ajanta pharma limited

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5th July, 2018

BSE LIMITED Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 **Scrip Code: BSE - AJANTPHARM 532331**	National Stock Exchange of India, Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 **Scrip Code: NSE AJANTPHARM EQ**

Sub.: Regulation 34(1) Annual Report for financial year 2017-18

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report of the Company for the financial year 2017-18, adopted by the members at the Annual General Meeting held on 5th July, 2018.

Kindly acknowledge and take the same on your records.

Thanking You,

Yours faithfully,

Gaurang Shah
AVP - Legal & Company Secretary

Encl.: a/a

ajanta pharma limited

IN PURSUIT OF EXCELLENCE

2017-18 ANNUAL REPORT

THE COMPASS FOR OUR JOURNEY

01-19 **Corporate Overview**

Management Speak 02

An Entity Engaged in Pursuit of Excellence 04

Moving on our Chosen Path 12

Corporate Information 19

20-57 **Statutory Reports**

Management Discussion & Analysis 20

Directors' Report 26

Report on Corporate Governance 46

58-162 **Financial Statements**

Consolidated 58

Standalone 112

163-173 **Notice**

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

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

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

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

MANAGEMENT SPEAK

Dear Shareholders,

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

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

SEGMENT PERFORMANCE

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

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

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

FINANCIAL PERFORMANCE

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

THE FUTURE BECKONS

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

"Our most impressive performance has been in the branded generic segment of emerging markets, where launch of several differentiated products and enhanced marketing efforts have enabled us to achieve stellar growth."

"With further thrust on productivity of marketing team, enhancing quality of business through exciting products, sustained investments in R&D and technology excellence in manufacturing, we will continue to remain focussed on creating better value for all."

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

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

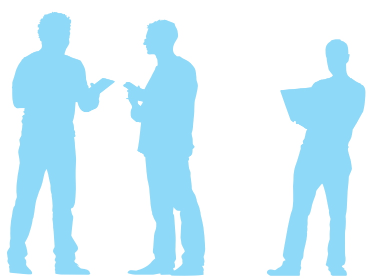
We would like to take this opportunity to thank our talented employees for their passion and dedication and our stakeholders for their continued support.

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

Regards,

Rajesh Agrawal
Joint Managing Director

Yogesh Agrawal
Managing Director



AN ENTITY ENGAGED IN PURSUIT OF EXCELLENCE

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

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

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

WHO WE ARE

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

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

850+ Scientists engaged at our R&D centre to steer our excellence journey

6500+ Employees working worldwide to give shape to our vision

KEY MARKETS

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

INDIA

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

3rd largest
Ophthalmology player in India (IMS MAT March 2018)

Met-XL
among Top 200 pharma brands in the country

EMERGING MARKETS

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

2nd fastest
growing pharma Company in Philippines, ranked 17th (IMS Dec. 17)

1 of the largest
pharma Company in Franco Africa

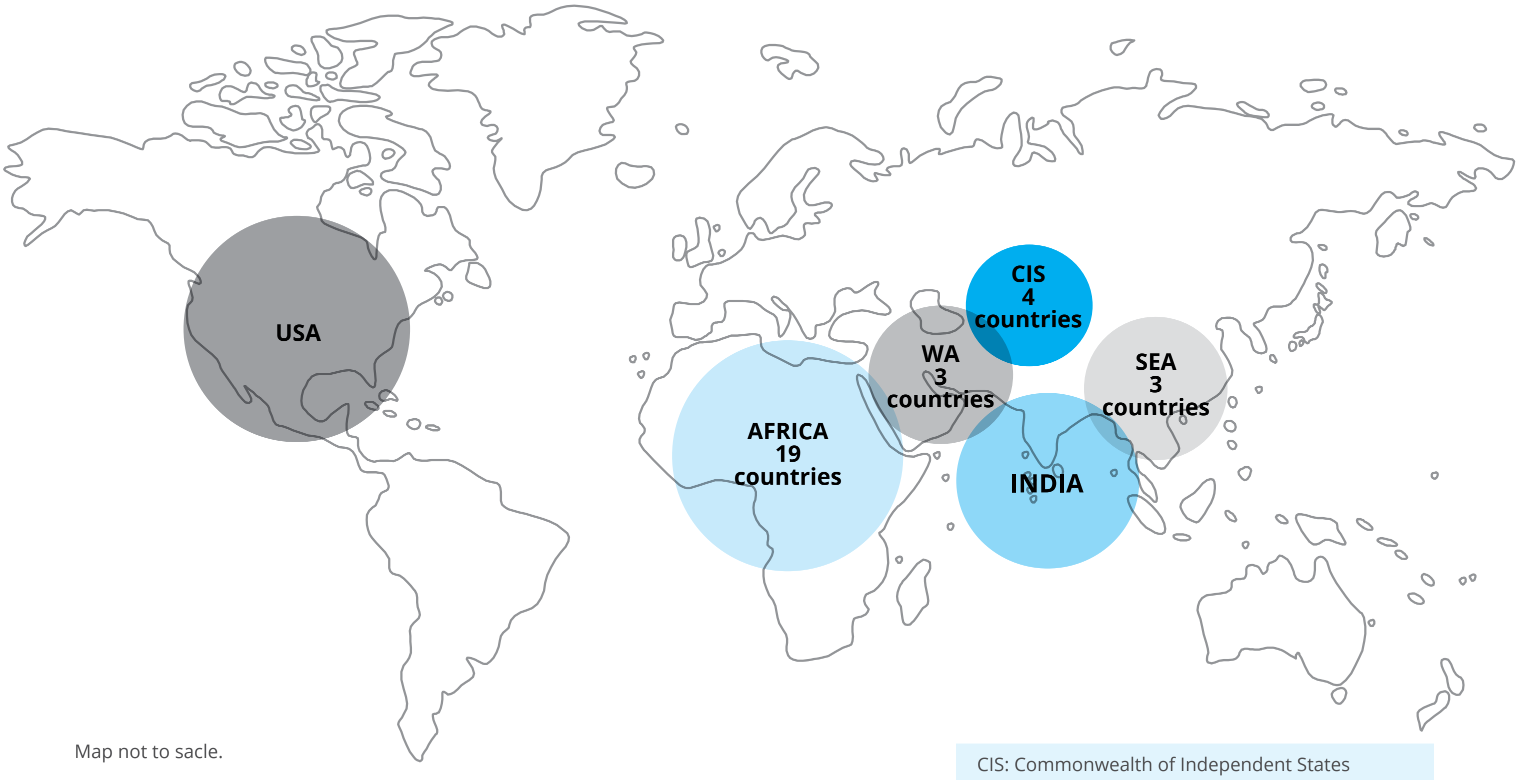
USA

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

18
products on shelf

6
launches in FY 2018

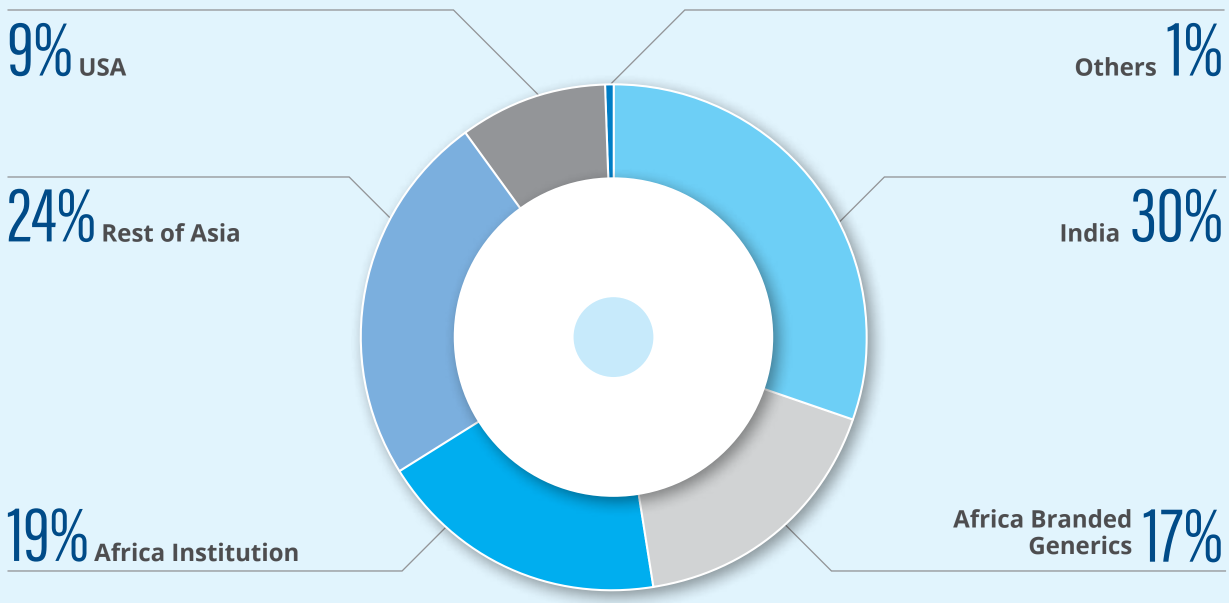
STRONG GLOBAL PRESENCE



Map not to sacle.

CIS: Commonwealth of Independent States
SEA: Southeast Asia
USA: United States of America
WA: West Asia

Market-wise Revenue Contribution



EXCELLING GLOBALLY

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

INDIA

FY 2018 was a difficult year for the Indian pharmaceutical market. Inventory destocking due to the implementation of Goods and Services Tax (GST) impacted the industry. In fact, the domestic pharmaceutical industry growth rate in FY 2018 was the lowest in last five years. Undeterred in our pursuit of excellence, we posted faster-than-industry growth in a majority of key therapeutic segments.

The therapy segment that led the growth during FY 2018 were Ophthalmology (13% growth vis-à-vis segment growth of 7%), followed by Cardiology (10% growth vis-à-vis segment growth of 6%) and Pain Management (8% growth vis-à-vis segment growth of 4%). The Dermatology business did not perform as per our expectations (4% de-growth vis-à-vis segment growth of 14%) where we have applied the corrections and are now confident of returning soon to growth trajectory.

In line with our pursuit of excellence with differentiated product development approach, we launched 32 products in domestic formulations in FY 2018, of which 7 enjoyed first-to-market advantage. While our new products have been very well received, our existing portfolio of leading brands also continue to grow its market share. Going forward, we will continue to focus on specialty segments to enhance our market position and further improve the productivity of our field force ensuring continued growth.

Every step forward is a step towards excellence

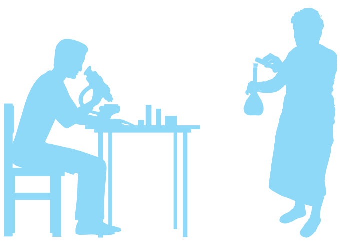
- 3rd largest player in the Ophthalmology segment
- Moved up to 16th position in the Cardiology segment
- Moved up to 32nd position in the Pharma industry

EMERGING MARKETS

Emerging markets saw a strong comeback with a robust performance in FY 2018 on the back of our improved focus on each segment of the market. Moreover, we further improved productivity of our field force, through creating specialised teams for different therapies in each of the markets. Customised products basket, as well as strong ground presence with latest digital marketing support became the enabler for the same. The result was evident as Ajanta Pharma emerged as the 2nd fastest growing and among the top 20 companies in the important market of Philippines. We also retained our leading position in Franco Africa.

We will continue to differentiate ourselves through our new products to fulfil unmet medical needs of these markets. Also we continue to enhance our on-field efforts to capture new opportunities in these emerging markets. These efforts will ensure continued growth in the coming years.

In Africa, branded generic sales grew by 30% on a year-on-year basis, while in Rest of Asia we grew by 18%, underlining our relentless commitment to raise the bar of our performance excellence



USA

FY 2018 was a challenging year in the US market with buyer consolidation and increasing competition leading to sharp price erosion. Even against such challenging backdrop, Ajanta Pharma demonstrated resilient performance on the back of 6 new product launches in FY 2018. Our basket has now grown to 18 products on the shelf in USA, with 21 more product filing awaiting approvals.

Looking at the changed scenario in the US market, we have already started rationalising our R&D efforts and narrowed down our product selection for this market. We are committed to be in this market and grow with our strength of sharper focus, better compliance and a dedicated team on the ground.

Revenue from USA business grew by 5%, year-on-year basis. Considering the challenging pricing environment in the US we have performed much better to competition, underlining the fact that our core competencies position us well to overcome challenges

Institutional Markets

We have been a strong player in the institutional anti-malaria business for Artemether Lumefantrine combination over the past five years, being the 1st generic company to get pre-qualification for this product from WHO. However, in FY 2018, reduction in overall allocation by the buyers have impacted our revenue from institutional sales which declined by 13% on a year-on-year basis. Going forward, we expect the allocation by the buyers to reduce sharply. Hence, we will enhance our focus on branded generic business to fill the gap arising from institutional business.

We have been a strong player in the institutional anti-malaria business for Artemether Lumefantrine combination over the past five years

MOVING ON OUR CHOSEN PATH...

“Excellence is to do a common thing in an uncommon way.”

STRENGTHENING OUR FOCUS ON INNOVATION & TECHNOLOGY

We have in place a strong framework to identify and assess patient needs. This guides our investments into Research & Development and facilitates the creation of new and innovative products to fulfil the unmet needs of patients worldwide.

With current R&D spend at 9% of the total turnover, we have a rich pipeline of new products under active development.

9% R&D expenditure as a % of net sales in FY 2018

₹ 565 cr. Cumulative R&D spend in the last 5 years

160+ First-to-market products launched in India in the last 10 years

Our Innovation Edge

We have a robust R&D platform, with state-of-the-art facilities located in Mumbai. Our facilities are designed to nurture and encourage the best research talent in the industry, where 850+ scientists are working diligently for making patients' life better by creating novel formulations. What gives our innovative abilities a powerful edge is that we have dedicated and experienced R&D teams for every market, and also within each of the focus therapy segments of our presence. This lends strong capabilities to develop sophisticated and customised products alike.

Distinctive quality is reflected in every formulation created by our research teams and produced at our facilities.

The thrust at Ajanta Pharma is on more differentiated products, delivering new therapies that are clinically better than the existing alternatives.

Central to our philosophy is the realisation that a "one-size-fits-all" approach cannot be adopted when serving patients across the globe. Emerging markets, for instance, have different pharmaceutical needs as opposed to mature economies. Deep understanding of every market's medical requirements as well as of its economic and social conditions is vital to facilitating the development of market-tailored products. Our customised products developed in the R&D thus yield tremendous results for patients.

BUILDING OUR MANUFACTURING STRENGTHS

Giving shape to our innovation-led vision are our five state-of-the-art formulation manufacturing facilities. These facilities located strategically, have technologically advanced equipment from best of the brands available. This provides us technological edge to ensure highest level of compliance. Our thrust on automation of processes enables us to manage the quality of finished product with utmost precision. Both our new facilities at Dahej and Guwahati demonstrate our manufacturing excellence.

Our quality control labs are also equipped with state-of-the-art machines, fully automised to ensure seamless compliance. It ensures that final product quality is not compromised at any level for the patient. This is affirmed by successful US FDA inspections for two of our facilities.

Our Manufacturing Prowess

Of the five facilities in India, two have received US FDA approval and the remaining are WHO-GMP approved. We also have a facility for manufacturing Active Pharmaceutical Ingredients (API), mainly for captive use.

Our domestic manufacturing facilities are based in Aurangabad (Maharashtra), Dahej (Gujarat) and Guwahati (Assam). The Dahej facility is located in an SEZ and is US FDA approved. With proximity to Mumbai port, it also has a strategic advantage in serving international market.

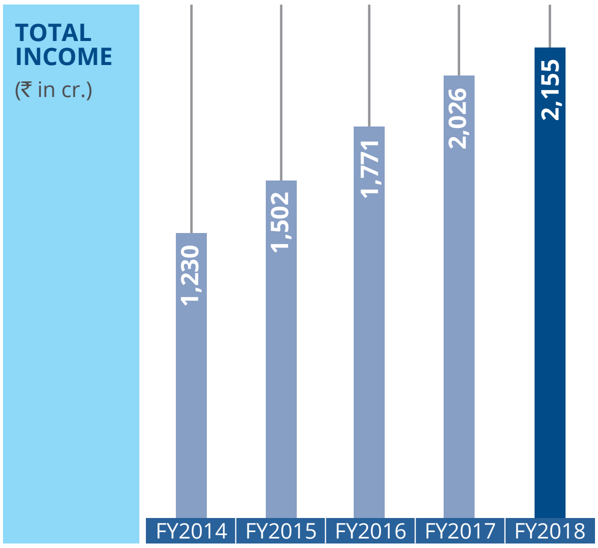
The most recent facility is at Guwahati, the first phase of which was operationalised in January 2017. In FY 2018, derma section was commissioned at this facility and ophthalmic section is under implementation.

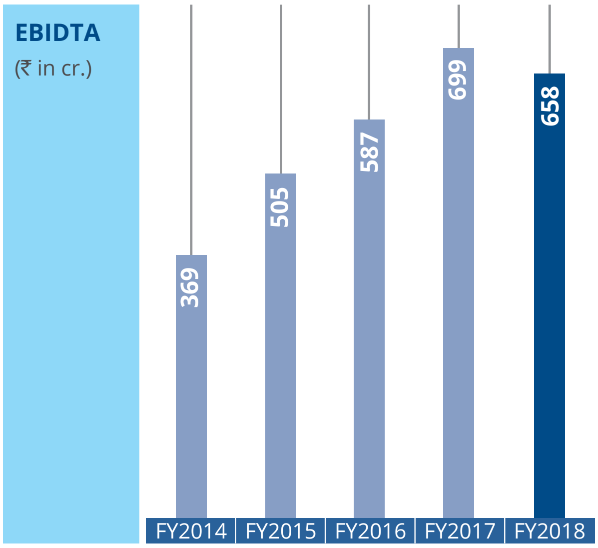
₹ 1,111 cr. Cumulative capital expenditure over the last 5 years (consolidated)

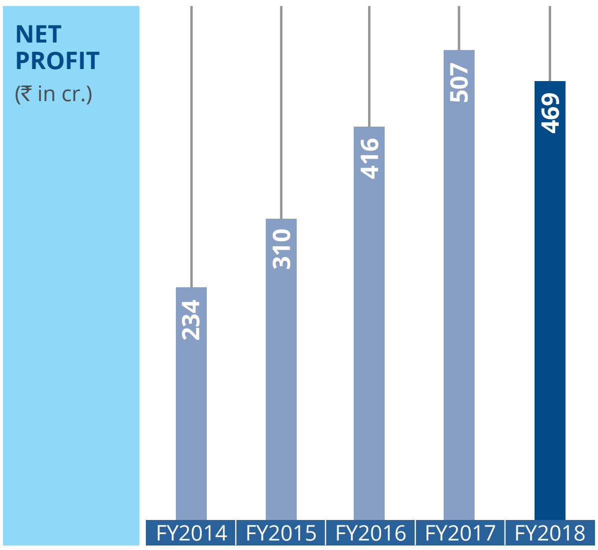
Our thrust on automation of processes enables us to manage the quality of finished product with utmost precision. Both our new facilities at Dahej & Guwahati demonstrate our manufacturing excellence

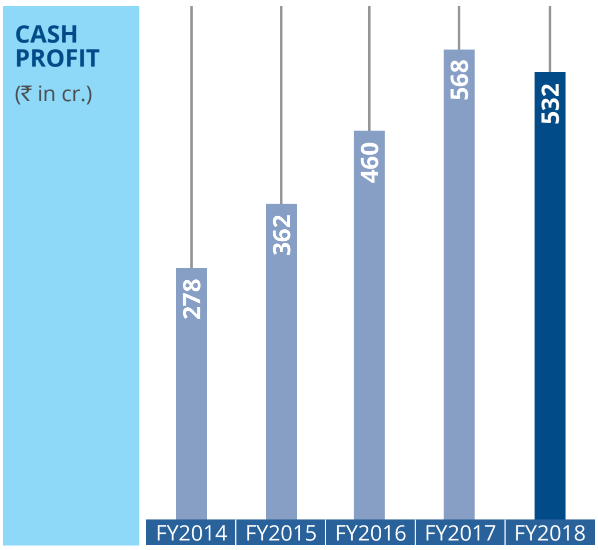
CONTINUING WITH OUR PURSUIT OF EXCELLENCE

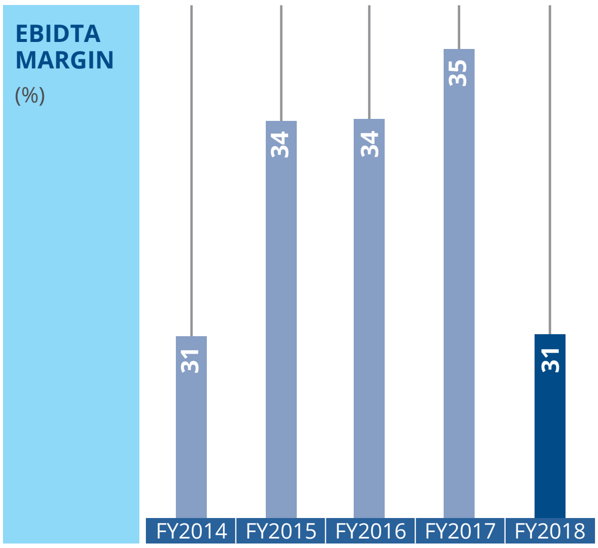
At Ajanta Pharma, when it comes to pursuing excellence, we have always walked the talk. This is manifested in our financial performance. Despite challenging year on various fronts, we have been able to post better results than industry.

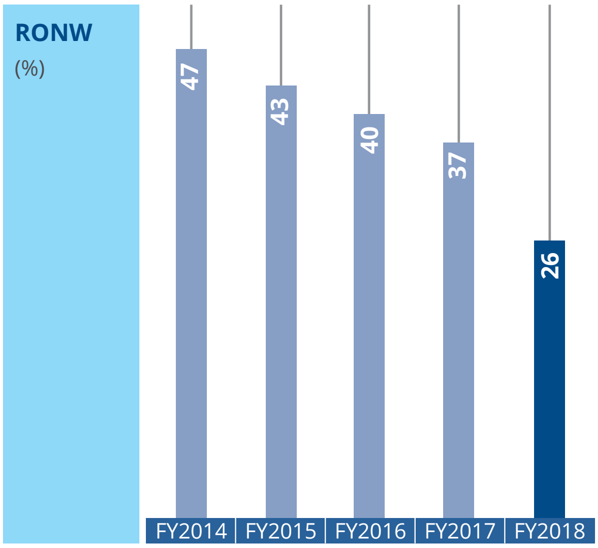


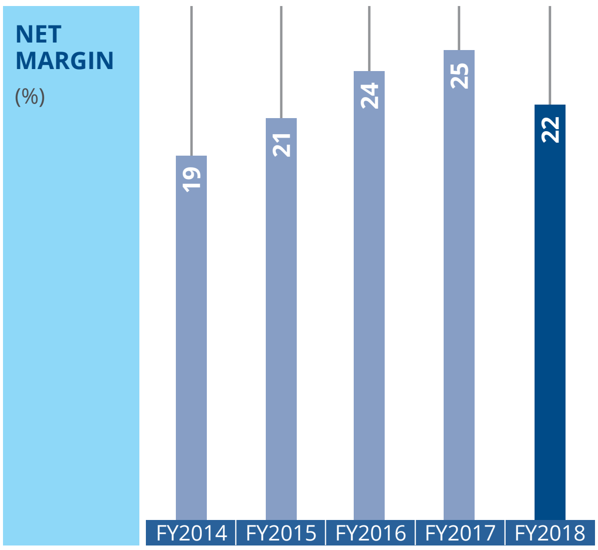


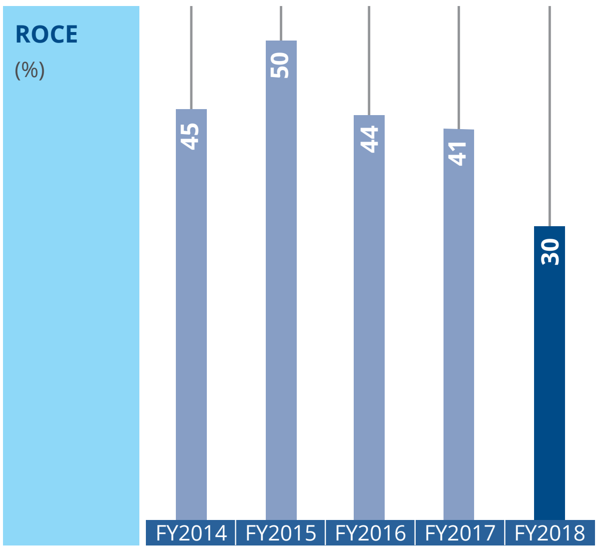





EBIDTA MARGIN
(%)
31
34
34
35
31
FY2014
FY2015
FY2016
FY2017
FY2018


RONW
(%)
47
43
40
37
26
FY2014
FY2015
FY2016
FY2017
FY2018


NET MARGIN
(%)
19
21
24
25
22
FY2014
FY2015
FY2016
FY2017
FY2018


ROCE
(%)
45
50
44
41
30
FY2014
FY2015
FY2016
FY2017
FY2018

SERVING EXCELLENCE TO THE COMMUNITY

HEALTH

In rural and tribal India, quality health care is among the most pressing concerns. To improve their quality of life, we provide medical assistance including preventive healthcare. During FY 2018, we held 1200+ free eyecare camps and performed 66,000+ cataract surgeries for underprivileged in our camps. Family planning camps saw 3,500 people benefiting from our programmes. We have also assisted in upgradation of facilities at charitable hospitals, provided subsidised food to patients and their relatives.

EDUCATION

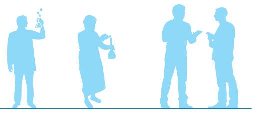
Ajanta Pharma is committed to providing access to quality education to underprivileged children in India. We believe that every child must have the right to dream big and the opportunity to achieve their potential. We thus carried out improvement in education infrastructure in government schools, provided modern computer labs, science labs, library and also maintained this infrastructure during FY 2018. Our efforts are also directed towards promoting special education to enable girl children to pursue excellence through vocational courses.

COMMUNITY WELFARE

We contributed to the Maharashtra Chief Minister Relief Fund. We also donated funds for supporting families of 81 martyrs under Government of India initiative, through a dedicated website 'www.bharatkeveer.gov.in', as homage to the bravehearts who laid their lives for the country. During the year, we also contributed funds for training of Olympic athletes from India.

Our CSR activities and their impact in FY 2018

1,200+	Eye camps organised in different parts of the country
1,50,000+	Patients benefited from free eye check-up camps across India
1,700+	Provided with skin and plastic surgery treatment
66,000	Cataract operations performed restoring eyesight of the underprivileged
3,500	Family planning surgeries performed
4,500+	Students enjoy quality education
1,000+	Girls are getting inspired to be an entrepreneur



CORPORATE INFORMATION

Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Director

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

M/s B S R & Co. LLP

Cost Auditors

M/s Sevekari Khare & Associates

Internal Auditors

M/s Mahajan & Aibara

Chief Financial Officer

Arvind Agrawal

Company Secretary

Gaurang Shah

CIN No.

L24230MH1979PLC022059

Registered Office

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Kandivli (West), Mumbai – 400 067.
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Fax: +91 22 6606 1200 / 1300
Website: www.ajantapharma.com
Email: info@ajantapharma.com

MANAGEMENT DISCUSSION & ANALYSIS

Economic Overview and Outlook

The global economy continued to grow, with estimated output growth of 3.7% in 2017 as against 3.2% in 2016. Tax reforms in the U.S. should push the economy to grow 2.7% in 2018 vis-à-vis 2.3% in 2017. Emerging economies are projected to rise to 4.9% in 2018 from 4.7% in 2017. (Source: World Economic Outlook Update, January 2018)

The Indian economy witnessed implementation of a series of transformational reforms in FY 2018. It is projected to grow at 6.75% in FY 2018 and edge up to 7-7.5% in FY 2019, thereby regaining the world's fastest growing major economy tag.

Pharmaceutical Sector Overview

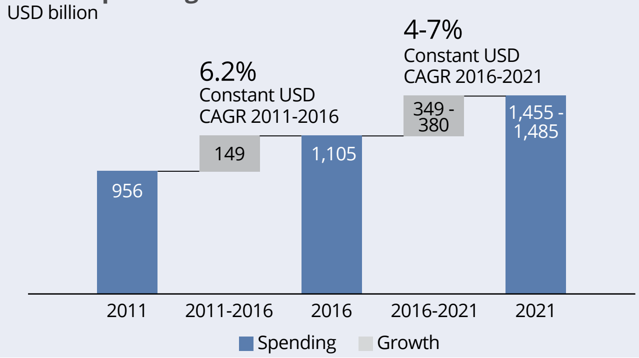
Global

The pharmaceutical industry plays a unique role in improving the lives of patients. It is also one of the world's fastest growing industries and among the biggest contributors to the world economy.

Global spending

According to the Quintiles IMS Institute, the pharmaceutical market will reach nearly USD 1,485 billion by 2021, an increase of USD 350-380 billion from the USD 1,105 billion recorded in 2016. This growth is expected to be driven by market expansion in pharmerging countries and a higher proportion of aged population in developed countries.

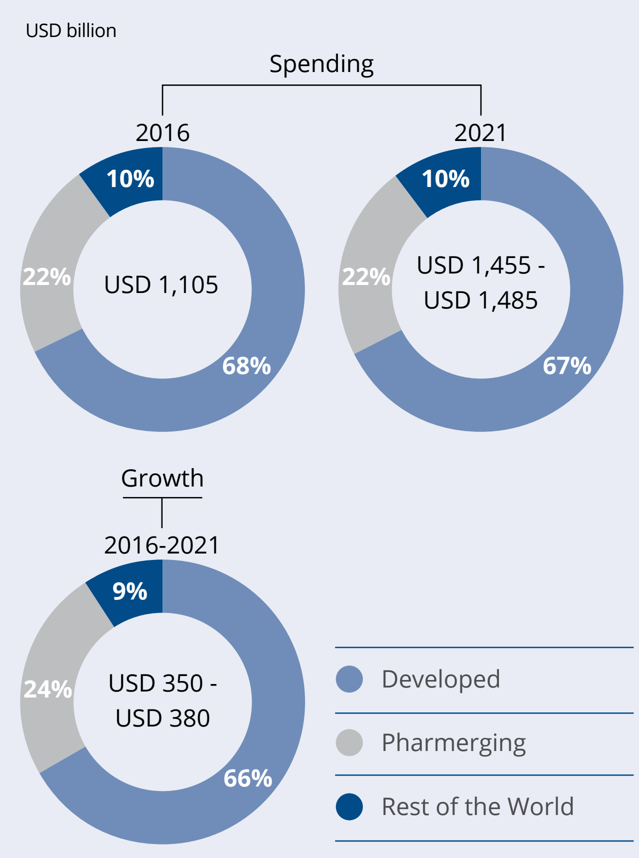
Global spending on Medicines
USD billion



Spending by geography

USA is expected to continue to be the world's largest pharmaceutical market and its share in global spending is projected to increase from USD 461.7 billion in 2016 to USD 645-675 billion in 2021. The European share of spending will grow from USD 151.8 billion to USD 170-200 billion. Meanwhile, pharmerging countries spend will increase from USD 242.9 billion to USD 315-345 billion in 2021.

Geography-wise Spending



India

The Indian pharmaceutical industry is the 14th largest market in the world by value; in terms of volume it is the 3rd largest. India manufactures 20% of all generics made globally and exports to 200 countries, with USA as the principal market.

While during the year under review, domestic growth slowed down in the wake of implementation of Goods and Services Tax (GST), the outlook remains positive. Increase in the size of middle-class households coupled with the improvement in medical infrastructure and jump in the penetration of health insurance in the country are expected to boost domestic demand for pharmaceutical products. By 2020, India is anticipated to become the top three pharmaceutical markets by incremental growth and 6th largest market globally in absolute size. India's focus on providing complex and speciality products, customer-centricity, regulatory compliance, quality improvement and operational efficiency are expected to enhance exports. Exports from India stood at USD 16.84 billion in FY 2016-17; it is expected to reach USD 20 billion by 2020.

The Indian pharmaceutical industry is well-positioned to reinforce its position as a global pharmaceutical provider. As per industry estimates, India's pharmaceutical industry is expected to expand at a CAGR of 12.89% over 2015–20 to reach USD 55 billion and by 2025 to grow to USD 100 billion.

Emerging Markets

With rising income levels, growing health awareness and better access to healthcare, emerging markets offer significant growth potential for the pharmaceutical industry. In recent times, there is an increase in occurrence of non-communicable diseases such as cardiovascular illnesses, diabetes, and oncologic disorders. It is estimated that incidence of diabetes and oncologic diseases will grow by around 20% by 2030.

The African pharmaceutical industry is the fastest growing in the world. The market size is estimated to be worth USD 40-60 billion a year by 2020. The size of the Francophone (French-speaking) African pharmaceutical market was estimated at more than USD 2.5 billion and is anticipated to grow at close to 10% a year until 2022.

Africa is a crucial market and it has its set of challenges like macroeconomic landscape, political complexities, poverty, lack of health literacy and limited spending by governments for national healthcare due to weak economic growth and a high reliance on donor funding.

USA

The United States alone holds over 45% of the global pharmaceutical market. In 2016, this share was valued around USD 446 billion. Generics continue to enjoy a formidable percentage of USA's pharmaceutical market with more than 88% prescription patterns filled by generic drugs.

India, exports drugs worth USD 16.5 billion to the USA annually which, as per Assocham report, is expected to rise to USD 20 billion by 2020 – a compounded annual growth rate of 30%. This growth is based on several patented drugs going off-patent in USA over the next few years. However, intensification of competition in generics resulting in price erosion, frequent regulatory scrutiny leading to slowdown of exports and channel consolidation impacting manufacturers' ability to charge higher prices are the current challenges being faced in this market.

Growth Drivers

RISE IN GLOBAL SPENDING ON HEALTHCARE

USD **8.7** trillion by 2020

As spends on healthcare (includes service delivery; health workforce; information; medical products, vaccines, technologies, etc.) increases, the pharmaceutical industry will also benefit.

GROWING WORLD POPULATION

9.3 billion by 2050

A growing global population will fuel the demand for pharmaceutical products.

AGEING POPULATION

21 % by 2020

Increase in 60+ age group, means increased cases of age-related diseases, thus higher demand for medicines.

CHANGING LIFESTYLES

642 million by 2040

Higher proportion of number of people affected by diabetes.

INCREASED INCOME

160 million people a year

Rise in number of middle-class population in both emerging and developed markets means more disposable income and expectation of better healthcare solutions.

Company Overview

Ajanta Pharma is a speciality pharmaceutical formulation company engaged in the development, manufacture and marketing of quality finished dosages. The Company is focussed on the branded generics market in India, Asia and Africa, generics market in USA besides Institutional segment in Africa. With revenue being generated from a wide range of products and more than 30 countries, the Company's business is well-diversified and de-risked.

Ajanta Pharma's competitive edge is its strong focus on customised products for every market where it operates. This high level of innovation has been achieved on the foundation of robust infrastructure, strong scientific knowledge base and latest technology. The Company has six formulation manufacturing facilities, (two are USFDA approved) and a state-of-the-art Research & Development Centre spread over 100,000 sq. ft. Over 6,500 employees are engaged worldwide to ensure efficient and seamless business functioning.

Operational Highlights for FY 2018

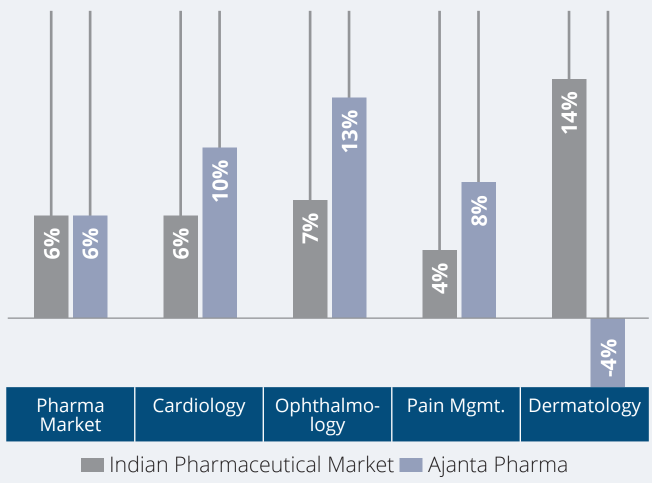
- Consolidated Turnover at ₹ 2,155 cr.
- Consolidated Profit after Tax at ₹ 469 cr.
- Indian Pharma Market ranking improved to 32nd position from 33rd position
- Derma section commissioned at Guwahati
- Enhanced R&D spend to 9% of revenue

Performance Highlights

India

Ajanta Pharma's India business continued to perform well steered by strong focus on high growth speciality segments. While roll-out of the GST impacted operations across the industry, the Company's readiness enabled it to transition seamlessly to the new tax regime. As per IMS MAT March 2018, the Company grew at par with Indian Pharmaceutical Market (IPM) at 6%. Within the speciality segments that the Company operates in, except for Dermatology all segments recorded higher than industry growth. Corrective measures have been taken, and the Company is optimistic about reviving growth in the Dermatology segment. The Company continues to strengthen product portfolio through new launches, many of them being first-to-market products offering significant patient benefits. Apart from new launches, many of the Company's existing products continue to grow their market share.

Segment Performance (% growth)



Source: IMS MAT March, 2018

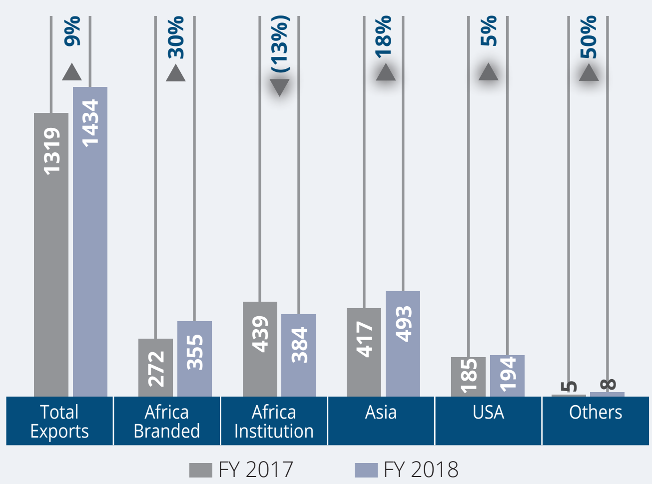
Exports

Notwithstanding a tough industry backdrop, the Company's international business grew by 9% in FY 2018. Growth was primarily driven by strong revival in Asia markets, led by product addition and enhanced market focus. Stable crude oil prices in Asia also helped improve business environment.

In Africa, branded generics business continues to remain on a strong footing; however, with Global Fund business on the decline, institutional sales had seen de-growth.

In USA, greater price erosion due to competition intensification and channel consolidation were the key challenges faced by Indian manufacturers. Even amidst this backdrop, led by new product launches and on the back of existing products, the Company recorded a growth of 5% for FY 2018. With 6 more products commercialised in the year, total number of products commercialised stands at 18. The Company received 4 ANDA approvals in the year, taking cumulative approvals to 19, and 2 tentative approvals.

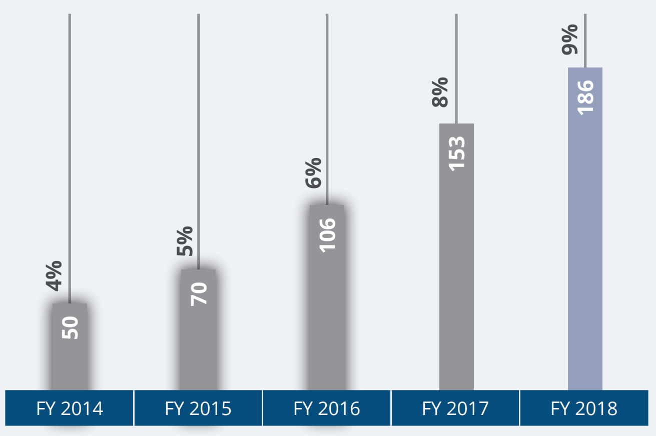
Export Details (₹ cr.)



Research & Development

The Company has strengthened its R&D function, spending about 9% of its total operating income on R&D in FY 2018.

R&D spend and % of Oper. Income (Excluding Capex)



Financial Review

	FY 2018 (₹ in cr.)	FY 2017 (₹ in cr.)	Growth (%)
Income from operations	2,131	2,002	6%
EBITDA	658	699	(6%)
PBT	623	648	(4%)
PAT	469	507	(8%)

Geography-wise Sales for FY 2018

Territory	Sales (₹ in cr.)	Sales (%)
India	629	30%
Africa Branded Generics	355	17%
Africa Institution	384	19%
Rest of Asia	493	24%
USA	194	9%
Others	8	1%

Operational and Financial Performance

Our branded generic business performance in emerging markets has posted healthy growth in line with our expectation, whereas the India business growth has come back after the GST impact in first quarter. Despite the challenging price erosion environment in US market, we have performed well during the year. The focus was on launching new products, enhancing market share of existing products and improving efficiencies.

PROFIT AND LOSS STATEMENT

Revenue from operations

Revenue from operations increased to ₹ 2,131 cr. in FY 2018 from ₹ 2,002 cr. in FY 2017, a growth of 6%, even when our institution business saw a de-growth in Africa. The increase was driven by volume along with new launches of customised and innovative products.

Material costs

Material costs saw a 200 basis point improvement, from 21% in FY 2017 to 19% in FY 2018 on the back of higher proportion of branded generic business.

Employee expenses

Personnel expenses stood at ₹ 376 cr. for the year ended FY 2018 as against ₹ 295 cr. in FY 2017. The increase was on account of full year impact of team members added at different times during FY 2017 and also due to increase in gratuity limit.

Other expenses

Other expenses include manufacturing, marketing, distribution, R&D and administrative expenses which stood at ₹ 690 cr. in FY 2018 as against ₹ 605 cr. in FY 2017. As a percentage of revenue, other expenses have gone up to 32% as against 30% in the previous year, mainly due to higher R&D cost.

Margins

EBITDA stood at 31% in FY 2018 as against 35% in the previous year. Net margins stood at 22% in FY 2018 as against 25% in the previous year. EBITDA was majorly impacted, due to plant expenses of Dahej and Guwahati.

BALANCE SHEET

Non-current assets

This mainly comprises property plant and equipment which has gone up in line with our continued capex investment in manufacturing facilities and R&D which has taken it from ₹ 997 cr. in FY 2017 to ₹ 1,225 cr. in FY 2018.

Current assets

Increase in inventory and trade receivables has mainly taken the current asset level to ₹ 1,224 cr. in FY 2018 as against ₹ 851 cr. in FY 2017. The increase in inventory is the result of commencement of operations at 2 new manufacturing facilities and higher level in US.

Shareholders' funds

Shareholders' funds increased from ₹ 1,568 cr. in FY 2017 to ₹ 2,041 cr. in FY 2018. Earnings per share stood at ₹ 53 in FY 2018 as against ₹ 58 in FY 2017.

Non-current liabilities

The balance under this head increased from ₹ 33 cr. in FY 2017 to ₹ 61 cr. in FY 2018 mainly on account of increase in deferred tax liability and provisions for employee payments.

Current liabilities

Increase in trade payable and provisions resulted in higher current liability at ₹ 346 cr. in FY 2018 as against ₹ 247 cr. in FY 2017.

Human Assets

Ajanta Pharma is powered by rich pool of knowledgeable and proficient employees. People contribution is key to Company's continued success and growth, where strong emphasis is given towards creating a safe, healthy, stimulating and energising workplace.

To empower our people perform and reach their potential, we have in place a well-designed leadership competency framework. Leadership capabilities developed across the organisation also ensures business growth, expertise to drive innovation and agility to respond to a changing environment.

We have aligned our HR policy to the evolving needs of the global pharmaceutical industry. To further augment people capabilities, we are imbibing industry-best HR practices to inspire our team towards excellence. As part of our team-building efforts, we undertake regular activities to promote their mental and physical wellness. These initiatives include promotion of health, sports, hobbies, individual talent, celebrations of special days, etc. Such efforts have helped us bring down attrition of our employees.

Communication and collaboration is encouraged to instil a sense of belonging and pride in working for Ajanta Pharma. Our reward and recognition programme foster a high-performance culture and drives employee engagement.

Risk Management

Ajanta Pharma has established a strong risk mitigation process which entails regular and stringent monitoring of its business activities to identify, evaluate and resolve risks. The top management of the Company and the Board are involved in monitoring of risk assessment and mitigation, thus ensuring a quick resolution mechanism. The Company has a work philosophy of doing business with high ethical standards and topmost integrity. This principle has helped it to pre-empt and ease considerably the risks that came across its way.

During the year, Company established a risk management committee, where Managing Director and Joint Managing Director along with senior management review key internal financial controls and their effectiveness in the form of a risk matrix, inherent risks associated with each function, risk assessment and classification of these risks into different categories. The work of risk management committee is reviewed by audit committee and board periodically.

The following are the key risks faced by the Company and mitigation plans for each of those risks:

Risk	Risk Description	Mitigation Plan
COMPETITION RISK	Company faces competition from pharmaceutical companies from India and other parts of the world. These competitor companies bring new products in the market which can affect the Company's market share and revenue.	Company identifies unmet medical needs of patients, develop those products in R&D and launch innovative and customised products ahead of competition.
REGULATORY RISK	Company has to comply with extant laws and regulations prevailing in the country of its operations. These regulation can affect the development, manufacturing, approval, marketing and distribution of its products. Changes in the country's laws or regulations also throw new challenges of compliance.	Company has established a strong quality assurance mechanism and compliance monitoring network to ensure compliance. It also organises regular training for its employees to update them on new developments.
GLOBAL ECONOMIC VOLATILITY RISK	Company has business dealings in many countries. Each of these markets presents a different economic and political risk along with the ever present threat of natural disasters.	A widespread global presence, with no overdependence on any one region or country, considerably insulates the Company from any uneventful developments in any particular market. Further, strong emphasis is given to regular tracking of the local developments to address these risks.
FOREIGN EXCHANGE RISK	The Company earns a major part of its revenue in foreign exchange, thus exposing it to the volatility in the exchange rates. This can have an adverse effect on its earnings.	The Company does meticulous monitoring of the rate fluctuations. It also follows a robust hedging policy.

Internal Controls and Adequacy

The Company has a comprehensive system of Internal Controls to safeguard its assets against loss from unauthorised use and ensure reliability of financial reporting. It maintains a system of internal controls designed for effectiveness and efficiency of operations, compliance and regulations. All operations are governed through automated internal business controls, centralised global process framework and integrated key support functions. Quarterly tracking of annual quality objectives is done using QMS (quality management software), and any concerns are immediately flagged for effective addressing.

The system of internal controls monitors and ensures process for:

- Prudent financial control
- Accountability and integrity
- Automated control procedures

All transactions are recorded and reported in accordance with the Accounting Standards. The internal auditors for different locations submit reports and updates. The Audit Committee of the Board review reports submitted by the independent internal auditors and monitor follow-up and corrective action.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include economic and political condition in India and in the countries in which the Company operates, volatility in interest rates, changes in government regulations and policies, tax laws, statutes and other incidental factors. The Company does not undertake to update these statements.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present their Thirty-ninth Annual Report and Audited Financial Statements for the Year ended 31st March 2018.

1. Financial Results

(₹ in cr. except EPS)

Year ended 31st March	Standalone			Consolidated		
	2018	2017	Growth	**2018**	2017	Growth
Total Revenue	1,830	1,823		2,131	2,002	6%
Earnings before Interest, Depreciation and Tax (EBIDTA)	547	643	(15%)	658	699	(6%)
Profit after Tax	428	500	(14%)	469	507	(8%)
Total comprehensive income	426	500	(15%)	472	504	(6%)
Earning Per Share (EPS) (₹) (Basic)	48.59	56.79	-	53.26	57.59	-

2. Performance Review

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

Our branded generic business performance in emerging markets has posted healthy growth in line with our expectation, whereas the India business growth has come back after the GST impact in first quarter. Despite the challenging price erosion environment in US market, we have performed well during the year.

3. Dividend

Board deferred the proposal of declaration of dividend and desired to evaluate other options to utilise the funds/reward the shareholders.

The Dividend Distribution Policy is available on website of the Company and its weblink is http://www.ajantapharma.com/AdminData/PolicyCodes/DividendPolicy.pdf

4. Transfer to Reserves

The Company proposes to keep the entire retained earnings in Profit & Loss Account.

5. Scheme of Amalgamation and Arrangement

The Board of Directors at its meeting held on 18th March 2017 had approved the Scheme of Amalgamation and Arrangement between Ajanta Pharma Limited ("Transferee Company") and Gabs Investments Private Ltd., a promoter company ("Transferor Company") and their respective members and creditors ("Scheme of Arrangement").

The Scheme was approved by the shareholders on 10th October 2017. Further, all the Regulatory authorities viz. ROC, Regional Director, Official Liquidator and Income Tax have submitted their report to National Company Law Tribunal (NCLT). Matter is being heard at NCLT.

6. Material changes & commitment affecting the financial position 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.

7. Significant & material orders passed by the Regulators or Courts or Tribunals

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.

8. Management Discussion and Analysis

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

9. Report on 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 Report on Corporate Governance as stipulated in the Listing Regulations is also appended to the Report on Corporate Governance.

10. Share Capital

During the year, 9,500 shares were issued under the ESOS, 2011. Consequent thereto, total paid up equity share capital of the Company as on 31st March 2018 stood at ₹ 17.60 crores divided into 8,80,14,500 Equity shares of ₹ 2/- each. Particulars of Employee Stock Options granted/vested/exercised during the year are given in **"Annexure A"** to this report.

11. Credit Rating

The Company's bank facilities are rated by Credit Analysis and Research Ltd. (CARE). The Company continues to have rating Care A1+ for its working capital facilities and Care AA for long term borrowings, which indicates very strong/high degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

12. 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. The Company does not have any Associate company.

Company's UK subsidiary has not started any operations and management do not intend to start the operations. Hence initiated the process of closing this subsidiary.

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-1, as **"Annexure B"**.

The Audited Financial Statements of Company's subsidiary for calendar year 2017 are available on the Company's website at www.ajantapharma.com and the same are also available for inspection at the Registered Office of the Company as per the details mentioned in notice of the 39th Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

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 and its weblink is http://www.ajantapharma.com/AdminData/PolicyCodes/c2ea3c56-332b-4e83-a771-f1a8934ec008PolicyonMaterialSubsidiaries.pdf

13. Directors and Key Managerial Personnel

a. There were no changes in the directors or Key Managerial Personnel during the year. However, during the year Mr. Purushottam B. Agrawal had relinquished his position of Vice-Chairman w.e.f. 14th December 2017. He continues to be Non-Executive Director on the Board of the Company.

Board has re-appointed Mr. Yogesh Agrawal (DIN: 00073673) as Managing Director for a period of 5 years with effect from 1st April 2018 and Mr. Rajesh Agrawal (DIN: 00302467) as Joint Managing Director for a period of 5 years with effect from 1st May 2018. Their appointments are subject to approval of Members and other concerned authorities, if any.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 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.

Mr. Yogesh Agrawal, Managing Director (DIN: 00073673), Mr. Arvind Agrawal, Chief Financial Officer (DIN: 00648589) and Mr. Gaurang Shah, Company Secretary (FCS No.: 6696) are the Key Managerial Personnel of the Company as on the date of this Report.

b. Retirement by rotation

Mr. Mannalal B. Agrawal and Mr. Purushottam B. Agrawal, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

c. Board meetings

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

d. Independent Director's familiarization programme

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

i. Corporate Strategy & plans of action
ii. GST & SAP implementation and its impact
iii. Workshop on Board Dynamics
iv. Investment of surplus funds, capex & project status
v. Risk analysis & mitigation framework of the Company

Details of familiarization programme imparted is placed on the Company's website and its weblink is http://www.ajantapharma.com/AdminData/DirectorFamiliarizationProgram/Directorsfamilarisationprogramme2018.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 and matters incidental thereto, have been detailed in the Report on Corporate Governance, which forms part of this 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 Report on Corporate Governance.

14. Audit Committee

The details pertaining to composition of Audit Committee are included in the Report on Corporate Governance.

15. New projects

Your company has commenced commercial production at its new manufacturing facility at Dahej, which is already approved by USFDA. Further, the Guwahati facility has commenced cream and ointment section, in addition to tablet section operationalized last year. Your company proactively assesses its requirement of infrastructure for future growth and continuously invests in the same.

16. Auditors and Audit reports

a. **Statutory Auditors**

Auditor's Report for the year under review does not contain any qualifications, reservations or adverse remarks.

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**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules 2014, as amended from time to time, the cost audit records maintained by the Company are required to be audited by cost accountant. Company has appointed M/s. Sevekari, Khare & Associates, Practicing Cost Accountants to audit the cost records of the Company for the financial year 2018-19. The remuneration payable to them is required to be ratified by the Shareholders at the ensuing Annual General Meeting and accordingly, a resolution seeking ratification has been included as Item No. 4 of the Notice convening the Annual General Meeting.

The Cost Audit Report for the FY 2017 has been filed with the Ministry of Corporate Affairs on 15th September 2017.

During the year under review, the statutory auditors, secretarial auditors and cost auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

17. 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 Management Discussion and Analysis.

18. Vigil Mechanism/Whistle Blower policy

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.

19. Related Party Transactions and Policy

Most of the Related Party transactions (RPTs) entered during the financial year were with the Company's wholly owned subsidiaries and donations to charitable trusts for CSR activities. These 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 with this report. 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 and its weblink is http://www.ajantapharma.com/AdminData/PolicyCodes/2018PolicyonRelatedPartyTransactions.pdf

20. 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"**.

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 form 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.

21. 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.

22. Corporate Social Responsibility (CSR)

The Company's CSR Policy primarily rests on three broad tenets viz., Healthcare, Education & Community welfare 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.

23. 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.

24. Green initiative

The Ministry of Corporate Affairs had taken the Green Initiative in Report on Corporate Governance by allowing paperless compliances by Companies through electronic mode.

Your Company supports the Green Initiative and has accordingly decided to send necessary communications to its Shareholders to their respective registered E-mail addresses.

Your Company appeals to you, its Shareholders, who are yet to register the E-mail addresses that they take necessary steps for registering the same so that you can also become a part of the initiative and contribute towards a Greener environment.

25. Unclaimed shares & dividend

In pursuance of Regulation 39 read with Schedule VI of the Listing Regulations, the Company has in FY 2017, transferred 27,250 unclaimed shares belonging to 33 shareholders, to the 'Unclaimed Suspense Account' opened for the purpose, after following due process. Details of shares transferred to the suspense account, claimed during the year and balance as on 31st March 2018, are given below:

#	Particulars	Shareholders	No. of shares
1.	Outstanding shares at the beginning of the year	33	27,250
2.	Shareholders approached the Company for transfer	3	2,250
3.	Shareholders whose shares were transferred from suspense account	3	2,250
4.	Shares transferred to IEPF account	4*	2,500
5.	Outstanding shares at the end of the year	30	22,500

**Partially transferred to IEPF and partially remaining in suspense account.*

Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Further, during the year 26,260 shares on which dividend had remained unclaimed for last 7 years were transferred to Investor Education & Protection Fund in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, after complying due procedure. Members desirous of claiming their shares may refer to the refund procedure for claiming the aforementioned amounts/shares transferred to the IEPF Authority, as detailed on www.iepf.gov.in.

Underlying shares on which dividend has remained unclaimed from 2010-11 onwards, will be due for transfer to IEPF account during the year and individual notices to that effect will be sent to concerned shareholders. Shareholders who have not yet encashed their unclaimed/unpaid amounts are requested to correspond with the Company's Registrar and Transfer Agents, at the earliest to avoid transfer of dividend and underlying shares to IEPF.

26. Extract of the Annual Return

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

27. 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 2018, 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 2018 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.

28. 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"**.

29. Business Responsibility Report

In compliance with Regulation 34(2) of Listing Regulations, your Company has included Business Responsibility Report, as part of the Annual Report, describing initiatives taken by the Company from an environmental, social and governance perspective. However, as a Green Initiative, the BRR for FY 2018 has been hosted on the Company's website, which can be accessed at http://www.ajantapharma.com/AnnualReports.aspx Any Member interested in obtaining a copy of BRR may write to the Company Secretary.

30. Human Resource

The Company recognizes that the employees are the most valuable resource and endeavors to empower its employees to meet business excellence while meeting their career aspirations. It continues to focus on progressive employee relations, policies and building high performance culture with the growth mindset where employees are engaged, productive and efficient. Industrial relations were cordial throughout the year.

Programs like Lose to Win, Safety First, various sports tournaments, inbound & outbound training programs, recreational and team building activities, etc. are part of the total employee experience helping to promote individual wellness while balancing the needs of the work, family and society.

31. 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.

32. Gratitude & Acknowledgements

Your Directors place on record their sincere appreciation for the steadfast commitment and highly motivated performance by employees at all levels across the globe which was instrumental in sustained 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, 2nd May 2018

ANNEXURE 'A' TO THE DIRECTORS' REPORT
EMPLOYEE STOCK OPTION SCHEME

No.	Description	Details / No. of Options
a)	Total Options granted	1,76,000
b)	The pricing formula	Exercise price is ₹ 2 per option.
c)	Options vested	1,57,000
d)	Options exercised	1,37,000
e)	Total number of shares arising as result of exercise of options	1,37,000
f)	Options lapsed during the year	2,000
g)	Variation of terms of options	No variation during the year
h)	Money realized by exercise of options	₹ 2,74,000/-
i)	Total no. of options in force	17,000
j)	Employee-wise details of options granted to i. Senior Managerial Personnel	1,51,500 options granted to employees of the Company and 24,500 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	₹ 48.58
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 17,000 options. Weighted average fair value of: i. 2,000 options is ₹ 1,207/- ii. 6,000 options is ₹ 1,456.91/- iii.7,000 options is ₹ 1,681/- iv. 2,000 options is ₹ 1,139.56/-

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			
	2,000 options	6,000 options	7,000 options	2,000 options
Grant date	8th May 2015	26th July 2016*	26th July 2016	22nd August 2017
Last date for acceptance	8th June 2015	26th August 2016	26th August 2016	22nd September 2017
Risk free rate (%)	8.00%	7.30%	7.30%	7.50%
Expected Life (years)	1 to 3 years	3 to 4 years	1 to 3 years	1 to 4 years
Volatility (%)	31.70%	20.23%	20.23%	17.20%
Dividend yield (%)	1.50%	0.53%	0.53%	0.43%
Price of the underlying share in the market at the time of option grant	₹ 1,264/-	₹ 1,478/-	₹ 1,701.60/-	₹ 1,153.45/-

**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 - 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 Crore

1	Sl. No.	1	2	3	4
2	Name of the Subsidiary	Ajanta Pharma (Mauritius) Ltd. (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-18	31-Mar-18	31-Mar-18	31-Mar-18
4	Reporting currency for the subsidiary	Mauritian Rupee	Philippine Peso	US Dollars	Nigerian Naira
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 31 March 2018 (₹)	1.96	1.25	65.18	0.21
6	Share Capital	9.44	1.38	6.07	1.37
7	Reserves & Surplus	110.08	52.90	9.16	0.26
8	Total Assets	133.33	84.59	209.78	16.07
9	Total Liabilities (excluding Share Capital and Reserves & Surplus)	13.82	30.31	194.55	14.45
10	Investments	7.57	-	-	-
11	Turnover	294.47	127.64	187.17	22.17
12	Profit before taxation	80.53	25.12	7.92	2.23
13	Provision for taxation	6.45	7.65	2.79	0.67
14	Profit after taxation	74.08	17.47	5.13	1.56
15	Proposed Dividend	-	-	-	-
16	% of shareholding	100%	100%	100%	100%

a) Ajanta Pharma (Mauritius) Ltd. consolidated figures includes its wholly owned subsidiary Ajanta Pharma (Mauritius) International Ltd.

b) Details of Ajanta Pharma UK Ltd. have not been given as it has not yet started business operations.

Part "B" - Associates and Joint Ventures : None

For and on behalf of Board of Directors of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

Mumbai, 2nd May 2018

ANNEXURE 'C' TO THE DIRECTORS' REPORT - SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration 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** (CIN: L24230MH1979PLC022059) (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 thereon.

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 2018** 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 2018 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

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

(e) 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;

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

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought 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 Drugs and Cosmetics Rules, 1945 & The Drugs and Cosmetics (Tenth Amendment) Rules, 2017; 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) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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:

During the audit period, the Company has obtained approval of the Shareholders on 10th October 2017 for the scheme of amalgamation and arrangement between Gabs Investments Private Ltd. and the Company and their respective shareholders under section 230-232 read with Section 52 and Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. The Company has subsequently filed an application for the same with National Company Law Tribunal, Mumbai Bench and also with Registrar of Companies, Mumbai, Maharashtra.

For Alwyn D'souza & Co.,
Company Secretaries

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

Place: Mumbai
Date: 2nd May 2018

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 2017-18	* % increase/(decrease) in remuneration in the FY 2017-18
(i)	Mannalal Agrawal	44:1	-
(ii)	Purushottam Agrawal	59:1	-20 $
(iii)	Madhusudan Agrawal	67:1	-8 #
(iv)	Yogesh Agrawal	155:1	113 @
(v)	Rajesh Agrawal	155:1	113 @
(vi)	Chandrakant Khetan	2:1	10
(vii)	Dr. Anil Kumar	2:1	15
(viii)	K. H. Viswanathan	2:1	10
(ix)	Prabhakar Dalal	2:1	10
(x)	Anjana Grewal	2:1	17
(xi)	Arvind Agrawal, Chief Financial Officer	N.A.	95 ^
(xii)	Gaurang Shah, Company Secretary	N.A.	22

2	The percentage increase in the median remuneration of employees in the financial year	13.62%
3	The number of permanent employees on the rolls of company	6,795
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 2017-18 was 13.62% against which the increase in managerial remuneration was 26%. Percentile Increase in median remuneration and that of managerial personnel is due to payment of commission to Managing Director and Joint Managing Director which was not paid in earlier years.
5	Affirmation that the remuneration is as per the remuneration policy of the company	Yes

* Includes sitting fees paid to Non-Executive Directors. Further sitting fees increased from ₹ 30,000 to ₹ 33,000 w.e.f. 1st April 2017.

$ Decrease is because Mr. Purushottam Agrawal relinquished his Executive position w.e.f. 14th December 2017.

Decrease is because Mr. Madhusudan Agrawal is provided furnished accommodation in lieu of HRA.

@ Includes commission.

^ It includes stock options exercised during the year.

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/CSRPolicy2018.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: ₹ **530 cr.**

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

   The company is required to spend ₹ 10.60 cr. towards CSR.

5. Details of CSR spent during the financial year:

   (a) Total amount spent for the financial year: ₹ **12.36 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.	Promoting healthcare in rural and tribal areas; providing medical assistance in eye care, family welfare, medical facility upgradation etc.	A	Maharashtra	400	504	Agency
2.	Promoting education through financial assistance, renovation & upgradation of facilities at schools, colleges etc.	B	All India	220	314	Agency
3.	Promoting education through imparting vocational skills by setting up technical Institute in rural area	B	Maharashtra	100	101	Agency
4.	Promoting sports through contribution for training of Olympic aspirants	C	All India	25	20	Direct
5.	Contribution to war widows	D	All India	100	100	Agency
6.	Contribution to Maharashtra Chief Minister relief fund	E	Maharashtra	25	21	Direct
7.	Protection of art & culture & maintenance of site of work of arts	F	Maharashtra	100	100	Agency
8.	Community Development in rural areas	G	Maharashtra	50	43	Agency
9.	Other Miscellaneous activities	G	Maharashtra	40	33	Agency
	TOTAL			**1,060**	**1,236**	

**Refers to details of sectors below:*
A - Promoting health care including preventive health care
B - Promoting Education, including special education
C - Promoting Sports
D - Benefit of armed forces veterans, war widows & their dependents
E - Contribution to Relief Fund for socio-economic development
F - Protection of national heritage, art and culture
G - Reducing inequalities faced by socially & economically backward group

Notes: (i) No overheads are included in the amount spent.
(ii) Agencies are Seth Shri Bhagwandasji Agrawal Charitable Trust & Samta Foundation

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
Mumbai, 2nd May 2018

Mannalal B. Agrawal
Chairman of the CSR Committee

CSR POLICY

(Amended by the Board of Directors on 2nd May 2018)

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 thereunder.
6. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.
7. Company may undertake its CSR activities as described in Schedule VII of the Companies Act, 2013 (i) on its own or (ii) through a registered trust or a registered society or a company established under section 8 either singly or alongwith its holding/subsidiary or associate company or (iii) by any trust, society or company having an established track record of three years in undertaking similar programs or projects.

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 - MGT 9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31ST MARCH 2018

[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, Kandivli (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	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S 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 Ltd. Media Building, Goodlands, Mauritius	N.A.	Subsidiary	100%	2(87)
4.	Ajanta Pharma Mauritius International Ltd. 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 Ltd. 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 – 2017				Shareholding at the end of the year - 2018				% 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	5,38,37,497	-	5,38,37,497	61.17	(3.08)
(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**	**6,22,29,759**	**-**	**6,22,29,759**	**70.70**	**(3.08)**
[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**	**6,22,29,759**	**-**	**6,22,29,759**	**70.70**	**(3.08)**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	17,32,747	-	17,32,747	1.97	54,07,265	-	54,07,265	6.14	4.17
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	1,26,052	-	1,26,052	0.14	0.14
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	96,15,446	-	96,15,446	10.93	1,07,07,666	-	1,07,07,666	12.17	1.24
(f)	Financial Institutions / Banks	1,52,780	-	1,52,780	0.17	2,22,575	-	2,22,575	0.25	0.08
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	**1,15,00,973**	**-**	**1,15,00,973**	**13.07**	**1,64,63,558**	**-**	**1,64,63,558**	**18.71**	**5.64**
[2]	**Central Government/ State Government(s)/ President of India**	-	-	-	-	2,38,875	-	2,38,875	0.27	0.27
	Sub Total (B)(2)	**-**	**-**	**-**	**-**	**2,38,875**	**-**	**2,38,875**	**0.27**	**0.27**
[3]	**Non-Institutions**									-
(a)	Individuals									-
(i)	Individual shareholders holding nominal share capital upto ₹ 2 lakh	75,13,973	4,09,693	79,23,666	9.00	61,44,095	3,42,193	64,86,288	7.37	(1.63)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	22,71,816	-	22,71,816	2.58	15,11,644	-	15,11,644	1.72	(0.86)
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	IEPF	-	-	-	-	26,260	-	26,260	0.03	0.03
	Trusts	7,770	-	7,770	0.01	62	-	62	0.00	(0.01)
	Foreign Nationals	8,500	11,250	19,750	0.02	-	13,250	13,250	0.02	0.00
	Hindu Undivided Family	1,98,313	-	1,98,313	0.23	1,71,697	-	1,71,697	0.20	(0.03)
	Non Resident Indians (Non Repat)	1,08,644	-	1,08,644	0.12	1,06,236	-	1,06,236	0.12	0.00
	Non Resident Indians (Repat)	1,92,677	4,125	1,96,802	0.22	1,59,447	1,125	1,60,572	0.18	(0.04)
	Clearing Member	1,14,175	-	1,14,175	0.13	1,64,098	-	1,64,098	0.19	0.06
	Market Maker	181	-	181	0.00	213	-	213	0.00	0.00
	Bodies Corporate	7,32,401	750	7,33,151	0.83	4,41,238	750	4,41,988	0.50	(0.33)
	Sub Total (B)(3)	**1,11,48,450**	**4,25,818**	**1,15,74,268**	**13.15**	**87,24,990**	**3,57,318**	**90,82,308**	**10.32**	**(2.83)**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**2,26,49,423**	**4,25,818**	**2,30,75,241**	**26.22**	**2,54,27,423**	**3,57,318**	**2,57,84,741**	**29.30**	**3.08**
	Total (A)+(B)	**8,75,79,182**	**4,25,818**	**8,80,05,000**	**100.00**	**8,76,57,182**	**3,57,318**	**8,80,14,500**	**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)	**8,75,79,182**	**4,25,818**	**8,80,05,000**	**100.00**	**8,76,57,182**	**3,57,318**	**8,80,14,500**	**100.00**	**-**

B) Shareholding of Promoter

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	-	83,92,262	9.54	-	-
2.	Mr. Rajesh M. Agrawal	1,00,000	0.11	100	1,00,000	0.11	100	-
3.	Mr. Yogesh M. Agrawal	1,00,000	0.11	100	1,00,000	0.11	100	-
4.	M/s. Ganga Exports, a partnership firm	51,37,500	5.84	99.17	24,37,500	2.77	81.64	(3.07)
5.	Mr. Ravi P. Agrawal	1,90,000	0.21	100	1,90,000	0.21	100	-
6.	Mr. Aayush M. Agrawal	1,90,000	0.21	78.95	20,000	0.02	-	(0.19)
7.	Mr. Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	1,27,49,999	14.49	1.25	1,27,49,999	14.49	5.76	-
8.	Mr. Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	1,27,49,999	14.49	1.25	1,27,49,999	14.49	5.76	-
9.	Mr. Ravi P. Agrawal, trustee Ravi Agrawal Trust	1,26,59,999	14.39	1.26	1,26,59,999	14.39	5.81	-
10.	Mr. Aayush M. Agrawal, trustee Aayush Agrawal Trust	1,26,60,000	14.39	1.26	1,26,60,000	14.39	17.34	-
11.	Mr. Mannalal B. Agrawal, trustee Mannalal Agrawal Trust	N.A.	N.A.	N.A.	1,70,000	0.19	-	0.19

**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	Yogesh M. Agrawal	1,00,000	0.11	1,00,000	0.11
2	Rajesh M. Agrawal	1,00,000	0.11	1,00,000	0.11
3 (*)	Ganga Exports represented by Yogesh Agrawal, Rajesh Agrawal, Ravi Agrawal & Aayush Agrawal	51,37,500	5.84	51,37,500	5.84
Less:	Market Sale	27,00,000	3.07	-	-
	Ganga Exports represented by Yogesh Agrawal, Rajesh Agrawal and Ravi Agrawal	-	-	24,37,500	2.77
4	Ravi P. Agrawal	1,90,000	0.21	1,90,000	0.21
5	Aayush M. Agrawal	1,90,000	0.21	1,90,000	0.21
Less:	Inter-se transfer (28-Mar-18)	1,70,000	0.19	20,000	0.02
6	Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	1,27,49,999	14.49	1,27,49,999	14.49
7	Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	1,27,49,999	14.49	1,27,49,999	14.49
8	Ravi P. Agrawal, trustee Ravi Agrawal Trust	1,26,59,999	14.39	1,26,59,999	14.39
9	Aayush M. Agrawal, trustee Aayush Agrawal Trust	1,26,60,000	14.39	1,26,60,000	14.39
10	Mannalal B. Agrawal, trustee Mannalal Agrawal Trust	-	-	-	-
Add:	Inter-se transfer (28-Mar-18)	1,70,000	0.19	1,70,000	0.19

(*) 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	22,26,230	2.53	22,26,230	2.53
Add:	Market Purchase	7,65,840	0.87	29,92,070	3.40
2.	SBI Magnum Balanced Fund	1,00,000	0.11	1,00,000	0.11
Add:	Market Purchase	21,93,705	2.49	22,93,705	2.60
Less:	Market Sale	62,705	0.07	22,31,000	2.53
3.	Motilal Oswal Most Focused Multicap 35 Fund	14,19,130	1.61	14,19,130	1.61
Add:	Market Purchase	8,01,850	0.91	22,20,980	2.52
Less:	Market Sale	3,18,294	0.36	19,02,686	2.16
4.	Kotak Mahindra (International) Ltd.	9,70,573	1.10	9,70,573	1.10
5.	UTI - Equity Fund	82,236	0.09	82,236	0.09
Add:	Market Purchase	9,50,209	1.07	10,32,445	1.16
Less:	Market Sale	74,636	0.08	9,57,809	1.08
6.	Goldman Sachs (Singapore) PTE	2,75,326	0.31	2,75,326	0.31
Add:	Market Purchase	3,71,339	0.42	6,46,665	0.73
Less:	Market Sale	36,355	0.04	6,10,310	0.69
7.	Steadview Capital Mauritius Ltd.	5,53,958	0.63	5,53,958	0.63
Add:	Market Purchase	2,61,380	0.29	8,15,338	0.92
Less:	Market Sale	2,83,338	0.32	5,32,000	0.60
8.	Onkar Singh Kalra	5,08,800	0.58	5,08,800	0.58
Add:	Market Purchase	200	0.00	5,09,000	0.58
Less:	Market Sale	5,188	0.01	5,03,812	0.57
9.	Malabar India Fund Ltd.	30,000	0.03	30,000	0.03
Add:	Market Purchase	4,48,688	0.50	4,78,688	0.53
10.	Sushama Chaudhary	4,71,630	0.54	4,71,630	0.54
Add:	Market Purchase	10,101	0.01	4,81,731	0.55
Less:	Market Sale	37,337	0.04	4,44,394	0.51
11.	Prerna Chaudhary	4,90,175	0.56	4,90,175	0.56
Add:	Market Purchase	5,101	0.01	4,95,276	0.57
Less:	Market Sale	57,688	0.06	4,37,588	0.51

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	-	-	-	-
2	* Mannalal B. Agrawal, trustee Mannalal Agrawal Trust	-	-	1,70,000	0.19
3	Purushottam B. Agrawal, Vice-Chairman	-	-	-	-
4	Madhusudan B. Agrawal, Vice-Chairman	-	-	-	-
5	Yogesh M. Agrawal, Managing Director	1,00,000	0.11	1,00,000	0.11
6	Rajesh M. Agrawal, Joint Managing Director	1,00,000	0.11	1,00,000	0.11
7	Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	1,27,49,999	14.49	1,27,49,999	14.49
8	Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	1,27,49,999	14.49	1,27,49,999	14.49
9	Dr. Anil Kumar, Independent Director	-	-	-	-
10	Chandrakant Khetan, Independent Director	-	-	-	-
11	K.H. Viswanathan, Independent Director	-	-	-	-
12	Prabhakar Dalal, Independent Director	-	-	100	0.00
13	Dr. Anjana Grewal, Independent Director	-	-	-	-
14	Arvind Agrawal, Chief Financial Officer	22,500	0.03	27,000	0.03
15	Gaurang Shah, Company Secretary	500	0.00	500	0.00

** There is change in number of shares held by Promoter Director 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	5.53	-	-	5.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**5.53**	**-**	**-**	**5.53**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	(5.53)	-	-	(5.53)
Net Change	(5.53)	-	-	(5.53)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**

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	1,14,98,664	1,48,76,844	1,48,76,844	1,48,76,844	5,61,29,196
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	51,33,336	42,38,270	42,38,270	42,38,270	1,78,48,146
	(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	-	-	2,50,00,000	2,50,00,000	5,00,00,000
	- others, specify...	-	-	-	-	-
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	**1,66,32,000**	**1,91,15,114**	**4,41,15,114**	**4,41,15,114**	**12,39,77,342**
	Ceiling as per Act ₹ 57,06,28,796 (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							
	Fees for attending Board & Committee meetings	-	4,89,500	4,89,500	3,24,500	3,24,500	3,24,500	19,52,500
	Commission	-	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000	10,00,000
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**-**	**6,89,500**	**6,89,500**	**5,24,500**	**5,24,500**	**5,24,500**	**29,52,500**
2	Other Non-Executive Directors							
	Fee for attending Board & Committee meetings	3,52,000	-	-	-	-	-	3,52,000
	Commission	1,20,00,000	-	-	-	-	-	1,20,00,000
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	**1,23,52,000**	**-**	**-**	**-**	**-**	**-**	**1,23,52,000**
	Total (B)=(1+2)	**1,23,52,000**	**6,89,500**	**6,89,500**	**5,24,500**	**5,24,500**	**5,24,500**	**1,53,04,500**
	Ceiling as per Act	₹ 5,70,62,879 (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	42,71,446	98,76,960	1,41,48,406
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	32,400	39,600	72,000
	(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.	55,02,375	55,02,375
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	**43,03,846**	**1,54,18,935**	**1,97,22,781**

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 DIRECTORS' REPORT

A. CONSERVATION OF ENERGY:

1. Steps taken or impact on conservation of energy:

a) Installation of Variable speed drive (VSD) technology for HVAC, dust collectors, pumps various process machines etc. implemented across all sites. VSD incorporated in new purchases of energy related equipment at procurement stage only.

b) Retrofitting with LED lights in existing light fixtures done in phased manner across all locations. All new purchases of lights are done of LED lights primarily.

c) Targeted zero leakage and implemented well-structured utility leakages management program across all locations.

d) Per Unit Energy Cost Reduction Program:
- Fuel switch over from High Speed Diesel to Light Diesel Oil for steam generation.
- Maintaining unit power factor across all locations. This has helped reduce the power demand and improve life of electrical switchgears.

e) Operationalized precise control of environmental condition of manufacturing area.

f) Automation system:
(i) Interlocking of dust collectors with HVAC
(ii) Installed occupancy sensors for low man movement area
(iii) Installed proximity sensors for air curtains
(iv) Potable water pump operated from feedback and VSD
(v) Seasonal set point optimization of chillers
(vi) Auto water level sensors fixed to ETP, STP, drinking water RO plant & underground & overhead water tanks etc.
(vii) Ensured best possible automation to reduce electricity wastage.
(viii) Installed energy efficient air blower for aeration at ETP.

g) Installed LED and or energy star monitors across all locations.

h) Re-utilizing steam condensate to pre heat the feed water.

Impact of above measures:
(i) Reduction in energy consumption and cost.
(ii) Reduction in carbon foot print.
(iii) Reduction in per unit production cost.
(iv) Availability of utilities for additional user points.
(v) Increase in operational efficiencies.

2. Steps taken by the Company for utilizing alternate sources of energy:

Company continued its steps to adopt green energy utilization as an alternate source of energy and took various initiatives in this regard. Installation of Solar roof top power plant at Central warehouse (domestic and export) done. Contribution for reduction in carbon foot prints (CO2 emission) 270 MT/year.

3. Capital investment on energy conservation equipment:

Company has invested substantial amounts on energy conservation equipment across all units.

B. TECHNOLOGY ABSORPTION

1. Research & Development

Development activities undertaken during FY 2018 are given below:

a) Development of generic and specialty pharmaceutical formulations
b) Development of patient friendly formulations providing convenience and comfort to the patient.
c) Development of lotion with Moisture Magnet Technology
d) Development of tablets in capsule dosage form.
e) Development of first solid dispersion based product using FBP process.
f) Formulation development of immediate-release solid oral dosage forms
g) Development of Extended-Release and Delayed-Release using pellet based capsules dosage forms, heat congealing technology and Matrix technology and MUPS technology.

2. Benefits derived as a result of R&D

The R & D efforts enabled the Company to launch about 28 new products in the market in FY 2018, 6 new products launched and commercialized in US market, 8 New ANDAs filed with USFDA, 21 APIs were developed and 6 APIs are ready for scale-up at plant for Regulated market, etc.

3. In case of imported technology : Not applicable

4. Expenditure on R&D (on standalone basis)

Particulars	₹ cr.
Capital Expenditure	12.26
Recurring Expenditure	186.24
Total	**198.50**
Total R&D expenditure as a percentage of total turnover	10.85%

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 ₹ 1,166.73 cr. (previous year ₹ 1,147.70 cr.)
   - Outgo in foreign currency ₹ 161.55 cr. (previous year ₹ 220.58 cr.)

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Report 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. We strive to ensure that our performance is driven by integrity, values and ethics. 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.

Company is in compliance with all mandatory requirements of corporate governance laid down under the new Listing Regulations and has also been complying with most non-mandatory requirements.

II. Board of Directors:

A. Composition and category of Directors

a. The Board consist of 10 directors with 3 Executive Promoter Directors, 2 Non-Executive Promoter Directors and 5 Independent Directors, including 1 Woman Director. During the year, Mr. Purushottam B. Agrawal had relinquished his position of Vice-Chairman w.e.f. 14th December 2017. He continues to be Non-Executive Director on the Board of the Company.

Your directors have rich and diverse experience in fields of business management, medicine, banking & finance, forex management, project management, risk management, international operations, marketing, HR, Corporate Governance and bring in extensive knowledge and expertise to the Board. Each Director brings to the Board, domain knowledge on different aspects/functions in accordance with the Company's policy on Board diversity. The Board provides strategic guidance to the Company management and ensures effective monitoring of the management and corporate governance practices.

B. Board Meetings and attendance

Board meeting dates are finalized well in advance in consultation with all directors. Agenda papers with detailed notes and background information are circulated at least 7 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 in each meeting to apprise the Board of important developments in industry, business segments, operations, marketing, products, HR, subsidiaries etc.

During the year, four Board Meetings were held on 3rd May 2017; 9th August 2017; 31st October 2017 and 25th January 2018.

Details of composition of Directors as on 31st March 2018, excluding their directorship / committee membership in private limited companies, companies under section 8 of Companies Act, 2013 & foreign companies, and their attendance in Board / Annual General meeting are given below. Committee membership of only audit committee and stakeholder relationship committee is reckoned.

Name of the Director	Category	Attendance		Other Directorships	Committee Membership	
		Board	AGM		Member	Chairman
Mr. Mannalal B. Agrawal	Promoter, Non-Executive	4	Yes	-	1	0
Mr. Purushottam B. Agrawal	Promoter, Non-Executive	2	No	1	0	0
Mr. Madhusudan B. Agrawal	Promoter, Executive	4	Yes	3	0	0
Mr. Yogesh M. Agrawal	Promoter, Executive	4	Yes	1	0	0
Mr. Rajesh M. Agrawal	Promoter, Executive	4	Yes	-	1	0
Mr. Chandrakant M. Khetan	Independent Director	4	Yes	4	0	1
Dr. Anil Kumar	Independent Director	4	Yes	-	0	1
Mr. K. H. Viswanathan	Independent Director	4	Yes	-	1	0
Mr. Prabhakar Dalal	Independent Director	4	Yes	3	1	2
Dr. Anjana Grewal	Independent Director	4	Yes	2	3	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) *Mr. Prabhakar Dalal holds 100 shares in the Company*

(c) *Mr. Chandrakant Khetan and Mr. Prabhakar Dalal are Independent directors in listed entities viz., The Swastik Safe Deposit And Investments Ltd. and Zicom Electronic Security Systems Ltd., respectively.*

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 Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") is annexed to the Notice convening the Annual General Meeting and forming 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: http://www.ajantapharma.com/AdminData/DirectorFamiliarizationProgram/Directorsfamilarisationprogramme2018.pdf

E. Performance Evaluation of Board, Committees and Directors

With a view to bring an external perspective in the evaluation of Board, Committee and Directors, based on the recommendations of the Nomination and Remuneration Committee, "Institute of Directors" (IOD) an independent agency having requisite expertise, was engaged to assist the Board and Directors in doing evaluation.

IOD had based on various parameters laid down in the Company's Policy on evaluation of Directors as well as their own expertise and assessment of company's corporate governance framework, prepared and distributed evaluation sheets to the Board, committees (by committee members and by non-committee members) and individual directors. Based on the same, the Board carried out annual performance evaluation of itself, Committees and Independent Directors for the year 2017. Nomination and Remuneration Committee evaluated individual directors' performance during the year and at a separate meeting, Independent Directors evaluated performance of Executive Directors, Board as a whole and Chairman. The performance was evaluated by the Directors on various parameters on laid down criterias like:

(i) **Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.

(ii) **Executive Directors:** Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.

(iii) **Independent Directors**: Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.

(iv) **Chairman**: Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.

(v) **Committees:** Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Performance evaluation was done on the scale of 1 to 5, 1 being very poor and 5 being oustanding. The outcome of performance evaluation is given below:

Categories	Rating (out of 5)
Board as a whole	4.60
Individual Directors	
Mr. Mannalal B. Agrawal	4.95
Mr. Madhusudan B. Agrawal	4.94
Mr. Purushottam B. Agrawal	4.90
Mr. Yogesh M. Agrawal	4.98
Mr. Rajesh M. Agrawal	4.98
Mr. C. M. Khetan	4.84
Dr. Anil Kumar	4.76
Mr. K. H. Vishwanathan	4.79
Mr. Prabhakar Dalal	4.86
Dr. Anjana Grewal	4.76

Categories	Rating (out of 5)
Audit Committee	5.00
Stakeholder Relationship Committee	4.93
Nomination & Remuneration Committee	4.92
Corporate Social Responsibility Committee	4.97

F. Independent Directors' Meeting

During the year under review, 1 meeting of independent Directors was held on 25th January 2018 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. Lead Independent Director

The Board at its meeting held on 9th August 2017, appointed Mr. Chandrakant Khetan as Lead Independent Director of the Company. The Lead Independent Director's role is as follows:

(i) To preside over all the meetings of Independent Directors (IDs) and provide candid feedback to the Chairman, MD, CFO, CS post IDs meeting;

(ii) To work closely with the Chairman and MD to finalize the information flow, meeting agendas and meeting schedules;

(iii) To liaison between Chairman, MD and IDs;

(iv) To take the lead role along with Chairman in the board evaluation process;

(v) To identify the most critical issues for the board to deal with and assist the board in achieving consensus on important issues;

(vi) To ensure that board conversations do not divert in the direction of certain unwanted topics / individual preferences;

(vii) To co-ordinate periodic Board input and review of management's strategic plan for the Company.

H. 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.

I. 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 the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act which inter-alia include:

(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

(xi) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

The Committee comprises of 4 Directors, out of which 3 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 2017-18, 4 meetings were held on 3rd May 2017; 9th August 2017; 31st October 2017 and 25th January 2018. Composition of committee as on 31st March 2018 and member's attendance at the meetings during the year are as under:

Name	Designation	Meetings attended
Mr. Chandrakant Khetan	Chairman	4
Mr. K. H. Viswanathan	Member	4
Mr. Prabhakar Dalal	Member	4
Mr. Mannalal B. Agrawal	Member	4

The Company Secretary acts as Secretary of the Committee.

Chief Financial Officer, Statutory Auditors and Internal Auditors attends 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;

(vii) Recommend to the Board all remuneration, in whatever form, payable to senior management

The Committee comprises of 4 Independent Directors. In the financial year 2017-18, 2 meetings of the Committee were held on 3rd May 2017 and 25th January 2018. 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.

Performance evaluation criteria for Independent Directors are laid down in the Policy on Board evaluation which include participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, domain knowledge contribution, etc. and more specifically the following:

- Help in bringing independent judgment on Board's deliberations.
- Arbitration in situations of conflict between management & shareholder's interest.
- Independent judgment on strategy, performance, risk management, etc.
- Objectivity & constructivity while exercising duties.
- Safeguarding particularly interests of minority shareholders.

V. Remuneration of Directors:

Based on the recommendations of the Nomination & Remuneration Committee, the Board has formulated Policy for Remuneration of Directors, Key Managerial Personnel (KMP) & other employees. The policy can be accessed on the following link: http://www.ajantapharma.com/AdminData/PolicyCodes/Policyforremuneration2018.pdf

Remuneration of Executive Directors comprises of fixed components viz. Salary, perquisites and commission on net profits of the Company. Committee recommends to the Board, periodic revision in remuneration of Executive Directors and Board fixes their remuneration taking into consideration above factors as also ceiling limits prescribed under the Act. Independent Directors are paid sitting fees and commission during the year.

Remuneration paid to Executive and Non-executive Directors during the year ended 31st March 2018 was as under:

(Amt. in ₹)

Remuneration to Directors	Salary	Perquisite	PF	Sitting Fees	Commission	Total
Mr. Purushottam B. Agrawal	1,02,66,664	51,33,336	12,32,000	-	-	**1,66,32,000**
Mr. Madhusudan B. Agrawal	1,32,82,895	42,38,270	15,93,949	-	-	**1,91,15,114**
Mr. Yogesh M. Agrawal	1,32,82,895	42,38,270	15,93,949	-	2,50,00,000	**4,41,15,114**
Mr. Rajesh M. Agrawal	1,32,82,895	42,38,270	15,93,949	-	2,50,00,000	**4,41,15,114**
Mr. Mannalal B. Agrawal	-	-	-	3,52,000	1,20,00,000	**1,23,52,000**
Mr. Chandrakant Khetan	-	-	-	4,89,500	2,00,000	**6,89,500**
Dr. Anil Kumar	-	-	-	4,89,500	2,00,000	**6,89,500**
Mr. Prabhakar Dalal	-	-	-	3,24,500	2,00,000	**5,24,500**
Mr. K. H. Viswanathan	-	-	-	3,24,500	2,00,000	**5,24,500**
Dr. Anjana Grewal	-	-	-	3,24,500	2,00,000	**5,24,500**

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

VI. Stakeholders' Relationship Committee:

Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Act which inter-alia include:

(i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(ii) Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/ KMPs, as may be required and identifying actionable points for implementation.

(iii) Review of measures taken for effective exercise of voting rights by shareholders

(iv) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(v) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee comprises of 3 Directors out of which 2 are independent. In the financial year 2017-18, 4 meetings of the Committee were held on 3rd May 2017; 9th August 2017; 31st October 2017 and 25th January 2018. 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 M. Agrawal	Member	4

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

Company received 25 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/CSRPolicy2018.pdf. The CSR policy is within the ambit of Schedule VII of the Act.

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

The Committee comprises of 4 Directors. In the financial year 2017-18, 4 meetings of the Committee were held on 3rd May 2017; 9th August 2017; 31st October 2017 and 25th January 2018. 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 2017-18, 2 meetings were held on 9th May 2017 and 22nd August 2017. 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. 8 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	2
Mr. Madhusudan B. Agrawal	Member	3

X. Risk Management Committee

Board has constituted Risk Management Committee so as to effectively implement the risk management plan. The main terms of reference of the said committee are as under:

(i) Identifying various risks associated with the Company and its business segments;

(ii) Assessing the likelihood of materialisation of risks identified and its likely impact on the organisation/ businesses/segments;

(iii) Putting in place policies and procedures for the management of risks identified and mitigation plan in the event risks materialises;

(iv) Periodic review of the risk management and mitigation plan in light of internal/external factors having bearing and taking timely steps to mitigate risks;

(v) Constituting core teams to effectively manage and supervise various risks and concerns and delegating authorities to deal with emergencies so as to minimise the impact;

(vi) Periodically updating the Board on implementation of risk management plan/policy and matters related thereto;

(vii) Review the risks related to cyber security and prepare risk management plan.

The Committee comprises of 2 Directors and a senior management personnel. In the financial year 2017-18, 2 meetings of the Committee were held on 25th November 2017 and 24th January 2018. Composition of committees and member's attendance at the meeting during the year are as under:

Name	Designation	Meetings attended
Mr. Yogesh M. Agrawal	Chairman	2
Mr. Rajesh M. Agrawal	Member	2
Mr. Arvind Agrawal	Member	2

The Company Secretary acts as Secretary of the Committee.

XI. General Body Meetings

Annual General Meetings during last 3 years were held on:

AGM	Date	Time	Venue	No. of special resolutions passed
36th	4th July 2015	11.00 a.m.	Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivali (West), Mumbai – 400092	2
37th	5th July 2016			-
38th	5th July 2017		Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad (West), Mumbai - 400064	-

During the year, the Company has not passed any resolution through Postal Ballot. However, the

Company had convened Extra-Ordinary General Meeting on 10th October 2017 as per the directions of National Company Law Tribunal for obtaining consent of shareholders for merger of "Gabs Investments Private Ltd. " with the Company.

XII. 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 BSE Ltd. . Official news releases and presentations made to Institutional investors/analysts are also posted on the website of the Company.

XIII. General Shareholders Information:

1. **39th Annual General Meeting to be held on:**

   Thursday, 5th July 2018 at 11.00 a.m. at Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad (West), Mumbai - 400064.

2. **Financial Calendar**

   Financial year: 1st April 2018 to 31st March 2019

   Quarterly results will be declared normally in 4th week of following month or in the 1st week of the next succeeding month after the end of financial quarter.

3. **Dates of Book Closure :**

   Thursday, 28th June 2018 to Thursday, 5th July 2018 (both days inclusive)

4. **Dividend Payment Date :** Not Applicable

5. **Listing on Stock Exchanges:**

   a) BSE Ltd. (Code: AJANTAPHARM 532331)

   b) National Stock Exchange of India Ltd. (Code: AJANTPHARMEQ)

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

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

   INE031B01049

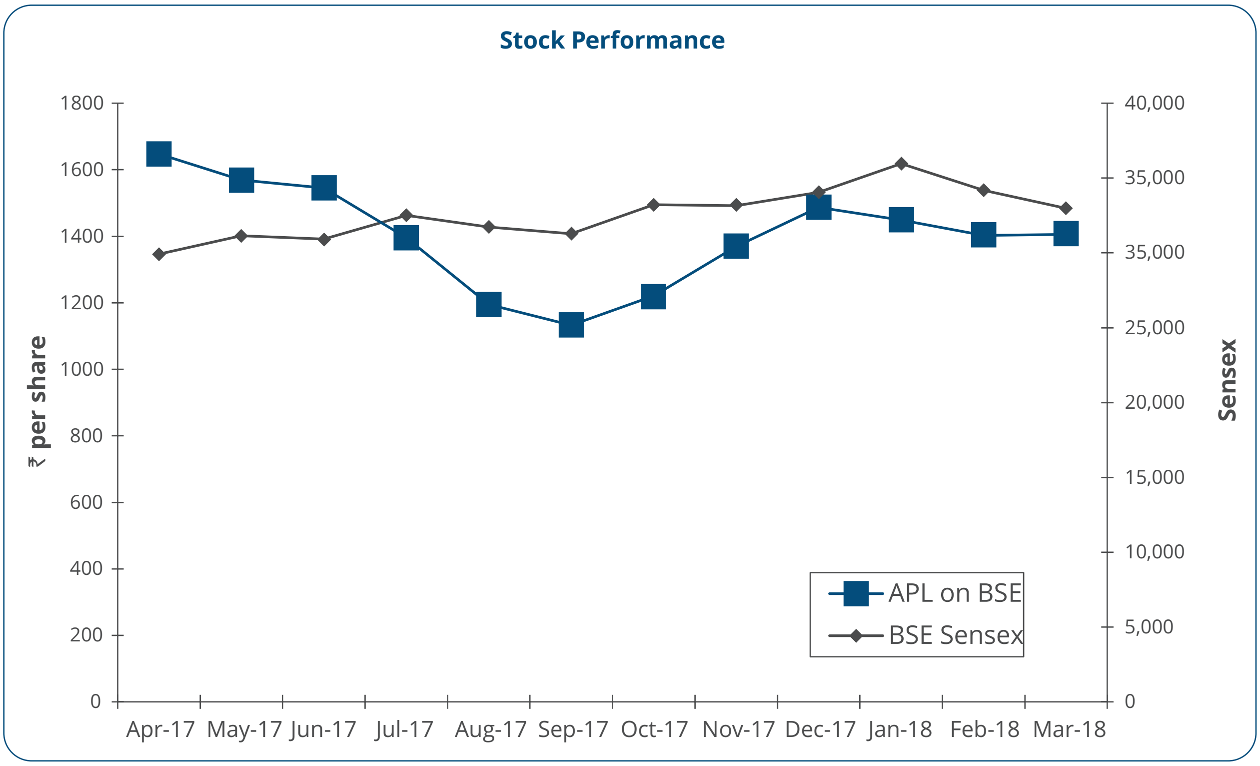
7. **CIN number :**

   L24230MH1979PLC022059

8. **Stock Market Data :**

	Bombay Stock Exchange(BSE)		National Stock Exchange(NSE)	
	High (₹)	**Low (₹)**	**High (₹)**	**Low (₹)**
Apr-17	1,818.00	1,630.00	1,820.20	1,630.25
May-17	1,700.35	1,432.00	1,696.95	1,401.65
Jun-17	1,626.00	1,506.05	1,629.60	1,499.00
Jul-17	1,584.75	1,392.05	1,599.00	1,393.00
Aug-17	1,412.40	1,106.00	1,415.15	1,135.00
Sep-17	1,313.85	1,123.10	1,297.65	1,120.05
Oct-17	1,281.80	1,128.35	1,245.00	1,126.00
Nov-17	1,406.05	1,172.00	1,408.00	1,169.00
Dec-17	1,524.00	1,253.65	1,518.80	1,256.00
Jan-18	1,592.00	1,408.40	1,595.00	1,410.00
Feb-18	1,468.00	1,230.00	1,465.00	1,236.10
Mar-18	1,459.70	1,308.35	1,457.75	1,300.00

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



10. Registrar and Transfer Agents:

Link Intime India Private 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

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 Ltd. are registered and returned within statutory period of 30 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 2017-18 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	4	15,750	35.29
16-20	49	28,125	63.03
21-30	1	750	1.68
30 & above	Nil	Nil	Nil
TOTAL	**54**	**44,625**	**100**

12. Distribution of Equity Shareholding as on 31st March 2018:

No. of shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 500	33,066	91.30	17,22,160	1.96
501- 1000	1,684	4.65	12,52,583	1.42
1001-2000	782	2.16	10,94,879	1.24
2001-3000	237	0.65	5,98,021	0.68
3001-4000	109	0.30	3,94,119	0.45
4001-5000	53	0.15	2,44,579	0.28
5001-10000	117	0.32	8,13,295	0.92
10001 & above	170	0.47	8,18,94,864	93.05
TOTAL	**36,218**	**100.00**	**8,80,14,500**	**100.00**

13. Pattern of Shareholding:

Sr No.	Category	As on 31st March 2018 No of shares	As on 31st March 2018 % of total no. of shares
1.	Promoters Holding • Promoters • Foreign Promoters	6,22,29,759 N.A.	70.70 N.A.
2.	Mutual Funds	54,07,265	6.14
3.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Government Institutions)	4,61,450	0.52
4.	Private Corporate Bodies	4,41,988	0.50
5.	Indian Public	83,22,003	9.46
6.	NRIs/OCBs/FII's/Foreign Nationals	1,09,87,724	12.49
7.	In Clearance	1,64,311	0.19
	TOTAL	**8,80,14,500**	**100.00**

14. Dematerialisation of Shares and liquidity:

99.59% of the total equity capital is held in dematerialized form with NSDL and CDSL as on 31st March 2018. 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 2017-18 is given below: -

	Bombay Stock Exchange (BSE)	National Stock Exchange (NSE)	BSE + NSE
In no. of Shares	30,475	2,05,106	2,35,581
In value terms ₹	4,27,12,508	28,57,85,899	32,84,98,407

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

Commodity price risk for the Company arises from purchase of raw & packing materials, which mainly comprise Active Pharmaceutical Ingredient (API) and other materials. Company develops on an ongoing basis, alternate supply sources for key products subject to economic justification so as to protect itself from any price risk due to overdependence on single supplier. 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.

Most of these materials are sourced from the domestic market and therefore do not have significant foreign exchange fluctuation risks. 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 Risk Management Committee from time to time.

17. Employees Stock Option Scheme 2011 (ESOS 2011):

During the year 3,000 options were exercised by employees of a subsidiary company, while 6,500 options were exercised by employees of the Company. Thus, a total of 9,500 options were allotted and listed on the Stock Exchanges. During the year 4,000 options were granted to employees (including an employee of overseas subsidiary company) out of which 2,000 options lapsed due to resignation of concerned employee. As on 31st March 2018, 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 Chayani, Kamrup (R), Dist. Guwahati, Assam.

19. R & D Centres are located at Charkop, Kandivli 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, Kandivli (West),
    Mumbai - 400067
    Tel.: 022 – 66061000;
    Fax: 022 - 66061200/1300
    E-mail: investorgrievance@ajantapharma.com

XIV. 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

XV. Disclosure with respect to demat suspense account/ unclaimed suspense account

The details are provided in the Directors' report.

XVI. Other Disclosures:

(i) 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. 48 of the Financial Statements.

(ii) The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large.

(iii) There were no instances of material 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.

(iv) 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.

(v) 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. The Managing Director and the Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

(vi) 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.

(vii) The Company has complied and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and Regulation 46(2) under LODR.

(viii) Disclosures have also been received from the senior management relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, there were no such transactions during the Financial Year 2017-18 having potential conflict with the interests of the Company at large.

(ix) The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(C) to the Listing Regulations.

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

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

    b) Non-Executive Chairman is provided with an office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

    c) Internal Auditor reports to the Audit Committee.

    d) The financial statements are with unmodified audit opinion.

For and on Behalf of the Board of Directors,

Mannalal B. Agrawal
Chairman

Mumbai, 2nd May 2018

DECLARATION PURSUANT TO SCHEDULE V OF THE LISTING REGULATIONS

In accordance with Regulation 26 (3) and 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 2018.

For **Ajanta Pharma Limited**

Yogesh M. Agrawal
Managing Director

Mumbai, 2nd May 2018

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 2018 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, 2nd May 2018

AUDITORS' CERTIFICATE ON REPORT ON CORPORATE GOVERNANCE

To the Members of
Ajanta Pharma Limited

1. We, B S R & Co. LLP, Chartered Accountants, the statutory auditors of Ajanta Pharma Limited ("the Company") have examined the compliance of conditions of Corporate governance by the Company, for the year ended 31st March 2018, as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and representations provided by the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in the regulations 17 to 27 and clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended 31st March 2018.

8. 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 **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Mumbai, 2nd May 2018 *Membership No: 111410*

INDEPENDENT AUDITOR'S REPORT

To the Members of
Ajanta Pharma Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Ajanta Pharma Limited(hereinafter referred to as "the Holding Company") and its subsidiaries (together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 of the Group as at 31st March 2018, and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1. The comparative financial information of the Group for the year ended 31st March 2017 prepared in accordance with Ind AS included in these consolidated financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 3rd May 2017 expressed an unmodified opinion.

2. We did not audit the financial statements of 6 subsidiaries, whose financial statements reflect total assets of ₹ 443.78 Crore and net assets of ₹ 190.66 Crore as at 31st March 2018, total revenues of ₹ 631.45 crores and net cash inflow amounting to ₹ 7.30 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Section 143(3) of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of the subsidiaries, as noted in the 'other matter' paragraph, 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 financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and 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 financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2018 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 2018 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 with reference to financial statements of the Holding Company 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 50 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March 2018.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31st March 2018.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31st March 2018. However amounts as appearing in the audited consolidated financial statements for the period ended 31st March 2017 have been disclosed.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/ W - 100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai, 2nd May 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

31 MARCH 2018

(Referred to in our report of even date)

Report on the Internal Financial Controls 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 Ajanta Pharma Limited ("the Holding Company") as of and for the year ended 31st March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements ("the Guidance Note") 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 of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company, internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the 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 with reference to financial statements 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 control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated Ind AS 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, internal financial control system with reference to financial statements.

Meaning of Internal Financial Controls With reference to financial statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2018, based on the internal controls with reference to financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/ W - 100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai, 2nd May 2018

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2018

₹ in cr.

	Note No.	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	8	1,045.21	583.16
(b) Capital Work-in-Progress	8	61.33	338.03
(c) Other Intangible Assets	8	7.45	6.01
(d) Intangible assets under development	8	-	1.23
(e) Financial Assets			
(i) Non-current Investments	9	7.58	0.00
(ii) Other Non-current Financial Assets	10	14.41	9.29
(f) Deferred tax assets (Net)	11	22.61	24.45
(g) Non-current Tax Assets (Net)	12	22.83	21.00
(h) Other non-current assets	13	43.55	13.93
Total Non-Current Assets		**1,224.97**	**997.10**
Current Assets			
(a) Inventories	14	350.63	211.02
(b) Financial Assets			
(i) Current Investments	15	182.38	181.56
(ii) Trade Receivables	16	492.02	323.15
(iii) Cash and cash equivalents	17	90.64	65.83
(iv) Other Bank balances	18	2.45	4.12
(v) Other Current Financial Assets	19	0.12	1.24
(c) Other current assets	20	105.38	63.68
Total Current Assets		**1,223.62**	**850.60**
Total Assets		**2,448.59**	**1,847.70**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	21	17.69	17.69
(b) Other Equity	22	2,023.68	1,550.00
Total Equity		**2,041.37**	**1,567.69**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Non-current Borrowings	23	1.01	1.04
(ii) Other Non-current financial liabilities	24	-	0.09
(b) Non-current Provisions	25	13.16	3.15
(c) Deferred tax liabilities (Net)	26	47.00	27.34
(d) Non-current Tax Liabilities (Net)	27	-	1.73
Total Non-Current Liabilities		**61.17**	**33.35**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	28	249.63	178.18
(ii) Other current financial liabilities	29	55.31	38.43
(b) Other current liabilities	30	8.64	7.90
(c) Current Provisions	31	28.75	14.11
(d) Current Tax Liabilities (Net)	32	3.72	8.04
Total Current Liabilities		**346.05**	**246.66**
Total Equity and Liabilities		**2,448.59**	**1,847.70**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 2nd May 2018

For and on behalf of Board of Directors
of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS: 6696

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2018

₹ in cr.

	Note No.	31 March 2018	31 March 2017
Income :			
Revenue from operations	33	2,130.86	2,001.64
Other Income	34	24.16	23.86
Total Income		**2,155.02**	**2,025.50**
Expenses :			
Cost of Materials Consumed	35	378.28	377.85
Purchase of Stock-in-Trade	36	77.35	47.36
Changes in Inventories of Finished Goods/ Work-in-progress/ Stock-in-Trade	37	(49.22)	(10.62)
Employee Benefits Expense	38	376.47	295.42
Finance Costs	39	0.41	1.36
Depreciation and Amortisation Expense	40	59.59	61.21
Other Expenses	41	689.59	604.75
Total Expenses		**1,532.47**	**1,377.33**
Profit Before Tax		**622.55**	**648.17**
Tax Expense :			
- Current Tax (Net)		131.66	157.49
- Deferred Tax (Net)		22.25	(16.15)
Profit For The Year		**468.64**	**506.83**
Other Comprehensive Income / (Loss)			
Items that will not to be reclassified subsquently to profit or loss:			
Re-measurements of defined benefit plans		(1.99)	(0.17)
Income tax relating to items that will not be reclassified to profit or loss		0.69	0.06
Net other Comprehensive Income / (Loss) not to be reclassified subsequently to profit or loss		**(1.30)**	**(0.11)**
Items that will be reclassified subsequently to profit or loss:			
Exchange differences in translating the financial statements of foreign operations		5.00	(2.42)
Income tax relating to items that will be reclassified to profit or loss		-	-
Net other Comprehensive Income / (Loss) to be reclassified subsequently to profit or loss		**5.00**	**(2.42)**
Other Comprehensive Income / (Loss) for the year, net of tax		**3.70**	**(2.53)**
Total Comprehensive Income / (Loss) for the year		**472.34**	**504.30**
Earning Per Equity Share (Face Value ₹ 2/-)	43		
Basic (₹)		53.26	57.59
Diluted (₹)		53.25	57.58

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 2nd May 2018

For and on behalf of Board of Directors of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS: 6696

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH 2018

₹ in cr.

		As at 31 March 2018	As at 31 March 2017
A.	**Cash Flow from Operating Activities**		
	Profit before Tax	622.56	648.17
	Adjustment for :		
	Depreciation and Amortisation Expense	59.59	61.21
	Provision for Expired Goods (Net)	11.11	2.64
	Loss on Sale / Discard of Property, Plant and Equipment (Net)	0.01	3.89
	Finance Costs	0.41	1.36
	Gain on Financial Instrument at FVTPL	(11.41)	(16.83)
	Income from Investments & Deposits	(0.57)	(1.21)
	Share based Payment Expense	1.34	1.45
	Unrealised Exchange loss on revaluation (net)	(5.25)	10.72
	Re-measurement of employee benefits	(1.99)	(0.17)
	Impairment loss on Financial Assets	8.36	23.27
	Operating Cashflows before Working Capital Changes	**684.16**	**734.50**
	Changes in Working Capital :		
	(Increase)/Decrease in Trade and other Receivables	(169.24)	18.52
	Increase in Other Current Assets	(40.92)	(16.12)
	Decrease/(Increase) in Other Current Financial Assets	0.77	(0.31)
	Increase in Other Non-Current Financial Assets	(1.71)	(1.93)
	Increase in Inventories	(138.97)	(4.02)
	Decrease in Other Non-Current Financial Liabilities	(0.09)	(0.37)
	Increase/(decrease) in Other Current Liabilities	(0.07)	(2.39)
	Increase in Other Current Financial Liabilities	5.32	7.20
	Increase in Non-Current Provisions	10.00	0.56
	Increase in Current Provisions	3.53	0.11
	Increase in Trade Payables	72.24	24.63
	Cash Generated from Operations	**425.02**	**760.38**
	Net Income tax paid	(139.60)	(151.09)
	Net Cash flow Generated from Operating Activities	**285.42**	**609.29**
B.	**Cash Flow from Investing Activities**		
	Capital Expenditure on Property, Plant and Equipment including Capital Advances	(262.72)	(299.11)
	Proceeds from Sale of Property, Plant and Equipment	0.11	3.20
	Bank Balances not considered as Cash and Cash Equivalents (Net)	(0.88)	(0.24)
	Purchase of Current Investments	(225.13)	(355.73)
	Proceeds from sale of Current Investments	235.71	267.78
	Income on Investments and Deposits	0.05	0.98
	Purchase of Non-Current Investments	(7.55)	-
	Net Cash used in Investing Activities	**(260.41)**	**(383.12)**

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED AS AT 31ST MARCH 2018

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Borrowings (Net)	0.51	(71.72)
Interest Paid	(0.41)	(1.36)
Dividend Paid	(0.30)	(114.19)
Dividend Distribution Tax Paid	-	(14.50)
Net Cash used in Financing Activities	**(0.20)**	**(201.77)**
Net Increase / (Decrease) in Cash and Cash Equivalents	**24.81**	**24.40**
Cash and Cash Equivalents as at the Beginning of the Year	65.83	41.42
Cash and Cash Equivalents as at the End of the Year (Refer Note 17)	**90.64**	**65.83**

Figures in brackets indicates outflow.

Notes:

1. The above Cash Flow Statement has been prepared under 'Indirect Method' as set out in Accounting Standard 7 (Ind AS - 7) "Statement of Cash Flow".
2. Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).
3. Reconciliation between the opening and closing balances sheet for liabilities arising from financing activities.

Particulars	Notes	31 March 2017	Cash Flows	Non-cash Changes			31 March 2018
				Acquisition	Foreign Exchange movement	Fair Value change	
Borrowing Vehicle Loan	23	1.28	0.51	-	-	-	1.79

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 2nd May 2018

For and on behalf of Board of Directors of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS: 6696

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2018

A. Equity Share Capital (Refer Note 21)

₹ in cr.

	Balance as at 1 April 2017	Changes in Equity Share Capital during the year	Balance as at 31 March 2018
Authorised	30.00	-	**30.00**
Issued	17.75	0.01	**17.76**
Subscribed & Paid up	17.69	-	**17.69**

B. Other Equity (Refer Note 22)

₹ in cr.

Particulars	Capital Redemption Reserve	Securities Premium Account	General Reserve	Share Based Payment Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total	Non-Controlling Interests	Total Equity
As at 1 April 2016	**2.10**	**75.99**	**972.55**	**0.27**	**116.68**	**5.58**	1,173.16	-	1,173.16
Profit for the period	-	-	-	-	506.83	-	506.83	-	506.83
Other comprehensive income	-	-	-	-	(0.11)	(2.42)	(2.53)	-	(2.53)
Total comprehensive income	**-**	**-**	**-**	**-**	**506.72**	**(2.42)**	**504.30**	**-**	**504.30**
Exercise of Stock Options	-	0.07	-	(0.07)	-	-	-	-	-
Share based payment expenses	-	-	-	1.45	-	-	1.45	-	1.45
Dividend Paid	-	-	-	-	(114.41)	-	(114.41)	-	(114.41)
Dividend Distribution Tax	-	-	-	-	(14.50)	-	(14.50)	-	(14.50)
As at 31 March 2017	**2.10**	**76.06**	**972.55**	**1.65**	**494.49**	**3.16**	**1,550.00**	**-**	**1,550.00**
Profit for the period	-	-	-	-	468.64	-	468.64	-	468.64
Other comprehensive income (net of tax)	-	-	-	-	(1.30)	5.00	3.70	-	3.70
Total comprehensive income	**-**	**-**	**-**	**-**	**467.34**	**5.00**	**472.34**	**-**	**472.34**
Exercise of Stock Options	-	1.36	-	(1.36)	-	-	-	-	-
Share based payment expenses	-	-	-	1.34	-	-	1.34	-	1.34
As at 31 March 2018	**2.10**	**77.42**	**972.55**	**1.63**	**961.82**	**8.16**	**2,023.68**	**-**	**2,023.68**

See accompanying notes forming part of the consolidated financial statements.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 2nd May 2018

For and on behalf of Board of Directors of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS: 6696

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

1. Corporate Information

Ajanta Pharma Limited ("the 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. These Consolidated Financial statements ("CFS") comprises the Company and its subsidiaries (referred to collectively as the "Group").

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

These Consolidated Financial Statements were authorised for issue by the Company's Board of Directors on 2nd May, 2018.

2. Basis of preparation

These consolidated financial statements have been prepared in all material aspects in accordance with Indian Accounting Standards (Ind-AS) as per rule 4 of The Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ('the Act') and other relevant Provisions of the Act.

These consolidated 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
- Net defined benefit asset/liability at fair value of plan assets less present value of defined benefit obligations.

3. Basis of consolidation

These consolidated financial statements comprise the financial statement of the Company and its wholly owned subsidiaries. The financial statements of the 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 Company.

The financial statements of the 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 Company i.e., year ended 31st March 2018.

4. Functional and Presentation Currency:

These Consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

5. Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crore. 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
- 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.

Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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 / Goods and Servics Tax (GST) eligible for credit / setoff. Estimated cost of dismantling and removing the item and restoring in the site on which it is located.

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 property, plant and equipment 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 straight line 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. Freehold land is not depreciated.

The asset's 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.

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.

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

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.

Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

i) an intangible asset that is not yet available for use; and

ii) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount rate.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

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.

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.

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

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

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, VAT and (GST), wherever applicable). Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty/Goods and Services Tax. Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived on weighted average basis.

The cost of Inventories have been computed to include all cost of purchases, cost of conversion, appropriate share of fixed production overheads based on normal capacity and other related cost incurred in bringing the inventories to their present condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

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

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/ (loss) and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is reclassified to the Consolidated Statement of Profit and Loss as a part of gain or loss on disposal.

7.8. Revenue Recognition

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 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.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty, excluding Goods and Service Tax (GST), 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 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 using the effective interest rate method. 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

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

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

(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

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding Reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

The company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS102, 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.

In case of Subsidiary at USA

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, Medicare contributions, and other non-monetary benefits.

Post-employment benefits

The Company provides a 401(k) retirement program for full time employees who are 21 years of age or older. Eligible employees are entitled to participate in the company offered plan with an option to contribute up the maximum 3% of annual base salary. For employees with an annual base salary above the annual compensation limits, as determined by the Federal Internal Revenue Service (Federal), the annual APUI contribution will be capped at 3% of the Federal allowed annual compensation limits. All contributions are 100% vested immediately to the employee.

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.

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. Government Grants

Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant:

- In case of capital grants, they are then recognised in Consolidated Statement of Profit and Loss as other income on a systematic basis over the useful life of asset.

- In case of grants that compensate the Group for expenses incurred are recognised in Consolidated Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

7.13. 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

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

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.

7.14. 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 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.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

7.15. 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.

7.16. Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

Provisions (legal or constructive) 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.

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.

7.17. 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.

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

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.

7.18. Recent accounting pronouncements

Standards issued but not yet effective

The Ministry of Corporate Affairs in March 2018 has re-notified Ind AS 115, Revenue from Contracts with Customers. Earlier, this Standard was omitted and two other standards, Ind AS 11, Construction Contracts and Ind AS 18, Revenue had been notified in its place. Now, after re-notification of Ind AS 115, Ind AS 11 and Ind AS 18 would be redundant. Ind AS 115 deals with recognition of revenue arising from sale of goods, rendering of services, interest, royalties and construction contracts. It is a converged form of IFRS 15, Revenue from Contracts with Customers. Ind AS 115 shall be applied from financial years beginning on or after 1st April 2018.

These amendments are not expected to have any impact on the Group.

7.19. 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 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

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

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.

(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 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.

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

8 Property, Plant and Equipment, Capital Work-in-Progress, Other Intangible and Intangible Assets under development

8.1 Current Year

₹ in cr.

Particulars		Gross Block (Cost or Deemed cost)				Accumulated Depreciation/Amortisation				Net Block
		As at 01.04.2017	Additions	Disposals	As at 31.03.2018	As at 01.04.2017	For the year	Disposals	As at 31.03.2018	As at 31.03.2018
(A)	Property, Plant and Equipment									
	Freehold Land**	143.67	-	-	143.67	-	-	-	-	143.67
	Leasehold Land	31.21	-	-	31.21	2.94	0.55	-	3.49	27.72
	Leasehold Improvement	1.16	-	-	1.16	0.74	0.06	-	0.80	0.36
	Buildings	211.33	147.18	-	358.51	69.10	9.55	-	78.65	279.86
	Plant & Equipments	372.17	351.29	-	723.46	140.01	37.67	-	177.68	545.78
	Furniture & Fixtures	56.16	10.44	-	66.60	33.89	3.78	-	37.67	28.93
	Vehicles	10.24	1.98	0.92	11.30	7.33	0.91	0.80	7.44	3.86
	Office Equipments	20.38	2.98	-	23.36	14.16	1.96	-	16.12	7.24
	Computers	22.39	4.92	-	27.31	17.38	2.14	-	19.52	7.79
	Total	**868.70**	**518.79**	**0.92**	**1,386.58**	**285.54**	**56.61**	**0.80**	**341.37**	**1,045.21**
(B)	Other Intangible Assets									
	Computer Software	10.30	4.42	-	14.72	4.29	2.98	-	7.27	7.45
	ANDA Development Cost	15.93	-	-	15.93	15.93	-	-	15.93	-
	Total	**26.23**	**4.42**	**-**	**30.65**	**20.22**	**2.98**	**-**	**23.19**	**7.45**
	Total (A + B)	**894.93**	*** 523.21**	**0.92**	**1,417.23**	**305.76**	**59.59**	**0.80**	**364.56**	**1,052.66**
(C)	**Capital Work in Progress**									61.33
(D)	**Intangible assets under development**									-
	Total Property, Plant and Equipment, Capital Work-in-Progress, Other Intangible and Intangible Assets under development (A) +(B) + (C) + (D)									**1,114.00**

* Addition includes ₹ 20.81 cr. used for Research & Development.

** Freehold land title deeds are in the name of the Company.

8.2 Previous Year

₹ in cr.

Particulars		Gross Block (Cost or Deemed cost)					Accumulated Depreciation/Amortisation					Net Block
		As at 01.04.2016	Exchange Difference	Additions	Disposals	As at 31.03.2017	As at 01.04.2016	Exchange Difference	For the year	Disposals	As at 31.03.2017	As at 31.03.2017
(A)	Property, Plant and Equipment											
	Freehold Land**	143.71	(0.04)	-	-	143.67	-	-	-	-	-	143.67
	Leasehold Land	31.21	-	-	-	31.21	2.34	-	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	31.04	(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	14.09	(0.13)	3.08	2.89	14.16	6.22
	Computers	18.23	(0.00)	4.33	0.17	22.39	15.08	(0.00)	2.47	0.17	17.38	5.01
	Total (A)	**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	2.36	(0.02)	1.95	-	4.29	6.01
	ANDA Development Cost	15.93	-	-	-	15.93	15.93	-	-	-	15.93	-
	Total (B)	**22.06**	**(0.03)**	**4.19**	**-**	**26.23**	**18.30**	**(0.03)**	**1.95**	**-**	**20.22**	**6.01**
	Total (A + B)	**715.73**	**(1.83)**	*** 207.63**	**26.60**	**894.92**	**264.99**	**(0.91)**	**# 63.14**	**21.45**	**305.76**	**589.17**
(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 Property, Plant and Equipment, Capital Work-in-Progress, Other Intangible and Intangible Assets under development (A) +(B) + (C) + (D)											**928.43**

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

** Freehold land title deeds are in the name of the Company.

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

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

9 Non-Current Investments

₹ in cr.

			As at 31 March 2018	As at 31 March 2017
Long Term Trade Investments				
Unquoted Investments				
Investment in Joint Venture				
Turkmenderman Ajanta Pharma Ltd. (Refer Note 58)				
2,00,000 (Previous year 2,00,000) Shares of US $ 10 each fully paid-up			-	-
In Others				
OPGS Power Gujarat Private Limited				
1,95,000 (Previous year 1,95,000) Shares of ₹ 0.19 each (Current Year ₹ 37,050, Previous Year ₹ 37,050)				
In Mutual Funds (Unquoted)	**Face Value ₹**	**No. of Units ***		
Kotak Fixed Term Fund XII Segregated Portfolio	655	70,413 (-)	4.62	-
Greenland Global Fund - Sub Fund A - Class B RPS - Series 8	65,742	450 (-)	2.96	-
Total			**7.58**	**-**
Aggregate value of unquoted investments			7.58	-

* Figures in brackets are for previous year.

10 Other Non-Current Financial Assets

	As at 31 March 2018	As at 31 March 2017
(Unsecured, Considered Good)		
Security Deposits	10.41	6.95
In Deposit Accounts with Banks		
-Under Lien (with maturity for more than 12 months of the Balance Sheet date)	3.89	1.35
-Others (Current Year ₹ 10,000, Previous Year ₹ 20,000)		
Interest Accrued on fixed deposits with Banks	0.11	0.99
	14.41	**9.29**

11 Defered Tax Assets (Net)

	As at 31 March 2018	As at 31 March 2017
Others	22.61	24.45
	22.61	**24.45**

12 Non-Current Tax Assets (Net)

	As at 31 March 2018	As at 31 March 2017
Income Tax Paid (Net of Provision)	22.83	21.00
	22.83	**21.00**

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

13 Other Non-Current Assets

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Capital Advances	43.55	13.93
	43.55	**13.93**

14 Inventories

	As at 31 March 2018	As at 31 March 2017
Raw Materials	119.83	54.77
Packing Materials	45.30	19.97
Work-in-Progress	11.32	14.87
Finished Goods	100.38	51.57
Finished Goods in transit	21.62	26.29
Stock-in-trade	50.93	43.41
Stock-in-trade in transit	1.25	0.14
	350.63	**211.02**

15 Current Investments

	Face Value ₹	No. of Units *	As at 31 March 2018	As at 31 March 2017
Investment at Fair Value through Profit or Loss (FVTPL)				
In Mutual Funds (Unquoted)				
Birla Sun Life Short Term Fund - Growth - Regular Plan	10	- (9,183,266)	-	57.19
Franklin India Low Duration Fund - Growth	10	15,208,668 (42,773,165)	30.38	78.97
Franklin India Short Term Income Plan - Retail Plan	10	- (59,811)	-	20.25
Reliance Regular Saving Fund-Debt Plan - Growth Plan Growth Option	10	17,491,199 (6,685,326)	42.34	15.15
SBI Magnum Insta Cash Fund Direct Plan - Daily Dividend	10	- (59,711)	-	10.00
ICICI Prudential Regular Savings Fund - Growth	10	32,606,841 (-)	60.53	-
ICICI Prudential Balanced Fund Direct Plan Growth	10	1,793,670 (-)	23.74	-
DSP Black Rock Income Opportunities Fund Reg Growth	10	3,549,057 (-)	10.15	-
IDFC Credit Opportunities Fund Reg Plan Growth	10	14,218,953 (-)	15.24	-
			182.38	**181.56**
Aggregate value of unquoted investments			182.38	181.56

* Figures in Brackets are for Previous Years

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

16 Trade Receivables

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Unsecured		
- considered good	492.02	323.15
- considered doubtful	5.80	4.90
	497.82	**328.05**
Less : Allowance for Doubtful Debts	(5.80)	(4.90)
(Refer note 47 for information about credit risk and market risk of trade receivables)	**492.02**	**323.15**

17 Cash and Cash equivalents

	As at 31 March 2018	As at 31 March 2017
Balance with Banks - In Current Accounts	90.57	65.73
Cash on Hand	0.07	0.10
	90.64	**65.83**

18 Other Bank Balances

	As at 31 March 2018	As at 31 March 2017
Earmarked balances with banks		
Unpaid Dividend	0.65	0.95
Unpaid Sale Proceeds of Fractional Shares (Current Year ₹ Nil, Previous Year ₹ 5,926)	-	
In Deposit Accounts (with original maturity of more than 3 months and upto 12 months)		
- Under Lien	1.80	0.02
In Deposit Accounts (With original maturity of more than 12 months)		
Under Lien	-	**3.15**
Others (Current Year ₹ 10,000, Previous Year ₹ Nil)		-
	2.45	**4.12**

19 Other Current Financial Assets

	As at 31 March 2018	As at 31 March 2017
Interest Receivable	0.12	0.47
Mark to Market Derivative Asset	-	0.77
	0.12	**1.24**

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

20 Other Current Assets

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Advance other than Capital Advances		
Prepaid Expenses	2.93	2.89
Advances to Suppliers	12.42	6.85
Advances to Employees	9.69	8.23
Other Advances Recoverable	0.85	0.50
Balance with Statutory/Govt. Authorities		
Excise Authorities	0.15	40.71
GST Receivable	77.36	-
Vat Receivable	1.46	3.98
Octroi Refund Receivable	0.52	0.52
	105.38	**63.68**

21 Equity Share Capital

	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	₹ in cr.	No. of Shares	₹ in cr.
Authorised :				
Equity Shares of ₹ 2 each	150,000,000	30.00	150,000,000	30.00
Issued :				
Equity Shares of ₹ 2 each	88,781,000	17.76	88,771,500	17.75
Subscribed & Paid-up :				
Equity Shares of ₹ 2 each fully paid up	88,014,500	17.60	88,005,000	17.60
Add: Share Forfeited - Amount originally paid up	766,500	0.09	766,500	0.09
		17.69		**17.69**

21.1 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the reporting period :

	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	₹ in cr.	No. of Shares	₹ in cr.
Equity shares outstanding as at the beginning of the year	88,005,000	17.60	88,001,250	17.60
Add: Equity shares allotted during the year against option's excercised under ESOP	9,500		2,500	
Add: Equity shares allotted during the year as Bonus on ESOP (Current Year ₹ Nil, Previous Year ₹ 2,500)	-	-	1,250	
Equity shares outstanding as at the end of the year	**88,014,500**	**17.60**	**88,005,000**	**17.60**

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 2018, the amount of dividend per equity share recognised as distribution to equity shareholders is ₹ Nil (Pr. Yr. ₹ 13), which includes interim dividend of ₹ Nil (Pr. Yr. ₹ 13) 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.

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

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

Name of Shareholders	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	% holding	No. of Shares	% holding
Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	12,749,999	14.49	12,749,999	14.49
Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	12,749,999	14.49	12,749,999	14.49
Ravi P. Agrawal, trustee Ravi Agrawal Trust	12,659,999	14.39	12,659,999	14.39
Aayush M. Agrawal, trustee Aayush Agrawal Trust	12,660,000	14.39	12,660,000	14.39
Gabs Investments Private Limited	8,392,262	9.54	8,392,262	9.54
Ganga Exports being represented by Yogesh M. Agrawal, Rajesh M. Agrawal, Ravi P. Agrawal & Aayush M. Agrawal	2,437,500	2.77	5,137,500	5.84

	As at 31 March 2018	As at 31 March 2017
	No. of Shares	No. of Shares
21.4 Equity Shares reserved for issuance under Employees Stock Options Scheme 2011 of the Company		
Equity Shares	1,149,250	1,158,750
21.5 Aggregate number of equity shares issued during last five years pursuant to Employees Stock Options Scheme 2011		
Equity Shares	179,750	170,250
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
Bonus Shares on allotment of ESOP in FY 2014-15	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	1,250

21.7 The Company is not a subsidiary company.

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

22. Other Equity

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Capital Redemption Reserve		
Balance at the beginning of the year	2.10	2.10
Less : Utilised for allotment of Bonus Shares under ESOP (Current Year : ₹ Nil, Previous Year : ₹ 2,500)		
	2.10	**2.10**
Securities Premium Account		
Balance at the beginning of the year	76.06	75.99
Add : Addition during the year	1.36	0.07
	77.42	**76.06**
Exchange Fluctuation Reserve		
Balance at the beginning of the year	**3.16**	5.58
Add : Addition during the year	**5.00**	(2.42)
	8.16	**3.16**
General Reserve		
Balance at the beginning and at the end of year	**972.55**	**972.55**
Employee Stock Option Outstanding		
Balance at the beginning of the year	1.65	0.27
Add : Share based Expenses	1.34	1.45
Less : Exercised during the year	1.36	0.07
Balance as at the year end	**1.63**	**1.65**
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	494.48	116.68
Profit for the year	468.64	506.82
Less: Re-measurment of defined benefit plan (Net of Tax)	(1.30)	(0.11)
Less: Appropriations		
- Interim Dividend on Equity Shares	-	114.41
- Corporate Tax on Interim Dividend	-	14.50
Net Surplus in the Statement of Profit and Loss	961.82	494.48
Total Other Equity	**2,023.68**	**1,550.00**

Nature of Reserves

a) Capital Redemption Reserve
The Company has recognised Capital Redemption Reserve on buy-back of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

b) Securities Premium
Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

c) General Reserve
The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

23 Non-Current Borrowings

	As at 31 March 2018	As at 31 March 2017
Vehicle Loans (Secured)		
From Banks (Foreign Currency)	1.01	1.04
	1.01	**1.04**

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

23.1 Vehicle loans are secured against vehicles acquired under the scheme & are repayable in equal monthly instalment upto 31st December 2021 & rate of interest is 5.17% to 10%p.a.

24 Other Non-Current Financial Liabilities

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Trade / Security Deposits payable	-	0.09
	-	**0.09**

25 Non-Current Provisions

	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits (Net) (Refer Note 45)		
Gratuity	4.08	-
Compensated absences	9.08	3.15
	13.16	**3.15**

26 Deferred Tax Liabilities (Net)

		As at 31 March 2018	As at 31 March 2017
Deferred Tax Liabilities			
Difference in tax base of Property, Plant and Equipment	**(A)**	67.18	37.21
Unrealised gain/loss on securities carried at FVOCI/FVTPL		0.82	2.15
Deferred Tax Assets			
MAT Credit Entitlement	**(B)**	10.88	5.65
Disallowance under Income Tax	**(C)**	10.12	6.37
Deferred Tax Liabilities (Net)	**(A) - (B) - (C)**	**47.00**	**27.34**

27 Non-Current Tax Liabilities (Net)

	As at 31 March 2018	As at 31 March 2017
Provision for Tax (Net of Payment)	-	1.73
	-	**1.73**

28 Trade Payables

	As at 31 March 2018	As at 31 March 2017
Trade Payables	249.63	178.18
	249.63	**178.18**

(Refer Note 57 for Micro, Small and Medium Enterprises disclosure)

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

29 Other Current Financial Liabilities

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Current Maturities of long-term borrowing		
Vehicle Loans (Secured (Refer note 23.1))	0.79	0.24
Unpaid Dividend*	0.65	0.95
Capital Creditors	35.60	24.29
Book Overdraft	2.32	5.53
Employee Benefits Payable	14.45	7.37
Mart to Market Derivative Liability	1.50	-
Other payables	-	0.05
	55.31	**38.43**

*There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as at 31st March 2018.

30 Other Current Liabilities

	As at 31 March 2018	As at 31 March 2017
Advances from Customers	4.72	2.83
Statutory Dues payable	3.92	5.07
	8.64	**7.90**

31 Current Provisions

	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits (Net)		
Gratuity (Refer Note 45)	3.47	3.07
Compensated Absences	3.86	0.73
Other Provisions		
Sales Returns for expired goods (Refer note 53)	21.42	10.31
	28.75	**14.11**

32 Current Tax Liabilities (Net)

	As at 31 March 2018	As at 31 March 2017
Provision for Tax (Net of Payment)	3.72	8.04
	3.72	**8.04**

33 Revenue from Operations

	As at 31 March 2018	As at 31 March 2017
Sale of Products		
Finished Goods	1,585.41	1,606.32
Stock-in-Trade	477.69	326.29
Other Operating Revenues		
Export Incentives	66.17	66.83
Miscellaneous Income	1.59	2.20
	2,130.86	**2,001.64**

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

34 Other Income

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Income on Financial Assets carried at FVTPL		
Dividend on Investments at FVTPL	0.12	0.67
Gain on Financial Instrument at FVTPL	11.41	16.83
Interest of financial asset carried at amortised cost		
Interest on Deposits with Banks	0.45	0.54
Interest From Others	0.50	1.85
Exchange Difference (Net)	11.17	-
Miscellaneous Income	0.51	3.97
	24.16	**23.86**

35 Cost of Material Consumed

	As at 31 March 2018	As at 31 March 2017
Raw Material Consumed	289.22	285.84
Packing Material Consumed	89.06	92.01
	378.28	**377.85**

36 Purchase of Stock-in-Trade

	As at 31 March 2018	As at 31 March 2017
Purchases of Stock-in-trade	**77.35**	**47.36**

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

		As at 31 March 2018	As at 31 March 2017
Inventories at the beginning of the year :			
Work-in-Progress		14.87	11.58
Finished Goods		77.86	87.87
Stock-in-trade		43.55	26.21
	(A)	**136.28**	125.66
Inventories at the end of the year :			
Work-in-Progress		11.32	14.87
Finished Goods		122.00	77.86
Stock-in-trade		52.18	43.55
	(B)	**185.50**	136.28
Total changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade :			
Work-in-Progress		3.55	(3.29)
Finished Goods		(44.14)	10.01
Stock-in-trade		(8.63)	(17.34)
Total changes in Inventories of Finished Goods,Work-in-progress and Stock-in-Trade	**(A) - (B)**	**(49.22)**	(10.62)

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

38 Empolyee Benefit Expenses

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Salaries, Wages, Bonus and Allowances	344.83	273.44
Share Based Payment Expense (Refer Note 46)	1.34	1.45
Contribution to Provident and Other Funds	23.60	17.22
Staff Welfare Expenses	6.70	3.31
	376.47	295.42

39 Finance Cost

	As at 31 March 2018	As at 31 March 2017
Interest expenses	0.41	1.36
	0.41	**1.36**

40 Depreciation and Amortisation Expense

	As at 31 March 2018	As at 31 March 2017
Depreciation of Property, Plant and Equipment (Refer note 8)	56.61	59.26
Depreciation of Intangible Assets (Refer note 8)	2.98	1.95
	59.59	**61.21**

41 Other Expenses

	As at 31 March 2018	As at 31 March 2017
Selling Expenses	225.20	204.68
Clearing and Forwarding	79.39	62.66
Travelling Expenses	39.78	36.49
Processing Charges	21.44	17.34
Power and Fuel	27.42	18.70
Advertisement and Publicity	1.71	3.58
Consumption of Stores & Spare Parts	65.29	55.99
Rent	12.08	7.03
Rates and Taxes	0.96	0.54
Legal and Professional Fees	17.51	13.93
Postage and Telephone Expenses	4.95	6.80
Repairs & Maintenance		
Buildings	7.12	4.19
Plant and Machinery	23.70	17.85
Computers & Others	9.19	5.32
Insurance	7.58	5.59
Donation	0.34	0.06
Exchange Difference (Net)	-	12.43
Impairment loss on Financial Assets	8.36	23.27
Excise Duty collected on Sales	5.10	18.38
Loss on Sale/Discard of Property, Plant and Equipment (Net)	0.01	3.89
Clinical and Anaytical Charges	34.81	21.40
Director sitting fees	0.23	0.24
Corporate Social Responsibility Expenses (Refer note 52)	12.07	8.93
Miscellaneous Expenses	85.35	55.46
	689.59	604.75

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

42. 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 30%; in 2017-18 the return was 30% and in 2016-17 the return was 41%.

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 2018 was as follows.

₹ in cr.

Particulars		31 March 2018	31 March 2017
Debt (Debt + Current Liabilities)		356.50	242.90
Less: Cash and Cash equivalents and current investments		(273.03)	(247.39)
Net Debt	A	83.47	(4.49)
Equity	B	2,041.37	1,567.68
Net Debt to Equity ratio	A/B	0.04	-

43. Basic and Diluted Earnings Per share:

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

Particulars		31 March 2018	31 March 2017
Basic and Diluted Earnings Per Share:			
Net Profit after non-controlling interest attributable to Equity shareholders- for Basic EPS (₹ in cr.)	A	468.64	506.83
Add: Dilutive effect on profit (₹ in cr.)	B	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (₹ in cr.)	C=A-B	468.64	506.83
Weighted Average Number of Equity Shares outstanding - for Basic EPS	D	8,80,02,778	8,80,04,688
Add: Dilutive effect of option outstanding- Number of Equity Shares*	E	16,962	24,466
Weighted Average Number of Equity Shares for Diluted EPS	F=D+E	8,80,19,740	8,80,29,153
Face Value per Equity Share (₹)		2	2
Basic Earnings Per Share (₹)	A/D	53.26	57.59
Diluted Earnings Per Shares (₹)	C/F	53.25	57.58

* On account of Employee Stock Option Scheme (ESOS) - (Refer note 46).

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

44.1 Details of subsidiaries of the Group are as under:

Name of the Company	Country of Incorporation	% voting power held as at 31 March 2018
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 Nigeria Ltd. ("APNL")	Nigeria	100%
Ajanta Pharma UK Ltd. ("AP UK")	England & Wales	100%

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

44.2 The financial statements of the subsidiaries used in consolidation are for the period from 1st April 2017 to 31st March 2018.

44.3 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 2018.

45. Employee Benefits in respect of the Holding Company

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

45.1. 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 administrated 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 contributions are normally based on a certain proportion of the employee's salary. During the year, the Company has recognised the following contribution:

₹ in cr.

Particulars	31 March 2018	31 March 2017
Provident Fund and Employee's Pension Scheme	15.36	13.48
Employees State Insurance	2.55	1.63
Total	**17.91**	**15.11**

45.2. 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:

45.2.1. 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.

45.2.2. On the death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31st March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the Balance Sheet date:

₹ in cr.

Particulars	31 March 2018	31 March 2017
i) Changes in Defined Benefit Obligation		
Opening defined benefit obligation	16.60	14.31
Current Service Cost	3.49	3.00
Interest Cost	1.11	1.05
Actuarial loss / (gain)		
- Changes in financial assumptions	1.97	0.08
- Changes in demographic assumptions	0.25	-
- Experience adjustments	(0.49)	(0.06)
Past service cost	2.25	-
Benefit (paid)	(1.69)	(1.78)
Closing defined benefit obligation	**23.45**	**16.60**
ii) Changes in value of Plan Assets		
Opening value of plan assets	13.52	11.32
Expenses deducted from the fund	-	-

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

₹ in cr.

	Particulars	31 March 2018	31 March 2017
	Adjustment to the opening fund	-	-
	Interest Income	1.01	0.93
	Return on plan assets excluding amounts included in interest income	(0.25)	(0.15)
	Contributions by employer	3.32	3.20
	Benefits (paid)	(1.69)	(1.78)
	Closing value of plan assets	**15.90**	**13.52**
iii)	**Amount recognised in the Balance Sheet**		
	Present value of funded obligations as at year end	23.45	16.60
	Fair value of the plan assets as at year end	15.90	13.52
	Net (asset) / liability recognised as at the year end	**7.55**	**3.08**
iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	3.49	3.00
	Net Interest cost	0.10	0.12
	Expenses deducted from the fund	-	-
	Adjustment to the opening fund	-	-
	Expenses recognised in Statement of Other Comprehensive Income		
	Net actuarial loss/(gain) recognized in the current year		
	- Changes in financial assumptions	1.97	0.08
	- Changes in demographic assumptions	0.25	-
	- Experience adjustments	(0.48)	(0.06)
	Return on plan assets excluding amounts included in interest income	0.25	0.15
v)	**Asset information**		
	Insurer Managed Funds (100%) (Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	100%	100%
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	7.35%	7.20%
	Salary growth rate (p.a.)	9% for next 3 years and 7% thereafter	5.30%
	Average Remaining Service (years)	4.60	11.25
	Attrition rate: Management has estimated the level of attrition based on last 3 years pattern, broad economic outlook, sector in which company operates and long term view to retain/relieve the employees		
vii)	**Estimate of amount of contribution in immediate next year**	3.47	3.07

Sensitivity Analysis

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

	As at 31 March 2018		As at 31 March 2017	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	22.51	24.47	15.10	18.37
Salary growth rate (1% movement)	24.35	22.59	18.31	15.13

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 2017-18.

45.3 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 ₹ 12.94 cr. (Pr. Yr. ₹ 3.87 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 ₹ 0.05 cr. (Pr. Yr. ₹ 0.03 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 ₹ 11.47 cr. (Pr. Yr. ₹ 11.58 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.

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

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 ₹ 16.34 cr. (Pr. Yr. ₹ 8.96 cr.).

46. Share based payments

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

During the year 2,000 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
22 August 2017	2,000	2	22.08.2018 to 22.08.2021

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 2018	31 March 2017
	Nos.	Nos.
Options outstanding as at beginning of the Year	24,500	12,750
Add: Options granted during the Year	2,000	15,500
Less: Options Exercised during the Year	9,500	3,750
Less: Options lapsed during the Year	Nil	Nil
Options outstanding as at the Year End	17,000	24,500

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

Particulars	31 March 2018 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the year	24,500	2	2	1.73
Add: Options granted during the year	2,000	2	2	3
Less: Options exercised during the year	9,500	2	2	NA
Less: Options lapsed during the year	Nil	Nil	Nil	Nil
Options outstanding as at the year end	17,000	2	2	0.90

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			
	2,000 options	6,000 options	7,000 options	2,000 options
Grant date	8th May 2015	26th July 2016	26th July 2016	22nd August 2017
Last date for acceptance	8th June 2015	26th August 2016	26th August 2016	22nd September 2017
Exercise Price (₹)	2	2	2	2
Risk free rate (%)	8.00	7.30	7.30	7.50
Expected Life (years)	1 to 3	3 to 4	1 to 3	1 to 4
Volatility (%)	31.70	20.23	20.23	17.20
Dividend yield (%)	1.50	0.53	0.53	0.43
Price of the underlying share in the market at the time of option grant (₹)	1,264/-	1,478/-	1,703/-	1,153/-

Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. They key inputs and assumptions used are as follows:

Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: 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 dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

Risk free interest rate: 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.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

47. Financial Instrument – fair values and risk management

A. Fair value measurements

₹ in cr.

Financial Instruments by category	31 March 2018		31 March 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Mark to Market Derivative Asset	-	-	0.77	-
Investments in Mutual Funds	189.96	-	181.56	-
Investment in Unquoted Equity Shares (Current Year ₹ 37,050, Previous Year ₹ 37,050)	-	-	-	-
Trade Receivables	-	492.02	-	323.15
Other Non-Current Financial Assets	-	14.41	-	9.29
Cash and cash equivalents	-	90.64	-	65.83
Bank balances other than cash and cash equivalents	-	2.45	-	4.12
Interest Receivable	-	0.12	-	0.47
Total Financial Assets	**189.96**	**599.64**	**182.33**	**402.86**
Financial Liabilities				
Borrowings and Book Overdraft	-	4.11	-	6.81
Other Non-Current Financial Liabilities	-	-	-	0.09
Capital Creditors	-	35.60	-	24.29
Other Current Financial Liabilities	-	0.65	-	1.00
Employee Benefits Payable	-	14.45	-	7.37
Mark to Market Derivative Liability	1.50	-	-	-
Trade Payables	-	249.63	-	178.18
Total Financial Liabilities	**1.50**	**304.44**	**-**	**217.74**

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.

Financial assets and liabilities measured at fair value	31 March 2018			31 March 2017		
	Level			Level		
	I	II	III	I	II	III
Financial assets						
Recurring fair value measurement						
Mark to Market Derivative Asset	-	-	-	-	0.77	-
Investments in Mutual Funds	**189.97**	**-**	**-**	181.56	-	-
Total Financial Assets	**189.97**	**-**	**-**	**181.56**	**0.77**	**-**
Financial Liabilities						
Mark to Market Derivative Liability	-	1.50	-	-	-	-
Total Financial Liabilities	**-**	**1.50**	**-**	**-**	**-**	**-**

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

Level 1 – The hierarchy in level 1 includes financial instruments measured using quoted prices. This includes mutual funds that have declared buyback NAV. 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 Mark to Market Derivative) 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.

Measurement of fair values

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

Type	Valuation Technique	Significant unobservable Inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

B. Financial risk management

Group has exposure to following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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 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.

i. 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.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

₹ in cr.

Particulars	31 March 2018	31 March 2017
Not past due but impaired	-	-
Not past due not impaired	221.63	145.78
Past due not impaired	270.39	177.37
- 1-180 days	252.93	160.61
- 181-365 days	8.12	8.30
- more than 365 days	9.34	8.46
Past due impaired	5.80	4.90
- 1-180 days	-	-
- 181-365 days	-	-
- more than 365 days	5.80	4.90

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 2018, Group had 52 customers (31st March 2017: 53 customers) that owed the company more than ₹ 0.50 crores each and accounted for approximately 50% for all 2 years i.e. 31st March 2018 and 31st March 2017 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.

Sales to certain jurisdictions are either based on advance payments or restricted to certain limits to contain exposures to credit risk.

Expected credit loss assessment

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

₹ in cr.

	31 March 2018	31 March 2017
Gross Carrying amount	497.82	328.05
Average Expected loss rate	1.17%	1.49%
Carrying amount of trade receivables (net of impairment)	492.02	323.15

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	31 March 2018	31 March 2017
Balance at the beginning of the year	4.90	Nil
Impairment loss recognised (net)	5.80	4.90
Amounts written off	4.90	Nil
Balance as at the year end	5.80	4.90

The impairment loss at 31st March, 2018 related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

b) Financial instruments

Group 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. Group monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties.

ii. 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 0.77 at 31st March 2018 (31st March 2017: 1.02).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at 31.03.2018	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables Current	249.63	249.63	249.63	-	-	-
Other Current Financial Liabilities	53.81	53.81	53.81	-	-	-
Non-Current Borrowing	1.01	1.01	-	1.01	-	-
Mark to Market Derivative Liability				-	-	-
- Inflow	1.50	1.50	1.50	-	-	-
Total	**305.95**	**305.95**	**304.94**	**1.01**	**-**	**-**

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

₹ in cr.

As at 31.03.2017	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables Current	178.18	178.18	178.18	-	-	-
Other Current Financial Liabilities	38.43	38.43	38.43	-	-	-
Non-Current Borrowing	1.04	1.04	-	1.04	-	-
Mark to Market Derivative Asset				-	-	-
- Inflow	(0.77)	(0.77)	(0.77)	-	-	-
Total	**216.88**	**216.88**	**215.74**	**1.04**	**-**	**-**

iii. 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 post employment 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 2018 and 31st March 2017.

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 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.

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

The following table analyses foreign currency risk as of 31st March 2018:

₹ in cr.

Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Niara	Total
Bank Balances	21.90	0.01	29.48	10.23	4.87	**66.49**
Trade Receivables	290.60	5.99	61.80	41.31	11.15	**410.85**
Other Assets	2.28	8.61	7.35	2.99	0.05	**21.28**
Trade Payables	(16.85)	(6.25)	(13.82)	(7.45)	Nil	**(44.37)**
Borrowings & Other Financial Liabilities	(1.75)	(6.72)	Nil	(1.79)	(8.32)	**(18.58)**
Net Assets / (Liabilities)	**296.18**	**1.63**	**84.81**	**45.29**	**7.75**	**435.67**

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

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	195.01	4.13	28.37	36.91	2.75	**267.17**
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)	**219.29**	**5.70**	**37.00**	**33.77**	**1.15**	**296.92**

For the year ended 31st March 2018 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:

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	2.96 / (2.96)
Euro	+1% / (-1%)	0.02 / (0.02)
Mauritian Rupee (MUR)	+1% / (-1%)	0.85 / (0.85)
Philippine Peso (PHP)	+1% / (-1%)	0.45 / (0.45)
Nigerian Niara (NN)	+1% / (-1%)	0.08 / (0.08)

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:

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	2.19 / (2.19)
Euro	+1% / (-1%)	0.06 / (0.06)
Mauritian Rupee (MUR)	+1% / (-1%)	0.37 / (0.37)
Philippine Peso (PHP)	+1% / (-1%)	0.34 / (0.34)
Nigerian Niara (NN)	+1% / (-1%)	0.01 / (0.01)

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

48. Note on foreign currency exposures on assets and liabilities:

(a) Disclosure on foreign currency 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 2018 Foreign Currency Amt in cr.	31 March 2017 Foreign Currency Amt in cr.	Buy or Sell	Cross Currency
Euro	0.44	0.08	Sell	INR
USD	7.46	0.10	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.	₹ in cr.	Foreign Currency Amt in cr.	Foreign Currency Amt in cr.	Foreign Currency
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	
Amount Receivable	403.39	255.04	6.19	3.93	USD
	68.69	38.65	0.85	0.56	EURO
	Nil	0.01	Nil	*0.00	GBP
	Nil	0.64	Nil	0.01	CHF
	Nil	0.23	Nil	0.01	AED
Amount Payable	8.36	8.04	0.13	0.12	USD
	6.30	2.57	0.08	0.04	EURO
	Nil	0.06	Nil	0.10	JPY

(Previous Year *GBP 1,030)

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.

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

₹ in cr.

Particulars	31 March 2018	31 March 2017
Foreign Currency Term Loan	1.79	1.28

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.

Particulars	31 March 2018	31 March 2017
Increase in interest rate by 100 basis points	(0.01)	(0.01)
Decrease in interest rate by 100 basis points	0.01	0.01

c) Price risk

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

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

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

The Group 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 ₹ 12.08 cr. (Pr. Yr. ₹ 7.03 cr.) are recognised in Statement of Profit and Loss under "Rent" under Note 41.

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

₹ in cr.

Particulars	31 March 2018	31 March 2017
Not later than one year	1.29	3.29
Later than one year but not later than five years	3.58	4.93
Less than five years	Nil	Nil

Finance Lease

Particulars	Total Minimum Lease Payments Outstanding	Future Interest on Outstanding	Present Value of Minimum Lease Payments
Within one year	0.79	Nil	0.79
	(0.24)	(Nil)	(0.24)
Later than one year and not later than five years	1.01	Nil	1.01
	(1.04)	(Nil)	(1.04)

Figures in brackets indicate previous year figures.

Future obligations towards lease rentals under the lease agreements as on 31st March 2018 amounts to ₹ 6.67 cr. (Pr. Yr. ₹ 9.50 cr.)

50. Contingent Liabilities and commitments:

Contingent Liabilities

Particulars	31 March 2018	31 March 2017
i. Claims against the Company not acknowledged as debt	0.61	0.90
ii. Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation	4.85	1.44
iii. Disputed Octroi Amount paid there against and included under "Other Current Assets" ₹ 0.52 cr. (Previous Year ₹ 0.52 cr.)	0.52	0.52
iv. Excise duty and Service tax disputed by the Company	4.73	2.64
v Income Tax demand disputed by the Company pending in appeal Amount paid there against and included under "Other Current Assets (Net)" ₹ 0.97 cr. (Previous Year ₹ 7.86 cr.)	0.97	8.33

The Company does not except the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flow.

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 ₹ 161.88 cr. (Pr. Yr. ₹ 132.28 cr.).

b) Other Commitments – Non-cancellable operating leases (Refer note 49).

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

51. 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	Non-Executive Director
Mr. Madhusudan B. Agrawal	Executive Vice Chairman
Mr. Yogesh M. Agrawal	Managing Director
Mr. Rajesh M. Agrawal	Joint Managing Director
Mr. Arvind Agrawal	Chief Financial Officer
Mr. Gaurang Shah	Company Secretary
Mr. Chandrakant M Khetan	Independent Director
Dr. Anil Kumar	Independent Director
Mr. K. H. Viswanathan	Independent Director
Mr. Prabhakar Dalal	Independent Director
Dr. Anjana Grewal	Independent Director
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 I 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

Mannalal Agrawal Trust, Trustee - Mr. Mannalal B. Agrawal

Yogesh Agrawal Trust, Trustee - Mr. Yogesh M. Agrawal

Rajesh Agrawal Trust, Trustee - Mr. Rajesh M. Agrawal

Ravi Agrawal Trust, Trustee - Mr. Ravi P. Agrawal

Aayush Agrawal Trust, Trustee - Mr. Aayush M. Agrawal

Ajanta Pharma Limited Group Gratuity Trust

Samta Purushottam Agrawal Memorial Foundation

Ajanta Foundation (w.e.f 20th September 2017)

B) Following transactions were carried out with related parties:

₹ in cr.

Sr No.	Particulars	Category	31 March 2018	31 March 2017
1.	**Key Management Compensation:**			
	Short Term Employee Benefits			
	Purushottam B. Agrawal	I	1.66	2.07
	Madhusudan B. Agrawal	I	1.91	2.07
	Yogesh M. Agrawal	I	1.91	2.07
	Rajesh M. Agrawal	I	1.91	2.07
	Arvind Agrawal	I	1.54	0.84
	Gaurang Shah	I	0.41	0.37
	Ramesh Jhawar	I	2.61	2.55

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

₹ in cr.

Sr No.	Particulars	Category	31 March 2018	31 March 2017
	Vinayak Muzumdar & Suttian Deerpaul	I	0.71	0.66
	Sam Gioskos	I	0.59	0.59
	Post-employment benefits	I	0.09	0.09
2.	**Commission and Sitting Fees to Non-Executive Director**			
	Mannalal B. Agrawal	I	1.24	1.24
	Mr. Chandrakant M Khetan	I	0.07	0.06
	Dr. Anil Kumar	I	0.07	0.06
	Mr. K. H. Viswanathan	I	0.05	0.05
	Mr. Prabhakar Dalal	I	0.05	0.05
	Dr. Anjana Grewal	I	0.05	0.05
	Yogesh M. Agrawal	I	2.50	Nil
	Rajesh M. Agrawal	I	2.50	Nil
3.	**Dividend Paid**			
	Key Management Personnel	I	Nil	46.82
	Others	II	Nil	37.62
4.	**Purchase of property**			
	Yogesh M. Agrawal	I	Nil	2.60
	Rajesh M. Agrawal	I	Nil	2.60
	Ravi P. Agrawal	I	Nil	2.60
	Aayush M. Agrawal	I	Nil	2.60
5.	**Sale of Vehicle**			
	Mannalal B. Agrawal	I	0.02	1.10
	Ravi P. Agrawal	I	Nil	0.23
6.	**Corporate Social Responsibility Expense**			
	Seth Bhagwandas Agrawal Charitable Trust	II	2.40	6.19
	Samta Purushottam Agrawal Memorial Foundation	II	7.54	Nil
	Ajanta Foundation	II	0.05	Nil
7.	**Contribution made to Group gratuity trust through premium paid to LIC :** Premium paid	II	3.42	3.31

C) Amount outstanding as on 31st March 2018

Sr No.	Particulars	Category	31 March 2018	31 March 2017
1.	**Commission Payable to Non-Executive Director**			
	Mannalal B. Agrawal	I	1.20	1.20
	Mr. Chandrakant M Khetan	I	0.02	0.01
	Dr. Anil Kumar	I	0.02	0.01
	Mr. K. H. Viswanathan	I	0.02	0.01
	Mr. Prabhakar Dalal	I	0.02	0.01
	Dr. Anjana Grewal	I	0.02	0.01
	Yogesh M. Agrawal	I	2.50	Nil
	Rajesh M. Agrawal	I	2.50	Nil

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

The Group has completed an independent evaluation for all international and domestic transactions for the year ended 31st March, 2018 and has reviewed the same for the year ended 31st March, 2017 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.

52. Contribution towards Corporate Social Responsibility

The particulars of CSR expenditure are as follows:

a) Gross amount required to be spent during the year is ₹ 10.60 cr. (Previous year: ₹ 8.45 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	12.07	Nil	12.07

*including paid to related parties ₹ 9.99 cr. (Refer note 51)

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	8.93	Nil	8.93

*including paid to related parties ₹ 6.19 cr. (Refer note 51)

53. Provision of anticipated Sales Returns for Expired Goods

As per best estimate of management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37.

₹ in cr.

Particulars	31 March 2018	31 March 2017
Balance at the beginning of the year	10.31	7.67
Add: Provisions made during the year	21.42	7.02
Less: Amount written back/utilized during the year	10.31	4.38
Balance at the end of the year	**21.42**	**10.31**

54. Operating Segments

A. Basis for segmentation

The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments, etc.) on a periodic basis.

B. Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

a. Revenue from external customers

₹ in cr.

Particulars	31 March 2018	31 March 2017
India	628.66	613.74
Africa	738.80	711.54
Asia	493.41	417.27
USA	194.43	184.85
Others	7.80	5.21
	2,063.10	**1,932.61**

b. Non-current assets (other than financial instruments and deferred tax assets)

Particulars	31 March 2018	31 March 2017
India	1,178.60	956.21
Africa	13.90	7.32
Asia	5.84	5.20
USA	4.01	3.91
	1,202.35	**972.64**

55. Remuneration to Auditors of the Company and its subsidiaries:

Particulars	31 March 2018	31 March 2017
- As Auditors	0.17	0.20
- For audit of subsidiaries	0.14	0.13
- Tax Audit Fees	-	0.04
- For Certification and Other Matters	0.20	0.08

56. Research and Development expenditure:

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

Particulars	31 March 2018	31 March 2017
Cost of Material/Consumables/Spare	46.63	48.45
Employee Benefit Expenses	54.43	46.56
Utilities	4.50	4.70
Other Expenses	80.68	50.62
Total	**186.24**	**150.33**

57. 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 the Company.

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

₹ in cr.

Particulars		31 March 2018	31 March 2017
i.	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	8.91	0.51
	Interest due on above	Nil	Nil
ii.	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
iii.	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	Nil
iv.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
v.	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

58. Company had entered into a Joint Venture with JV Turkmenderman Ajanta Pharma Ltd. (TDAPL) about two decade back, where it had management control. However in terms of JV agreement, Company subsequently 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. The Company is also unable to obtain reliable & acculate financial information in respect of the said JV.

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 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:

Particulars	31 March 2018	31 March 2017
Opening Balance	85.04	40.89
Add: Incurred during year		
Employee Benefit Expenses	1.27	18.21
Professional fees	-	0.81
Travelling expenses	0.02	1.37
Depreciation	-	1.93
Others	2.60	28.69
Total	**88.93**	**91.90**
Less : Other Income	-	1.11
Less: Capitalised to Tangible Assets	88.93	5.75
Closing Balance	**-**	**85.04**

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

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

As of 31st March 2018

Name of Enterprise	Net assets i.e total assets minus total liabilities		Share in profit (loss)		Share in Other Comprehensive Income		Share in Other 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.	94.1%	1,920.15	80.6%	377.87	(35.1%)	(1.30)	79.7%	376.58
Foreign Subsidiaries								
APML	4.9%	101.18	16.5%	77.44	165.9%	6.14	17.7%	83.58
APPI	1.9%	39.47	3.7%	17.07	(23.8%)	(0.88)	3.4%	16.18
APUI	(1.0%)	(21.05)	(1.1%)	(5.34)	(8.6%)	(0.32)	(1.2%)	(5.66)
APNL	0.1%	1.62	0.3%	1.61	1.6%	0.06	0.4%	1.67
Total		**2,041.37**		**468.64**		**3.70**		**472.34**

As of 31st March 2017

Name of Enterprise	Net assets i.e total assets minus total liabilities		Share in profit (loss)		Share in profit (loss)		Share in Other 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**

Also refer Note 44.3

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 2018	31 March 2017
a. Current tax		
Current tax on profit for the year	134.55	157.40
Adjustment for current tax of prior periods	(2.89)	0.09
Total Current Tax expenses	**131.66**	**157.49**
Deferred tax expense/(benefit)		
Origination and reversal of timing difference	27.48	(16.15)
MAT Credit Entitlement	(5.23)	-
Total Deferred Tax expenses	**22.25**	**(16.15)**
Total income tax recognised in the income statement	153.90	141.35
b. Reconciliation of effective tax rate		

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

₹ in cr.

		31 March 2018	31 March 2017
	The following is a reconciliation of the Group's effective tax rate		
	Accounting profit before income taxes	622.55	648.17
	Enacted tax rate in India (%)	34.61%	34.61%
	Computed expected tax (benefit) / expenses	215.45	224.32
	Tax effect due to non-taxable income for India tax purpose	(20.80)	(2.60)
	Overseas taxes	17.56	15.81
	Effect of non-deductible expenses	2.48	13.15
	Effect of exempt non-operating income	(0.04)	(0.23)
	Reversal of temporary which is revers In tax holiday	(13.72)	-
	Tax effect which is chargeable at different rate	(8.59)	(10.94)
	Additional deduction on R&D Expenses	(34.35)	(67.80)
	Investment allowance on plant & machinery	-	(13.57)
	Other deductible expenses	(1.19)	(16.88)
	Adjustment for current tax of prior periods	(2.89)	0.09
	Income tax (benefit) / expenses	**153.90**	**141.35**
	Effective tax rate	**24.72%**	**21.81%**
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:		
	Deferred Tax Liabilities		
	Property ,Plant and equipment	(67.19)	(37.21)
	Gain on Financial Instrument at fair value through profit or loss	(0.82)	(2.15)
	Others	-	0.04
	Total Deferred Tax Liabilities	**(68.01)**	**(39.32)**
	Deferred Tax Asset		
	Leave Encashment	4.77	1.34
	Provision for Expired Goods	3.34	3.11
	Re-measurement of defined benefit plans	-	0.18
	MAT Credit Entitlement	10.88	5.65
	Provision for Loss Allowance	2.01	1.70
	Temporary difference related to subsidiaries	22.46	23.88
	Others	0.15	0.57
	Total Deferred Tax Asset	**43.63**	**36.43**
	Deferred tax liabilities after set off	(47.00)	(27.34)
	Deferred tax assets after set off	22.61	24.45
	Movement in deferred tax liabilities, net		
	Opening balance	(27.34)	(19.29)
	Re-measurement of defined benefit plans	0.69	0.06
	Tax benefit/(expense) during the period recognised in profit or loss	(20.32)	(3.86)
	Others	(0.03)	(4.25)
	Closing balance	**(47.00)**	**(27.34)**
	Movement in deferred tax assets, net		
	Opening balance	24.45	8.58
	Temporary difference related to subsidiaries	(1.43)	15.30
	Others	(0.41)	0.57
	Closing Balance	**22.61**	**24.45**

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2018

The charge relating to temporary differences during the year ended 31st March 2018 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 2017 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.

62. Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification. Previous year Consolidated financial statements have been audited by firm of Chartered Accountants other than B S R & Co. LLP.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 2nd May 2018

For and on behalf of Board of Directors of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS: 6696

INDEPENDENT AUDITOR'S REPORT

To the Members of
Ajanta Pharma Limited

Report on the Audit of the 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 2018, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and 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 of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows 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.

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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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, of the state of affairs of the Company as at 31st March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the company for the year ended 31st March 2017 included in these standalone Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 3rd May 2017 expressed an unmodified opinion.

Our opinion is not modified in respect of the above matter.

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 in terms of section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 (including other comprehensive income), the Cash Flows Statement and 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.

   e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   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:

      1. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 47 to the standalone Ind AS financial statements;

      2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

      4. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31st March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31st March 2017 have been disclosed.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/ W - 100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai, 2nd May 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

31 MARCH 2018

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed / share certificate / other documents evidencing title and provided to us, we report that the title deeds of immovable properties of land and building which are freehold, as disclosed in Note 8 to the standalone Ind AS financial statements, are held in the name of the Company. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in Note 8 to the standalone Ind AS financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The inventory, except goods-in-transit and goods lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of making investments as applicable. The Company has not granted any loans to, or provided any guarantees or security on behalf of the parties covered under Section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under Section 148 (1) of the Act for drugs and pharmaceutical product and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales Tax, Value added tax, Service tax, duty of Customs, duty of Excise, Goods and Service tax and Cess which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this report.

(viii) The Company does not have any loans or borrowings from any financial institution, bank or Government, nor has it issued any debentures, as at the balance sheet date. Accordingly, the paragraph 3(viii) of the Order is not applicable to the Company.

(ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year.

Accordingly, the paragraph 3(ix) of the Order are not applicable to the Company.

(x) During the course of our examination of the books and records of the company, carried out in accordance with 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, notice or reported during the year, nor have we been informed of any such cases by the Management.

(xi) According to the information and explanations give to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with the provisions of Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act read with the relevant rules issued thereunder.

(xiv) According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to the information and explanations 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 **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/ W – 100022

Sreeja Marar
Partner
Mumbai, 2nd May 2018 Membership No: 111410

Annexure I

₹ in cr.

Name of the Statute	Nature of dues	Amount Demanded ₹ in crores	Amount Paid ₹ in crores	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	Excise duty	0.07	-	FY 2007-08 to FY 2008-09	Commissioner of Central Excise Thane-II
Central Excise Act 1944	Excise duty	0.05	-	FY 2006-07 to FY 2010-11	Assistant Commissioner of Central Excise Thane- II
Central Excise Act 1944	Excise duty	0.24	-	FY 2010-11 to FY 2015-16	Superintendent of Central Excise, Custom and Service Tax, Aurangabad
Central Excise Act 1944	Excise duty	0.13	-	FY 2010-11 to FY 2015-16	Additional commissioner of Central Excise, Custom and Service Tax, Aurangabad
Central Excise Act 1944	Excise duty	0.11	-	FY 2015-16 to FY 2016-17	Joint Commissioner of Central Excise, Custom and Service Tax, Aurangabad
Finance Act, 1994	Service Tax	4.15	-	FY 2012-13 to 2014-15 and FY 2015-16 to 2016-17	Additional commissioner of Central Excise, Custom and Service Tax, Aurangabad
The Income Tax Act 1961	Penalty U/s 271(1) (C) of the Income tax Act ,1961	0.97	0.50	FY 2013-14	Commissioner of Income Tax (Appeals) Mumbai

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

31 MARCH 2018

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to financial statements of Ajanta Pharma Limited ("the Company") as of 31st March 2018 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 controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements (the "Guidance Note") 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 of reliable financial information, as required under the Companies Act 2013 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. 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.

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 control system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/ W - 100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai, 2nd May 2018

BALANCE SHEET
AS AT 31ST MARCH 2018

₹ in cr.

	Note No.	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	8	1,029.29	566.97
(b) Capital work-in-progress	8	61.33	338.03
(c) Other Intangible Assets	8	7.40	5.96
(d) Intangible Assets under development	8	-	1.23
(e) Financial Assets			
(i) Non-current Investments	9	18.26	17.26
(ii) Other Non-current Financial Assets	10	14.18	9.09
(f) Non-Current Tax Assets (Net)	11	22.83	21.00
(g) Other non-current assets	12	43.55	13.93
Total Non-Current Assets		**1,196.84**	**973.47**
Current Assets			
(a) Inventories	13	317.37	179.28
(b) Financial assets			
(i) Current Investments	14	182.38	181.56
(ii) Trade receivables	15	464.42	336.00
(iii) Cash and cash equivalents	16	36.22	18.72
(iv) Other Bank Balances	17	2.45	4.12
(v) Other Current Financial Assets	18	0.12	1.24
(c) Other current assets	19	92.05	54.15
Total Current Assets		**1,095.01**	**775.07**
TOTAL ASSETS		**2,291.85**	**1,748.54**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	20	17.69	17.69
(b) Other Equity	21	1,913.81	1,486.25
Total Equity		**1,931.50**	**1,503.94**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Other Non-current financial liabilities	22	-	0.09
(b) Non-current Provisions	23	13.16	3.15
(c) Deferred tax liabilities (Net)	24	47.00	27.38
(d) Non-Current Tax Liabilities (Net)	25	-	1.74
Total Non-Current Liabilities		**60.16**	**32.36**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	26	211.47	145.31
(ii) Other current financial liabilities	27	54.52	38.19
(b) Other Current Liabilities	28	13.49	7.90
(c) Current Provisions	29	16.99	12.80
(d) Current Tax Liabilities (Net)	30	3.72	8.04
Total Current Liabilities		**300.19**	**212.24**
TOTAL EQUITY AND LIABILITIES		**2,291.85**	**1,748.54**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 2nd May 2018

For and on behalf of Board of Directors of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH 2018

₹ in cr.

	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	31	1,830.45	1,822.71
Other Income	32	73.01	66.95
Total Income		**1,903.46**	**1,889.66**
Expenses:			
Cost of Materials Consumed	33	375.43	373.31
Purchase of Stock-in-Trade	34	73.01	59.23
Changes in Inventories of Finished Goods/ Work-in-progress/Stock-in-Trade	35	(49.15)	7.29
Employee Benefits Expense	36	342.89	269.78
Finance Costs	37	0.24	1.24
Depreciation and Amortisation Expense	38	57.14	59.48
Other Expenses	39	541.46	478.68
Total Expenses		**1,341.02**	**1,249.01**
Profit Before Tax		**562.44**	**640.65**
Tax expense:	58		
- Current Tax (Net)		114.60	136.98
- Deferred Tax (Net)		20.32	3.86
Profit for the year		**427.52**	**499.81**
Other Comprehensive Income / (Loss)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit plans		(1.99)	(0.17)
Income tax relating to items that will not be reclassified to profit or loss		0.69	0.06
Net other Comprehensive Income / (Loss) not to be reclassified subsequently to profit or loss		**(1.30)**	**(0.11)**
Other Comprehensive Income / (Loss) for the year, net of tax		**(1.30)**	**(0.11)**
Total Comprehensive Income for the year		**426.22**	**499.70**
Earning Per Equity Share (Face Value ₹ 2/-)	41		
Basic (₹)		48.59	56.79
Diluted (₹)		48.58	56.78

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 2nd May 2018

For and on behalf of Board of Directors of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED AS AT 31ST MARCH 2018

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
A. Cash Flow from Operating Activities		
Profit before Tax	562.44	640.65
Adjustment for:		
Depreciation and Amortisation Expense	57.14	59.48
Provision for Expired Goods (Net)	0.66	1.33
Loss on Sale / Discard of Property, Plant and Equipment (Net)	0.01	3.89
Finance Costs	0.24	1.24
Dividend from Subsidiary	(49.65)	(43.18)
Gain on Financial Instrument at FVTPL	(11.41)	(16.83)
Income from Investments & Deposits	(0.57)	(1.21)
Share based Payment Expense	1.34	1.45
Unrealised foreign exchange gain/loss on re-statement	(5.25)	10.72
Impairment loss on Financial Assets	8.36	23.27
Operating Profit before Working Capital Changes	**563.31**	**680.81**
Changes in working capital :		
Increase in Trade and other Receivables	(131.89)	(19.37)
Increase in Other Current Financial Assets	(37.90)	(12.55)
Increase in Other Current Assets	(2.66)	(2.24)
(Increase) / Decrease in Inventories	(138.09)	10.49
Decrease in Non Current Other Financial Liabilities	(0.09)	(0.36)
Decrease in Other Current Liabilities	10.89	10.10
Decrease in Non Current Provisions	10.01	0.56
Decrease in Current Provisions	1.54	(0.06)
Decrease in Trade Payables	66.51	0.11
Cash generated from Operations	**341.64**	**667.49**
Net Income tax paid	(122.47)	(130.59)
Net Cash Flow Generated from Operating Activities	**219.17**	**536.90**
B. Cash Flow from Investing Activities		
Capital Expenditure on Property, Plant and Equipment including Capital Advances	(261.39)	(298.86)
Proceeds from Sale of Property, Plant and Equipment	0.11	3.21
Bank Balances not considered as Cash and Cash Equivalents (Net)	(0.87)	(0.24)
Dividend from Subsidiary	49.65	43.18
Purchase of Current Investments	(225.12)	(355.73)
Proceeds from Sale of Current Investments	235.71	267.78
Income on Investments and Deposits	1.80	1.00
Investment in Subsidiaries	(1.01)	(0.00)
Net Cash Used in Investing Activities	**(201.13)**	**(339.66)**

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED AS AT 31ST MARCH 2018

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
C. Cash Flow from Financing Activities		
Repayment of Non Current Borrowings	-	(33.61)
Proceeds (Repayment) of Current Borrowings	-	(34.47)
Interest Paid	(0.24)	(1.25)
Dividend Paid	(0.30)	(114.19)
Dividend Distribution Tax Paid	-	(14.50)
Net Cash Used in Financing Activities	**(0.54)**	**(198.02)**
Net Increase/(Decrease) in Cash and Cash Equivalents	**17.51**	**(0.78)**
Cash and Cash Equivalents as at the Beginning of the Year	18.72	19.49
Cash and Cash Equivalents as at the End of the Year (Refer Note 16)	**36.22**	**18.72**

Figures in brackets indicates outflow.

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS 7) "Statement of Cash Flow " under Section 133 of the Companies Act 2013.
2. Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 2nd May 2018

For and on behalf of Board of Directors of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2018

A. Equity Share Capital (Refer Note 20)

₹ in cr.

	Balance as at 1 April 2017	Changes inEquity Share Capital during the year	Balance as at 31 March 2018
Authorised	30.00	-	**30.00**
Issued	17.75	0.01	**17.76**
Subscribed & Paid up	17.69	-	**17.69**

B. Other Equity (Refer Note 21)

₹ in cr.

Particulars	Capital Redemption Reserve	Securities Premium Account	General Reserve	Share Based Payment Reserve	Retained Earnings	Total Other Equity
As at 1 April 2016	2.10	75.99	901.00	0.27	134.65	1,114.01
Profit for the year	-	-	-	-	499.81	499.81
Other comprehensive income (net of tax)	-	-	-	-	(0.11)	(0.11)
Total comprehensive income	**-**	**-**	**-**	**-**	**499.70**	**499.70**
Exercised Stock Options	-	0.07	-	(0.07)	-	-
Share based payment Expense	-	-	-	1.45	-	1.45
Dividend Paid	-	-	-	-	(114.41)	(114.41)
Dividend Distribution Tax	-	-	-	-	(14.50)	(14.50)
As at 31 March 2017	**2.10**	**76.06**	**901.00**	**1.65**	**505.44**	**1,486.25**
Profit for the year	-	-	-	-	427.52	427.52
Other comprehensive income (net of tax)	-	-	-	-	(1.30)	(1.30)
Total comprehensive income	**-**	**-**	**-**	**-**	**426.22**	**426.22**
Exercised Stock Options	-	1.36	-	(1.36)	-	-
Share based payment Expense	-	-	-	1.34	-	1.34
As at 31 March 2018	**2.10**	**77.42**	**901.00**	**1.63**	**931.67**	**1,913.81**

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 2nd May 2018

For and on behalf of Board of Directors of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

NOTES

to the standalone financial statements as on 31st March 2018

1. Corporate Information

Ajanta Pharma Limited ("Company") is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchanges and National Stock Exchange. The Registered office of Company is located at Ajanta House, Charkop, Kandivali (West), Mumbai.

Company is primarily involved in development, manufacturing and marketing of speciality pharmaceutical finished dosages.

The financial statements for the Company were authorised for issue by Company's Board of Directors on 2nd May, 2018.

2. Basis of Preparation

These standalone financial statements of the Company have been prepared in all material aspects in accordance with Indian Accounting Standards (Ind AS) as per rule 4 of The Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013 ('the Act') and other relevant Provisions of the Act.

These standalone 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
- Net defined benefit asset/liability at fair value of plan assets less present value of defined benefit obligations.

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 the Company.

4. Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crore. 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.

Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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 / Goods and Service Tax (GST) 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 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 Property, Plant and Equipment 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 standalone 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 straight line 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.

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 the 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 Statement of profit and 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

NOTES

to the standalone financial statements as on 31st March 2018

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.

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:

The 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 (FVOCI)).

Financial Assets measured at amortised cost (net of 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 changesrecognised 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.

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 Company has transferred its rights to receive cash flows from the asset.

Impairment of Financial Assets:

In accordance with Ind AS 109, the 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:

The 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:

The 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 the net realisable value, cost of which includes duties and taxes (net off CENVAT, VAT and Goods and Service Tax (GST) 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 on moving weighted average basis.

The cost of Inventories have been computed to include all cost of purchases, cost of conversion, appropriate share of fixed production overheads based on normal operating capacity and other related cost incurred in bringing the inventories to their present condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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

NOTES

to the standalone financial statements as on 31st March 2018

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 Statement

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 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 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 is recognised to the extent that it is probable that the economic benefits will flow to the 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 Goods and Service tax (GST), 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 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

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.

(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 as 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

Employees Stock Options Plans (“ESOPs”): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under “Employee Stock Options Outstanding Reserve”. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

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.

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

NOTES

to the standalone financial statements as on 31st March 2018

leases. Leases rentals are charged to the statement of profit and loss on straight line basis.

6.12. Government Grants:

Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Standalone Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.
- In case of grants that compensate the Company for expenses incurred are recognised in Standalone Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

6.13. 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.

6.14. 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 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.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

6.15. 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.

6.16. Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

Provisions (legal or constructive) are recognised when the 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 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 standalone 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 the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

6.17. Fair value measurement

The 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.

NOTES

to the standalone financial statements as on 31st March 2018

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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the 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.

6.18. Recent accounting pronouncements

Standards issued but not yet effective

The Ministry of Corporate Affairs in March 2018 has re-notified Ind AS 115, Revenue from Contracts with Customers. Earlier, this Standard was omitted and two other standards, Ind AS 11, Construction Contracts and Ind AS 18, Revenue had been notified in its place.Now, after re-notification of Ind AS 115, Ind AS 11 and Ind AS 18 would be redundant. Ind AS 115 deals with recognition of revenue arising from sale of goods, rendering of services, interest, royalties and construction contracts. It is a converged form of IFRS 15, Revenue from Contracts with Customers. Ind AS 115 shall be applied from financial years beginning on or after 1st April, 2018.

These amendments are not expected to have any impact on the Company.

7. Critical accounting judgements, estimates and assumptions

The preparation of the 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 the Company has economic ownership in these assets. The 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 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 the 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. 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 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 the 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 seems 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

NOTES

to the standalone financial statements as on 31st March 2018

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 the 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.

NOTES

to the standalone financial statements as on 31st March 2018

8. Property, Plant and Equipment, Capital Work-in-Progress, Other Intangible and Intangible Assets under development

8.1 Current Year

₹ in cr.

Particulars	Gross Block (Cost Or Deemed Cost)				Accumulated Depreciation/Amortisation				Net Block
	As at 1.4.2017	Additions	Disposals	As at 31.03.2018	As at 1.4.2017	For the year	Disposals	As at 31.03.2018	As at 31.03.2018
(A) Property, Plant and Equipment									
Freehold Land **	142.00	-	-	142.00	-	-	-	-	142.00
Lease hold Land	31.21	-	-	31.21	2.93	0.55	-	3.48	27.73
Buildings	204.59	147.18	-	351.77	68.11	9.24	-	77.35	274.42
Plant & Equipments	271.07	305.66	-	576.73	115.82	26.74	-	142.56	434.17
Laboratory Equipment	86.33	45.52	-	131.85	15.01	10.15	-	25.16	106.69
Furniture & fixtures	54.32	10.00	-	64.32	32.63	3.44	-	36.07	28.25
Vehicles	4.68	0.43	0.92	4.19	3.64	0.22	0.80	3.06	1.13
Office Equipments	16.67	2.93	-	19.60	10.78	1.73	-	12.51	7.09
Computers	22.38	4.92	-	27.30	17.36	2.13	-	19.49	7.81
Total	**833.25**	**516.64**	**0.92**	**1,348.97**	**266.28**	**54.20**	**0.80**	**319.68**	**1,029.29**
(B) Other Intangible assets									
Computer Software	10.10	4.38	-	14.48	4.14	2.94	-	7.08	7.40
ANDA Development Cost	15.93	-	-	15.93	15.93	-	-	15.93	-
Total	**26.03**	**4.38**	**-**	**30.41**	**20.07**	**2.94**	**-**	**23.01**	**7.40**
Total (A) + (B)	**859.28**	***521.02**	**0.92**	**1,379.38**	**286.35**	**57.14**	**0.80**	**342.69**	**1,036.69**
(C) Capital Work in Progress									61.33
(D) Intangible assets under development									-
Total Property, Plant and Equipment, Capital Work-in-Progress, Other Intangible and Intangible Assets under development (A) +(B) + (C) + (D)*									**1,098.02**

* Addition includes ₹ 20.81 cr. used for Research and Development.

** Freehold land title deeds are in the name of the Company.

8.2 Previous Year

₹ in cr.

Particulars	Gross Block (Cost Or Deemed Cost)				Accumulated Depreciation/Amortisation				Net Block
	As at 1.4.2016	Additions	Disposals	As at 31.03.2017	As at 1.4.2016	For the year	Disposals	As at 31.03.2017	As at 31.03.2017
(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									
Computer Software	5.97	4.13	-	10.10	2.22	1.92	-	4.14	5.96
ANDA Development Cost	15.93	-	-	15.93	15.93	-	-	15.93	-
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 56)								338.03
(D) Intangible assets under development									1.23
Total Property, Plant and Equipment, Capital Work-in-Progress, Other Intangible and Intangible Assets under development (A) +(B) + (C) + (D)*									**912.19**

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

** Freehold land title deeds are in the name of the Company.

Depreciation of ₹ 1.93 cr. considered as Pre-operative expenditure - Refer note 56.

NOTES

to the standalone financial statements as on 31st March 2018

9. Non-Current Investments

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Unquoted (At cost)		
Investment in Equity Instruments		
In Subsidiary Companies:		
Ajanta Pharma (Mauritius) Ltd.		
6,13,791 (Previous Year 6,13,791) Ordinary Shares of Mauritian Rupees 100 each fully paid up	9.44	9.44
Ajanta Pharma USA Inc		
10,000 (Previous Year 10,000) Common Stock of US $ 100 each fully paid up	6.07	6.07
Ajanta Pharma Philippines Inc.		
82,000 (Previous Year 82,000) Ordinary Shares of Philippines Peso 100 each fully paid up	1.38	1.38
Ajanta Pharma Nigeria Ltd		
6,00,00,000 (Previous Year 1,00,00,000) Ordinary Shares of Nigerian Naira 1 each fully paid up	1.37	0.36
In Joint Venture		
Turkmenderman Ajanta Pharma Ltd. (Refer Note 55)		
2,00,000 (Previous Year 2,00,000) Shares of US $ 10 each fully paid-up	-	-
In Others		
OPGS Power Gujarat Private Limited		
1,95,000 (Previous Year 1,95,000) Shares of ₹ 0.19 each	-	-
(Current Year ₹ 37,050, Previous Year ₹ 37,050)		
Total	**18.26**	**17.26**
Aggregate value of unquoted investments	18.26	17.26

10. Other Non-Current Financial Assets

	As at 31 March 2018	As at 31 March 2017
Security Deposits		
In Deposit Accounts with Banks	10.18	6.75
- Under Lien (with maturity of more than 12 months of the Balance Sheet date)	3.89	1.35
- Others (Current Year ₹ 10,000, Previous Year ₹20,000)	-	-
Interest Accrued on fixed deposits with Banks	0.11	0.99
	14.18	**9.09**

11. Non-Current Tax Assets (Net)

	As at 31 March 2018	As at 31 March 2017
Income Tax Paid (Net of Provision)	22.83	21.00
	22.83	**21.00**

12. Other Non-Current Assets

	As at 31 March 2018	As at 31 March 2017
Capital Advances	43.55	13.93
	43.55	**13.93**

NOTES
to the standalone financial statements as on 31st March 2018

13. Inventories

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Raw Materials	116.77	53.25
Packing Materials	44.50	19.08
Work-in-Progress	11.04	13.98
Finished Goods	99.30	49.96
Finished Goods in transit	21.62	26.29
Stock-in-trade	22.89	16.58
Stock-in-trade in transit	1.25	0.14
	317.37	**179.28**

14. Current Investments

	Face Value ₹	No. of Units *	As at 31 March 2018	As at 31 March 2017
Unquoted (Fair Value through Profit or Loss (FVTPL))				
In Mutual Funds				
Franklin India Low Duration Fund - Growth	10	1,52,08,668 (4,27,73,165)	30.38	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	- (91,83,266)	-	57.19
Reliance Regular Saving Fund-Debt Plan - Growth Plan Growth Option	10	1,74,91,199 (66,85,326)	42.34	15.15
ICICI Prudential Regular Savings Fund - Growth	10	3,26,06,841 (-)	60.53	-
DSP Black Rock Income Opportunities Fund Reg Growth	10	35,49,057 (-)	10.15	-
IDFC Credit Opportunities Fund Reg Plan Growth	10	1,42,18,953 (-)	15.24	-
ICICI Prudential Balanced Fund Direct Plan Growth	10	17,93,670 (-)	23.74	-
SBI Magnum Insta Cash Fund Direct Plan - Daily Dividend	10	- (59,711)	-	10.00
			182.38	**181.56**
Aggregate value of unquoted investments			182.38	181.56

* Figures in Brackets are for previous year

15. Trade Receivables

	As at 31 March 2018	As at 31 March 2017
Unsecured		
- considered good	464.42	336.00
- considered doubtful	5.80	4.90
	470.22	**340.90**
Less: Allowance for Doubtful Debts	(5.80)	(4.90)
(Refer note 44 for information about credit risk and market risk of trade receivables)	**464.42**	**336.00**

Trade receivables include debts due from subsidiary companies ₹ 201.41 cr. (P.Y. ₹ 150.96 cr.) [Refer note 48]

NOTES

to the standalone financial statements as on 31st March 2018

16. Cash and cash equivalents

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Balance with Banks - In Current Accounts	36.17	18.65
Cash on Hand	0.05	0.07
	36.22	**18.72**

17. Other Bank balances

	As at 31 March 2018	As at 31 March 2017
Earmarked balances with banks		
- Unpaid Dividend	0.65	0.95
- Unpaid Sale Proceeds of Fractional Shares (Current Year ₹ Nil, Previous Year ₹ 5,926)	-	0.00
In Deposit Accounts (with original maturity of more than 3 months and upto 12 months)		
- Under Lien	1.80	0.02
In Deposit Accounts (With original maturity of more than 12 months)		
- Under Lien	-	3.15
- Others (Current Year ₹ 10,000, Previous Year ₹ Nil)	0.00	-
	2.45	**4.12**

18. Other Current Financial Assets

	As at 31 March 2018	As at 31 March 2017
Interest Receivable	0.12	0.47
Mark to Market Derivative Assets	-	0.77
	0.12	**1.24**

19. Other Current Assets

	As at 31 March 2018	As at 31 March 2017
Advances other than Capital Advances		
Prepaid Expenses	-	1.39
Advances to Suppliers	7.40	3.75
Advance to Employees	4.31	3.30
Other Advances Recoverable	0.85	0.50
Balance with Statutory / Govt. Authorities		
Excise Authorities	0.15	40.71
Vat Receivable	1.46	3.98
GST Receivable	77.36	-
Octroi Refund Receivable	0.52	0.52
	92.05	**54.15**

NOTES

to the standalone financial statements as on 31st March 2018

20. Equity Share Capital

	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	₹ in cr.	No. of Shares	₹ in cr.
Authorised :				
Equity Shares of ₹ 2 each	15,00,00,000	30.00	15,00,00,000	30.00
Issued :				
Equity Shares	8,87,81,000	17.76	8,87,71,500	17.75
Subscribed & Paid up:				
Equity Shares of ₹ 2 each fully paid up	8,80,14,500	17.60	8,80,05,000	17.60
Add :- Share Forfeited - Amount originally paid up	7,66,500	0.09	7,66,500	0.09
		17.69		**17.69**

20.1 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the reporting period :

	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	₹ in cr.	No. of Shares	₹ in cr.
Equity shares outstanding at the beginning of the year	8,80,05,000	17.60	8,80,01,250	17.60
Add: Equity shares allotted during the year against option's exercised under ESOP	9,500	-	2,500	-
Add: Equity shares allotted during the year as Bonus on ESOP (Current Year ₹ Nil, Previous Year: ₹ 2,500)	-	-	1,250	-
Equity Shares outstanding at the end of the year	**8,80,14,500**	**17.60**	**8,80,05,000**	**17.60**

20.2 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 and pays dividends in Indian Rupees. Any interim dividend paid is recognised on the approval by Board of Directors.

During the year ended 31st March 2018, the amount of dividend per equity share recognised as distribution to equity shareholders is ₹ Nil (Previous Year ₹ 13), which includes interim dividend of ₹ Nil(Previous Year ₹ 13) 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.

20.3 Details of Shares held by each shareholders holding more than 5% equity shares

Name of Shareholders	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	% holding	No. of Shares	% holding
Yogesh M Agrawal, Trustee Yogesh Agrawal Trust	1,27,49,999	14.49	1,27,49,999	14.49
Rajesh M Agrawal, Trustee Rajesh Agrawal Trust	1,27,49,999	14.49	1,27,49,999	14.49
Ravi Purushottam Agrawal, trustee Ravi Agrawal Trust	1,26,59,999	14.39	1,26,59,999	14.39
Aayush Madhusudan Agrawal, trustee Aayush Agrawal Trust	1,26,60,000	14.39	1,26,60,000	14.39
Gabs Investments Private Limited	83,92,262	9.54	83,92,262	9.54
Ganga Exports being represented by Mr. Yogesh Agrawal, Mr. Rajesh Agrawal, Mr. Ravi Agrawal & Mr. Aayush Agrawal	24,37,500	2.77	51,37,500	5.84

NOTES

to the standalone financial statements as on 31st March 2018

20. Equity Share Capital (Contd.)

	As at 31 March 2018 No. of Shares	As at 31 March 2017 No. of Shares
20.4 Equity Shares reserved for issuance under Employees Stock Options Scheme 2011 of the Company		
Equity Shares	11,49,250	11,58,750
20.5 Aggregate number of Equity shares issued during last five years pursuant to Employees Stock Options		
Scheme 2011		
Equity Shares	1,76,000	1,66,500
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	2,92,92,250	2,92,92,250
Bonus Shares on allotment of ESOP in F.Y. 2014-15	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	1,250
20.7 The Company is not a subsidiary company.		

21. Other Equity

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Capital Redemption Reserve		
Balance at the beginning of the year	2.10	2.10
Less: Utilised for allotment of Bonus Shares under ESOP (Current Year : ₹ Nil, Previous Year : ₹ 2,500)	-	-
	2.10	**2.10**
Securities Premium Account		
Balance at the beginning of the year	76.06	75.99
Add : Addition during the year	1.36	0.07
	77.42	**76.06**
General Reserve		
Balance at the beginning and at the end of the year	**901.00**	**901.00**
Employee Stock Option Outstanding		
Balance at the beginning of the year	1.65	0.27
Add: Share based Payment Expense	1.34	1.45
Less : Exercised during the year	(1.36)	(0.07)
Balance at the year end	**1.63**	**1.65**

NOTES

to the standalone financial statements as on 31st March 2018

21. Other Equity (Contd.)

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	505.44	134.65
Profit for the year	427.52	499.81
Less: Re-measurement of defined benefit plans	1.30	0.11
Less: Appropriations		
- Interim Dividend on Equity Shares	-	114.41
- Corporate Tax on Interim Dividend	-	14.50
Balance at the year end	**931.67**	**505.44**
Total Reserve & Surplus	**1,913.81**	**1,486.25**

Nature of Reserves

a) Capital Redemption Reserve

The Company has recognised Capital Redemption Reserve on buy-back of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

b) Securities Premium

Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

c) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

22. Other Non-Current Financial Liabilities

	As at 31 March 2018	As at 31 March 2017
Trade / Security Deposits payable	-	0.09
	-	**0.09**

23. Non-Current Provisions

	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits (Net) (Refer Note 42)		
Gratuity	4.08	-
Compensated absences	9.08	3.15
	13.16	**3.15**

24. Deferred Tax Liabilities (Net)

		As at 31 March 2018	As at 31 March 2017
Deferred Tax Liabilities			
Difference in tax base of Property, Plant and Equipment	**(A)**	67.18	37.21
Unrealised gain/loss on securities carried at FVOCI/FVTPL	**(B)**	0.82	2.15
Deferred Tax Assets			
MAT Credit Entitlement	**(C)**	10.88	5.65
Disallowance under Income Tax	**(D)**	10.12	6.33
Deferred Tax Liabilities (Net)	**(A+B) - (C+D)**	**47.00**	**27.38**

25. Non-Current Tax Liabilities (Net)

	As at 31 March 2018	As at 31 March 2017
Provision for Tax (Net of Payment)	-	1.74
	-	**1.74**

NOTES

to the standalone financial statements as on 31st March 2018

26. Trade Payables

₹ in cr

	As at 31 March 2018	As at 31 March 2017
Trade payables to Related Parties	0.72	-
Other Trade Payables	210.75	145.31
	211.47	**145.31**

(Refer Note 53 for Micro, Small and Medium Enterprises disclosure)

27. Other Current Financial Liabilities

	As at 31 March 2018	As at 31 March 2017
Unpaid Dividend*	0.65	0.95
Capital Creditors	35.60	24.29
Book Overdraft	2.32	5.53
Employee Benefits Payable	14.45	7.38
Mark to Market Derivative Liability	1.50	-
Other payables	-	0.04
	54.52	**38.19**

* There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as at 31st March 2018.

28. Other Current Liabilities

	As at 31 March 2018	As at 31 March 2017
Advances from Customers	9.57	2.83
Statutory Dues payable	3.92	5.07
	13.49	**7.90**

29. Current Provisions

	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits (Net)		
Gratuity (Refer Note 42)	3.47	3.07
Compensated Absences	3.86	0.73
Other Provisions		
Sales Returns for Expired Goods (Refer Note 50)	9.66	9.00
	16.99	**12.80**

30. Current Tax Liabilities (Net)

	As at 31 March 2018	As at 31 March 2017
Provision for Tax (Net of Payment)	3.72	8.04
	3.72	**8.04**

31. Revenue from Operations

	As at 31 March 2018	As at 31 March 2017
Sale of Products		
Finished Goods	1,561.77	1,571.11
Stock-in-Trade	200.92	182.57
Other Operating Revenues		
Export Incentives	66.17	66.83
Others	1.59	2.20
	1,830.45	**1,822.71**

NOTES

to the standalone financial statements as on 31st March 2018

32. Other Income

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Dividend from Subsidiary Companies	49.65	43.18
Income on Financial Assets carried at FVTPL		
Dividend on Investments	0.12	0.67
Gain on Financial Instrument	11.41	16.83
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	0.45	0.54
Interest From Others	0.61	1.82
Exchange Difference (Net)	10.65	-
Miscellaneous Income	0.12	3.91
	73.01	**66.95**

33. Cost of Material Consumed

	As at 31 March 2018	As at 31 March 2017
Raw Material Consumed	287.40	282.47
Packing Material Consumed	88.03	90.84
	375.43	**373.31**

34. Purchases of Stock-in-trade

	As at 31 March 2018	As at 31 March 2017
Purchases of Stock-in-trade	**73.01**	**59.23**

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

		As at 31 March 2018	As at 31 March 2017
Inventories at the beginning of the year :			
Finished Goods		76.25	87.01
Work-in-Progress		13.98	10.96
Stock-in-trade		16.72	16.27
	(A)	**106.95**	**114.24**
Inventories at the end of the year :			
Finished Goods		120.92	76.25
Work-in-Progress		11.04	13.98
Stock-in-trade		24.14	16.72
	(B)	**156.10**	**106.95**
Changes in Inventories :			
Finished Goods		(44.67)	10.76
Work-in-Progress		2.94	(3.02)
Stock-in-trade		(7.42)	(0.45)
Total changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(A) - (B)	**(49.15)**	**7.29**

36. Empolyee Benefit Expenses

	As at 31 March 2018	As at 31 March 2017
Salaries, Wages and Bonus	313.76	248.72
Contribution to Provident and Other Funds	23.49	17.11
Share Based Payment Expense (Refer Note 43)	1.34	1.45
Staff Welfare Expenses	4.30	2.50
	342.89	**269.78**

NOTES

to the standalone financial statements as on 31st March 2018

37. Finance Cost

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Interest expenses	0.24	1.24
	0.24	**1.24**

38. Depreciation and Amortisation Expenses

	As at 31 March 2018	As at 31 March 2017
Depreciation of Property, Plant and Equipment (Refer note 8)	54.20	57.56
Depreciation of Intangible Assets (Refer note 8)	2.94	1.92
	57.14	**59.48**

39. Other Expenses

	As at 31 March 2018	As at 31 March 2017
Selling Expenses	118.37	118.68
Clearing and Forwarding	53.67	39.25
Travelling Expenses	34.91	32.02
Processing Charges	21.44	17.34
Power and Fuel	27.00	18.36
Advertisement and Publicity	1.71	3.58
Consumption of Stores & Spare Parts	63.59	53.37
Rent (Refer Note 46)	10.84	6.31
Rates & Taxes	0.96	0.54
Legal and Professional Fees	16.28	13.58
Postage and Telephone Expenses	4.40	6.40
Repairs & Maintenance		
Buildings	7.05	4.14
Plant and Machinery	23.58	17.73
Computers & Others	8.75	5.26
Insurance	6.05	5.47
Donation	0.34	0.06
Exchange Rate Difference (Net)	-	8.53
Impairment loss on Financial Assets	8.36	23.27
Excise Duty collected on Sales	5.10	18.38
Directors Sitting Fees	0.23	0.24
Clinical and Anaytical Charges	34.81	21.40
Loss on Sale/Discard of Property, Plant and Equipment (Net)	0.01	3.89
Corporate Social Responsibility Expenses (Refer Note 49)	11.99	8.72
Miscellaneous Expenses	82.02	52.17
	541.46	**478.68**

NOTES

to the standalone financial statements as on 31st March 2018

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 30%; in 2017-18 the return was 29% and in 2016-17 the return was 43%.

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 2018 was as follows.

₹ in cr.

Particulars		31 March 2018	31 March 2017
Debt (Debt + Current Liabilities)		309.62	209.18
Less: Cash and Cash Equivalents and current investments		(218.60)	(200.28)
Net Debt	A	91.02	8.90
Equity	B	1,931.50	1,503.94
Net Debt to Equity Ratio	A/B	0.05	-

41. Basic and Diluted Earnings per Share is calculated as under:

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

Particulars		31 March 2018	31 March 2017
Basic and Diluted Earnings Per Share:			
Profit attributable to Equity shareholders- for Basic EPS (₹ in cr.)	(A)	427.52	499.81
Add: Dilutive effect on profit (₹ in cr.)	(B)	Nil	Nil
Profit attributable to Equity shareholders for Diluted EPS (₹ in cr.)	(C=A+B)	427.52	499.81
Weighted Average Number of Equity Shares outstanding-for Basic EPS	(D)	8,80,02,778	8,80,04,688
Add: Dilutive effect of option outstanding-Number of Equity Shares *	(E)	16,962	24,466
Weighted Average Number of Equity Shares for Diluted EPS	(F=D+E)	8,80,19,740	8,80,29,154
Face Value per Equity Share (₹)		2	2
Basic Earnings Per Share (₹)	(A/D)	48.59	56.79
Diluted Earnings Per Share (₹)	(C/F)	48.58	56.78

* 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

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 administered 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 contributions are normally based on a certain proportion of the employee's salary. During the year, the Company made the following contributions:

Particulars	31 March 2018	31 March 2017
Provident Fund and Employee's Pension Scheme	15.36	13.48
Employees State Insurance	2.55	1.63
	17.91	**15.11**

NOTES

to the standalone financial statements as on 31st March 2018

42.2 Defined Contribution 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:

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 with a maximum limit of ₹ 0.20 crores.

42.2.2. On the death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31st March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the Balance Sheet date:

₹ in cr.

Particulars		31 March 2018	31 March 2017
i)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	16.60	14.31
	Current service cost	3.49	3.00
	Interest cost	1.11	1.05
	Actuarial loss / (gain)		
	- changes in financial assumptions	1.97	0.08
	- changes in demographic assumptions	0.25	-
	- experience adjustments	(0.48)	(0.06)
	Past service cost	2.20	-
	Benefit (paid)	(1.69)	(1.78)
	Closing defined benefit obligation	**23.45**	**16.60**
ii)	**Changes in Value of Plan Assets**		
	Opening value of plan assets	13.52	11.32
	Expenses deducted from the fund	-	-
	Adjustment to the opening fund	-	-
	Interest Income	0.76	0.78
	Contributions by employer	3.32	3.20
	Benefits (paid)	(1.69)	(1.78)
	Closing value of plan assets	**15.90**	**13.52**
iii)	**Amount recognised in the Balance Sheet**		
	Present value of funded obligations as at year end	23.45	16.60
	Fair value of the plan assets as at year end	15.90	13.52
	Net (asset) / liability recognised as at the year end	**7.55**	**3.08**

NOTES

to the standalone financial statements as on 31st March 2018

₹ in cr.

Particulars		31 March 2018	31 March 2017
iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	3.49	3.00
	Net Interest cost	0.10	0.12
	Expenses deducted from the fund	-	-
	Adjustment to the opening fund	-	-
	Net expenses recognised in the Statement of Profit and Loss	**3.59**	**3.12**
	Expenses recognised in the Statement of Other Comprehensive Income		
	Net actuarial loss/(gain) recognized in the current year		
	- changes in financial assumptions	1.97	0.08
	- change in demographic assumption	0.25	-
	- experience adjustments	(0.48)	(0.06)
	Return on plan assets excluding amounts included in Interest Income	0.25	0.15
	Net expenses recognised in the Statement of Other Comprehensive Income	**1.99**	**0.17**
v)	**Asset information**		
	Insurer Managed Funds (100%)	100%	100%
	(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)		
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	7.35%	7.20%
	Salary growth rate (p.a.)	9.00% for next 3 years and 7.00% thereafter	5.30%
	Average Remaining Service (Years)	4.60	11.25
	Attrition rate: Management has estimated the level of attrition based on last 3 years pattern, broad economic outlook, sector in which company operates and long term view to retain/relieve the employees		
vii)	**Estimate of amount of contribution in immediate next year**	3.47	3.07

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.

Particulars	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	22.51	24.47	15.10	18.37
Salary growth rate (1% movement)	24.35	22.59	18.31	15.13

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 2017-18.

42.3 Leave Encashment:

The 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 ₹12.94 cr. (Pr. Yr. ₹ 3.87 cr.) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

NOTES

to the standalone financial statements as on 31st March 2018

43. Share based payments

Company has established "Employees Stock Options Scheme 2011" ('ESOS – 2011') as approved in earlier year by the shareholders of the Company and Compensation committee of Board of Directors for key Employees of the Company. The options issued under the above scheme vest in a phased manner.

During the year 2000 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
22nd August 2017	2000	2	22.08.2018 to 22.08.2021

The options are granted 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 2018	31 March 2017
	Nos.	Nos.
Options outstanding as at the beginning of the Year	24,500	12,750
Add: Options granted during the Year	2,000	15,500
Less: Options Exercised during the Year	9,500	3,750
Less: Options lapsed during the Year	Nil	Nil
Options outstanding as at the Year End	17,000	24,500

Particulars	31 March 2018	Range of Exercise Prices	Weighted Average Exercise Prices	Weighted Average Contractual life
	Nos.	(₹)	(₹)	(Years)
Options outstanding as at the beginning of the Year	24,500	2.0	2.0	1.73
Add: Options granted during the Year	2,000	2.0	2.0	3.0
Less: Options Exercised during the Year	9,500	2.0	2.0	NA
Less: Options lapsed during the Year	Nil	Nil	Nil	Nil
Options outstanding as at the Year End	17,000	2.0	2.0	0.90

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			
	2,000 options	6,000 options	7,000 options	2,000 options
Grant date	8th May 2015	26th July 2016	26th July 2016	22nd August 2017
Last date for acceptance	8th June 2015	26th August 2016	26th August 2016	22nd September 2017
Risk free rate (%)	8.00	7.30	7.30	7.50
Expected Life (years)	1 to 3	3 to 4	1 to 3	1 to 4
Volatility (%)	31.70	20.23	20.23	17.20
Dividend yield (%)	1.50	0.53	0.53	0.43
Price of the underlying share in the market at the time of option grant	1,264/-	1,478/-	1,703/-	1,153/-

Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. They key inputs and assumptions used are as follows:

NOTES

to the standalone financial statements as on 31st March 2018

Share price: The closing price on NSE as on the date of grant has been considered for Valuing the options granted.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: 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 dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

Risk free interest rate: 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.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period of each separately vesting portion of the award as if the award was, in-substance, multiple awards.

44. Financial Instrument- Fair values and risk management

A. Fair value measurements

₹ in cr.

Financial Instruments by category	31 March 2018		31 March 2017	
	FVPL	Amortised Cost	FVPL	Amortised Cost
Financial assets				
Mark to Market Derivative Asset	-	-	0.77	-
Investments in Mutual Funds	182.38	-	181.56	-
Investment in Unquoted Equity Shares (Current Year ₹ 37,050, Previous Year ₹ 37,050)	-	-	-	-
Trade Receivables	-	464.42	-	336.00
Other Non-Current Financial Assets	-	14.18	-	9.09
Cash and cash equivalents	-	36.22	-	18.72
Bank balances other than cash and cash equivalents	-	2.45	-	4.12
Interest Receivable	-	0.12	-	0.47
Total Financial Assets	**182.38**	**517.39**	**182.33**	**368.40**
Financial liabilities				
Book Overdrafts	-	2.32	-	5.53
Other Non-Current Financial Liabilities	-	-	-	0.09
Capital Creditors	-	35.60	-	24.29
Other Current Financial Liabilities	-	0.65	-	0.99
Employee Benefits Payable	-	14.45	-	7.38
Mark to Market Derivative Liablity	1.50	-	-	-
Trade payables	-	211.47	-	145.31
Total Financial Liabilities	**1.50**	**264.49**	**-**	**183.58**

NOTES

to the standalone financial statements as on 31st March 2018

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 2018			31 March 2017		
	Level			Level		
	I	II	III	I	II	III
Recurring fair value measurements						
Mark to Market Derivative Asset	-	-	-	-	0.77	-
Investments in Mutual Funds	182.38	-	-	181.56	-	-
Non Recurring fair value measurements						
Total Financial Assets	**182.38**	**-**	**-**	**181.56**	**0.77**	**-**
Financial liabilities						
Non Recurring fair value measurements						
Mark to Market Derivative Liability	-	1.50	-	-	-	-
Total Financial Liabilities	**-**	**1.50**	**-**	**-**	**-**	**-**

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 Mark to Market Derivative Asset) 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.

Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

Type	Valuation Technique	Significant unobservable Inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

B. Financial risk management

Company has exposure to following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

Company'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.

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 the Company's activities. Company, through its training 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 the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the 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.

i. 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 Company 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.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

₹ in cr.

Particulars	31 March 2018	31 March 2017
Not past due but impaired	-	-
Neither past due not impaired	243.87	208.32
Past due not impaired	220.55	127.68
- 1-180 days	176.08	109.64
- 181-365 days	35.13	9.58
- more than 365 days	9.34	8.46
Past due impaired	5.80	4.90
- 1-180 days	-	-
- 181-365 days	-	-
- more than 365 days	5.80	4.90

(a) Trade receivables

Customer credit risk is managed by each business unit subject to the Company'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 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. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

As at 31st March 2018, Company had 36 customers, excluding wholly owned subsidiaries (31st March 2017: 42 customers) that owed the company more than ₹ 0.50 crore each and accounted for approximately 50% of the total outstanding as at 31st March 2018 and 31st March 2017.

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

NOTES

to the standalone financial statements as on 31st March 2018

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.

43% of total receivables is from wholly owned subsidiaries. These subsidiaries also have credit policies that are in line with the holding company.

Sales to certain jurisdictions are either based on advance payments or restricted to certain limits to curtail exposures to credit risk.

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expets the historical trend of minimal credit losses to continue.

₹ in cr.

	31 March 2018	31 March 2017
Gross Carrying amount	470.22	340.90
Average Expected loss rate	1.23%	1.44%
Carrying amount of trade receivables (net of impairment)	464.42	336.00

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	31 March 2018	31 March 2017
Balance as at the beginning of the year	4.90	Nil
Impairment loss recognised (net)	5.80	4.90
Amounts written off	4.90	Nil
Balance as at the year end	5.80	4.90

The impairment loss at 31st March 2018 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

(b) Financial instruments

Company limits its exposure to credit risk by investing only in liquid debt securities issued by mutual funds having 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, the Company adjusts its exposure to various counterparties.

ii. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The 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 0.70 at 31st March 2018 (31st March 2017: 0.92).

NOTES

to the standalone financial statements as on 31st March 2018

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

₹ in cr.

As at 31.03.2018	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables Current	211.47	211.47	211.47	-	-	-
Other Current Financial Liabilities	53.02	53.02	53.02	-	-	-
Mark to Market Derivative Liability						
- Outflow	1.50	1.50	1.50	-	-	-
Total	**266.00**	**266.00**	**266.00**	**-**	**-**	**-**

As at 31.03.2017	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Other Non-Current Financial Liabilities	0.09	0.09	0.09	-	-	-
Trade Payables Current	145.31	145.31	145.31	-	-	-
Other Current Financial Liabilities	38.19	38.19	38.19	-	-	-
Mark to Market Derivative Asset						
- Inflow	(0.77)	(0.77)	(0.77)	-	-	-
Total	**182.82**	**182.82**	**182.82**	**-**	**-**	**-**

iii. 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.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The 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.

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 2018 and 31st March 2017.

NOTES

to the standalone financial statements as on 31st March 2018

(a) Currency risk

Company 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 functional currency 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, the 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 as of 31st March 2018:

₹ in cr.

Particulars	US Dollars	Euro	Total
Bank balances	12.07	0.01	12.08
Trade receivables	376.42	5.99	382.41
Other Assets	2.28	8.60	10.88
Trade Payables	8.24	6.25	14.49
Other Financial Liabilities	1.75	6.72	8.47
Net assets / (liabilities)	**380.78**	**1.63**	**382.41**

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

Particulars	US Dollars	Euro	Total
Bank balances	15.62	0.67	16.29
Trade receivables	276.52	9.72	286.24
Other 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**

For the year ended 31st March 2018 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:

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	3.81 / (3.81)
Euro	+1% / (-1%)	0.01 / (0.01)

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:

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)

NOTES

to the standalone financial statements as on 31st March 2018

45. Note on foreign currency exposures on assets and liabilities:

(a) Disclosure on foreign currency on assets and liabilities

During the year, the 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 the Company:

Particulars	31 March 2018 Foreign Currency Amt in cr.	31 March 2017 Foreign Currency Amt in cr.	Buy or Sell	Cross Currency
EURO	0.44	0.08	SELL	INR
USD	7.46	0.10	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 2018	₹ in cr. 31 March 2017	Foreign Currency Amt in cr. 31 March 2018	Foreign Currency Amt in cr. 31 March 2017	Foreign Currency
Amount Receivable	390.65	364.07	6.07	5.61	USD
	14.65	10.70	0.19	0.15	EURO
	Nil	0.64	Nil	0.01	CHF
	Nil	0.01	Nil	*0.00	GBP
	Nil	0.23	Nil	0.01	AED
Amount Payable	10.11	8.90	0.16	0.14	USD
	13.02	4.58	0.16	0.07	EURO
	Nil	0.06	Nil	0.10	JPY

(Previous Year *GBP 1,030)

(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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt interest obligations. Further, the Company engages in financing activities at market linked rates, any changes in the interest rates environment may impact future rates of borrowing.

(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.

46. 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 these lease arrangements and there are no sub leases. There are no contingent rents. The lease payments of ₹ 10.84 cr. (Pr. Yr. ₹ 6.31 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 2018	31 March 2017
Not later than one year	0.85	2.91
Later than one year but not later than five years	1.58	3.20
Later than five years	Nil	Nil

NOTES

to the standalone financial statements as on 31st March 2018

47. Contingent Liabilities and commitments:

Contingent Liabilities

₹ in cr.

	Particulars	31 March 2018	31 March 2017
i.	Claims against the Company not acknowledged as debt	0.61	0.90
ii.	Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation.	4.85	1.44
iii.	Disputed Octroi. Amount paid under protest and included under "Other Current Assets" ₹ 0.52 cr. (Previous Year ₹ 0.52 cr.)	0.52	0.52
iv.	Excise duty and Service Tax disputed by the Company	4.73	2.64
v.	Income Tax demand disputed by the Company pending in appeal Amount paid and included under "Current Tax Assets (Net)" ₹ 0.97 cr. (Previous Year ₹ 7.86 cr.)	0.97	8.33
vi.	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).	0.09	0.08

The Company does not except the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flow.

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 (v) is dependent on decisions by relevant authorities of respective disputes and in respect of clause (vi) 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 ₹ 161.88 cr. (Pr. Yr. ₹ 132.28 cr.).

b) Other Commitments – Non-cancellable operating leases (Refer note 46).

48. 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	Non-Executive Director
Mr. Madhusudan B. Agrawal	Executive Vice-Chairman
Mr. Yogesh M. Agrawal	Managing Director
Mr. Rajesh M. Agrawal	Joint Managing Director
Mr. Arvind Agrawal	Chief Financial Officer
Mr. Gaurang Shah	Company Secretary

NOTES

to the standalone financial statements as on 31st March 2018

Mr. Chandrakant M. Khetan	Independent Director
Dr. Anil Kumar	Independent Director
Mr. K. H. Viswanathan	Independent Director
Mr. Prabhakar Dalal	Independent Director
Dr. Anjana Grewal	Independent Director
& 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

Mannalal Agrawal Trust, Trustee - Mannalal Agrawal

Yogesh Agrawal Trust, Trustee - Yogesh M Agrawal

Rajesh Agrawal Trust, Trustee - Rajesh M Agrawal

Ravi Agrawal Trust, Trustee - Ravi P Agrawal

Aayush Agrawal Trust, Trustee - Aayush Agrawal

Ajanta Pharma Limited Group Gratuity Trust

Samta Purushottam Agrawal Memorial Foundation

Ajanta Foundation (w.e.f 20th September 2017)

B) The following transactions were carried out with related parties:

₹ in cr.

Sr No.	Particulars	Category	31 March 2018	31 March 2017
1.	**Sale of Goods:**			
	APML	I	64.52	35.03
	APPI	I	70.39	68.97
	APMIL	I	38.43	34.08
	APUI	I	148.43	183.40
	APNL	I	9.27	5.58
2.	**Dividend from Subsidiary Companies**			
	APML	I	43.45	36.54
	APPI	I	6.20	6.64
3.	**Expenses Reimbursement to:**			
	APUI	I	15.73	15.34
4.	**Key Management Compensation :**			
	Short Term Employee Benefits			
	Purushottam B Agrawal	II	1.66	2.07
	Madhusudan B Agrawal	II	1.91	2.07
	Yogesh M Agrawal	II	1.91	2.07
	Rajesh M Agrawal	II	1.91	2.07
	Arvind Agrawal	II	1.54	0.84
	Gaurang Shah	II	0.41	0.37
	Post-employment benefits	II	0.09	0.09
5.	**Commission and Sitting Fees to Non-Executive Director :**			
	Mannalal B. Agrawal	II	1.24	1.24
	Mr. Chandrakant M. Khetan	II	0.07	0.06

NOTES

to the standalone financial statements as on 31st March 2018

₹ in cr.

Sr No.	Particulars	Category	31 March 2018	31 March 2017
	Dr. Anil Kumar	II	0.07	0.06
	Mr. K. H. Viswanathan	II	0.05	0.05
	Mr. Prabhakar Dalal	II	0.05	0.05
	Dr. Anjana Grewal	II	0.05	0.05
	Yogesh M. Agrawal	II	2.50	Nil
	Rajesh M. Agrawal	II	2.50	Nil
6.	**Dividend Paid**			
	Key Management Personnel	II	Nil	46.82
	Others	III	Nil	37.62
7.	**Investment in subsidiary:**			
	APNL	I	1.01	Nil
8.	**Purchase of Property**			
	Yogesh M Agrawal	II	Nil	2.60
	Rajesh M Agrawal	II	Nil	2.60
	Ravi P Agrawal	II	Nil	2.60
	Aayush M Agrawal	II	Nil	2.60
9.	**Sale of Vehicle**			
	Mannalal B Agrawal	II	0.02	1.10
	Ravi P Agrawal	II	Nil	0.23
10.	**Corporate Social Responsibility Expense**			
	Seth Bhagwandas Agrawal Charitable Trust	III	2.40	6.19
	Samta Puroshattam Agrawal Memorial Foundation	III	7.54	Nil
	Ajanta Foundation	III	0.05	Nil
11.	**Contribution made to Group gratuity trust through premium paid to LIC :**			
	Premium paid:	III	3.42	3.31
12.	**Bad Debts:**			
	APNL	I	Nil	1.62

C) Amount Outstanding as on 31 March 2018

₹ in cr.

Sr No.	Particulars	Category	31 March 2018	31 March 2017
1.	**Trade Receivables :**			
	APPI	I	21.10	18.20
	APUI	I	174.18	129.13
	APNL	I	6.13	2.78
	APMIL	I	Nil	0.85
2.	**Investments in :**			
	APML	I	9.44	9.44
	APPI	I	1.38	1.38
	APUI	I	6.07	6.07
	APNL	I	1.37	0.36
3.	**Trade Payables :**			
	APUI	I	0.72	Nil

NOTES

to the standalone financial statements as on 31st March 2018

₹ in cr.

Sr No.	Particulars	Category	31 March 2018	31 March 2017
4.	**Advance Received :**			
	APML	I	0.19	2.45
	APMIL	I	3.94	Nil
5.	**Commission payable to Non-Executive Director:**			
	Mannalal B Agrawal	II	1.20	1.20
	Mr. Chandrakant M. Khetan	II	0.02	0.01
	Dr. Anil Kumar	II	0.02	0.01
	Mr. K. H. Viswanathan	II	0.02	0.01
	Mr. Prabhakar Dalal	II	0.02	0.01
	Dr. Anjana Grewal	II	0.02	0.01
	Yogesh M. Agrawal	II	2.50	Nil
	Rajesh M. Agrawal	II	2.50	Nil

The Company has completed an independent evaluation for all international and domestic transactions for the year ended 31st March 2018 and has reviewed the same for the year ended 31st March 2017 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 Company believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle.

49. 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 ₹ 10.60 cr. (Previous year: ₹ 8.45)

b) Amount spend during the year on:

Sr No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of asset	Nil	Nil	Nil
(ii)	On purposes other than (i) above	11.99	Nil	11.99

*includes paid to related parties ₹ 9.99 cr. (Refer note 48)

c) Amount spend during the previous year on:

Sr No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of asset	Nil	Nil	Nil
(ii)	On purposes other than (i) above	8.72	Nil	8.72

*includes paid to related parties ₹ 6.19 cr. (Refer note 48)

NOTES

to the standalone financial statements as on 31st March 2018

50. Provision of anticipated Sales Return for Expired Goods

As per best estimate of management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37.

₹ in cr.

Particulars	31 March 2018	31 March 2017
Balance at the beginning of the year	9.00	7.67
Add: Provisions made during the year	9.66	5.71
Less: Amount written back/utilized during the year	9.00	4.38
Balance at the end of the year	**9.66**	**9.00**

51. The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclosures related to segments are presented in this standalone financial statements.

52. Remuneration to Auditors (excluding GST and Service Tax) :

Particulars	31 March 2018	31 March 2017
- Audit Fees	0.17	0.20
- For Certification and Other Matters	0.20	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 the Company.

	Particulars	31 March 2018	31 March 2017
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	8.91	0.51
	Interest due on above	Nil	Nil
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	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
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 as on 31st March 2018

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 2018	31 March 2017
Cost of Material/Consumables/Spares	46.63	48.45
Employee benefit expenses	54.43	46.56
Utilities	4.50	4.70
Other Expenses	80.68	50.62
Total	**186.24**	**150.33**

55. Company had entered into a Joint Venture with JV Turkmenderman Ajanta Pharma Ltd. (TDAPL) about two decade back, where it had management control. However in terms of JV agreement, Company subsequently 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. The Company is also unable to obtain reliable & acculate financial information in respect of the said JV.

56. Pre-operative expenses capitalised during the year represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same were capitalised on completion of projects and commencement of commercial operations. The details of pre-operative expenses capitalised are:

Particulars	31 March 2018	31 March 2017
Opening Balance	85.04	40.89
Add: Incurred during the year		
Employee Benefit Expenses	1.27	18.21
Professional fees	-	0.81
Travelling expenses	0.02	1.37
Depreciation	-	1.93
Others	2.60	28.69
Total	**88.93**	**91.90**
Less: Other Income	-	1.11
Less: Capitalised to Tangible Assets	88.93	5.75
Closing Balance	**-**	**85.04**

NOTES

to the standalone financial statements as on 31st March 2018

57. Disclosure on Specified Bank Notes (SBNs):

The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made since the requirement does not pertain to financial year ended 31st March 2018. Corresponding amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31st March 2017 have been disclosed.

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

58. Income Tax

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

₹ in cr.

		31 March 2018	31 March 2017
a.	**Current tax**		
	Current tax on profit for the year	117.49	136.89
	Adjustment for current tax of prior periods	(2.89)	0.09
	Total Current Tax expenses	**114.60**	**136.98**
	Deferred tax expense/(benefit)		
	Origination and reversal of timing difference	25.55	3.86
	MAT Credit Entitlement	(5.23)	-
	Total Deferred Tax expenses	**20.32**	**3.86**
	Total Income tax expense recognized in the income statement	**134.92**	**140.84**
b.	**Reconciliation of effective tax rate**		
	The following is a reconciliation of the company's effective tax rate		
	Accounting profit before income taxes	562.45	640.65
	Enacted tax rate in India (%)	34.61	34.61
	Computed expected tax (benefit)/expenses	194.65	221.72
	Effect of non-deductible expenses	2.48	13.15
	Effect of exempt non-operating income	(0.04)	(0.23)
	Reversal of temporary difference which is reversed in Tax Holiday	(13.72)	-
	Income taxed at different rate	(8.59)	(10.94)
	Additional deduction on R & D Expenses	(34.35)	(67.80)
	Investment allowance on plant & machinery	-	(13.57)
	Others deductible expenses	(2.62)	(1.58)
	Adjustment for current tax of prior periods	(2.89)	0.09
	Income tax (benefit)/expenses	134.92	140.84
	Effective tax rate	23.99%	21.98%

NOTES

to the standalone financial statements as on 31st March 2018

c. **Deferred tax assets & (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 2018	31 March 2017
Deferred Tax Liabilities		
Property, Plant and equipment	(67.19)	(37.21)
Gain on Financial Instrument at fair value through profit or loss	(0.82)	(2.15)
Total Deferred Tax Liabilities	**(68.00)**	**(39.36)**
Deferred Tax Asset		
Leave Encashment	4.77	1.34
Provision for Expired Goods	3.34	3.11
Re-measurement of defined benefit plans	-	0.18
MAT Credit Entitlement	10.88	5.65
Provision for Loss Allowance	2.01	1.70
Total Deferred Tax Asset	**15.77**	**11.98**
Deferred tax liabilities after set off	(47.00)	(27.38)
Movement in deferred tax liabilities, net		
Opening balance	**27.38**	**(23.58)**
Re-measurement of defined benefit plans	0.69	0.06
Tax benefit/(expense) during the period recognised in profit or loss	(20.32)	(3.86)
Closing balance	**(47.00)**	**(27.38)**

The charge relating to temporary differences during the year ended 31st March 2018 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 2017 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.

59. Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification. Previous year standalone financial statements have been audited by firm of Chartered Accountants other than B S R & Co. LLP.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 2nd May 2018

For and on behalf of Board of Directors of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

ajanta pharma limited

(CIN No. L24230MH1979PLC022059)

Redg. Office: "Ajanta House", Charkop, Kandivli (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-ninth** Annual General Meeting of the Members of Ajanta Pharma Limited will be held on Thursday, the 5th day of July 2018 at 11.00 a.m. at Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad West, Mumbai, Maharashtra 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 2018 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 2018 together with the Report of the Auditors thereon.

2. To appoint a Director in place of Mr. Mannalal B. Agrawal (DIN:00073828), who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Purushottam B. Agrawal (DIN:00073680), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), 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 ₹ 5.00 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 2019, be and is hereby ratified."

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 Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, approval of the Members be and is hereby accorded to the re-appointment of Mr. Yogesh M. Agrawal (DIN: 00073673) as the Managing Director of the Company for the undermentioned period and upon the following terms and conditions including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of Mr. Yogesh M. Agrawal in the best interests of the Company and as may be permissible at law, viz.:-

   A. **Period:**

   5 years from the expiry of his present term of office i.e. w.e.f. 1st April 2018.

   B. **Remuneration:**

   Basic Salary: ₹ 612 lakhs (₹ Six hundred and twelve lakhs only) per annum with such increments as the Board may decide from time to time.

   C. Perquisites: Undermentioned perquisites will be allowed in addition to salary subject to the condition that the aggregate amount of Salary, Perquisites and Commission shall not exceed 5% of the net profit for one managerial person and if there is more than one such managerial person, 10% for all of them together in terms of provisions of Sections 197 and 198 of the Companies Act, 2013:-

   i. Housing: Free furnished accommodation or HRA in lieu of Company provided accommodation.

   ii. Reimbursement of expenses on actuals pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation as per Company policy.

   iii. Car: Two cars for use of Company's Business as per Company Car policy.

iv. Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actuals (including domiciliary and medical expenses and insurance premium for medical and hospitalisation policy as applicable), as per Company policy.

v. Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the policy of the Company.

vi. Club fees: Fees of One Corporate Club in India (including admission and annual membership fee).

vii. Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the policy of the Company.

viii. Leave and encashment of leave - as per the policy of the Company.

ix. Personal accident Insurance Premium - as per the policy of the Company.

x. Contribution towards Provident Fund and Superannuation Fund or Annuity Fund, National Pension Scheme - as per the policy of the Company.

xi. Gratuity and / or contribution to the Gratuity Fund of Company - as per the policy of the Company.

xii. Other Allowances / benefits, perquisites - any other allowances, benefits and perquisites as per the Rules applicable to the Senior management of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.

xiii. Any other one time / periodic retirement allowances / benefits as may be decided by the Board at the time of retirement.

D. Commission based on net profits:

In addition to the salary, perquisites and allowances as set out above, Mr. Yogesh M. Agrawal shall be entitled to receive Commission not exceeding 1% of the consolidated net profit of the Company for the respective financial year. Such Commission payable to him as also to the Joint Managing Director and other Whole-time Director of the Company, will be determined by the Board of Directors for each financial year based on recommendations of the Nomination and Remuneration Committee (NRC).

E. The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.

F. Subject as aforesaid, the Managing Director shall be governed by such other Rules as are applicable to the Senior management of the Company from time to time.

G. When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. Yogesh M. Agrawal in accordance with the applicable provisions of Schedule V of the Companies Act, 2013.

H. The NRC will review and recommend the remuneration payable to the Managing Director during the tenure of his appointment.

I. Mr. Yogesh M. Agrawal shall not be subject to retirement by rotation during his tenure as the Managing Director of the Company. So long as Mr. Yogesh M. Agrawal functions as the Managing Director, he shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

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 the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, approval of the Members be and is hereby accorded to the re-appointment of Mr. Rajesh M. Agrawal (DIN: 00302467) as Joint Managing Director of the Company for the undermentioned period and upon the following terms and conditions including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of Mr. Rajesh M. Agrawal in the best interests of the Company and as may be permissible at law, viz.:-

A. **Period:**

5 years from the expiry of his present term of office i.e. w.e.f. 1st May 2018.

B. **Remuneration:**

Basic Salary: ₹ 612 lakhs (₹ Six hundred and twelve lakhs only) per annum with such increments as the Board may decide from time to time.

C. Perquisites: Perquisites will be allowed in addition to salary subject to the condition that the aggregate amount of Salary, Perquisites and Commission shall not exceed 5% of the net profit for one managerial person and if there is more than one such managerial person, 10% for all of them together in terms of provisions of Sections 197 and 198 of the Companies Act, 2013:-

i. Housing: Free furnished accommodation or HRA in lieu of Company provided accommodation.

ii. Reimbursement of expenses on actuals pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation as per Company policy.

iii. Car: Two cars for use of Company's Business as per Company Car policy.

iv. Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actuals (including domiciliary and medical expenses and insurance premium for medical and hospitalisation policy as applicable), as per Company policy.

v. Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the policy of the Company.

vi. Club fees: Fees of One Corporate Club in India (including admission and annual membership fee).

vii. Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the policy of the Company.

viii. Leave and encashment of leave - as per the policy of the Company.

ix. Personal accident Insurance Premium - as per the policy of the Company.

x. Contribution towards Provident Fund and Superannuation Fund or Annuity Fund, National Pension Scheme - as per the policy of the Company.

xi. Gratuity and / or contribution to the Gratuity Fund of Company - as per the policy of the Company.

xii. Other Allowances / benefits, perquisites - any other allowances, benefits and perquisites as per the Rules applicable to the Senior management of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.

xiii. Any other one time / periodic retirement allowances / benefits as may be decided by the Board at the time of retirement.

D. **Commission based on net profits:**

In addition to the salary, perquisites and allowances as set out above, Mr. Rajesh M. Agrawal shall be entitled to receive Commission not exceeding 1% of the consolidated net profit of the Company for the respective financial year. Such Commission payable to him as also to the Managing Director and other Whole-time Director of the Company, will be determined by the Board of Directors for each financial year based on recommendations of the Nomination and Remuneration Committee (NRC).

E. The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.

F. Subject as aforesaid, the Joint Managing Director shall be governed by such other Rules as are applicable to the Senior management of the Company from time to time.

G. When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. Rajesh M. Agrawal in accordance with the applicable provisions of Schedule V of the Companies Act, 2013.

H. The NRC will review and recommend the remuneration payable to the Joint Managing Director during the tenure of his appointment.

I. Mr. Rajesh M. Agrawal shall be subject to retirement by rotation during his tenure as Joint Managing Director of the Company. So long as Mr. Rajesh M. Agrawal functions as Joint Managing Director, he shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

7. 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 the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act), as amended from time to time, and subject to the Articles of Association of the Company, the Board of Directors be and are hereby authorised to pay a sum not exceeding 1 percent per annum of the net profits of the Company calculated in accordance with the provisions of section 198 of the Act and the same be distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five years, effective from the Financial year 2018-2019."

By order of the Board of Directors,

Gaurang Shah
AVP – Legal &
Company Secretary

2nd May 2018

Registered office:
"Ajanta House", Charkop,
Kandivli (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, forms part of the notice and is appended to the notice.

6. The Register of Members and the Transfer Books in respect of the Equity Shares will remain closed from, Thursday, 28th June 2018 to Thursday, 5th July 2018 (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 Ltd. , bank account details to which the dividend shall be remitted through ESC/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 2010-2011 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. Pursuant to provisions of section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all the underlying shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF authority as notified by the Ministry of Corporate Affairs. In view thereof, after complying with the prescribed procedure, 26,260 shares on which dividend remained to be unclaimed for seven consecutive years, were transferred to IEPF account in 2017. The Company has initiated the process of transfer of shares on which dividend has not been claimed since FY 2010-11 and the same will be transferred on due date. Members who have not claimed dividend since FY 2010-11 are requested to claim the same before the dividend and the underlying shares gets transferred to IEPF account.

10. To support the green initiative of the Government, electronic copy of the Annual Report for the year ended 31st March 2018 and notice of the 39th 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 2018 and the notice are being sent in the permitted mode. Please note that the annual report and the notice of the 39th Annual General Meeting 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 Annual General Meeting, if required.

11. Pursuant to Section 72 of the Companies Act, 2013, 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.

12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors

are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

13. Route Map showing directions to reach to the venue of the 39th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meeting".

14. 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 39th Annual General Meeting (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 Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Ltd. (NSDL).

II. The remote e-voting period commences on Monday, 2nd July 2018 (9:00 a.m.) and ends on Wednesday, 4th July 2018 (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 Thursday, 28th June 2018, 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:
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

(i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

(ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

(iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(iv) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

(v) Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a.pdf file. Open the.pdf file. The password to open the.pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The.pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address

(vi) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/ Password**? "(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **PhysicalUserResetPassword**?(Ifyouare holding shares in physical mode) option available on www.evoting.nsdl.com

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box

(viii) Now, you will have to click on "Login" button

(ix) After you click on the "Login" button, Home page of e-Voting will open

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

(i) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

(ii) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

(iii) Select "EVEN" of company for which you wish to cast your vote.

(iv) Now you are ready for e-Voting as the Voting page opens.

(v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

(vi) Upon confirmation, the message "Vote cast successfully" will be displayed.

(vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

Once you confirm your vote on the resolution, you will not be allowed to modify your vote

IV. General Guidelines for shareholders

(i) 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@ajantapharma.com with a copy marked to evoting@nsdl.co.in.

(ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

(iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

(iv) 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 Thursday, 28th June 2018. 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.

(v) 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.

(vi) Mr. Alwyn Dsouza, 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.

(vii) 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.

(viii) 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.

(ix) 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 Ltd. & NSE, Mumbai.

By order of the Board of Directors,

Gaurang Shah
AVP – Legal &
Company Secretary

2nd May 2018

Registered office:
"Ajanta House", Charkop,
Kandivli (West),
Mumbai – 400 067

ROUTE MAP OF AGM

Address: Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad West, Mumbai, Maharashtra 400064

Maps Icons

- 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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 4

As per Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall, based on the recommendation of the Audit Committee appoint a cost accountant in practice, for auditing cost records of the Company and fix their remuneration. The remuneration of cost Auditors approved by the Board shall be subject to ratification by the shareholders.

In pursuance thereof on recommendation of Audit Committee, the Board has at its meeting held on 2nd May 2018 considered and approved appointment of M/s. Sevekari Khare & Associates, Cost Accountants, for Cost Audit of the cost records maintained by the Company for the financial year ending 31st March 2019, at a remuneration of ₹ 5.00 lacs plus GST as applicable and reimbursement of actual travel and out of pocket expenses, subject to ratification by the members.

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. 4.

The Board recommends the Resolution at Item No. 4 of the accompanying Notice for approval of the Members of the Company.

ITEM NO. 5

The Board of Directors of the Company ("the Board") at its Meeting held on 2nd May 2018, has, subject to approval of members, re-appointed Mr. Yogesh M. Agrawal as the Managing Director for a further period of five years from the expiry of his term i.e. effective 1st April 2018, on the terms and conditions including remuneration as recommended by the Nomination & Remuneration Committee and set out in the resolution.

It is proposed to seek the members' approval in terms of the applicable provisions of the Act for the re-appointment of and remuneration payable to Mr. Yogesh M. Agrawal as Managing Director of the Company.

Mr. Yogesh M. Agrawal has been at the helm of the Company for more than a decade and has been responsible for the stellar performance of the Company during last one decade. He has strong business acumen, strategic intelligence and execution abilities. He has been instrumental in augmenting the R&D, new product development & innovation, manufacturing facilities and marketing & distribution network. He has also been the force behind company's successful launch of US operations. Under his leadership, the Company has attained extraordinary growth in terms of revenue, profitability and other benchmarks. His efforts were recognized at various forums, some of which are mentioned below, which demonstrates his managerial capabilities and expertise:

i. Ranked among Top 100 CEOs of India by Business Today;

ii. Ranked among India's Most Valuable CEOs in Midcap category by Business world;

iii. Nominated for "Next Generation Entrepreneur of the year" under Forbes Leadership

Mr. Yogesh M. Agrawal is a member of the Company's Executive Committee, Corporate Social Responsibility Committee, Compensation Committee and Risk Management Committee. Other details required to be disclosed in terms of the provisions of the SEBI (Listing Obligations and Disclosure) Regulations, 2015 and Secretarial Standard on General Meetings, form part of this Notice.

Mr. Yogesh M. Agrawal satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for his reappointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. This may be treated as a written memorandum setting out the terms of re-appointment of Mr. Yogesh M. Agrawal under Section 190 of the Act.

The proposed agreement between the Company and Mr. Yogesh M. Agrawal is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day (excluding Saturdays, Sundays and holidays) upto the date of the Annual General Meeting.

Mr. Yogesh M. Agrawal is deemed to be interested in the resolution as it pertains to his re-appointment and remuneration payable to him. The other relatives of Mr. Yogesh M. Agrawal may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the resolution appearing at Item No. 5 of the accompanying Notice seeking your approval to the reappointment of Mr. Yogesh M. Agrawal as Managing Director of the Company.

ITEM NO. 6

The Board at its Meeting held on 2nd May 2018, has, subject to approval of members, re-appointed Mr. Rajesh M. Agrawal as the Joint Managing Director for a further period of five years from the expiry of his term i.e. effective 1st May 2018, on the terms and conditions including remuneration as recommended by the Nomination & Remuneration Committee and set out in the resolution.

It is proposed to seek the members' approval in terms of the applicable provisions of the Act for the re-appointment of and remuneration payable to Mr. Rajesh M. Agrawal as the Joint Managing Director of the Company.

Mr. Rajesh M. Agrawal is credited with the outstanding performance in India & Philippines market, which has been conceptualized & implemented by him seamlessly during last two decades. His unique capability of identifying unmet medical needs of the patients, getting those products developed through own R&D and then placing the same in the market with strategic advantage has been the main reason of accelerated growth of business over many years. His efforts were recognized at various forums, which demonstrates his managerial capabilities and expertise one of them being nominated for "Forbes Leadership Award 2017".

Mr. Rajesh M. Agrawal is a member of the Company's Executive Committee, Stakeholders Relationship Committee and Risk Management Committee. Other details required to be disclosed in terms of the provisions of Secretarial Standard on General Meetings form part of this Notice.

Mr. Rajesh M. Agrawal satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for his reappointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. This may be treated as a written memorandum setting out the terms of re-appointment of Mr. Rajesh M. Agrawal under Section 190 of the Act.

The proposed agreement between the Company and Mr. Rajesh M. Agrawal is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day (excluding Saturdays, Sundays and holidays) upto the date of the Annual General Meeting.

Mr. Rajesh M. Agrawal is deemed to be interested in the resolution as it pertains to his re-appointment and remuneration payable to him. The other relatives of Mr. Rajesh M. Agrawal may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the resolution appearing at Item No. 6 of the accompanying Notice seeking your approval to the reappointment of Mr. Rajesh M. Agrawal as Joint Managing Director of the Company.

ITEM NO. 7

At the Annual General Meeting of the Company held on 29th July 2013, the Members had approved of the payment of commission to Non-Executive Directors of the Company, not exceeding 1% per annum of the net profits of the Company for a period of five years commencing from 1st April 2013. It is proposed to continue the practice of payment of Commission to Non-Executive Directors of the Company to reward them for the valuable services rendered.

Accordingly, it is proposed that the Non-Executive Directors be paid, for each of the five consecutive financial years commencing 1st April 2018, remuneration not exceeding 1% per annum of the net profits of the Company computed in accordance with the provisions of section 197 of the Act the Act. This remuneration will be distributed amongst all or some of the Non-Executive Directors as approved by the Board.

All the Non-Executive Directors of the Company are concerned or interested in the Resolution at Item No. 7 of the Notice to the extent of the remuneration that may be received by each of them.

The Board recommends the resolution appearing at Item No. 7 of the accompanying Notice seeking your approval for payment of commission to Non-Executive Directors.

Details of the Director seeking appointment/re-appointment at thirty-ninth Annual General Meeting (pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standards on General Meetings).

By order of the Board of Directors,

Gaurang Shah
AVP – Legal &
Company Secretary

2nd May 2018

Registered office:
"Ajanta House", Charkop,
Kandivli (West),
Mumbai – 400 067

Name of Director	Mr. Yogesh M. Agrawal	Mr. Rajesh M. Agrawal	Mr. Mannalal B. Agrawal	Mr. Purushottam B. Agrawal
Date of Birth	14.01.1972	31.03.1976	26.03.1947	14.06.1949
DIN No.	00073673	00302467	00073828	00073680
Date of Appointment	29.04.2000	30.04.2013	31.12.1979	31.12.1979
Expertise in Specific Functional Area	Has been the Managing Director of the Company for more than 10 years & his expertise is discussed in explanatory statement.	He has been Joint Managing Director for last 5 years & heading India business for more than 15 years & his expertise is discussed in explanatory statement.	He is associated with the Company since inception and has immensely contributed in growth of the Company.	He is associated with the Company since inception as the initiator and has immensely contributed in growth of the Company.
Qualifications:				
(i) Educational	Business Management Graduate, USA	MBA	B.Com	B.Pharm
(ii) Experience in years	20+	20+	40+	40+
No. of shares held in the Company	1,27,49,999 shares (Trustee Yogesh Agrawal Trust)	1,27,49,999 shares (Trustee Rajesh Agrawal Trust)	1,70,000 shares (Trustee Mannalal Agrawal Trust)	Nil
Relationship with other Directors and Key Managerial Personnel	Brother of Mr. Rajesh M. Agrawal and son of Mr. Mannalal B. Agrawal, Directors	Brother of Mr. Yogesh M. Agrawal and son of Mr. Mannalal B. Agrawal, Directors	Father of Mr. Yogesh M. Agrawal & Mr. Rajesh M. Agrawal and brother of Mr. Purushottam B. Agrawal & Mr. Madhusudan B. Agrawal, Directors	Brother of Mr. Mannalal B. Agrawal & Mr. Madhusudan B. Agrawal, Directors
No. of Board meetings attended during FY 2017-18	Four	Four	Four	Two
Other Directorships in Companies	1. Gabs Investments Private Ltd. 2. Ajanta Pharma (Mauritius) Ltd. 3. Ajanta Pharma (UK) Ltd. 4. Inspira Martifer Solar Ltd. 5. Ajanta Pharma USA Inc. 6. Ajanta Pharma Philippines Inc. 7. Ajanta Pharma Mauritius (International) Ltd.	1. Ajanta Pharma Philippines Inc. 2. Gabs Investments Private Ltd.	None	1. Ajanta Pharma USA Inc. 2. Samta Mines And Minerals Ltd.
Membership of committees (M- Member) (C- Chairman)	Ajanta Pharma Ltd. – Executive Committee (C); Corporate Social Responsibility Committee (M); Compensation Committee (M); Risk Management Committee (C)	Ajanta Pharma Ltd. – Executive Committee (M); Risk Management Committee (M); Stakeholders' Relationship Committee (M)	Ajanta Pharma Ltd. – Corporate Social Responsibility Committee (C); Audit Committee (M)	Ajanta Pharma Ltd. – Executive Committee (M)
Terms and conditions of appointment	Whole time Director not liable to retire by rotation	Whole-time director, liable to retire by rotation	Non-Executive Director (Non Independent), liable to retire by rotation	Non-Executive Director (Non Independent), liable to retire by rotation
Details of remuneration	Please refer to the Directors' Report and Report on Corporate Governance	Please refer to the Directors' Report and Report on Corporate Governance	Please refer to the Directors' Report and Report on Corporate Governance	Please refer to the Directors' Report and Report on Corporate Governance

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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.

ajanta pharma limited

(CIN No. L24230MH1979PLC022059)
Redg. Office: Ajanta House, Charkop, Kandivli (West), Mumbai – 400 067
Tel. No.: 022 6606 1000 | Fax No. 022 6606 1200
Website: www.ajantapharma.com | email: investorgrievance@ajantapharma.com

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(CIN No. L24230MH1979PLC022059)

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Tel No. 022 66061000; Fax No. 022 66061200
Website: www.ajantapharma.com; email: investorgrievance@ajantapharma.com

ATTENDANCE SLIP

I hereby record my presence at the 39TH ANNUAL GENERAL MEETING of the Company held on Thursday, 5th July 2018 at 11:00 a.m. at Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad (West), 400064.

Regd. Folio/DPID & Client ID

Name and address of the shareholder

Joint Holders

No. of shares

____

Signature of the Member/ Joint Member(s) / Proxy

Note:

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of meeting hall.
2. Electronic copy of the Annual Report for the year ended 31st March 2018 and Notice of the Annual General Meeting (AGM) along with attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM may print copy of this Attendance slip or it will be made available at the venue of the meeting.
3. Physical copy of the Annual Report for the year ended 31st March 2018 and Notice of the AGM along with the attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

E-VOTING INFORMATION

EVEN (Electronic Voting Event Number)	User ID	Password

ajanta pharma limited

CIN: L24230MH1979PLC022059
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Tel No. 022 66061000; Fax No. 022 66061200
Website: www.ajantapharma.com; email: investorgrievance@ajantapharma.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered address :	
E-mail ID :	
Folio No/ DP ID-Client ID :	

I/ We, being the member (s) of .... shares of the above named company, hereby appoint:

(1) Name: ______________________________ Address : ______________________________

E-mail ID: ______________________________ Signature: ______________________ or failing him;

(2) Name: ______________________________ Address : ______________________________

E-mail ID: ______________________________ Signature: ______________________ or failing him;

(3) Name: ______________________________ Address : ______________________________

E-mail ID: ______________________________ Signature: ______________________

As my/ our proxy to attend and vote (on poll) for me/us and on my/ our behalf at the 39th Annual General Meeting of the Company, to be held on Thursday, 5th day of July 2018 at 11.00 a.m. at Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad (West), Mumbai - 400064, Maharashtra and at any adjournment thereof, in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Optional*	
		For	Against
	ORDINARY BUSINESS		
1.	Adoption of Financial Statements for the year ended 31st March 2018		
2.	Re-appointment of Mr. Mannalal B. Agrawal, who retires by rotation		
3.	Re-appointment of Mr. Purushottam B. Agrawal, who retires by rotation		
	SPECIAL BUSINESS		
4.	Ratifying remuneration of Cost Auditors		
5.	Re-appointment of Mr. Yogesh M. Agrawal as Managing Director and fix his remuneration		
6.	Re-appointment of Mr. Rajesh M. Agrawal as Joint Managing Director and fix his remuneration		
7.	Approval of commission payable to Non-Executive Directors for a period of five years		

Signed this ______________________________ day of ____________ 2018

Signature of shareholder: ______________________________

Affix Revenue Stamp

Signature of Proxy holder(s): ______________________________

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxy need not be a member of the company.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. For the Resolution, Explanatory Statement and Notes, please refer to Notice of the 39th Annual General Meeting forming part of the Annual report.
4. *It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Please complete all details including details of member(s) in above box before submission.