerging markets. Increase in per capita volume and monetary allocation towards medicines suggests that there is a conscious desire from governments and private insurance markets in emerging countries to increase the bandwidth of healthcare. The volume of medicines use is projected to increase by compound annual growth rate of 3% globally in the next five years against 6% during FY 2006-11 and 3% during FY 2011-16.

Pharmaceuticals market in Africa is expected to reach $45 billion in FY 2020. The tropical climate of Africa makes the continent largest reservoir of infectious diseases, particularly malaria, tuberculosis (TB), and acquired immune deficiency syndrome (AIDS). Non-communicable diseases such as cardiovascular and diabetes are projected to rise to 60% of illnesses in Africa by FY 2020. The key challenges in these markets are volatile local currencies, internal disturbances, transfer restriction, and so on, which will keep the players on their toes.

USA Market

Medicine spending growth in USA market has been slowing steadily since FY 2001, but bounced back sharply in FY 2014 and FY 2015. Generic medicines will continue to have a larger share of the prescription medicine market in USA. Over the coming five years the market will grow from $462 billion to

$645–675 billion in FY 2021 on an invoice price basis, but from $318 billion to $405–435 billion in FY 2021 on a net basis.

Global demand for generic drugs will continue to grow as consumers pursue avenues to reduce costs. In the USA, generic drugs comprise about 70% of the pharma market by volume. With around $100 billion worth patent expiries over the next five years, generic business has a significant growth potential. However, issues of compliance and fast erosion in prices, along with not very clear strategy of new administration will remain key challenges in this market.

With around $100 billion worth patent expiries over the next five years, generic business has a significant growth potential.

Company Overview

Ajanta Pharma is a speciality pharmaceutical company, engaged in the development, manufacture and marketing of quality finished dosages in domestic and international markets. Its business includes Branded Generics in emerging markets of Asia and Africa, Generics in the developed markets of USA and Institution sales. It employs nearly 7,000 people worldwide and its products are sold in more than 30 countries.

Operational Highlights

- Entered the elite club of Fortune 500 Indian companies
- Turnover crossed ₹ 2,000 cr.
- Profit crossed ₹ 500 cr.
- Commissioned 1st phase at Guwahati manufacturing plant
- US FDA completes inspection at Paithan & Dahej plant without any major observation
- Enhanced R&D spend to fuel the growth

Performance Highlights

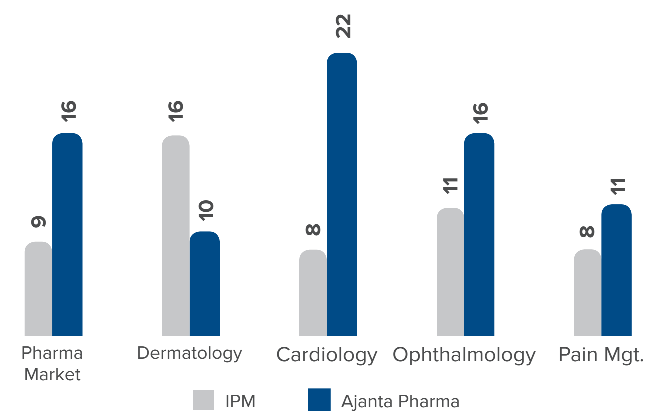
India

India Branded generic business continued to perform well. As per IMS MAT March 2017, company grew at 16% as against Indian Pharmaceutical Market (IPM) growth of 9%. Even within the speciality segment where the company operates, growth was higher than industry, except in Dermatology. The Company continues to launch new products, many of them being 1st to market and have a pipeline for more such launches in coming years.

India institution business has de-grown by 40% over the previous year as the company decided to de-focus on this business due to low margins.

Segment Performance

% growth

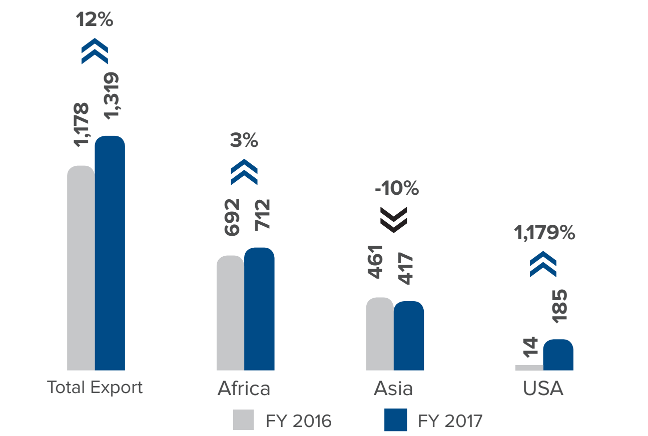


Exports

The exports grew at 12% during FY 2017 driven by strong growth in the USA market. During the year, company received 9 ANDA approvals and launched 7 more products in the USA market, with 2 products being day 1 launch. The strategy of the company of diversifying in different markets has helped it to maintain the growth momentum even after a subdued growth in Africa and negative growth in Asia. The Emerging markets got impacted due to currency devaluation and restriction across Asia and Africa.

Export Details

₹ in cr.



Research and Development

Research & Development (R&D) represents the cornerstone of innovation at Ajanta Pharma. R&D has played a vital role in the Company's sustained growth for the last decade. A team of 800+ well qualified and experienced professionals, specialised across the value chain of pharmaceutical research, are responsible for creating a strong product pipeline for different markets. R&D facilities comply with international standards and are well equipped with excellent infrastructure supported by best-in-class manpower.

800+

R&D Scientists

32

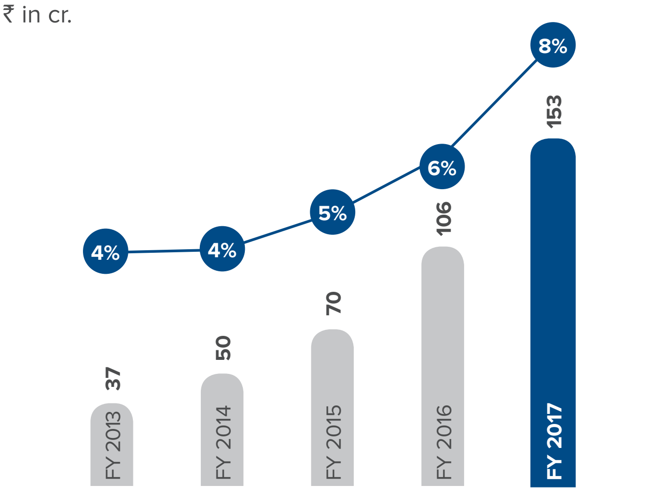
New Products Launched in FY 2017

The Company's R&D initiatives support the activities of various businesses through new product, process development, engagement of technologies and establishing technologies at commercial scale.

Ajanta Pharma has designed a scientifically driven and successful R&D, which continues to ensure delivery of a sustainable pipeline of high-value drug products. The Company's R&D strategy is centred on improving the speed and yield of generic products. During the financial year, Company invested about 8% of its total operating income on R&D and continues to build support infrastructure.

R&D Spend & % of Total Oper. Income (Excluding Capex)

₹ in cr.



Financial Review

The Company had a healthy financial performance during the year, contributed by a strong product portfolio and differentiated approach. The focus was on execution of strategies, improving the product mix and gaining presence in the markets. Going forward, the company shall strive to sustain the performance with the continuation of approvals, expansion of manufacturing capacities and being in verticals that add value to Ajanta Pharma and its stakeholders.

Snapshot

(₹ in cr.)

Year	FY 2017	FY 2016	Growth (%)
Income from Operations	2,002	1,749	14%
EBIDTA	701	587	19%
PBT	648	559	16%
PAT	507	416	22%

Geography-wise Sales FY 2017

Territory	Sales (₹ in cr.)	% Sales
India	614	32%
Africa	712	37%
Asia	417	21%
USA	185	10%
Others	5	0%

The analysis of consolidated financial statements for the year is as follows:

Profit and Loss Statement

Revenue from operations

Revenue from operations increased by 14%, from ₹ 1,749 cr. in FY 2016 to ₹ 2,002 cr. in FY 2017. This increase was driven by growth in volumes along with niche and new launches of products.

Material costs

Material costs declined to 21% in FY 2017 against 24% in FY 2016. This reduction is on account of growth in quality business with niche and first time product launches.

Employee expenses

People-related expenses increased from ₹ 257 cr. in FY 2016 to ₹ 295 cr. in FY 2017. This increase was due to additional manpower recruited in marketing, R&D and other support functions.

Other expenses

Other expenses include marketing, distribution, R&D and administrative expenses which stood at ₹ 603 cr. in FY 2017 against ₹ 492 cr. in FY 2016. As a % of revenue other expenses have gone up to 30% against 28% last year. Higher spend on R&D and losses on foreign currency fluctuation are the major reasons for this increase.

Margins

EBIDTA and net margins stood at 35% and 25%, respectively, in FY 2017 compared to 34% and 24% respectively, in FY 2016. This is the result of quality product mix and higher efficiencies.

Balance Sheet

Shareholders' funds

Shareholders' funds increased from ₹ 1,191 cr. in FY 2016 to ₹ 1,568 cr. in FY 2017. This increase was primarily due to increase in net margins. Earnings per share stood at ₹ 58 in FY 2017 against ₹ 47 in FY 2016.

Non-current liabilities

The balance under this head declined from ₹ 37 cr. in FY 2016 to ₹ 32 cr. in FY 2017 largely due to repayment of long-term borrowings.

Current liabilities

The balance under this head reduced from ₹ 260 cr. in FY 2016 to ₹ 223 cr. in FY 2017. The decrease was again due to reduction in short-term borrowings.

Non-Current assets

Non-Current assets, increased by ₹ 251 cr. in FY 2017 primarily due to additions in property plant and equipment for Guwahati and Dahej facilities.

Current assets

The balance under this head increased from ₹ 763 cr. in FY 2016 to ₹ 847 cr. in FY 2017. This increase was largely due to increase in investment of surplus funds.

Human Assets

The Company takes pride in its dynamic and knowledge-driven talent pool. Its employee base has consistently contributed towards its growth and sustainability over the years.

The Company believes in an open and translucent culture. It has a well-defined robust leadership competency framework that instils and strengthens a common leadership approach across the organisation. The leadership capabilities are integral to its talent management philosophy and leadership development initiatives. These development programmes are designed to prepare the Company's leaders to adjust to fast-paced changes in the industry and manage growth.

The management consistently encourages a culture of employee recognition and motivation. This is achieved through the Company's well-designed policies and processes that recognise and reward the contribution of teams through various employee benefit schemes.

Ajanta Pharma has a work environment that motivates people to achieve their best and encourages an ecosystem of teamwork, continuous learning, and work-life balance. The Company promotes innovation by rewarding ideas that make a real difference to key facets of the business. The Company's total employee strength stood at about 7,000 as on 31st March 2017.

Risk Management

Ajanta Pharma has institutionalised a strong risk management structure that enables regular and meticulous examination of business activities for identification, evaluation, and mitigation of potential internal or external risks. The Company has established robust processes and guidelines, along with a strong overview and monitoring system at the Board and senior management levels. It has laid down procedures to inform Board members about the risk assessment and risk minimisation measures. As an organisation, Ajanta Pharma operates under a framework of strong ethical values and high levels of integrity in all its activities. Such a strategy, considerably mitigates risk.

Following table highlights the key risks along with mitigating plan in place to manage those risks.

Sr. No.	Risk Statement	Mitigation Plan
1	Competition Risk	- Innovation as per customer needs - Customisation of products - Ground presence in every market
2	Regulatory Risk	- Robust Quality Assurance framework - Regular training for updates
3	Global Economic Volatility Risk	- Well dispersed geographic presence - Regular monitoring through local presence
4	Foreign Exchange Risk	- Disciplined hedging policy - Systematic monitoring

Internal Control Systems and Adequacy

Internal control framework	Governing Operations through:
• Ensures effectiveness and efficiency of operations • Reliability of financial reporting • Compliance of laws and regulations	• Automated internal business controls • Centralised global process framework • Integrated key support functions
Monitors and ensures process for	**Quarterly Tracking**
• Prudent financial control • Accountability and integrity • Automated control procedures	• Annual quality objectives • Uses QMS (quality management system) software built by the company
Report Formation	
• Internal auditors for different locations submit reports and updates • Audit Committee of the Board, reviews and provides direction	

Cautionary Statements

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

Directors' Report

Dear Shareholders,

Your Directors take pleasure in presenting Thirty-Eighth Annual Report and Audited Financial Statements for the Year ended 31st March 2017.

1. Financial Results

(₹ in cr. except EPS)

Year ended 31 March	Standalone			Consolidated		
	2017	2016	Growth	**2017**	2016	Growth
Total Revenue	1823	1574	16%	2002	1749	14%
EBITDA	645	523	23%	701	587	19%
Profit after Tax	500	422	18%	507	416	22%
Dividend paid on equity shares including tax	129	135	-	129	135	-
Transfer to General Reserve	Nil	330	-	Nil	321	-
Earnings Per Share (EPS) (₹)	56.79	47.95	-	57.59	47.23	-

2. Dividend

During the year, your Company declared and paid two interim dividends totaling to ₹ 13/- (650%) per equity share of ₹ 2/- each. Directors recommend interim dividends to be considered as final.

3. Performance Review

The Company posted remarkable performance during the year under review and continued to grow on different parameters. Domestic business contributed 32% whereas exports contributed 68% of the total revenue. Company continues to launch new products, first to market products and gain market share in the therapeutic segments and geographies it operates in.

Company continues to operate only in one segment i.e. pharmaceuticals and there is no change in the nature of business of the company.

There are no material changes and commitments affecting the financial position of the company, which have occurred between the end of the financial year and the date of this report.

No significant or material orders have been passed against the Company by the regulators, courts or tribunals, which impacts the going concern status and company's operations in future.

4. Management Discussion and Analysis

Management Discussion and Analysis (MDA) forms part of this annual report, which is given elsewhere in the Report.

5. Share Capital

During the year, 3,750 shares were issued under the ESOS, 2011. Consequent thereto, total paid up equity share capital of the Company as on 31st March 2017 stood at ₹ 17.60 cr. divided into 8,80,05,000 equity shares of ₹ 2/- each. Particulars of Employee Stock Options granted/vested/exercised during the year are given in "**Annexure A**" to this report.

6. Credit Rating

Company's bank facilities are rated by Credit Analysis and Research Limited (CARE). Company continues to have rating A1+ for its working capital facilities, which denotes very strong degree of safety regarding timely payment of financial obligations. For long term borrowings, Company's rating is AA, which indicates high degree of safety regarding timely servicing of financial obligations.

7. Subsidiaries and Associate

Your company continues to have six subsidiaries overseas, including one step down subsidiary and there were no changes in the same during the year. Financials of subsidiaries are disclosed in the consolidated financial statements which forms part of this Annual Report.

Statement containing salient features of financial statements of subsidiaries pursuant to section 129 of the Companies Act, 2013 (Act) read with Rule 5 of the Companies (Accounts) Rules, 2014 is annexed to this Report in the prescribed Form AOC-I, as "**Annexure B**". Financial statements of the subsidiary companies are available for inspection by the shareholders at the registered office of the company. The Company has laid down policy on material subsidiaries and none of the subsidiaries are material subsidiary as per the Policy. The policy is placed on the website of the Company at http://www.ajantapharma.com/AdminData/PolicyCodes/c2ea3c56-332b-4e83-a771-f1a8934ec008PolicyonMaterialSubsidiaries.pdf

Company had invested in a JV Turkmenderman Ajanta Pharma Limited (TDAPL) about two decade back, where it had management control. However later on, company surrendered management control in favour of local partner and since then do not have any control or significant influence on the same. Further, TDAPL operates under severe restriction that significantly impairs its ability to transfer the funds. Hence, company impaired entire investment in TDAPL and considered as unrelated party. As such, it is no more an Associate and its accounts are not consolidated.

8. Directors

a. There were no changes in the directors or Key Managerial Personnel during the year. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Based on disclosures provided by Directors, none of them are disqualified from being appointed as Directors under section 164 of the Act.

b. Retirement by rotation

Mr. Madhusudan B. Agrawal and Mr. Rajesh M. Agrawal retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Board recommends their re-appointment for approval of members.

c. Board meetings

During the year, five Board meetings were held, details of which are given in the Corporate Governance Report.

d. Independent Director's familiarization programme

The Company continued with its Independent directors' familiarization program for familiarizing them with company's operations and other critical aspects which would enable them to effectively discharge responsibilities and functions conferred on them. Programs undertaken during the year include:

i. Overview of business operations;

ii. Tax & Regulatory updates and compliance with IND-AS;

iii. Investor Relation, employee development, etc.;

iv. Role, responsibilities and functions of Independent Directors under corporate laws;

v. Visit of Dahej manufacturing facility;

vi. Business operations of subsidiaries;

vii. R&D operations & way forward

Details of familiarization programme imparted is placed on the company's website at www.ajantapharma.com/AdminData/DirectorFamiliarizationProgram/Directorsfamilarisationprogramme2017.pdf

e. Evaluation of Board, Committees and Directors

Pursuant to the provisions of the Act and the Listing Regulations, the Board had carried out performance evaluation of its own, the Board Committees and of the Independent directors. Further Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board. Manner in which the evaluation has been carried out has been detailed in the Corporate Governance Report.

f. Policy on appointment and remuneration of Directors

Details of criteria laid down for appointment of Directors and policy on remuneration of Directors are given in the Corporate Governance Report.

9. Audit Committee

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report.

10. New projects

Your company has commenced commercial production at both its new manufacturing facilities in Guwahati (Phase I) and Dahej. Construction of phase II of Guwahati is underway. In addition, your company proactively assesses its requirement of infrastructure for future growth and continuously invests in the same.

11. Auditors

a. Statutory Auditors

Auditor's Report for the year under review does not contain any qualifications or adverse remarks. The Auditors have also not reported any fraud committed in the Company or by its officers or employees.

Statutory auditors, M/s. Kapoor & Parekh Associates, Chartered Accountants, Mumbai, hold office till the conclusion of ensuing Annual General Meeting (AGM) and they are not eligible for re-appointment in terms of section 139 (2) of the Act.

On the basis of recommendations of the Audit Committee, the Board has appointed M/s. B S R & Co. LLP as the new auditors subject to approval of members at the ensuing Annual General meeting. Company has received consent and certificate of eligibility from M/s. B S R & Co. LLP in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder Further, they have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

The Board recommends for approval of members, their appointment for a period of 5 (five) years from the conclusion of 38th AGM till the conclusion of 43rd AGM, subject to ratification by members at each AGM.

b. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Alwyn Dsouza & Co, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this report as "**Annexure C**". There are no qualifications, reservation or adverse remark in the report.

c. Cost Auditors

Company has appointed M/s. Sevekari, Khare & Associates, Practicing Cost Accountants to audit the cost records of the Company for the financial year 2017-18, subject to ratification of their remuneration by Members at the ensuing AGM.

12. Internal Control System, risk management and compliance framework

Company has in place well defined and adequate internal financial control framework. During the year, such controls were tested and no material weakness in their design of operations were observed. Risk Management system followed by the Company is detailed in the MDA.

13. Vigil Mechanism

The Company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and Directors to report to the Audit Committee Chairman, genuine concerns, unethical behaviour and irregularities, if any noticed by them, in the Company, which could adversely affect company's operations. It is posted on the intranet of the Company. The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported by employees/ directors till date.

14. Related Party Transactions and Policy

All Related Party transactions (RPTs) entered during the financial year were on an arm's length basis and in the ordinary course of business. As such, no particulars of such contracts or arrangements are furnished.

RPTs which are foreseen and repetitive in nature, omnibus approval of Audit Committee is obtained at the beginning of the financial year. All the RPTs affected during the year are disclosed in the notes to Financial Statements.

The Board has approved and adopted Policy on Related Party Transactions and the same is uploaded on the Company's website at http://www.ajantapharma.com/AdminData/PolicyCodes/ec6023bc-420f-438c-94f9-506925ee2cf4PolicyonRelatedPartyTransactions.pdf

15. Managerial Remuneration and particulars of employees

Information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as "**Annexure D**" and is also given elsewhere in this report.

Information pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to the top ten names and other particulars of employees also, forms part of this report. However this information is not sent along with this report pursuant to the proviso to Section 136(1) of the Act. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary/ Compliance Officer at the Registered office address of the Company.

16. Loans, guarantees or investments

Details of Loans, Guarantees and Investments, covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

17. Corporate Social Responsibility (CSR)

The Company's CSR Policy primarily rests on three broad tenets: Healthcare, Education & Community Development and the same is within the ambit of Schedule VII of the Act. During the year, Company continued several initiatives under the CSR program, directly as well as through agencies permitted under the Act. Details of CSR policy and CSR activities undertaken during the year is annexed to this report as "**Annexure E**" and are also given elsewhere in this report.

18. Deposits

Your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

19. Unclaimed dividend and unclaimed shares

In pursuance of Regulation 39 read with Schedule VI of the Listing Regulations, the company has during the year, transferred unclaimed shares to the 'Unclaimed Suspense Account' opened for the purpose, after following due process.

20. Extract of the annual return

The extract of the Annual Return in form MGT 9 is annexed to this report as "**Annexure F**".

21. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm:

a. that in the preparation of the annual accounts for the year ended 31st March 2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;

b. that the directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March 2017 and of the profit of the company for the year;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. that the annual accounts/financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

f. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

22. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information relating to Conservation of energy, technology absorption, foreign exchange earnings and outgo, pursuant to Section 134 of the Act read with Companies (Accounts) Rules, 2014 is annexed to this report as "**Annexure G**".

23. Corporate Governance

Report on Corporate Governance is annexed and forms an integral part of this Annual Report. Certificate from the Auditors regarding compliance of conditions of Corporate Governance as stipulated in the Listing Regulations is also appended to the report on Corporate Governance.

24. Business Responsibility Reporting

The Business Responsibility Report of the Company for the year ended 31st March 2017 forms part of this Annual report and is given elsewhere in the report.

25. Human Resource

In keeping with the Company's firm belief that human resource plays pivotal role in the success of the organization, the Company continued to organise various inbound & outbound training programes, recreational and team building activities to enhance employee skills, motivation as also to foster team spirit. Company also conducted various workshops and events for grooming and upgrading vocational skills of the talent pool in order to meet future talent requirements. Industrial relations were cordial throughout the year.

26. Policy on sexual harassment of women at work place

The Company has in place, policy on Prevention, Prohibition and Redressal of Sexual Harassment for women at workplace in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up as per the statutory requirements, to redress complaints regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the work place. All women employees (permanent, temporary, contractual and trainees) are covered under this policy. The company has not received any complaints during the year.

27. Gratitude & Acknowledgements

Your Directors place on record their sincere gratitude for the staunch dedication and highly motivated performance by employees across the globe which contributed greatly for persistent performance of the company. Your Directors also sincerely thank all the stakeholders, medical professionals, business partners, government & other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, co-operation and support.

For and on behalf of the Board of Directors

Mannalal B. Agrawal
Chairman

Mumbai, 3rd May 2017

Annexure 'A' to the Directors' Report Employee Stock Option Scheme

No.	Description	Details / No. of Options
a)	Total Options granted	1,72,000
b)	The pricing formula	Exercise price is ₹ 2 per option.
c)	Options vested	1,47,500
d)	Options exercised	1,27,500
e)	Total number of shares arising as result of exercise of options	1,27,500
f)	Options lapsed during the year	None
g)	Variation of terms of options	Exercise price was reduced from ₹ 835/- to ₹ 2 for some of the Options.
h)	Money realized by exercise of options	₹ 2,55,000/-
i)	Total no. of options in force	24,500
j)	Employee-wise details of options granted to	
	i. Senior Managerial Personnel	1,49,500 options granted to employees of the Company and 22,500 to employees of overseas subsidiaries.
	ii. Any other employees to whom options granted amounting to 5% or more, of the total options granted during the year	None
	iii. Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year	None
k)	Diluted earnings per share (EPS) calculated in accordance with Accounting Standard (AS) 20 EPS	₹ 57.58
l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company	Not Applicable
m)	Weighted average exercise prices and weighted average fair values of options outstanding, disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock	Weighted average exercise price is ₹ 2/- for 24,500 options. Weighted average fair value of 3,000 options is ₹ 1,207/-; for 6,000 options is ₹ 1,456.91/- and for 15,500 options is ₹ 1,681/-
n)	Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information :	

Variables	Weighted Average Information		
Plan	ESOS 2011		
	3,000 options	6,000 options	15,500 options
Grant date	8th May 2015	26th July* 2016	26th July 2016
Last date for acceptance	8th June 2015	26th August 2016	26th August 2016
Risk free rate (%)	8.00%	7.30%	7.30%
Expected Life (years)	1 to 3 years	3 to 4 years	1 to 3 years
Volatility (%)	31.70%	20.23%	20.23%
Dividend yield (%)	1.50%	0.53%	0.53%
Price of the underlying share in the market at the time of option grant	₹ 1,264/-	₹ 1,478/-	₹ 1,701.60

*Original grant date was 13th August 2015, however grant date is revised with the variation of exercise price.

Notes:-

- Fair value calculated by using Black-Scholes option pricing formula.
- **Stock price:** The closing price on NSE as on the date of grant has been considered for valuing the options granted.
- **Volatility:** The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.
- **Risk free rate of return:** The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.
- **Time to Maturity:** Time to Maturity/ Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.
- **Expected dividend yield:** Expected dividend yield has been calculated as an average of dividend yields for the four financial years preceding the date of the grant

Annexure 'B' to the Directors' Report - Form No. AOC. 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

₹ in cr.

1	Sl. No.	1	2	3	4
2	Name of the Subsidiary	Ajanta Pharma (Mauritius) Limited (Consolidated)	Ajanta Pharma Philippines Inc.	Ajanta Pharma USA Inc.	Ajanta Pharma Nigeria Ltd.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17
4	Reporting currency for the subsidiary	MUR	PHP	USD	NN
5	Reporting exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries Rupee equivalent of 1 unit of foreign currency as at 31st March 2017 (₹)	1.78	1.29	64.86	0.21
6	Share Capital	8.10	1.38	6.07	0.36
7	Reserves & Surplus	74.64	42.51	4.35	(1.36)
8	Total Assets	87.81	70.95	170.40	9.90
9	Total Liabilities (excluding Share Capital and Reserves & Surplus)	5.07	27.06	159.98	10.90
10	Investments	-	-	-	-
11	Turnover	207.98	121.82	168.18	8.01
12	Profit before taxation	39.81	28.30	15.97	(1.95)
13	Provision for taxation	0.87	8.79	6.68	(0.52)
14	Profit after taxation	38.94	19.51	9.29	(1.43)
15	Proposed Dividend	-	-	-	-
16	% of shareholding	100%	100%	100%	100%

Notes:

1) Ajanta Pharma (Mauritius) Ltd. consolidated figures includes its wholly owned subsidiary Ajanta Pharma (Mauritius) Int'l Ltd.
2) Details of Ajanta Pharma UK Ltd. have not been given as no equity contribution has been made and it has not yet started business operations.

As per our report of even date attached
For **Kapoor & Parekh Associates**
Chartered Accountants

Nilesh Parekh
Partner

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Madhusudan B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Mumbai, 3rd May 2017

Annexure 'C' to the Directors' Report-Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Ajanta Pharma Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ajanta Pharma Limited** (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion there on.

Based on the verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2017** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and have required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, if applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

  (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company) and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review);

(vi) Other specific business/industry related laws applicable to the Company: The Company has complied with specific applicable laws, rules, regulations and guidelines viz., Drugs and Cosmetics Act, 1940; The Pharmacy Act, 1948; Food and Drug Administration licensing terms and conditions and other applicable general laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

  (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and

(ii) The Listing Regulations entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no material non-compliances that have come to our knowledge.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for a meaningful participation at the meeting.

The minutes of the Board meetings have not identified any dissent by members of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period the following events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

Board of the Company at its meeting held on 18th March 2017 had considered and approved the amalgamation of Gabs Investments Private Limited ('Gabs') with the Company. The proposed amalgamation would be carried out vide a Scheme of Amalgamation and Arrangement between Gabs and the Company and their respective shareholders under section 230-232 read with Section 52 and Section 66 of the Act and other applicable provisions of the Act.

For Alwyn D'souza & Co.,
Company Secretaries

Alwyn P D'souza
FCS. No 5559
C. P. No.5137

Place: Mumbai
Date: 3rd May 2017

Annexure 'D' to the Directors' Report

Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1	Name & Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2016-17	*% increase / (decrease) in remuneration in the FY 2016-17
(i)	Mannalal Agrawal	49:1	1
(ii)	Purushottam Agrawal	82:1	10
(iii)	Madhusudan Agrawal	82:1	10
(iv)	Yogesh Agrawal	82:1	10
(v)	Rajesh Agrawal	82:1	10
(vi)	Chandrakant Khetan	3:1	62
(vii)	Dr. Anil Kumar	3:1	181
(viii)	K. H. Viswanathan	2:1	64
(ix)	Prabhakar Dalal	2:1	91
(x)	Dr. Anjana Grewal	2:1	82
(xi)	Arvind Agrawal, Chief Financial Officer	N.A.	19
(xii)	Gaurang Shah, Company Secretary	N.A.	13

* Includes sitting fees paid to Non-Executive Directors. Further sitting fees increased from ₹ 24,000 to ₹ 30,000 w.e.f. 1st April 2016.

2	The percentage increase in the median remuneration of employees in the financial year	11.86%
3	The number of permanent employees on the rolls of company	6,316
4	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration of employee for the financial year 2016-17 was 11.15% against which the increase in managerial remuneration was 10.02%. Percentile increase in median remuneration and that of managerial personnel is in the same range and does not need any justification.
5	Affirmation that the remuneration is as per the remuneration policy of the company	Yes

Annexure 'E' to the Directors' Report - Report on CSR

[Pursuant to section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programme proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

   CSR policy is appended.
   Weblink: http://www.ajantapharma.com/AdminData/PolicyCodes/CSRPoilcy.pdf

2. Composition of the CSR Committee:
   Mr. Mannalal B. Agrawal - Chairman
   Mr. Chandrakant M. Khetan - Member
   Mr. Yogesh M. Agrawal - Member
   Dr. Anil Kumar - Member

3. Average Profit before tax of the company for last three financial years: ₹ **421.13 cr.**

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

   The company is required to spend ₹ 8.42 cr. towards CSR.

5. Details of CSR spent during the financial year:
   (a) Total amount spent for the financial year: ₹ **8.72 cr.**
   (b) Amount unspent, if any: **None**

(c) Manner in which the amount spent during the financial year is detailed below:

₹ lacs

#	CSR project / activity	Sector*	Location – State/ Dist.	Budget	Amount Spent	Direct / Agency
1.	Medical Assistance (Eye Care, family planning, hospital charges)	A	Maharashtra	180	170	Agency
2.	Subsidized food for patients & relatives	A	Maharashtra	35	30	Agency
3.	Facility up gradation at Charitable Hospitals	A	Maharashtra	212	236	Agency / Direct
4.	Educational assistance	B	All India	65	84	Agency
5.	Renovation & Facilities at Schools	B	All India	60	53	Agency
6.	Technical Institute	B	Maharashtra	200	211	Agency
7.	Community Development in rural areas	C	Maharashtra	90	88	Agency / Direct
	TOTAL			**842**	**872**	

*Refers to details of sectors below:
A - Promoting health care including preventive health care
B - Promoting Education, including special education
C – Reducing inequalities faced by socially & economically backward group
Note: No overheads are included in the amount spent.
Agency is Seth Shri Bhagwandasji Agrawal Charitable Trust

6. The Corporate Social Responsibility Committee of the Company hereby confirms that the implementation & monitoring of CSR policy, is in compliance with CSR objectives & policy of the Company.

For Ajanta Pharma Limited

For and on behalf of the
CSR Committee of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director

Mannalal B. Agrawal
Chairman of the CSR Committee

Mumbai, 3rd May 2017

CSR POLICY

(Amended by the Board of Directors on 26th October 2016)

Background

Corporate Social Responsibility at Ajanta Pharma stems from the ideology of providing sustainable value to the society in which the company operates. While meeting the interests of our stakeholders, we recognize the importance of contributing towards development of the underprivileged sections of the society and are committed to execute it responsibly. Through our small contribution, we aspire to improve the quality of life of the weaker sections in the society by making available some basic necessities which are not easily accessible and/or available to them.

CSR Policy

The programs under Ajanta's CSR policy primarily rest on 4 broad categories: Healthcare, Education, Community Development and Ecology. These programs are aimed at long-term sustainability and inclusive development. With special emphasis on areas around Company's operational locations, the programs are designed and implemented taking into consideration specific needs of each area.

1. In Healthcare, our aim is to provide medical assistance to rural underprivileged living in remote village areas with initiatives like:

    a. Free medical camps for health, eye, cataract surgeries, family welfare and related areas

    b. Developing basic infrastructure around government hospitals for people visiting from remote areas like shelter, subsidized food and similar facilities

2. In Education, our efforts concentrate on providing quality learning at affordable cost in rural areas by aiding schools, vocational skill centers and related institutions.

3. In community development we advocate and support sustainability in rural areas giving assistance for safe drinking water, community halls, parks, welfare of victims of natural calamities, amenities in government hospitals, subsidized meals for needy patients & relatives, other such initiatives.

4. For maintaining a balance in the eco-system, we support and initiate programs for continual improvement in Environment, Health and Safety standards.

5. On selective basis, we contribute to Government, voluntary organizations and academic institutes working on any of the causes listed in Schedule VII of the Companies Act, 2013 & Rules framed there under.

6. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

Budget

Minimum of 2% of the Average Net Profit (before tax) of the preceding three years will be allocated every financial year for CSR activities. The expenditure incurred on capacity building programs such as training, workshops, seminars, conferences, etc. and on corporate communication strategies for engagement of all stakeholders, whether internal or external to implement CSR of the company will be accounted as CSR expenditure. Unspent CSR budget of the Company, if any, in any financial year will be allowed to lapse and will not be carried forward in next year.

Monitoring and Review

The company Board has formed CSR Committee who will oversee the policy execution and prepare monitoring mechanism to ensure implementation of the projects, programmes and activities proposed to be undertaken by the Company as per the Policy.

The CSR Policy shall be periodically reviewed and appropriately revised by the CSR Committee.

Annexure 'F' to the Directors' Report- Form No. MGT 9

Extract of annual return as on financial year ended 31st March 2017
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24230MH1979PLC022059
2.	Registration Date	31.12.1979
3.	Name of the Company	Ajanta Pharma Limited
4.	Category/Sub-category of the Company	Company having Share Capital
5.	Address of the Registered office & contact details	'Ajanta House', 98 Govt Industrial Area, Charkop, Kandivali (West), Mumbai 400 067 Tel. No. 022 66061000 Fax No. 022 66061200 Website; www.ajantapharma.com Email: investorgrievance@ajantapharma.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt Ltd C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No. 022 49186000 Fax No. 022 49186060 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated):

Sr No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Pharmaceutical products	21002 & 21005	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr No.	Name and address of the company	CIN/ GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	Ajanta Pharma USA Inc 600 1st Ave., Raritan, NJ 08869.	N.A.	Subsidiary	100%	2(87)
2.	Ajanta Pharma Philippines Inc Unit 710, AXA Life Bldg., 1286, Sen. Gil Puyat Ave., Makati City, Phillipines	N.A.	Subsidiary	100%	2(87)
3.	Ajanta Pharma Mauritius Limited Media Building, Goodlands, Mauritius	N.A.	Subsidiary	100%	2(87)
4.	Ajanta Pharma Mauritius International Limited Abax Corporate Administrators Ltd of 6th Floor, Tower A, 1 Cyber City, Ebene, Mauritius	N.A.	Subsidiary	Step down Subsidiary	2(87)
5.	Ajanta Pharma Nigeria Limited Block 6, House 6B, Houson Wright Estate, Oregun, Lagos	N.A.	Subsidiary	100%	2(87)
6.	Ajanta Pharma UK LTD 2 Cabot House, Compass Point Business Park, ST IVES	N.A.	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Shareholding

SN.	Category of Shareholders	Shareholding at the beginning of the year – 2016				Shareholding at the end of the year - 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	5,65,37,497	-	5,65,37,497	64.24	5,65,37,497	-	5,65,37,497	64.24	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Bodies Corporate	83,92,262	-	83,92,262	9.54	83,92,262	-	83,92,262	9.54	-
	Sub Total (A)(1)	**6,49,29,759**	**-**	**6,49,29,759**	**73.78**	6,49,29,759	-	6,49,29,759	73.78	**-**
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	**-**	**-**	**-**	**-**	-	-	-	-	**-**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**6,49,29,759**	**-**	**6,49,29,759**	**73.78**	6,49,29,759	-	6,49,29,759	73.78	**-**
(B)	**Public Shareholding**									
[1]	Institutions									
(a)	Mutual Funds / UTI	16,60,642	-	16,60,642	1.89	17,32,747	-	17,32,747	1.97	0.08
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	85,87,032	-	85,87,032	9.76	96,15,446	-	96,15,446	10.93	1.17
(f)	Financial Institutions / Banks	19,906	-	19,906	0.02	1,52,780	-	1,52,780	0.17	0.15
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	**1,02,67,580**	**-**	**1,02,67,580**	**11.67**	1,15,00,973		1,15,00,973	13.07	**1.40**
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 2 lakh.	74,71,822	4,87,943	79,59,765	9.05	7,513,973	4,09,693	79,23,666	9.00	-0.05
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	32,46,744	-	32,46,744	3.69	2,271,816	-	22,71,816	2.58	-1.11
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Trusts	8,114	-	8,114	0.01	7,770	-	7,770	0.01	-
	Foreign Nationals	8,500	7,500	16,000	0.02	8,500	11,250	19,750	0.02	-
	Hindu Undivided Family	2,14,771	-	2,14,771	0.24	1,98,313	-	1,98,313	0.23	-0.01
	Non Resident Indians (Non Repat)	1,83,510	-	1,83,510	0.21	1,08,644	-	1,08,644	0.12	-0.09
	Non Resident Indians (Repat)	2,51,726	11,625	2,63,351	0.30	1,92,677	4,125	1,96,802	0.22	-0.08
	Clearing Member	1,24,951	-	1,24,951	0.14	1,14,175	-	1,14,175	0.13	-0.01
	Market Maker	8,984	-	8,984	0.01	181	-	181	0.00	-0.01
	Bodies Corporate	7,76,971	750	7,77,721	0.88	7,32,401	750	7,33,151	0.83	-0.05
	Sub Total (B)(3)	**1,22,96,093**	**5,07,818**	**1,28,03,911**	**14.55**	1,11,48,450	4,25,818	1,15,74,268	13.15	**-1.40**
	Total Public Shareholding (B)=(B)(1)+(B) (2)+(B)(3)	**2,25,63,673**	**5,07,818**	**2,30,71,491**	**26.22**	2,26,49,423	4,25,818	2,30,75,241	26.22	**0.00**
	Total (A)+(B)	**8,74,93,432**	**5,07,818**	**8,80,01,250**	**100.00**	8,75,79,182	4,25,818	8,80,05,000	100.00	**0.00**
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**8,74,93,432**	**5,07,818**	**8,80,01,250**	**100.00**	8,75,79,182	4,25,818	8,80,05,000	100.00	**-**

B) Shareholding of Promoters

SN.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year(*)
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	**No. of Shares**	**% of total Shares of the company**	**% of Shares Pledged / encumbered to total shares**	
1.	Gabs Investments Pvt Ltd	83,92,262	9.54	3.72	83,92,262	9.54	0	0.00
2.	Mr. Rajesh M. Agrawal	64,11,102	7.29	0	1,00,000	0.11	100	-7.18
3.	Mr. Yogesh M. Agrawal	63,83,560	7.25	0	1,00,000	0.11	100	-7.14
4.	Mr. Mannalal B. Agrawal	54,06,720	6.14	0	0	0	0	-6.14
5.	Mr. Purushottam B. Agrawal	53,89,425	6.12	0	0	0	0	-6.12
6.	Mr. Madhusudan B. Agrawal	53,88,750	6.12	0	0	0	0	-6.12
7.	M/s. Ganga Exports represented by Mrs. Manisha Y. Agrawal, Mr. Aayush M. Agrawal & Mrs. Richa R. Agrawal	51,37,500	5.84	0	NA	NA	NA	NA
	M/s. Ganga Exports represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal, Mr. Ravi P. Agrawal & Mr. Aayush M. Agrawal	NA	NA	NA	51,37,500	5.84	99.17	0.00
8.	Mr. Madhusudan B. Agrawal (HUF)	30,75,000	3.50	0	0	0	0	-3.50
9.	Mr. Mannalal B. Agrawal (HUF)	30,60,652	3.48	0	0	0	0	-3.48
10.	Mr. Purushottam B. Agrawal (HUF)	30,36,015	3.45	0	0	0	0	-3.45
11.	Mr. Ravi P. Agrawal	27,67,060	3.14	0	1,90,000	0.21	100	-2.93
12.	Mr. Aayush M. Agrawal	25,77,317	2.93	0	1,90,000	0.21	78.95	-2.72
13.	Mr. Mamta M. Agrawal	18,08,932	2.06	0	0	0	0	-2.06
14.	Mrs. Manisha Y. Agrawal	16,78,912	1.91	0	0	0	0	-1.91
15.	Mrs. Richa R. Agrawal	16,57,500	1.88	0	0	0	0	-1.88
16.	Mrs. Smriti R. Agrawal	16,55,302	1.88	0	0	0	0	-1.88
17.	Mrs. Vimal M. Agrawal	11,03,750	1.25	0	0	0	0	-1.25
18.	Mr. Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	0	0	0	1,27,49,999	14.49	1.25	14.49
19.	Mr. Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	0	0	0	1,27,49,999	14.49	1.25	14.49
20.	Mr. Ravi P. Agrawal, trustee Ravi Agrawal Trust	0	0	0	1,26,59,999	14.39	1.26	14.39
21.	Mr. Aayush M. Agrawal, trustee Aayush Agrawal Trust	0	0	0	1,26,60,000	14.39	1.26	14.39

* Note: Changes in the promoter holding is on account of inter-se transfer of shares amongst the Promoters during the year.

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	**No. of shares**	**% of total shares of the company**
1	Mannalal B. Agrawal	54,06,720	6.14	54,06,720	6.14
Less:	18-Nov-16 (Inter-se transfer)	27,03,360	3.07	27,03,360	3.07
Add:	21-Mar-17(Inter-se transfer)	1,13,98,319	12.95	1,41,01,679	16.02
Less:	22-Mar-17(Inter-se transfer)	13,51,680	1.54	1,27,49,999	14.49
Less:	22-Mar-17(Inter-se transfer)	1,27,49,999	14.49	0	0
2	Purushottam B. Agrawal	53,89,425	6.14	53,89,425	6.14
Less:	22-Sep-16 (Inter-se transfer)	26,86,064	3.05	27,03,361	3.07

SN.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	**No. of shares**	**% of total shares of the company**
Add:	24-Mar-17(Inter-se transfer)	70,00,000	7.95	97,03,361	11.03
Add:	27-Mar-17(Inter-se transfer)	29,56,639	3.36	1,26,60,000	14.39
Less:	27-Mar-17(Inter-se transfer)	1,26,60,000	14.39	0	0
3	Madhusudan B. Agrawal	53,88,750	6.12	53,88,750	6.12
Less:	22-Sep-16 (Inter-se transfer)	26,85,390	3.05	27,03,360	3.07
Add:	22-Mar-17 (Inter-se transfer)	25,00,000	2.84	52,03,360	5.91
Add:	23-Mar-17 (Inter-se transfer)	74,56,639	8.47	1,26,59,999	14.39
Less:	24-Mar-17 (Inter-se transfer)	1,26,59,999	14.39	0	0
4	Yogesh M. Agrawal	63,83,560	7.25	63,83,560	7.25
Add:	22-Sep-16 (Inter-se transfer)	37,36,079	4.27	1,01,46,639	11.53
Add:	18-Nov-16 (Inter-se transfer)	13,51,680	1.54	1,14,98,319	13.07
Less:	21-Mar-17(Inter-se transfer)	1,13,98,319	12.95	1,00,000	0.11
5	Rajesh M. Agrawal	64,11,102	7.29	64,11,102	7.29
Add:	22-Sep-16 (Inter-se transfer)	37,35,537	4.24	1,01,46,639	11.53
Add:	18-Nov-16 (Inter-se transfer)	13,51,680	1.54	1,14,98,319	13.07
Less:	21-Mar-17(Inter-se transfer)	70,00,000	7.95	44,98,319	5.11
Less:	22-Mar-17(Inter-se transfer)	43,98,319	5.00	1,00,000	0.11
6 (*)	Ganga Exports represented by Manisha Agrawal, Aayush Agrawal & Richa Agrawal	51,37,500	5.84	51,37,500	5.84
	Ganga Exports represented by Yogesh Agrawal, Rajesh Agrawal, Ravi Agrawal & Aayush Agrawal	0	0	51,37,500	5.84
7	Mannalal B. Agrawal (HUF)	30,60,652	3.48	30,60,652	3.48
Less:	22-Sep-16 (Inter-se transfer)	30,60,652	3.48	0	0
8	Purushottam B Agrawal (HUF)	30,36,015	3.45	30,36,015	3.45
Less:	22-Sep-16 (Inter-se transfer)	30,36,015	3.45	0	0
9	Madhusudan B Agrawal (HUF)	30,75,000	3.50	30,75,000	3.50
Less:	22-Sep-16 (Inter-se transfer)	30,75,000	3.50	0	0
10	Ravi P. Agrawal	27,67,060	3.14	27,67,060	3.14
Add:	22-Sep-16 (Inter-se transfer)	73,79,579	8.39	1,01,46,639	11.53
Less:	24-Mar-17(Inter-se transfer)	70,00,000	7.95	31,46,639	3.58
Less:	27-Mar-17(Inter-se transfer)	29,56,639	3.36	1,90,000	0.21
11	Aayush M. Agrawal	25,77,317	2.93	25,77,317	2.93
Add:	22-Sep-16 (Inter-se transfer)	75,69,322	8.60	1,01,46,639	11.53
Less:	22-Mar-17 (Inter-se transfer)	25,00,000	2.84	76,46,639	8.69
Less:	23-Mar-17 (Inter-se transfer)	74,56,639	8.47	1,90,000	0.21
12	Mamta M Agrawal	18,08,932	2.06	18,08,932	2.06
Less:	22-Sep-16 (Inter-se transfer)	18,08,932	2.06	0	0
13	Manisha Y Agrawal	16,78,912	1.91	16,78,912	1.91
Less:	22-Sep-16 (Inter-se transfer)	16,78,912	1.91	0	0
14	Richa R Agrawal	16,57,500	1.88	16,57,500	1.88
Less:	22-Sep-16 (Inter-se transfer)	16,57,500	1.88	0	0
15	Smriti R Agrawal	16,55,302	1.88	16,55,302	1.88
Less:	22-Sep-16 (Inter-se transfer)	16,55,302	1.88	0	0
16	Vimal M Agrawal	11,03,750	1.25	11,03,750	1.25
Less:	22-Sep-16 (Inter-se transfer)	11,03,750	1.25	0	0
Add:	21-Mar-17(Inter-se transfer)	70,00,000	7.95	70,00,000	7.95
Add:	22-Mar-17(Inter-se transfer)	13,51,680	1.54	83,51,680	9.49

SN.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	**No. of shares**	**% of total shares of the company**
Add:	22-Mar-17(Inter-se transfer)	43,98,319	5.00	1,27,49,999	14.49
Less:	23-Mar-17(Inter-se transfer)	1,27,49,999	14.49	0	0
17	Yogesh M Agrawal, trustee Yogesh Agrawal Trust	0	0	0	0
Add:	23-Mar-17(Inter-se transfer)	1,27,49,999	14.49	1,27,49,999	14.49
18	Rajesh M Agrawal, trustee Rajesh Agrawal Trust	0	0	0	0
Add:	22-Mar-17(Inter-se transfer)	1,27,49,999	14.49	1,27,49,999	14.49
19	Ravi P Agrawal, trustee Ravi Agrawal Trust	0	0	0	0
Add:	24-Mar-17(Inter-se transfer)	1,26,59,999	14.39	1,26,59,999	14.39
20	Aayush M Agrawal, trustee Aayush Agrawal Trust	0	0	0	0
Add:	27-Mar-17(Inter-se transfer)	1,26,60,000	14.39	1,26,60,000	14.39

(*) There is change in partners of the partnership firm M/s. Ganga Exports

D) Shareholding of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		**Cumulative Shareholding during the year**	
		No. of shares	% of total shares of the company	**No. of shares**	**% of total shares of the company**
1.	Matthews India Fund	28,72,072	3.26	28,72,072	3.26
Less:	Market Sale	6,45,842	0.73	22,26,230	2.53
2.	Motilal Oswal Most Focused Multicap 35 Fund	13,98,015	1.59	13,98,015	1.59
Add:	Market Purchase	5,19,925	0.59	19,17,940	2.18
Less:	Market Sale	4,98,810	0.57	14,19,130	1.61
3.	Narendra Kumar Agarwal	5,50,000	0.63	5,50,000	0.63
Less:	Market Sale	5,50,000	0.63	0	0
4.	Narendra Kumar Agarwal	5,50,000	0.63	5,50,000	0.63
Less:	Market Sale	5,50,000	0.63	0	0
5.	Kotak Mahindra (International) Limited	9,70,573	1.10	9,70,573	1.10
6.	Onkar Singh Kalra	5,07,455	0.57	5,07,455	0.57
Add:	Market Purchase	1,345	0.00	5,08,800	0.57
7.	Prerna Chaudhary	4,72,074	0.53	4,72,074	0.53
Add:	Market Purchase	18,101	0.02	4,90,175	0.55
8.	Sushama Chaudhary	4,61,529	0.52	4,61,529	0.52
Add:	Market Purchase	10,101	0.01	4,71,630	0.53
9.	Orbimed Partners Master Mauritius Limited	2,20,000	0.25	2,20,000	0.25
Add:	Market Purchase	2,17,000	0.25	4,37,000	0.50
10.	Orbimed Partners Ii Mauritius Limited	1,90,000	0.21	1,90,000	0.21
Add:	Market Purchase	1,95,200	0.23	3,85,200	0.44
11.	Suresh Kumar Agarwal	5,50,000	0.63	5,50,000	0.63
Less:	Market Sale	2,00,000	0.23	3,50,000	0.40
12.	Madhulika Agrawal	5,50,000	0.63	5,50,000	0.63
Less:	Market Sale	2,00,000	0.23	3,50,000	0.40

E) Shareholding of Directors and Key Managerial Personnel:

SN.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	*Mannalal B. Agrawal, Chairman	54,06,720	6.14	54,06,720	6.14
Less:	18-Nov-16 (Inter-se transfer)	27,03,360	3.07	27,03,360	3.07
Add:	21-Mar-17(Inter-se transfer)	1,13,98,319	12.95	1,41,01,679	16.02
Less:	22-Mar-17(Inter-se transfer)	13,51,680	1.54	1,27,49,999	14.49
Less:	22-Mar-17(Inter-se transfer)	1,27,49,999	14.49	0	0
2	*Purushottam B. Agrawal, Vice-Chairman	53,89,425	6.14	53,89,425	6.14
Less:	22-Sep-16 (Inter-se transfer)	26,86,064	3.05	27,03,361	3.07
Add:	24-Mar-17(Inter-se transfer)	70,00,000	7.95	97,03,361	11.03
Add:	27-Mar-17(Inter-se transfer)	29,56,639	3.36	1,26,60,000	14.39
Less:	27-Mar-17(Inter-se transfer)	1,26,60,000	14.39	0	0
3	*Madhusudan B. Agrawal, Vice-Chairman	53,88,750	6.12	53,88,750	6.12
Less:	22-Sep-16 (Inter-se transfer)	26,85,390	3.05	27,03,360	3.07
Add:	22-Mar-17 (Inter-se transfer)	25,00,000	2.84	52,03,360	5.91
Add:	23-Mar-17 (Inter-se transfer)	74,56,639	8.47	1,26,59,999	14.39
Less:	24-Mar-17 (Inter-se transfer)	1,26,59,999	14.39	0	0
4	*Yogesh M. Agrawal, Managing Director	63,83,560	7.25	63,83,560	7.25
Add:	22-Sep-16 (Inter-se transfer)	37,36,079	4.27	1,01,46,639	11.53
Add:	18-Nov-16 (Inter-se transfer)	13,51,680	1.54	1,14,98,319	13.07
Less:	21-Mar-17(Inter-se transfer)	1,13,98,319	12.95	1,00,000	0.11
5	*Rajesh M. Agrawal, Joint Managing Director	64,11,102	7.29	64,11,102	7.29
Add:	22-Sep-16 (Inter-se transfer)	37,35,537	4.24	1,01,46,639	11.53
Add:	18-Nov-16 (Inter-se transfer)	13,51,680	1.54	1,14,98,319	13.07
Less:	21-Mar-17(Inter-se transfer)	70,00,000	7.95	44,98,319	5.11
Less:	22-Mar-17(Inter-se transfer)	43,98,319	5.00	1,00,000	0.11
6	Yogesh M Agrawal, trustee Yogesh Agrawal Trust	0	0	0	0
Add:	23-Mar-17(Inter-se transfer)	1,27,49,999	14.49	1,27,49,999	14.49
7	Rajesh M Agrawal, trustee Rajesh Agrawal Trust	0	0	0	0
Add:	22-Mar-17(Inter-se transfer)	1,27,49,999	14.49	1,27,49,999	14.49
8	Dr. Anil Kumar, Independent Director	-	-	-	-
9	Chandrakant Khetan, Independent Director	-	-	-	-
10	K.H. Viswanathan, Independent Director	-	-	-	-
11	Prabhakar Dalal, Independent Director	-	-	-	-
12	Dr. Anjana Grewal, Independent Director	-	-	-	-
13	Arvind Agrawal, Chief Financial Officer	22,500	0.03	22,500	0.03
14	Gaurang Shah, Company Secretary	500	0.00	500	0.00

* There is change in number of shares held by Promoter Directors due to inter-se transfer of shares amongst promoters during the year.

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in cr.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	58.13	9.95	---	68.08
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	0.02	---	---	0.02
Total (i+ii+iii)	**58.15**	**9.95**	**---**	**68.10**
Change in Indebtedness during the financial year				
* Addition	---	---	---	---
* Reduction	(52.62)	(9.95)	---	(62.57)
Net Change	(52.62)	(9.95)	---	(62.57)
Indebtedness at the end of the financial year				
i) Principal Amount	5.53	---	---	5.53
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	**5.53**	**---**	**---**	**5.53**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Purushottam B. Agrawal	Madhusudan B. Agrawal	Yogesh M. Agrawal	Rajesh M. Agrawal	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,07,36,000	2,07,36,000	2,07,36,000	2,07,36,000	8,29,44,000
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	N.A.	N.A.	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.	N.A.	N.A.
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	**2,07,36,000**	**2,07,36,000**	**2,07,36,000**	**2,07,36,000**	**8,29,44,000**
	Ceiling as per Act	₹ 67,91,80,565 (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).				

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		Mannalal B. Agrawal	Chandrakant M. Khetan	Dr. Anil Kumar	K H Viswanathan	P R Dalal	Dr. Anjana Grewal	
1	Independent Directors							
	Fee for attending Board & Committee meetings	-	5,00,000	4,75,000	3,50,000	3,50,000	3,25,000	20,00,000
	Commission	-	1,25,000	1,25,000	1,25,000	1,25,000	1,25,000	6,25,000
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	**6,25,000**	**6,00,000**	**4,75,000**	**4,75,000**	**4,50,000**	**26,25,000**
2	Other Non-Executive Directors							
	Fee for attending Board & Committee meetings	3,75,000	-	-	-	-	-	3,75,000
	Commission	1,20,00,000	-	-	-	-	-	1,20,00,000
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	**1,23,75,000**	-	-	-	-	-	**1,23,75,000**
	Total (B)=(1+2)	**1,23,75,000**	**6,25,000**	**6,00,000**	**4,75,000**	**4,75,000**	**4,50,000**	**1,50,00,000**
	Ceiling as per Act	₹ 6,79,18,057 (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).						

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34,96,570	78,94,200	1,13,90,770
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	32,400	28,800	61,200
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission - as % of profit - others specify...	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.
	Total	**35,28,970**	**79,23,000**	**1,14,51,970**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

Annexure – 'G' to the Director's Report

A. CONSERVATION OF ENERGY:

1. Energy Conservation Measures taken during the year:

i. Monitored power factor to unity.
ii. Replacement of CFL and metal headlight lamps with LED Lights in plants and warehouses.
iii. Continuous monitoring of HVAC System & AHU
iv. Eliminated leakages in utility systems.
v. Installation of solar heaters in one of the manufacturing facilities.
vi. Installation of motion sensors to reduce electricity wastage.
vii. Fixed of variable frequency for heavy load machines.
viii. Ensured best possible automation to reduce electricity wastage.

2. Impact of above measures:

i. Reduction in power consumption.
ii. Reduction in fuel consumption.
iii. Reduction in carbon footprint.
iv. Reduction in fuel & power cost.
v. Increase in operational efficiencies.

3. Total energy consumption and energy consumption per unit of production

i. As per details in Form A below

Form A

Year ended 31 March	2017	2016
(i) Power and Fuel Consumption		
Electricity		
(a) Purchased Unit (Thousand KWH)	11,514.46	11,868.71
Total Amount (₹ In lacs)	**795.12**	**911.18**
Rate/Unit (KWH) (₹)	6.63	7.68
(b) Own generation Unit (Thousand KWH)	142.90	598.04
Unit per Ltr. of Diesel Oil (KWH)	4.00	3.12
Cost / Unit (KWH) (₹)	20.01	17.71

ii. Consumption per unit of production

The Company manufactures APIs and several drug formulations of different pack sizes. It is therefore, impracticable to apportion the consumption and the cost of utilities to each product.

4. Steps taken by the company for utilizing alternate sources of energy:

It has taken steps to adopt green energy alternates & invested significantly for installation of solar heater system at one of its manufacturing facilities.

5. Capital investment on energy conservation equipment:

Company has invested significantly on energy conservation equipment across all units.

B. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

We continued to fortify our research foundation through prudent investments that place us at the front-line of technology and help us deliver complex products. We continued to develop new products and processes to enrich our portfolio and to give further impetus to our growth plans. During the year, we added around 200 scientists to strengthen the team.

We have significant expertise to develop and manufacture complex formulations in various dosage forms including tablets, capsules, powders, ophthalmic sterile eye drops, ointments and injectables. During the year we continued to develop robust, potent and cost effective formulations to meet patient needs and bridge the gaps, with special emphasis on deployment of new processes for synthesis of Active Pharmaceutical Ingredients; development of novel drug delivery systems for existing and newer active drug substances; use of cutting technology for making superior quality products; analytical method development and validation etc.

1. Specific areas in which R & D was carried out:

- Development of Peroduo Gel for treatment of acne.
- Development of Minocycline Foam without surfactant for acne treatment.
- Development of Minocycline Gel for acne treatment.
- Development of lotion for fungal infections.
- Development of double and triple combination products for effective and fast remedy
- Development of low and high power tablets for the treatment of pulmonary arterial hypertension.
- Development of Tablets for the treatment of rheumatoid arthritis.

For the US and developed markets, company has made successful developments of formulations in the areas of:

- Immediate-release solid oral dosage forms including Nanonized technology.
- Powder for Oral Solutions / Suspensions.
- Extended-Release and Delayed-Release pellet based capsules dosage forms
- OROS (Osmotic Release Oral System) based technology in solid oral dosage form products for various therapeutic segments.
- Ophthalmic products for various therapeutic segments for filing in regulated markets.

2. Benefits derived as a result of R&D

- Company has launched 15 new products, seven of which are for domestic market, one for ROW market and seven for US market.
- Introduced about 80% of 1st time ophthalmic launches in last 11 years.
- Launched world's fastest acting & India's first ocular anti-allergic drug which is approved by USFDA and other regulators
- Received approvals for 9 ANDAs; launched & commercialized 7 products in US market and filed 8 news products with USFDA for ANDA approval.
- First day launch of Omeprazole and Sodium Bicarbonate Capsules in US market.
- 13 APIs successfully developed and charged for stability study during FY17, 7 API were scaled-up at plant for commercialization for Domestic/ROW market
- Several other APIs under development/ ready for scale up at plant level.

3. Future plan of action

In the coming year, company plans:

- New platform technologies development in derma products for better stability.
- Development of parenteral and topical dosages forms.
- Development of ophthalmic products for ROW market.
- Develop preservative free ophthalmic products.
- Continue to innovate APIs for specialty segments.
- Focus on formulation development of Patent challenge products.
- Develop/launch annually 12 to 15 first time products in India & to file 12 to 15 ANDAs.
- Continue quality upgradation of existing products with newer technologies.
- Continue to develop cost-effective formulations for expanding consumer base.
- Accelerate R & D activities to support product pipeline for various markets across the globe.

4. Efforts in brief, made towards Technology absorption, adaptation and innovation

Company strives to develop technologically advanced, potent and affordable products to meet the patients' needs. Focus is on continuous quality upgradation of existing products by adopting new technology and developing new and improved drug delivery system for enhancing patient comfort.

Company has set up separate state-of-art R & D facility to meet the needs of different geographies and segments. Top most quality being the benchmark, the R & D facilities and team develop formulations and APIs that meet stringent regulatory norms and audit and enjoy consumer preferences worldwide.

The Company lays emphasis on absorbing and adapting latest technologies and find innovative solutions in the form of novel drug delivery system, double and triple combinations to give multiple reliefs, alternative and efficient formulations vis-à-vis traditional ones etc.

5. Expenditure on R&D

Particulars	₹ cr.
Capital Expenditure	45.77
Recurring Expenditure	150.15
Total	**195.92**
Total R&D expenditure as a percentage of total turnover	10.75%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Information on activities relating to exports, initiatives taken to increase exports, etc. are covered in the Management Discussion and Analysis in this annual report.

2. Total foreign exchange used and earned

- Earnings in foreign currency – ₹ 1,147.70 cr. (previous year ₹ 1,042.18 cr.)
- Outgo in foreign currency – ₹ 220.58 cr. (previous year ₹ 167.82 cr.)

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Corporate Governance

Ajanta Pharma believes that for sustained growth and for enhancing shareholder value, sound Corporate Governance is a must. We ensure fairness for every stakeholder – our customers, investors, vendors and communities where we operate, through transparency and accountability, the two basic tenets of Corporate Governance. Accordingly, we always seek to ensure that our performance is driven by integrity, values and ethics. We are proud to be a responsible corporate citizen.

Company is in compliance with all mandatory requirements of corporate governance laid down under the new Listing Regulations and has also been complying with some non-mandatory requirements. Company has guiding principles laid out through its Code of business conduct, duly adopted and adhered to by directors and senior management personnel which has been posted on website of company.

II. Board of Directors:

A. Composition and category of Directors

There were no changes in the Board composition during the year. The Board continues to comprise of 10 directors with 4 Executive Promoter Directors, 1 Non-Executive Promoter Director and 5 Independent Directors, including 1 Woman Director. Your directors have rich and varied experience in fields of business management, medicine, banking & finance, project management, risk management, international operations, marketing, HR, Corporate Governance and bring in extensive knowledge and expertise to the Board. Board provides strategic guidance to the company and ensures effective monitoring of the management and corporate governance practices.

B. Board Meetings and attendance

Board meeting dates are finalized in consultation with all directors. Agenda papers with detailed notes and background information are circulated at least 8 days prior to the meeting, thereby enabling the Board to effectively and reasonably perform their duties and take informed decisions. Arrangements are made for participation of Board members in the Board Meeting through video conferencing as and when requested. Detailed presentation is made by the management to apprise the Board of important developments in industry, business segments, operations, marketing, products, HR, subsidiaries etc. During the year, five Board Meetings were held on 29th April 2016; 26th July 2016; 26th October 2016; 24th January 2017 and 18th March 2017.

Composition of Directors as on 31st March 2017, excluding their directorship / committee membership in private limited companies & foreign companies and their attendance in Board / Annual General meeting are given below. Committee membership is only for audit committee and stakeholder relationship committee.

Name of the Director	Category	Attendance		Other Directorships	Committee Membership	
		Board	AGM		Member	Chairman
Mr. Mannalal B. Agrawal	Promoter & Non-Executive	5	Yes	3	3	0
Mr. Purushottam B. Agrawal	Promoter & Executive	3	Yes	3	0	0
Mr. Madhusudan B. Agrawal	Promoter & Executive	5	Yes	3	0	0
Mr. Yogesh M. Agrawal	Promoter & Executive	5	Yes	1	0	0
Mr. Rajesh M. Agrawal	Promoter & Executive	5	Yes	-	1	0
Mr. Chandrakant M. Khetan	Independent	5	Yes	4	0	1
Dr. Anil Kumar	Independent	5	Yes	-	0	1
Mr. K. H. Viswanathan	Independent	5	Yes	-	1	0
Mr. Prabhakar Dalal	Independent	5	Yes	7	6	1
Dr. Anjana Grewal	Independent	5	Yes	2	2	0

Notes:

(a) Mr. Mannalal B. Agrawal, Mr. Purushottam B. Agrawal and Mr. Madhusudan B. Agrawal are brothers. Mr. Yogesh M. Agrawal and Mr. Rajesh M. Agrawal are sons of Mr. Mannalal B. Agrawal

(b) None of the Non-Executives Directors are holding any shares in the Company.

C. Re-appointment of Directors retiring by rotation:

Details of Director seeking appointment/reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is annexed to the Notice convening the Annual General Meeting and forms part of this Annual Report.

D. Independent Director's Familiarisation programme

The details of the familiarisation programme imparted to Independent Directors have been put on the website of the company. The link can be accessed at www.ajantapharma.com/AdminData/DirectorFamiliarizationProgram/Directorsfamilarisationprogramme2017.pdf

E. Performance Evaluation

Board carried out annual performance evaluation of itself, Committees and Independent Directors for the year 2016. Nomination and Remuneration Committee evaluated individual directors' performance. At a separate meeting, Independent Directors evaluated performance of Executive Directors, Board as a whole and Chairman.

Performance evaluation was done on the scale of 1 to 5, 1 being very poor and 5 being very good, by rating performance on laid down criteria, like:

(i) **Board:** Composition, diversity, governance, leadership, directions, strategic input, etc.

(ii) **Executive Directors:** Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, etc.

(iii) **Independent Directors:** Objectivity, bringing independent judgement, time devotion, domain knowledge contribution, etc.

(iv) **Chairman:** Guidance, overall direction, Board members participation, governance, conducting meetings impartially, etc.

(v) **Committees:** Effectiveness, implementation of policies, procedures and plans, adherence to terms of reference, strategic input to Board, etc.

The Board expressed its satisfaction on the process as well as performance of all Directors, committees and Board as a whole.

F. Independent Directors' Meeting

During the year under review, one meeting of independent Directors was held on 24th January 2017 and Independent Directors reviewed all the matters as per Schedule IV of the Companies Act, 2013 (the Act).

All the Independent Directors were present at the meeting.

G. Code of Conduct

Board of Directors have laid down Code of Conduct for Directors and Senior Management ("the Code") for all the Board members and senior management personnel. All the Directors and senior management have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors and a declaration to this effect signed by the Managing Director has been annexed to this report. The code of conduct has been posted on the website of the Company www.ajantapharma.com.

H. Prevention of Insider Trading

The company has devised and adopted Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price sensitive information of the Company. Company Secretary, is the Compliance Officer for the purpose of this code. During the year there has been due compliance with the code by the Company and all insiders and requisite disclosures were made to the Stock Exchanges from time to time.

III. Audit Committee

Terms of reference of Audit committee covers all matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, which inter-alia includes:

(i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

(ii) Reviewing with the management, the quarterly and annual financial statements before submission to the board for approval;

(iii) Evaluation of internal financial controls & risk management systems;

(iv) Recommendation for appointment, remuneration and terms of appointment of Statutory Auditors;

(v) Review and monitor auditor's independence, performance and effectiveness of audit process;

(vi) Approval or any subsequent modification of transactions with related parties;

(vii) Scrutiny of inter-corporate loans and investments;

(viii) Discussion with internal auditors on any significant findings and follow up there on;

(ix) Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(x) Reviewing functioning of whistle blower mechanism.

The Committee comprises of 4 Directors, out of which three are Independent Directors. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statement. In the financial year 2016-17, five meetings were held on 29th April 2016; 26th July 2016; 26th October 2016; 24th January 2017 and 18th March 2017. Composition of committee as on 31st March 2017 and member's attendance at the meetings during the year are as under:

Name	Designation	Meetings attended
Mr. Chandrakant Khetan	Chairman	5
Mr. K H Viswanathan	Member	5
Mr. Prabhakar Dalal	Member	5
Mr. Mannalal B. Agrawal	Member	5

The Company Secretary acts as Secretary of the Committee.

Chief Financial Officer, statutory auditors and internal auditors attend all the meetings.

IV. Nomination & Remuneration Committee

Terms of reference of the committee comprise of various matters provided under Regulation 19 of the Listing Regulations and section 178 of the Act, which inter-alia include:

(i) Formulation of criteria for determining qualifications, positive attributes and independence of a director.

(ii) Formulate and recommend to the board policy relating to, remuneration of directors, key managerial personnel and other employees;

(iii) Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;

(iv) Evaluate performance of individual directors;

(v) Devise policy on diversity of Board of Directors;

(vi) Identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the board of directors their appointment and removal.

The Committee comprises of four Independent Directors. In the financial year 2016-17, two meetings of the Committee were held on 29th April 2016 and 24th January 2017. Composition of committees and member's attendance at the meeting during the year are as under:

Name	Designation	Meetings attended
Dr. Anil Kumar	Chairman	2
Mr. Chandrakant Khetan	Member	2
Mr. K H Viswanathan	Member	2
Mr. Prabhakar Dalal	Member	2

The Company Secretary acts as Secretary of the Committee.

V. Remuneration of Directors:

Nomination & Remuneration Committee has formulated Policy for Remuneration of Directors, Key Managerial Personnel (KMP) & other employees. As per the Policy, remuneration to Non-executive Directors and Independent Directors includes fees for attending meetings of the Board as well as Committees, Commission on net profits, travelling and other expenses. Remuneration to Executive Directors shall be fair and reasonable after taking into account, level of skill, knowledge and core competence of individual, functions, duties and responsibilities, Company's performance and achievements, compensation of peers / industry standard and other factors laid down in the policy.

Committee shall recommend to the board, periodic revision in remuneration of Executive Directors and Board shall fix their remuneration taking into consideration above factors as also ceiling limits prescribed under the Act. The same shall also be approved by the shareholders where required.

There were no pecuniary relationship or transactions of the non-executive Directors vis-à-vis the Company during the year. Independent Directors were paid sitting fees and commission during the year. No stock options were granted to any Directors.

Remuneration paid to Executive and Non-executive Directors during the year ended 31st March 2017 was as under:

₹ Lacs

Remuneration to Directors	Remuneration	Sitting Fees	Commission	Total
Mr. Purushottam B. Agrawal	207.36	-	-	207.36
Mr. Madhusudan B. Agrawal	207.36	-	-	207.36
Mr. Yogesh M. Agrawal	207.36	-	-	207.36
Mr. Rajesh M. Agrawal	207.36	-	-	207.36
Mr. Mannalal B. Agrawal	-	3.75	120.00	123.75
Mr. Chandrakant Khetan	-	5.00	1.25	6.25
Dr. Anil Kumar	-	4.75	1.25	6.00
Mr. Prabhakar Dalal	-	3.50	1.25	4.75
Mr. K H Viswanathan	-	3.50	1.25	4.75
Dr. Anjana Grewal	-	3.25	1.25	4.50

VI. Stakeholders' Relationship Committee:

Committee performs various functions conferred under the Listing Regulations and section 178 of the Act, which mainly covers ensuring resolution of grievances of security holders of the Company.

The Committee comprises of three Directors out of which two are independent. In the financial year 2016-17, four meetings of the Committee were held on 29th April 2016; 26th July 2016; 26th October 2016 and 24th January 2017. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Meetings attended
Dr. Anil Kumar	Chairman	4
Dr. Anjana Grewal	Member	4
Mr. Rajesh Agrawal	Member	4

Mr. Gaurang Shah, is designated as the compliance officer by the Company and acts as Secretary of the Committee.

Company received 61 complaints during the year and all of them have been redressed/answered to the satisfaction of investors. No investor grievance remained unattended/pending.

VII. Corporate Social Responsibility Committee (CSR)

Corporate Social Responsibility at the company stems from the philosophy of providing sustainable value to the society in which the company operates and contributing towards development of the underprivileged sections of the society. Based on the recommendations of the CSR Committee, the company has laid down the CSR policy, which is displayed on the website of the company. It can be accessed at http://www.ajantapharma.com/AdminData/PolicyCodes/CSRPoilcy.pdf. The CSR policy is within the ambit of Schedule VII of the Act.

The Committee oversees the implementation and execution of CSR Policy and provides guidance on various CSR activities to be undertaken by the Company.

The Committee comprises of four Directors. In the financial year 2016-17, four meetings of the Committee were held on 29th April 2016; 26th July 2016; 26th October 2016 and 24th January 2017. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Meetings attended
Mr. Mannalal B. Agrawal	Chairman	4
Mr. Yogesh M. Agrawal	Member	4
Mr. Chandrakant Khetan	Member	4
Dr. Anil Kumar	Member	4

The Company Secretary acts as Secretary of the Committee.

VIII. Compensation Committee

The Committee is constituted for granting employee stock options to eligible employees under the ESOP scheme of the Company. During the financial year

2016-17, two meetings were held on 6th May 2016 and 26th July 2016. The details of composition of the Committee and member's attendance at the meeting are as under:

Name	Designation	Meetings attended
Mr. Chandrakant Khetan	Chairman	2
Mr. Yogesh M. Agrawal	Member	2
Dr. Anjana Grewal	Member	2
Dr. Anil Kumar	Member	2

The Company Secretary acts as Secretary of the Committee.

IX. Executive Committee

Board has constituted Executive Committee for dealing with various urgent operational matters viz. granting power of attorney to employees on need basis, opening & operating of bank accounts, availing various banking facilities and routine administrative matters. Eight meetings of Executive Committee were held during the year. The details of composition of the Committee and member's attendance at the meetings are as under:

Name	Designation	Meetings attended
Mr. Yogesh M. Agrawal	Chairman	8
Mr. Rajesh M. Agrawal	Member	8
Mr. Purushottam B. Agrawal	Member	6
Mr. Madhusudan B. Agrawal	Member	8

X. General Body Meetings

Annual General Meetings during last 3 years were held on:

AGM	Date	Time	Venue	No. of special resolutions passed
35th	5th August 2014	11.00 a.m.	Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivali West, Mumbai – 400092	3
36th	4th July 2015			2
37th	5th July 2016			-

During the year, the Company has not passed any resolutions through postal ballot.

XI. Means of Communication

Board of Directors approves and takes on record Unaudited Quarterly Results and Audited Annual Results and announces forthwith the results to both Stock Exchanges where the shares of the Company are listed together with press release of brief analysis of results. Same are published within 48 hours in The Economic Times (English daily newspaper) and Maharashtra Times (Marathi newspaper). These results are simultaneously posted on the website of the Company at www.ajantapharma.com and also uploaded on the website of National Stock Exchange of India Ltd. and the BSE Limited. Official news releases and presentations made to Institutional investors/analysts are also posted on the website of the company.

XII. General Shareholders Information:

1. **38th Annual General Meeting to be held on:**
   Wednesday, 5th July 2017 at 11.00 a.m. at Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad West, Mumbai, Maharashtra 400064.

2. **Financial Calendar**
   Financial year: 1st April 2017 to 31st March 2018
   Quarterly results will be declared normally in 4th week of following month after the end of financial quarter.

3. **Dates of Book Closure :**
   Wednesday, 28th June 2017 to Wednesday, 5th July 2017 (both days inclusive)

4. **Dividend Payment Date :**
   Interim Dividends paid on 10th November 2016 & 30th March 2017 are proposed as final dividend and no additional dividend is recommended.

5. **Listing on Stock Exchanges:**
   a) BSE Limited (Code: AJANTAPHARM 532331)

   b) National Stock Exchange of India Limited (Code: AJANTPHARMEQ)

   The Annual Listing fees were paid in time to both these Stock Exchanges.

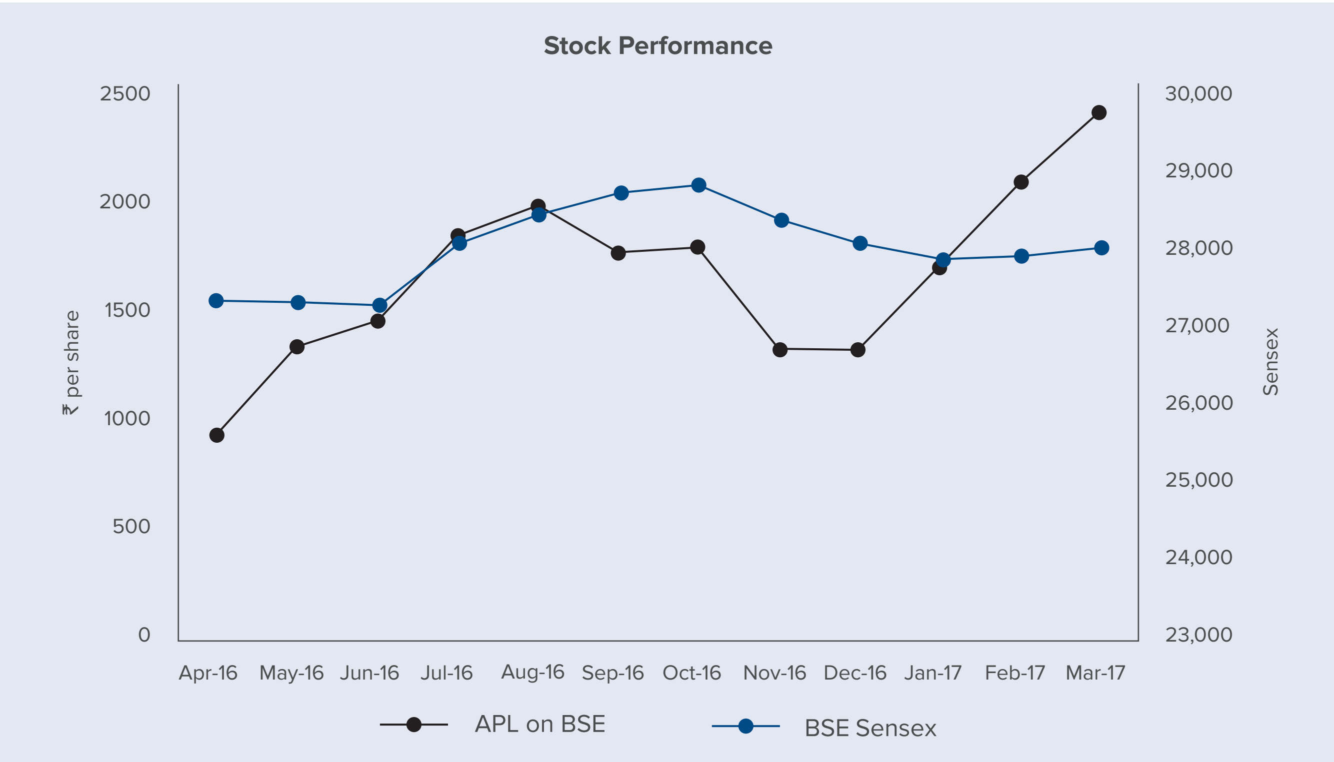
6. **ISIN number for NSDL and CDSL:**
   INE031B01049

7. **CIN number :**
   L24230MH1979PLC022059

8. Stock Market Data

	Bombay Stock Exchange(BSE)		National Stock Exchange(NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-16	1,561.00	1,350.50	1,564.00	1,349.25
May-16	1,640.00	1,446.00	1,614.35	1,445.10
Jun-16	1,593.00	1,400.05	1,594.55	1,399.30
Jul-16	1,785.00	1,500.05	1,790.00	1,492.00
Aug-16	2,007.25	1,752.00	2,009.95	1,752.35
Sep-16	2,098.00	1,837.70	2,095.90	1,825.00
Oct-16	2,150.00	1,884.40	2,125.00	1,890.25
Nov-16	2,050.00	1,686.00	2,053.90	1,683.05
Dec-16	1,922.00	1,665.00	1,927.00	1,665.55
Jan-17	1,837.25	1,527.45	1,840.00	1,526.65
Feb-17	1,833.90	1,665.30	1,832.00	1,665.00
Mar-17	1,870.00	1,698.00	1,852.95	1,700.10

9. Performance of APL Share price in comparison to BSE Sensex:



10. Registrar and Transfer Agents :

Link Intime India Private Limited - Unit: Ajanta Pharma Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083
Tel No: +91 22 49186000 Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

11. Share Transfer System:

Shares in physical form sent for registering transfer, to the Registrar and Shares Transfer Agents, M/s. Link Intime India Private Limited are registered and returned within statutory period of 15 days from the date of receipt, if the documents are in order in all respects. The Share Transfer Committee of the Company meets as often as required. During the year 2016-17 the total numbers of shares transferred in physical form were as follows:-

Transfer period (in days)	No. of requests (processed, effected & dispatched)	No. of shares	%
1-15	42	42,625	94.20
16-20	3	2,625	5.80
21-30	Nil	Nil	Nil
30 & Above	Nil	Nil	Nil
TOTAL	**45**	**45,250**	**100**

12. Distribution of Equity Shareholding as on 31st March 2017:

No. of shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 500	34,352	90.22	22,36,517	2.54
501- 1000	1,992	5.23	14,59,840	1.66
1001-2000	914	2.40	12,67,011	1.44
2001-3000	297	0.78	7,48,293	0.85
3001-4000	129	0.34	4,64,887	0.53
4001-5000	73	0.19	3,29,761	0.37
5001-10000	144	0.38	10,00,147	1.14
10001 & above	174	0.46	804,98,544	91.47
TOTAL	**38075**	**100.00**	**8,80,05,000**	**100.00**

13. Pattern of Shareholding:

Sr No.	Category	As on 31st March 2017	
		No of shares	**% of total no. of shares**
1.	Promoters Holding		
	Promoters	6,49,29,759	73.78
	Foreign Promoters	N.A.	N.A.
2.	Mutual Funds	17,32,747	1.97
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	1,52,780	0.17
4.	Private Corporate Bodies	7,33,151	0.83
5.	Indian Public	1,04,01,565	11.82
6.	NRIs/OCBs/FII's/Foreign Nationals	99,40,642	11.30
7.	In Clearance	1,14,356	0.13
	TOTAL	**8,80,05,000**	**100.00**

14. Dematerialisation of Shares and liquidity:

99.52% of the total equity capital is held in dematerialized form with NSDL and CDSL as on 31st March 2017. As per guidelines of SEBI, the trading in equity shares of the company is permitted only in dematerialised form.

All shares of the company are liquid and traded in normal volume on BSE and NSE. Relevant data for the average daily turnover for the financial year 2016-17 is given below: -

	Bombay Stock Exchange (BSE)	National Stock Exchange (NSE)	BSE + NSE
In no. of Shares	17,310	1,53,333	1,70,643
In value terms ₹	3,04,52,078	27,01,29,788	30,05,81,866

15. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued these types of securities.

16. Commodity price risk or foreign exchange risk and hedging activities:

The Company purchases Active Pharmaceutical Ingredient (API) and other materials that are used in the manufacturing operations, from foreign and domestic suppliers. Most of these materials are sourced from the domestic market and therefore do not have significant foreign exchange fluctuation risks. The Company has Risk Management framework to pro-actively mitigate the impact through measures like cost based price increases, cost reduction measures, portfolio rationalization, renegotiate procurement contracts etc. The Company also develops on an ongoing basis, alternate supply sources for key products subject to economic justification. Currency risks mainly arise out of overseas operations and financing activities. Exchange rate fluctuations could significantly impact earning and net equity because of invoicing in foreign currencies, expenditures in foreign currencies and translation of financial statement of overseas subsidiaries into Indian Rupees. The Company has defined exchange Risk Management framework to manage these risks excluding the translation risks. The Company hedges its foreign exchange risk exposure by way of forward exchange contracts as per the decision of Forex Management Committee from time to time.

17. Employees Stock Option Scheme 2011 (ESOS 2011):
During the year 2,500 options were exercised by employee of a subsidiary company, who was also granted Bonus element of 1,250 options. Thus a total of 3,750 options were allotted and listed on the Stock Exchanges. During the year 15,500 options were granted to employees (including employees of overseas subsidiary company). As on 31st March 2017, no options are due for vesting.

18. Plant Locations:
The Company has 6 Manufacturing Plants which are as follows:

i. B-4, B-5, B-6, MIDC Industrial Area, Paithan, Dist. Aurangabad.
ii. 31-O, MIDC Industrial Area, Chikalthana, Aurangabad.
iii. Gut No. 11/12/14/15, Chitegaon, Paithan Road, Dist. Aurangabad.
iv. Gut No. 378, Plot No. 8, Waluj, Aurangabad.
v. Plot No Z-103 /A, Dahej SEZ - Part II, Dist. Bharuch.
vi. Mirza Palashbari Road, Mouza, Kamrup (R), Dist, Guwahati.

19. R & D Centres are located at Charkop, Kandivali West, Mumbai.

20. Investor Correspondence Address:

(i) For shares held in physical form
Link Intime India Pvt Ltd
Unit: Ajanta Pharma Limited
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083
Tel No: +91 22 49186000 Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

(ii) For shares held in demat form
To the concerned Depository participant

(iii) Details of Compliance Officer
Mr. Gaurang Shah
AVP - Legal & Company Secretary
Ajanta House, 98 Govt. Ind. Area,
Charkop, Kandivali West,
Mumbai - 400067
Tel.: 022 - 6606 1000; Fax: 022 - 6606 1200/1300
E-mail: investorgrievance@ajantapharma.com

XIII. Subsidiary Companies

Company does not have any Indian subsidiary and as such requirement of appointment of independent Director of the Company on the Board of material Indian subsidiary is not applicable. Audited Annual Financial Statements of overseas Subsidiary Companies are tabled at the Audit Committee and Board Meetings. Copies of the Minutes of the Board Meetings of Subsidiary companies are individually given to all the Directors and are tabled at the subsequent Board Meetings. Web link of policy for determining material subsidiaries is http://www.ajantapharma.com/AdminData/PolicyCodes/c2ea3c56-332b-4e83-a771-f1a8934ec008PolicyonMaterialSubsidiaries.pdf

XIV. Other Disclosures:

a. There were no transactions of material nature with its related parties that may have the potential conflict with the interest of the company at large. Transactions with related parties are disclosed in Note No. 47 of the Financial Statements.

b. There were no instances of non-compliance nor have any penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market, during last 3 financial years.

c. The Board of Directors of the Company has adopted and put in place a Whistle Blower Policy and no personnel have been denied access to the audit committee. Details of vigil mechanism/whistle blower policy are provided in the Directors report.

d. Managing Director and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of the Listing Regulations [Part B of Schedule II] and the certificate forms part of Annual Report.

e. There are no non-compliances of any requirement of corporate governance report and all the required disclosures are made to stock exchanges and other regulatory bodies as and when required.

f. Risk Management Committee would be formed as and when deemed necessary.

g. Company complies with following non mandatory requirements of Regulation 27(1) specified in Part E of Schedule II of the Listing Regulation:

    i. Company has appointed separate persons to the post of Chairman and Managing Director.

    ii. Non-executive Chairman is provided with a office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

    iii. Internal auditor reports to the Audit Committee.

h. The financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Act, read with Companies (Accounts) Rules 2014 (Previous GAAP). The financial statements have been prepared on an accrual basis and under the historical cost basis except for certain assets and liabilities which have been measured at fair value or revalued amount wherever applicable.

For and Behalf of the Board of Directors

Mannalal B. Agrawal
Chairman

Mumbai, 3rd May 2017

DECLARATION PURSUANT TO SCHEDULE V OF THE LISTING REGULATIONS

In accordance with Schedule V of the Listing Regulations with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31st March 2017.

For **Ajanta Pharma Limited**

Yogesh M. Agrawal
Managing Director

Mumbai, 3rd May 2017

CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE LISTING REGULATIONS

We, Mr. Yogesh M. Agrawal, Managing Director and Mr. Arvind Agrawal, Chief Financial Officer hereby certify for the financial year ended 31st March 2017 that: -

(a) We have reviewed Ind-AS financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

    (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    (ii) these statements together present a true and fair view of the company's affairs and are in compliance with Ind-AS applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

    (i) that there are no significant changes in internal control over financial reporting during the year;

    (ii) that there are no significant changes in accounting policies during the year; and

    (iii) that there are no instances of significant fraud of which we have become aware.

For **Ajanta Pharma Limited**

Yogesh M. Agrawal
Managing Director

For **Ajanta Pharma Limited**

Arvind Agrawal
Chief Financial Officer

Mumbai, 3rd May 2017

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Ajanta Pharma Limited

We have examined the compliance of conditions of corporate governance by Ajanta Pharma Limited ("the Company"), for the year ended on 31st March 2017, as prescribed in Regulations 17 to 27, 46(2)(b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management. Our examinations has been limited to a review of the procedure and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Kapoor & Parekh Associates**
Chartered Accountants
ICAI FRN 104803W

Nilesh Parekh
Partner
M. No. 33528

Mumbai, 3rd May 2017

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L24230MH1979PLC022059
2.	Name of the Company	Ajanta Pharma Limited
3.	Registered address	Ajanta House, Charkop, Kandivli (West), Mumbai - 400067
4.	Website	www.ajantapharma.com
5.	E-mail ID	info@ajantapharma.com
6.	Financial Year reported	1st April 2016 - 31st March 2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise	Manufacture of Pharmaceutical products (Code: 21002 & 21005)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet	Artefan, Met-XL, Softdrops
9.	Total number of locations where business activity is undertaken by the Company	a. Number of International Locations: 6 The Company has six foreign subsidiaries (including one step down subsidiary) located in USA, Nigeria, Philippines, Mauritius and UK. b. Number of National Locations: i. Registered & Corporate office is located at Kandivli, Mumbai. ii. Six manufacturing plants are situated at: (a) Paithan, Chikalthana, Waluj & Chitegaon in Maharashtra; (b) Dahej, Gujarat (c) Guwahati, Assam. iii. R&D centres are situated at Kandivli, Mumbai iv. Two Central Warehouses situated at Zikarpur, Chandigarh & Aurangabad, Maharashtra. v. C & F agents at various locations throughout the country
10.	Markets served by the Company	Domestic & Global

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	₹ 17.60 cr.
2.	Total Turnover (INR)	₹ 1822.71 cr. (Standalone)
3.	Total profit after taxes (INR)	₹ 499.81 cr. (Standalone)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	The Company's total spending on CSR for the year ended 31st March 2017 was ₹ 8.72 cr. which is 1.74 % of profit after tax.
5.	List of activities in which expenditure in 4 above has been incurred	a) Healthcare b) Education c) Community development

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	As on 31st March 2017, the Company has 6 subsidiaries including one step down subsidiary
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	All the subsidiaries are incorporated outside India. They comply with the requirements of their respective countries and have independent business responsibility initiatives.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Other entities do not directly participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

(a) Details of the Director/Director responsible for implementation of the BR Policy/policies

DIN Number:	00073673
Name:	Mr. Yogesh M Agrawal
Designation:	Managing Director

(b) Details of the BR head:

No.	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	Mr. Arvind Agrawal
3	Designation	CFO
4	Telephone number	022 66061000
5	e-mail ID	arvind.agrawal@ajantapharma.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N) ✓

No.		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for....	✓	✓	✓	✓	✓	✓	x	✓	✓
2	Has the policy being formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	-	✓	✓
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The policies are broadly based on the National Voluntary Guidelines on social, environmental and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	✓	✓	✓	✓	✓	✓	-	✓	✓
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	✓	✓	✓	✓	✓	✓	-	✓	✓
6	Indicate the link for the policy to be viewed online?	@	@	@	@	@	@	-	@	@
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	✓	✓	✓	✓	✓	✓	-	✓	✓
8	Does the company have in-house structure to implement the policy/policies.	✓	✓	✓	✓	✓	✓	-	✓	✓
9	Does the company have a grievance redressal mechanism related to the policy/policies/to address stakeholders' grievances related to the policy/policies?	✓	✓	✓	✓	✓	✓	-	✓	✓
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Being 1st year independent audit/evaluation is not done. It will be taken up from next year.								

@ All the policies are placed on the intranet of the company except CSR policy which is available on http://www.ajantapharma.com/AdminData/PolicyCodes/CSRPoilcy.pdf

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P7
1	The company has not understood the Principles	-
2	The company is not a stage where it finds itself in a position to formulate and implement the policies on specified principles	No need has been felt to formulate specific policy on public advocacy as company do not engage in it directly.
3	The company does not have financial or manpower resources available for the task	-
4	It is planned to be done within next 6 months	-
5	It is planned to be done within the next 1 year	-
6	Any other reason (please specify)	-

3. Governance related to BR

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company does not publish BR or sustainability report. However, details relating to Corporate Social Responsibility activities are presented in the Annual report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs / Others?	Yes, Company has put in place code of conduct for Directors and Senior Management personnel, which extends to the group including all its employees, Directors & subsidiaries. Company has also put in place, Whistleblower Policy in order to enable employees and others to bring to the notice of Board and management, any wrongdoing or unethical practices observed in the Company.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No complaints have been received from any stakeholder during FY 2017.

Principle 2

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	(a) Tiban (Teneligliptin) – anti-diabetic low cost drug (b) Betoact (Bepotastine) – 2nd generation anti-ocular anti-allergic product 1st time in India (c) Azutan (Azilsartan) – management of diabetic hypertension
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Above products do not consume major quantum of energy or water either at production level or at consumer level. Company has taken several effective measures to reduce the overall consumption of energy and water.
3.	Does the company have procedures in place for sustainable sourcing (including transportation)? i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so	Company has established stringent process to approve vendors from whom materials are procured. The quality assurance team conducts periodic audit of the vendors, especially those who supply key materials, to ensure sustainability. Company enters into annual freight contracts with leading transporters for ensuring sustainable & seamless movement of materials and goods.
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes, the Company procures most of the lab Reagents, Solvents and Packing Materials from local and small producers in the vicinity of our manufacturing locations. Periodically we audit their facility and guide them on quality front as also on their service levels so that they can improve quality standards and adapt to the customer requirements.
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	100% of the waste water generated in plants is recycled recovered and reused, thereby reducing consumption of fresh water. Treated waste water is used for gardening in Company premises. Most of the solvents are recycled and reused.

Principle 3

1.	Please indicate the Total number of employees	7720
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis	1275
3.	Please indicate the Number of permanent women employees	460
4.	Please indicate the Number of permanent employees with disabilities	5
5.	Do you have an employee association that is recognized by management	Yes in its 2 manufacturing plants
6.	What percentage of your permanent employees is members of this recognized employee association?	1.60%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
	(a) Permanent Employees	57.35%
	(b) Permanent Women Employees	Permanent employees includes permanent women employees
	(c) Casual/Temporary/Contractual Employees	42.65%
	(d) Employees with Disabilities	0%

Principle 4

1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	We engage with the disadvantaged, vulnerable and marginalized stakeholders to ENABLE, EDUCATE & EMPOWER them through focused initiatives in health, education, women empowerment and rural infrastructure. We provide such needy patients best of health in the areas of Cataract operations, family planning program and Plastic Surgery camps completely free of cost including their transport, food, medicines & eye glasses. We have been associated with various schools in rural & tribal areas where we provide educational infrastructure in the form of renovating schools, building science laboratories, libraries, computer labs, scholarships to deserving students etc. We provide vocational training to girl students in the areas of sewing, embroidery, singing, computer etc., and more than 5,000 girls have availed the benefit of this facility in different schools in rural India.

Principle 5

(a)	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/Others?	It covers entire Ajanta Pharma Limited group. However, it does not cover suppliers, contractors, NGOs and others.
(b)	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	None

Principle 6

1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others.	The policy covers the Company and all its subsidiaries alongwith the contractors working within the premises of the company.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Conservation and optimum utilisation of natural resources continues to be the topmost priority for the Company. The environment, health and safety policy of the Company stresses on conservation of energy by eliminating/reducing waste. The Company has a mechanism in place for recycling 100% waste water.
3.	Does the company identify and assess potential environmental risks? Y/N	Yes and we are taking necessary steps/measures to control and mitigate the same.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Not applicable
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Energy Conservation measures taken during year: • Monitored power factor to unit. • Variable frequency drives fixed for heavy load machines. • Energy efficient LED tube lights fixed instead of regular tube light in plant. • 110 Watts CFL lights in warehouse replaced with LED of 90 Watts. • Monitored HVAC System & AHU as and when required. • Eliminated leakages in utility systems. • Installed solar heaters.
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, all parameters are within the limits.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	None

Principle 7

1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	(a) Bombay Chambers of Commerce & Industry (b) All India Association of Industries(AIAI) (c) Indo-Mauritius Chamber of Commerce & Industry (IMCCI) (d) Indian Drug Manufacturers' Association
(b)	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No

Principle 8

1.	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, the Company has specified programmes/initiatives in the field of healthcare, education and community development. Health:- • Constantly working on eradicating Cataract from rural masses. • More than 2,00,000 people regained their vision and living a better life in last 2 decades. • Organised over 3,000 diagnostics eye camps, screening more than 400,000 villagers of tribal and rural areas during last decade. • Initiative in Family planning program in remote rural and tribal India. Over 5,000 Family Planning operations in last 3 years. • Conducted plastic surgery camps for children in rural and tribal India having physical deformities like cut nose & lips, marks, squint eyes, white patches, etc. caused due to burns, accidents, injuries or birth defects. Treated about 3,000 needy and poor patients during last 2 decades. Education: - • Identified Girl child education as a focus area, working with various schools in Vidarbha and Marathwada region of Maharashtra. • Undertaken renovation of infrastructure of schools including classrooms, washrooms, Computer Labs, Music Labs, Science Labs, libraries, etc. Till now, over 3,850 students have benefited from this program and more such schools are being identified for upliftment. • Developing girls to prepare for future and help be independent. Built and successfully implemented a well-planned and comprehensive women empowerment program in many schools in rural part of India. This program imparts knowledge, exposure and life skills to girls in the age group of 10-18 years, created as part of their school curriculum. Girls from deprived sections gain skills in English, singing, computer, tailoring skills and personality enhancement that would help them in their career & be financially independent. Social Development: - • Built & maintained waiting sheds in government hospital campuses, providing proper sitting, drinking water facility, light and fans, etc. to make waiting of patient's relatives comfortable while their relative is getting treatment. Till date, built 6 shelters and renovated 3 dharmshalas that have benefited more than 1 million patients and their relatives. • Running subsidised canteen called "Annachatra" where the poor patient and their relatives from rural India get hygienic food (3 meals & snacks) every day at a very nominal cost. Between 2010 & 2016, over 200,000 needy and poor patients have taken the benefit of this facility.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	The programmes are undertaken in-house as well as through charitable trusts and NGOs.
3.	Have you done any impact assessment of your initiative?	Yes
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	₹ 8.72 cr. Details of projects undertaken by the company has been mentioned in the Annexure E to Directors' Report.
5.	Have you taken steps to ensure that this community development adopted by the community? Please explain in 50 words, or so.	Ajanta Pharma has a dedicated in-house team which visits inaccessible and most remote areas, looking for need based community development activities. Once the gap is identified Ajanta undertakes complete execution and maintenance of CSR activity. Company majorly works in the fields of women education & empowerment, Cataract operations & other health solutions, social development, infrastructure facilities etc.

Principle 9

1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	The Company received total 22 complaints during the financial year out of which 19 were satisfactorily resolved and 3 are under investigation. Two old consumer cases are pending in consumer court as at the end of financial year.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./Remarks (additional information)	Being pharmaceutical products, Company displays only statutory information as required with respect to product labelling and product information.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	None
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Consumer surveys are regularly carried out by the Company at doctor level.

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Mumbai, 3rd May 2017

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Financial Statements

Independent Auditor's Report

To
The Members of
AJANTA PHARMA LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of AJANTA PHARMA LIMITED ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of the consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit (financial performance including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (Financial position) of the Group as at 31st March 2017, and the consolidated profit (financial performance including other comprehensive income) of the Group, the consolidated cash flows and the consolidated changes in equity of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements / financial information of the subsidiaries whose financial statements / financial information reflect total assets of ₹ 339.07 cr. as at 31st March 2017, total revenues of ₹ 506.08 cr. and net cash inflows amounting to ₹ 25.19 cr. for the year ended on that date, as considered in the consolidated Ind AS financial statements.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section143 (3) of the Act, we report, to the extent applicable, that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

   c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the consolidated statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder;

   e) on the basis of the written representations received from the directors of the Holding Company as on 31st March 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

   g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated Ind AS financial statements disclose the impact, of pending litigations as at 31st March 2017, on its financial position – Refer Note 48 to the consolidated financial statements;

      ii. The Group has not entered into any long-term contracts including derivative contracts, requiring provision under the applicable law or accounting standards, for material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company; and

      iv. The Company has provided requisite disclosures in its Consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company - Refer Note 52 to the Consolidated Ind AS financial statements.

For **Kapoor & Parekh Associates**
Chartered Accountants
ICAI FRN 104803W

Nilesh Parekh
Partner
M.No. 33528

Mumbai, 3rd May 2017

Annexure A to the Independent Auditor's Report

(The Annexure referred to in para 1 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of AJANTA PHARMA LIMITED on the consolidated Ind AS financial statements for the year ended 31st March 2017.)

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Group as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of the Holding Company as of that date.

Management's Responsibility for Internal Financial Controls

Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI")". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation and presentation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the above mentioned Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting is restricted to the Holding Company since all the subsidiaries of the Group are foreign subsidiaries, which are not subject to the Report on the Internal Financial Controls.

For **Kapoor & Parekh Associates**
Chartered Accountants
ICAI FRN 104803W

Nilesh Parekh
Partner
M.No. 33528

Mumbai, 3rd May 2017

Consolidated Balance Sheet

as at 31st March 2017

₹ in cr.

Particulars	Note No	31 March 2017	31 March 2016	1 April 2015
Assets				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	8	583.16	446.98	283.78
(b) Capital Work-in-Progress	8	338.03	238.42	170.20
(c) Other Intangible Assets	8	6.01	3.76	3.22
(d) Intangible assets under development	8	1.23	1.38	-
(e) Financial Assets				
(i) Investments	9		-	45.35
(ii) Others	10	9.29	9.26	9.23
(f) Deferred tax assets (net)	11	24.45	8.58	5.06
(g) Other non-current assets	12	13.93	16.31	5.38
(2) Current Assets				
(a) Inventories	13	211.02	204.58	159.03
(b) Financial Assets				
(i) Investments	14	181.56	76.78	19.89
(ii) Trade Receivables	15	321.84	372.35	258.76
(iii) Cash and cash equivalents	16	51.92	41.42	41.67
(iv) Bank balances other than (iii) above	17	4.12	1.95	82.27
(v) Other Financial Asset	18	1.24	0.71	9.12
(c) Current Tax Assets (Net)	19	11.23	17.64	-
(d) Other current assets	20	63.68	47.84	50.46
Total Assets		**1,822.71**	**1,487.96**	**1,143.42**
Equity And Liabilities				
Equity				
(a) Equity Share Capital	21	17.69	17.69	17.68
(b) Other Equity		1,549.99	1,173.17	886.75
Liabilities				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	1.04	14.87	33.25
(ii) Other financial liabilities	23	0.09	0.46	2.50
(b) Provisions	24	3.15	2.59	4.76
(c) Deferred tax liabilities (Net)	25	27.34	19.29	13.78
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	26	5.53	46.25	5.08
(ii) Trade Payables	27	139.57	145.57	109.06
(iii) Other financial liabilities	28	25.52	40.51	42.86
(b) Other current liabilities	29	39.99	16.21	15.47
(c) Provisions	30	12.80	11.35	9.68
(d) Current Tax Liabilities (Net)	31	-	-	2.56
Total Equity and Liabilities		**1,822.71**	**1,487.96**	**1,143.42**

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Kapoor & Parekh Associates**
Chartered Accountants

Nilesh Parekh
Partner

Mumbai, 3rd May 2017

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Madhusudan B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Statement of Consolidated Profit and Loss

for the year ended 31st March 2017

₹ in cr.

	Note No	31 March 2017	31 March 2016
Income :			
Revenue from operations	32	2,001.64	1,749.37
Other Income	33	23.86	21.15
Total Income		**2,025.50**	**1,770.52**
Expenses :			
Cost of Materials Consumed	34	377.85	400.09
Purchase of Stock-in-Trade	35	47.36	63.01
Changes in Inventories of Finished Goods, Work-in-progress & Stock-in-Trade	36	(10.62)	(49.27)
Employee Benefits Expense	37	295.42	256.64
Finance Costs	38	3.49	4.89
Depreciation & Amortisation Expense	39	61.21	44.43
Other Expenses	40	602.62	491.84
Total Expenses		**1,377.33**	**1,211.64**
Profit Before Tax		**648.17**	**558.89**
Tax Expense :			
Current Tax		157.49	141.17
Deferred Tax		(16.15)	2.11
Profit For The Year		**506.83**	**415.61**
Other Comprehensive Income			
Other Comprehensive Income to be reclassified to profit or loss in subsequent years:			
Exchange differences on translation of foreign operations		(2.42)	5.58
Income tax effect on above		-	-
Net other Comprehensive Income to be reclassified to profit or loss in subsequent years		**(2.42)**	**5.58**
Other Comprehensive Income not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains (losses) on defined benefit plans		(0.17)	(0.35)
Income tax effect on above		0.06	0.12
Net other Comprehensive Income not to be reclassified to profit or loss in subsequent years		**(0.11)**	**(0.23)**
Other Comprehensive Income for the year, net of tax		**(2.53)**	**5.35**
Total Comprehensive Income for the year, net of tax		**504.30**	**420.96**
There are no Exceptional Items and Discontinuing Operations.			
Earning Per Equity Share (Face Value ₹ 2/-)	42		
Basic (₹)		57.59	47.23
Diluted (₹)		57.58	47.23

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Kapoor & Parekh Associates**
Chartered Accountants

Nilesh Parekh
Partner

Mumbai, 3rd May 2017

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Madhusudan B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Statement of Consolidated Cash Flow

for the year ended 31st March 2017

₹ in cr.

		31 March 2017	31 March 2016
A.	**Cash Flow from Operating Activities**		
	Profit before Tax	648.16	558.90
	Adjustment to reconcile profit before tax to net cash flows :		
	Depreciation & Amortisation Expense	61.21	44.43
	Provision for Expired Goods	1.33	1.22
	Loss on Sale / Discard of Property, Plant and Equipment	3.89	6.92
	Interest Expense	3.49	4.89
	Gain on Financial Instrument at FVTPL	(16.83)	(5.45)
	Income from Investments & Deposits	(1.21)	(5.78)
	Employee Stock Option Expenses	1.45	0.31
	Receivable Written Off	23.27	0.95
	Exchange Fluctuation	(2.42)	5.58
	Operating Profit before Working Capital Changes	**722.34**	**611.97**
	Changes in Working Capital :		
	Decrease (Increase) in Trade and other Receivables	32.15	(114.54)
	Decrease (Increase) in Other Current Financial Assets	(15.84)	2.62
	Decrease (Increase) in Other Non-Current Assets	(1.96)	(1.02)
	Decrease (Increase) in Other Current Assets	(2.27)	2.45
	Decrease (Increase) in Inventories	(6.45)	(45.55)
	Increase (Decrease) in Non Current Other Financial Liabilities	(0.37)	(2.04)
	Increase (Decrease) in Other Current Liabilities	28.59	(1.05)
	Increase (Decrease) in Non Current Provisions	0.56	(2.16)
	Increase (Decrease) in Current Provisions	0.11	0.45
	Increase (Decrease) in Trade Payables	(6.00)	36.51
	Cash Generated from Operations	**750.86**	**487.62**
	Direct Taxes Paid (Net of Refunds)	(142.77)	(161.49)
	Net Cash Generated from Operating Activities	**608.09**	**326.14**
B.	**Cash Flow from Investing Activities**		
	Capital Expenditure on Property, Plant and Equipment including Capital Advances	(301.46)	(297.92)
	Proceeds from Sale of Property, Plant and Equipment	1.27	0.43
	Bank Balances not considered as Cash and Cash Equivalents (Net)	(0.24)	81.45
	Purchase of Investments	(359.20)	(219.00)
	Proceeds from Investments	267.78	215.39
	Income on Investments & Deposits	1.01	10.59
	Net Cash Generated from (Used in) Investing Activities	**(390.84)**	**(209.07)**

₹ in cr.

	31 March 2017	31 March 2016
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	-	4.73
Repayment of Long Term Borrowings	(33.84)	(24.10)
Proceeds (Repayment) of Short Term Borrowings	(40.72)	41.17
Proceeds from Issue of Equity Shares (ESOPs)		0.01
Interest Paid	(3.51)	(4.90)
Dividend Paid	(114.19)	(122.79)
Dividend Distribution Tax Paid	(14.50)	(11.44)
Net Cash Generated from (Used in) Financing Activities	**(206.75)**	**(117.32)**
Net Increase (Decrease) in Cash & Cash Equivalents	10.50	(0.25)
Cash and Cash Equivalents as at the Beginning of the Year	41.42	41.67
Cash and Cash Equivalents as at the End of the Year (Refer Note 16)	**51.92**	**41.42**

Figures in brackets indicates outflow.

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Kapoor & Parekh Associates**
Chartered Accountants

Nilesh Parekh
Partner

Mumbai, 3rd May 2017

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Madhusudan B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31st March 2017

A . Equity Share Capital

₹ in cr.

	Balance as at 1 April 2015	Changes in Equity Share Capital during the year	Balance as at 31 March 2016	Changes in Equity Share Capital during the year	**Balance as at 31 March 2017**
Authorised	30.00	-	30.00	-	30.00
Issued	17.74	0.01	17.75		17.75
Subscribed & Paid up	17.68	0.01	17.69		17.69

B. Other Equity

₹ in cr.

Particulars	Capital Redemption Reserve	Securities Premium Account	General Reserve	Share Based Payment Reserve	Retained Earnings	Foreign Currency Translation Reserve	Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)	Total	Non-Controlling Interests	Total Equity
As at 1st April 2015	2.11	75.71	650.73	0.43	157.77	-	-	886.75	-	886.75
Profit for the period	-	-	-	-	415.61	-	-	415.61	-	415.61
Other comprehensive income	-	-	-	-		5.58	(0.23)	5.35	-	5.35
Total comprehensive income	**-**	**-**	**-**	**-**	**415.61**	**5.58**	**(0.23)**	**420.96**	**-**	**420.96**
Utilised for Bonus Shares	(0.01)	-	-	-		-	-	(0.01)	-	(0.01)
Transfer to General reserve	-	-	321.82	-	(321.82)	-	-	-		-
Exercise of Stock Options	-	0.28	-	(0.28)	-	-	-	-		-
Share based payment of Employees	-	-	-	0.12	-	-	-	0.12		0.12
Dividend Paid	-	-	-	-	(123.22)	-	-	(123.22)		(123.22)
Dividend Distribution Tax	-	-	-	-	(11.84)	-	-	(11.84)		(11.84)
Reversal of Dividend Paid	-	-	-	-	0.03	-	-	0.03		0.03
Reversal of Dividend Distribution Tax	-	-	-	-	0.38	-	-	0.38		0.38
At 31st March 2016	**2.10**	**75.99**	**972.55**	**0.27**	**116.90**	**5.58**	**(0.23)**	**1,173.17**	**-**	**1,173.17**
Profit for the period					506.83			506.83	-	506.83
Other comprehensive income						(2.42)	(0.11)	(2.53)		(2.53)
Total comprehensive income	**-**	**-**	**-**	**-**	**506.83**	**(2.42)**	**(0.11)**	**504.30**	**-**	**504.30**
Exercise of Stock Options	-	0.07	-	(0.07)	-	-	-	-	-	-
Share based payment of Employees	-	-	-	1.45	-	-	-	1.45	-	1.45
Dividend Paid	-	-	-	-	(114.41)	-	-	(114.41)	-	(114.41)
Dividend Distribution Tax	-	-	-	-	(14.50)	-	-	(14.50)	-	(14.50)
At 31st March 2017	**2.10**	**76.06**	**972.55**	**1.65**	**494.82**	**3.16**	**(0.34)**	**1,549.99**	**-**	**1,549.99**

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Kapoor & Parekh Associates**
Chartered Accountants

Nilesh Parekh
Partner

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Madhusudan B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Mumbai, 3rd May 2017

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

1 Corporate Information

Ajanta Pharma Limited ("the Holding Company") is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The registered office of Holding Company is located at Ajanta House, Charkop, Kandivali (West), Mumbai. The Consolidated Financial statement ("CFS") comprises the Company and its subsidiaries (referred to collectively as the "Group").

The Group is engaged in development, manufacturing and marketing of speciality pharmaceutical quality finished dosages.

The Consolidated Financial Statements of the Group for the year ended 31st March 2017 were authorised for issue by the Company's Board of Directors on 3rd May, 2017.

2 Basis of preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

These Financial Statements are the Group's first Ind AS Financial Statements and covered by Ind AS 101, "First-time adoption of Indian Accounting Standards".

For all periods up to and including the year ended 31st March 2016, the group prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Companies (Accounts) Rules 2014 (Previous GAAP).

An explanation of how the transition to Ind-AS has affected the Group's equity and its net profit is provided in Note 62.

The financial statements have been prepared on an accrual basis and under the historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount wherever applicable:

- Derivative financial instruments
- Certain financial assets measured at fair value

3 Basis of consolidation

The consolidated financial statements comprise the financial statement of the Holding Company and its wholly owned subsidiaries as disclosed in Note 43. The financial statements of the Holding Company and its wholly owned subsidiaries have been consolidated on a line by line basis by adding together the book values of like, items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting there from and are presented to the extent possible, in the same manner as the Group's independent financial statements. The statement of profit and loss and each component of other comprehensive income are attributed to the equity holders of the Holding Company of the Group.

The financial statements of the Holding Company and its wholly owned subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Holding Company i.e., year ended 31st March 2017.

4 Functional and Presentation Currency:

Functional currencies of Subsidiary companies are the respective local currencies. These financial statements are presented in Indian Rupees ('INR' or 'Rupees' or 'Rs.' or '₹') which is the functional currency of the Holding Company.

5 Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest cr. Amount less than ₹ 50,000/- are shown as actual.

6 Current versus non-current classification:

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,or
- Held primarily for the purpose of trading,or

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

7 Significant Accounting Policies

7.1. Property, Plant and Equipment

Freehold land is carried at historical costs. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes cenvat / value added tax eligible for credit / setoff.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the same are depreciated separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

All identifiable Revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work–in–Progress.

Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciation for Holding Company

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, plant and equipment is provided on written down value method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Premium on Leasehold lands are amortised over the period of lease. Building constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold lands are amortised over the primary lease period of the lands.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation for subsidiaries

Depreciation on property, plant and equipment has been provided at the rates required / permissible by the GAAPs of the respective countries. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Vehicles acquired on finance leases are depreciated over the period of lease agreement or the useful life, whichever is shorter.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

7.2. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably.

Intangible assets are stated at cost or acquisition less accumulated amortisation and impairment loss, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Software is amortised over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

The amortisation period and the amortisation method for an intangible assets with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets is derecognised.

Research and Development

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1st April 2015 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

7.3. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Classification

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value (FVTPL /FVTOCI)
- Financial assets at amortised cost

When assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in other comprehensive income (i.e. fair value through other comprehensive income (FVTOCI)).

Financial Assets measured at amortised cost (net of any write down for impairment, if any)

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of profit and loss.

Financial Assets measured at Fair Value Through Other Comprehensive Income ("FVTOCI")

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

Financial Assets measured at Fair Value Through Profit or Loss ("FVTPL"):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

Investment in Equity Instruments

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

Investment in Debt Instruments

A debt instrument is measured at amortised cost or at FVTOCI. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

Derecognition of Financial Assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Impairment of Financial Assets

In accordance with Ind - AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables.

Financial Liabilities

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

loss. Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative Financial Instrument

The Group uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

7.4. Inventories

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes (net off CENVAT and VAT, wherever applicable). Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on FIFO basis.

The cost of Inventories have been computed to include all cost of purchases, cost of conversion, standard overheads and other related cost incurred in bringing the inventories to their present condition.

Slow and non-moving material, obsolesces, defective inventory are fully provided for and valued at net realisable value.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

7.5. Cash and Cash Equivalent

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7.6. Cash Flow Statements

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Group are segregated.

7.7. Foreign Currency Transactions

Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are re-measured at the exchange rate prevailing on the balance sheet date. Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the Statement of Profit and Loss.

7.8. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty, excluding sales tax or value added taxes or service taxes or duties collected on behalf of the government, and net of returns, trade discount/ allowances, rebates, and amounts collected on behalf of third parties.

Revenue from sale of goods is recognised, when all significant risks and rewards are transferred to the buyer, as per the terms of contracts and no significant uncertainty exists regarding amount of the consideration that will be derived from the sale of goods.

Revenue from sale of technology / know how (rights, licences and other intangibles) are recognised when performance obligation is completed as per the terms of the agreement. Incomes from services are recognised when services are rendered.

Dividend income is recognised when right to receive dividend is established. Interest income is recognised on time proportion basis. Insurance and other claims are recognised as a revenue on certainty of receipt on prudent basis. Export benefits available under prevalent schemes are accounted to the extent considered receivable.

7.9. Employee Benefits

In case of Holding Company

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

(i) Defined benefit plans

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit Method.

The Company fully contributes all ascertained liabilities to the Ajanta Pharma Limited Group Gratuity Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. The effect of any plan amendments are recognized in the statement of profit and loss.

(ii) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

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to the Consolidated Financial Statements for the year ended 31st March 2017

(iii) Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised liability at the present value of the defined benefit obligation at the balance sheet date.

Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(iv) Share-based compensation

The company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment.

In case of Subsidiary at Mauritius

For employees who are not covered by a pension plan, the net present value of severance allowances payable under the Employment Rights Act 2008 is provided for. The obligations arising under this item are not funded.

In case of Subsidiary at Philippines

Short-term benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short term benefits given by the Company to its employees include salaries and wages, social security contributions, short term compensated absences, bonuses and other non-monetary benefits.

Post-employment benefits

The Company does not have a formal retirement benefit plan. However, the Company is subject to the provisions of Republic Act No. 7641, retirement law.

Compensated Absences

Compensated absences are recognized for the number of paid leave days remaining at the end of the reporting period. Those are included in the salaries and wages account and are recognized when availed of by the employees.

7.10. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

7.11. Lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Leases rentals are charged to the statement of profit and loss on straight line basis.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

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to the Consolidated Financial Statements for the year ended 31st March 2017

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the leased term, the asset is depreciated over the shorter of the estimated useful life of the asset and the leased term.

7.12. Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

7.13. Income Taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the respective Country's tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using respective Country's tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

7.14. Dividends to Shareholders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

7.15. Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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If there is any expectation that some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any virtually certain reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimates is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non-cancellable operating lease.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Asset Retirement Obligation

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognised in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

7.16. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date in accordance with Ind AS 113.

Financials Statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value received from Bank.
- Mutual Funds are measured at fair values as per Net Asset Value (NAV).
- Employee Stock Option Plan (ESOP) at fair values as per Actuarial Valuation Report.

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

7.17. Critical accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods.

(a) Arrangement containing lease

At the inception of an arrangement, the Group determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values.

The Group has determined, based on an evaluation of the terms and conditions of the arrangements that such contracts are in the nature of operating leases.

(b) Multiple element contracts with vendors

The Group has entered into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is/may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts (as defined in the significant accounting policies) have been accounted under Property, Plant and Equipment and/or as Intangible assets, since the Group has economic ownership in these assets. The Group believes that the current treatment represents the substance of the arrangement.

(c) Determination of functional currency

Each entity in the group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency. Ind AS 21, "The Effects of Changes in Foreign Exchange Rates" prescribes the factors to be considered for the purpose of determination of functional currency. Management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Property, Plant and equipment

Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life of useful lives/rates

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prescribed by the GAAPs of the respective countries. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

(e) **Intangible Assets**

Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

(f) **Recognition and measurement of defined benefit obligations**

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

(g) **Recognition of deferred tax assets and income tax**

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective country.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

(h) **Recognition and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

(i) **Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/ litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

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to the Consolidated Financial Statements for the year ended 31st March 2017

(j) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not to collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

(k) Insurance claims

Insurance claims are recognised when the Company have reasonable certainty of recovery.

(l) Impairment reviews

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

7.18. Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from 1st April, 2017.

Amendment to Ind AS 7: Statement of Cash Flows

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. These amendments are effective for annual periods beginning on or after 1st April 2017. Application of the amendments will result in additional disclosures provided by the Group.

Amendment to Ind AS 102: Share-based Payment

The amendment to Ind AS 102 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

The amendments are effective for annual periods beginning on or after 1st April 2017. These amendments are not expected to have any impact on the Group.

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8 Property, Plant and Equipment and Capital Work-in-Progress

8.1 Current Year

₹ in cr.

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 1st April 2016	Consolidation Adjustments	Additions	Deductions / Adjustment	**As at 31st March 2017**	As at 1st April 2016	Consolidation Adjustments	Additions	Deductions / Adjustment	**As at 31st March 2017**	**As at 31st March 2017**
(A) Property, Plant and Equipment											
Freehold Land	143.71	(0.04)	-	-	143.67	-	-	-	-	-	143.67
Leasehold Land	31.21	-	-	-	31.21	2.35	-	0.58	-	2.94	28.27
Leasehold Improvement	1.19	(0.04)	-	-	1.16	0.74	(0.02)	0.02	-	0.74	0.41
Buildings	144.29	(0.56)	67.59	-	211.33	61.10	(0.08)	8.07	-	69.10	142.23
Plant & Equipments	269.88	(0.44)	117.91	15.18	372.17	112.48	(0.27)	39.40	11.61	140.01	232.16
Furniture & Fixtures	51.40	(0.08)	8.49	3.66	56.16	31.03	(0.06)	6.40	3.48	33.89	22.26
Vehicles	14.61	(0.51)	0.68	4.55	10.24	9.81	(0.34)	1.16	3.30	7.33	2.90
Office Equipments	19.15	(0.15)	4.42	3.04	20.38	14.10	(0.13)	3.08	2.89	14.16	6.22
Computers	18.23		4.33	0.17	22.39	15.08	-	2.47	0.17	17.38	5.01
Total	**693.67**	**(1.81)**	**203.44**	**26.60**	**868.70**	**246.69**	**(0.90)**	**61.19**	**21.45**	**285.54**	**583.16**
(B) Other Intangible Assets											
Computer Software	6.13	(0.02)	4.19	-	10.30	2.37	(0.02)	1.95	-	4.30	6.00
ANDA Development Cost	15.93		-	-	15.93	15.93	-	-	-	15.93	-
Total	**22.06**	**(0.02)**	**4.19**	**-**	**26.23**	**18.31**	**(0.02)**	**1.95**	**-**	**20.23**	**6.00**
Total (A + B)	**715.73**	**(1.83)**	* **207.63**	**26.60**	**894.92**	**265.00**	**(0.91)**	# **63.14**	**21.45**	**305.77**	**589.15**
(C) Capital Work in Progress	(Including Pre Operative expenses of ₹ 85.04 cr. - Refer note 59)										338.03
(D) Intangible assets under development											1.23
Total (A) + (B) + (C) + (D)											928.40

* Addition includes ₹ 45.77 cr. used for Research & Development.

Depreciation of ₹ 1.93 cr. considered as Pre-operative expenditure - Refer note 59.

8 Property, Plant and Equipment and Capital Work-in-Progress

8.2 Previous Year

₹ in cr.

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	NET BLOCK
	As at 1st April 2015	Consolidation Adjustments	Additions	Deductions / Adjustment	As at 31st March 2016	As at 1st April 2015	Consolidation Adjustments	Additions	Deductions / Adjustment	As at 31st March 2016	As at 31st March 2016	As at 1st April 2015
(A) Property, Plant & Equipment												
Freehold Land	16.38	0.10	127.23	-	143.71	-	-	-	-	-	143.71	16.38
Leasehold Land	31.21	-	-	-	31.21	1.77	-	0.58	-	2.35	28.86	29.44
Leasehold Improvement	1.10	0.09	-	-	1.19	0.66	0.06	0.02	-	0.74	0.45	0.44
Buildings	141.98	1.17	1.14	-	144.29	53.43	0.03	7.64	-	61.10	83.19	88.55
Plant & Equipments	228.99	1.16	74.31	34.58	269.88	115.18	0.69	24.58	27.97	112.48	157.40	113.81
Furniture & Fixtures	48.54	0.11	5.66	2.91	51.40	27.11	0.07	6.27	2.42	31.03	20.37	21.43
Vehicles	13.44	0.21	1.17	0.20	14.61	8.05	0.12	1.84	0.20	9.81	4.80	5.39
Office Equipments	17.03	0.27	2.23	0.38	19.15	11.41	0.23	2.82	0.36	14.10	5.05	5.62
Computers	23.40		2.73	7.90	18.23	20.68		2.08	7.68	15.08	3.15	2.72
Total	**522.07**	**3.11**	**214.47**	**45.98**	**693.67**	**238.29**	**1.20**	**45.83**	**38.63**	**246.69**	**446.98**	**283.78**
(B) Other Intangible Assets												
Computer Software	4.32		1.80	-	6.12	1.10		1.27	-	2.37	3.75	3.22
ANDA Development Cost	15.93		-	-	15.93	15.93	-	-	-	15.93	-	-
Total	**20.25**		**1.80**	**-**	**22.05**	**17.03**		**1.27**	**-**	**18.30**	**3.75**	**3.22**
Total (A + B)	**542.32**	**3.11**	* **216.28**	**45.98**	**715.72**	**255.32**	**1.20**	# **47.1**	**38.63**	**264.99**	**450.73**	**287.00**
(C) Capital Work in Progress	(Including Pre Operative expenses of ₹ 40.89 cr. - Refer note 59)										238.42	170.20
(D) Intangible assets under development											1.38	
Total (A) + (B) + (C) + (D)											**690.52**	**457.19**

* Addition includes ₹ 42.86 cr. used for Research & Development.

Depreciation of ₹ 2.67 cr. considered as Pre-operative expenditure - Refer note 59.

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9 Non Current Financial Investments

₹ in cr.

	Face Value ₹	No. of Units *	31 March 2017	31 March 2016	1 April 2015
A. Long Term Trade Investments					
Unquoted Investments					
Investment in Shares					
Turkmenderman Ajanta Pharma Ltd.					
2,00,000 Shares of US $ 10 each fully paid-up			-	-	-
In Others					
OPGS Power Gujarat Private Limited					
1,95,000 (31st March 2016: Nil 1st April 2015: Nil) Shares of ₹ 0.19 each			-	-	-
(Cr. Yr. ₹ 37,050, 31st March 2016: Nil, 1st April 2015: Nil)					
Sub total (A)			**-**	**-**	**-**
B. Other Investments					
In Mutual Funds (Quoted)	Face Value ₹	No. of Units *			
ICICI Prudential FMP Series 70-367 days Plan N Regular Plan Cumulative	10	(-)	-	-	5.72
		(-)			
		(5,000,000)			
ICICI Prudential FMP Series 71-369 days Plan E Regular Plan Cumulative	10	(-)	-	-	5.62
		(-)			
		(5,000,000)			
Kotak FMP Series 124 - Growth	10	(-)	-	-	5.75
		(-)			
		(5,038,705)			
HDFC FMP 372D October 2013 (1) Series 28 - Regular Growth	10	(-)	-	-	11.39
		(-)			
		(10,000,000)			
Birla Sun Life Fixed Term Plan - Series JA (366 days)	10	(-)	-	-	11.26
		(-)			
		(10,000,000)			
IDFC Fixed Term Plan Series 49 Regular Plan-Growth	10	(-)	-	-	5.61
		(-)			
		(5,000,000)			
Sub total (B)			**-**	**-**	**45.35**
Total (A + B)			**-**	**-**	**45.35**
Aggregate value of quoted investments and market value there of			-	-	45.35
Aggregate value of unquoted investments				-	-

* Figures in Brackets are for Previous Year

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to the Consolidated Financial Statements for the year ended 31st March 2017

10 Non Current Financial Assets - Others

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
(Unsecured, Considered Good)			
Security Deposits	6.95	4.99	3.97
In Deposit Accounts with Banks (with original maturity for more than 12 months)			
Under Lien	1.35	3.27	4.30
Others (C.Y. ₹ Nil, P.Y. ₹ 20,000)			0.10
Interest Accrued on fixed deposits with Banks	1.00	1.01	0.87
	9.30	**9.27**	**9.23**

11 Defered Tax Assets (Net)

	31 March 2017	31 March 2016	1 April 2015
Others	24.45	8.58	5.06
	24.45	**8.58**	**5.06**

12 Non Current Assets - Others

	31 March 2017	31 March 2016	1 April 2015
Capital Advances	13.93	16.30	5.38
	13.93	**16.30**	**5.38**

13 Inventories

	31 March 2017	31 March 2016	1 April 2015
Raw Materials	54.77	58.49	59.24
Packing Materials	19.97	20.43	23.40
Work-in-Process	14.87	11.58	12.35
Finished Goods @	77.86	87.87	53.80
Stock-in-trade *	43.55	26.21	10.24
	211.02	**204.58**	**159.03**

@ Includes In Transit Stock of Finished Goods	26.29	13.20	8.50
* Includes In Transit Stock of Stock-in-trade	0.14	0.16	-

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14 Current Financial Investments

₹ in cr.

			31 March 2017	31 March 2016	1 April 2015
Investment at Fair Value through Profit or Loss (FVTPL)					
In Mutual Funds (Quoted)	Face Value ₹	No. of Units *			
BSL Short term Fund - Growth	10	15,782,029	57.19	-	-
		(-)			
		(-)			
Franklin India Low Duration Fund - Growth	10	42,773,165	78.97	-	-
		(-)			
		(-)			
Birla Sun Life Cash Plus Daily Dividend	100	-	-	0.14	-
		(14,007)			
		(-)			
Franklin India Short Term Income Plan	10	59,811	20.25	-	-
		(-)			
		(-)			
Reliance Regular Saving Fund - Debt Plan G	10	6,685,326	15.15	-	-
		(-)			
		(-)			
SBI Magnum Insta Cash Fund Daily Dividend	10	59,711	10.00	-	-
		(-)			
		(-)			
UTI-Treasury Advantage Fund-Institutional Plan	1,000	-	-	-	16.11
		-			
		(160,730)			
ICICI Prudential FMP Series 70-367 days Plan N Regular Plan Cumulative	10	-	-	6.20	-
		(5,000,000)			
		(-)			
ICICI Prudential Interval Annual Plan III Regular Growth	10	-	-	3.97	3.78
		(2,480,000)			
		(2,484,343)			
ICICI Prudential FMP Series 71-368 days Plan A Regular Plan Cumulative	10	-	-	6.10	-
		(5,000,000)			
		(-)			
Kotak FMP Series 124 - Growth	10	-	-	6.21	-
		(5,038,705)			
		(-)			
HDFC FMP 372D October 2013 (1) Series 28 - Regular Growth	10	-	-	12.34	-
		(10,000,000)			
		(-)			
Birla Sun Life Fixed Term Plan - Series JA (366 days)	10	-	-	12.22	-

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

14 Current Financial Investments (Contd.)

₹ in cr.

			31 March 2017	31 March 2016	1 April 2015
		(10,000,000)			
		(-)			
IDFC Fixed Term Plan Series 49 Regular Plan-Growth	10	-	-	6.08	-
		(5,000,000)			
		(-)			
Birla Sun Life Dynamic Bond Fund Retail Growth	10	-	-	13.35	-
		(5,067,712)			
		(-)			
SBI Dynamic Bond Fund Regular Plan Growth	10	-	-	10.17	-
		(5,610,098)			
		(-)			
			181.56	**76.78**	**19.89**
Aggregate value of quoted investments and market value there of			181.56	76.78	19.89

* Figures in Brackets are for Previous Year

15 Trade Receivables

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Trade Receivables (considered good)	321.84	372.35	258.76
Doubtful Debts	4.90	-	-
Allowance for Doubtful Debts	(4.90)	-	-
	321.84	**372.35**	**258.76**

16 Cash and Cash equivalents

	31 March 2017	31 March 2016	1 April 2015
Balance with Banks - In Current Accounts	79.61	52.87	45.23
Cash on Hand	0.09	0.14	0.11
In Deposit Accounts (with original maturity of 3 months or less)	-	-	9.15
Bank overdrafts used for cash management purposes	(27.78)	(11.59)	(12.82)
	51.92	**41.43**	**41.67**

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to the Consolidated Financial Statements for the year ended 31st March 2017

17 Bank Balances other than Cash and Cash equivalents

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Earmarked balances with banks			
Unpaid Dividend	0.95	0.73	0.30
Unpaid Sale Proceeds of Fractional Shares (C.Y. ₹ 5,926, 31st March 2016 ₹ 6,240)			0.38
In Deposit Accounts (with original maturity of more than 3 months and upto 12 months)	0.02	-	40.00
In Deposit Accounts (With original maturity of more than 12 months)			
Under Lien	3.15	1.15	0.60
Others	-	0.07	40.99
	4.12	**1.95**	**82.27**

18 Current Financial Assets - Others

	31 March 2017	31 March 2016	1 April 2015
Interest Receivable	0.47	0.25	5.19
Forward Contracts	0.77	0.46	3.93
	1.24	**0.71**	**9.12**

19 Current Tax Assets (Net)

	31 March 2017	31 March 2016	1 April 2015
Income Tax Paid (Net of Provision)	11.23	17.64	-
	11.23	**17.64**	**-**

20 Other Current Assets

	31 March 2017	31 March 2016	1 April 2015
Balance with Statutory/Govt. Authorities			
Excise Authorities	40.70	28.50	30.12
Vat Receivable	3.98	3.75	2.32
Octroi Refund Receivable	0.52	0.52	0.52
Prepaid Expenses	2.89	1.82	0.18
Advances to Suppliers	3.75	2.75	7.66
Advances to Employees	3.30	3.62	3.23
Advances Recoverable in Cash or Kind	8.54	6.88	6.42
	63.68	**47.84**	**50.46**

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21 Share Capital

	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares of FV ₹2	**₹ in cr.**	No. of Shares of FV ₹2	₹ in cr.	No. of Shares of FV ₹2	₹ in cr.
Authorised :						
Equity Shares	150,000,000	30.00	150,000,000	30.00	150,000,000	30.00
Issued :						
Equity Shares	88,771,500	17.75	88,767,750	17.75	88,710,000	17.74
Subscribed & Paid-up :						
Equity Shares fully paid up	88,005,000	17.60	88,001,250	17.60	87,943,500	17.59
Add: Share Forfeited - Amount originally paid up	766,500	0.09	766,500	0.09	766,500	0.09
		17.69		**17.69**		**17.68**

21.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year :

	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares of FV ₹2	**₹ in cr.**	No. of Shares of FV ₹2	₹ in cr.	No. of Shares of FV ₹2	₹ in cr.
Equity shares outstanding as at the beginning of the year	88,001,250	17.60	87,943,500	17.59	87,876,750	17.58
Add: Equity shares allotted during the year against option's excercised under ESOP (Cr. Yr. ₹ 5,000)	2,500		38,500	0.01	44,500	0.01
Add: Equity shares allotted during the year as Bonus on ESOP (Cr. Yr. ₹ 2,500, 31st March 2016: ₹ 38,500, 1st April 2015: ₹ 44,500)	1,250		19,250		22,250	
Less: Equity shares bought back during the year	-	-	-	-	-	-
Equity shares outstanding as at the end of the year	**88,005,000**	**17.60**	**88,001,250**	**17.60**	**87,943,500**	**17.59**

21.2 Terms/Rights attached to equity shares

The company has only one class of equity shares with voting rights having a par value of ₹ 2 per share. The company declares & pays dividend in Indian Rupees. Any interim dividend paid is recognised on the approval by Board of Directors.

During the year ended 31st March 2017, the amount of dividend per equity share recognised as distribution to equity shareholders is ₹ 13 (Pr. Yr. ₹ 14), which includes interim dividend of ₹ 13 (Pr. Yr. ₹ 8) per equity share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by shareholders.

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to the Consolidated Financial Statements for the year ended 31st March 2017

21.3 Details of Equity Shares held by each shareholders holding more than 5%

Name of Shareholders	31 March 2017 No. of Shares of FV ₹2	31 March 2017 % holding	31 March 2016 No. of Shares of FV ₹2	31 March 2016 % holding	1 April 2015 No. of Shares of FV ₹2	1 April 2015 % holding
Mr. Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	12,749,999	14.49	-	-	-	-
Mr. Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	12,749,999	14.49	-	-	-	-
Mr. Ravi P. Agrawal, trustee Ravi Agrawal Trust	12,659,999	14.39	-	-	-	-
Mr. Aayush M. Agrawal, trustee Aayush Agrawal Trust	12,660,000	14.39	-	-	-	-
Gabs Investments Private Limited	8,392,262	9.54	8,392,262	9.54	8,392,263	9.54
Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal, Mr. Ravi P. Agrawal & Mr. Aayush M. Agrawal	5,137,500	5.84	-	-	-	-
Mr. Yogesh M. Agrawal	N.A.	N.A.	6,383,560	7.25	6,383,560	7.26
Mr. Rajesh M. Agrawal	N.A.	N.A.	6,411,102	7.29	6,411,102	7.29
Mr. Mannalal B. Agrawal	-	-	5,406,720	6.14	5,406,720	6.15
Mr. Purushottam B. Agrawal	-	-	5,389,425	6.12	5,389,425	6.13
Mr. Madhusudan B. Agrawal	-	-	5,388,750	6.12	5,388,750	6.13
Mrs. Manisha Y. Agrawal, Mrs. Richa R. Agrawal & Mr. Aayush M. Agrawal	-	-	5,137,500	5.84	-	-
Mrs. Vimal Agrawal & Mrs. Mamta Agrawal	-	-	-	-	5,137,500	5.84

	31 March 2017 No. of Shares of FV ₹2	31 March 2016 No. of Shares of FV ₹2	1 April 2015 No. of Shares of FV ₹2
21.4 Equity Shares reserved for issuance under Employees Stock Options Scheme 2011 of the Company			
Equity Shares	1,158,750	1,162,500	1,220,250
21.5 Aggregate number of equity shares issued during last five years pursuant to Employees Stock Options Scheme			
Equity Shares	170,250	166,500	108,750
21.6 Equity Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding the Balance Sheet date			
Bonus Shares issued in FY 2013-14	29,292,250	29,292,250	29,292,250
Bonus Shares on allotment of ESOP in FY 2014-15	22,250	22,250	22,250
Bonus Shares on allotment of ESOP in FY 2015-16	19,250	19,250	-
Bonus Shares on allotment of ESOP in FY 2016-17	1,250	-	-
21.7 The Company is not a subsidiary company.			

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

22 Non Current Financial Liabilities - Borrowings

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Term Loan (Secured)			
From Bank (Foreign Currency)	-	4.73	22.32
Vehicle Loans (Secured)			
From Banks (Foreign Currency)	1.04	1.06	0.99
Other Loans (Unsecured)			
Deferred Sales Tax Loans from Government of Maharashtra	-	9.08	9.95
	1.04	**14.87**	**33.25**

22.1 Term loans are secured by first charge on all Property, Plant and Equipment of the company and second charge on entire current assets of the company, present & future, on pari passu basis in addition to personal guarantee of some of the directors.

22.2 Vehicle loans are secured against vehicles acquired under the scheme & are repayble in equal monthly instalment upto 31st December 2020 & rate of interest is 7% p.a. (Pr.Yr. 7% p.a.).

23 Non Current Other Financial Liabilities

	31 March 2017	31 March 2016	1 April 2015
Trade / Security Deposits payable	0.09	0.46	2.50
	0.09	**0.46**	**2.50**

24 Non Current Provisions

	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits (Net)			
Gratuity	-	-	0.66
Leave Benefits	3.15	2.59	4.10
	3.15	**2.59**	**4.76**

25 Deferred Tax Liabilities (Net)

		31 March 2017	31 March 2016	1 April 2015
Difference in tax base of Property, Plant and Equipment	(A)	39.36	29.51	16.84
Unrealised gain/loss on securities carried at FVOCI/FVTPL	(B)	-	-	2.05
Deferred Tax Assets				
MAT Credit Entitlement	(C)	5.65	-	-
Unabsorbed Losses	(D)	-	4.16	1.20
Disallowance under Income Tax	(E)	6.37	6.07	3.92
Deferred Tax Liabilities (Net)	**(A)+(B)- (C)-(D)-(E)**	**27.34**	**19.29**	**13.78**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

26 Current Financial Liabilities - Borrowings

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Working Capital Loans repayable on demand from banks (Secured)			
Rupee Loan	5.53	9.95	5.08
Foreign Currency Loan	-	24.52	-
Working Capital Loans repayable on demand from banks (Unsecured)			
Foreign Currency Loan	-	11.78	-
	5.53	**46.25**	**5.08**

26.1 Working capital loans are secured by first charge on all current assets and second charge on all Property, Plant and Equipment of the company on pari passu basis in additions to the personal guarantee of some of the directors.

27 Current Financial Liabilities - Trade Payables

	31 March 2017	31 March 2016	1 April 2015
Trade Payables	139.57	145.57	109.06
	139.57	**145.57**	**109.06**

28 Current Other Financial Liabilities

	31 March 2017	31 March 2016	1 April 2015
Current Maturities of long-term borrowing			
Secured (Refer note 22.1 to 22.2)			
Foreign Currency Term Loan from Banks	-	18.93	17.86
Rupee Term Loan from Banks	-	-	2.00
Vehicle Loans	0.24	0.44	0.54
Unsecured			
Deferred Sales Tax Loans	-	0.86	0.83
Unpaid Dividend*	0.95	0.73	0.29
Unpaid Sale proceeds of Fractional Shares*	-	-	0.38
Interest Accrued	-	0.02	0.02
Capital Creditors	24.29	19.38	20.77
Others	0.05	0.15	0.17
	25.52	**40.51**	**42.86**

* There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as at 31st March 2017.

29 Other Current Liabilities

	31 March 2017	31 March 2016	1 April 2015
Other Payables			
Advances received from Customers	2.83	4.22	4.32
Statutory Dues payable	5.07	6.39	3.52
Others	32.09	5.60	7.63
	39.99	**16.21**	**15.47**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

30 Current Provisions

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits (Net)			
Gratuity	3.07	2.98	2.47
Leave Benefits	0.73	0.70	0.76
Other Provisions			
Sales Returns for expired goods (Refer note 51)	9.00	7.67	6.45
	12.80	**11.35**	**9.68**

31 Current Tax Liabilities (Net)

	31 March 2017	31 March 2016	1 April 2015
Provision for Tax (Net of Payment)	-	-	2.56
	-	**-**	**2.56**

32 Revenue from Operations

	31 March 2017	31 March 2016
Sale of Products		
Finished Goods	1,606.32	1,269.74
Stock-in-Trade	326.29	457.13
Other Operating Revenues		
Export Incentives	66.83	20.00
Royalty and Fees	-	1.90
Others	2.20	0.60
	2,001.64	**1,749.37**

33 Other Income

	31 March 2017	31 March 2016
Exchange Difference (Net)	-	8.13
Dividend Investments at FVTPL	0.67	2.55
Gain on Financial Instrument at FVTPL	16.83	5.45
Interest on Deposits with Banks	0.54	3.23
Interest from Others	1.85	0.29
Miscellaneous Income	3.97	1.50
	23.86	**21.15**

34 Cost of Material Consumed

	31 March 2017	31 March 2016
Raw Material Consumed	285.84	303.59
Packing Material Consumed	92.01	96.50
	377.85	**400.09**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

35 Purchase of Stock-in-Trade

₹ in cr.

	31 March 2017	31 March 2016
Purchase of Stock-in-Trade	47.36	63.01

36 Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade

		31 March 2017	31 March 2016
Inventories at the beginning of the year :			
Work-in-Process		11.58	12.35
Finished Goods		87.87	53.80
Stock-in-Trade		26.21	10.24
	(A)	**125.66**	**76.39**
Inventories at the end of the year :			
Work-in-Process		14.87	11.58
Finished Goods		77.86	87.87
Stock-in-Trade		43.55	26.21
	(B)	136.28	125.66
Total changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	**(A) - (B)**	**(10.62)**	**(49.27)**

37 Empolyee Benefit Expenses

	31 March 2017	31 March 2016
Salaries, Wages, Bonus and Allowances	273.45	238.18
Expense on Employee Stock Option Scheme	1.45	0.31
Contribution to Provident and Other Funds	17.22	15.42
Staff Welfare Expenses	3.31	2.73
	295.42	**256.64**

38 Finance Costs

	31 March 2017	31 March 2016
Interest Expenses	1.24	2.50
Other Borrowing Cost (Including Bank Charges)	2.26	2.39
	3.49	**4.89**

39 Depreciation

	31 March 2017	31 March 2016
Depreciation of Tangible Assets (Refer note 8)	59.26	43.17
Depreciation of Intangible Assets (Refer note 8)	1.95	1.27
	61.21	**44.43**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

40 Other Expenses

₹ in cr.

	31 March 2017	31 March 2016
Selling Expenses	204.68	179.75
Clearing and Forwarding	62.66	54.61
Travelling Expenses	36.49	35.37
Processing Charges	17.34	17.41
Power and Fuel	18.70	15.49
Advertisement and Publicity	3.58	11.56
Consumption of Stores & Spare Parts	55.99	36.18
Rent	7.03	9.06
Rates and Taxes	0.54	0.39
Legal and Professional Fees	13.93	10.25
Postage and Telephone Expenses	6.80	6.63
Repairs & Maintenance		
Buildings	4.19	5.86
Plant and Machinery	17.85	11.52
Computers & Others	5.32	6.93
Insurance	5.59	4.54
Donation	0.06	0.03
Exchange Difference (Net)	12.43	-
Impairment loss on Financial Assets	23.27	0.95
Excise Duty collected on Sales	18.38	15.39
Loss on Sale/Discard of Property, Plant and Equipment (Net)	3.89	6.92
Corporate Social Responsibility Expenses (Refer note 50)	8.93	6.39
Miscellaneous Expenses	74.99	56.61
	602.62	**491.84**

41 Capital Management

Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. Group's target is to achieve a return on capital above 35%; in 2016-17 the return was 41% and in 2015-16 the return was 44%.

Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents and short term investments. Adjusted equity comprises all components of equity.

Group's policy is to keep the ratio below 1.00 and its adjusted net debt to equity ratio at 31st March 2017 was as follows.

₹ in cr.

Particulars		31 March 2017	31 March 2016	1 April 2015
Debt (Debt + Current Liabilities)		224.46	274.76	217.96
Less: Cash and Cash equivalents and current investments		(233.48)	(118.21)	(61.56)
Net Debt	A	(9.02)	156.55	156.40
Equity	B	1,567.68	1,190.86	904.43
Net Debt to Equity ratio	A/B	-	0.13	0.18

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to the Consolidated Financial Statements for the year ended 31st March 2017

42 Earnings Per share (EPS):

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars		31 March 2017	31 March 2016
Basic and Diluted Earnings Per Share:			
Profit attributable to Equity shareholders for Basic EPS (₹ in cr.)	A	506.83	415.61
Add: Dilutive effect on profit (₹ in cr.)*	B	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (₹ in cr.)	C=A-B	506.83	415.61
Weighted Average Number of Equity Shares outstanding - for Basic EPS	D	8,80,04,688	8,79,96,438
Add: Dilutive effect of option outstanding- Number of Equity Shares *	E	24,466	6,738
Weighted Average Number of Equity Shares for Diluted EPS	F=D+E	8,80,29,153	8,80,03,176
Face Value per Equity Share (₹)		2	2
Basic Earnings Per Share (₹)	A/D	57.59	47.23
Diluted Earnings Per Shares (₹)	C/F	57.58	47.23

* On account of Employee Stock Option Scheme (ESOS) - (Refer note 45).

43 Consolidated Financial Statements present the consolidated accounts of the Holding Company and following subsidiary companies.

43.1 Details of subsidiaries of the Group are as under:

Name of the Company	Country of Incorporation	% voting power held as at 31 March 2017
Ajanta Pharma (Mauritius) Ltd. ("APML")	Mauritius	100%
Ajanta Pharma (Mauritius) Intl. Ltd.("APMIL") (Wholly owned Subsidiary of APML)	Mauritius	100%
Ajanta Pharma USA Inc. ("APUI")	U.S.A.	100%
Ajanta Pharma Philippines Inc. ("APPI")	Philippines	100%
Ajanta Pharma UK Ltd. ("AP UK")	England & Wales	100%
Ajanta Pharma Nigeria Ltd. ("APNL")	Nigeria	100%

43.2 The financial statements of the subsidiaries used in consolidation are for the period from 1st April 2016 to 31st March 2017

43.3 Financial statements and other information of subsidiaries have been audited by other auditors.

43.4 Ajanta Pharma UK Ltd., a wholly owned subsidiary has been incorporated as on 30th November 2010. However there are no transactions up to 31st March 2017.

44 Employee Benefits in respect of the Holding Company

As required by Ind AS 19 'Employee Benefits' the disclosures are as under:

44.1. Defined Contribution Plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

contributions are normally based on a certain proportion of the employee's salary. During the year, the Company has recognised the following amounts in the Account:

₹ in cr.

Particulars	31 March 2017	31 March 2016
Provident Fund and Employee's Pension Scheme	13.48	11.43
Employees State Insurance	1.63	1.81
Total	**15.11**	**13.24**

44.2.Defined Benefit Plans:

Gratuity: The Company makes annual contributions to Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

44.2.1. On normal retirement / early retirement / withdrawal / resignation:
As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service.

44.2.2. On the death in service:
As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.
Death Benefit: The Company provides for death benefit, a defined benefit plan (death benefit plan) to certain categories of employees. The death benefit plan provides a lump sum payment to vested employees on death, being compensation received from the insurance company and restricted to limits set forth in the said plan. The death benefit plan is non-funded.

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31st March 2017 are as under:

₹ in cr.

Particulars		31 March 2017	31 March 2016
i)	Changes in Defined Benefit Obligation		
	Opening defined benefit obligation	14.31	11.37
	Current Service Cost	3.00	2.56
	Interest Cost	1.05	0.82
	Actuarial loss / (gain)		
	- Changes in financial assumptions	0.08	(0.34)
	- Experience adjustments	(0.06)	0.75
	Benefit (paid)	(1.78)	(0.85)
	Closing defined benefit obligation	**16.60**	**14.31**
ii)	Changes in value of Plan Assets		
	Opening value of plan assets	11.32	8.24
	Expenses deducted from the fund	-	(0.10)
	Adjustment to the opening fund	-	0.02
	Interest Income	0.93	0.68
	Return on plan assets excluding amounts included in interest income	(0.15)	0.06
	Contributions by employer	3.20	3.27
	Benefits (paid)	(1.78)	(0.85)
	Closing value of plan assets	**13.52**	**11.32**
iii)	Amount recognized in the Balance Sheet		
	Present value of funded obligations as at year end	16.60	14.31
	Fair value of the plan assets as at year end	13.52	11.32
	Net (asset) / liability recognised as at the year end	**3.08**	**2.99**

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to the Consolidated Financial Statements for the year ended 31st March 2017

₹ in cr.

Particulars		31 March 2017	31 March 2016
iv)	Expenses recognised in the Statement of Profit and Loss		
	Current Service Cost	3.00	2.56
	Net Interest cost	0.12	0.14
	Expenses deducted from the fund	-	0.10
	Adjustment to the opening fund	-	(0.02)
	Expenses recognised in Statement of Other Comprehensive Income		
	Net actuarial loss/(gain) recognized in the current year		
	- Changes in financial assumptions	0.08	(0.34)
	- Experience adjustments	(0.06)	0.75
	Return on plan assets excluding amounts included in interest income	0.15	(0.06)
v)	Asset information		
	Others – Policy of Insurance	100%	100%
vi)	Principal actuarial assumptions used		
	Discount rate (p.a.)	7.20%	7.95%
	Salary growth rate (p.a.)	5.30%	6.00%

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in cr.

	31 March 2017		31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	15.81	17.44	13.66	15.01
Salary growth rate (0.5% movement)	17.41	15.83	15.00	13.67

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of assumptions. The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The expected contributions for defined benefit plan for the next financial year will be in line with FY 2016-17.

44.3 Leave Encashment:

The Holding Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly ₹ 3.87 cr. (Pr. Yr. ₹ 3.29 cr.) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

Employee Retirement and Other Benefit Obligations in respect of the Subsidiary at Mauritius:

For employees who are not covered by a pension plan, the net present value of severance allowances payable is provided for ₹ 0.03 cr. (Pr. Yr. ₹ 0.05 cr.).

Employee Retirement and Other Benefit Obligations in respect of the Subsidiary at Philippines:

Short term benefits includes salaries and wages and other government contributions which are due within 12 months after the end of the period in which employee renders the related service. The Company's short term employee benefits amounted to ₹ 11.58 cr. (Pr. Yr. ₹ 10.22 cr.). The Company did not yet set up a retirement plan since it does not have more than ten employees who had served at least five years.

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to the Consolidated Financial Statements for the year ended 31st March 2017

45 Share based payments

The Holding Company has implemented "Employees Stock Options Scheme 2011" ('ESOS – 2011') as approved by its shareholders and Compensation committee of Board of Directors.

During the year 15,500 options have been granted by the Company under the aforesaid ESOS – 2011 to the employees of the Company.

Grant Date	No. of option	Exercise Price	Vesting Period
26 July 2016	15,500	2	13.08.2017 to 13.08.2019

The options are granted at an exercise price which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each. The particulars of the options under ESOS 2011 are as under:

Particulars	31 March 2017 Nos.	31 March 2016 Nos.
Options outstanding as at beginning of the Year	12,750	91,500
Add: Options granted during the Year	15,500	9,000
Less: Options Exercised during the Year	3,750	57,750
Less: Options lapsed during the Year	Nil	30,000
Options outstanding as at the Year End	24,500	12,750

46 Financial Instrument – fair values and risk management

Fair value measurements

₹ in cr.

Financial Instruments by category	31 March 2017		31 March 2016		1 April 2015	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets						
Forward exchange contracts	0.77	-	0.46	-	3.93	-
Investments in Mutual Funds	181.56	-	76.78	-	65.24	-
Trade Receivables	-	321.84	-	372.35	-	258.76
Non Current Financial Assets - Others	-	9.29	-	9.26	-	9.23
Cash and cash equivalents	-	51.92	-	41.42	-	41.67
Bank balances other than cash and cash equivalents	-	4.12	-	1.95	-	82.27
Interest Receivable	-	0.47	-	0.25	-	5.19
Total Financial Assets	**182.33**	**387.64**	**77.24**	**425.23**	**69.17**	**397.12**
Financial Liabilities						
Borrowings	-	6.81	-	81.37	-	59.55
Non Current Other Financial Liabilities	-	0.09	-	0.46	-	2.50
Capital Creditors	-	24.29	-	19.38	-	20.77
Other Current Financial Liabilities	-	1.00	-	0.90	-	0.87
Trade payables	-	139.57	-	145.57	-	109.06
Total Financial Liabilities	**-**	**171.76**	**-**	**247.68**	**-**	**192.75**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

Fair Value Hierarchy

₹ in cr.

Financial assets and liabilities measured at fair value	31 March 2017			31 March 2016			1 April 2015		
	Level			Level			Level		
	I	II	III	I	II	III	I	II	III
Financial assets									
Recurring fair value measurement									
Forward exchange contracts	-	0.77	-	-	0.46	-	-	3.93	-
Investments in Mutual Funds	181.56	-	-	76.78	-	-	65.24	-	-
Non recurring fair value measurement									
Trade Receivables	-	-	321.84	-	-	372.35	-	-	258.76
Non Current Financial Assets - Others	-	-	9.29	-	-	9.26	-	-	9.23
Cash and cash equivalents	-	-	51.92	-	-	41.42	-	-	41.67
Bank balances other than cash and cash equivalents	-	-	4.12	-	-	1.95	-	-	82.27
Interest Receivable	-	-	0.47	-	-	0.25	-	-	5.19
Total Financial Assets	**181.56**	**0.77**	**387.64**	**76.78**	**0.46**	**425.23**	**65.24**	**3.93**	**397.12**
Financial Liabilities									
Borrowings	-	-	6.81	-	-	81.37	-	-	59.55
Non Current Other Financial Liabilities	-	-	0.09	-	-	0.46	-	-	2.50
Capital Creditors	-	-	24.29	-	-	19.38	-	-	20.77
Other Current Financial Liabilities	-	-	1.00	-	-	0.90	-	-	0.87
Trade payables	-	-	139.57	-	-	145.57	-	-	109.06
Total Financial Liabilities	**-**	**-**	**171.76**	**-**	**-**	**247.68**	**-**	**-**	**192.75**

Level 1 – The hierarchy in level 1 includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 – The fair value of financial instruments that are not traded in an active market (like forward contracts) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, etc. included in level 3.

A. Financial risk management

Group has exposure to following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

i. Risk management framework

Group's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

Group's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in

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market conditions and the Group's activities. Group, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Group's Audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and mutual funds, foreign exchange transactions and other financial instruments.

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non-interest bearing, are mainly from stockists, distributors and customers and are generally on 14 days to 150 days credit term. Credit limits are established for all customers based on internal rating criteria and any deviation in credit limit require approval of Directors. More than 90% of customers have been transacting with group for over 4 years and all of them are being monitored by individual business managers located in those countries/places. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

As at 31st March 2017, Group had 53 customers (31st March 2016: 61 customers, 1st April 2015: 51 customers) that owed the company more than ₹ 0.50 cr. each and accounted for approximately 50% for all 3 years i.e. 31st March 2017, 31st March 2016 and 1st April 2015 of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Expected Credit Loss for Trade receivables under simplified approach

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Gross carrying amount	326.74	372.35	258.76
Average Expected loss rate	1.50%	0.00%	0.00%
Carrying amount of trade receivables (net of impairment)	321.84	372.35	258.76

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b) Financial instruments

Holding Company limits its exposure to credit risk by investing only in liquid debt securities issued by mutual funds having a credit ranking of atleast 3 and above from CRISIL or equivalent rating agency. Holding Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Holding Company adjusts its exposure to various counterparties. There are no investments in any of subsidiary Companies.

iii. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to current liabilities is 1.03 at 31st March 2017 (31st March 2016: 0.43; 1st April 2015: 0.28).

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group uses derivative financial instruments such as foreign exchange contracts to manage its exposures to foreign exchange fluctuations. All such transactions are carried out within the guidelines set by the risk management committee.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis excludes the impact of movements in market variables on the carrying value of postemployment benefit obligations, provisions and on the non-financial assets and liabilities.

The sensitivity of the relevant income statement item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31st March 2017 and 31st March 2016.

a) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group. The currencies in which these transactions are primarily denominated are US Dollars, Euro, Mauritian Rupee, Philippine Peso and Nigerian Naira.

At any point in time, the Group covers foreign currency risk by taking appropriate percentage of its foreign

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currency exposure, as approved by risk management committee in line with the laid down policy approved by the Board. The Group uses forward exchange contracts to mitigate its currency risk, most with a maturity of less than one year from the reporting date. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The following table analyses foreign currency risk as of 31st March 2017:

₹ in cr.

Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Niara	Total
Bank Balances	44.75	0.67	9.35	2.60	6.03	63.40
Trade Receivables	193.70	4.13	28.37	36.91	2.75	265.86
Other Assets	1.25	5.46	4.40	3.14	0.49	14.74
Trade Payables	(20.89)	(2.57)	(5.11)	(7.60)	Nil	(36.17)
Borrowings & Other Financial Liabilities	(0.83)	(1.99)	Nil	(1.28)	(8.12)	(12.22)
Net Assets / (Liabilities)	217.97	5.70	37.00	33.77	1.15	295.60

The following table analyses foreign currency risk as of 31st March 2016:

₹ in cr.

Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Niara	Total
Bank Balances	25.90	0.11	3.67	9.59	5.24	44.51
Trade Receivables	267.34	7.11	22.50	31.56	3.31	331.82
Other Assets	5.69	5.94	3.53	2.03	0.06	17.25
Trade Payables	(7.92)	(2.05)	(0.91)	(6.21)	Nil	(17.09)
Borrowings & Other Financial Liabilities	(48.81)	(4.71)	(11.79)	(1.50)	(1.74)	(68.55)
Net Assets / (Liabilities)	242.21	6.40	17.00	35.47	6.87	307.95

The following table analyses foreign currency risk as of 1st April 2015:

₹ in cr.

Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Niara	Total
Bank Balances	10.70	0.20	25.64	4.28	0.07	40.89
Trade Receivables	160.50	9.15	5.17	24.70	1.08	200.61
Other Assets	4.70	3.41	3.42	1.85	0.15	13.53
Trade Payables	(8.59)	(0.66)	(0.97)	(5.64)	Nil	(15.85)
Borrowings & Other Financial Liabilities	(44.73)	(0.44)	Nil	(1.53)	(0.07)	(46.77)
Net Assets / (Liabilities)	122.58	11.67	33.26	23.67	1.24	192.41

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For the year ended 31st March 2017 every percentage point depreciation / appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in cr.

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	2.18 / (2.18)
Euro	+1% / (-1%)	0.06 / (0.06)
Mauritian Rupee (MUR)	+1% / (-1%)	0.37 / (0.37)
Philippine Peso (PHP)	+1% / (-1%)	0.38 / (0.38)
Nigerian Niara (NN)	+1% / (-1%)	0.01 / (0.01)

For the year ended 31st March 2016 every percentage point depreciation / appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in cr.

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	2.42 / (2.42)
Euro	+1% / (-1%)	0.06 / (0.06)
Mauritian Rupee (MUR)	+1% / (-1%)	0.17 / (0.17)
Philippine Peso (PHP)	+1% / (-1%)	0.35 / (0.35)
Nigerian Niara (NN)	+1% / (-1%)	0.07 / (0.07)

For the year ended 1st April 2015 every percentage point depreciation / appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in cr.

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	1.23 / (1.23)
Euro	+1% / (-1%)	0.12 / (0.12)
Mauritian Rupee (MUR)	+1% / (-1%)	0.33 / (0.33)
Philippine Peso (PHP)	+1% / (-1%)	0.24 / (0.24)
Nigerian Niara (NN)	+1% / (-1%)	0.01 / (0.01)

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt interest obligations. Further, the Group engages in financing activities at market linked rates, any changes in the interest rates environment may impact future rates of borrowing.

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The interest rate profile of the Group's interest bearing financial instruments as reported to management is as follows.

₹ in cr.

Particulars	31 March 2017	31 March 2016	1 April 2015
Foreign Currency Term Loan	1.28	25.17	41.70
Foreign Currency Packing Credit	Nil	36.30	Nil
Total	**1.28**	**61.47**	**41.70**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have impacted profit before tax as per below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ in cr.

Particulars	31 March 2017	31 March 2016	1 April 2015
Increase in interest rate by 1%	(0.01)	(0.61)	(0.42)
Decrease in interest rate by 1%	0.01	0.61	0.42

c) Price risk

Group does not have any exposure to price risk, as there is no equity investments by group.

47 Disclosure for operating leases under Ind AS 17 - "Leases":

The Holding Company and Subsidiary Companies have taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by lease arrangements and there are no sub leases. There are no contingent rents. The lease payments of ₹ 7.03 cr. (Pr. Yr. ₹ 9.06 cr.) are recognised in Statement of Profit and Loss under "Rent" under Note 40.

The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

₹ in cr.

Particulars	31 March 2017	31 March 2016
Not later than one year	3.29	6.10
Later than one year but not later than five years	4.93	9.05
Less than five years	Nil	Nil

Finance Lease

₹ in cr.

Particulars	Total Minimum Lease Payments Outstanding	Future Interest on Outstanding	Present Value of Minimum Lease Payments
Within one year	0.24	Nil	0.24
	(0.44)	(Nil)	(0.44)
Later than one year and not later than five years	1.04	Nil	1.04
	(1.06)	(Nil)	(1.06)

Figures in brackets indicate previous year figures.

Future obligations towards lease rentals under the lease agreements as on 31st March 2017 amounts to ₹ 9.50 cr. (Pr. Yr. ₹ 16.65 cr.)

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48 Contingent Liabilities and commitments:

Contingent Liabilities

₹ in cr.

Particulars		31 March 2017	31 March 2016
i.	Claims against the Company not acknowledged as debt	0.90	0.70
ii.	Sales tax demands disputed by Company pending in appeal	Nil	0.22
iii.	Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation	1.44	0.76
iv.	Disputed Octroi Amount paid under protest ₹ 0.52 cr. (Pr. Yr. ₹ 0.52 cr.)	0.52	0.52
v.	Excise duty and Service Tax disputed by the Company Amount paid under protest ₹ 0.25 cr. (Pr. Yr. ₹ 0.25 cr.)	2.64	0.54
vi.	Income Tax demand disputed by the Company pending in appeal Amount paid under protest ₹ 7.86 cr. (Pr. Yr. ₹ 2.17 cr.)	8.33	17.52

In respect of clause (i) to (vi) above, the Management has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

Future cash outflows in respect of liability under clause (i) is dependent on terms agreed upon with the parties, in respect of clauses (ii) to (vi) is dependent on decisions by relevant authorities of respective disputes.

Commitments:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 132.28 cr. (Pr. Yr. ₹ 103.66 cr.).

b) Other Commitments – Non-cancellable operating leases (Refer note 47).

49 Related party disclosure as required by Ind AS 24 are given below:

A) Relationships:

Category I - Directors, Key Management Personnel & their Relatives:

Mr. Mannalal B. Agrawal	Chairman
Mr. Purushottam B. Agrawal	Executive Vice Chairman
Mr. Madhusudan B. Agrawal	Executive Vice Chairman
Mr. Yogesh M. Agrawal	Managing Director
Mr. Rajesh M. Agrawal	Joint Managing Director
Mr. Chandrakant M Khetan	Non-executive Director
Dr. Anil Kumar	Non-executive Director
Mr. K. H. Viswanathan	Non-executive Director
Mr. Prabhakar Dalal	Non-executive Director
Dr. Anjana Grewal	Non-executive Director
Mr. Arvind Agrawal	Chief Financial Officer
Mr. Gaurang Shah	Company Secretary
Dr. Ramesh Jhawar	Director (APUI)
Mr. Vinayak Muzumdar	Director (APML)
Mr. Suttian Deerpaul	Director (APML)
Mr. Sam Gioskos	Director (APPI)
& Relatives of Key Management Personnel	

Category II - Enterprise over which persons covered under category II above are able to exercise significant control:

Gabs Investment Private Limited
Seth Bhagwandas Agrawal Charitable Trust
Ganga Exports being represented by Mr. Yogesh Agrawal, Mr. Rajesh Agrawal, Mr. Ravi Agrawal & Mr. Aayush Agrawal
Yogesh Agrawal Trust, Trustee - Mr. Yogesh M. Agrawal (w.e.f. 7 March 2017)
Rajesh Agrawal Trust, Trustee - Mr. Rajesh M. Agrawal (w.e.f. 7 March 2017)
Ravi Agrawal Trust, Trustee - Mr. Ravi P. Agrawal (w.e.f. 7 March 2017)
Ajanta Pharma Limited Group Gratuity Trust

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B) Following transactions were carried out with related parties:

₹ in cr.

Sr. No.	Particulars	Category	31 March 2017	31 March 2016
1.	Key Management Compensation:			
	Short Term Employee Benefits			
	Mr. Purushottam B. Agrawal	I	2.07	1.88
	Mr. Madhusudan B. Agrawal	I	2.07	1.88
	Mr. Yogesh M. Agrawal	I	2.07	1.88
	Mr. Rajesh M. Agrawal	I	2.07	1.47
	Mr. Arvind Agrawal	I	0.84	0.70
	Mr. Gaurang Shah	I	0.37	0.33
	Mr. Ramesh Jhawar	I	2.55	1.48
	Mr. Vinayak Muzumdar & Mr. Suttian Deerpaul	I	0.66	0.51
	Mr. Sam Gioskos	I	0.59	0.57
	Post-employment benefits	I	0.09	0.13
2.	Commission and Sitting Fees to Non-Executive Directors			
	Mr. Mannalal B. Agrawal	I	1.24	1.23
	Mr. Chandrakant M. Khetan	I	0.06	0.04
	Dr. Anil Kumar	I	0.06	0.02
	Mr. K. H. Viswanathan	I	0.05	0.03
	Mr. Prabhakar Dalal	I	0.05	0.03
	Dr. Anjana Grewal	I	0.05	0.03
3.	Rent to :			
	Mrs. Manisha Agrawal	I	Nil	0.79
	Mrs. Smriti Agrawal	I	Nil	0.79
	Mr. Aayush Agrawal	I	Nil	0.79
4.	Dividend Paid	I	46.82	79.15
		II	37.62	11.75
5.	Purchase of property			
	Mr. Yogesh M. Agrawal	I	2.60	Nil
	Mr. Rajesh M. Agrawal	I	2.60	Nil
	Mr. Ravi P. Agrawal	I	2.60	Nil
	Mr. Aayush M. Agrawal	I	2.60	Nil
6.	Sale of Vehicle			
	Mr. Mannalal B. Agrawal	I	1.10	Nil
	Mr. Ravi P. Agrawal	I	0.23	Nil
7.	Corporate Social Responsibility Expense Seth Bhagwandas Agrawal Charitable Trust	II	6.19	1.05
8.	Contribution made to Group gratuity trust through premium paid to LIC : Premium paid	II	3.31	3.36

C) Amount outstanding as on 31st March 2017

₹ in cr.

Sr. No.	Particulars	Category	31 March 2017	31 March 2016	1 April 2015
1.	Commission Payable to Non-Executive Directors				
	Mr. Mannalal B Agrawal	I	1.20	1.20	1.51
	Mr. Chandrakant M Khetan	I	0.01	Nil	0.03
	Dr. Anil Kumar	I	0.01	Nil	0.03
	Mr. K. H. Viswanathan	I	0.01	Nil	0.02
	Mr. Prabhakar Dalal	I	0.01	Nil	0.02
	Dr. Anjana Grewal	I	0.01	Nil	0.02

The Group has completed an independent evaluation for all international and domestic transactions for the year ended 31st March, 2017 and has reviewed the same for the year ended 31st March, 2016 to determine whether the transactions with associated enterprises are undertaken at arm's length price. Based on the internal and external transfer pricing review and validation, the Group believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle.

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50 Contribution towards Corporate Social Responsibility

The particulars of CSR expenditure are as follows:

a) Gross amount required to be spent by the Group during the year is ₹ 8.42 cr. (Previous year: ₹ 6.09 cr.).

b) Amount spend during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
a.	Construction/ acquisition of asset	Nil	Nil	Nil
b.	On purposes other than (i) above	8.93	Nil	8.93

*including paid to related parties ₹ 6.19 cr. (Refer note 49)

c) Amount spend during the previous year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
a.	Construction/ acquisition of asset	Nil	Nil	Nil
b.	On purposes other than (i) above	6.39	Nil	6.39

*including paid to related parties ₹ 1.05 cr. (Refer note 49)

51 Provision of anticipated Sales Returns for Expired Goods – Ind AS 37

₹ in cr.

Particulars	31 March 2017	31 March 2016
Balance at the beginning of the year	7.67	6.45
Add: Provisions made during the year	5.71	4.89
Less: Amount written back/utilized during the year	4.38	3.67
Balance at the end of the year	**9.00**	**7.67**

52 Disclosure on Specified Bank Notes (SBNs)

During the year, the Holding Company had specified notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated March 31,2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other Denomination Notes	Total
	₹	₹	₹
Closing cash in hand as on November 8, 2016	8,27,500	5,81,490	14,08,990
(+) Permitted receipts	Nil	16,65,581	16,65,581
(-) Permitted payments	Nil	12,63,085	12,63,085
(+) Amount deposited in Banks	8,27,500	50,000	8,77,500
Closing cash in hand as on December 30, 2016	Nil	9,34,086	9,34,086

53 The Group has one segment of activity namely "Pharmaceuticals".

54 Remuneration to Auditors (excluding service tax):

₹ in cr.

Particulars	31 March 2017	31 March 2016
Audit Fees	0.33	0.32
Tax Audit Fees	0.04	0.04
For Certification and Other Matters	0.08	0.08

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55 Research and Development expenditure:

Revenue expenses on research and development incurred during the year except depreciation are as under:

Particulars	31 March 2017	31 March 2016
Cost of Material/Consumables/Spare	51.07	32.07
Employee Benefit Expenses	46.56	30.82
Utilities	4.70	3.09
Other Expenses	50.62	40.49
Total	152.95	106.47

56 Note on foreign currency exposures on assets and liabilities:

During the year, the Group has entered into Forward Exchange Contract, being derivative instruments to mitigate foreign currency risk, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. The following are the outstanding foreign currency forward contracts entered into by the Group:

Particulars	31 March 2017 Foreign Currency Amt in cr.	31 March 2016 Foreign Currency Amt in cr.	Buy or Sell	Cross Currency
Euro	0.08	0.25	SELL	INR
USD	0.10	0.50	SELL	INR

The year-end foreign currency exposures that have not been mitigated by a derivative instrument or otherwise are as below:

Particulars	₹ in cr. 31 March 2017	₹ in cr. 31 March 2016	Foreign Currency Amt in cr. 31 March 2017	Foreign Currency Amt in cr. 31 March 2016	Foreign Currency
Amount Receivable	253.73	276.33	3.91	4.17	USD
	38.65	33.94	0.56	0.45	EURO
	0.01	Nil	*0.00	Nil	GBP
	0.64	5.40	0.01	0.08	CHF
	0.23	Nil	0.01	Nil	AED
	Nil	0.12	Nil	0.20	JPY
Amount Payable	8.04	54.44	0.12	0.82	USD
	2.57	2.05	0.04	0.03	EURO
	Nil	0.02	Nil	@0.00	GBP
	0.06	Nil	0.10	Nil	JPY

* GBP 1,030, @ GBP 2,082

57 In case of the Holding Company, Excise duty includes ₹ 0.03 cr. (Pr. Yr. ₹ 0.12 cr.) being net impact of the excise duty provision on opening and closing stock.

58 Company had invested in a JV Turkmenderman Ajanta Pharma Ltd. (TDAPL) about two decade back, where it had management control. However later on, company surrendered management control in favour of local partner and since then do not have any control on the same. Further TDAPL operates under severe restriction that significantly impairs its ability to transfer the funds. Hence, company impaired entire investment in TDAPL and considered as unrelated party. Company has been making efforts to divest this investment since last few years without any success.

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59 In case of the Holding Company, Pre-operative expenses pending capitalisation included in Capital Work-in-Progress (Refer note 8) represent direct attributable expenditure for setting up of plants prior to date of commencement of commercial production. The same will be capitalised on completion of projects and commencement of commercial operations. Details of pre-operative expenses are:

₹ in cr.

Particulars	31 March 2017	31 March 2016
Opening Balance	40.89	15.66
Add: Incurred during year		
Employee Benefit Expenses	18.21	8.46
Professional fees	0.81	0.37
Travelling expenses	1.37	0.56
Depreciation	1.93	2.67
Others	28.69	13.52
Total	**91.90**	**41.24**
Less : Other Income	1.11	0.35
Less: Capitalised to Tangible Assets	5.75	Nil
Closing Balance	**85.04**	**40.89**

60 Additional information, as required under Schedule III of the Companies Act 2013, of enterprises consolidated as Subsidiary

As of 31st March 2017

Name of Enterprise	Net assets i.e total assets minus total liabilities		Share in profit (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount ₹ in cr.	As % of consolidated net assets	Amount ₹ in cr.	As % of consolidated net assets	Amount ₹ in cr.	As % of consolidated net assets	Amount ₹ in cr.
Holding Company								
Ajanta Pharma Ltd.	95.6%	1,498.77	90.1%	456.64	4.5%	(0.11)	90.5%	456.54
Foreign Subsidiaries								
APML	3.6%	55.87	9.4%	47.84	36.9%	(0.94)	9.3%	46.90
APPI	1.9%	29.49	2.9%	14.56	104.4%	(2.64)	2.4%	11.92
APUI	(1%)	(15.39)	(2.1%)	(10.84)	(29.1%)	0.74	(2%)	(10.11)
APNL	(0.1%)	(1.05)	(0.3%)	(1.37)	(16.7%)	0.42	(0.2%)	(0.95)
Total		**1,567.68**		**506.83**		**(2.53)**		**504.30**

As of 31st March 2016

Name of Enterprise	Net assets i.e total assets minus total liabilities		Share in profit (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount ₹ in cr.	As % of consolidated net assets	Amount ₹ in cr.	As % of consolidated net assets	Amount ₹ in cr.	As % of consolidated net assets	Amount ₹ in cr.
Holding Company								
Ajanta Pharma Ltd.	95.6%	1,138.38	86.1%	357.93	(4.2%)	(0.23)	86.6%	364.35
Foreign Subsidiaries								
APML	3.2%	37.82	12.6%	52.35	72.5%	3.89	12%	50.63
APPI	2%	24.21	4.2%	17.41	26%	1.39	4.4%	18.40
APUI	(0.8%)	(9.45)	(2.8%)	(11.61)	5.9%	0.31	(2.8%)	(11.93)
APNL	0%	(0.10)	(0.1%)	(0.47)	(0.2%)	(0.01)	(0.1%)	(0.49)
Total		**1,190.86**		**415.61**		**5.35**		**420.96**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

Also refer Note 43.4

Refer Annexure “B” of Director’s Report for salient features of the financial statements of subsidiaries

61 Income Tax

Income tax (expense) / benefit recognized in the income statement consists of the following:

₹ in cr.

		31 March 2017	31 March 2016
a.	Current tax		
	Current tax on profit for the year	157.40	144.20
	Adjustment for current tax of prior periods	0.09	(3.03)
	Total Current Tax expenses	157.49	141.17
	Deferred tax expense/(benefit)		
	Origination and reversal of timing difference	(16.15)	2.11
	Total income tax recognised in the income statement	**141.35**	**143.28**
b.	Reconciliation of effective tax rate		
	The following is a reconciliation of the Group’s effective tax rate for the year ended 31st March 2017		
	Accounting profit before income taxes	648.17	558.89
	Enacted tax rate in India (%)	34.61%	34.61%
	Computed expected tax (benefit) / expenses	224.32	193.42
	Tax effect due to non-taxable income for India tax purpose	(17.55)	(21.88)
	Overseas taxes	15.81	9.15
	Overseas tax provision (reversals)	(0.36)	16.69
	Effect of non-deductible expenses	13.15	15.10
	Effect of exempt non-operating income	(0.23)	(0.88)
	Tax effect which is chargeable at different rate	(10.94)	(11.58)
	Additional deduction on R&D Expenses	(67.80)	(51.66)
	Investment allowance on plant & machinery	(13.57)	(1.93)
	Other deductible expenses	(1.58)	(0.10)
	Adjustment for current tax of prior periods	0.09	(3.03)
	Income tax (benefit) / expenses	**141.35**	**143.29**
	Effective tax rate	**21.81%**	**25.64%**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

c. **Deferred tax asset & (liabilities):**

The tax effects of significant temporary difference that resulted in deferred tax asset & liabilities and a description of that created these difference in given below:

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Deferred Tax Liabilities			
Property ,Plant and equipment	(37.21)	(25.81)	(16.84)
Gain on Financial Instrument at fair value through profit or loss	(2.15)	(3.60)	(2.05)
Others	0.04	4.29	1.20
Total Deferred Tax Liabilities	**(39.32)**	**(25.12)**	**(17.69)**
Deferred Tax Asset			
Leave Encashment	1.34	1.14	1.68
Bonus	-	1.90	-
Provision for Expired Goods	3.11	2.65	2.23
Re-measurement gains (losses) on defined benefit plans	0.18	0.12	-
MAT Credit Entitlement	5.65	-	-
Provision for Loss Allowance	1.70	-	-
Temporary difference related to subsidiaries	23.88	8.58	5.06
Others	0.57	-	-
Total Deferred Tax Asset	**36.43**	**14.41**	**8.97**
Deferred tax liabilities after set off	(27.34)	(19.29)	(13.78)
Deferred tax assets after set off	24.45	8.58	5.06
Movement in deferred tax liabilities, net			
Opening balance	(19.29)	(13.78)	
Re-measurement gains (losses) on defined benefit plans	0.06	0.12	-
Tax benefit/(expense) during the period recognised in profit or loss	(3.86)	(8.73)	-
Others	(4.25)	3.09	-
Closing balance	**(27.34)**	**(19.29)**	**-**
Movement in deferred tax assets, net			
Opening balance	8.58	5.06	
Temporary difference related to subsidiaries	15.30	3.53	-
Others	0.57	-	-
Closing balance	**24.45**	**8.58**	**-**

The charge relating to temporary differences during the year ended 31st March 2017 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences, MAT credit entitlement. The credit to temporary differences during the year ended 31st March 2016 are primarily on account of Property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, compensated absences, provision for loss allowance, forward Contract receivable.

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to the Consolidated Financial Statements for the year ended 31st March 2017

62 First-time adoption of Ind AS

Pursuant to the Companies (India Accounting Standard) Rules, 2015, the Group has adopted 31st March 2017 as reporting date for first time adoption of India Accounting Standard (Ind AS) and consequently 1st April 2015 as the transition date for preparation of financial statements. The financial statements for the year ended 31st March 2017, are the first financials, prepared in accordance with Ind AS. Upto the Financial year ended 31st March 2016, the Group prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Previous GAAP). For preparing these financial statements, opening balance sheet was prepared as at 1st April 2015 i.e., the date of transition to Ind AS. The figures for the previous periods and for the year ended 31st March 2016 have been restated, regrouped and reclassified, wherever required to comply with Ind AS and Schedule III to the Companies Act 2013 and to make them comparable.

This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with Previous GAAP, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

Exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.

On transition to Ind AS, the group has applied the following exemptions:

- Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

- Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

- Ind AS 102 Share based payment has not been applied to equity instruments in share based payment transactions that vested before date of transition to Ind AS.

- Appendix C of Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. This assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Exceptions:

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

- **Derecognition of financial assets and financial liabilities**
  The Group has elected to apply derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

- **Classification and measurement of financial assets**
  The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

- **Deferred Sales tax loan**
  As per Ind AS 101, Group applied the requirements in Ind AS 109, Financial Instruments and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to Sales tax deferred Loan existing at the date of transition to Ind AS and has not recognised the corresponding benefit of the loan at a below market rate of interest as a government grant. Group has used its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance Sheet. As per Ind AS 109, this loan will be classified as at Amortised cost. Since there is no difference between the carrying amount and the amount to be paid, there will be no impact of Effective Interest rate i.e., no discounting/unwinding is required.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

Reconciliation of equity as previously reported under IGAAP to Ind AS

₹ in cr.

Particulars	As at 31 March 2016			As at date of transition 1 April 2015		
	Previous GAAP	Adjustment on transition to Ind AS	Ind AS	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
ASSETS						
1. Non-Current Assets						
a. Property, Plant and Equipment	446.98	-	446.98	283.78	-	283.78
b. Capital Work-in-Progress	238.42	-	238.42	170.20	-	170.20
c. Intangible Assets	4.60	(0.84)	3.76	4.31	(1.09)	3.22
d. Intangible Assets under development	1.38	-	1.38	-	-	-
e. Financial Assets						
(i) Investments	-	-	-	40.04	5.31	45.35
(ii) Others	9.26	-	9.26	9.23	-	9.23
f. Deferred Tax Assets (net)	-	8.58	8.58	-	5.06	5.06
g. Other non-current assets	16.30	-	16.30	5.38	-	5.38
2. Current Assets						
a. Inventories	204.58	-	204.58	159.03	-	159.03
b. Financial Assets						
(i) Investments	66.39	10.39	76.78	19.46	0.43	19.89
(ii) Trade Receivables	372.35	-	372.35	258.76	-	258.76
(iii) Cash and Cash equivalents	53.01	(11.59)	41.42	54.49	(12.82)	41.67
(iv) Bank Balances other than (iii) above	1.95	-	1.95	82.27	-	82.27
(v) Other Financial Assets	0.73	(0.02)	0.71	8.94	0.18	9.12
c. Current Tax Assets, net	17.64	-	17.64	-	-	-
d. Other Current Assets	47.84	-	47.84	50.46	-	50.46
Total Assets	**1,481.43**	**6.52**	**1,487.96**	**1,146.35**	**(2.93)**	**1,143.42**
EQUITY AND LIABILITIES						
Equity						
a. Equity Share Capital	17.69	-	17.69	17.68	-	17.68
b. Other Equity	1,154.37	18.80	1,173.17	823.41	63.33	886.74
Liabilities						
1. Non-Current Liabilities						
a. Financial Liabilities						
(i) Borrowings	14.87	-	14.87	33.25	-	33.25
(ii) Other financial liabilities	0.46	-	0.46	2.50	-	2.50
b. Provisions	2.59	-	2.59	4.76	-	4.76
c. Deferred Tax Liabilities (net)	19.98	(0.69)	19.29	15.16	(1.38)	13.78
2. Current Liabilities						
a. Financial Liabilities						
(i) Borrowings	57.83	(11.58)	46.25	17.90	(12.82)	5.08
(ii) Trade payables	145.57	-	145.57	109.06	-	109.06
(iii) Other Financial Liabilities	40.51	-	40.51	42.86	-	42.86
b. Other Current Liabilities	16.21	-	16.21	15.47	-	15.47
c. Provisions	11.35	-	11.35	61.74	(52.06)	9.68
d. Current Tax Liabilities, net	-	-	-	2.56	-	2.56
Total Equity and Liabilities	**1,481.43**	**6.53**	**1,487.96**	**1,146.35**	**(2.93)**	**1,143.42**

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to the Consolidated Financial Statements for the year ended 31st March 2017

Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS for the year ended 31st March 2016

₹ in cr.

Particulars	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
Income:			
Revenue from operations	1,727.53	21.84	1,749.37
Other Income	16.63	4.52	21.15
Total Income	**1,744.16**	**26.36**	**1,770.52**
Expenses:			
Cost of Materials Consumed	400.09	-	400.09
Purchase of Stock-in-Trade	63.01	-	63.01
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	(49.27)	-	(49.27)
Employee Benefit Expenses	256.99	(0.35)	256.64
Finance Costs	4.89	-	4.89
Depreciation and Amortisation expense	45.06	(0.63)	44.43
Other Expenses	475.99	15.85	491.84
Total Expenses	**1,196.76**	**14.87**	**1,211.63**
Profit before tax	547.40	11.49	558.89
Tax Expense:			
Current tax	141.17	-	141.17
Deferred tax	4.82	(2.72)	2.11
Profit for the year	**401.41**	**14.20**	**415.61**
Other Comprehensive Income			
Other Comprehensive Income to be reclassified to profit or loss in subsequent years:			
Exchange differences on translation of foreign operations	-	5.58	5.58
Income tax effect on above	-	-	-
Net other Comprehensive Income to be reclassified to profit or loss in subsequent years	-	5.58	5.58
Other Comprehensive Income not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains (losses) on defined benefit plans	-	(0.35)	(0.35)
Income tax effect on above	-	0.12	0.12
Net other Comprehensive Income not to be reclassified to profit or loss in subsequent years	-	(0.23)	(0.23)
Other Comprehensive Income for the year, net of tax	-	5.35	5.35
Total Comprehensive Income for the year, net of tax	**-**	**19.55**	**420.96**

Measurement and recognition difference between Ind AS and Previous GAAP for the year ended 31st March 2016.

1) Fair valuation of Investments

Under previous GAAP, investments in equity instruments and mutual funds were classified as long term investments or current investments based on the intended holding period and realisability. Long Term investments were carried at cost less provision for other than the temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March 2016. This increased the retained earnings by ₹ 4.65 cr. as at 31st March 2016 (1st April 2015 – ₹ 5.74 cr.).

2) Foreign currency translation

Under Previous GAAP, the Group recognised translation differences on foreign operations in a separate

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

component of equity. Under Ind AS, Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1st April 2015. The resulting adjustment was recognised against retained earnings.

3) Proposed dividend

Under previous GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as liability in the period in which it is declared by the Company, usually when approved by shareholders in a general meeting, or paid.

Therefore, the dividend liability (proposed dividend) including dividend distribution tax liability amounting to ₹ 58.51 cr. has been derecognised in the retained earnings as on the date of transition.

Proposed dividend including dividend distribution tax liability amounting to ₹ 58.51 cr. which was derecognised as on the transition date, has been recognised in retained earnings during the year ended 31st March, 2016 as declared and paid.

4) Defined benefit obligation

Both under previous GAAP and Ind AS, the Group recognised costs related to its post- employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost related to post-employment defined benefit plans, including actuarial gains and losses, were charged to profit or loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income. Thus, employee benefit expenses reduced by ₹ 0.35 cr. and is recognised in other comprehensive income, ₹ 0.23 cr. (net of deferred tax), during the year ended 31st March 2016.

5) Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to different temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

The above changes (increased) decreased the deferred tax as follows:

₹ in cr.

Particulars	31 March 2016	1 April 2015
Financial Instruments	(3.59)	(2.05)
Employee benefits	0.12	Nil
Provisions	Nil	2.23
Stock reserve	8.58	5.06
Others	4.16	1.20
Increase in deferred tax	**9.27**	**6.44**

6) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under the previous GAAP.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2017

7) Statement of cash flows

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities. Consequently, cash and cash equivalents have reduced by ₹ 11.58 cr. as at 31st March 2016 (1st April 2015 – ₹ 12.82 cr.).

8) Excise Duty

Under previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March 2016 by INR ₹ 15.39 cr. There is no impact on the total equity and profit.

9) Cash Discount

Under previous GAAP, cash discount of ₹ 0.11 cr. was recognised as part of other expenses which has been adjusted against the revenue under Ind AS during the year ended 31st March, 2016. There is no impact on the total equity and profit.

10) Retained Earnings

The above changes decreased (increased) retained earnings as follows:

₹ in cr.

Particulars	31 March 2016	1 April 2015
Financial Instruments, net	2.69	3.88
Proposed dividends	Nil	58.51
Provisions, net	4.22	(4.22)
Deferred tax assets on Stock reserve	8.58	5.06
Others	3.31	0.10
Increase in retained earnings	**18.80**	**63.33**

In the preparation of these Ind-AS Financial Statements, the Group has made several presentation differences between previous GAAP and Ind-AS. These differences have no impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind-AS at the date of transition. Further, in these Financial Statements, some line items are described differently under Ind-AS compared to previous GAAP, although the assets and liabilities included in these line items are unaffected.

As per our report of even date attached
For **Kapoor & Parekh Associates**
Chartered Accountants

Nilesh Parekh
Partner

Mumbai, 3rd May 2017

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Madhusudan B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Independent Auditor's Report

To
The Members of
AJANTA PHARMA LIMITED

Report on Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of AJANTA PHARMA LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Independent Auditor's Report

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder;

   e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact, if any, of pending litigations as at 31st March 2017, on its financial position in its standalone Ind AS financial statements - Refer Note 46 to the standalone Ind AS financial statements;

      ii. The Company has not entered into any long-term contracts including derivative contracts requiring provision under the applicable law or accounting standards, for material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

      iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. - Refer Note 50 to the standalone Ind AS financial statements.

For **Kapoor & Parekh Associates**
Chartered Accountants
ICAI FRN 104803W

Nilesh Parekh
Partner
M.No. 33528

Mumbai, 3rd May 2017

Annexure A to the Independent Auditor's Report

(The Annexure referred to in para 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of AJANTA PHARMA LIMITED on the standalone Ind AS financial statements for the year ended 31st March 2017.)

1) In respect of its fixed assets:

    a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

    b) As informed to us by the management, the Company has a policy of physically verifying fixed assets in a phased manner over a period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that there were no material discrepancies noticed on such verification and the same has been properly dealt with in the books of account.

    c) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.

2) According to the information and explanation given to us, the inventories have been physically verified by the management at reasonable intervals during the year except for stocks with third parties for which most of the confirmation certificates have been obtained by the Company. The discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.

3) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.

5) The Company has not accepted any deposit from public.

6) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, made a detailed examination of the records with a view to determine whether they are accurate and complete.

7) According to the information and explanations given to us:

    a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues with the appropriate authorities during the year. There are no undisputed amounts payable in respect of aforesaid material statutory dues as at 31st March 2017, which were in arrears for a period of more than six months from the date they became payable.

    b) On the basis of our examination of the documents and records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess as at 31st March 2017 which have not been deposited on account of a dispute, except as enumerated herein below which are pending before respective authorities as mentioned there against:

Name of the statute	Nature of the Dues	Amount* (₹ in cr.)	Period to which amounts relate	Forum where dispute is Pending
Central Excise Act, 1944	Excise	0.06	FY 2007-08 to FY 2008-09	Commissioner of Central Excise, Thane-II
Central Excise Act, 1944	Excise	0.04	FY 2006-07 to FY 2010-11	Assistant Commissioner of Central Excise Thane-II
Central Excise Act, 1944	Excise	0.16	FY 2010-11 to FY 2015-16	Superintendent of Central Excise, Customs & Service Tax, Aurangabad

Annexure A to the Independent Auditor's Report

Name of the statute	Nature of the Dues	Amount* (₹ in cr.)	Period to which amounts relate	Forum where dispute is Pending
Central Excise Act, 1944	Excise	0.13	FY 2010-11 to FY 2015-16	Additional Comissioner of Central Excise, Customs & Service Tax, Aurangabad
Central Excise Act, 1944	Excise	0.11	FY 2015-16 to FY 2016-17	Joint Comissioner of Central Excise, Customs & Service Tax, Aurangabad
Finance Act, 1994	Service Tax	1.87	FY 2012-13 to FY 2014-15	Additional Comissioner of Central Excise, Customs & Service Tax, Aurangabad
The Income Tax Act, 1961	Penalty	0.47	FY 2011-12	Commissioner of Income Tax (Appeals), Mumbai

* Net of amounts paid under protest or otherwise. Amount as per demand order including interest and penalty wherever quantified.

8) Based on our audit procedures, information and explanations given to us, in our opinion the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government. The Company does not have any outstanding debentures during the year.

9) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loan during the year.

10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

11) In our opinion and according to the information and explanation given to us, the managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

12) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

13) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Ind AS.

14) According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

15) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

16) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **Kapoor & Parekh Associates**
Chartered Accountants
ICAI FRN 104803W

Nilesh Parekh
Partner
M.No. 33528

Mumbai, 3rd May 2017

Annexure B to the Independent Auditor's Report

(The Annexure referred to in para 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of AJANTA PHARMA LIMITED on the Standalone Ind AS financial statements for the year ended 31st March 2017.)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AJANTA PHARMA LIMITED("the Company") as of 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation and presentation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls. Those Standards and the above mentioned Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure B to the Independent Auditor's Report

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Kapoor & Parekh Associates**
Chartered Accountants
ICAI FRN 104803W

Nilesh Parekh
Partner
M.No. 33528

Mumbai, 3rd May 2017

Balance Sheet

as at 31st March 2017

₹ in cr.

Particulars	Note No	31 March 2017	31 March 2016	1 April 2015
Assets				
1 Non-Current Assets				
(a) Property, Plant and Equipment	8	566.97	429.08	268.16
(b) Capital work-in-progress	8	338.03	238.42	170.20
(c) Intangible assets	8	5.96	3.75	3.16
(d) Intangible Assets under development	8	1.23	1.38	
(e) Financial Assets				
(i) Investments	9	17.26	17.25	62.47
(ii) Other Financial Assets	10	9.09	9.09	8.76
(f) Other non-current assets	11	13.93	16.30	5.38
2 Current Assets				
(a) Inventories	12	179.28	189.78	153.05
(b) Financial Assets				
(i) Investments	13	181.56	76.78	19.89
(ii) Trade receivables	14	336.00	350.48	240.85
(iii) Cash and cash equivalents	15	4.81	19.49	10.59
(iv) Bank Balances other than (iii) above	16	4.12	1.95	82.28
(v) Other Financial Asset	17	1.24	0.71	9.12
(c) Current Tax Assets (Net)	18	11.23	17.63	-
(d) Other current assets	19	54.15	41.60	45.04
Total Assets		**1,724.86**	**1,413.69**	**1,078.95**
Equity and Liabilities				
Equity				
(a) Equity Share Capital	20	17.69	17.69	17.68
(b) Other Equity		1,486.25	1,114.01	826.82
Liabilities				
1 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	-	13.82	32.27
(ii) Other financial liabilities	22	0.09	0.45	2.50
(b) Provisions	23	3.15	2.59	4.76
(c) Deferred tax liabilities (Net)	24	27.38	23.58	14.97
2 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	25	5.53	34.47	5.08
(ii) Trade Payables	26	138.78	145.04	108.12
(iii) Other financial liabilities	27	25.28	40.07	42.33
(b) Other current liabilities	28	7.91	10.61	12.18
(c) Provisions	29	12.80	11.36	9.67
(d) Current Tax Liabilities (Net)	30	-	-	2.56
Total Equity and Liabilities		**1,724.86**	**1,413.69**	**1,078.95**

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Kapoor & Parekh Associates**
Chartered Accountants

Nilesh Parekh
Partner

Mumbai, 3rd May 2017

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Madhusudan B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Statement of Profit and Loss

for the year ended 31st March 2017

₹ in cr.

	Note No	31 March 2017	31 March 2016
Income :			
Revenue from operations	31	1,822.71	1,573.60
Other Income	32	66.95	86.87
Total Income		**1,889.66**	**1,660.47**
Expenses :			
Cost of Materials Consumed	33	373.31	397.21
Purchase of Stock-in-Trade	34	59.23	57.81
Changes in Inventories of Finished Goods, Work-in-progress & Stock-in-Trade	35	7.29	(41.01)
Employee Benefits Expense	36	269.78	235.03
Finance Costs	37	2.83	4.19
Depreciation & Amortisation Expense	38	59.48	42.68
Other Expenses	39	477.09	402.00
Total Expenses		**1,249.01**	**1,097.91**
Profit Before Tax		**640.65**	**562.56**
Tax Expense :			
- Current Tax		136.98	131.89
- Deferred Tax		3.86	8.72
Profit For The Year		**499.81**	**421.95**
Other Comprehensive Income			
Other Comprehensive Income to be reclassified to profit or loss in subsequent years:			
Re-measurement gains (losses) on defined benefit plans		(0.17)	(0.35)
Income tax effect on above		0.06	0.12
Net other Comprehensive Income not to be reclassified to profit or loss in subsequent years		**(0.11)**	**(0.23)**
Other Comprehensive Income for the year, net of tax		**(0.11)**	**(0.23)**
Total Comprehensive Income for the year, net of tax		**499.70**	**421.72**
There are no Exceptional Items and Discontinuing Operations			
Earning Per Equity Share (Face Value ₹ 2/-)	41		
Basic (₹)		56.79	47.95
Diluted (₹)		56.78	47.95

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Kapoor & Parekh Associates**
Chartered Accountants

Nilesh Parekh
Partner

Mumbai, 3rd May 2017

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Madhusudan B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Statement of Cash Flow

for the year ended 31st March 2017

₹ in cr.

	31 March 2017	31 March 2016
A. Cash Flow from Operating Activities		
Profit before Tax	640.65	562.56
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation & Amortisation Expense	59.48	42.68
Provision for Expired Goods	1.33	1.22
Loss on Sale / Discard of Property, Plant and Equipment (Net)	3.89	6.92
Interest Expense	2.83	4.19
Dividend from Subsidiary	(43.18)	(66.91)
Gain on Financial Instruments at FVTPL	(16.83)	(5.45)
Income from Investments & Deposits	(1.20)	(5.78)
Employee Stock Option Expenses	1.45	0.31
Receivable Written Off	23.27	0.95
Operating Profit before Working Capital Changes	**671.68**	**540.69**
Changes in Working Capital :		
Decrease (Increase) in Trade and other Receivables	(3.89)	(110.58)
Decrease (Increase) in Other Current Financial Assets	(12.55)	3.44
Decrease (Increase) in Other Current Assets	(2.24)	2.14
Decrease (Increase) in Inventories	10.49	(36.73)
Increase (decrease) in Non Current Other Financial Liabilities	(0.36)	(2.06)
Increase (decrease) in Other Current Liabilities	2.09	(3.36)
Increase (decrease) in Non Current Provisions	0.56	(2.17)
Increase (decrease) in Current Provisions	0.11	0.46
Increase (decrease) in Trade Payables	(6.26)	36.92
Cash Generated from Operations	**659.64**	**428.75**
Direct Taxes Paid (Net of Refunds)	(130.58)	(152.08)
Net Cash Generated from Operating Activities	**529.06**	**276.67**
B. Cash Flow from Investing Activities		
Capital Expenditure on Property, Plant and Equipment including Capital Advances	(303.45)	(295.03)
Proceeds from Sale of Property, Plant and Equipment	1.28	0.42
Bank Balances not considered as Cash and Cash Equivalents (Net)	(0.24)	81.46
Dividend from Subsidiary	43.18	66.91
Purchase of Investments	(359.20)	(219.00)
Proceeds from Investments	267.78	215.39
Income on Investments & Deposits	0.99	10.59
Investments in Subsidiaries	-	(0.13)
Net Cash Generated from (Used in) Investing Activities	**(349.66)**	**(139.39)**

Statement of Cash Flow

for the year ended 31st March 2017

₹ in cr.

	31 March 2017	31 March 2016
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	-	4.73
Repayment of Long Term Borrowings	(33.61)	(24.08)
Proceeds (Repayment) of Short Term Borrowings	(28.94)	29.39
Proceeds from Issue of Equity Shares (ESOPs) C.Y. ₹ 5,000		0.01
Interest Paid	(2.84)	(4.20)
Dividend Paid	(114.19)	(122.77)
Dividend Distribution Tax Paid	(14.50)	(11.46)
Net Cash Generated from (Used in) Financing Activities	**(194.08)**	**(128.38)**
Net Increase (Decrease) in Cash and Cash Equivalents	(14.69)	8.90
Cash and Cash Equivalents as at the Beginning of the Year	19.49	10.59
Cash and Cash Equivalents as at the End of the Year (Refer Note 15)	**4.81**	**19.49**

Figures in brackets indicates outflow.

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Kapoor & Parekh Associates**
Chartered Accountants

Nilesh Parekh
Partner

Mumbai, 3rd May 2017

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Madhusudan B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Statement of Changes in Equity

for the year ended 31st March 2017

A . Equity Share Capital

₹ in cr.

	Balance as at 1 April 2015	Changes in Equity Share Capital during the year	Balance as at 31 March 2016	Changes in Equity Share Capital during the year	**Balance as at 31 March 2017**
Authorised	30.00	-	30.00	-	30.00
Issued	17.74	0.01	17.75		17.75
Subscribed & Paid up	17.68	0.01	17.69	-	17.69

B. Other Equity

₹ in cr.

Particulars	Capital Redemption Reserve	Securities Premium Account	General Reserve	Share Based Payment Reserve	Retained Earnings	Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)	Total Equity
As at 1st April 2015	2.11	75.71	571.00	0.43	177.57	-	826.82
Profit for the period	-	-	-	-	421.95	-	421.95
Other comprehensive income	-	-	-	-	-	(0.23)	(0.23)
Total comprehensive income	**-**	**-**	**-**	**-**	**421.95**	**(0.23)**	**421.72**
Utilised for Bonus Shares	(0.01)	-	-	-	-	-	(0.01)
Transfer to General reserve	-	-	330.00	-	(330.00)	-	-
Exercise of Stock Options	-	0.28	-	(0.28)	-	-	-
Share based payment of Employees	-	-	-	0.12	-	-	0.12
Dividend Paid	-	-	-	-	(123.22)	-	(123.22)
Dividend Distribution Tax	-	-	-	-	(11.84)	-	(11.84)
Reversal of Dividend Paid	-	-	-	-	0.05	-	0.05
Reversal of Dividend Distribution Tax	-	-	-	-	0.38	-	0.38
As at 31st March 2016	2.10	**75.99**	**901.00**	**0.27**	**134.88**	**(0.23)**	**1,114.01**
Profit for the period	-	-	-	-	499.81		499.81
Other comprehensive income	-	-	-	-	-	(0.11)	(0.11)
Total comprehensive income	**-**	**-**	**-**	**-**	**499.81**	**(0.11)**	**499.70**
Exercise of Stock Options	-	0.07	-	(0.07)	-	-	-
Share based payment of Employees	-	-	-	1.45	-	-	1.45
Dividend Paid	-	-	-	-	(114.41)	-	(114.41)
Dividend Distribution Tax	-	-	-	-	(14.50)	-	(14.50)
As at 31st March 2017	**2.10**	**76.06**	**901.00**	**1.65**	**505.79**	**(0.34)**	**1,486.25**

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Kapoor & Parekh Associates**
Chartered Accountants

Nilesh Parekh
Partner

Mumbai, 3rd May 2017

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Madhusudan B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

1 Corporate Information

Ajanta Pharma Limited ("Company") is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Registered office of Company is located at Ajanta House, Charkop, Kandivali (West), Mumbai.

Company is engaged in development, manufacturing and marketing of speciality pharmaceutical finished dosages.

The financial statements for Company for the year ended 31st March 2017 were authorised for issue by Company's Board of Directors on 3rd May 2017.

2 Basis of preparation

The financial statements of Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

These Financial Statements are Company's first Ind AS Financial Statements and are covered by Ind AS 101, "First-time adoption of Indian Accounting Standards".

For all periods up to and including the year ended 31st March 2016, Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Companies (Accounts) Rules 2014 (Previous GAAP).

An explanation of how the transition to Ind-AS has affected Company's equity and its net profit is provided in note no. 61.

The financial statements have been prepared on an accrual basis and under the historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount wherever applicable:

- Derivative financial instruments
- Certain financial assets measured at fair value

3 Functional and Presentation Currency

The financial statements are presented in Indian Rupees ('INR' or 'Rupees' or 'Rs.' or '₹') which is the functional currency for Company.

4 Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest cr. Amount less than ₹ 50,000/- are shown as actual.

5 Current versus non-current classification

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1. Property, plant and equipment

Freehold land is carried at historical costs. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes Cenvat / value added tax eligible for credit / setoff.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

All identifiable Revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work – in – Progress.

Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on the property, plant and equipment is provided on written down value method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Premium on Leasehold lands are amortised over the period of lease. Building constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold lands are amortised over the primary lease period of the lands.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

On transition to Ind AS, Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

6.2. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to Company and the cost of the assets can be measured reliably.

Intangible assets are stated at cost or acquisition less accumulated amortisation and impairment loss, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Software is amortised over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

The amortisation period and the amortisation method for an intangible assets with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets is derecognised.

Research and Development

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

On transition to Ind AS, Company has elected to continue with the carrying value of all of intangible assets recognised as at 1st April 2015 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

6.3. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

Classification:

Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value (FVTPL /FVTOCI)
- Financial assets at amortised cost

When assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in other comprehensive income (i.e. fair value through other comprehensive income (FVTOCI)).

Financial Assets measured at amortised cost (net of any write down for impairment, if any):

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of profit and loss.

Financial Assets measured at Fair Value Through Other Comprehensive Income (“FVTOCI”):

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

Financial Assets measured at Fair Value Through Profit or Loss (“FVTPL”):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

Investment in Subsidiary:

Investment in equity instruments of Subsidiaries are measured at cost as per Ind AS 27. In the financial statements, investment in subsidiary Company’s is carried at cost. The carrying amount is reduced to recognise any impairment in the value of investment.

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Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

Investment in Debt Instruments:

A debt instrument is measured at amortised cost or at FVTOCI. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

Derecognition of Financial Assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or Company has transferred its rights to receive cash flows from the asset.

Impairment of Financial Assets:

In accordance with Ind - AS 109, Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables.

Financial Liabilities:

Classification:

Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of Financial Liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative Financial Instrument:

Company uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

6.4. Inventories

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes (net off CENVAT and VAT, wherever applicable). Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on FIFO basis.

The cost of Inventories have been computed to include all cost of purchases, cost of conversion, standard overheads and other related cost incurred in bringing the inventories to their present condition.

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to the Standalone Financial Statements for the year ended 31st March 2017

Slow and non-moving material, obsolesces, defective inventory are fully provided for and valued at net realisable value.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

6.5. Cash And Cash Equivalent

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6.6. Cash Flow Statements

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of Company are segregated.

6.7. Foreign Currency Transactions

Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are re-measured at the exchange rate prevailing on the balance sheet date. Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the Statement of Profit and Loss.

6.8. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty, excluding sales tax or value added taxes or service taxes or duties collected on behalf of the government, and net of returns, trade discount/ allowances, rebates, and amounts collected on behalf of third parties.

Revenue from sale of goods is recognised, when all significant risks and rewards are transferred to the buyer, as per the terms of contracts and no significant uncertainty exists regarding amount of the consideration that will be derived from the sale of goods.

Revenue from sale of technology / know how (rights, licences and other intangibles) are recognised when performance obligation is completed as per the terms of the agreement. Incomes from services are recognised when services are rendered.

Dividend income is recognised when right to receive dividend is established. Interest income is recognised on time proportion basis. Insurance and other claims are recognised as a revenue on certainty of receipt on prudent basis. Export benefits available under prevalent schemes are accounted to the extent considered receivable.

6.9. Employee Benefits

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

(i) Defined benefit plans

Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with Company.

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to the Standalone Financial Statements for the year ended 31st March 2017

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit Method.

Company fully contributes all ascertained liabilities to the Ajanta Pharma Limited Group Gratuity Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. The effect of any plan amendments are recognized in the statement of profit and loss.

(ii) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits. Company pays provident fund contributions to publicly administered provident funds as per local regulations. Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Compensated absences

Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised liability at the present value of the defined benefit obligation at the balance sheet date.

Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(iv) Share-based compensation

The company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS102, Share-Based Payment

6.10. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

6.11. Lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Leases rentals are charged to the statement of profit and loss on straight line basis.

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6.12. Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

6.13. Income Taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

6.14. Dividends to Shareholders:

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

6.15. Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

Provisions are recognised when Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If there is any expectation that some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any virtually certain reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk

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to the Standalone Financial Statements for the year ended 31st March 2017

specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimates is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non-cancellable operating lease.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Asset Retirement Obligation

Asset retirement obligations (ARO) are provided for those operating lease arrangements where Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognised in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

6.16. Fair value measurement

Company measures financial instruments, such as, derivatives at fair value at each balance sheet date in accordance with Ind AS 113.

Financials Statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value received from Bank.
- Mutual Funds are measured at fair values as per Net Asset Value (NAV).
- Employee Stock Option Plan (ESOP) at fair values as per Actuarial Valuation Report.

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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For assets and liabilities that are recognised in the financial statements on a recurring basis, Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

6.17. Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to Company from 1st April 2017.

Amendment to Ind AS 7: Statement of Cash Flows

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. These amendments are effective for annual periods beginning on or after 1st April 2017. Application of the amendments will result in additional disclosures provided by Company.

Amendment to Ind AS 102: Share-based Payment

The amendment to Ind AS 102 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

The amendments are effective for annual periods beginning on or after 1st April 2017. These amendments are not expected to have any impact on Company.

7 Critical accounting judgements, estimates and assumptions

The preparation of Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods.

(a) Arrangement containing lease

At the inception of an arrangement, Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values.

Company has determined, based on an evaluation of the terms and conditions of the arrangements that such contracts are in the nature of operating leases.

(b) Multiple element contracts with vendors

Company has entered into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is/may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts (as defined in the significant accounting policies) have been accounted under Property, Plant and Equipment and/or as Intangible assets, since Company has economic ownership in these assets. Company believes that the current treatment represents the substance of the arrangement.

(c) Property, Plant and equipment

Determination of the estimated useful life of tangible assets and the assessment as to which

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to the Standalone Financial Statements for the year ended 31st March 2017

components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. Assumptions also need to be made, when Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

(d) Intangible Assets

Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

(e) Recognition and measurement of defined benefit obligations:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

(f) Recognition of deferred tax assets and income tax:

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

(g) Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

(h) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against Company as it is not possible to predict the outcome of pending matters with accuracy.

(i) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

(j) Insurance claims

Insurance claims are recognised when Company have reasonable certainty of recovery.

(k) Impairment reviews

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

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to the Standalone Financial Statements for the year ended 31st March 2017

8 Property, Plant and Equipment and Capital Work-in-Progress

8.1 Current Year

₹ in cr.

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK
	As at 1st April 2016	Additions	Deductions / Adjustment	**As at 31st March 2017**	As at 1st April 2016	Additions	Deductions / Adjustment	**As at 31st March 2017**	**As at 31st March 2017**
(A) Property, Plant and Equipment									
Freehold Land	142.00	-	-	142.00	-	-	-	-	142.00
Lease hold Land	31.21	-	-	31.21	2.35	0.58	-	2.93	28.28
Buildings	137.00	67.59	-	204.59	60.37	7.74	-	68.11	136.48
Plant & Equipments	221.15	65.10	15.18	271.07	101.52	25.90	11.60	115.82	155.25
Laboratory Equipment	33.55	52.78	-	86.33	1.80	13.21	-	15.01	71.32
Furniture & fixtures	49.73	8.25	3.66	54.32	29.89	6.22	3.48	32.63	21.69
Vehicles	9.06	0.17	4.55	4.68	6.47	0.47	3.30	3.64	1.04
Office Equipments	15.37	4.34	3.04	16.67	10.76	2.91	2.89	10.78	5.89
Computers	18.23	4.32	0.17	22.38	15.07	2.46	0.17	17.36	5.02
Total	**657.30**	**202.55**	**26.60**	**833.25**	**228.22**	**59.49**	**21.43**	**266.28**	**566.97**
(B) Other Intangible assets									
ANDA Development Cost	15.93	-	-	15.93	15.93	-	-	15.93	-
Computer Software	5.97	4.13	-	10.10	2.22	1.92	-	4.14	5.96
Total	**21.90**	**4.13**	**-**	**26.03**	**18.15**	**1.92**	**-**	**20.07**	**5.96**
Total (A) + (B)	**679.20**	*** 206.68**	**26.60**	**859.28**	**246.37**	**# 61.41**	**21.43**	**286.35**	**572.93**
(C) Capital Work in Progress	(Including Pre Operative expenses of ₹ 85.04 cr. - Refer note 59)								338.03
(D) Intangible assets under development									1.23
Total Fixed Assets (A) +(B) + (C) + (D)									912.19

* Addition includes ₹ 45.77 cr. used for Research & Development.

Depreciation of ₹ 1.93 cr. considered as Pre-operative expenditure - Refer note 59.

8 Property, Plant and Equipment and Capital Work-in-Progress

8.2 Previous Year

₹ in cr.

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	NET BLOCK
	As at 1st April 2016	Additions	Deductions / Adjustment	As at 31st March 2016	As at 1st April 2016	Additions	Deductions / Adjustment	As at 31st March 2016	As at 31st March 2016	As at 1st April 2015
(A) Tangible Assets										
Freehold Land	14.77	127.23	-	142.00	-	-	-	-	142.00	14.77
Lease hold Land	31.21	-	-	31.21	1.77	0.58	-	2.35	28.86	29.44
Buildings	137.00	-	-	137.00	53.04	7.33	-	60.37	76.63	83.96
Plant & Equipments	215.04	40.69	34.58	221.15	107.02	22.48	27.98	101.52	119.63	108.02
Laboratory Equipment	-	33.55	-	33.55	-	1.80	-	1.80	31.75	-
Furniture & fixtures	47.04	5.58	2.90	49.73	26.16	6.13	2.41	29.89	19.84	20.88
Vehicles	8.76	0.47	0.16	9.06	5.48	1.14	0.15	6.47	2.60	3.28
Office Equipments	13.58	2.17	0.38	15.37	8.51	2.61	0.36	10.76	4.61	5.07
Computers	23.41	2.73	7.90	18.23	20.67	2.08	7.68	15.07	3.16	2.74
Total	**490.81**	**212.42**	**45.93**	**657.30**	**222.65**	**44.15**	**38.58**	**228.22**	**429.08**	**268.16**
(B) Intangible Assets										
ANDA Development Cost	15.93	-	-	15.93	15.93	-	-	15.93	-	-
Computer Software	4.18	1.79	-	5.97	1.02	1.20	-	2.22	3.75	3.16
Total	**20.11**	**1.79**	**-**	**21.90**	**16.95**	**1.20**	**-**	**18.15**	**3.75**	**3.16**
Total (A) + (B)	**510.92**	*** 214.21**	**45.93**	**679.20**	**239.60**	**# 45.35**	**38.58**	**246.37**	**432.83**	**271.32**
(C) Capital Work in Progress	(Including Pre Operative expenses of ₹ 40.89 cr. - Refer note 59)								238.42	170.20
(D) Intangible assets under development									1.38	-
Total Fixed Assets (A) +(B) + (C)+ (D)									**672.63**	**441.52**

* Addition includes ₹ 42.86 cr. used for Research & Development.

Depreciation of ₹ 2.67 cr. considered as Pre-operative expenditure - Refer note 59.

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to the Standalone Financial Statements for the year ended 31st March 2017

9 Non Current Financial Investments

₹ in cr.

			31 March 2017	31 March 2016	1 April 2015
A. Long Term Trade Investments					
Unquoted Investments					
Investment in Equity Instruments					
In Subsidiary Companies:					
Ajanta Pharma (Mauritius) Ltd.					
6,13,791 Ordinary Shares of Mauritian Rupees 100 each fully paid up			9.44	9.44	9.44
Ajanta Pharma USA Inc					
10,000 Common Stock of US $ 100 each fully paid up			6.07	6.07	6.07
Ajanta Pharma Philippines Inc.					
81,995 Shares of Philippines Peso 100 each fully paid up			1.38	1.38	1.38
Ajanta Pharma Nigeria Ltd					
1,00,00,000 (31st March 2016: 1,00,00,000, 1st April 2015: 58,75,000) Ordinary Shares of Nigerian Naira 1 each fully paid up			0.36	0.36	0.23
Investment in Shares					
Turkmenderman Ajanta Pharma Ltd.					
2,00,000 Shares of US $ 10 each fully paid-up			-	-	-
In Others					
OPGS Power Gujarat Private Limited				-	-
1,95,000 (31st March 2016: Nil 1st April 2015: Nil) Shares of ₹ 0.19 each					
(Cr. Yr. ₹ 37,050, 31st March 2016: Nil, 1st April 2015: Nil)					
Sub total (A)			**17.26**	**17.25**	**17.12**
B. Other Investments					
In Mutual Funds (Quoted)	Face Value ₹	No. of Units *			
ICICI Prudential FMP Series 70-367 days Plan N Regular Plan Cumulative	10	-	-	-	5.72
		(-)			
		(5,000,000)			
ICICI Prudential FMP Series 71-369 days Plan E Regular Plan Cumulative	10	-	-	-	5.62
		(-)			
		(5,000,000)			
Kotak FMP Series 124 - Growth	10	-	-	-	5.75
		(-)			
		(5,038,705)			
HDFC FMP 372D October 2013 (1) Series 28 - Regular Growth	10	-	-	-	11.39
		(-)			
		(10,000,000)			
Birla Sun Life Fixed Term Plan - Series JA (366 days)	10	-	-	-	11.26
		(-)			
		(10,000,000)			
IDFC Fixed Term Plan Series 49 Regular Plan-Growth	10	-	-	-	5.61
		(-)			
		(5,000,000)			
Sub total (B)			**-**	**-**	**45.35**
Total			**17.26**	**17.25**	**62.47**
Aggregate value of quoted investments and market value there of			-	-	45.35
Aggregate value of unquoted investments			17.26	17.25	17.12

* Figures in Brackets are for Previous Years

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

10 Non Current Financial Assets - Others

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Security Deposits	6.75	4.82	3.49
In Deposit Accounts with Banks (with original maturity of more than 12 months)			
- Under Lien	1.35	3.27	4.30
- Others (C.Y. ₹ Nil, P.Y. ₹20,000)	-	-	0.10
Interest Accrued on fixed deposits with Banks	0.99	1.00	0.87
	9.09	**9.09**	**8.76**

11 Non Current Assets - Others

	31 March 2017	31 March 2016	1 April 2015
Capital Advances	13.93	16.30	5.38
	13.93	**16.30**	**5.38**

12 Inventories

	31 March 2017	31 March 2016	1 April 2015
Raw Materials	53.25	56.27	57.68
Packing Materials	19.08	19.26	22.14
Work-in-Progress	13.98	10.96	11.26
Finished Goods	49.96	73.82	42.85
Finished Goods in transit	26.29	13.20	8.50
Stock-in-trade	16.58	16.11	10.62
Stock-in-trade in transit	0.14	0.16	-
	179.28	**189.78**	**153.05**

13 Current Financial Investments

			31 March 2017	31 March 2016	1 April 2015
Investment at Fair Value through Profit or Loss (FVTPL)					
In Mutual Funds (Quoted)	Face Value ₹	No. of Units *			
UTI-Treasury Advantage Fund-Institutional Plan	1,000	-	-	-	16.11
		(-)			
		(160,730)			
Birla Sun Life Cash Plus Daily Dividend - ular Plan	100	-	-	0.14	-
		(14,007)			
		(-)			
Birla Sun Life Dynamic Bond Fund Growth - Regular Plan	10	-	-	13.35	-
		(5,067,712)			
		(-)			

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to the Standalone Financial Statements for the year ended 31st March 2017

13 Current Financial Investments (Contd.)

₹ in cr.

			31 March 2017	31 March 2016	1 April 2015
Franklin India Low Duration Fund - Growth	10	42,773,165	78.97	-	-
		(-)			
		(-)			
Franklin India Short Term Income Plan - Retail Plan	10	59,811	20.25	-	-
		(-)			
		(-)			
Birla Sun Life Short Term Fund - Growth - Regular Plan	10	9,183,266	57.19	-	-
		(-)			
		(-)			
Reliance Regular Saving Fund-Debt Plan - Growth Plan Growth Option	10	6,685,326	15.15	-	-
		(-)			
		(-)			
SBI Magnum Insta Cash Fund Direct Plan - Daily Dividend	10	59,711	10.00	-	-
		(-)			
		(-)			
SBI Dynamic Bond Fund Regular Plan Growth	10	-	-	10.17	-
		(5,610,098)			
		(-)			
ICICI Prudential FMP Series 70-367 days Plan N Regular Plan Cumulative	10	-	-	6.20	-
		(5,000,000)			
		(-)			
ICICI Prudential Interval Annual Plan III Regular Growth	10	-	-	3.97	3.78
		(2,480,000)			
		(2,584,343)			
ICICI Prudential FMP Series 71-369 days Plan E Regular Plan Cumulative	10	-	-	6.10	-
		(5,000,000)			
		(-)			
Kotak FMP Series 124 - Growth (Regular Plan)	10	-	-	6.21	-
		(5,038,705)			
		(-)			
HDFC FMP 372D October 2013 (1) Series 28 - Regular Growth	10	-	-	12.34	-
		(10,000,000)			
		(-)			
Birla Sun Life Fixed Term Plan - Series JA (366 days)	10	-	-	12.22	-
		(10,000,000)			
		(-)			
IDFC Fixed Term Plan Series 49 Regular Plan-Growth	10	-	-	6.08	-
		(5,000,000)			
		(-)			
			181.56	**76.78**	**19.89**
Aggregate value of quoted investments and market value there of			181.56	76.78	240.85

* Figures in Brackets are for Previous Years

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to the Standalone Financial Statements for the year ended 31st March 2017

14 Trade Receivables

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Trade Receivables (considered good)	336.00	350.48	240.85
Doubtful Debts	4.90	-	-
Allowance for Doubtful Debts	(4.90)	-	-
	336.00	**350.48**	**240.85**

* Includes receivable from subsidiaries [Refer note 47(C)(1)]

15 Cash and cash equivalents

	31 March 2017	31 March 2016	1 April 2015
Balance with Banks - In Current Accounts	32.53	30.96	14.15
In Deposit Accounts (with original maturity of 3 months or less)	-	-	9.15
Cash on Hand	0.07	0.11	0.11
Bank overdrafts used for cash management purposes	(27.78)	(11.58)	(12.82)
	4.81	**19.49**	**10.59**

16 Bank balances other than cash and cash equivalents

	31 March 2017	31 March 2016	1 April 2015
Earmarked balances with banks			
- Unpaid Dividend	0.95	0.73	0.30
- Unpaid Sale Proceeds of Fractional Shares (C.Y. ₹ 5,926, 31st March 2016: ₹ 6,240)			0.38
In Deposit Accounts (with original maturity of more than 3 months and upto 12 months)	0.02	-	40.00
In Deposit Accounts (With original maturity of more than 12 months)			
- Under Lien	3.15	1.15	0.60
- Others	-	0.07	41.00
	4.12	**1.95**	**82.28**

17 Current Financial Assets - Others

	31 March 2017	31 March 2016	1 April 2015
Interest Receivable	0.47	0.25	5.19
Forward Contracts	0.77	0.46	3.93
	1.24	**0.71**	**9.12**

18 Current Tax Assets (Net)

	31 March 2017	31 March 2016	1 April 2015
Income Tax Paid (Net of Provision)	11.23	17.63	-
	11.23	**17.63**	**-**

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to the Standalone Financial Statements for the year ended 31st March 2017

19 Other Current Assets

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Balance with Statutory/Govt. Authorities			
Excise Authorities	40.71	28.50	30.12
Vat Receivable	3.98	3.75	2.33
Octroi Refund Receivable	0.52	0.52	0.52
Prepaid Expenses	1.39	1.21	0.18
Advances to Suppliers	3.75	2.75	7.66
Advance to Employees	3.30	3.62	3.23
Advances Recoverable in Cash or Kind	0.50	1.25	1.00
	54.15	**41.60**	**45.04**

20 Share Capital

	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares of FV ₹2	₹ in cr.	No. of Shares of FV ₹2	₹ in cr.	No. of Shares of FV ₹2	₹ in cr.
Authorised :						
Equity Shares	150,000,000	30.00	150,000,000	30.00	150,000,000	30.00
Issued :						
Equity Shares	88,771,500	17.75	88,767,750	17.75	88,710,000	17.74
Subscribed & Paid up:						
Equity Shares fully paid up	88,005,000	17.60	88,001,250	17.60	87,943,500	17.59
Add :- Share Forfeited - Amount originally paid up	766,500	0.09	766,500	0.09	766,500	0.09
		17.69		**17.69**		**17.68**

20.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year :

	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares of FV ₹2	₹ in cr.	No. of Shares of FV ₹2	₹ in cr.	No. of Shares of FV ₹2	₹ in cr.
Equity shares outstanding at the beginning of the year	88,001,250	17.60	87,943,500	17.59	87,876,750	17.58
Add: Equity shares allotted during the year against option's exercised under ESOP C.Y. ₹ 5,000	2,500		38,500	0.01	44,500	0.01
Add: Equity shares allotted during the year as Bonus on ESOP (Cr.Yr. ₹ 2,500, 31st March 2016: ₹ 38,500, 1st April 2015: ₹ 44,500)	1,250		19,250		22,250	
Less: Equity shares bought back during the year	-	-	-	-	-	-
Equity Shares outstanding at the end of the year	**88,005,000**	**17.60**	**88,001,250**	**17.60**	**87,943,500**	**17.59**

20.2 Terms/Rights attached to equity shares

Company has only one class of equity shares with voting rights having a par value of ₹ 2 per share. Company declares and pays dividends in Indian Rupees. Any interim dividend paid is recognised on the approval by Board of Directors.

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to the Standalone Financial Statements for the year ended 31st March 2017

During the year ended 31st March 2017, the amount of dividend per equity share recognised as distribution to equity shareholders is ₹ 13 (Pr. Yr. ₹ 14), which includes interim dividend of ₹ 13 (Pr. Yr. ₹ 8) per equity share.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by shareholders.

20.3 Details of Equity Shares held by each shareholders holding more than 5%

₹ in cr.

Name of Shareholders	**31 March 2017**		31 March 2016		1 April 2015	
	No. of Shares of FV ₹2	**% holding**	No. of Shares of FV ₹2	% holding	No. of Shares of FV ₹2	% holding
Mr. Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	12,749,999	14.49	-	-	-	-
Mr. Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	12,749,999	14.49	-	-	-	-
Mr. Ravi Purushottam Agrawal, trustee Ravi Agrawal Trust	12,659,999	14.39	-	-	-	-
Mr. Aayush Madhusudan Agrawal, trustee Aayush Agrawal Trust	12,660,000	14.39	-	-	-	-
Gabs Investments Private Limited	8,392,262	9.54	8,392,262	9.54	8,392,262	9.54
Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal, Mr. Ravi P. Agrawal & Mr. Aayush M. Agrawal	5,137,500	5.84	-	-	-	-
Mr. Yogesh M. Agrawal	N.A	N.A	6,383,560	7.25	6,383,560	7.26
Mr. Rajesh M. Agrawal	N.A	N.A	6,411,102	7.29	6,411,102	7.29
Mr. Mannalal B. Agrawal	-	-	5,406,720	6.14	5,406,720	6.15
Mr. Purushottam B. Agrawal	-	-	5,389,425	6.12	5,389,425	6.13
Mr. Madhusudan B. Agrawal	-	-	5,388,750	6.12	5,388,750	6.13
Mrs. Manisha Y. Agrawal, Mrs. Richa R. Agrawal & Mr. Aayush M. Agrawal	-	-	5,137,500	5.84	-	-
Mrs. Vimal Agrawal & Mrs. Mamta Agrawal	-	-	-	-	5,137,500	5.84

	31 March 2017	31 March 2016	1 April 2015
	No. of Shares of FV ₹2	No. of Shares of FV ₹2	No. of Shares of FV ₹2
20.4 Equity Shares reserved for issuance under Employees Stock Options Scheme 2011 of Company			
Equity Shares	1,158,750	1,162,500	1,220,250
20.5 Aggregate number of Equity shares issued during last five years pursuant to Employees Stock Options			
Scheme 2011			
Equity Shares	170,250	166,500	108,750
20.6 Equity Shares allotted as fully paid up Bonus Shares during the period of five years immediately preceding the Balance Sheet date			
Bonus Shares issued in F.Y. 2013-2014	29,292,250	29,292,250	29,292,250
Bonus Shares on allotment of ESOP in F.Y. 2014-15	22,250	22,250	22,250
Bonus Shares on allotment of ESOP in F.Y. 2015-16	19,250	19,250	-
Bonus Shares on allotment of ESOP in F.Y. 2016-17	1,250	-	-
20.7 Company is not a subsidiary company.			

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

21 Non Current Financial Liabilities - Borrowings

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Term Loan (Secured)			
From Bank (Foreign Currency)	-	4.73	22.32
Other Loans (Unsecured)			
Deferred Sales Tax Loans from Government of Maharashtra	-	9.09	9.95
	-	**13.82**	**32.27**

21.1 Term loans are secured by first charge on all fixed assets of Company and second charge on entire current assets of Company, present & future, on pari passu basis in addition to personal guarantee of some of the directors.

22 Non Current Other Financial Liabilities

	31 March 2017	31 March 2016	1 April 2015
Trade / Security Deposits payable	0.09	0.45	2.50
	0.09	**0.45**	**2.50**

23 Non Current Provisions

	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits (Net)			
Gratuity	-	-	0.66
Leave Benefits	3.15	2.59	4.10
	3.15	**2.59**	**4.76**

24 Deferred Tax Liabilities (Net)

		31 March 2017	31 March 2016	1 April 2015
Difference in tax base of Property, Plant and Equipment	**(A)**	37.21	25.81	16.84
Unrealised gain/loss on securities carried at FVOCI/FVTPL		2.15	3.59	2.05
Deferred Tax Assets				
MAT Credit Entitlement	**(B)**	5.65	-	-
Disallowance under Income Tax	**(C)**	6.33	5.82	3.92
Deferred Tax Liabilities (Net)	**(A) - (B)-(C)**	**27.38**	**23.58**	**14.97**

25 Current Financial Liabilities - Borrowings

	31 March 2017	31 March 2016	1 April 2015
Working Capital Loans repayable on demand from banks (Secured)			
Rupee Loan	5.53	9.95	5.08
Foreign Currency Loan	-	24.52	-
	5.53	**34.47**	**5.08**

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

25.1 Working capital loans are secured by first charge on all current assets and second charge on all fixed assets of Company on pari passu basis in additions to personal guarantee of some of the directors.

26 Current Financial Liabilities - Trade Payables

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Trade Payables	138.78	145.04	108.12
	138.78	**145.04**	**108.12**

(Refer Note 53 for Micro, Small & Medium Enterprises disclosure)

27 Current Other Financial Liabilities

	31 March 2017	31 March 2016	1 April 2015
Current Maturities of long-term borrowing			
Secured (Refer note 21.1)			
Foreign Currency Term Loan from Banks	-	18.93	17.86
Rupee Term Loan from Banks	-	-	2.00
Unsecured			
Deferred Sales Tax Loans	-	0.86	0.83
Unpaid Dividend*	0.95	0.73	0.30
Unpaid Sale Proceeds of Fractional Shares*	-	-	0.38
Interest Accrued	-	0.02	0.02
Capital Creditors	24.29	19.38	20.77
Others	0.04	0.15	0.17
	25.28	**40.07**	**42.33**

*There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as on As at 31st March 2017.

28 Other Current Liabilities

	31 March 2017	31 March 2016	1 April 2015
Other Payables			
Advances received from Customers	2.83	4.22	8.65
Statutory Dues payable	5.08	6.39	3.53
	7.91	**10.61**	**12.18**

29 Current Provisions

	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits (Net)			
Gratuity	3.07	2.99	2.47
Leave Benefits	0.73	0.70	0.76
Other Provisions			
Sales Returns for Expired Goods (Refer note 49)	9.00	7.67	6.45
	12.80	**11.36**	**9.68**

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

30 Current Tax Liabilities (Net)

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Provision for Tax (Net of Payment)	-	-	2.56
	-	**-**	**2.56**

31 Revenue from Operations

	31 March 2017	31 March 2016
Sale of Products		
Finished Goods	1,571.11	1,395.34
Stock-in-Trade	182.57	155.76
Other Operating Revenues		
Export Incentives	66.83	20.00
Royalty and Fees	-	1.90
Others	2.20	0.60
	1,822.71	**1,573.60**

32 Other Income

	31 March 2017	31 March 2016
Dividend from Subsidiary Companies	43.18	66.91
Dividend Investments at FVTPL	0.67	2.55
Gain on Financial Instrument at FVTPL	16.83	5.45
Interest on Deposits with Banks	0.53	3.23
Interest From Others	1.82	0.17
Exchange Difference (Net)	-	7.07
Miscellaneous Income	3.91	1.49
	66.95	**86.87**

33 Cost of Material Consumed

	31 March 2017	31 March 2016
Raw Material Consumed	282.47	301.51
Packing Material Consumed	90.84	95.70
	373.31	**397.21**

34 Purchases of Stock-in-trade

	31 March 2017	31 March 2016
Purchases of Stock-in-trade	59.23	57.81

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

35 Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade

₹ in cr.

		31 March 2017	31 March 2016
Inventories at the beginning of the year :			
Work-in-Process		87.01	51.35
Finished Goods		10.96	11.26
Stock-in-Trade		16.27	10.62
	(A)	114.24	73.23
Inventories at the end of the year :			
Work-in-Process		76.25	87.01
Finished Goods		13.98	10.96
Stock-in-Trade		16.72	16.27
	(B)	106.95	114.24
Total changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	**(A) - (B)**	**7.29**	**(41.01)**

36 Employee Benefit Expenses

	31 March 2017	31 March 2016
Salaries, Wages, Bonus and Allowances	248.72	217.15
Contribution to Provident and Other Funds	17.11	15.31
Expense on Employee Stock Option Scheme	1.45	0.31
Staff Welfare Expenses	2.50	2.26
	269.78	**235.03**

37 Finance Cost

	31 March 2017	31 March 2016
Interest expenses	1.24	2.50
Other Borrowing Cost (Including Bank Charges)	1.59	1.70
	2.83	**4.19**

38 Depreciation

	31 March 2017	31 March 2016
Depreciation of Tangible Assets (Refer note 8)	57.56	41.48
Depreciation of Intangible Assets (Refer note 8)	1.92	1.20
	59.48	**42.68**

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

39 Other Expenses

₹ in cr.

	31 March 2017	31 March 2016
Selling Expenses	118.68	115.22
Clearing and Forwarding	39.25	38.02
Travelling Expenses	32.02	31.83
Processing Charges	17.34	17.41
Power and Fuel	18.36	15.15
Advertisement and Publicity	3.58	10.81
Consumption of Stores & Spare Parts	53.37	36.18
Rent	6.31	8.44
Rates & Taxes	0.54	0.39
Legal and Professional Fees	13.58	10.25
Postage and Telephone Expenses	6.40	6.24
Repairs & Maintenance		
Buildings	4.14	5.64
Plant and Machinery	17.73	11.43
Computers & Others	5.26	6.82
Insurance	5.47	4.46
Donation	0.06	0.03
Exchange Rate Difference (Net)	8.53	-
Impairment loss on Financial Assets	23.27	0.95
Excise Duty collected on Sales	18.38	15.39
Loss on Sale/Discard of Property, Plant and Equipment (Net)	3.89	6.92
Corporate Social Responsibility Expenses (Refer note 48)	8.72	6.39
Miscellaneous Expenses	72.21	54.02
	477.09	**402.00**

40 Capital Management:

Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. Company's target is to achieve a return on capital above 35%; in 2016-17 the return was 43% and in 2015-16 the return was 47%.

Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents and current investments. Adjusted equity comprises all components of equity.

Company's policy is to keep the ratio below 1.00 and its adjusted net debt to equity ratio at 31st March 2017 was as follows.

₹ in cr.

Organisation		31 March 2017	31 March 2016	1 April 2015
Debt (Debt + Current Liabilities)		193.54	258.41	216.91
Less: Cash and Cash Equivalents and current investments		(186.37)	(96.27)	(30.48)
Net Debt	A	7.17	162.13	186.43
Equity	B	1,503.94	1,131.70	844.50
Net Debt to Equity Ratio	A/B	0.01	0.14	0.22

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

41 Earnings Per Share (EPS):

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

		31 March 2017	31 March 2016
Basic and Diluted Earnings Per Share:			
Profit attributable to Equity shareholders- for Basic EPS (₹ in cr.)	(A)	499.81	421.95
Add: Dilutive effect on profit (₹ in cr.)*	(B)	Nil	Nil
Profit attributable to Equity shareholders for Diluted EPS (₹ in cr.)	(C=A+B)	499.81	421.95
Weighted Average Number of Equity Shares outstanding-for Basic EPS	(D)	88,004,688	87,996,438
Add: Dilutive effect of option outstanding-Number of Equity Shares *	(E)	24,466	6,738
Weighted Average Number of Equity Shares for Diluted EPS	(F=D+E)	88,029,154	88,003,176
Face Value per Equity Share (₹)		2	2
Basic Earnings Per Share (₹)	(A/D)	56.79	47.95
Diluted Earnings Per Share (₹)	(C/F)	56.78	47.95

* On account of Employee Stock Option Scheme (ESOS)-(Refer note 43).

42 Employee Benefits

As required by Ind AS 19 'Employee Benefits' the disclosures are as under:

42.1 Defined Contribution Plans

Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's funds. While both the employees and Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by Company. The contributions are normally based on a certain proportion of the employee's salary. During the year, Company has recognised the following amounts in the Account:

₹ in cr.

Particulars	**31 March 2017**	31 March 2016
Provident Fund and Employee's Pension Scheme	13.48	11.43
Employees State Insurance	1.63	1.81
	15.11	**13.24**

Defined Benefit Plans

Gratuity: Company makes annual contributions to Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

42.2.1. On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service.

42.2.2. On the death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

Death Benefit: Company provides for death benefit, a defined benefit plan (death benefit plan) to certain categories of employees. The death benefit plan provides a lump sum payment to vested employees on death, being compensation received from the insurance company and restricted to limits set forth in the said plan. The death benefit plan is non-funded.

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to the Standalone Financial Statements for the year ended 31st March 2017

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31st March 2017 are as under:

₹ in cr.

	Particulars	31 March 2017	31 March 2016
i)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	14.31	11.37
	Current service cost	3.00	2.56
	Interest cost	1.05	0.82
	Actuarial loss / (gain)		
	-changes in fi nancial assumptions	0.08	(0.34)
	-experience adjustments	(0.06)	0.75
	Benefit (paid)	(1.78)	(0.85)
	Closing defined benefit obligation	**16.60**	**14.31**
ii)	**Changes in Value of Plan Assets**		
	Opening value of plan assets	11.32	8.24
	Expenses deducted from the fund	Nil	(0.10)
	Adjustment to the opening fund	Nil	0.02
	Interest Income	0.93	0.68
	Return on plan assets excluding amounts included in Interest Income	(0.15)	0.06
	Contributions by employer	3.20	3.27
	Benefits (paid)	(1.78)	(0.85)
	Closing value of plan assets	**13.52**	**11.32**
iii)	**Amount recognised in the Balance Sheet**		
	Present value of funded obligations as at year end	16.60	14.31
	Fair value of the plan assets as at year end	13.52	11.32
	Net (asset) / liability recognised as at the year end	**3.08**	**2.99**
iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	3.00	2.56
	Net Interest cost	0.12	0.14
	Expenses deducted from the fund	Nil	0.10
	Adjustment to the opening fund	Nil	(0.02)
	Expenses recognised in the Statement of Other Comprehensive Income		
	Net actuarial loss/(gain) recognized in the current year		
	-changes in financial assumptions	0.08	(0.34)
	-experience adjustments	(0.06)	0.75
	Return on plan assets excluding amounts included in Interest Income	0.15	(0.06)
v)	**Asset information**		
	Others – Policy of Insurance	100%	100%
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	7.20%	7.95%
	Salary growth rate (p.a.)	5.30%	6.00%

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to the Standalone Financial Statements for the year ended 31st March 2017

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in cr.

Particulars	31 March 2017		31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	15.81	17.44	13.66	15.01
Salary growth rate (0.5% movement)	17.41	15.83	15.00	13.67

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of assumptions. The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17.

42.3 Leave Encashment:

Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly ₹ 3.87 cr. (Pr. Yr. ₹ 3.29 cr.) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

43 Share based payments

Company has implemented "Employees Stock Options Scheme 2011" ('ESOS – 2011') as approved in earlier year by the shareholders of Company and Compensation committee of Board of Directors.

During the year 15,500 options have been granted by Company under the aforesaid ESOS – 2011 to the employees of Company.

Grant Date	No. of option	Exercise Price	Vesting Period
26 July 2016	15,500	2	13.08.2017 to 13.08.2019

The options are granted at an exercise price which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each.

The particulars of the options under ESOS 2011 are as below:

₹ in cr.

Particulars	31 March 2017 Nos.	31 March 2016 Nos.
Options outstanding as at the beginning of the Year	12,750	91,500
Add: Options granted during the Year	15,500	9,000
Less: Options Exercised during the Year	3,750	57,750
Less: Options lapsed during the Year	Nil	30,000
Options outstanding as at the Year End	24,500	12,750

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to the Standalone Financial Statements for the year ended 31st March 2017

44 Financial Instrument- Fair values and risk management

A. Fair value measurements

₹ in cr.

Financial Instruments by category	31 March 2017		31 March 2016		1 April 2015	
	FVPL	**Amortised Cost**	FVPL	Amortised Cost	FVPL	Amortised Cost
Financial assets						
Forward Exchange Contracts	0.77	-	0.46	-	3.93	-
Investments in Mutual Funds	181.56	-	76.78	-	65.24	-
Investment in Unquoted Equity Shares (C.Y. ₹ 37,050)	-		-	-	-	-
Trade Receivables	-	336.00	-	350.48	-	240.85
Non Current Financial Assets - Others		9.09	-	9.09		8.76
Cash and cash equivalents	-	4.81	-	19.49	-	10.59
Bank balances other than cash and cash equivalents	-	4.12		1.95		82.28
Interest Receivable	-	0.47	-	0.25		5.19
Total Financial Assets	**182.33**	**354.49**	**77.24**	**381.27**	**69.17**	**347.67**
Financial liabilities						
Bank Borrowings	-	5.53	-	68.08	-	58.04
Non Current Other Financial Liabilities	-	0.09	-	0.45	-	2.50
Capital Creditors	-	24.29	-	19.38	-	20.77
Other Current Financial Liabilities	-	0.99	-	0.90	-	0.87
Trade payables	-	138.78	-	145.04	-	108.12
Total Financial Liabilities	**-**	**169.68**	**-**	**233.85**	**-**	**190.30**

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to the Standalone Financial Statements for the year ended 31st March 2017

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ in cr.

Financial assets and liabilities measured at fair value	**31 March 2017**			31 March 2016			1 April 2015		
	Level			Level			Level		
	I	**II**	**III**	I	II	III	I	II	III
Financial assets									
Recurring fair value measurements									
Forward Exchange Contracts	-	0.77	-	-	0.46	-	-	3.93	-
Investments in Mutual Funds	181.56	-	-	76.78	-	-	65.24	-	-
Non Recurring fair value measurements									
Investment in Unquoted Equity Shares (C.Y. ₹ 37,050)	-	-		-	-	-	-	-	-
Trade Receivables	-	-	336.00	-	-	350.48	-	-	240.85
Non Current Financial Assets - Others	-	-	9.09	-	-	9.09	-	-	8.76
Cash and cash equivalents	-	-	4.81	-	-	19.49	-	-	10.59
Bank balances other than cash and cash equivalents	-	-	4.12			1.95			82.28
Interest Receivable	-	-	0.47	-	-	0.25	-	-	5.19
Total Financial Assets	**181.56**	**0.77**	**354.49**	**76.78**	**0.46**	**381.27**	**65.24**	**3.93**	**347.67**
Financial liabilities									
Non Recurring fair value measurements									
Bank overdrafts	-	-	5.53	-	-	68.08	-	-	58.04
Non Current Other Financial Liabilities	-	-	0.09	-	-	0.45	-	-	2.50
Capital Creditors	-	-	24.29	-	-	19.38	-	-	20.77
Other Current Financial Liabilities	-	-	0.99	-	-	0.90	-	-	0.87
Trade payables	-	-	138.78	-	-	145.04	-	-	108.12
Total Financial Liabilities	**-**	**-**	**169.68**	**-**	**-**	**233.85**	**-**	**-**	**190.30**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (like forward contracts) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

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B. Financial risk management

Company has exposure to following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

i. Risk management framework

Company's board of directors has overall responsibility for the establishment and oversight of Company's risk management framework. Management is responsible for developing and monitoring Company's risk management policies, under the guidance of Audit Committee.

Company's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations

Company's Audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by Company. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

ii. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions, foreign exchange transactions and other financial instruments.

(a) Trade receivables

Customer credit risk is managed by each business unit subject to Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are mainly from wholesalers, non-interest bearing and are generally on 14 days to 150 days credit term. Credit limits are established for all customers based on internal rating criteria and any deviation in credit limit require approval of Directors. More than 90% of customers have been transacting with company for over 4 years and all of them are being monitored by individual business managers located in those countries/ places. Outstanding customer receivables are regularly monitored. Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

As at 31st March 2017, Company had 42 customers, excluding own subsidiaries (31st March 2016: 55 customers, 1st April 2015: 45 customers) that owed the company more than ₹ 0.50 cr. each and accounted for approximately 50% for all 3 years i.e. 31st March 2017, 31st March 2016 and 1st April 2015 of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

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to the Standalone Financial Statements for the year ended 31st March 2017

Expected Credit Loss for Trade receivables under simplified approach

₹ in cr.

	31 March 2017	31 March 2016	1 April 2015
Gross Carrying amount	340.90	350.48	240.85
Average Expected loss rate on Export Sales	1.44%	-	-
Carrying amount of trade receivables (net of impairment)	336.00	350.48	240.85

(b) Financial instruments

Company limits its exposure to credit risk by investing only in liquid debt securities issued by mutual funds and only that have a credit ranking of at least 3 and above from CRISIL or equivalent rating agency. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, Company adjusts its exposure to various counterparties.

iii. Liquidity risk

Liquidity risk is the risk that Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to outflows is 0.96 at 31st March 2017 (31st March 2016: 0.37; 1st April 2015: 0.14).

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. Company uses derivative financial instruments such as foreign exchange contracts to manage its exposures to foreign exchange fluctuations. All such transactions are carried out within the guidelines set by the risk management committee.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

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The analysis excludes the impact of movements in market variables on the carrying value of postemployment benefit obligations, provisions and on the non-financial assets and liabilities.

The sensitivity of the relevant income statement item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31st March 2017 and 31st March 2016.

(a) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Company. The currencies in which these transactions are primarily denominated are US dollars and Euro.

At any point in time, Company covers foreign currency risk by taking appropriate percentage of its foreign currency exposure, as approved by risk management committee in line with the laid down policy approved by the Board. Company uses forward exchange contracts to mitigate its currency risk, most with a maturity of less than one year from the reporting date. In respect of other monetary assets and liabilities denominated in foreign currencies, Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The following table analyses foreign currency risk from financial instruments as of 31st March 2017:

₹ in cr.

Particulars	US Dollars	Euro	Total
Bank balances	15.62	0.67	16.29
Trade receivables	276.52	9.72	286.24
Other Financial Assets	1.25	5.46	6.71
Trade Payables	(8.04)	(2.57)	(10.61)
Other Financial Liabilities	(0.83)	(1.99)	(2.82)
Net assets / (liabilities)	284.52	11.29	295.81

The following table analyses foreign currency risk from financial instruments as of 31st March 2016:

₹ in cr.

Particulars	US Dollars	Euro	Total
Bank balances	22.47	0.11	22.58
Trade receivables	302.94	15.44	318.38
Other Financial Assets	5.69	5.94	11.63
Trade Payables	(6.24)	(2.05)	(8.29)
Other Financial Liabilities	(48.81)	(4.71)	(53.52)
Net assets / (liabilities)	276.05	14.73	290.78

The following table analyses foreign currency risk from financial instruments as of 1st April 2015:

₹ in cr.

Particulars	US Dollars	Euro	Total
Bank balances	9.62	0.20	9.82
Trade receivables	174.19	9.35	183.54
Other Financial Assets	4.70	3.41	8.11
Trade Payables	(7.64)	(0.66)	(8.30)
Other Financial Liabilities	(44.73)	(4.65)	(49.38)
Net assets / (liabilities)	136.13	7.66	143.79

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For the year ended 31st March 2017 every percentage point depreciation / appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in cr.

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	2.85 / (2.85)
Euro	+1% / (-1%)	0.11 / (0.11)

For the year ended 31 March 2016 every percentage point depreciation/appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in cr.

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	2.76 / (2.76)
Euro	+1% / (-1%)	0.15 / (0.15)

For the year ended 1st April 2015 every percentage point depreciation/appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in cr.

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	1.36 / (1.36)
Euro	+1% / (-1%)	0.08 / (0.08)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's exposure to the risk of changes in market interest rates relates primarily to Company's debt interest obligations. Further, Company engages in financing activities at market linked rates, any changes in the interest rates environment may impact future rates of borrowing.

The interest rate profile of Company's interest-bearing financial instruments as reported to management is as follows

₹ in cr.

Particulars	**31 March 2017**	31 March 2016	1 April 2015
Foreign Currency Term Loan	Nil	23.66	40.18
Foreign Currency Packing Credit	Nil	24.52	Nil
	Nil	**48.18**	**40.18**

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A reasonably possible change of 100 basis points in interest rates at the reporting date would have impacted profit before tax as per below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ in cr.

Particulars	31 March 2017	31 March 2016	1 April 2015
Increase in interest rate by 1%	Nil	(0.48)	(0.40)
Decrease in interest rate by 1%	Nil	0.48	0.40

(c) Price risk

Company does not have any exposure to price risk, as there is no equity investments by company except in its own subsidiaries.

45 Disclosure for operating leases under Ind AS 17 -“ Leases”:

Company has taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by lease arrangements and there are no sub leases. There are no contingent rents. The lease payments of ₹ 6.31 cr. (Pr. Yr. ₹ 8.44 cr.) are recognised in the Statement of Profit and Loss under “Rent” under Note 39.

The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

₹ in cr.

Particulars	31 March 2017	31 March 2016
Not later than one year	2.91	5.72
Later than one year but not later than five years	3.20	7.35
Later than five years	Nil	Nil

46 Contingent Liabilities and commitments:

Contingent Liabilities

₹ in cr.

Particulars		31 March 2017	31 March 2016
i.	Claims against Company not acknowledged as debt	0.90	0.70
ii.	Sales tax demands disputed by Company pending in appeal	Nil	0.22
iii.	Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation.	1.44	0.76
iv.	Disputed Octroi. Amount paid under protest ₹ 0.52 cr. (Pr. Yr. ₹ 0.52 cr.)	0.52	0.52
v.	Excise duty and Service Tax disputed by Company Amount paid under protest ₹ 0.25 cr. (Pr. Yr. ₹ 0.25 cr.)	2.64	0.54
vi.	Income Tax demand disputed by Company pending in appeal Amount paid under protest ₹ 7.86 cr. (Pr. Yr. ₹ 2.17 cr.)	8.33	17.52
vii.	Unpaid allotment money in respect of Shares of Ajanta Pharma UK Ltd, wholly owned subsidiary, equivalent to UK Pound 10,000 (Pr. Yr. UK Pound 10,000).	0.08	0.09

In respect of clause (i) to (vi) above, Management has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

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Future cash outflows in respect of liability under clause (i) is dependent on terms agreed upon with the parties, in respect of clauses (ii) to (vi) is dependent on decisions by relevant authorities of respective disputes and in respect of clause (vii) it is dependent on call made by investee companies.

Commitments:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 132.28 cr. (Pr. Yr. ₹ 103.66 cr.).

b) Other Commitments – Non-cancellable operating leases (Refer note 45).

47 Related party disclosure as required by Ind AS 24 are given below:

A) Relationships:

Category I- Subsidiaries:

Ajanta Pharma (Mauritius) Ltd	(APML)
Ajanta Pharma Mauritius International Ltd	(APMIL)
Ajanta Pharma Nigeria Limited	(APNL)
Ajanta Pharma USA Inc	(APUI)
Ajanta Pharma Philippines Inc.	(APPI)
Ajanta Pharma UK Ltd	(APUK)

Category II- Directors, Key Management Personnel & their Relatives:

Mr. Mannalal B. Agrawal	Chairman
Mr. Purushottam B. Agrawal	Executive Vice Chairman
Mr. Madhusudan B. Agrawal	Executive Vice-Chairman
Mr. Yogesh M. Agrawal	Managing Director
Mr. Rajesh M. Agrawal	Joint Managing Director
Mr. Chandrakant M. Khetan	Non-executive Director
Dr. Anil Kumar	Non-executive Director
Mr. K. H. Viswanathan	Non-executive Director
Mr. Prabhakar Dalal	Non-executive Director
Dr. Anjana Grewal	Non-executive Director
Mr. Arvind Agrawal	Chief Financial Officer
Mr. Gaurang Shah	Company Secretary
& Relatives of Key Management Personnel	

Category III-Enterprise over which persons covered under Category II above are able to exercise significant control:

Gabs Investments Private Limited
Seth Bhagwandas Agrawal Charitable Trust
Ganga Exports being represented by Mr. Yogesh Agrawal, Mr. Rajesh Agrawal, Mr. Ravi Agrawal & Mr. Aayush Agrawal
Yogesh Agrawal Trust, Trustee - Yogesh M Agrawal (w.e.f. 7th March 2017)
Rajesh Agrawal Trust, Trustee - Rajesh M Agrawal (w.e.f. 7th March 2017)
Ravi Agrawal Trust, Trustee - Ravi P Agrawal (w.e.f. 7th March 2017)
Ajanta Pharma Limited Group Gratuity Trust

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to the Standalone Financial Statements for the year ended 31st March 2017

B) Following transactions were carried out with related parties:

₹ in cr.

Sr. No.	Particulars	Category	31 March 2017	31 March 2016
1.	Sale of Goods			
	APML	I	35.03	37.32
	APPI	I	68.97	47.47
	APMIL	I	34.08	60.23
	APUI	I	183.40	22.28
	APNL	I	5.58	6.90
2.	Dividend from Subsidiary Companies			
	APML	I	36.54	55.47
	APPI	I	6.64	11.44
3.	Expenses Reimbursement to			
	APUI	I	15.34	11.11
4.	Key Management Compensation			
	Short Term Employee Benefits			
	Mr. Purushottam B. Agrawal	II	2.07	1.88
	Mr. Madhusudan B. Agrawal	II	2.07	1.88
	Mr. Yogesh M. Agrawal	II	2.07	1.88
	Mr. Rajesh M. Agrawal	II	2.07	1.47
	Mr. Arvind Agrawal	II	0.84	0.70
	Mr. Gaurang Shah	II	0.37	0.33
	Post-employment benefits	II	0.09	0.13
5.	Commission and Sitting Fees to Non-Executive Director			
	Mr. Mannalal B. Agrawal	II	1.24	1.23
	Mr. Chandrakant M. Khetan	II	0.06	0.04
	Dr. Anil Kumar	II	0.06	0.02
	Mr. K. H. Viswanathan	II	0.05	0.03
	Mr. Prabhakar Dalal	II	0.05	0.03
	Dr. Anjana Grewal	II	0.05	0.03
6.	Rent to			
	Mrs. Manisha Agrawal	II	Nil	0.79
	Mrs. Smriti Rajesh Agrawal	II	Nil	0.79
	Mr. Aayush Agrawal	II	Nil	0.79
7.	Dividend Paid	II	46.82	79.15
		III	37.62	11.75
8.	Investment in subsidiary			
	APNL	I	Nil	0.13
9.	Purchase of Property			
	Mr. Yogesh M. Agrawal	II	2.60	Nil
	Mr. Rajesh M. Agrawal	II	2.60	Nil
	Mr. Ravi P. Agrawal	II	2.60	Nil
	Mr. Aayush M. Agrawal	II	2.60	Nil
10.	Sale of Vehicle			
	Mr. Mannalal B. Agrawal	II	1.10	Nil
	Mr. Ravi P. Agrawal	II	0.23	Nil
11.	Corporate Social Responsibility Expense			
	Seth Bhagwandas Agarwal Charitable Trust	III	6.19	1.05
12.	Contribution made to Group gratuity trust through premium paid to LIC			
	Premium paid	III	3.31	3.36
13.	Bad Debts			
	APNL	I	1.62	Nil

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

C) Amount Outstanding as on 31st March 2017

₹ in cr.

Sr. No.	Particulars	Category	31 March 2017	31 March 2016	1 April 2015
1.	Trade Receivables				
	APPI	I	18.20	18.00	11.74
	APUI	I	129.13	14.91	0.98
	APNL	I	2.78	7.13	1.27
	APMIL	I	0.85	4.04	Nil
2.	Other Receivable				
	APPI	I	Nil	Nil	0.83
3.	Investments in				
	APML	I	9.44	9.44	9.44
	APPI	I	1.38	1.38	1.38
	APUI	I	6.07	6.07	6.07
	APNL	I	0.36	0.36	0.23
4.	Trade Payables				
	APUI	I	Nil	2.41	0.44
5.	Advance Received				
	APML	I	2.45	6.57	3.89
6.	Commission payable to Non-Executive Directors				
	Mr. Mannalal B Agrawal	II	1.20	1.20	1.51
	Mr. Chandrakant M. Khetan	II	0.01	Nil	0.03
	Dr. Anil Kumar	II	0.01	Nil	0.03
	Mr. K. H. Viswanathan	II	0.01	Nil	0.02
	Mr. Prabhakar Dalal	II	0.01	Nil	0.02
	Dr. Anjana Grewal	II	0.01	Nil	0.02

Company has completed an independent evaluation for all international and domestic transactions for the year ended 31st March 2017 and has reviewed the same for the year ended 31st March 2016 to determine whether the transactions with associated enterprises are undertaken at arm's length price. Based on the internal and external transfer pricing review and validation, Company believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle.

48 Contribution towards Corporate Social Responsibility:

The particulars of CSR expenditure are as follows:

a) Gross amount required to be spent by the company during the year is ₹ 8.42 cr. (Previous year: ₹ 6.09)

b) Amount spend during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
a.	Construction/ acquisition of asset	Nil	Nil	Nil
b.	On purposes other than (i) above	8.72	Nil	8.72

*includes paid to related parties ₹ 6.19 cr. (Refer note 47)

c) Amount spend during the previous year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
a.	Construction/ acquisition of asset	Nil	Nil	Nil
b.	On purposes other than (i) above	6.39	Nil	6.39

*includes paid to related parties ₹ 1.05 cr. (Refer note 47)

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

49 Provision of anticipated Sales Returns for Expired Goods – Ind AS 37

₹ in cr.

Particulars	31 March 2017	31 March 2016
Balance at the beginning of the year	7.67	6.45
Add: Provisions made during the year	5.71	4.89
Less: Amount written back/utilized during the year	4.38	3.67
Balance at the end of the year	**9.00**	**7.67**

50 Disclosure on Specified Bank Notes (SBNs):

During the year, Company had specified notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated 31st March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other Denomination Notes	Total
	₹	₹	₹
Closing cash in hand as on 8th November 2016	8,27,500	5,81,490	14,08,990
(+) Permitted receipts	Nil	16,65,581	16,65,581
(-) Permitted payments	Nil	12,63,085	12,63,085
(-) Amount deposited in Banks	8,27,500	50,000	8,77,500
Closing cash in hand as on 30th December 2016	Nil	9,34,086	9,34,086

51 Company has one segment of activity namely "Pharmaceuticals".

52 Remuneration to Auditors (excluding service tax) :

₹ in cr.

Particulars	31 March 2017	31 March 2016
- Audit Fees	0.20	0.20
- Tax Audit Fees	0.04	0.04
- For Certification and Other Matters	0.08	0.08

53 Details Of Dues To Micro And Small Enterprises As Defined Under The Micro, Small And Medium Enterprises Development Act, 2006:

This information has been determined to the extent such parties have been identified on the basis of information available with Company.

₹ in cr.

		31 March 2017	31 March 2016
a.	The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principle amount due to micro and small enterprises	Nil	1.59
	Interest due on above	Nil	0.14
b.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act 2006.	Nil	0.14
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	0.50
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act 2006.	Nil	Nil

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

54 Research and Development expenditure:

Revenue expenses on research and development incurred during the year except depreciation are as under:

₹ in cr.

Particulars	31 March 2017	31 March 2016
Cost of Material/Consumables/Spares	48.45	32.07
Employee benefit expenses	46.56	30.82
Utilities	4.70	3.09
Other Expenses	50.62	40.49
Total	**150.33**	**106.47**

55 Note on foreign currency exposures on assets and liabilities:

During the year, Company has entered into forward exchange contract, being derivative instruments to mitigate foreign currency risk, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. The following are the outstanding foreign currency forward contracts entered into by Company:

Particulars	31 March 2017 Foreign Currency Amt in cr.	31 March 2016 Foreign Currency Amt in cr.	Buy or Sell	Cross Currency
Euro	0.08	0.25	SELL	INR
USD	0.10	0.50	SELL	INR

The year-end foreign currency exposures that have not been mitigated by a derivative instrument or otherwise are as below:

Particulars	₹ in cr. 31 March 2017	₹ in cr. 31 March 2016	Foreign Currency Amt in cr. 31 March 2017	Foreign Currency Amt in cr. 31 March 2016	Foreign Currency
Amount Receivable	364.07	330.26	5.61	4.98	USD
	10.70	11.71	0.15	0.16	EURO
	0.64	5.40	0.01	0.08	CHF
	0.01	Nil	*0.00	Nil	GBP
	0.23	Nil	0.01	Nil	AED
	Nil	0.12	Nil	0.20	JPY
Amount Payable	8.90	54.44	0.14	0.82	USD
	4.58	2.05	0.07	0.03	EURO
	Nil	0.02	Nil	0.00	GBP
	0.06	Nil	0.10	Nil	JPY

*GBP 1,030 (P.Y. @GBP 2,082)

56 Excise duty includes ₹ 0.03 cr. (Pr. Yr. ₹ 0.12 cr.) being net impact of the excise duty provision on opening and closing stock.

57 Company has not granted any loan or advances in the nature of loans, as stipulated in Regulation 34(3) and 53(f) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. For this purpose, the loans to employees as per Company's policy, security deposits paid towards premises taken on leave and license basis have not been considered. Hence, there are no investments by loans in the shares of the Parent Company and/or subsidiary companies.

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

58 Company had invested in a JV Turkmenderman Ajanta Pharma Ltd. (TDAPL) about two decade back, where it had management control. However later on, company surrendered management control in favour of local partner and since then do not have any control on the same. Further TDAPL operates under severe restriction that significantly impairs its ability to transfer the funds. Hence, company impaired entire investment in TDAPL and considered as unrelated party. Company has been making efforts to divest this investment since last few years without any success.

59 Pre-operative expenses pending capitalisation included in Capital Work-In-Progress (Refer note 8) represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same will be capitalised on completion of projects and commencement of commercial operations. The details of pre-operative expenses are:

₹ in cr.

Particulars	31 March 2017	31 March 2016
Opening Balance	40.89	15.66
Add: Incurred during the year		
Employee Benefit Expenses	18.21	8.46
Professional fees	0.81	0.37
Travelling expenses	1.37	0.56
Depreciation	1.93	2.67
Others	28.69	13.52
Total	91.90	41.24
Less: Other Income	1.11	0.35
Less: Capitalised to Tangible Assets	5.75	Nil
Closing Balance	**85.04**	**40.89**

60 Income Tax

Income tax (expense)/benefit recognized in the income statement consists of the following:

₹ in cr.

		31 March 2017	31 March 2016
a.	Current tax		
	Current tax on profit for the year	136.89	134.92
	Adjustment for current tax of prior periods	0.09	(3.03)
	Total Current Tax expenses	136.99	131.89
	Deferred tax expense/(benefit)		
	Origination and reversal of timing difference	3.86	8.73
	Total Income tax expense recognized in the income statement	**140.84**	**140.61**
b.	Reconciliation of effective tax rate		
	The following is a reconciliation of the company's effective tax rate for the year ended 31st March 2017		
	Accounting profit before income taxes	640.65	562.56
	Enacted tax rate in India (%)	34.61	34.61
	Computed expected tax (benefit)/expenses	221.72	194.70
	Effect of non-deductible expenses	13.15	15.10
	Effect of exempt non-operating income	(0.23)	(0.88)
	Tax effect which is chargeable at different rate	(10.94)	(11.58)
	Additional deduction on R & D Expenses	(67.80)	(51.66)
	Investment allowance on plant & machinery	(13.57)	(1.93)
	Others deductible expenses	(1.58)	(0.10)
	Adjustment for current tax of prior periods	0.09	(3.03)
	Income tax (benefit)/expenses	140.84	140.61
	Effective tax rate	21.98%	25.00%

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

c. Deferred tax asset & (liabilities):

The tax effects of significant temporary difference that resulted in deferred tax asset & liabilities and a description of that created these difference in given below:

₹ in cr.

Particulars	31 March 2017	31 March 2016	1 April 2015
Deferred Tax Liabilities			
Property ,Plant and equipment	(37.21)	(25.81)	(16.84)
Gain on Financial Instrument at fair value through profit or loss	(2.15)	(3.59)	(2.05)
Total Deferred Tax Liabilities	**(39.36)**	**(29.40)**	**(18.89)**
Deferred Tax Asset			
Leave Encashment	1.34	1.14	1.68
Bonus	-	1.90	-
Provision for Expired Goods	3.11	2.65	2.23
Re-measurement gains (losses) on defined benefit plans	0.18	0.12	-
MAT Credit Entitlement	5.65	-	-
Provision for Loss Allowance	1.70	-	-
Total Deferred Tax Asset	**11.98**	**5.82**	**3.92**
Deferred tax liabilities after set off	(27.38)	(23.58)	(14.97)
Movement in deferred tax liabilities, net			
Opening balance	(23.58)	(14.98)	
Re-measurement gains (losses) on defined benefit plans	0.06	0.12	-
Tax benefit/(expense) during the period recognised in profit or loss	(3.86)	(8.73)	-
Closing balance	(27.38)	(23.58)	-

The charge relating to temporary differences during the year ended 31st March 2017 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences, MAT credit entitlement. The credit to temporary differences during the year ended 31st March 2016 are primarily on account of Property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, compensated absences, provision for loss allowance, forward Contract receivable

61 First-time adoption of Ind AS

Pursuant to the Companies (Indian Accounting Standard) Rules, 2015, Company has adopted 31st March 2017 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) and consequently 1st April 2015 as the transition date for preparation of financial statements. The financial statements for the year ended 31st March 2017, are the first financials, prepared in accordance with Ind-AS. Upto the Financial year ended 31st March 2016, Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Companies (Accounts) Rules 2014 (Previous GAAP). For preparing these financial statements, opening balance sheet was prepared as at 1st April 2015 i.e. the date of transition to Ind-AS. The figures for the previous periods and for the year ended 31st March 2016 have been restated, regrouped and reclassified, wherever required to comply with Ind-AS and Schedule III to the Companies Act, 2013 and to make them comparable.

This note explains the principal adjustments made by Company in restating its financial statements prepared in accordance with the Previous GAAP, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

Exemptions:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.

On transition to Ind AS, Company has applied the following exemptions:

- Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

- Company has elected to continue with the carrying value of all of intangible assets recognised as at 1st April 2015 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

- Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before the date of transition to Ind AS.

- Appendix C of Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. This assessment should be carried out at the inception of the contract or arrangement. However, Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

- Company has elected to apply previous GAAP carrying amount of its investment in subsidiaries as deemed cost as on the date of transition to Ind AS.

Exceptions:

The following exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

- Derecognition of financial assets and financial liabilities
  Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

- Classification and measurement of financial assets
  Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

- Government Loans
  As per Ind AS 101, Company applied the requirements in Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to Sales Tax Deferral Loan existing at the date of transition to Ind ASs and has not recognised the corresponding benefit of the loan at a below-market rate of interest as a government grant. Company has used its previous GAAP carrying amount of the loan at the date of transition to Ind ASs as the carrying amount of the loan in the opening Ind AS Balance Sheet. As per Ind AS 109, this loan will be classified as at Amortised cost. Since there is no difference between the carrying amount and the amount to be paid, there will be no impact of Effective Interest Rate i.e. no discounting/ unwinding is required.

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

Reconciliation of equity as previouly reported under IGAAP to Ind AS

₹ in cr.

	Particulars	As at 31 March 2016			As at date of transition 1 April 2015		
		Previous GAAP	Adjustment on transition to Ind AS	Ind AS	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
ASSETS							
(1)	**Non-current assets**						
(a)	Property, Plant and Equipment	429.08	-	429.08	268.16	-	268.16
(b)	Capital work-in-progress	238.42	-	238.42	170.20	-	170.20
(c)	Investment Property	-	-	-			
(d)	Goodwill	-	-	-			
(e)	Other Intangible assets	3.75	-	3.75	3.16	-	3.16
(f)	Intangible Assets under development	1.38	-	1.38		-	
(g)	Biological Assets other than bearer plants	-	-	-			
(h)	Financial Assets						
	(i) Investments	17.25	-	17.25	57.16	5.31	62.47
	(ii) Trade receivables	-	-	-			
	(iii) Loans	-	-	-			-
	(iv) Others	9.09	-	9.09	8.76	-	8.76
(i)	Deferred tax assets (net)	-	-	-			
(j)	Other non-current assets	16.30	-	16.30	5.38	-	5.38
(2)	**Current Assets**						
(a)	Inventories	189.78	-	189.78	153.05	-	153.05
(b)	Financial Assets						
	(i) Investments	66.39	10.39	76.78	19.46	0.43	19.89
	(ii)Trade and other receivables	350.48	-	350.48	240.85	-	240.85
	(iii)Cash and cash equivalents	31.07	(11.58)	19.49	23.41	(12.82)	10.59
	(iv)Bank Balances other than (iii) above	1.95	-	1.95	82.28	-	82.28
	(v)Loans	-	-	-			-
	(vi)Others	0.73	(0.02)	0.71	8.94	0.18	9.12
(c)	Current Tax Assets (Net)	17.63	-	17.63	-	-	-
(d)	Other current assets	41.60	-	41.60	45.04	-	45.04
	Total Assets	**1,414.90**	**(1.21)**	**1,413.69**	**1,085.85**	**(6.90)**	**1,078.95**
EQUITY AND LIABILITIES							
Equity							
(a)	Equity Share capital	17.69	-	17.69	17.68	-	17.68
(b)	Other Equity	1,107.10	6.91	1,114.01	768.65	58.17	826.82
LIABILITIES							
(1)	**Non-Current Liabilities**						
(a)	Financial Liabilities						
	(i) Borrowings	13.82	-	13.82	32.27	-	32.27
	(ii) Trade payables	-	-	-			-
	(iii) Other financial liabilities	0.46	(0.01)	0.45	2.50	-	2.50
(b)	Provisions	2.59	-	2.59	4.76	-	4.76
(c)	Deferred tax liabilities (Net)	20.11	3.47	23.58	15.16	(0.19)	14.97
(d)	Other non-current liabilities	-	-	-			-
(2)	**Current Liabilities**						
(a)	Financial Liabilities						
	(i) Borrowings	46.05	(11.58)	34.47	17.90	(12.82)	5.08
	(ii) Trade payables	145.04	-	145.04	108.12	-	108.12
	(iii) Other financial liabilities	40.07	-	40.07	42.33	-	42.33
(b)	Other Current Liabilities	10.61	-	10.61	12.18	-	12.18
(c)	Provisions	11.36	-	11.36	61.74	(52.06)	9.68
(d)	Current Tax Liabilities (Net)	-	-	-	2.56	-	2.56
	Total Equity and Liabilities	**1,414.90**	**(1.21)**	**1,413.69**	**1,085.85**	**(6.90)**	**1,078.95**

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS for the year ended 31st March 2016

₹ in cr.

	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
Continuing Operations			
Income :			
Revenue from operations (Gross)	1,551.76	21.84	1,573.60
Other Income	82.35	4.52	86.87
Total Income	**1,634.11**	**26.36**	**1,660.47**
Expenses :			
Cost of Materials Consumed	397.21	-	397.21
Purchase of Stock-in-Trade	57.81	-	57.81
Changes in Inventories of Finished Goods, Work-in-progress & Stock-in-Trade	(41.01)	-	(41.01)
Employee Benefits Expense	235.38	(0.35)	235.03
Finance Costs	4.19	-	4.19
Depreciation & Amortisation Expense	42.68	-	42.68
Other Expenses	386.53	15.47	402.00
Total Expenses	**1,082.79**	**15.11**	**1,097.91**
Profit Before Tax	**551.32**	**11.25**	**562.56**
Tax Expense :			
- Current Tax	131.89		131.89
Deferred Tax Charge (Credit)	4.95	3.77	8.72
Profit For The Year	**414.48**	**7.48**	**421.95**
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains (losses) on defined benefit plans	-	(0.35)	(0.35)
Income tax effect on above	-	0.12	0.12
Net other Comprehensive Income not to be reclassified to profit or loss in subsequent years	**-**	**(0.23)**	**(0.23)**
Other Comprehensive Income for the year, net of tax	**-**	**(0.23)**	**(0.23)**
Total Comprehensive Income For The Year, Net Of Tax	**414.48**	**7.25**	**421.72**

Measurement and recognition difference between Ind AS and Previous GAAP for the year ended 31st March 2016.

1) Fair Valuation of Investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long term investments or current investments based on the intended holding period and realisability. Long – Term investments were carried at cost less provision for other than the temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March 2016. This increased the retained earnings by ₹ 6.79 cr. (net of deffered tax) as at 31st March 2016 (1st April 2015 – ₹ 3.75 cr.).

2) Proposed dividend

Under Previous GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as liability in the period in which it is declared by Company, usually when approved by shareholders in a general meeting, or paid.

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to the Standalone Financial Statements for the year ended 31st March 2017

Therefore, the dividend liability (proposed dividend) including dividend distribution tax liability amounting to ₹ 58.51 cr. has been derecognised in the retained earnings as on the date of transition.

Proposed dividend including dividend distribution tax liability amounting to ₹ 58.51 cr. which was derecognised as on the transition date, has been recognised in retained earnings during the year ended 31st March, 2016 as declared and paid.

3) Defined benefit obligation

Both under Previous GAAP & Ind AS, Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost related to post-employment defined benefit plans, including actuarial gains and losses, were charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income. Thus, employee benefit expenses reduced by ₹ 0.35 cr. and is recognised in other comprehensive income ₹ 0.23 cr. (net of deffered tax) during the year ended 31st March 2016.

4) Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP.

In addition, the various transitional adjustments lead to different temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

The above changes (increased) decreased the deferred tax liability as follows:

₹ in cr.

Particulars	31 March 2016	1 April, 2015
Financial instruments	(3.59)	(2.05)
Employee benefits	0.12	Nil
Provision	Nil	2.23
Increase in deferred tax liability	(3.47)	0.19

5) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under the previous GAAP.

6) Statement of cash flows

The transition from Previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities. Consequently, cash and cash equivalents have reduced by ₹ 11.58 cr. as at 31st March 2016 (1st April 2015 – ₹ 12.82 cr.)

Notes

to the Standalone Financial Statements for the year ended 31st March 2017

7) Excise duty :

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March 2016 by INR ₹ 15.39 cr. There is no impact on the total equity and profit.

8) Cash Discount:

Under previous GAAP, cash discount of ₹ 0.11 cr. was recognised as part of other expenses which has been adjusted against the revenue under Ind AS during the year ended 31st March 2016. There is no impact on the total equity and profit.

9) Retained earnings

The above changes decreased (increased) retained earnings as follows:

₹ in cr.

Particulars	31 March 2016	1 April, 2015
Financial instruments, net	2.69	3.88
Proposed dividends	Nil	58.51
Provisions, net	4.22	(4.22)
Increase in retained earnings	6.91	58.17

In the preparation of these Ind-AS Financial Statements, Company has made several presentation differences between previous GAAP and Ind-AS. These differences have no impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind-AS at the date of transition. Further, in these Financial Statements, some line items are described differently under Ind-AS compared to previous GAAP, although the assets and liabilities included in these line items are unaffected.

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Kapoor & Parekh Associates**
Chartered Accountants

Nilesh Parekh
Partner

Mumbai, 3rd May 2017

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Madhusudan B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

ajanta pharma limited

(CIN No. L24230MH1979PLC022059)

Redg. Office: “Ajanta House”, Charkop, Kandivali (West), Mumbai – 400 067
Tel No. 022 66061000; Fax No. 022 66061200
Website: www.ajantapharma.com; email: investorgrievance@ajantapharma.com

NOTICE

NOTICE is hereby given that the thirty-eighth Annual General Meeting of the Members of Ajanta Pharma Limited will be held on Wednesday, the 5th day of July 2017 at 11.00 a.m. at Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad (West), Mumbai - 400064 to transact the following business:-

ORDINARY BUSINESS:

1. **To receive, consider and adopt:**
   a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2017 together with the Reports of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the Financial year ended 31st March 2017 together with the Report of the Auditors there on.

2. To confirm the interim dividends paid on the equity shares for the year ended 31st March 2017 as final.

3. To appoint a Director in place of Mr. Madhusudan B. Agrawal (DIN 00073872), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Rajesh M. Agrawal (DIN 00302467), who retires by rotation and being eligible, offers himself for re-appointment.

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

   “RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 43rd Annual General Meeting, subject to ratification of appointment by the shareholders at every Annual General Meeting held after this Annual General Meeting, on such remuneration as mutually agreed between the Board of Directors and M/s. BSR & Co. LLP;

   RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an Ordinary Resolution:

   “RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, remuneration of ₹ 3.50 lacs plus service tax and reimbursement of actual travel and out-of-pocket expenses, fixed by the Board for M/s. Sevekari Khare & Associates, Cost Accountants, for audit of cost records maintained by the company for the financial year ending 31st March 2018, be and is hereby ratified.”

By order of the Board of Directors

Gaurang Shah
AVP – Legal &
Company Secretary

3rd May 2017

Registered Office:
“Ajanta House”, Charkop,
Kandivali (West),
Mumbai – 400 067

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person cannot act as proxy for members not exceeding 50 (Fifty) and holding in aggregate not more than ten percent of the total share capital of the Company.

3. Proxy form is sent herewith. The proxy form, in order to be effective, must be duly completed, signed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

5. Pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Director seeking re-appointment at the Annual General Meeting (AGM), forms part of the notice.

6. The Register of Members and the Transfer Books in respect of the Equity Shares will remain closed from, Wednesday, 28th June 2017 to Wednesday, 5th July 2017 (both days inclusive) for the purpose of AGM.

7. In order to prevent fraudulent encashment of dividend warrants, the Company encourages remittance of dividend through ECS/NEFT. Dividend in future would be remitted through ECS/NEFT for shareholders who have registered their mandates with the Company or to the bank particulars registered against respective depository accounts, in respect of shares held in demat mode. Shareholders are therefore requested to update their bank account details as under:

   (i) In respect of shares held in demat mode, by informing the changes, if any to the Depository Participants of the Members.

   (ii) In respect of shares held in physical mode, to furnish the mandates to the Company or Company's R&T Agents, Link Intime India Private Limited, bank account details to which the dividend shall be remitted through ECS/NEFT/NECS.

8. In terms of Sections 124 of the Companies Act, 2013, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Accordingly, the unpaid dividend lying in dividend account of the year 2009-2010 will be transferred to Investor Education and Protection Fund at appropriate time in the current financial year. Members who have not encashed their dividend warrants are requested to write to the Registrars & Share Transfer Agents. Shareholders can visit the company's website www.ajantapharma.com to check the details of their unclaimed dividend under the Investors' section.

9. Shareholders seeking any information with regard to Annual Report are requested to write to the Company at an early date so that the information can be kept ready.

10. To support the green initiative of the Government, electronic copy of the Annual report for the year ended 31st March 2017 and notice of the 38th AGM are being sent to the members whose mail IDs are available with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2017 and the Notice are being sent in the permitted mode. Please note that the annual report and the notice of the 38th AGM are also posted on the website "www.ajantapharma.com" for download and copy of the Annual Report shall be provided to the shareholder at the AGM, if required.

11. **Voting through electronic means:**

   I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on the resolutions proposed to be considered at the 38th AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

   II. The remote e-voting period commences on Sunday, 2nd July 2017 (9:00 a.m.) and ends on Tuesday 4th July 2017 (5:00 p.m.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 28th June 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

III. The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; "APL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

Note: Shareholders already registered with NSDL for e-voting will not receive the pdf file "APL-remote e-voting.pdf".

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put your user ID and password Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

(vii) Select Electronic Voting Event Number (EVEN) of Ajanta Pharma Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@ajantapharma.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

(i) Initial password is provided in the Attendance Slip for the AGM:
EVEN (E Voting Event Number)
USER ID ____________
PASSWORD/PIN __________

(ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.

IV. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

V. If you are already registered with NSDL for remote e-voting than you can use your existing user ID and password/PIN for casting your vote.

Note: Shareholders who forgot their user details/ password can use "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com

In case shareholders are holding shares in demat mode, USER ID is the combination of (DP ID + Client ID).

In case shareholders are holding shares in physical mode, USER-ID is the combination of (EVEN No + Folio No).

VI. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s)

VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Wednesday, 28th June 2017. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any person who has ceased to be the member of the Company before the cut-off date will not be entitled for remote e-voting or voting at the meeting. Any person, who becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company. However, if you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

IX. Mr. Alwyn D'souza, a Practicing Company Secretary, Mumbai (Membership No. 5559; Certificate of Practice No. 5137) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XI. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company 'www.ajantapharma.com' and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited & NSE, Mumbai.

12. Pursuant to Section 72 of the Act, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.

13. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act, will be available for inspection at the AGM.

14. Route Map showing directions to reach to the venue of the 38th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meeting".

By order of the Board of Directors

Gaurang Shah
AVP – Legal &
Company Secretary

3rd May 2017

Regd. Office:
"Ajanta House", Charkop,
Kandivali (West), Mumbai – 400067

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS OF THE ACCOMPANYING NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 6

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint a cost accountant in practice, for auditing cost records of the Company. Such appointment shall be on the recommendation of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On the recommendation of the Audit Committee, Board has at its meeting held on 3rd May 2017 considered and approved appointment of M/s. Sevekari Khare & Associates, Cost Accountants, for Cost Audit of the cost records maintained by the company at a remuneration of ₹ 3.50 lacs plus service tax as applicable and reimbursement of actual travel and out of pocket expenses, for the year ending 31st March 2018, subject to ratification by the members.

The Board recommends the Resolution at Item No. 6 of the accompanying Notice for approval of the Members of the Company.

None of the Directors and/or Key Managerial Personnel of the company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

By order of the Board of Directors

Gaurang Shah
AVP – Legal &
Company Secretary

3rd May 2017

Regd. Office:
"Ajanta House", Charkop,
Kandivali (West), Mumbai – 400067

Route MAP to the Venue of AGM

Address: Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad West, Mumbai, Maharashtra 400064

Maps Legends

Aspee Auditorium Malad

Station

- From New Link Road
- Way from WE Highway Way

Distance from

Malad Station - 1.2 km

- Mith Chowky - 1.3 km
- Pushpa Park - 1.9 km

Scan the Below Code for the map

Details of the Director seeking appointment/re-appointment at thirty-eighth AGM (pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standards on General Meetings)

Name of Director	Mr. Madhusudan B. Agrawal	Mr. Rajesh M. Agrawal
Date of Birth	29.03.1955	31.03.1976
DIN No.	00073872	00302467
Date of Appointment	31.12.1979	30.04.2013
Expertise in Specific Functional Area	Has rich experience of more than 4 decades. Excellent relationship management skills coupled with extensive contacts in the industry, regulatory and business circles. Effective leadership and motivation skills for setting higher goals and standards and driving the team to achieve the same. Strongly pursues adhering and instilling Company's values in the workforce and promoting good governance culture across the organisation. Contributes innovative ideas in risk mitigation with his excellent rapport with industry leaders.	Strong business acumen with proven record of accomplishment of building and growing business in every segment and market with sustained and improved rankings. Upto date knowledge about latest happening in the Indian Pharma industry as well as global trends. Exceptional abilities in identifying business opportunities in the form of gap in patient needs and availability, getting it developed through R & D, getting timely regulatory approvals and strategically launching the product ahead of competition. Core Competence in putting effective processes and control mechanism.
Qualifications:		
(i)Educational	B.Sc	MBA
(ii)Experience in years	40+	20+
No. of shares held in the company	Nil	1,28,49,999
Relationship with other Directors and Key Managerial Personnel	Brother of Mr. Purushottam B. Agrawal & Mr. Mannalal B. Agrawal and uncle of Mr. Yogesh M. Agrawal & Mr. Rajesh M. Agrawal.	Brother of Mr. Yogesh M. Agrawal and son of Mr. Mannalal B. Agrawal.
No. of Board meetings attended during FY 2016-17	Five	Five
Other Directorships in Companies	1. Inspira Projects Limited 2. Inspira Infra (Aurangabad) Limited 3. Louroux Bio Energies Limited 4. Ajanta Pharma USA Inc.	1. Ajanta Pharma Philippines Inc. 2. Gabs investments Private Limited
Membership of committees (M- Member) (C- Chairman)	**Ajanta Pharma Limited:** Executive Committee (M) **Louroux Bio Energies Limited:** a. Executive Committee (M) b.Nomination & Remuneration Committee (M) **Inspira Infra (Aurangabad) Limited:** Executive Committee (C)	**Ajanta Pharma Limited:** a. Executive Committee (M) b. Stakeholders' Relationship Committee (M)
Terms and conditions of appointment	Whole-time director, liable to retire by rotation	Whole-time director, liable to retire by rotation.

Disclaimer

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

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