ajanta pharma limited

ANNUAL REPORT 2010-11

SCALING NEW HEIGHTS

ajanta pharma limited

Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Madhusudan B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Dr. Anil Kumar
Director

Chandrakant M. Khetan
Director

Subal Chandra Saha
Nominee Director (IDBI Bank)

Manjiri Bhalerao
Nominee Director (Exim Bank)
(upto 30th April, 2011)

Navin Gangawane
Nominee Director (Exim Bank)
(w.e.f. 1st May, 2011)

Auditors

Kapoor & Parekh Associates

Company Secretary

Nikhil Bhatt

Content

Regd. Office: Ajanta House, Charkop, Kandivli (W), Mumbai-67

"The only way of finding the limits of the possible is by going beyond them into the impossible"

– Arthur C. Clarke

"Unless you try to do something beyond what you have mastered, you will never grow."

– C.R. Lawton

Above quotes summarises the essence of what we are doing at Ajanta Pharma during last many years and will continue to do so in the coming years. We keep on setting higher & higher goals for us, year after year and we love to surpass them, every time outperforming ourselves, by

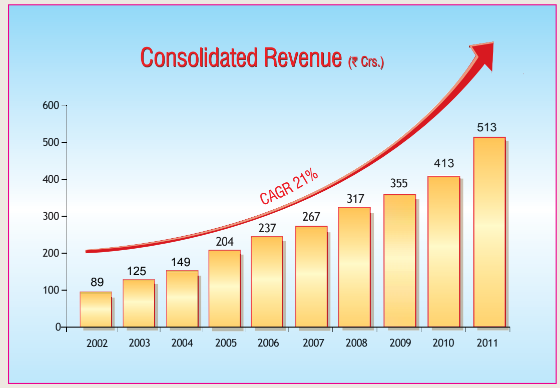
"SCALING NEW HEIGHTS"

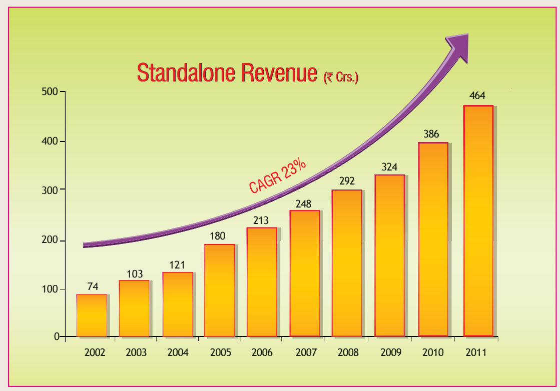
Be it financial performance, quality of products, patient convenience we provide, innovation we do or our social commitment everywhere we have been "SCALING NEW HEIGHTS" year after year which has become a way of life at Ajanta Pharma.

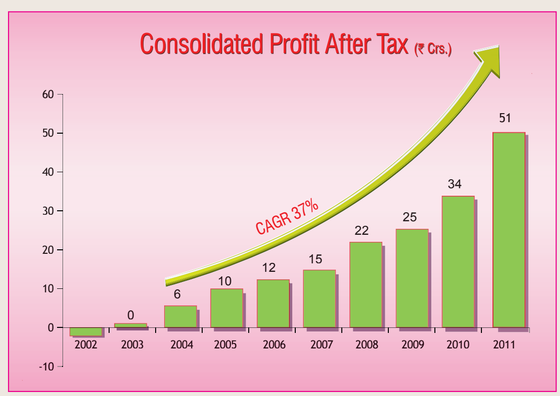
Management Discussion and Analysis

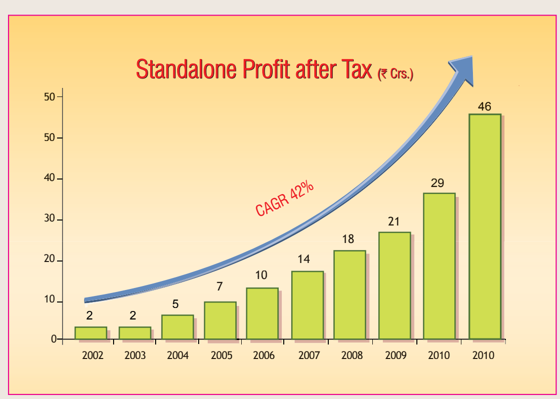
Consolidated revenue exceeding Rs.500crs. for financial year 2010-11 is a landmark in the history of Ajanta Pharma. With a modest beginning of a new transformed era in FY 2001-02, we have been able to scale newer heights year on year, consistently, adding value at every stage of our growth, with Compounded Annual Growth Rate (CAGR) of 21% for the last 10 years. Best part of this growth was that we were able to make our revenues more stable, sure and sustainable, resulting in company "SCALING NEW HEIGHTS" year after year. We are committed to continue this momentum in coming years and are poised for further "SCALING NEW HEIGHTS".

Consolidated Profitability kept pace with this growth in revenue during this period with an excellent CAGR of 37% for the last 8 years. Our commitment to innovation through Research & Development, Highest Quality Standards in Manufacturing and investment in Brand Promotions Worldwide enabled us to improve the quality of revenues year on year, resulting in "SCALING NEW HEIGHTS".









The excellent performance throughout the decade is the result of our total commitment to highest standard of Quality. Our products match the best of international standards and this is because of the best manufacturing practices we follow. This was reaffirmed recently by the country's apex body for our industry, Indian Drug Manufacturers Association (IDMA) who conferred on us the prestigious GOLD TROPHY for "QUALITY EXCELLENCE". This award reflects our commitment to distinction in all our endeavours. We have been awarded Quality Excellence Silver Trophy from IDMA three times in the past but in 2010 they could not think less than "Gold" for our achieving excellence in pharma formulation manufacturing thereby "SCALING NEW HEIGHTS".

Management Discussion and Analysis

Research & Development has always been the forte of Ajanta Pharma and our continued focus on Innovation for Patient Convenience and Compliance has yielded excellent results to us. We are proud to announce commencing of new enlarged "Advent", our dedicated R&D centre, during the year, with more than 30000 sq. ft. of space, best of the equipments and a very enthusiastic and committed team of over 200 qualified doctors, scientists, technicians and other trained staff. This ensures continued growth for the company and enables us to maintain the pace of "SCALING NEW HEIGHTS" year after year

During the year we launched 23 new products in different therapeutic segments, out of which 12 were 'first of its kind' in the country. All the products, developed by the in house R&D team, were unique, providing the much needed relief to the ailing patients.

Our R&D also consistently works to get more and more products registered in different countries, thereby aiding marketing team in "SCALING NEW HEIGHTS".

Management Discussion and Analysis

Excellent growth during the financial year was the result of our constant brand building exercise worldwide, strengthening our presence in different markets. In Domestic market, we continued our leadership in speciality segments we operate viz. Ophthalmology, Cardiology and Dermatology. We also started gaining strength in our new segments of Orthopaedic, Gastro, Nephrology, ENT and Respiratory. Many of our products continue to enjoy leadership position in their sub segments, being amongst the top five brands in the country thereby “SCALING NEW HEIGHTS”. We enhanced penetration in market place with major increase in field force, which will accelerate growth in coming years and ensure our “SCALING NEW HEIGHTS” year after year.

In the international markets, our products registered excellent growth on the back of brand building efforts and product innovation. Our presence in the continents of Asia, Middle East, Africa and Latin America, gives us an advantage in terms of market spread and huge growth potential, allowing us to continue “SCALING NEW HEIGHTS” in the International markets. Earlier we have filed 2 ANDA’s and we hope to get the approval during FY 2011-12, which will open for Ajanta Pharma the world’s biggest pharma market– United States of America (USA). With more ANDA filings planned in coming years, our growth momentum will see a major upside ensuring our “SCALING NEW HEIGHTS”.

Management Discussion and Analysis

Our biggest strength is the team of 3000+ Ajantaites spread across the world, who untiringly work towards the single goal of "SCALING NEW HEIGHTS". The team has grown more than 50% during last one year and is still growing. This strong team of dedicated and experienced professionals stand for highest ethical standards. We always strive to enhance their skills through multiple exposures, job specific training, sports, picnics and cultural programmes above all offering them the opportunity to enhance their knowledge. One of such initiative is our Continuous Learning Program (CLP), which offers Ajantaites an opportunity to imbibe the latest trends in management skills through interaction with top faculties from leading management colleges and other training institutes, thereby allowing them to continue "SCALING NEW HEIGHTS".

Corporate Social Responsibility (CSR) is an integral part of business at Ajanta Pharma. Our commitment to the society, in which we operate and grow, has always been to add value and make it a better place. Our efforts are concentrated on few focussed areas of Eye Camps, Corrective Plastic Surgery Camps, Blood Donation Camps, Jaipur Foot Camp, etc. All these camps are targeted towards the needy patients from the rural areas and thousands of people keep on benefiting from them every year. At Ajanta Pharma, we sincerely feel that providing health care for the poor & needy, who can't afford it easily, in itself is "SCALING NEW HEIGHTS".

Management Discussion and Analysis

Overview

It was an excellent year for the Indian Pharma Industry, with double digit growth in the domestic market. Exports had also been witnessing a phenomenal growth with Indian companies strengthening their foothold in the US generic markets and emerging markets. Indian companies have significantly added to their manufacturing capacities, which will allow them to maintain this growth momentum. Hence there are large opportunities, both in domestic as well as global markets, for Indian companies.

Ajanta Pharma was also part of this growth momentum both in the domestic and export markets. With continued focus on speciality segments and innovation through R&D, we have been able to accelerate the growth during financial year 2010-11. We look forward to scaling new heights in the coming years, taking full advantage of the opportunities offered by the market. We are now expanding in more speciality areas which will enable us to serve more patients, creating convenience and compliance for them.

Lack of clarity on many policy matters at the Government level, delays in approval processes, volatility in foreign exchange rates, counterfeiting are some of the threats to the industry. We are taking many preventive measures and proactive steps to mitigate these threats.

We have excellent internal control system supported by internal audit at all the locations, including manufacturing plants, warehouses, loan licensee locations, depots, etc. which continuously evaluates efficiency levels of each of the functions of the organization. Recently we have started conducting Efficiency Enhancement Checks which has helped us tremendously in further strengthening and improving the efficiency at work place.

Cautionary Note

Certain statements in the reports of the Board of Directors and Management's discussions and analysis may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since company's operations are influenced by many external and internal factors beyond the control of the company. The company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

AUDITORS' REPORT

To the Members of

AJANTA PHARMA LIMITED

1. We have audited the attached Balance Sheet of **AJANTA PHARMA LIMITED** (the Company) as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (together the 'Order'), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to above, we report that:

   a) We have 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 appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;

   e) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give, a true and fair view in conformity with the accounting principles generally accepted in India;

      i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants
(ICAI FRN 104803W)

S. S. KAPOOR
Partner
M. No. 5399

Mumbai, 30th April, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in the paragraph 3 of our report of even date to the Members of **AJANTA PHARMA LIMITED** on the accounts for the year ended 31st March, 2011.)

1. In respect of its fixed assets:
   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   b) The fixed assets have been physically verified by the management during the year as per the phased programme which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that there were no material discrepancies noticed on such verification.
   c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and going concern status of the Company is not affected.
2. In respect of inventories:
   a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year except for stocks with third parties for which most of the confirmation certificates have been obtained by the Company and stocks in transit.
   b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
   c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.
3. In our opinion and according to the information and explanations given to us, the Company has neither taken nor given any loan, secured or unsecured, from/ to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence, sub-clauses (b), (c), (d), (f) & (g) of Clause (iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there exist an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section and such transactions exceeding ₹ 5 Lacs in respect of each party have been made at prices which are prima facie, reasonable having regard to the prevailing market prices at the relevant time where such prices are available.
6. The Company has not accepted any deposit from public. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of formulations, bulk drugs and drug intermediates pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed records have generally been maintained and the prescribed accounts are in the process of being made up. We have however, not made a detailed examination of the records with a view to determine whether they are accurate and complete.
9. According to the information and explanations given to us in respect of statutory and other dues:
   a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection

Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities during the year. There were no dues on account of cess under Section 441A of the Companies Act, 1956, since the date from which aforesaid Section comes into effect has not yet been notified by the Central Government.

b) According to the information and explanation given to us, except Sales Tax amounting to ₹ 10 Lacs, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues were in arrears, as at 31st March, 2011 for a period of more than six months from the date they became payable.

c) On the basis of our examination of the documents and records of the Company and the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of a dispute, except as enumerated herein below which are pending before respective authorities as mentioned there against:

Name of the statute	Nature of the Dues	Amount* (₹ in Lacs)	Period to which amounts relate (Assessment Year)	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax/ TDS/ Interest/ Penalty	110.97 34.54 37.05 15.30	2000-01 2001-02 2002-03 2003-04	Commissioner of Income Tax (Appeals)
		0.17 8.05	2006-07 2007-08	Commissioner of Income Tax – TDS (Appeals)
		63.77 9.44 2.77	2001-02 2002-03 2003-04	Income Tax Appellate Tribunal

*Net of amounts paid under protest or otherwise.

10. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding financial year.

11. Based on our audit procedures, information and explanations given to us, in our opinion the Company has not defaulted in repayment of dues to financial institutions and banks. The Company does not have any outstanding debentures during the year.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/mutual benefit fund/society.

14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

17. According to the cash flow statement and other records examined by us and on the basis of the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

19. According to the information and explanations given to us, the Company does not have outstanding debentures at the beginning of the year nor has issued any debentures during the year.

20. The Company has not raised any money by public issue during the year.

21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants
(ICAI FRN 104803W)

S. S. KAPOOR
Partner
M. No. 5399

Mumbai, 30th April, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011 (STAND ALONE)

(₹ in Lacs)

	Schedules	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,179.61	1,179.61
Reserves and Surplus	2	20,375.21	16,411.07
Loan Funds			
Secured Loans	3	12,693.10	18,152.44
Unsecured Loans	4	3,134.73	2,176.65
Deferred Tax Liablity		1,092.09	580.09
TOTAL		**38,474.74**	**38,499.86**
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		29,034.07	22,175.73
Less: Depreciation & Amortisation		8,415.38	6,090.55
Net Block		20,618.69	16,085.18
Capital Work-in-Progress		1,721.82	4,699.11
		22,340.51	20,784.29
Investments	6	1,705.04	1,705.14
Current Assets, Loans and Advances			
Inventories	7	9,611.98	10,516.13
Sundry Debtors	8	7,576.43	8,550.41
Cash and Bank Balances	9	1,253.56	523.39
Loans and Advances	10	4,803.26	3,848.44
		23,245.23	23,438.37
Less: Current Liabilities and Provisions			
Current Liabilities	11	7,729.14	6,666.31
Provisions	12	1,086.90	761.63
		8,816.04	7,427.94
Net Current Assets		14,429.19	16,010.43
TOTAL		**38,474.74**	**38,499.86**
Significant Accounting Policies and Notes to the Accounts	19		

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

S. S. Kapoor
Partner
Mumbai, 30th April, 2011

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011 (STANDALONE)

(₹ in Lacs)

	Schedules	Year Ended 31st March, 2011	Year Ended 31st March, 2010
INCOME			
Gross Sales		46,208.95	38,499.93
Less : Excise Duty		494.39	310.18
Net Sales		45,714.56	38,189.75
Other Income	13	164.96	104.45
TOTAL INCOME		**45,879.52**	**38,294.20**
EXPENDITURE			
Materials	14	17,252.91	14,916.16
Personnel Expenses	15	5,909.93	4,452.08
Interest	16	1,565.82	1,907.29
Other Expenses	17	11,108.47	9,650.55
Research & Development Expenses	18	2,488.37	2,026.45
Depreciation & Amortisation		2,378.80	1,975.56
TOTAL EXPENDITURE		**40,704.30**	**34,928.09**
Profit Before Tax		5,175.22	3,366.11
Provision for Tax :			
- Current Tax		1,049.35	579.35
- MAT Credit Entitlement		(1,031.22)	(572.00)
- Deferred Tax		512.00	505.08
Income Tax of Earlier Years Written Off (Back)		0.55	(0.09)
Profit After Tax		**4,644.54**	**2,853.77**
Balance Brought Forward from Previous Year		999.74	723.83
Amount available for Appropriation		**5,644.28**	**3,577.60**
Appropriations:			
Proposed Dividend on Equity Shares		585.43	409.80
Tax on Proposed Dividend		94.97	68.06
Transferred to General Reserve		4,000.00	2,100.00
Balance Carried Forward		963.88	999.74
TOTAL		**5,644.28**	**3,577.60**
Earnings Per Share (Face Value ₹ 10/-)			
Basic and Fully Diluted (₹)		39.67	24.37
Significant Accounting Policies and Notes to the Accounts	19		

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

S. S. Kapoor
Partner

Mumbai, 30th April, 2011

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

SCHEDULES TO BALANCE SHEET (STAND ALONE)

(₹ in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE : 1		
SHARE CAPITAL		
Authorised :		
1,50,00,000 Equity Shares of ₹ 10 each	1,500.00	1,500.00
1,50,00,000 Preference Shares of ₹ 10 each	1,500.00	1,500.00
	3,000.00	3,000.00
Issued :		
1,18,61,800 Equity Shares of ₹ 10 each	1,186.18	1,186.18
Subscribed & Paid up:		
1,17,08,500 Equity Shares of ₹ 10 each fully paid up	1,170.85	1,170.85
Add:1,53,300 Equity Shares Forfeited-Amount originally paid up	8.76	8.76
	1,179.61	**1,179.61**

Notes :

Of the above Equity Shares :

- 12,33,000 Equity Shares are allotted as Bonus Shares by way of capitalisation of reserves.
- 31,25,000 Equity Shares were allotted pursuant to Scheme of Amalgamation without payment being received in cash.

SCHEDULE : 2		
RESERVES & SURPLUS		
Capital Reserve :		
As per last Balance Sheet	46.92	46.92
Capital Redemption Reserve :		
As per last Balance Sheet	750.00	750.00
Share Premium :		
As per last Balance Sheet	7,514.41	7,514.41
General Reserve :		
As per last Balance Sheet	7,100.00	5,000.00
Add: Transferred from Profit & Loss Account	4,000.00	2,100.00
	11,100.00	7,100.00
Profit and Loss Account	963.88	999.74
	20,375.21	**16,411.07**

(₹ in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE : 3		
SECURED LOANS		
Term Loans from Banks/Institutions		
Rupee Loan	6,786.71	11,937.84
Foreign Currency Loan	-	47.70
Working Capital Loans from Banks/Institutions		
Rupee Loan	908.26	1,630.15
Foreign Currency Loan	4,796.26	4,462.95
Other Loans - Rupee Loan	201.87	73.80
	12,693.10	**18,152.44**

Notes :

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

ii) Working capital loans are secured by first charge, on entire current assets of the company and second charge, on all fixed assets of the company on pari passu basis, in addition to the personal guarantee of some of the directors.

iii) Other loans are secured against vehicles acquired under the scheme.

SCHEDULE : 4		
UNSECURED LOANS		
Deferred Sales Tax Liabilities	1,138.34	861.08
Other Loans	1,996.39	1,315.57
	3,134.73	**2,176.65**

SCHEDULE : 5

FIXED ASSETS

(₹ in Lacs)

	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
Particulars	**As at 1.4.2010**	**Additions**	**Deductions / Adjustment**	**As on 31.03.2011**	**As at 1.4.2010**	**Additions**	**Deductions / Adjustment**	**As on 31.03.2011**	**As on 31.03.2011**	**As at 31.3.2010**
Freehold Land	724.30	43.40	-	767.70	-	-	-	-	767.70	724.30
Lease hold Land	355.47	-	-	355.47	44.01	4.64	-	48.65	306.82	311.46
Buildings	7,098.00	3,162.26	-	10,260.26	2,007.23	484.64	-	2,491.87	7,768.39	5,090.77
Plant & Machineries	10,331.88	1,818.33	-	12,150.21	2,249.94	1,246.04	-	3,495.98	8,654.23	8,081.95
Furniture & fixtures	1,444.00	1,070.36	-	2,514.36	495.26	227.69	-	722.95	1,791.41	948.74
Office Equipments	422.23	136.40	-	558.63	215.08	32.03	-	247.11	311.52	207.15
Vehicles	334.67	271.04	60.42	545.29	198.04	54.33	53.97	198.40	346.89	136.63
Computers	1,465.18	416.97	-	1,882.15	880.98	329.43	-	1,210.41	671.74	584.20
Total :	**22,175.73**	**6,918.76**	**60.42**	**29,034.07**	**6,090.55**	**2,378.80**	**53.97**	**8,415.38**	**20,618.69**	**16,085.18**
Previous year	17,160.50	5,051.21	35.97	22,175.73	4,141.67	1,975.56	26.68	6,090.55		
Capital Work in Progress									1,721.82	4,699.11
									22,340.51	**20,784.29**

Notes:-

1 Addition to fixed assets includes ₹ 2,299.52 Lacs (Previous Year ₹ 109.60 Lacs) used for Research & Development.

2 Capital Work in Progress includes ANDA Development cost amounting to ₹ 1,592.53 Lacs (Previous Year ₹ 1,592.53 Lacs), including current year addition being ₹ NIL (Previous Year ₹ 60.36 Lacs).

(₹ in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE : 6		
INVESTMENTS		
Long Term (Non Trade, Unquoted):		
Government Securities		
(Deposited with Government Authorities)		
National Saving Certificates	-	0.10
In Subsidiary Companies		
Ajanta Pharma (Mauritius) Ltd.		
6,13,791 Ordinary Shares of Mauritian Rupees 100 each fully paid up	943.81	943.81
Ajanta Pharma Inc.		
1,520 Common Stock of US$ 100 each fully paid up	66.10	66.10
In Equity Shares of		
Turkmenderman Ajanta Pharma Ltd.		
2,00,000 Shares of US $ 10 each fully paid-up	695.13	695.13
	1,705.04	**1,705.14**
SCHEDULE : 7		
INVENTORIES		
(As certified by the management)		
Raw Materials	3,775.77	4,314.49
Packing Materials	1,230.92	1,049.26
Work-in-Process	809.12	464.26
Finished/Traded Goods	3,709.65	4,591.88
Sales Promotion Materials	86.52	96.24
	9,611.98	**10,516.13**
SCHEDULE : 8		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Over Six Months	908.84	1,280.01
Others	6,667.59	7,270.40
	7,576.43	**8,550.41**
SCHEDULE : 9		
CASH AND BANK BALANCES		
Cash on Hand	4.56	6.08
Balance with Scheduled Banks		
- In Current Accounts	133.84	175.84
- In Deposit Accounts (Under Lien with Banks)	1,115.16	341.47
	1,253.56	**523.39**

(₹ in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE : 10		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or Kind	1,524.90	1,347.99
Deposits	289.17	292.05
MAT Credit Entitlement	2,359.54	1,328.32
Income Tax Paid (Net of Provision)	-	29.06
Balance with Excise Authorities	629.65	851.02
	4,803.26	**3,848.44**
SCHEDULE : 11		
CURRENT LIABILITIES		
Sundry Creditors	7,719.48	6,659.01
Unpaid Dividend*	9.66	7.30
	7,729.14	**6,666.31**

* There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as on 31st March, 2011.

SCHEDULE : 12		
PROVISIONS		
Provision for Gratuity	378.09	283.77
Provision for Tax (Net of Payment)	28.41	-
Proposed Dividend on Equity Shares	585.43	409.80
Tax on Proposed Dividend	94.97	68.06
	1,086.90	**761.63**

SCHEDULES TO PROFIT AND LOSS ACCOUNT (STAND ALONE)

(₹ in Lacs)

	Year Ended 31st March, 2011	Year Ended 31st March, 2010
SCHEDULE : 13		
OTHER INCOME		
Profit on Sale of Assets (Net)	1.76	6.30
Interest on Bank Deposits	27.25	31.38
[TDS ₹ 3.16 Lacs (Pr.Yr. 8.01 Lacs)]		
Interest From Others	16.46	18.13
[TDS ₹ 0.68 Lacs (Pr.Yr. 1.05 Lacs)]		
Miscelleneous Income	119.49	48.64
[TDS ₹ 6.63 Lacs (Pr.Yr. 4.23 Lacs)]		
	164.96	**104.45**
SCHEDULE : 14		
MATERIALS		
Raw Material Consumed	11,434.68	8,863.06
Packing Material Consumed	2,884.85	2,364.23
Purchases of Traded Goods	2,396.01	2,058.34
(Increase)Decrease in Stock		
Opening Stock		
Work-in-Process	464.26	614.48
Finished/Traded Goods	4,591.88	6,072.19
	5,056.14	6,686.67
Closing Stock		
Work-in-Process	809.12	464.26
Finished/Traded Goods	3,709.65	4,591.88
	4,518.77	5,056.14
(Increase)Decrease in Stock	537.37	1,630.53
	17,252.91	**14,916.16**
SCHEDULE : 15		
PERSONNEL EXPENSES		
Salaries, Wages, Bonus and Allowances	5,350.08	4,079.35
Contribution to Provident and Other Funds	473.64	288.76
Staff Welfare Expenses	86.21	83.97
	5,909.93	**4,452.08**
SCHEDULE : 16		
INTEREST		
On Term Loans	1,102.04	1,021.66
Others	463.78	885.63
	1,565.82	**1,907.29**

(₹ in Lacs)

	Year Ended 31st March, 2011	Year Ended 31st March, 2010
SCHEDULE : 17		
OTHER EXPENSES		
Power and Fuel	536.23	460.25
Clearing and Forwarding	1,504.83	1,517.96
Processing Charges	587.03	663.08
Rent, Rates and Taxes	289.90	211.13
Consumable Stores	239.84	207.77
Repairs and Maintenance		
- Buildings	27.41	28.15
- Plant and Machinery	116.27	113.55
- Others	83.90	75.22
Advertisement and Publicity	368.19	524.62
Legal and Professional Fees	234.19	196.00
Licence and Registration Fees	162.05	210.33
Travelling Expenses	1,112.21	942.72
Selling Expenses	3,794.43	2,468.54
Discount on Sales	5.60	5.25
Sales Commission	498.71	600.79
Vehicle Expenses	141.19	109.69
Donation	33.89	10.69
Communication Expenses	250.27	220.36
Insurance	127.37	87.50
Sales Tax Expenses	0.29	3.72
Excise Duty	36.88	1.66
Exchange Rate Difference (Net)	58.32	179.74
Miscellaneous Expenses	899.47	811.83
	11,108.47	**9,650.55**

(₹ in Lacs)

	Year Ended 31st March, 2011	Year Ended 31st March, 2010
SCHEDULE : 18		
RESEARCH AND DEVELOPMENT EXPENSES		
MATERIALS		
Material Consumed and Consumables	1,079.95	742.00
PERSONNEL EXPENSES		
Salaries, Wages, Bonus and Allowances	660.88	604.55
Contribution to Provident and Other Funds	42.24	30.32
Staff Welfare Expenses	8.24	4.01
COST OF UTILITIES		
Electricity Charges	62.32	46.01
Water Charges	3.85	2.89
OTHER EXPENSES		
Rent, Rates and Taxes	4.29	1.96
Repairs and Maintenance		
- Repairs to R & D Equipment	43.70	46.26
Communication Expenses	9.82	15.56
Insurance	28.39	32.41
Legal and Professional Fees	30.38	8.35
Licence and Registration Fees	13.09	25.06
BE Studies & Clinical Trial Expenses	79.94	52.18
Miscellaneous Expenses	421.28	414.89
	2,488.37	**2,026.45**

SCHEDULE 19:

NOTES TO ACCOUNTS

1. **SIGNIFICANT ACCOUNTING POLICIES:**

   a) **Basis of Accounting**

   The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the generally accepted accounting principles in India and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 unless otherwise specified hereinafter.

   b) **Use of Estimates**

   Preparation of financial statements in conformity with generally accepted accounting principles, requires estimates and assumption to be made, that affect reported amounts of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates and differences between the actual results and estimates are recognized in the period in which results are known / materialized.

   c) **Fixed Assets**

   Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses, less accumulated depreciation and impairment losses, if any. Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

   d) **Expenditure during Construction Period**

   All identifiable revenue expenses including interest incurred in respect of various projects/expansions are allocated to capital cost of respective assets on their completion/installation.

   e) **Investments**

   Long term investments are stated at cost of acquisition. Provision for diminution in value, is made only if, in the opinion of management such a decline is other than temporary. Investments in foreign currency are stated at cost by converting at exchange rate prevailing at the time of acquisition / remittance.

   f) **Inventories**

   i) Raw materials, packing materials, finished/traded goods are valued at cost or net realisable value whichever is lower.

   ii) Works in process are valued at estimated cost.

   iii) Sales promotional items are valued at cost.

   g) **Foreign Currency Transactions**

   Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as income or expenses of the period in which they arise. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported using the rate prevailing as on that date. The resultant exchange differences are recognised in the profit and loss account. In cases where forward contracts are entered, the relevant foreign currency assets / liabilities are translated at the forward rate. The resulting exchange difference, if any, is charged to the revenue.

   h) **Revenue Recognition**

   Revenue on sales is recognised when risk and rewards of ownership of products are passed on to customers, which are generally on dispatch of goods. Incomes from services are recognised when services are rendered. Sales are net of discounts, sales tax and returns; excise duty collected on sales is shown by way of deduction from sales. Dividend income is recognised when right to receive dividend is established and there is no uncertainty as to its realisability. Revenue in respect of other income is recognised when a reasonable certainty as to its realisation exists.

i) Export Benefits

Export benefits available under prevalent schemes are accounted to the extent considered receivable.

j) Depreciation / Amortization

Depreciation is provided on Written Down Value method at the rates specified in Schedule XIV of the Companies Act, 1956. Premium on leasehold land and improvement to leasehold premises are being written off over the period of lease.

k) Employee Benefits

Short Term Employee Benefits:

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

Post Employment Benefits:

Company's contribution for the period paid / payable to defined contribution retirement benefit schemes are charged to Profit and Loss Account. Company's liability towards defined benefit plan viz. gratuity is determined using the Projected Unit Credit Method as per the actuarial valuation carried out at the balance sheet date.

l) Research and Development

Research costs are expensed as 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, not exceeding ten years. 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.

m) Excise and Custom Duty

Excise duty in respect of finished goods lying in factory premises and customs duty on goods lying in custom bonded warehouse are provided for and included in the valuation of inventory.

n) Cenvat, Service Tax and Vat Credit

Cenvat, Service Tax and Vat credit receivable/availed are treated as an asset with relevant expenses being accounted net of such credit and the same is reduced to the extent of their utilisations.

o) Income Tax

Current tax is accounted on the basis of Income Tax Act, 1961. Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax, to the extent that the timing differences are expected to crystallise. MAT Credit Entitlement as per the provisions of Income Tax Act, 1961 is treated as an asset by credit to the Profit & Loss Account.

p) Impairment of Assets

The fixed assets and producing properties are reviewed for impairment at each balance sheet date. An asset is impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed, if there has been a change in the estimate or recoverable amount.

q) Operating Leases

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.

r) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

s) **Borrowing Cost**

Borrowing cost attributable to acquisition or construction of qualifying assets is capitalised as cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

2. Contingent Liabilities

i) Letter of Credit opened ₹ 1,529.44 Lacs (₹ 671.46 Lacs).

ii) Excise demands disputed by Company pending in appeal ₹ Nil (₹ 49.44 Lacs).

iii) Income tax demands disputed by Company pending in appeal ₹ 379.92Lacs (₹ 355.83 Lacs). Amount paid under protest ₹ 80.00 Lacs (₹ 82.00 Lacs).

iv) Custom duty on import under Advance License Scheme, pending fulfilment of export obligation is ₹ 58.39 Lacs (₹ 90.56 Lacs).

v) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 1,322.60 Lacs (₹ 628.75 Lacs).

vi) Unpaid allotment money in respect of

(a) Common Stock of Ajanta Pharma Inc., wholly owned subsidiary, ₹ 65.99 Lacs (₹ 66.44 Lacs) equivalent to USD 1.48 Lacs (USD 1.48 Lacs).

(b) Shares of Ajanta Pharma UK Ltd, wholly owned subsidiary, ₹ 7.17 Lacs (₹ Nil) equivalent to UK Pound 0.10 Lacs(UK Pound Nil).

vii) Future cash outflows in respect of liability under clause (ii) to (iv) is dependent on decisions by relevant authorities of respective disputes, in respect of clause (v) liability is dependant on terms agreed upon with the parties and in respect of clause (vi) it is dependent on call made by investee company.

3. Sundry debtors include due from foreign subsidiary companies - Ajanta Pharma (Mauritius) Ltd. ₹ 700.45 Lacs (₹ 2,084.76 Lacs) and Ajanta Pharma Philippines Inc. ₹ 273.43 Lacs (₹ 78.63 Lacs).

4. Loans taken, secured and unsecured, includes amount due within a year ₹ 2,225.67 Lacs (₹ 2,727.09 Lacs).

5. Company has approved at its Board Meeting held on 29th October 2009, buy back (“Scheme”) of equity shares through stock exchanges involving aggregate amount upto ₹ 1,136 Lacs. The Company has not purchased any share under the aforesaid Scheme which has ended during the year.

6. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the “Micro, Small and Medium Enterprises Development Act, 2006” (and relied upon by the auditors). Amount outstanding (not overdue) as on 31st March, 2011, to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 117.42 Lacs (₹ 44.88 Lacs) and Interest ₹ Nil (₹ Nil) and interest paid during the year ₹ Nil (₹ Nil).

7. The Company has one segment of activity namely “Pharmaceuticals”.

8. During the year, MAT liability has been provided which is eligible for set off in subsequent years. The same has been treated as recoverable and shown as MAT Credit Entitlement. Provision for current tax includes wealth tax ₹ 1.15 Lacs (₹ 0.39 Lacs).

9. **Pre-operative expenses included in Capital work in Progress representing expenses incurred for projects yet to be commissioned are as under:**

Particulars	**31.03.2011 ₹ in Lacs**	**31.03.2010 ₹ in Lacs**
Opening Balance	288.93	48.60
Add: Incurred during the year		
-Interest on Fixed Period Loans	Nil	538.08
-Other Expenses	3.83	5.00
Total	**292.76**	**591.68**
Less: Capitalised to Fixed Assets	292.76	302.75
Closing Balance	**Nil**	**288.93**

10. **Earnings Per Share (EPS) –** The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars	**31.03.2011**	**31.03.2010**
Net Profit after Tax (₹ in Lacs)	4,644.54	2,853.77
Average number of Equity Shares outstanding during the year	1,17,08,500	1,17,08,500
Nominal value of Equity Share (₹)	10	10
Earning Per Share Basic and Diluted (₹)	39.67	24.37

11. **Employee Benefits**

As required by Accounting Standard-15 'Employee Benefits' the disclosures are as under :

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 workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

During the year, the Company has recognised the following amounts in the Account:

Particulars	**31.03.2011 ₹ in Lacs**	**31.03.2010 ₹ in Lacs**
Provident Fund and Employee's Pension Scheme	329.70	257.54
Employees State Insurance	16.17	8.93
TOTAL	**345.87**	**266.47**

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:

a. 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.

b. On the death in service:

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

Death Benefit : The Company provides for death benefit, a defined benefit plan (death benefit plan) to certain categories of employees. The death benefit plan provides a lump sum payment to vested employees on death, being compensation received from the insurance company and restricted to limits set forth in the said plan. The death benefit plan is non funded.

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31st March, 2011 are as under :

	Particulars	31.03.2011 ₹ in Lacs	31.03.2010 ₹ in Lacs
i)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	288.25	262.66
	Current service cost	91.59	54.79
	Interest cost	22.34	20.35
	Actuarial loss / (gain)	59.08	(21.13)
	Liabilities settled on sale of business	Nil	Nil
	Benefit (paid)	(20.22)	(28.42)
	Closing defined benefit obligation	441.04	288.25
ii)	**Changes in Fair Value of Assets**		
	Opening fair value of plan assets	4.48	30.74
	Diff between report as per last year & actual balance as per LIC Fund Statement	0.91	Nil
	Expected return on plan assets	2.79	1.41
	Actuarial gain / (loss)	(0.01)	0.75
	Contributions of employer	75.00	Nil
	Assets distributed on sale of business	Nil	Nil
	Benefits (paid)	(20.22)	(28.42)
	Closing fair value of plan assets	62.95	4.48
iii)	**Amount recognised in the Balance Sheet**		
	Present value of the obligations as at year end	441.04	288.25
	Fair value of the plan assets as at year end	62.95	4.48
	Amount not recognised as an asset	Nil	Nil
	Net (asset) / liability recognised as on 31st March, 11	378.09	283.77
iv)	**Expenses recognised in the Profit and Loss Account**		
	Current service cost	91.59	54.79
	Interest on defined benefit obligation	22.34	20.36
	Expected return on plan assets	(2.79)	(1.41)
	Net actuarial loss/(gain) recognized in the current year	59.08	(21.88)
	Effect of the limit in Para 59(b) of the revised AS 15	Nil	Nil
	Total expense	170.22	51.86
v)	**Asset information**		
	Government of India Securities	Nil	Nil
	Corporate Bonds	Nil	Nil
	Special Deposit Scheme	Nil	Nil
	Others – Policy of Insurance	100%	100%
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	8.00%	7.75%
	Expected rate of return on plan assets (p.a.)	8.50%	8.50%
	Annual increase in salary cost (p.a.)	6.00%	6.00%

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.

12. Disclosure for operating leases under Accounting Standard 19-"Leases":

The Company has taken various residential /godowns / office premises (including furniture and fittings, therein as applicable) under operating lease or leave and licence agreements. These are generally cancellable and range between 11 months and 5 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments of ₹ 280.93 Lacs (₹ 205.93 Lacs) are recognised in the Profit and Loss Account under "Rent, Rates & Taxes" under Schedule 17.

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

Particulars	**31.03.2011 ₹ in Lacs**	**31.03.2010 ₹ in Lacs**
Not later than one year	322.62	275.15
Later than one year but not later than five years	1,587.60	318.42
Later than five years	1,270.08	Nil

13. Deferred Tax (Liability) Asset comprises of:

Particulars	**31.03.2011 ₹ in Lacs**	**31.03.2010 ₹ in Lacs**
Depreciation	(1,886.36)	(1,232.24)
Unabsorbed Depreciation	251.33	92.12
Unabsorbed Losses	415.40	426.67
Others	127.54	133.36
Net Deferred Tax Assets (Liability)	**(1092.09)**	**(580.09)**

14. Managerial Remuneration:

Particulars	**31.03.2011 ₹ in Lacs**	**31.03.2010 ₹ in Lacs**
Remuneration to Executive Vice Chairman & Managing Director		
- Salaries	302.40	201.60
- Provident and Other Funds	25.92	17.28
	328.32	**218.88**
Directors' Sitting Fees	1.85	2.25
Commission to Non-Executive Director	52.00	35.00

Note: Above excludes contribution to Gratuity, which is on a global basis.

Computation of Net Profit u/s 349 of the Companies Act, 1956 and commission payable to Non-Executive Director/s:

Particulars	**31.03.2011 ₹ in Lacs**	**31.03.2010 ₹ in Lacs**
Profit before tax	5,175.22	3,366.11
Add:		
Remuneration to Executive Vice Chairman & Managing Director	302.40	201.60
Director' Sitting Fees	1.85	2.25
Commission to Non-Executive Director	52.00	35.00
	5531.47	**3,604.96**
Less: Profit on sale of Fixed Assets (Net)	1.76	6.30
Net Profit as per Section 349	**5529.71**	**3,598.66**
1 % of the above	55.30	35.99
Commission to Non-Executive Director (As approved by Board of Directors)	52.00	35.00

15. Excise duty related to differences between closing and opening stock and other adjustments are stated under operating and other expenses. Excise duty related to turnover is reduced from the gross turnover.

16. In terms of the requirements of the Accounting standards-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the amount recoverable against Fixed Assets has been estimated for the period by the management based on present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value thereof has been considered necessary, by the management.

17. As per the best estimate of the management, no provision is required to be made as per Accounting Standard (AS) 29 "Provision, Contingent Liabilities and Contingent Assets" as notified by the Companies (Accounting Standards) Rules 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources which would be required to settle the obligation.

18. a) C.I.F. Value of Imports:

Particulars	31.03.2011 ₹ in Lacs	31.03.2010 ₹ in Lacs
- Raw Materials	3,150.80	3,378.23
- Capital Goods	297.17	179.68
- Others	58.69	99.30

b) Expenditure in Foreign Currency:

Particulars	31.03.2011 ₹ in Lacs	31.03.2010 ₹ in Lacs
- Travelling	107.62	163.42
- Interest	64.53	17.78
- Legal & Professional Expenses	106.17	32.43
- Marketing & Other Expenses	2,254.07	2,419.03

c) Remittance in foreign currency on account of dividend:

The Company has paid dividend in respect of shares held by Non-Resident Shareholders, on repartition basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External A/c. The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given below:

Particulars	31.03.2011	31.03.2010
- Number of non-resident shareholders	71	46
- Number of shares held by them	28,114	37,171
- Amount of dividend (₹ in Lacs)	0.98	0.93
- Year to which the dividend relates	2009-10	2008-09

19. Earning in Foreign Currency:

Particulars	31.03.2011 ₹ in Lacs	31.03.2010 ₹ in Lacs
- FOB value of Exports	26,186.08	21,236.82
- Freight & Insurance	762.19	481.33
- Technology Transfer Fees	42.36	35.41

20. Remuneration to Auditors (excluding service tax) :

Particulars	31.03.2011 ₹ in Lacs	31.03.2010 ₹ in Lacs
- Audit Fees	6.25	5.25
- Tax Audit Fees	1.00	1.00
- For Certification and Other Matters	6.50	7.46
- Out of Pocket Expenses	0.70	0.41

21. Related party disclosure with whom transactions have taken place during the year as required by Accounting Standards 18 are given below: -

Relationships:

Category I- Subsidiaries:

Ajanta Pharma (Mauritius) Ltd (APML)
Ajanta Pharma Inc. (AP Inc. USA)
Ajanta Pharma Philippines Inc. (APPh Inc.) (Subsidiary of APML)
Ajanta Pharma UK Ltd (AP UK)

Category II- Associate Companies:

Turkmenderman Ajanta Pharma Ltd. (TDAPL)

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

Mr. Mannalal B. Agrawal Chairman
Mr. Purushottam B. Agrawal Executive Vice Chairman
Mr. Madhusudan B. Agrawal Executive Vice-Chairman
Mr. Yogesh M. Agrawal Managing Director
& Relatives of Key Management Personnel

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

Gabs Investment Private Limited

The following transactions were carried out with related parties:

(₹ in Lacs)

Particulars	Category I	Category II	Category III	Category IV	Total
Sale of Goods					
- APML	11,337.70	Nil	Nil	Nil	11,337.70
	(7,253.70)	(Nil)	(Nil)	(Nil)	(7,253.70)
- APPh Inc.	273.51	Nil	Nil	Nil	273.51
	(82.82)	(Nil)	(Nil)	(Nil)	(82.82)
Expenses Reimbursement to					
- AP Inc. USA	380.17	Nil	Nil	Nil	380.17
	(297.28)	(Nil)	(Nil)	(Nil)	(297.28)
Remuneration, Commission & Sitting Fees to Directors	Nil	Nil	380.62	Nil	380.62
	(Nil)	(Nil)	(254.48)	(Nil)	(254.48)
Rent to					
- Manisha Agrawal	Nil	Nil	66.15	Nil	66.15
	(Nil)	(Nil)	(48.00)	(Nil)	(48.00)
- Aayush Agrawal	Nil	Nil	66.15	(Nil)	66.15
	(Nil)	(Nil)	(48.00)	(Nil)	(48.00)

(₹ in Lacs)

Particulars	Category I	Category II	Category III	Category IV	Total
Salaries to					
- Rajesh Agrawal	Nil	Nil	71.33	Nil	71.33
	(Nil)	(Nil)	(64.61)	(Nil)	(64.61)
Dividend Paid	Nil	Nil	202.42	13.96	216.38
	(Nil)	(Nil)	(175.25)	(9.97)	(185.22)
Deposits Given Against Premises					
- Manisha Agrawal	Nil	Nil	Nil	Nil	(Nil)
	(Nil)	(Nil)	(55.00)	(Nil)	(55.00)
Deposits Refunded From					
- Yogesh Agrawal	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(55.00)	(Nil)	(55.00)
- Ravi Agrawal	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(55.00)	(Nil)	(55.00)
- Rajesh Agrawal	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(55.00)	(Nil)	(55.00)

Amount outstanding as on 31.03.2011

(₹ in Lacs)

Particulars	Category I	Category II	Category III	Category IV	Total
Debtors					
- APML	700.45	Nil	Nil	Nil	700.45
	(2,084.76)	(Nil)	(Nil)	(Nil)	(2,084.76)
- APPh Inc.	273.43	Nil	Nil	Nil	273.43
	(78.63)	(Nil)	(Nil)	(Nil)	(78.63)
Investment in					
- AP Inc. USA	66.10	Nil	Nil	Nil	66.10
	(66.10)	(Nil)	(Nil)	(Nil)	(66.10)
- APML	943.81	Nil	Nil	Nil	943.81
	(943.81)	(Nil)	(Nil)	(Nil)	(943.81)
- TDAPL	Nil	695.13	Nil	Nil	695.13
	(Nil)	(695.13)	(Nil)	(Nil)	(695.13)
Deposit given against Premises					
- Aayush Agrawal	Nil	Nil	55.00	Nil	55.00
	(Nil)	(Nil)	(55.00)	(Nil)	(55.00)
- Manisha Agrawal	Nil	Nil	55.00	Nil	55.00
	(Nil)	(Nil)	(55.00)	(Nil)	(55.00)
Creditors	66.57	Nil	Nil	Nil	66.57
- AP Inc. USA	(60.37)	(Nil)	(Nil)	(Nil)	(60.37)
Commission Payable to Non-Executive	Nil	Nil	52.00	Nil	52.00
Director/s	(Nil)	(Nil)	(35.00)	(Nil)	(35.00)

22. Note on hedge and unhedged foreign currency assets and liabilities:

The Company has entered into Forward Exchange Contract, being derivative instruments for hedge purpose and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. Forward Exchange Contract to buy/sell USD 45.00 Lacs (USD. 105 Lacs) is outstanding as at the year end. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	₹ in Lacs	₹ in Lacs	Foreign Currency Amt in Lacs	Foreign Currency Amt in Lacs	Foreign Currency
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	
Amount Receivable	3,895.01	67.51	87.35	1.50	USD
	9.40	392.77	0.15	6.48	EURO
	69.79	Nil	0.97	Nil	POUND
Amount Payable	6,191.34	6,284.00	138.85	139.99	USD
	Nil	3.69	Nil	0.06	EURO

23. The Company has not granted any loan/advances in the nature of loans, as stipulated in the clause 32 of the Listing Agreement with the Stock Exchanges. For this purpose, the loans to employees as per the Company's policy, security deposits paid towards premises taken on leave and license basis have not been considered. Hence, there are no investments by loans in the shares of the Parent Company and/or subsidiary companies.

24. Details of Raw & Packing Materials consumed:

Particulars		31.03.2011		31.03.2010
		₹ in Lacs		₹ in Lacs
Indigenous	77%	11,908.55	77%	9,108.19
Imported	23%	3,457.46	23%	2,695.64
Total	**100%**	**15,366.01**	**100%**	**11,803.83**

No single raw or packing material accounts for more than 10% of total consumption.

25. Particulars of Installed Capacity :

Particulars	Unit	Installed Capacity	
		31.03.2011	31.03.2010
Tablets	Million Nos	1,500	1,500
Capsules	Million Nos	425	425
Liquids	Million Nos	8	8
Powder	Million Nos	21	21
API	Tonnes	18	18

a) In terms of Press Note No. 4 (1994 Series) dated 25.10.1994 issued by the Department of Industrial Development, Ministry of Industry, Government of India, Industrial Licensing has been abolished in respect of certain formulations, bulk drugs and drug intermediates. Hence, there is no registered/ licensed capacity for formulations, bulk drugs and drug intermediates of the Company.

b) Installed capacities being technical matter, have not been verified by the Auditors.

26. Details of Production/Purchases and Turnover:

Classification	Units	Production / Purchases		Turnover			
		31.03.11	31.03.10	31.03.11		31.03.10	
		Qty.	Qty.	Qty.	₹ In Lacs	Qty.	₹ In Lacs
Tablets	Million Nos	1,172.29	1,036.43	1,117.84	23,741.43	1,023.03	18,073.94
Capsules	Million Nos	423.44	304.86	387.92	4,963.74	362.88	5,352.22
Liquids	Million Nos	29.62	34.56	29.03	7,455.59	32.16	7,133.49
Injectibles	Million Nos	10.11	16.37	10.69	1,348.89	15.82	1,864.76
Powder	Million Nos	72.29	10.18	64.76	1,604.05	7.69	520.71
Ointment	Million Nos	6.45	4.81	5.80	5,268.22	4.44	3,673.89
API	Tonnes	7.19	0.18	Nil	Nil	0.18	Nil
Others					1,784.67		1,858.03
Total					**46,166.59**		**38,477.03**

Note:

1. Production includes for captive consumption, manufactured by others on loan license basis and traded goods.

27. Details of Closing Stocks:

Classification	Units	31.03.2011		31.03.2010		31.03.2009	
		Qty.	₹ in Lacs	Qty.	₹ in Lacs	Qty.	₹ In Lacs
Tablets	Million Nos	214.32	2,094.94	159.86	2,309.56	146.46	2,757.51
Capsules	Million Nos	65.82	317.20	30.29	216.92	88.31	1,401.47
Liquids	Million Nos	7.97	507.84	7.39	1,082.15	4.99	1,056.89
Inject able	Million Nos	1.60	284.95	1.45	141.57	0.90	162.89
Powder	Million Nos	0.87	96.14	3.54	174.75	1.05	74.41
Ointments	Million Nos	11.08	137.02	0.95	549.64	0.58	514.19
API	Tonnes	1.94	230.98	Nil	Nil	Nil	Nil
Others			40.58		117.29		104.83
Total			**3,709.65**		**4,591.88**		**6,072.19**

28. Consumption of consumable stores is wholly indigenous in the current and previous year.

29. Previous year's figures are regrouped and recast wherever required. Figures in brackets are of previous year.

30. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

a) Registration Details

Registration / CIN No. - L24230MH1979PLC022059	State Code - 11
Balance Sheet - Date 31.03.2011	

b) Capital Raised during the Year

(Amount in ₹ Thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

c) Position of Mobilization and Deployment of Funds

(Amount in ₹ Thousands)

Total Liabilities	38,47,479	Total Assets	38,47,479
Sources of Funds			
Paid-Up Capital	1,17,961	Reserves & Surplus	20,37,523
Secured Loans	12,69,312	Unsecured Loans	3,13,473
Deferred Tax Liabilities	1,09,209		
Application of Funds			
Net Fixed Assets	22,34,051	Investments	1,70,503
Net Current Assets	14,42,924		

d) Performance of Company

(Amount in ₹ Thousands)

Turnover	45,87,952	Total Expenditure	40,70,430
Profit before Tax	5,17,522	Profit after Tax	4,64,454
Earning per Share (in ₹)	39.67	Dividend Rate	50%

e) Generic Names of Three Principal Products of Company (As per monetary terms)

Product Description	Item Code No. (As per ITC Code)
i) Anti-Malarial Preparations (Artefan)	30049049
ii) Erectile Dysfunction Preparations (Kamagra)	30049099
iii) Dermatology Preparations (Melacare)	30043913

Signature to Schedule 1 to 19

For and on behalf of the Board

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Nikhil Bhatt
Company Secretary

Mumbai, 30th April, 2011

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (STAND ALONE)

(₹ In Lacs)

		Year Ended 31st March,2011	Year Ended 31st March,2010
A.	**Cash Flow from Operating Activities**		
	Net Profit before Tax	5,175.22	3,366.11
	Adjustments for :		
	Depreciation	2,378.80	1,975.56
	Loss (Profit) on Sale / Discard of Assets	(1.76)	(6.30)
	Interest Charge	1,565.82	1,907.29
	Receivable Written Off	0.59	71.73
	Operating Profit before Working Capital Changes	9,118.67	7,314.39
	Adjustments for :		
	Trade & Other Receivables	1,020.73	1,778.45
	Inventories	904.15	(618.12)
	Trade Payables	1,175.55	1,997.89
	Cash Generated from Operations	12,219.10	10,472.61
	Direct Taxes Paid (Net of Refunds)	(992.43)	(535.10)
	Net Cash Generated from (Used in) Operating Activities	**11,226.67**	**9,937.51**
B	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	(3,941.47)	(4,233.53)
	Sale of Fixed Assets	8.21	15.59
	Sale of Investment	0.10	-
	Net Cash Generated from (Used in) Investing Activities	**(3,933.16)**	**(4,217.94)**
C	**Cash Flow from Financing Activities**		
	Increase (Decrease) in Borrowings-Net	(4,501.26)	(3,693.10)
	Interest Paid	(1,586.58)	(1,893.70)
	Dividend Paid	(407.44)	(290.70)
	Dividend Tax Paid	(68.06)	(49.75)
	Net Cash Generated from (Used in) Financing Activities	**(6,563.34)**	**(5,927.25)**
	Net Increase (Decrease) in Cash & Cash Equivalents	**730.17**	**(207.68)**
	Cash and Cash Equivalents as at the Beginning of the Year	523.39	731.07
	Cash and Cash Equivalents as at the End of the Year	**1,253.56**	**523.39**

Notes :

1) The Cash Flow Statement has been prepared under the "indirect method" set out in the Accounting Standard - 3 on cash flow statement prescribed in the Companies (Accounting Standards) Rules, 2006.
2) Previous year's figures are regrouped & recasted wherever required.
3) Figures in brackets indicates outflow.

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

S. S. Kapoor
Partner

Mumbai, 30th April, 2011

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

AUDITORS' REPORT ON CONSOLIDATED ACCOUNTS

To,
The Board Of Directors,
AJANTA PHARMA LIMITED

1. We have audited the attached Consolidated Balance Sheet of **Ajanta Pharma Limited** ("the Company") and its Subsidiaries (collectively referred as "the Group") as at **31st March, 2011** and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of ₹5,841.14 Lacs as at 31st March, 2011, total revenues of ₹16,384.04 Lacs and total cashflow (outflow) of ₹737.98 Lacs for the year then ended. The unaudited financial statements of the subsidiaries are certified and converted by the management as per the requirement of Indian GAAP. Our opinion in so far as it relates to the amounts included in respect of the aforesaid subsidiaries, are based solely on these unaudited certified financial statements.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS-21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the Company and unaudited financial statements of the subsidiaries of the Company as certified by the management , included in consolidated financial statements.

5. Subject to the matters referred to in paragraph 4 above, based on our audit and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) In the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2011

   ii) In the case of Consolidated Profit and Loss Account, of the profit of the Group for the year then ended and

   iii) In the case of the Consolidated Cash Flow Statement, of the cash flow of the Group for the year then ended.

For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants
(ICAI FRN 104803W)

S.S. KAPOOR
Partner
M.No.5399

Mumbai, 30th April, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in Lacs)

	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,179.61	1,179.61
Reserves and Surplus	2	21,703.49	17,312.63
Loan Funds			
Secured Loans	3	15,928.30	20,619.68
Unsecured Loans	4	3,134.73	2,176.65
Deferred Tax Liability		1,092.09	526.90
TOTAL		**43,038.22**	**41,815.47**
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		31,314.63	24,257.60
Less: Depreciation & Amortisation		9,911.68	7,411.64
Net Block		21,402.95	16,845.96
Capital Work-in-Progress		1,721.82	4,699.11
		23,124.77	21,545.07
Investments	6	846.42	846.52
Current Assets, Loans and Advances			
Inventories	7	11,312.07	11,962.47
Sundry Debtors	8	10,398.19	9,672.44
Cash and Bank Balances	9	1,476.05	1,483.86
Loans and Advances	10	5,059.22	3,998.79
		28,245.53	27,117.56
Less: Current Liabilities and Provisions			
Current Liabilities	11	8,091.60	6,932.05
Provisions	12	1,086.90	761.63
		9,178.50	7,693.68
Net Current Assets		19,067.03	19,423.88
TOTAL		**43,038.22**	**41,815.47**
Significant Accounting Policies and Notes to the Accounts	19		

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

S. S. Kapoor
Partner

Mumbai, 30th April, 2011

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Lacs)

	Schedule	Year ended 31st March, 2011	Year ended 31st March, 2010
INCOME			
Gross Sales		50,981.56	41,224.43
Less : Excise Duty		494.39	310.18
Net Sales		50,487.17	40,914.25
Other Income	13	282.95	108.51
TOTAL INCOME		**50,770.12**	**41,022.76**
EXPENDITURE			
Materials	14	17,290.00	13,977.85
Personnel Expenses	15	6,373.77	4,778.93
Interest	16	1,782.11	2,015.20
Other Expenses	17	14,704.38	12,274.88
Research & Development Expenses	18	2,488.37	2,026.45
Depreciation & Amortisation		2,474.85	2,073.36
TOTAL EXPENDITURE		**45,113.48**	**37,146.67**
Profit Before Tax		**5,656.64**	**3,876.09**
Provision for Tax :			
- Current Tax		1,049.35	579.35
- MAT Credit Entitlement		(1,031.22)	(572.00)
- Deferred Tax		566.70	468.46
- Income Tax of Earlier Years Written Off (Back)		0.55	(0.09)
Profit After Tax for the Group		**5,071.26**	**3,400.37**
Balance Brought Forward from Previous Year		2,752.92	1,930.41
Amount available for Appropriation		**7,824.18**	**5,330.78**
Appropriations :			
Proposed Dividend on Equity Shares		585.43	409.80
Tax on Proposed Dividend		94.97	68.06
Transferred to General Reserve		4,000.00	2,100.00
Balance Carried Forward		3,143.78	2,752.92
TOTAL		**7,824.18**	**5,330.78**
Earning Per Share (Face Value ₹10/-)			
Basic and Fully diluted (₹)		43.31	29.04
Significant Accounting Policies and Notes to the Accounts	19		

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

S. S. Kapoor
Partner
Mumbai, 30th April, 2011

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

SCHEDULES TO CONSOLIDATED BALANCE SHEET

(₹ in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE : 1		
SHARE CAPITAL		
Authorised :		
1,50,00,000 Equity Shares of ₹ 10 each	1,500.00	1,500.00
1,50,00,000 Preference Shares of ₹ 10 each	1,500.00	1,500.00
	3,000.00	**3,000.00**
Issued :		
1,18,61,800 Equity Shares of ₹ 10 each	1,186.18	1,186.18
Subscribed & Paid-up :		
1,17,08,500 Equity Shares of ₹ 10 each fully paid up	1,170.85	1,170.85
Add:1,53,300 Equity Shares Forfeited-Amount originally paid up	8.76	8.76
	1,179.61	**1,179.61**

Notes :

Of the above Equity Shares :

- 12,33,000 Equity Shares are allotted as Bonus Shares by way of capitalisation of reserves.
- 31,25,000 Equity Shares were allotted pursuant to Scheme of Amalgamation without payment being received in cash.

SCHEDULE : 2		
RESERVES & SURPLUS		
Capital Reserve	47.77	47.77
Capital Redemption Reserve :		
As per last Balance Sheet	750.00	750.00
Share Premium :		
As per last Balance Sheet	6,545.57	6,545.57
Exchange Fluctuation Reserve	116.37	116.37
General Reserve :		
As per last Balance Sheet	7,100.00	5,000.00
Add: Transferred from Profit & Loss Account	4,000.00	2,100.00
	11,100.00	7,100.00
Profit and Loss Account	3,143.78	2,752.92
	21,703.49	**17,312.63**

(₹ in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE : 3		
SECURED LOANS		
Term Loans from Banks/Institutions	6,786.71	12,021.27
Working Capital Loans from Banks/Instituitions	8,645.18	8,493.90
Other Loans	496.41	104.51
	15,928.30	**20,619.68**

Notes :

i) Term loans are secured by first charge on all fixed assets of the company & second charge on entire current assets of the company, present & future on, pari passu basis, in addition to personal guarantee of some of the directors.

ii) Working Capital loans are secured by first charge on all current assets of the company and second charge on fixed assets of the company on, pari passu basis, in addition to the personal guarantee of some of the directors.

iii) Other Loans are secured against vehicles acquired under the scheme.

SCHEDULE : 4		
UNSECURED LOANS		
Deferred Sales Tax Liabilities	1,138.34	861.08
Other Loans	1,996.39	1,315.57
	3,134.73	**2,176.65**

SCHEDULE : 5

FIXED ASSETS

(₹ in Lacs)

	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
Particulars	**As at 01.04.2010**	**Consolidation Adjustments**	**Additions**	**Deduc-tions**	**As at 31.03.2011**	**As at 01.04.2010**	**Consolidation Adjustments**	**For the Year**	**Deduc-tions**	**As at 31.03.2011**	**As at 31.03.2011**	**As at 31.03.2010**
Land	724.30	-	43.40	-	767.70	-	-	-	-	-	767.70	724.30
Leasehold Land	446.15	(5.34)	0.06	-	451.55	88.65	(2.69)	7.01	-	98.35	353.20	357.50
Buildings	7,098.02	-	3,162.26	-	10,260.28	2,007.20	-	484.64	-	2,491.84	7,768.44	5,090.82
Plant & Machinery	11,496.36	(68.57)	1,823.88	-	13,388.81	2,905.40	(39.33)	1,272.49	-	4,217.22	9,171.59	8,590.96
Furniture & Fixture	1,511.90	(4.04)	1,072.02	-	2,587.96	536.86	(2.59)	232.72	-	772.17	1,815.79	975.04
Office Equipment	610.89	(11.43)	148.33	-	770.65	362.81	(9.12)	46.97	-	418.90	351.75	248.08
Vehicles	422.34	(6.82)	316.97	64.95	681.18	227.17	(2.57)	71.55	55.24	246.05	435.13	195.17
Leasehold Vehicles	7.65	-			7.65	6.70	-			6.70	0.95	0.95
Computers	1,465.59	0.05	416.97	0.10	1,882.41	881.21	(0.01)	329.51	-	1,210.73	671.68	584.38
Intangible Assets:												
- Knowhow	474.40	(28.27)	13.77		516.44	395.64	(24.12)	29.96	-	449.72	66.72	78.76
Total :	**24,257.60**	**(124.42)**	**6,997.66**	**65.05**	**31,314.63**	**7,411.64**	**(80.47)**	**2,474.85**	**55.24**	**9,911.68**	**21,402.95**	**16,845.96**
Previous Year	19,248.83	85.52	5,137.82	43.53	24,257.60	5,421.59	53.38	2,073.36	29.93	7,411.64		
Capital Work in Progress											1,721.82	4,699.11
											23,124.77	21,545.07

Note:-

1) Addition to Fixed Assets during the year includes ₹2,299.52 Lacs (Previous Year ₹109.60 Lacs) used for Research & Development.

2) Capital Works in Progress includes ANDA Development Cost amounting ₹1,592.53 Lacs (Previous Year ₹1,532.17 Lacs) including current year addition being Nil (Previous Year ₹60.36 Lacs).

(₹ in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE : 6		
INVESTMENTS		
Long Term (Non Trade, Unquoted) :		
Government Securities		
(Deposited with Government Authorities)		
National Savings Certificates	-	0.10
In Associate Company		
Turkmenderman Ajanta Pharma Ltd.		
2,00,000 Shares of US $ 10 each fully paid-up	846.42	846.42
	846.42	**846.52**
SCHEDULE : 7		
INVENTORIES		
(As certified by the management)		
Raw Materials	3,887.12	4,457.93
Packing Materials	1,390.14	1,158.03
Work-in-Process	889.33	475.94
Finished/Traded Goods	5,058.96	5,774.33
Sales Promotion Materials	86.52	96.24
	11,312.07	**11,962.47**
SCHEDULE : 8		
SUNDRY DEBTORS		
(Unsecured, Considered Good)	**10,398.19**	**9,672.44**
SCHEDULE : 9		
CASH AND BANK BALANCES		
Cash on Hand	5.67	6.98
Bank Balance		
- In Current Accounts	355.22	1,135.41
- In Deposit Accounts*	1,115.16	341.47
	1,476.05	**1,483.86**

*Under Lien with Banks.

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE : 10		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or Kind	1,764.93	1,484.74
Deposits	305.10	305.65
MAT Credit Entitlement	2,359.54	1,328.32
Income Tax Paid	-	29.06
Balance with Excise Authorities	629.65	851.02
	5,059.22	**3,998.79**

(₹ in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE : 11		
CURRENT LIABILITIES		
Sundry Creditors	8,081.94	6,924.75
Unpaid Dividend*	9.66	7.30
	8,091.60	**6,932.05**
* There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as on 31st March, 2011		
SCHEDULE : 12		
PROVISIONS		
Provision for Tax	28.41	-
Provision for Gratuity	378.09	283.77
Proposed Dividend on Equity Shares	585.43	409.80
Tax on Proposed Dividend	94.97	68.06
	1,086.90	**761.63**
SCHEDULE : 13		
OTHER INCOME		
Exchange Fluctuation Gain	117.77	-
Profit on Sale of Assets	1.76	6.30
Interest on Bank Deposits	27.25	31.38
Interest from Others	16.64	18.58
Miscellaneous Income	119.53	52.25
	282.95	**108.51**
SCHEDULE : 14		
MATERIALS		
a. Material Consumed	14,789.94	11,386.18
b. Purchase of Traded Goods	2,040.43	1,878.39
c. (Increase)/Decrease in Stock of WIP, FG & Traded Goods	459.63	713.28
	17,290.00	**13,977.85**
SCHEDULE : 15		
PERSONNEL EXPENSES		
Salaries, Wages, Bonus and Allowances	5,804.87	4,398.07
Contribution to Provident and Other Funds	479.40	293.47
Staff Welfare Expenses	89.50	87.39
	6,373.77	**4,778.93**
SCHEDULE : 16		
INTEREST		
On Term Loans	1,105.52	1,029.31
Others	676.59	985.89
	1,782.11	**2,015.20**

(₹ in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE : 17		
OTHER EXPENSES		
Power and Fuel	553.57	476.67
Clearing and Forwarding	1,756.54	1,691.39
Processing Charges	587.03	663.08
Rent, Rates and Taxes	319.16	238.76
Consumable Stores	239.84	207.77
Repairs and Maintenance		
- Plant and Machinery	124.06	118.36
- Buildings	27.41	28.15
- Others	83.90	75.22
Advertisement and Publicity	368.19	524.62
Legal and Professional Fees	234.19	196.00
Licence and Registration Fees	162.05	210.33
Travelling Expenses	1,204.42	1,035.84
Selling Expenses	6,943.87	4,875.63
Discount on Sales	5.60	5.25
Sales Commission	498.71	600.79
Vehicle Expenses	159.18	120.52
Donation	33.89	10.69
Communication Expenses	266.71	231.18
Insurance	130.15	91.27
Sales Tax Expenses	0.29	3.72
Excise Expenses	36.88	1.66
Miscellaneous Expenses	968.74	867.98
	14,704.38	**12,274.88**

(₹ in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE : 18		
RESEARCH & DEVELOPMENT EXPENSES		
MATERIALS		
Material Consumed and Consumables	1,079.95	742.00
PERSONNEL EXPENSES		
Salaries, Wages, Bonus and Allowances	660.88	604.55
Contribution to Provident and Other Funds	42.24	30.32
Staff Welfare Expenses	8.24	4.01
COST OF UTILITIES		
Electricity Charges	62.32	46.01
Water Charges	3.85	2.89
OTHER EXPENSES		
Rent,Rates and Taxes	4.29	1.96
Repairs and Maintenance		
- Repairs to R&D Equipment	43.70	46.26
Communication Expenses	9.82	15.56
Insurance	28.39	32.41
Legal and Professional Fees	30.38	8.35
Licence and Registration Fees	13.09	25.06
BE Studies & Clinical Trial Expenses	79.94	52.18
Miscellaneous Expenses	421.28	414.89
	2,488.37	**2,026.45**

SCHEDULE : 19

NOTES TO CONSOLIDATED ACCOUNTS

1. **Significant Accounting Policies:**

a) **Basis of Accounting:**

(i) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, namely 31st March, 2011.

(ii) The accompanying financial statements have been prepared under historical cost convention and on accrual basis of accounting, in accordance with the generally accepted accounting principles in India and comply with the mandatory Accounting Standard issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956, unless otherwise stated.

b) **Principles of Consolidation:**

(i) Consolidated Financial Statements present the consolidated accounts of Ajanta Pharma Limited ("the Parent Company") and the following Subsidiary Companies (herein after referred as "Foreign Entities") (and collectively referred to as " the Ajanta Group") considered in the Consolidated Financial Statements are:

Name of the Company	Country of Incorporation	% voting power held as at 31st March, 2011
Ajanta Pharma (Mauritius) Ltd. (herein after referred as" APML")	Mauritius	100%
Ajanta Pharma Inc.	U.S.A.	100%
Ajanta Pharma Philippines Inc. *	Philippines	100%
Ajanta Pharma UK Ltd.	England & Wales	100%

* Wholly owned subsidiary of APML

(ii) In respect of Subsidiary Company, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and transactions as per Accounting Standard (AS) - 21 "Consolidated Financial Statements".

(iii) Investment in the Turkmenderman Ajanta Pharma Ltd, an associate company, is being considered for divestment and the Parent Company had ceased to have significant influence in the said associate company. Further, associate company operates under severe restriction that significantly impairs its ability to transfer the funds to the Parent Company. Considering the above, "Equity Method" of accounting has been discontinued from financial year 2007-08 and said investment is being accounted in accordance with AS 13 'Accounting for Investments'. Accordingly, carrying amount of investments of ₹846.42 Lacs as on 31st March, 2007 has been regarded as cost in compliance with the AS 23 'Accounting for Investments in Associates'.

(iv) Accounts of the Subsidiaries are certified and converted by the Managements as per the requirement of Indian GAAP and are not audited.

(v) 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, 2011.

c) **Use of Estimates**

Preparation of financial statements in conformity with generally accepted accounting principles, requires estimates and assumption to be made, that affect reported amounts of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates and differences between the actual results and estimates are recognized in the period in which results are known / materialized.

d) **Fixed Assets**

Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses, less accumulated depreciation and impairment losses, if any. Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

e) **Foreign Currency Transactions**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as income or expenses of the period in which they arise. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported using the rate prevailing as on that date. The resultant exchange differences are recognised in the profit and loss account. In cases where forward contracts are entered, the relevant foreign currency assets / liabilities are translated at the forward rate. The resulting exchange difference, if any, is charged to the revenue.

The financial statements of foreign subsidiaries have been translated to Indian Rupees on the following basis:

i) All income and expenses are translated at the average rate of exchange prevailing during the period.

ii) Monetary and Non-monetary assets and liabilities are translated at the closing rate on the Balance Sheet date.

iii) The resulting exchange difference is accounted in 'Exchange Fluctuation Reserve' where operations of subsidiaries are considered as "non-integral" and the same is charged to the revenue where operations of subsidiaries are considered as "integral".

f) **Expenditure During Construction Period**

All identifiable revenue expenses including interest incurred in respect of various projects/expansions are allocated to capital cost of respective assets on their completion/installation.

g) **Revenue Recognition**

Revenue on sales is recognised when risk and rewards of ownership of products are passed on to customers, which are generally on dispatch of goods. Incomes from services are recognised when services are rendered. Sales are net of discounts, sales tax and returns, excise duty collected on sales is shown by way of deduction from sales. Dividend income is recognised when right to receive dividend is established and there is no uncertainty as to its realisability. Revenue in respect of other income is recognised when a reasonable certainty as to its realisation exists.

h) **Depreciation/Amortization**

i) **In case of Parent Company:**

Depreciation is provided on Written Down Value method at the rates specified in Schedule XIV of the Companies Act, 1956. Premium on leasehold land and improvement to leasehold premises are being written off over the period of lease.

ii) **In case of Subsidiary Company at Mauritius :**

Depreciation is calculated on the straight line method to write off the cost of assets, to their residual values over their estimated useful life as follows:

Particulars	Annual rate
Leasehold Improvement	5%
Motor Vehicles	20%
Furniture, Fixture & Fittings	15% - 50%
Office Equipments	25% - 50%
Plant and Machinery	5% - 20%

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

In case of Intangible Assets

I. Registration costs

Costs incurred on product registration are deferred and released to the income statement over the period of registration which is normally 5 years.

II. Development costs

Development costs represent fees for acquisition of technical know-how and are amortised over a period of 10 years.

iii) In case of Subsidiary Company at Philippines :

Depreciation and amortization is calculated on the straight line basis over the estimated useful lives of the assets as follows:

Particulars	Useful Life
Transportation Equipment	5 years
Office Equipments	2 years
Offices Furniture & Fixture	2 years
Communication Equipment	2 years

Leasehold improvements are amortized over the life of the assets or the lease term, whichever is shorter.

The residual values, estimated useful lives and depreciation & amortization method are reviewed periodically to ensure that the residual values of the assets, periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is credited or charged to current operations. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss is recognized in the statement of comprehensive income.

i) Investments

Long term investments are stated at cost of acquisition. Provision for diminution in value, is made only if, in the opinion of management such a decline is other than temporary. Investments in foreign currency are stated at cost by converting at exchange rate prevailing at the time of acquisition / remittance.

j) Inventories

i) Raw materials, packing materials, finished/ traded goods are valued at cost or net realisable value whichever is lower

ii) Works in process are valued at estimated cost

iii) Sales promotional items are valued at cost

k) Export Benefits

Export benefits available under prevalent schemes are accounted to the extent considered receivable.

l) Employee Benefits

Short Term Employee Benefits:

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

Post Employment Benefits:

Company's contribution for the period paid / payable to defined contribution retirement benefit schemes are charged to Profit and Loss Account. Company's liability towards defined benefit plan viz. gratuity is determined using the Projected Unit Credit Method as per the actuarial valuation carried out at the balance sheet date.

m) Research and Development

Research costs are expensed as 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, not exceeding ten years. 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.

n) Excise and Custom Duty

Excise duty in respect of finished goods lying in factory premises and customs duty on goods lying in custom bonded warehouse are provided for and included in the valuation of inventory.

o) Cenvat, Service Tax and Vat Credit

Cenvat, Service Tax and Vat credit receivable/availed are treated as an asset with relevant expenses being accounted net of such credit and the same is reduced to the extent of their utilisations.

p) Prior period items

Prior period items are accounted under the respective head of account. Material items, if any, are disclosed separately by way of a note.

q) Income Tax

Current tax is accounted on the basis of as per the tax provisions of the respective countries.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax, to the extent that the timing differences are expected to crystallise.

In case of the Parent Company, MAT Credit Entitlement as per the provisions of Income Tax Act, 1961 is treated as an asset by credit to the Profit & Loss Account.

r) Impairment of Assets

The fixed assets and producing properties are reviewed for impairment at each balance sheet date. An asset is impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed, if there has been a change in the estimate or recoverable amount.

s) Accounting for Leases

In case of the Parent Company, Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.

In case of the Subsidiary Company, Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are debited to the income statement unless they are attributable to qualifying assets in which case, they are capitalised in accordance with the policy on borrowing costs.

t) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

u) Borrowing Cost:

Borrowing cost attributable to acquisition or construction of qualifying assets is capitalised as cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

2. Contingent Liabilities

(i) Letter of Credit opened ₹1,529.44 Lacs (₹671.46 Lacs).

(ii) Excise demands disputed by Company pending in appeal ₹ Nil (₹ 49.44 Lacs).

(iii) Income tax demands disputed by the Company pending in appeal ₹ 379.92 Lacs (₹ 355.83 Lacs). Amount paid under protest ₹80.00 Lacs (₹82.00 Lacs).

(iv) Custom duty on import under Advance License Scheme, pending fulfillment of export obligation is ₹58.39 Lacs (₹90.56 Lacs).

(v) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances ₹1322.60 Lacs (₹628.75 Lacs).

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

3. From the current year operations of all subsidiaries are treated as integral and accounted accordingly.

4. Loans taken, secured and unsecured, includes amount due within a year ₹ 2,225.67 Lacs (₹ 2,762.82 Lacs).

5. The Parent Company has approved at its Board Meeting held on 29th October 2009, buy back ("Scheme") of equity shares through stock exchanges involving aggregate amount upto ₹1,136 Lacs. The Company has not purchased any share under the aforesaid Scheme which has ended during the year.

6. The group has one segment of activity namely, "Pharmaceuticals".

7. During the year, in respect of the Parent Company, MAT liability has been provided which is eligible for set off in subsequent years. The same has been treated as recoverable and shown as MAT Credit Entitlement. Provision for current tax includes wealth tax ₹1.15 Lacs (₹0.39 Lacs).

8. In case of the Parent Company, Pre-operative expenses included in Capital work in Progress representing expenses incurred for projects yet to be commissioned are as under:

Particulars	**31.03.2011 ₹ in Lacs**	**31.03.2010 ₹ in Lacs**
Opening Balance	288.93	48.60
Add: Incurred during the year		
- Interest on Fixed Period Loans	Nil	538.08
- Other Expenses	3.83	5.00
Total	**292.76**	**591.68**
Less: Capitalised to Fixed Assets	292.76	302.75
Closing Balance	**Nil**	**288.93**

9. **Earning Per share (EPS) –** The numerator and denominator used to calculate Basic and Diluted Earning Per Share:

Particulars	**31.03.2011**	**31.03.2010**
Net Profit After tax (₹ in Lacs)	5,071.26	3,400.37
Average number of Equity Shares outstanding during the year	1,17,08,500	1,17,08,500
Nominal value of Equity Shares (₹)	10	10
Earning Per Share-Basic and Diluted (₹)	43.31	29.04

10. **Employee Benefits in respect of the Parent Company**

As required by Accounting Standard-15 'Employee Benefits' the disclosures are as under:

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 workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension Fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

During the year the Company has recognised the following amounts in the Account:

Particulars	**31.03.2011** ₹ in Lacs	**31.03.2010** ₹ in Lacs
Provident Fund and Employee's Pension Scheme	329.70	257.54
Employees State Insurance	16.17	8.93
TOTAL	**345.87**	**266.47**

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:

a. 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.

b. On the death in service:

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

Death Benefit: The Company provides for death benefit, a defined benefit plan (death benefit plan) to certain categories of employees. The death benefit plan provides a lump sum payment to vested employees on death, being compensation received from the insurance company and restricted to limits set forth in the said plan. The death benefit plan is non-funded.

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31st March, 2011 are as under :

	Particulars	31.03.2011 ₹ in Lacs	31.03.2010 ₹ in Lacs
i)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	288.25	262.66
	Current Service Cost	91.59	54.79
	Interest Cost	22.34	20.35
	Actuarial loss / (gain)	59.08	(21.13)
	Liabilities settled on sale of business	Nil	Nil
	Benefit (paid)	(20.22)	(28.42)
	Closing defined benefit obligation	441.04	288.25
ii)	**Changes in Fair Value of Assets**		
	Opening fair value of plan assets	4.48	30.74
	Diff. between report as per last year & actual balance as per LIC Fund Statement	0.91	Nil
	Expected return on plan assets	2.79	1.41
	Actuarial gain / (loss)	(0.01)	0.75
	Contributions of employer	75.00	Nil
	Assets distributed on sale of business	Nil	Nil
	Benefit (paid)	(20.22)	(28.42)
	Closing fair value of plan assets	62.95	4.48
iii)	**Amount recognized in the Balance Sheet**		
	Present value of obligations as at year end	441.04	288.25
	Fair value of the plan assets as at year end	62.95	4.48
	Amount not recognized as an asset	Nil	Nil
	Net (asset) / liability recognized as on 31st March, 2011	378.09	283.77
iv)	**Expenses recognized in the Profit and Loss Account**		
	Current Service Cost	91.59	54.79
	Interest on defined benefit obligation	22.34	20.36
	Expected return on plan assets	(2.79)	(1.41)
	Net actuarial loss / (gain) recognized in the current year	59.08	(21.88)
	Effect of the limit in Para 59(b) of the revised AS 15	Nil	Nil
	Total expense	170.22	51.86
v)	**Asset information**		
	Government of India Securities	Nil	Nil
	Corporate Bonds	Nil	Nil
	Special Deposit Scheme	Nil	Nil
	Others – Policy of Insurance	100%	100%
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	8.00%	7.75%
	Expected rate of return on plan assets (p.a.)	8.50%	8.50%
	Annual increase in salary cost (p.a.)	6.00%	6.00%

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.

Employee Retirement And Other Benefit Obligations in respect of the Subsidiary Company:

No provision has been made in respect of employee retirement and other benefit obligations. The company holds an Export Enterprise Certificate under the Consolidated Industrial Expansion Act 1993 (amended). As provided in the Act, section VI of the Labour Act in respect of severance allowance (except in cases of unjustified dismissal) does not apply. Besides the company does not have any pension scheme or any contracted agreement binding itself to the employees.

11. Disclosure for operating leases under Accounting Standard 19 - "Leases":

The Parent Company and Subsidiary Companies have taken various residential /godowns / office premises (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancelable and range between 11 months and 5 years under leave and license, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Parent Company has given refundable interest free security deposits in accordance with the agreed terms.

The lease payments of ₹280.93 Lacs (₹205.93 Lacs) are recognised in the Profit and Loss Account under "Rent, Rates & Taxes" under Schedule 17.

Operating Lease

Particulars	**2010-11 ₹ in Lacs**	**2009-10 ₹ in Lacs**
Not later than one year	352.09	301.24
Later than one year but not later than five years	1,697.23	407.87
Later than five year	1,270.08	Nil

Finance Lease

Particulars	**Total Minimum Lease Payments Outstanding ₹ in Lacs**	**Future Interest on Outstanding ₹ in Lacs**	**Present Value of Minimum Lease Payments ₹ in Lacs**
Within one year	10.90 (8.67)	Nil (Nil)	10.90 (8.67)
Later than one year and not later than five years	50.06 (17.64)	Nil (Nil)	50.06 (17.64)
Total	**60.96 (26.31)**	**Nil (Nil)**	**60.96 (26.31)**

Future obligations towards lease rentals under the lease agreements as on 31st March 2011 amounts to ₹3,380.35 Lacs (₹735.42 Lacs)

12. The consolidated financial statements have been prepared in compliance of clause 32 of the listing agreement with the stock exchange.

13. Deferred Tax (Liability) Asset comprises of:

Particulars	**31.03.2011 ₹ in Lacs**	**31.03.2010 ₹ in Lacs**
Depreciation	(1,886.36)	(1,232.24)
Unabsorbed Depreciation	251.33	92.12
Unabsorbed Losses	415.40	426.67
Others	127.54	186.55
Net Deferred Tax Assets (Liability)	**(1092.09)**	**(526.90)**

14. **Remuneration to Auditors (excluding service tax) :**

Particulars	31.03.2011 ₹ in Lacs	31.03.2010 ₹ in Lacs
- Audit Fees	10.73	9.26
- Tax Audit Fees	1.00	1.00
- For Certification and other matters	6.76	8.30
- Out of Pocket Expenses	0.70	0.41

15. In case of the Parent Company, excise duty related to differences between closing and opening stock and other adjustments are stated under operating and other expenses. Excise duty related to turnover is reduced from the gross turnover.

16. In terms of the requirements of the Accounting Standard-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the amount recoverable against Fixed Assets has been estimated for the period by the management based on present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value thereof has been considered necessary, by the management.

17. As per the best estimate of the management of the Parent Company, no provision is required to be made as per Accounting Standard (AS) 29 "Provision, Contingent Liabilities and Contingent Assets" as notified by the Companies (Accounting Standards) Rules 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources which would be required to settle the obligation.

18. Related party disclosure (with whom transactions have taken place), as required by Accounting Standards 18 are given below:

Relationships:

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

Mr. Mannalal B. Agrawal	Chairman
Mr. Purushottam B. Agrawal	Executive Vice Chairman
Mr. Madhusudan B. Agrawal	Executive Vice Chairman
Mr. Yogesh M. Agrawal	Managing Director
Dr. Ramesh Jhawar	Director (API)
& Relatives of Key Management Personnel	

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

Gabs Investment Pvt. Ltd.

Following transactions were carried out with related parties: *(₹ in Lacs)*

	Category I	Category II	Total
Remuneration, Commission & Sitting Fees to directors	380.62 (254.48)	Nil (Nil)	380.62 (254.48)
Rent Paid	132.30 (96.00)	Nil (Nil)	132.30 (96.00)
Dividend Paid	202.42 (175.25)	13.96 (9.97)	216.38 (185.22)
Salaries	71.33 (64.61)	Nil (Nil)	71.33 (64.61)
Deposits Given against Premises	Nil (55.00)	Nil (10.00)	Nil (65.00)
Deposits Refunded From	Nil (165.00)	Nil (Nil)	Nil (165.00)

Amount outstanding as at 31st March, 2011 *(₹ in Lacs)*

- Deposit given against Premises	110.00 (110.00)	Nil (10.00)	110.00 (120.00)
Commission Payable to Non-Executive Director/s	52.00 (35.00)	Nil (Nil)	52.00 (35.00)

19. Note on hedge and unhedged foreign currency assets and liabilities:

The Parent Company has entered into Forward Exchange Contract, being derivative instruments for hedge purpose and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. Forward Exchange Contract to buy/sell USD 45Lacs (USD 105Lacs) is outstanding as at the year end. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	**₹ in Lacs**	**₹ in Lacs**	**Amount Lacs in Foreign Currency**	**Amount Lacs in Foreign Currency**	**Foreign Currency**
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	
Amount Receivable / Recoverable	5,866.11 860.06 69.79	2,012.66 1,311.54 Nil	131.56 13.56 0.97	44.83 21.67 Nil	USD EURO POUND
Amount Payable	6,191.34 336.71	6,319.73 168.77	138.85 5.31	140.75 2.79	USD EURO

20. Previous year's figures are regrouped and recast wherever required. Figures in brackets are of previous year.

Signature to Schedule 1 to 19

For and on behalf of the Board

Mannalal B. Agrawal Chairman	**Purushottam B. Agrawal** Vice Chairman	**Yogesh M. Agrawal** Managing Director	**Nikhil Bhatt** Company Secretary

Mumbai, 30th April, 2011

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Lacs)

		Year Ended 31st March, 2011	Year Ended 31st March, 2010
A	**Cash Flow from Operating Activities**		
	Net Profit before Tax	5,656.64	3,876.09
	Adjustments for :		
	Depreciation	2,474.85	2,073.36
	Loss (Profit) on Sale/Discard of Assets	(1.76)	(6.30)
	Receivables Written Off	0.59	71.73
	Interest Charge	1,782.11	2,015.20
	Exchange Fluctuation	0.00	(140.68)
	Operating Profit before Working Capital Changes	9,912.53	7,889.40
	Adjustments for :		
	Trade & Other Receivables	(784.61)	1,314.61
	Inventories	650.40	(1,573.26)
	Trade Payables	1,272.28	2,415.17
	Cash Generated from Operations	11,050.60	10,045.92
	Direct Taxes Paid	(992.44)	(535.10)
	Net Cash Generated from (Used in) Operating Activities	**10,058.16**	**9,510.82**
B	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	(4,065.87)	(4,286.50)
	Sale of Fixed Assets	11.57	19.90
	Net Cash Generated from (Used in) Investing Activities	**(4,054.30)**	**(4,266.60)**
C	**Cash Flow from Financing Activities**		
	Increase (Decrease) in Borrowings - Net	(3,733.30)	(2,225.12)
	Interest Paid	(1,802.87)	(2,001.61)
	Dividend Paid	(407.44)	(290.70)
	Dividend Tax Paid	(68.06)	(49.75)
	Net Cash Generated from (Used in) Financing Activities	**(6,011.67)**	**(4,567.18)**
	Net Increase (Decrease) in Cash & Cash Equivalents	**(7.81)**	**677.04**
	Cash and Cash Equivalents as at the Beginning of the Year	1,483.86	806.82
	Cash and Cash Equivalents as at the End of the Year	**1,476.05**	**1,483.86**

Notes:

1) The above Cash Flow Statement has been prepared under the "indirect method" set out in the Accounting Standard - 3 issued by Institute of Chartered Accountants of India.
2) Previous year's figures are regrouped wherever required.
3) Figures in brackets indicates outflow.

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

S. S. Kapoor
Partner

Mumbai, 30th April, 2011

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

DIRECTORS' REPORT

The directors take immense pleasure and satisfaction in presenting the 32nd Annual Report and audited accounts for the year ended March 31st, 2011.

Financial Results *(₹ in Lacs)*

Year ended 31st March	2011	2010	Growth
Total Income	**46,374**	38,604	**20%**
EBITDA	**9,120**	7,250	**26%**
Interest	**1,566**	1,908	
Depreciation	**2,379**	1,976	
Profit before Tax	**5,175**	3,366	**54%**
Profit after Tax	**4,645**	2,854	**63%**
Earnings Per Share (EPS) ₹	**39.67**	24.37	
Dividend	**50%**	35%	**43%**
Book Value per share (₹ 10/- paid up) ₹	**184**	150	**23%**

Dividend

Your Directors are pleased to recommend a dividend of ₹ 5/- per equity share on the face-value of ₹ 10/- per share for the year ended 31st March, 2011.

Operations

It was yet another year of outstanding performance on all the parameters, be it growth in total income and profits or bringing efficiency by better resource management. Exports continued to lead with its contribution of 63% and domestic business joining it to keep the growth momentum going. The benefit of mapping the complete pharma value chain during the previous year had shown its result in terms of overall improvement in the operations of the company.

Management Discussion and Analysis

The Management Discussion and analysis of the operations of your company is provided in a separate section and forms part of this report.

Subsidiary Companies

The Central Government has granted exemption under Section 212(8) of the Companies Act, 1956, from attaching to the Balance Sheet of the company, the accounts and other documents of its subsidiaries. A statement containing prescribed particulars in terms of the said exemption and statement pursuant to section 212 of the Companies Act 1956 are annexed. Consolidated Financial Statements incorporating results of all subsidiaries are also part of this annual report. The company will make available annual accounts of subsidiary companies to any member of the company who may be interested in obtaining the same.

The performance of Mauritius subsidiary once again had been excellent with overall growth in sales and profitability. Its Philippine subsidiary had added to the performance but has yet to break even. US Subsidiary continued to assist in regulatory work for company's ANDA project. Overall subsidiary performances were satisfactory.

Joint Venture

Turkmenderman Ajanta Pharma Ltd., your company's joint venture in Turkmenistan has shown no improvement in operations and your company continues to look for exit options from the same.

Research & Development

The new expanded R&D facility at Advent became operational during the year with renewed thrust on innovation. With more space, more sophisticated equipments and more people, the performance of R&D had been excellent. New product launches, process improvements, cost savings in manufacturing, preparation for more ANDA filing were all the activities which kept R&D busy throughout the year and assisted in substantial financial improvement of the company.

Capital Expenditure

With the completion of new Advent, our R&D centre expansion and Paithan plant expansion, the company has completed all its major Capex plans during the year. Normal capital expenditure will continue in the coming years till we plan new grass root facility.

Consolidated Financial Statements

In accordance with the requirement of Accounting Standards AS21 prescribed by the Institute of the Chartered Accountants of India, the consolidated account of your company is annexed to this report.

Directors

Mr. Madhusudan B. Agrawal and Mr. Chandrakant M. Khetan, the Directors of your Company, retire by rotation and being eligible, offer themselves for re-appointment.

Auditors

The Auditors, M/s. Kapoor & Parekh Associates, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment, holding peer review certificate. Members are requested to appoint them as Auditors and fix their remuneration.

M/s. Sevekari Khare & Associates, Cost Auditor have been reappointed to conduct the cost audit of the company's cost records for FY 2011-12 as prescribed by the order received from Government of India, Ministry of Company Affairs, Cost Audit Branch, New Delhi.

Auditor's Report

The remarks as contained in the Auditor's Report read with Notes forming part of the accounts are self-explanatory.

Fixed Deposits

The Company has not accepted any fixed deposits from the public under Section 58A of the Companies Act, 1956.

Director's Responsibility Statement

Your Directors confirm:-

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed.
2. That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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, 2011 and of the profit or loss account of the company for that year.
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the Annual Accounts have been prepared on going concern basis.

Corporate Social Responsibility

During the year, your company added one more area of health, i.e., Jaipur foot, in addition to the existing commitment to eye surgery camps, plastic surgery camps, etc. More than 5,000 needy patients, especially in rural areas took the benefit of these camps in different parts of the country. Your company reiterates its commitment towards better health for people who cannot afford for these treatments.

Human Resources

You will be pleased to know that the team of Ajantaites world over has crossed the mark of 3,000 dedicated and fully committed professionals. The immense potential of this team is reflected in the consistent performance of the company year after year. The company recognises the contribution of this team, which knows its priority in terms of performance orientation and best of ethics.

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, is available at the registered office of the company. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and accounts are being sent to all shareholders of the Company, excluding the aforesaid information, which is available for inspection at the Registered Office of the Company during working hours. Any shareholder interested in such particulars may inspect the same.

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

The additional information relating to Conservation of energy, technology absorption, foreign exchange earnings and outgo, pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is given in annexure and forms part of this report.

Corporate Governance

Report on Corporate Governance and Certificate from the Auditors thereon regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges are enclosed.

Gratitude and Acknowledgments

Your Directors wish to thank all stakeholders, medical profession, business partners, government, other statutory bodies, banks, financial institutions and shareholders for their assistance, co-operation and encouragement. Your Directors also place on record their sincere appreciation for significant contribution made by the employees at all levels through their dedication, hard work and commitment and look forward to their continued support and unstinting efforts in ensuring an excellent all round operational performance.

For and on behalf of the Board of Directors,

MANNALAL B. AGRAWAL
CHAIRMAN

Mumbai, 30th April, 2011

ANNEXURE TO DIRECTORS' REPORT

Statement Pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY :

1. Energy Conservation Measures

Your company is committed to energy conservation in every form and continuously strives to reduce wastage and optimize consumption. Every Ajantaite had been fully aware of his/her responsibility towards energy conservation, thereby assisting in reducing global warming. Notable measures for energy conservation were:

- Temperature controller is used for cooling tower 15 hp motor
- Steam condensed is used for hot water system
- ACFC panel used to maintain power factor unity at all plants
- Controlled operations of air handling system at plants including HVAC
- Switching off all the electrical gadgets when not in use
- Maximum use of natural light wherever possible
- Preventive maintenance of all equipments and electrical systems

All these above measures helped to curtail the proportionate increase in total energy usage. This helped to optimize cost of production. Total energy consumption and energy consumption per unit of production as per form A is as follows:

Year Ended March 31st		2011	2010
(i)	**POWER AND FUEL CONSUMPTION**		
	Electricity		
	(a) Purchase		
	Unit	65,73,549	57,47,183
	Total Amount (₹)	3,65,95,109	2,84,12,333
	Rate/Unit (₹)	5.56	4.94
	(b) Own generation		
	Unit	5,09,990	4,34,430
	Unit per Ltr. of Diesel Oil	3.60	3.58
	Cost / Unit (₹)	11.23	12.52
(ii)	**CONSUMPTION PER UNIT OF PRODUCTION**		
	The Company manufactures several formulations of different pack sizes. It is therefore, impracticable to apportion the consumption and the cost of utilities to each product.		

B. RESEARCH AND DEVELOPMENT and TECHNOLOGY ABSORPTION :

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

Your company views Research and Development as a vital component of Business strategy that will provide long-term competitive advantage. Our R&D facility "*Advent*" recognized by DSIR, Govt. of India, covering an area of more than 30,000 sq. feet, is fully equipped with modern state-of-the-art equipment, working on different dosage forms and APIs.

A team of more than 200 committed scientists, with research experience in Drug Discovery, Drug Delivery Systems, Process Development and Analytical Research relentlessly work on the product development to make the life of patients more convenient and compliant. Encouraging environment of the R&D lab enables excellence in innovation for developing complex and challenging first of its kind combination products and generic products in the focused therapeutic segments. Your company has built strong capabilities for developing new unique formulations including Novel Drug Delivery Systems (NDDS).

The specific areas in which research was carried out are:

a. Development of newer formulations in various Therapeutics segments like Ophthalmology, Dermatology, Cardiology and Cosmetology.

b. Development of New Drug Delivery Systems like Laser-Drilled Tablets, Matrix/Coated Extended Release, Taste Masking Technologies and improved Bioavailability through solubilisation and Nano-particle Technology.

c. Development of analytical methods using latest instruments for the new products and stability indicating methods for conduction of stability studies.

d. Validation of analytical procedures to support development of new formulations

e. Process validation and technology transfer of newly developed products.

f. Cost reduction and product improvisation trials.

2. Benefits derived as a result of R&D:

Many of your company's brands are leading in their sub-therapeutic segments and have made the patient more compliant of the therapy, providing excellent convenience. During the financial year your company launched 23 formulations across different marketing divisions and countries, out of which 12 products were first of its kind in India. All of them were based on technology developed in-house by the R&D team. Few of the critical APIs were developed by the R&D team, which were then commercialized in our new API plant, thereby providing cost savings and increased profitability.

3. **Future plan of action :**

- To continue to develop generic formulations in various therapeutic segments and various dosage forms for domestic market.
- To develop formulations for filing ANDA's/WHO/ Other Regulated Markets.
- To develop high value APIs for some of our key products.

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

Year after year, your company continues to invest on R&D. A large part of this investment is for complex products, ANDA filings for the US and API technologies that are complex and may require dedicated manufacturing sites. Investments have been made in creating research sites, employing scientifically skilled and experienced manpower, adding equipment and upgrading continuously the exposure and research understanding of the scientific team in the therapy areas of our interest.

New products broadened the product basket of the Company and further strengthened the Company's Research base. We have attained market leadership in many areas and are not dependent on outside technology for the products. The improved profitability of the company is also the result of this investment.

Expenditure on R&D :

Particulars	₹ lacs
Capital Expenditure	2,299.52
Recurring Expenditure	2,488.37
Total	4,787.89
Total R&D expenditure as a percentage of total turnover	10.37%

C. **FOREIGN EXCHANGE EARNINGS AND OUTGO :**

1. **Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.**

Export contributed 63% of total sales for the financial year 2010-11. Export market remains a focus area for your company with innovative R&D product. As on March 31st 2011, the company had 1,323 product registrations and many more products under registrations in different countries. This had resulted in excellent growth in exports and will ensure the same in coming years.

2. **Total foreign exchange used and earned**

(₹ in Lacs)

Year Ended March 31st,	2011	2010
(i) Earnings	**26,990.63**	21,753.56
(ii) Outgo on import of Raw Materials, Capital Goods, Traveling, Marketing and other expenses.	**6,039.40**	6,289.82

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Code of Corporate Governance

Ajanta Pharma Limited's philosophy on corporate governance envisages working towards high levels or transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities. Ajanta Pharma Limited is committed to learn and adopt the best practices of corporate governance.

II. Board of Directors

The Board of Directors of the company consists of eight Directors. It comprises of three Whole-time Directors, one Non-Executive Director and four Independent Directors, which includes two Nominee Directors.

Board Meetings:

During the financial year 2010-2011 total four Board Meetings were held on May 6, 2010; July 30, 2010; October 22, 2010 and January 20, 2011 respectively. The Board meets at least once every quarter inter-alia to review the performance of the Company. The gap between the two Board Meetings does not exceed the period of four months.

Attendance of Directors at the Board Meetings and last Annual General Meeting:

Name of the Director	Category of Directorship	No. of Board of Directors Meetings Attended	Last AGM Attended	No. of other Director-ships #	No. of shares held *	All Committee Membership (including non-mandatory)	
						Member	Chairman
Mr. Mannalal B. Agrawal @	P&NED	3	Yes	6	7,20,896	1	0
Mr. Purushottam B. Agrawal @	P&ED	3	No	7	7,18,590	2	0
Mr. Madhusudan B. Agrawal @	P&ED	4	Yes	7	7,18,500	2	0
Mr. Yogesh M. Agrawal @	P&ED	4	Yes	0	3,84,861	1	1
Dr. Anil Kumar	I&NED	3	No	0	Nil	0	3
Mr. Chandrakant M. Khetan	I&NED	4	Yes	5	Nil	0	1
Mr. S. C. Saha	I&NED	3	No	0	Nil	3	0
Ms. Manjiri M. Bhalerao	I&NED	4	No	0	Nil	3	0

excludes Private Limited Companies & Foreign Companies

I - Independent; P - Promoter; ED - Executive Director; NED - Non-executive Director

* Details of shares held are as on 31.03.2011

@ Mr. Mannalal B. Agrawal, Mr. Purushottam B. Agrawal and Mr. Madhusudan B. Agrawal are brothers and hence they are related to each other. Mr. Mannalal B. Agrawal is related to Mr. Yogesh M. Agrawal as he is the father of the latter.

Re-appointment of Directors liable to retire by rotation:

According to the Articles of Association of the company, at every Annual General Meeting one third of the Directors are liable to retire by rotation. Thus, Mr. Madhusudan B. Agrawal and Mr. Chandrakant M. Khetan shall retire at ensuing Annual General Meeting of the company and being eligible, offer themselves for reappointment. Brief profile of the Directors seeking reappointment are as follows:

Mr. Madhusudan B. Agrawal

Mr. Madhusudan B. Agrawal is promoter director of the company and has been associated since its inception. He is also Vice Chairman of the company looking after business development activities. He has been instrumental in opening up new markets, introducing new products and motivating marketing team to excel in their performance. His continuation on Board of Directors will ensure continued growth for company in coming years.

Shares held in Ajanta Pharma Limited – 7,18,500

Other Directorships	Committee Membership/ Chairmanship
Ajanta Projects (India) Ltd. Ajanta Pharma (Mauritius) Ltd. Ajanta Overseas Ltd. Gencrest Ltd. Sirien MIDC Infrastructure Ltd. Louroux Bio Energies Ltd. Inspira Infrastructure Ltd. Inspira Leisure And Hospitality Ltd. Turkmenderman Ajanta Pharma Ltd.	Member: Executive Committee of Ajanta Pharma Ltd. Executive Committee of Gencrest Ltd.

Mr. Chandrakant M. Khetan

Mr. Chandrakant M. Khetan is an industrialist of repute with more than four decades of experience in running industries in different sectors. His understanding of business strategy, financials, risk analysis and his acumen to add value has made him an important member of the Board. He is also Chairman of Audit Committee of the Board. Company will immensely benefit with his varied experience and value adding approach.

Shares held in Ajanta Pharma Limited – Nil

Other Directorships	Committee Membership/ Chairmanship
Entremonde Polycoaters Ltd. Polymermann (Asia) Pvt. Ltd. Polymermann (Exports) Pvt. Ltd. Khetan Doshi Construction Pvt. Ltd. Baroda Superstores Pvt. Ltd. Piramal KD's Superstore Pvt. Ltd. Anil Apartment Pvt. Ltd. Swastik Safe Deposit & Investment Ltd. Vibhuti Investment Company Ltd. Kwality Plastics Ltd. Integra Textiles & Apparels & Textiles Ltd. Rishiraj Enterprise Pvt. Ltd. Omicron Power Engineers Pvt. Ltd.	Chairman: Audit Committee of Ajanta Pharma Ltd.

III. Audit Committee

The Audit Committee constituted by the Board of Directors of the Company comprises two Independent Directors and one Non-Executive Director.

During the year, four meetings of the Audit Committee were held on May 6, 2010; July 30, 2010; October 22, 2010 and January 20, 2011. The Company Secretary is appointed as the Secretary to the Audit Committee. The terms of reference of the Audit committee are set out in accordance with the requirement of Clause 49 of the listing agreement and the provisions of the Companies Act, 1956. Auditors and Chief Financial Officer attend the meetings on invitation from the Chairman. The details are as follows:

Name	Designation	Meetings Attended
Mr. Chandrakant M. Khetan	Chairman	4
Mr. Mannalal B. Agrawal	Member	3
Ms. Manjiri M. Bhalerao	Member	4

IV. Remuneration Committee

Terms of reference of the remuneration committee includes considering the matters relating to the Company's policies on remuneration payable and determining the package to the Executive Directors, sitting fees payable and commission to be paid to the Directors. One meeting was held during the financial year 2010-2011 i.e. on 6th May, 2010 in which all the members were present. The Company Secretary is the Secretary to the Remuneration Committee. The Remuneration Committee consists of three Independent Directors, which includes two Nominee Directors as follows:-

Name	Designation
Dr. Anil Kumar	Chairman
Mr. S. C. Saha	Member
Ms. Manjiri M. Bhalerao	Member

Details of remuneration to Directors :

Payment of remuneration to Chairman and Managing Director are governed by the agreement executed between them and the company in the past. These agreements were approved by the Remuneration Committee and Board in the past.

The aggregate value of salary and perquisites paid to the Chairman and Managing Director subject to the provisions of Schedule XIII of the Act, for the financial year ended 31st March, 2011 was as under:

PARTICULARS	₹
Remuneration to Executive Directors :	
Mr. Purushottam B. Agrawal, Vice Chairman	1,09,44,000/-
Mr. Madhusudan B. Agrawal, Vice Chairman	1,09,44,000/-
Mr. Yogesh M. Agrawal, Managing Director	1,09,44,000/-
Remuneration to Non-Executive Directors:	
a) Sitting Fees paid:	
Mr. Mannalal B. Agrawal	30,000/-
Dr. Anil Kumar	35,000/-
Mr. S. C. Saha, Nominee Director, IDBI Bank Ltd	35,000/-
Ms. Manjiri M. Bhalerao, Nominee Director, EXIM Bank	45,000/-
Mr. Chandrakant M. Khetan	40,000/-
b) Commission payable:	
Mr. Mannalal B. Agrawal	52,00,000/-

V. Investors' Grievance Committee

The Investors Grievance Committee deals with matters relating to various complaints of investors and its redressal.

During the year, four meetings of the Investors Grievance Committee were held on May 6, 2010; July 30, 2010; October 22, 2010 and January 20, 2011 and the attendance was as follows:

Name	Status	Meetings Attended
Dr. Anil Kumar	Chairman	3
Mr. Yogesh M. Agrawal	Member	4
Mr. S. C. Saha	Member	3

The Company Secretary acts as a Secretary to the Committee and also as the Compliance Officer. The Company has received 24 complaints during the year and all of them have been redressed/answered to the satisfaction of the Shareholders. No investor grievance remained unattended/pending for more than 30 days.

The classification of complaints based on their nature was as follows:

Nature of Complaints	No. of Complaints
i) Non-receipt of Dividend	18
ii) Non-receipt of Annual Report	1
iii) Demat & Remat	4
iv) Fully paid Stickers	1
Total	**24**

VI. Executive Committee Meeting

10 Executive Committee Meetings were held during the year under report for dealing with operational matters delegated by the Board of Directors.

Name	Meetings Attended
Mr. Yogesh M. Agrawal	9
Mr. Purushottam B. Agrawal	4
Mr. Madhusudan B. Agrawal	10

VII. General Body Meetings

Details of the locations of the last three Annual General Meetings:

Financial Year	Date	Time	Location
March 31, 2008	July 8, 2008	11.00 a.m.	Shri Bhaidas Maganlal Sabhagriha, U-1, Juhu Development Scheme, Vile Parle (West), (Near Mithibai College), Mumbai – 400 056.
March 31, 2009	July 9, 2009		Shree Vile Parle Gujarati Mandal, Shraddhanand Road, Vile Parle (East), Mumbai – 400 057.
March 31, 2010	July 9, 2010		Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivali (West), Mumbai – 400 092.

All the resolutions, including special resolutions set out in the respective Notices were passed by the shareholders.

VIII. Disclosures

a. Disclosures on materially significant Related Party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their Subsidiaries or relatives etc. that may have the potential conflict with the interest of the company at large:

   None of the transactions with any of the related parties was in conflict with the interest of the Company. The transactions with the Related party are disclosed in Note No. 21 of Schedule 19 containing Notes to Accounts.

b. During the last 3 financial years, there were no instances of non-compliance by the Company on any matters related to the capital markets or penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority.

IX. Means of Communication

The Board of Directors of the Company approves and takes on record the Unaudited Quarterly Results and Audited Annual Results and announces forthwith the results to both the Stock Exchanges where the shares of the Company are listed. The same are published within 48 hours in one English daily newspaper and one Marathi newspaper (Mumbai edition) and are displayed on the website of the company www.ajantapharma.com.

The Management Discussion and Analysis Report forms part of the Annual Report.

X. General Shareholders Information :

1. Annual General Meeting

   Date and time : 1st July, 2011 at 11.00 a.m.

   Venue : Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli (West), Mumbai - 400 092

2. Financial Calendar (Tentative)

   Results for the Quarter ending :

   June 30, 2011 : last week of July, 2011

   September 30, 2011 : last week of October, 2011

   December 31, 2011 : last week of January, 2012

   March 31, 2012 : last week of April/May, 2012

3. Dates of Book Closure : 25th June, 2011 to 1st July, 2011 (both days inclusive)

4. Dividend Payment Date : on or after 1st July, 2011, subject to approval of shareholders.

5. Listing on Stock Exchanges : a) Bombay Stock Exchange Limited

   (Code: AJANTAPH 532331)

   b) National Stock Exchange of India Limited

   (Code: AJANTPHARM EQ)

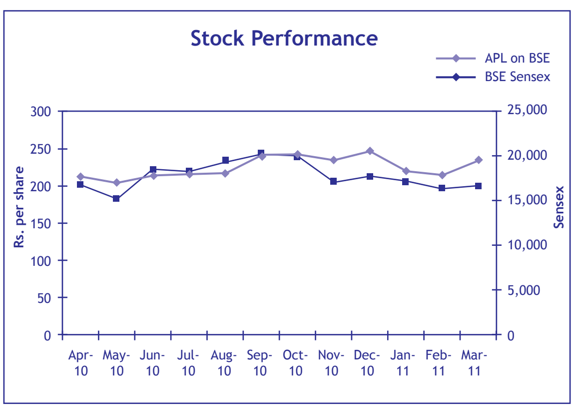
The Annual Listing fees were paid in time to both these Stock Exchanges.

6. ISIN number for NSDL and CDSL : INE031B01015

7. Stock Market Data :

	Bombay Stock Exchange(BSE)		National Stock Exchange(NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-10	211.85	181.05	211.55	181.10
May-10	208.70	173.15	207.00	174.00
Jun-10	230.40	182.00	230.50	181.50
Jul-10	228.50	207.00	228.00	206.10
Aug-10	259.00	199.00	259.00	196.65
Sep-10	273.65	233.00	273.80	231.55
Oct-10	266.00	235.00	266.00	234.00
Nov-10	253.30	192.00	253.75	192.20
Dec-10	225.00	175.00	229.00	171.50
Jan-11	234.80	172.00	234.80	173.00
Feb-11	219.55	175.15	219.50	174.50
Mar-11	210.80	185.75	210.60	192.00

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



9. Registrar and Transfer Agents :

Link Intime India Private Ltd.

Unit : Ajanta Pharma Limited

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W), Mumbai - 400 078

Tel.: 022-2596 3838/25946970; Fax.:022-2594 6969;

Email: rnt.helpdesk@linkintime.co.in

10. Share Transfer System :

Shares sent for transfer in physical form are registered by the Registrar and Shares Transfer Agents, M/s. Link Intime India Private Ltd., and returned within a 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. The total number of shares transferred in physical form during the year 2010-11 were: -

Transfer period (in days)	No. of requests (processed, effected & despatched)	No. of shares	%
1-15	17	1,750	44.30
16-20	12	1,550	39.24
21-30	5	650	16.46
30 & Above	-	-	-
TOTAL	**34**	**3,950**	**100**

11. Distribution of Equity Shareholding as on 31st March, 2011 :

No. of shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 2500	9,625	84.36	8,37,281	7.15
2501- 5000	989	8.67	3,88,725	3.32
5001-10000	411	3.60	3,30,539	2.82
10001-20000	163	1.43	2,44,563	2.09
20001-30000	81	0.71	2,08,691	1.78
30001-40000	33	0.29	1,20,661	1.03
40001-50000	14	0.12	65,068	0.56
50001-100000	37	0.32	2,87,051	2.45
100001 & above	57	0.50	92,25,921	78.80
TOTAL	**11,410**	**100.00**	**1,17,08,500**	**100.00**

12. Pattern of Shareholding :

SR NO.	CATEGORY	AS ON 31ST MARCH, 2011	
		NO OF SHARES	% OF TOTAL NO.OF SHARES
1.	Promoters Holding ➢ Promoters ➢ Foreign Promoters	 78,23,621 Nil	 66.82 Nil
2.	Mutual Funds	Nil	Nil
3.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-Government Institutions)	2,340	0.02
4.	Private Corporate Bodies	7,11,438	6.08
5.	Indian Public	31,16,886	26.62
6.	NRI's/OCB's/FII's	34,746	0.29
7.	In Clearance	19,469	0.17
	TOTAL	**1,17,08,500**	**100.00**

13. Dematerialisation of Shares and liquidity :

98.72% of the total equity capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2011. 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 2010-11 is given below: -

	Bombay Stock Exchange (BSE)	National Stock Exchange (NSE)	BSE + NSE
In no. of Shares	65,760	1,18,799	1,84,559
In value terms	1,40,20,643	2,53,14,597	3,93,35,240

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

The Company does not have any outstanding instruments which entitles to subscribe to the equity.

15. Plant Locations and R & D Centre :

Plants

i. B-4, B-5, B-6, MIDC Industrial Area, Paithan, Aurangabad, Maharashtra

ii. 31-O, MIDC Industrial Area, Chikalthana, Aurangabad, Maharashtra

iii. Gut No. 11/12/14/15, Chitegaon, Paithan Road, Aurangabad-431 105.

iv. Gut No. 378, Plot No. 8, Waluj, Aurangabad.

R&D Centre

43 AB & 44BCD, ADVENT, Charkop,
Kandivli (W), Mumbai – 400 067, Maharashtra

16. Green initiative programme by the Ministry of Corporate Affairs :

All of us are aware of the dangers of global warming and its effect on the life on earth in coming years. We all are trying to do our bit in this regard and everyone would like to take every opportunity to further the cause of saving mother earth.

Recently, Govt. of India, Ministry of Corporate Affairs vide its circular bearing No. 17/95/2011 CL-V dated 21st April, 2011, has taken a Green initiative in the Corporate Governance by allowing PAPERLESS COMPLIANCES by Companies. As per the said circular, service of document to company's shareholders can be made through electronic mode, provided company has obtained e-mail address of its members for sending notice/documents through e-mail by giving an advance opportunity to every shareholder to register their email address and changes therein from time to time with the company.

Hence valued shareholders who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send the mail at ajantapharmagogreen@linkintime.co.in Alternatively members holding shares in physical form can also intimate the Registrar & Transfer Agent at the address mentioned in the report along with following details.

Name of the first holder	
E-mail ID of first holder	
No. of shares held	
Folio No. (in case of physical shares)	
Address if changed	
Signature of first holder	

17. Voluntary Guidelines 2009 :

The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on 'Corporate Governance' and 'Corporate Social Responsibility' in December, 2009. These guidelines are expected to serve as a benchmark for the corporate sector and also help them in achieving the highest standard of Corporate Governance.

Some of the provisions of these guidelines are already in place as required elsewhere in this report. The other provisions of these guidelines are being evaluated by the Board and your company will strive to adopt the same in a phased manner in future.

18. Investor Correspondence Address :

	For shares held in physical form
For transfer/dematerialisation of shares, payment of dividend on shares and any other query relating to the shares of the company	Link Intime India Private Ltd. Unit : Ajanta Pharma Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078 Tel.: 022- 2596 3838/25946970 Fax.: 022- 2594 6969 **Email: rnt.helpdesk@linkintime.co.in**
	For shares held in demat form To the Depository participant
E-mail ID designated for Investor Complaints	**investorgrievance@ajantapharma.com**
Details of Compliance Officer	MR. NIKHIL BHATT GENERAL MANAGER - LEGAL & COMPANY SECRETARY Ajanta Pharma Limited Ajanta House, Charkop, Kandivli (W), Mumbai 400 067 Tel.:022- 66061000/1204/1203 Fax : 022-6606 1200/1300 **E-mail: nikhil.bhatt@ajantapharma.com**

For and on behalf of the Board of Directors,

MANNALAL B. AGRAWAL
CHAIRMAN

Mumbai, 30th April, 2011

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management have affirmed compliance with the code of conduct.

(Purushottam B. Agrawal)	**(Yogesh M. Agrawal)**
Vice Chairman	Managing Director

Mumbai, 30th April, 2011

CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

The Board of Directors
Ajanta Pharma Ltd.
Mumbai

We hereby certify for the financial year, ending 31st March, 2011 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that: -

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2010-11 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:-
   (a) there have been no significant changes in internal control during this year.
   (b) there have been no significant changes in accounting policies during this year.
   (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

(Yogesh M. Agrawal)	**(Arvind K. Agrawal)**
Managing Director	Chief Financial Officer

Mumbai, 30th April, 2011

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

To The Members,
Ajanta Pharma Limited

We have examined the compliance of conditions of corporate governance by **Ajanta Pharma Limited** ("the Company"), for the year ended on 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreements.

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

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

S. S. Kapoor
Partner
M. No. 5399

Mumbai, 30th April, 2011

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

	Ajanta Pharma (Mauritius) Limited	Ajanta Pharma Inc	Ajanta Pharma Philippines Inc *	Ajanta Pharma UK Ltd. **
	(Amt. in MUR)	(Amt. in USD)	(Amt. in PHP)	(Amt. in Pound)
Section 212 (3)				
Financial year of the Subsidiary Company ended on	31.12.10	31.12.10	31.12.10	N.A.
Number of shares in the subsidiary Company held by Ajanta Pharma Ltd. at the above date	613,791	1,520	82,000	Refer note no. 2
Extent of Holding	100%	100%	100%	100%
The net aggregate of profits (losses) of the Subsidiary company so far as it concern the Members of Ajanta Pharma Ltd.				
(I) Dealt within the accounts of Ajanta Pharma Ltd. amounted to:				
(a) for the subsidiary's financial year ended 31st December, 2010	NIL	NIL	NIL	N.A.
(b) for previous financial years of the subsidiary since it became subsidiary of Ajanta Pharma Ltd.	NIL	NIL	NIL	N.A.
(II) Not dealt within the accounts of Ajanta Pharma Ltd. amounted to				

	Ajanta Pharma (Mauritius) Limited	Ajanta Pharma Inc	Ajanta Pharma Philippines Inc *	Ajanta Pharma UK Ltd. **
	(Amt. in MUR)	(Amt. in USD)	(Amt. in PHP)	(Amt. in Pound)
(a) for the subsidiary's financial year ended 31st December, 2010	50,338,244	NIL	(7,271,471)	N.A.
(b) for previous financial years of the subsidiary since it became subsidiary of Ajanta Pharma Ltd.	66,367,014	NIL	(11,182,476)	N.A.
Section 212(5)				
(a) Changes in the interest of Ajanta Pharma Ltd. between the end of the subsidiary's Financial year and 31st March, 2011 Number of shares acquired/(disposed off)	NIL	NIL	NIL	N.A.
(b) Details of material changes which have occurred between the end of the financial year of the subsidiary and the end of the holding company's financial year are as under:				
i) Subsidiary's Fixed Assets	No change	No change	No change	No change
ii) Its investments	No change	No change	No change	No change
iii) The money lent by it	No change	No change	No change	No change
iv) The money borrowed by it for any purpose other than that of meeting current liabilities	No change	No change	No change	No change

* Wholly owned subsidiary of Ajanta Pharma (Mauritius) Ltd.

** Ajanta Pharma Ltd., the holding Company has agreed to subscribe to 10,000 Shares of £1 each in the subsidiary, which was incorporated on 30.11.2010 and its first financial year will end on 31.12.2011.

STATEMENT PURSUANT TO APPROVAL U/S 212 (8) OF THE COMPANIES ACT, 1956

(₹ in Lacs)

Name of the Subsidiary Company	Ajanta Pharma (Mauritius) Ltd.	Ajanta Pharma Inc., USA	Ajanta Pharma Philippines Inc.
The Financial Year ended on	Dec 31, 2010	Dec 31, 2010	Dec 31, 2010
Capital	1,021.42	66.10	87.17
Reserves	1,506.86	1.84	(263.17)
Total Liabilities	4,996.86	0.45	596.95
Total Assets	7,525.13	68.39	420.95
Investment (other than in subsidiaries)	-	-	-
Turnover (Net)	15,931.68	-	406.93
Profit/(Loss) before Tax	680.96	-	(104.51)
Provision for Tax	-	-	47.39
Profit/(Loss) after Tax	680.96	-	(151.90)
Proposed Dividend	-	-	-
Foreign Currency of Subsidiary	Mauritian Rupee	US Dollar	Philippine Peso
Rupee Equivalent of 1 Unit of Foreign Currency as as 31st March, 2011	1.51	44.59	1.03

1) Ajanta Pharma Philippines Inc. is wholly owned subsidiary of Ajanta Pharma (Mauritius) Ltd.
2) A wholly owned subsidiary Ajanta Pharma UK Ltd. has been formed on 30.11.2010 and its first financial year will end on 31.12.2011. Hence, above details in respect of aforesaid subsidiary is not given.

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of Ajanta Pharma Limited will be held on Friday, the 1st day of July, 2011 at 11.00 a.m. at Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli (West), Mumbai- 400 092 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as on that date together with the Report of Directors and Auditors thereon.
2. To declare Dividend for the year ended 31st March, 2011.
3. To appoint a Director in place of Mr. Madhusudan B. Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Chandrakant M. Khetan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. **PAYMENT OF REMUNERATION TO NON-EXECUTIVE DIRECTORS:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 309(4) and other applicable provisions, if any of the Companies Act, 1956 and subject to the Articles of Association of the Company, the Board of Directors be and are hereby authorised to pay the remuneration to all or any of the Non-Executive Directors on the Board of the Company by way of commission calculated in accordance with the provisions of the Act, not exceeding 1% of the net profit in aggregate p.a. for all non-executive Directors put together for a period of 5 years with effect from 01.04.2011 provided that, the directors who will be on the Board for only any part of the year the Commission will be payable on pro-rata basis.”

7. **ALTERATION IN ARTICLES OF ASSOCAITON:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

The following new Articles 15 (L) and (M) be inserted after the existing Article 15 (K) in sequence:

15(L) ISSUES OF EMPLOYEES STOCK OPTION AND PURCHASE:

Notwithstanding anything contained in these Articles, the company may issue Employees stock option and purchase in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and any rules applicable thereto.

15(M) ISSUES OF SWEAT EQUITY SHARES:

Notwithstanding anything contained in these Articles, the company may issue sweat equity shares in accordance with the provisions of section 79A of the Companies Act, 1956 and Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and any rules applicable thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do the needful to give effect to this resolution.”

8. **APPROVAL OF EMPLOYEE STOCK OPTION SCHEME 2011:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), the Memorandum and Articles of Association of the Company, Reserve Bank of India, the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 **(“the Guidelines”)** (including any statutory amendment, modification or re-enactment to the Act or the Guidelines for the time being be in force) and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions which may be agreed to by the Board of Directors of the company **(hereinafter referred to as “the Board” which terms shall be deemed to include any committee including ESOS Compensation Committee thereof)**, approval and consent of the members of the Company be and is hereby accorded to the Board, to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in permanent employment of the company, including directors of the company, except the Promoter Directors, whether working in India or out of India under the Employee Stock Option Scheme 2011 **(hereinafter referred to as the “scheme” or “plan”)** duly approved by the Board, such number of equity shares and/or equity linked instruments including options and/or other instrument or securities which could give rise to the issue of equity shares **(hereinafter collectively referred to as “securities”)** not exceeding 1,80,000 (One Lakh Eighty Thousand) equity shares of face value of ₹10/- each (i.e. 1.53% of the paid up capital of the Company as on March 31, 2011) amounting to ₹18,00,000 /- (Rupees Eighteen Lakhs Only)on such terms and conditions and in the manner set out in the explanatory statement to this item and in the draft scheme placed before this meeting and on such terms and conditions and in such trenches as may be decided by the Board.”

“RESOLVED FURTHER THAT the said securities may be allotted directly to such employees/directors in accordance with the said scheme framed in that behalf and that the said scheme may also envisage for providing any financial assistance to the employees to acquire, purchase or subscribe to the securities of the company.”

“RESOLVED FURTHER THAT in case the Company’s equity share capital or its valuation is affected due to any corporate action like issue of Bonus Shares, Right Shares, any split or consolidation of face value of equity shares, or any event of merger, demerger, consolidation, capitalization or other reorganization of the Company, tender offer for equity shares or Sale of Undertaking, or any other corporate action, or otherwise, at the discretion of the Board when it thinks fit and appropriate and in the interest of the Company and/ or the beneficiary under the scheme; the Board may make such adjustments with respect to stock options and take such other action as it deems necessary or appropriate to reflect such corporate actions, including but without limitation, the substitution of new stock options, or the adjustment of outstanding stock options, the acceleration of exercise period or the removal of any restrictions on outstanding stock options, which shall however be subject to necessary approvals."

"RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the ESOS Guidelines."

"RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the company in the manner aforesaid shall rank pari passu in all respects with the then existing equity shares of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps for listing of the securities to be allotted under the said scheme on the Stock Exchanges where the existing securities of the company are listed as per the provision of the Listing Agreements with the concerned stock exchanges and other applicable guidelines, rules and regulations."

"RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment or listing of the Securities, the Board be and is hereby authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the said scheme from time to time or to suspend, withdraw or revive the scheme from time to time and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the shareholders of the Company."

9. APPROVAL OF GRANT OF EMPLOYEE STOCK OPTION TO EMPLOYEES AND DIRECTORS OF SUBSIDIARY COMPANY(IES):

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") [including any statutory modification(s) or re-enactment of the Act or the ESOS Guidelines for the time being in force], the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed or other relevant authority, from time to time, to the extent applicable and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company **(hereinafter referred to as "the Board" which terms shall be deemed to include any committee including ESOS Compensation Committee thereof)**, approval and consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Subsidiary Company(ies), including Directors of the Subsidiary Company(ies), whether working in India or abroad, except the Promoter Directors, under the Employee Stock Option Scheme 2011 **(hereinafter referred to as the "scheme" or "plan")** duly approved by the Board, such number of equity shares and/or equity linked instruments including options and/or other instrument or securities which could give rise to the issue of equity shares **(hereinafter collectively referred to as "securities")** not exceeding the ceiling referred to in resolution 8 above **i.e. 1,80,000 equity shares** of face value of ₹10/- each amounting to ₹18,00,000 /- (Rupees Eighteen Lakhs Only) **(comprising 1.53% of the paid up capital of the Company as on March 31, 2011)** on such terms and conditions and in the manner set out in the explanatory statement to this item and in the draft scheme placed before this meeting and on such terms and conditions and in such trenches as may be decided by the Board."

"RESOLVED FURTHER THAT the said securities may be allotted directly to such employees/directors of subsidiary company(ies) in accordance with the said scheme framed in that behalf and that the scheme may also envisage for providing any financial assistance to the said employees to acquire, purchase or subscribe to the securities of the company."

"RESOLVED FURTHER THAT in case the Company's equity share capital or its valuation is affected due to any corporate action like issue of Bonus Shares, Right Shares, any split or consolidation of face value of equity shares, or any event of merger, demerger, consolidation, capitalization or other reorganization of the Company, tender offer for equity shares or Sale of Undertaking, or any other corporate action, or otherwise, at the discretion of the Board when it thinks fit and appropriate and in the interest of the Company and/or the beneficiary under the scheme; the Board may make such adjustments with respect to stock options and take such other action as it deems necessary or appropriate to reflect such corporate actions, including but without limitation, the substitution of new stock options, or the adjustment of outstanding stock options, the acceleration of exercise period or the removal of any restrictions on outstanding stock options, which shall however be subject to necessary approvals."

"RESOLVED FURTHER THAT the issue of Securities to any non-resident employee(s), non-resident Director(s) shall be subject to such approvals, permissions or consents as may be necessary from Reserve Bank of India or any other relevant authority in this regard."

"RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing equity shares of the Company."

"RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the ESOS Guidelines."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps for listing of the securities to be allotted under the scheme on the Stock Exchanges where the existing securities of the company are listed as per the provision of the Listing Agreements with the concerned stock exchanges and other applicable guidelines, rules and regulations."

"RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment or listing of the Securities, the Board be and is hereby authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the said scheme from time to time or to suspend, withdraw or revive the scheme from time to time and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the shareholders of the Company."

By order of the Board of Directors

Mumbai
30th April, 2011

Nikhil Bhatt
General Manager – Legal & Company Secretary

NOTES:

1. **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.**

   The proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.

2. The Register of Members and the Transfer Books in respect of the Equity Shares will remain closed from June 25, 2011 to July 1, 2011 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March, 2011.

3. In terms of Sections 205A and 205C of the Companies Act, 1956, 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. Members who have not encashed their dividend warrants are requested to write to the Registrars & Share Transfer Agents.

4. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days (except Saturdays, Sundays and Holidays) upto the date of the Annual General Meeting between 11.00 a.m. to 1.00 p.m.

5. The draft copy of Employee Stock Option Scheme 2011 shall be available for inspection during the Annual General Meeting.

6. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after July 1, 2011 to those Members whose names shall appear on the Company's Register of Members on June 24, 2011. In respect of shares held in dematerialised form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of business on June 24, 2011.

7. In order to ensure safety against fraudulent encashment of dividend warrants, members holding shares in physical form are requested to furnish to the Company or Company's R&T Agents, Link Intime India Private Limited, bank account details which will be printed on the dividend warrants.

8. A Member may avail of the facility of nomination by nominating in the prescribed "NOMINATION FORM", a person to whom his/her shares in the Company shall vest in the event of his/her death.

9. Shareholders seeking any information with regard to Annual Report are requested to write to the Company at an early date so that the information can be kept ready.

10. **The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing companies to dispatch documents to the shareholders through electronic mode. Considering the above theme, your company has decided to send Annual Report though electronic mode. Shareholders' attention is drawn to a separate message sent with this annual report in this regard. We request all shareholders to communicate their email ID's to their DP or shareholders holding physical shares can provide their email ID's to our Registrar & Transfer agent by sending a mail or filling in the format given. Please note that if required, copy of the Annual Report shall be provided to the shareholder at the Annual General Meeting. Please help us to prevent Global warming.**

    Shareholders' attention is also invited to the company's website www.ajantapharma.com, where its annual report for the last three financial years are available. The annual reports for the last three financial years can be downloaded from the said website anytime anywhere.

    The members are requested to:

    i. Intimate to the registrars / Company, changes if any, in their registered address at an early date along with the pin code number;

    ii. Quote Registered Folio / Client ID & DP ID in all their correspondence;

    iii. Dematerialise the shares held in physical form at the earliest as trading in the Equity Shares of the Company shall be only in dematerialised form for all the investors.

By order of the Board of Directors

Mumbai **Nikhil Bhatt**

30th April, 2011 General Manager – Legal & Company Secretary

Regd. Office : "Ajanta House", Charkop, Kandivli (West), Mumbai–400067.

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to the special business under Item Nos. 6 to 9 of the accompanying Notice dated 30th April, 2011.

ITEM NO. 6

PAYMENT OF REMUNERATION TO NON-EXECUTIVE DIRECTORS:

Section 309(4) of the Companies Act, 1956, permits the payment of remuneration to Non-Executive Directors, by way of commission not exceeding 1% in aggregate on the net profit of the Company for a financial year computed in the manner referred to in Section 198(1) of the Act. The shareholders vide Annual General Meeting dated 29th September, 2006 had approved payment of commission for a period of five years w.e.f. 01.04.2006. The said period expires on 31.03.2011.

The Management is of the opinion that the remuneration to such non-executive Directors will enhance their contribution to the Board. Hence it is proposed that such Directors be paid remuneration by way of commission of an amount not exceeding 1% in aggregate of the net profits of the Company, computed in the manner laid down in Section 349 and 350 read with Section 309 of the Companies Act, 1956, subject to the overall limit of maximum managerial remuneration laid down in Section 198 of the said Act. Such remuneration will be distributed among such Directors at the discretion of the Board either wholly or in part, in such proportion and manner as the Board may from time to time determine. Payment of commission to non-executive Directors, as proposed, requires approval of Members by way of Special Resolution, hence Special Resolution at Item No. 6 of the accompanying Notice. Payment of commission to non-executive Directors will be subject to such other approvals as may be required.

The Non-Executive Directors will be entitled to commission as specified in the Resolution and as such they may be interested in the said Resolution to that extent.

ITEM NO. 7

ALTERATION IN ARTICLES OF ASSOCAITON:

The Company proposes to make suitable provisions in the Articles of the Association with respect to Issue of Employees Stock Options and Issue of sweat equity shares, as both are highly recognized and best ways to reward employees.

Accordingly, The Board of Directors recommends the Special Resolution to alter the articles by inserting the clause relating to issue of employees stock option and sweat equity shares.

None of the Directors of the Company are in any way concerned or interested in the resolution except to the extent of the shares that may be offered to him/her under the Scheme.

ITEM NO. 8

APPROVAL OF EMPLOYEE STOCK OPTION SCHEME 2011:

ESOS Scheme 2011: The Company has always believed in rewarding its employees for their continuous hard work, dedication and support, which has led the company on a growth path. To enable more and more employees to enjoy the fruits of the phenomenal growth that the company has witnessed in the recent past, it is proposed to issue employee stock option through ESOS Scheme. The main objective of the scheme is to give employees, who are performing well, a certain minimum opportunity to gain from the Company's performance thereby acting as a retention tool and to attract best talent available in the market. Stock Options have long been recognized internationally, as an effective instrument, to align the interest of employees with those of the company and its shareholders, providing an opportunity to employees to share the growth of the company, and to create long term wealth in the hands of employees. Stock Options create a sense of ownership between the company and its employees, paving the way for a unified approach to the common objective of enhancing overall shareholder value. The Board of Directors **(hereinafter referred to as "the Board" which terms shall be deemed to include any committee including ESOS Compensation Committee thereof)**, therefore for the benefit of permanent Employees and Directors of the Company proposes to issue Stock Option though Employees Stock Option Scheme 2011 **(hereinafter referred to as "Scheme" or "Plan")** and in accordance with the provisions of prevailing regulations. The following explanatory statement sets out the various disclosures as required by clause 6 of the Securities & Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 **(herein after referred to as "the Guidelines")**.

The salient features of the ESOS Scheme are as under:

A. Total number of options to be granted

i. The maximum number of shares which shall be subject to options under the plan shall be 1,80,000 (i.e. 1.53% of the paid up capital as on March 31, 2011) equity shares of ₹10 each.

ii. The Board may with the approval of the shareholders increase the maximum number of options under the Scheme.

iii. One option entitles the holder of the options to apply for one equity share of the company.

B. Identification of classes of employees entitled to participate in the ESOS

i. Persons who are employees and directors of the Company as defined in the ESOS Guidelines (including any statutory modifications or re-enactments of the acts or the guidelines for the time being in force), and as may be decided by the compensation committee from time to time.

ii. Under the prevailing regulations, an employee, who is a promoter or belongs to the promoter group, will not be eligible to participate in the ESOS scheme.

iii. A director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company shall not be eligible to participate in the ESOS scheme.

C. Requirements of vesting and period of vesting

i. Vesting period shall commence after a period of 1 year from the date of grant.

ii. The vesting may occur in trenches, subject to the terms and conditions of vesting as may be stipulated by the compensation committee in its discretion and which will include performance appraisal of the employees.

D. Maximum period of vesting

i. The maximum period within which the options shall be vested is upon the completion of 5 (five) years from the date of Grant of Option. Within these outer limits, the Compensation Committee may fix such vesting period as it may deem fit.

E. Exercise price or price formula

i. The Exercise price of the Option shall be at par value of the share i.e. ₹10 (Rupees Ten) per Equity Share

F. Exercise Period and the Process of Exercise

i. The exercise period shall commence from the date of vesting of option and expire not later than 1 (One) year from the vesting date. Within these outer limits, the Compensation Committee may fix such exercise period as it may deem fit. The option shall be deemed to be exercised when the company receives notice in writing or electronic mode of exercise in the prescribed form from the person entitled to exercise the option.

G. Appraisal Process for determining the eligibility of employees to the ESOS Scheme

i. The appraisal process for determining the eligibility of the employees and directors will be specified by the ESOS compensation committee, and will be based on criteria such as the seniority of the employee, length of service, performance record, merit of the employees, future potential contribution by the employees and / or any such other criteria that may be determined by the ESOS compensation committee at its sole discretion.

ii. The ESOS Compensation Committee may at its discretion extend the benefits of the scheme to a new entrant or any existing employees on such other basis as it may deem fit.

H. Maximum number of options to be issued per employees and in aggregate

i. The maximum number of options to be granted to each employee will depend upon the rank/designation of the employees as on the date of grant of options.

ii. The aggregate number of options to be granted under the scheme shall not exceed 1,80,000 (One Lakh Eighty Thousand) equity shares i.e. 1.53% of the paid up capital of the Company as on 31st March, 2011.

iii. The ESOS Committee shall decide on the number of options to be granted to each employee within this limit.

I. Accounting Methods

The Company shall confirm to the accounting policies specified in Clause 13.1 of the Guidelines and/or such other guidelines as may be applicable from time to time.

J. Method of Valuation of these options

The Company shall value the options granted under the Plan, at their 'Fair value' or 'Intrinsic value' defined under the SEBI Guidelines.

K. Disclosure and Accounting policies

In case the Company calculates the employee compensation cost using the intrinsic value of the 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 in the Directors' Report and also the impact of this difference on profits and on Earnings Per Share ('EPS') of the Company shall also be disclosed in the Directors' Report.

The Board of Directors recommends the Special Resolution as set out in item no. 8 for the approval of the members.

None of the Directors of the Company are in any way concerned or interested in the resolution except to the extent of the shares that may be offered to him/her under the Scheme.

ITEM NO. 9

APPROVAL OF GRANT OF EMPLOYEE STOCK OPTION TO EMPLOYEES AND DIRECTORS OF SUBSIDIARY COMPANY (IES):

As per the SEBI Guidelines, a separate Resolution is required to be passed if the benefits of the Employees Stock Option Scheme 2011 (hereinafter referred to as "Scheme" or "Plan") are to be extended to employees/directors of the subsidiary company (ies). This separate resolution under item no. 9 is being proposed accordingly to cover those employees, and/or such other persons as may be permitted from time to time, under prevailing laws, rules and regulations, and/or amendments thereto from time to time.

A. Total no. of Options/Shares/ Securities that could be issued under the Scheme

i. The maximum number of shares which shall be subject to options under the scheme shall be 1,80,000 (i.e. 1.53% of the paid up capital as on March 31, 2011) equity shares of ₹10 each.

ii. The Board may with the approval of the shareholders increase the maximum number of options under the Scheme.

iii. One option entitles the holder of the options to apply for one equity share of the company.

B. Identification of classes of employees entitled to participate in the ESOS

i. Persons who are permanent employees and directors of the subsidiary company(ies) as defined in the ESOS Guidelines (including any statutory modifications or re-enactments of the acts or the guidelines for the time being in force), and as may be decided by the ESOS compensation committee from time to time.

ii. Under the prevailing regulations, an employee, who is a promoter or belongs to the promoter group, will not be eligible to participate in the ESOS scheme.

iii. A director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company shall not be eligible to participate in the ESOS scheme.

C. Requirement of Vesting and period of vesting

i. Vesting period shall commence after a period of 1 year from the date of grant.

ii. The vesting may occur in trenches, subject to the terms and conditions of vesting as may be stipulated by the ESOS compensation committee in its discretion.

D. Maximum period of vesting

i. The maximum period within which the options shall be vested is upon the completion of 5 (five) years from the date of Grant of Option. Within these outer limits, the ESOS Compensation Committee may fix such vesting period as it may deem fit.

E. Exercise Price or Pricing formula

i. The Exercise price of the Option shall be at par value of the share i.e. ₹10 (Rupees Ten) per Equity Share.

F. Exercise Period and the Process of Exercise

i. The exercise period shall commence from the date of vesting of option and expire not later than 1 (One) year from the vesting date. Within these outer limits, the ESOS Compensation Committee may fix such exercise period as it may deem fit. The option shall be deemed to be exercised when the company receives notice in writing or electronic mode of exercise in the prescribed form from the person entitled to exercise the option.

G. Appraisal process for determining the eligibility of the employees for ESOS

i. The appraisal process for determining the eligibility of the employees and directors of the subsidiary company(ies) will be specified by the ESOS compensation committee, and will be based on criteria such as the seniority, length of service, performance record, merit, future potential contribution and/ or any such other criteria that may be determined by the ESOS compensation committee at its sole discretion.

ii. The ESOS Compensation Committee may at its discretion extend the benefits of the scheme to a new entrant or any existing employees of the subsidiary company(ies) on such other basis as it may deem fit.

H. Maximum number of options/shares/securities to be issued per employees and in the aggregate

i. The maximum number of options to be granted to each employees of the subsidiary company(ies) will depend upon the rank/designation of the employees as on the date of grant of options.

ii. The aggregate number of options to be granted to the employees and director of the subsidiary company(ies) shall not exceed the ceiling referred to in resolution 8 above **(i.e.1,80,000 equity shares comprising 1.53% of the paid up capital of the Company as on March 31, 2011).**

iii. The ESOS Committee shall decide on the number of options to be granted to each employees and directors of the Subsidiary Company(ies) within the above limit.

I. Accounting Methods

i. The Company and its subsidiary company(ies) shall confirm to the accounting policies specified in Clause 13.1 of the Guidelines, and /or such other guidelines as may be applicable from time to time.

J. Method of Valuation of these options

i. The Company shall value the options granted under the Plan, at their 'Fair value' or 'Intrinsic value' defined under the SEBI Guidelines.

K. Disclosure and Accounting policies

In case the Company calculates the employee compensation cost using the intrinsic value of the 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 in the Directors' Report and also the impact of this difference on profits and on Earnings Per Share ('EPS') of the Company shall also be disclosed in the Directors' Report.

The Board of Directors recommends the Special Resolution as set out in item no. 9 for the approval of the members.

None of the Directors of the Company are in any way concerned or interested in the resolution except to the extent of the shares that may be offered to him/her under the Scheme.

By order of the Board of Directors

Mumbai **Nikhil Bhatt**

30th April, 2011 General Manager – Legal & Company Secretary

Regd. Office : "Ajanta House", Charkop, Kandivli (West), Mumbai–400067.

CONSOLIDATED HISTORICAL PERFORMANCE

₹ Crs.

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Operating Performance										
Total income	89	125	149	204	237	267	317	355	413	513
EBITDA	18	25	28	29	35	40	53	68	80	99
EBITDA%	19.7%	20.1%	18.5%	14.1%	14.9%	15.1%	16.7%	19.0%	19.3%	19.3%
Profit after tax	(1)	0	2	10	12	15	22	25	34	51
Return on Capital employed	4.0%	5.7%	6.8%	8.7%	14.0%	15.2%	17.0%	15.0%	14.3%	17.5%
Return on Networth	-0.8%	0.2%	1.7%	8.1%	12.1%	13.2%	17.6%	17.4%	19.9%	24.5%
R&D Expenditure										
a) Capital	0	0	0	-	1	16	22	6	1	23
b) Revenue	1	Z1	1	1	2	2	10	16	21	25
c) % of Total Income	0.9%	0.7%	0.8%	0.4%	0.9%	6.5%	9.9%	6.3%	5.3%	9.3%
Financial Position										
Equity Share Capital	12	12	12	12	12	12	12	12	12	12
Reserve and surplus	124	131	135	86	96	104	123	145	173	217
Gross block	159	165	166	125	131	118	142	192	243	313
Netblock	176	172	165	71	72	75	126	193	215	231
Investments	3	3	4	0	0	8	8	8	8	8
Net current assets	86	95	99	110	122	139	172	206	194	191
Stock Information										
Number of Shares (in Mn.)	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9
Earnings Per Share (in Rs.)	(1.6)	0.7	4.8	8.4	10.5	12.5	18.7	21.7	29.0	43.3

ajanta pharma limited

Regd. Office: "Ajanta House", Charkop, Kandivli (West), Mumbai-400 067.

ATTENDANCE SLIP

(To be handed over at the Entrance of the Meeting Hall)

I hereby record my presence at the 32nd Annual General Meeting of the Company on Friday, 1st July, 2011 at 11.00 a.m. at Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli (West), Mumbai - 400 092.

Name of the Member / Proxy (IN BLOCK LETTERS) ______________________________

Registered Folio No. :
Client ID * :
DP ID * :

*Applicable for investors holding shares in electronic form

____
Member's/Proxy's Signature

---

ajanta pharma limited

Regd. Office: "Ajanta House", Charkop, Kandivli (West), Mumbai-400 067.

PROXY FORM

I/We______________________________of____________being member/members of Ajanta Pharma Limited hereby appoint______________________________ of____________or failing him______________________________of____________or failing him______________________________ of ____________ as my / our proxy to attend and vote for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Friday, 1st July, 2011 at 11.00 a.m. at Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli (West), Mumbai- 400 092 and at any adjournment thereof.

Registered Folio No. :
Client ID * :
DP ID *. :

Affix a
15 Paise
Revenue
Stamp

Member's Signature ______________________________

*Applicable for investors holding shares in electronic form

Notes : The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

Save Earth

Prevent Global Warming

a message by
Ajanta Pharma Limited

Note: Important Information to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Reports can be sent by e-mail to its members.

To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send the mail at ajantapharmagogreen@linkintime.co.in Members holding shares in physical form can also fill the form given overleaf and send to our Registrar and Share Transfer agent at M/s. Link Intime Pvt. Ltd., Unit: Ajanta Pharma Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400078.

Have you still not encashed your past dividend?
Hurry, contact at email: investorgrievance@ajantapharma.com / rnt.helpdesk@linkintime.co.in

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Designed and printed by Magna Graphics (India) Ltd.