ajanta pharma limited

For Future

ANNUAL REPORT 2012-13

Milestones

INFRASTRUCTURE ...

USFDA, UK MHRA, WHO Pre-Qualification Approved Manufacturing Facility

DOMESTIC MARKET HIGHLIGHTS ...

- **45th Ranking in Indian Pharmaceutical Market**[1]
- **Focused Presence in Speciality Segments**
  Ophthalmology | Dermatology | Cardiology
- **New Product Launches in India during FY 2012-13**
  Total – 19 | First To Market – 4

EMERGING MARKETS SCENARIO ...

- **Presence in 25+ Countries via Branded Generic Formulations**
- **Customised Product Portfolio with Rich Pipeline**
  1,592 Approved Product Registrations | 1,218 Product Registrations Awaiting Approval
- **Specialised On-Ground Product Promotion Teams of 380+ Professionals**

REGULATED MARKETS SCENARIO ...

- **Entry in Regulated Markets with First Product Launched in U.S.A.**
  Total ANDA Filed – 14 | Approved – 2 | Undergoing Approval - 12
- **Exploring Europe with 1 Product Approval in Hand**
  Approval Granted – 11 Countries | Approval Awaited – 3 Countries

Source:
1. IMS - Mar 2013 MAT

Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Madhusudan B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Rajesh M. Agrawal
Joint Managing Director

Chandrakant M. Khetan
Director

Dr. Anil Kumar
Director

K. H. Vishwanathan
Director

Subal Chandra Saha
Nominee Director - IDBI Bank

Madhu G. Verma
Nominee Director - Exim Bank

Auditors
Kapoor & Parekh Associates

Cost Auditors
Sevekari Khare & Associates

Company Secretary
Deodatta Pandit

Content

For Future

While we have been posting sound performances year after year, we have also been working on laying the foundation for delivering consistent growth in future as well. And this year was no exception.

We have been consistently taking measures on an on-going basis which will ensure that we continue to post above industry average growth in future as well.

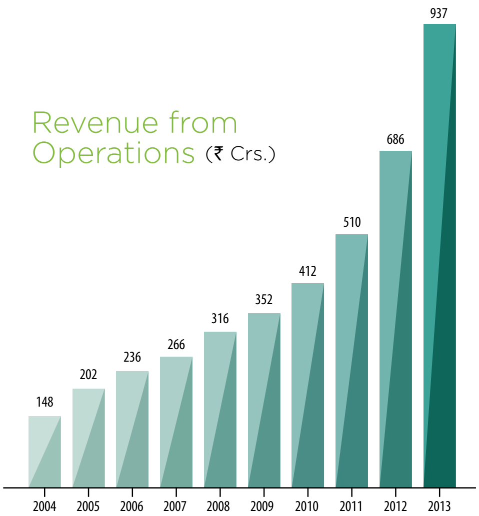
The strategies for growth have been - identifying right products, development of products, regulatory approvals, expanding markets, launching of new products in the existing markets, augmenting manufacturing facilities, supplementing team strength, tightening our belts on finances to name a few. We are working on every aspect to be ready "For Future".

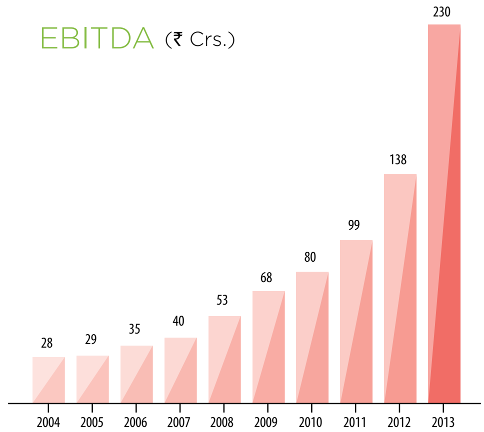
In the world where variables are constantly changing, we work craftily to identify future opportunities and trends. Learning from yesterday and today, we move forward with bigger resolve and determination to excel and lead in the space we operate.

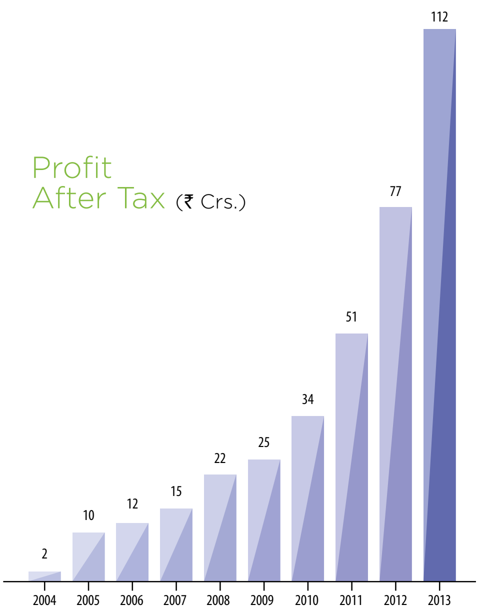
Every waking hour, we strive to build a robust, sustainable and scalable quality business. We see a bright tomorrow, a tomorrow that is part of our today's dream.

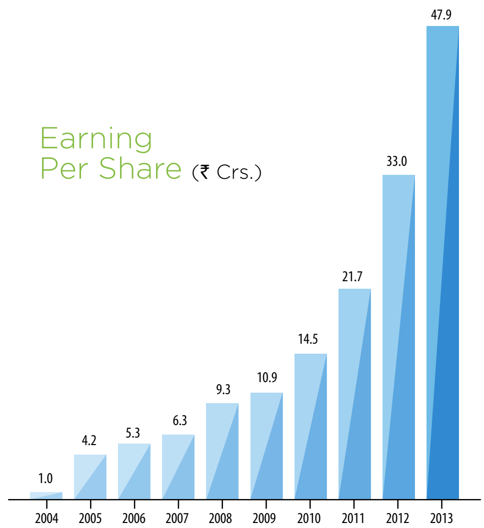
Management Discussion & Analysis

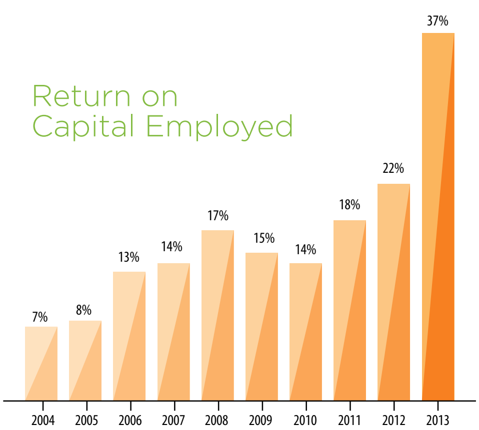
CONSOLIDATED FINANCIAL HIGHLIGHTS











Raising the bar of expectation "For Future!"

It was another year of sound performance which demonstrates our comprehensive strategic planning, robust execution capability and strong management bandwidth. We have been consistently making efforts to move up the value chain. It is due to our values, hard-work and tenacity of our dedicated team of professionals that we find ourselves in a stable, sound and sustainable position today.

With consolidated revenue at ₹931Crs and profit after tax of ₹112Crs, we have been able to post a growth of 37% and 45% respectively.

DOMESTIC MARKET

Daring to go above and beyond "For Future!"

Darwin Boy Sxander once said, ***"The future belongs to one who dares to take a step further."*** At Ajanta Pharma, we persevere on our path... pushing the boundaries of medical science and pharmaceuticals with every step we take towards a brighter future.

It's been a decade since Ajanta Pharma took its first baby steps in the Domestic Prescription Market. From there, we took our accomplishments a step further by venturing exclusively into Speciality Segments. Today, we find that one of the major components of our business lies in our home base – India; one of the fastest growing pharmaceutical markets in the world.

Our focus on the Speciality Segments of Ophthalmology, Dermatology and Cardiology in the Domestic Market has enabled us to further enhance our market share; taking our all India rank from 50th last year to 45th as per IMS MAT March '13. We today enjoy an enviable position in all three of the speciality therapeutic segments with improved rankings, gaining market share and leadership for some of our products.

Our immense capability to launch new products, few of them being first-to-market, has been our foundation for success throughout these years and will continue to be so in the coming years.

EMERGING MARKETS

Believing in the beauty of dreams "For Future!"

When it comes to envisaging our path, we firmly believe that big dreams give forth to even bigger accomplishments. And, it is precisely this belief which has enabled us to achieve consistent growth in the emerging markets and also build a strong foundation for future growth.

In addition to this accomplishment, we have also successfully achieved leadership in numerous sub-therapeutic segments in emerging markets. We've succeeded in establishing a strong brand presence across Africa, CIS, West Asia, South-East Asia and Latin America. Currently, **emerging markets account for about 65% of our business.**

With a talented team of 380+ professionals on the ground and 1,500+ product registrations in hand, we are in an ideal position to strengthen our presence in these markets. How do we intend to accomplish further growth? We are poised to grow in these markets with over 1,200 product dossiers awaiting approval in several countries, and a further 300+ product dossiers to be filed in coming financial year.

Special mention must be made of two of our successful subsidiaries in Mauritius and Philippines. Both companies have played a significant role in our growth in emerging markets through their sizeable contribution and tremendous performance. They continue to show great promise "For Future" having prepared and initiated strategies in line with our goal of consistent growth.

Ajanta Pharma has embarked on yet another progress path having made a move towards augmenting manufacturing capacities for emerging and Domestic Markets by setting up an additional facility at GIDC Savli in Gujarat. Our new plant is expected to be operational during FY14-15, which will be capable of meeting our future demand.

REGULATED MARKETS

The fate of our dreams "For Future" lies in what we do today!

Mahatma Gandhi once said ***"The future depends on what you do today."*** We, at Ajanta Pharma have adopted this statement as a strong driving force that encourages us to strive for bigger and better achievements every year.

In our quest to prepare "For Future", we have identified USA to be one of the key drivers for the company. As always, every market has its own set of challenges and USA is no different. However, we being the company with global aspiration, it will be only apt to have a sizeable presence in USA, largest pharma market of the world. Currently, we have 2 products approved, out of which 1 product is already commercialized through tie-up in USA. Another 12 ANDAs, including 5 filed during financial year 2012-13, are under approval from USFDA. These approvals, expected in coming years, will enable us to achieve continued growth. And to continue our preparation for growth, we plan to file 6 to 8 ANDAs every year, building a differentiated product pipeline encompassing niche opportunities.

Our plans for expansion to EU countries have also been initiated, having received approval from eleven countries for one of our products and awaiting approval for this product in three more EU countries. Our compliance with stringent EU regulations has further bolstered our confidence and reinforced our efforts to continue on this growth path. The launch of approved product will be carried out at an appropriate time in the coming years.

One of our oral solid dosage manufacturing facilities has the approval from both USFDA and UK MHRA. Our preparation for augmenting capacities for regulated markets is taking shape at Dahej SEZ in Gujarat for meeting the above requirement. With the new plant slated for operations during FY 2014-15, we will be ready "For Future" in terms of our manufacturing capabilities for Regulated Markets.

RESEARCH & DEVELOPMENT

Building a sturdy foundation "For Future!"

"Tomorrow belongs to those who can hear it coming"
said David Bowie and it is precisely the way Company's R & D efforts are guided for future.

This is borne by the fact that we have introduced 19 new products for domestic market with 4 being first to market, filed 300+ product dossiers in emerging markets and 5 ANDAs in US for approval during FY'2012-13. The Company's state-of-the-art R & D centre, 'Advent' has been able to optimise ideas into opportunities and we continue to invest in every facet of R & D, be it space, advanced instrumentations, scientists, resources and many more, every year.

It is due to our commitment towards R&D that we remain ready "For Future", from the point of conceptualisation of a new product to the point of commercialisation.

MANUFACTURING FACILITIES

Quality, Quality & Quality – the mantra

The mantra is engrained in every manufacturing location at Ajanta Pharma. Though looks repetitive, the mantra reflects 3 different facets we follow.

First, Quality in terms of the product we provide to a customer - world class and best. Second, Quality with respect to manufacturing practices to ensure consistency in every single product coming out of the facility. And the third, Quality of technical expertise used to achieve optimum productivity.

A strong and dedicated Quality assurance function is responsible for making sure that this mantra is followed in letter and spirit. Today, Ajanta boasts of one of the best quality systems in the industry and continuous approvals of our Paithan facility from stringent regulatory authorities such as US FDA, UK MHRA, WHO Prequalification, Brazil ANVISA, etc is testimony to that.

Company today operates 4 formulation manufacturing facilities and 1 API facility, which are certified for current Good Manufacturing Practices (cGMP) prescribed by World Health Organization (WHO). All our facilities have excellent processes and documentation procedures and keep sharp eye on environment protection.

Our preparations have begun "For Future", in the form of two new manufacturing facilities – one for regulated markets and other for domestic and emerging markets. These facilities are expected to be up and running during FY 2014-15.

Addition of these two new facilities, coupled with our existing facilities, will make sure that we sustain our growth in coming years without any capacity constraints.

It is our belief in manufacturing capacities that has given us the wings to fly high and be ready "For Future".

HUMAN RESOURCES

Believing in the force that matters most in business ... people!

We have been investing in multiple facets that lie within the domain of Human Resources; be it attaining excellence in induction practices, creation of a comfortable work environment, addressing new challenges, continuous training, building motivation, enhancing personal growth, providing opportunity to harness hidden talent in other areas such as sports, culture, etc. and above all, in our ability to deliver the utmost professional satisfaction to employees regarding the tasks they are performing. This entire exercise is a conscious effort on our part to build a brighter future for not only our company, but also the people who have served it so diligently through the years and who continue to serve it even today.

The strong, dedicated and committed team of over 4,000 Ajantaites spread across the globe today are ever ready to face new challenges and emerge triumphant in everything we, as a global organisation, aspire to achieve “For Future”.

CORPORATE SOCIAL RESPONSIBILITY

Through the years, Ajanta Pharma has strived to make the world around it a better place. Corporate Social Responsibility (CSR) is not just an integral part of our business but devotion; the promise of a brighter future for every life we touch.

This year also, our CSR efforts focussed on ‘how to not turn a blind eye’ to a common yet growing medical concern in India. Our free eye camps have helped make a very simple yet vital procedure accessible to needy patients, averting the need for them to face a bleak yet highly preventable long-term reality - a life without sight. We’re extremely satisfied that during FY12-13, 12,000 people have been operated successfully for cataract through our eye camps.

Apart from regular medical initiatives, we have also been working in the domain of rural upliftment having built community halls, adopted villages, installed hand pumps, etc. We are certain that these efforts will contribute in some small measure towards making the world better “For Future”. Our CSR initiatives also encompass running subsidised food schemes at Government-run hospitals for needy patients and their relatives, where more than 60,000 people benefitted last year.

MARKET INSIGHT

Taking a look at the market as we aspire "For Future!"

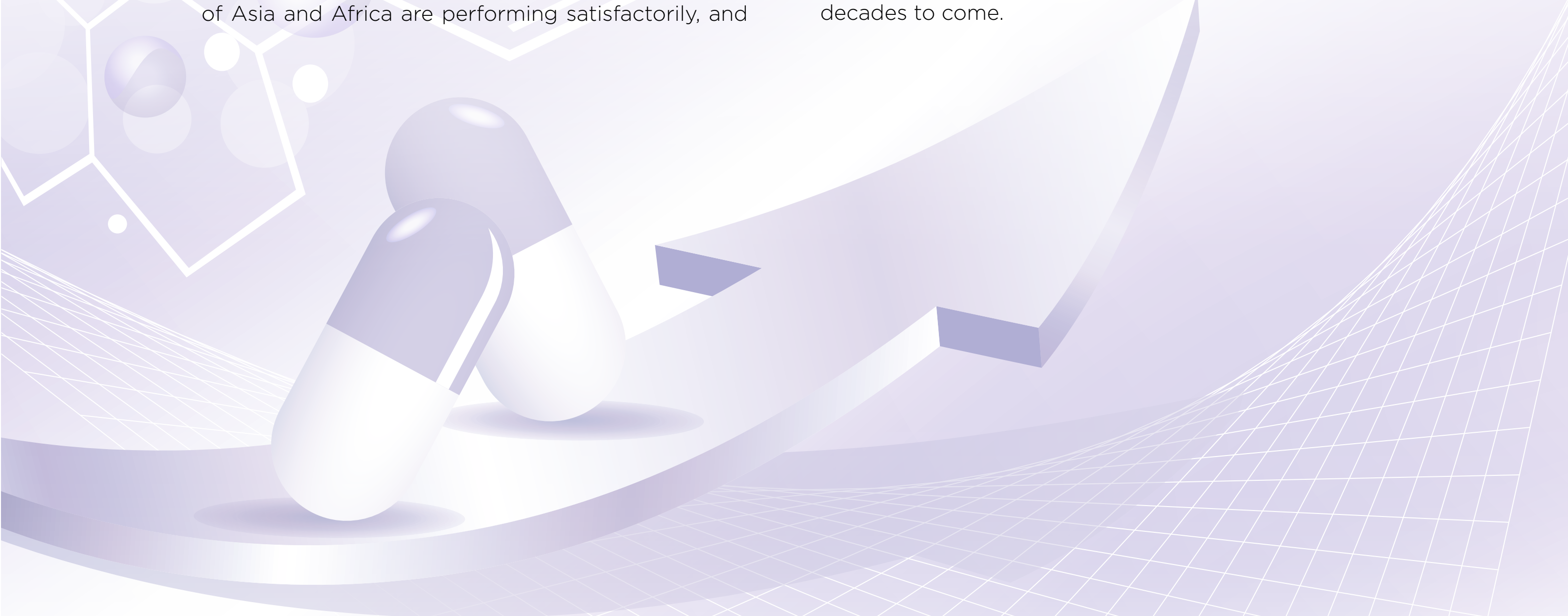
India's pharmaceutical market grew at 11.8% during FY13, with a total valuation of ₹67,864 Crores. However, growth has been substantially down in the last 5 months due to healthy season, higher base effect and increased generic penetration.

Growth in Domestic Market is expected to remain subdued in FY14 owing to new pricing policy and other factors. Within therapies, though anti-infective and respiratory got impacted because of a healthy season, growth in the Chronic segment also factored in at a single digit figure. This year, Ajanta Pharma has displayed growth substantially above the industry average. Our focus on speciality segments has allowed us to maintain the pace of growth during FY13.

As for global geographies, the Emerging Markets of Asia and Africa are performing satisfactorily, and export from India continues to be a major contributor. Indian companies have strengthened their presence in the world's largest Pharmaceuticals market – U.S.A., with Ajanta Pharma also making its maiden foray in this most sought after territory. Our growth in various export markets has been outstanding during FY13 with the branded generic presence getting stronger.

The continued uncertainty on policy and regulatory front from Government, movement in currency rates, counterfeiting and many more threats are facing the industry. We have been proactive in terms of such threats and have been fairly successful in containing the adverse impact of such threats on Operations. Our internal control systems have been strengthened after our successful implementation of ISO process, ensuring the highest standards of efficiency and prevention of leakage at every level of the organisation. The Audit Committee reviews the audit findings regularly and guides Internal Auditors regarding our plan of action from time to time.

We'll close this section of our annual report with a quote from William Ford Jr. who said, "A good company delivers excellent products and services, and a great company does all that and strives to make the world a better place." Through our various initiatives, we at Ajanta Pharma hope to become and remain a part of the latter category for many decades to come.



CAUTIONARY NOTE

Certain statements in the enclosed reports 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.

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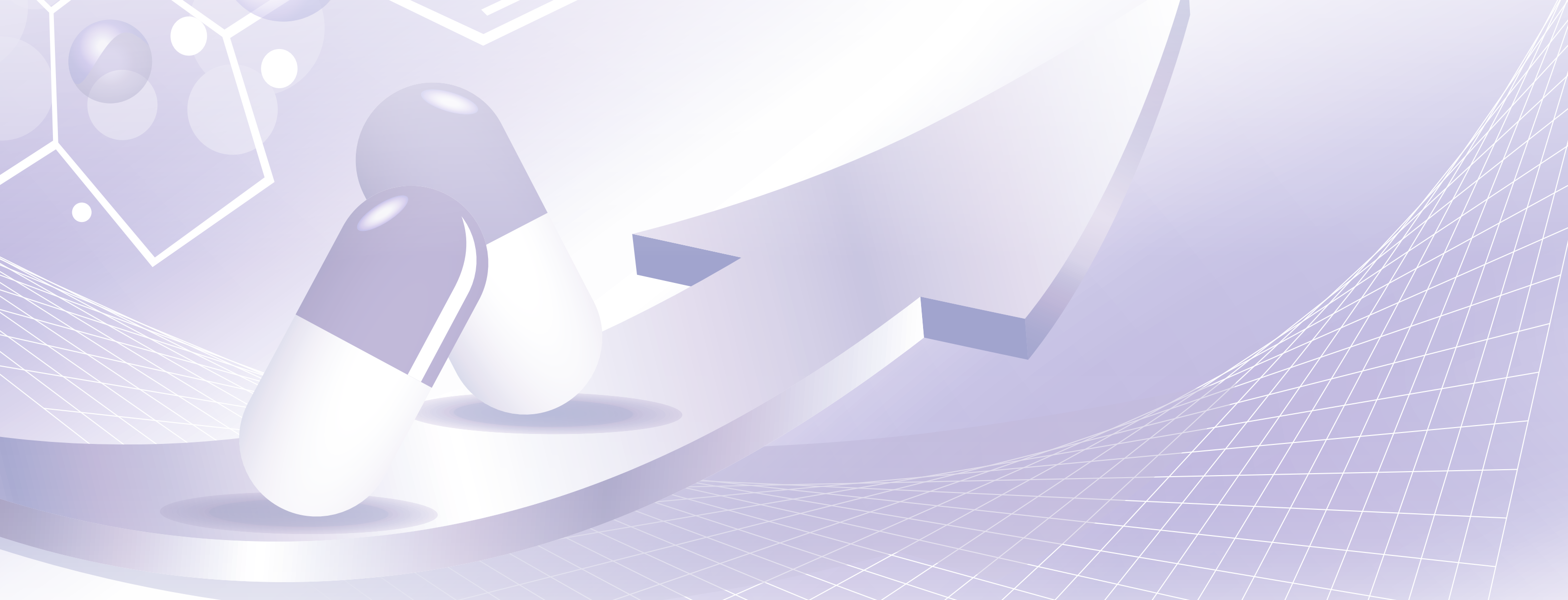

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DIRECTOR'S REPORT

Your directors have pleasure in presenting their report on the business and operations of your company along with Thirty Fourth Annual Report for the year ended 31st March, 2013.

Financial Results

(₹ Crores)

	Standalone			Consolidated		
Year ended 31st March	2013	2012	Growth	2013	2012	Growth
Total Income	**846.61**	605.48	**39%**	**933.04**	678.65	**37%**
EBITDA	**207.28**	123.23	**68%**	**224.29**	137.00	**64%**
Profit before Tax	**163.51**	79.75	**105%**	**176.79**	90.96	**95%**
Profit after Tax	**101.12**	66.49	**52%**	**112.11**	77.27	**45%**
Earnings Per Share (EPS) (₹)	**43.17**	28.39		**47.87**	32.99	

Dividend

Your Directors are pleased to recommend a dividend of ₹6.25 per equity share on the face-value of ₹5/- each for the year ended 31st March, 2013.

Performance Review

During the year, your company's performance has been excellent both at Stand Alone and Consolidated level. Operational Income grew by 39% in Stand Alone results with 52% growth in Net Profit. Exports contributed 65% of Total Revenue, which indicates a balanced growth in both the segments of domestic and exports business over years. During the year, income tax provision has seen sharp increase as all carry forward losses were exhausted and a liability of ₹15.75 crs. was provided towards previous years. Consolidated results kept the pace with equally good performance by both subsidiaries. Consolidated Operational Income grew by 37%, whereas Net Profit has seen a growth of 45%.

Management Discussion and Analysis

A detailed Management Discussion and Analysis forms part of this annual report which is given in the beginning pages.

Share Capital

During the year, number of equity shares of your company increased two fold consequent to split in face value of shares from ₹10/- each to ₹5/- each.

Credit Rating

Credit Analysis and Research Limited (CARE) has upgraded its rating for short term facilities of your company to CARE A1+ (pronounced as "A One Plus"), the highest credit quality by CARE for such borrowings. It also reaffirmed CARE A+ (pronounced as "A Plus") rating for long term facilities of your company.

Subsidiary Companies

As on 31st March, 2013, your company had 5 subsidiaries overseas, including one step down subsidiary. During the year, for administrative convenience, old subsidiary in US was wound up and new subsidiary was formed. However, there was no impact on the operations due to this change. Statement pursuant to section 212 of the Companies Act 1956 forms part of this annual report. Consolidated Financial Statements incorporating results of all subsidiaries as per Accounting Standards AS21 prescribed by the Institute of the Chartered Accountants of India is also enclosed.

Joint Venture

There is no improvement in the performance of your Company's joint venture in Turkmenistan, which continues to be under performing and we continue to explore exit options from this JV.

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.

Mr. Yogesh M. Agrawal & Mr. Purushottam B. Agrawal are Executive Directors, whose terms are ending on 31st March, 2013. As such being eligible, offer themselves for their re-appointment as Managing Director and Whole-Time Director respectively. Their contribution to the growth of your company has been immense. Members are requested to consider their candidature and re-appoint them for a period of five years effective from 1st April, 2013.

Mr. Rajesh M. Agrawal and Mr. K H Vishwanathan have been appointed as Additional Directors by the Board effective from 30th April, 2013. The company has received request of their candidature accompanied by a deposit of ₹500/- each. As such the members are requested to consider their appointment as directors of the company.

Auditors

Your company's statutory auditors, M/s. Kapoor & Parekh Associates, Chartered Accountants, Mumbai, retire at the conclusion of ensuing Annual General Meeting. Your company has received a letter from them to the effect that their reappointment, if made, will be in accordance with the provisions of section 224 (1-B) of the Companies Act, 1956 and are eligible for re-appointment, holding peer review certificate. The Audit Committee and the Board recommend their reappointment.

Auditor's Report

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

Cost Auditors

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and in terms of General Circular No. 15/2011 dated 11th April, 2011 and with the prior approval of the Central Government, M/s. Sevekari Khare & Associates, practising Cost Accountant, were appointed to conduct audit of cost records of Bulk Drugs and Formulations for the year ended 31st March, 2013. Cost audit reports would be submitted to the Central Government within the prescribed time.

Pursuant to Rule 5 of the Companies (Cost Audit Report) Rules, 2011, cost audit reports for Bulk Drugs and Formulations for the year ended 31st March, 2012 were filed with the Central Government on 2nd January, 2013.

Fixed Deposits

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

Directors' 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 31st March, 2013, 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 directors have prepared the Annual Accounts on a going concern basis.

Employees Stock Option Scheme

During the year, no new options were granted to the employees under Employee Stock Option Scheme 2011. Pursuant to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the details of stock options are attached as Annexure – B to the Director's Report.

Human Resources

Your company considers people as its most valuable resource, who play a key role in achieving the goals of the company. Your company has been fairly successful in attracting, retaining and developing best of the talent. Company enjoyed cordial relations at all levels and has been proactive to take different steps for development of its people.

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 forms an integral part of this Annual Report. Certificate from the Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is also enclosed.

Gratitude and Acknowledgments

Your Directors express their sincere gratitude to all its stakeholders, medical professionals, business partners, government, other statutory bodies, banks, financial institutions, analysts and shareholders for their assistance, co-operation and encouragement. Your Directors also place on record their earnest appreciation for dedication, hard work and commitment of all employees.

For and on behalf of the Board of Directors,

MANNALAL B. AGRAWAL
CHAIRMAN
Mumbai, 30th April, 2013

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Pursuant to Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

1. Energy Conservation Measures taken during the year

i. Installed new panel for better control of Power Factor
ii. Increased steam header size and replaced Pressure Reducing Valve station
iii. Installed timers in lights enabling switching off lighting automatically
iv. Installed Variable frequency drive at various equipments
v. Arrested air leakages in different areas
vi. Energy efficient motors installed in different areas
vii. Air turbine ventilators installed for air circulation in warehouse
viii. Increased use of day light in boiler house and warehouse
ix. Energy efficient cold room added in facility
x. New transformer installed with low transfer losses

2. Impact of above measures

i. Reduction in power consumption
ii. Reduction in utility cost at different levels
iii. Reduction in fuel consumption

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

As per details in Form A below

Form A

	Year Ended 31 March	2013	2012
(i)	POWER AND FUEL CONSUMPTION		
	Electricity		
	(a) Purchased Unit (Thousand KWH)	**7845.08**	7071.00
	Total Amount (₹In lacs)	**574.16**	449.42
	Rate/Unit (KWH) (₹)	**6.97**	6.35
	(b) Own generation Unit (Thousand KWH)	**551.63**	802.00
	Unit per Ltr. of Diesel Oil (KWH)	**4.05**	3.60
	Cost / Unit (KWH) (₹)	**13.18**	12.04
(ii)	CONSUMPTION PER UNIT OF PRODUCTION		
	The Company manufactures APIs and several drug formulations of different pack sizes. It is therefore, impracticable to apportion the consumption and the cost of utilities to each product.		

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Advent, your company's state-of-the-art R&D centre, located at Mumbai had been very busy during the year. It has increased its strength of scientific team to 300+ from 200+ last year and hence increased its activities on the front of R&D and technology development. Our major strength lies in our ability to develop technologically sound, clinically safe and cost effective formulation products in specialty areas of anti malarial, cardiology, dermatology, musculoskeletal, ophthalmology etc. The R&D facility continues its approval by DSIR (Department of Scientific & Industrial Research), Ministry of Science & Technology, Government of India.

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

During FY 2012-13, company created a robust quality pipeline of generic products for domestic, emerging and regulated markets. R&D capabilities were further enhanced in Analytical lab with addition of latest equipments like Powder X-ray Diffraction (XPRD), Gas Chromatography with headspace sampler, Differential Scanning Calorimetry (DSC), Malvern particle size analyzer and latest UPLCs, which enabled the team to carry out advanced analysis of formulations and APIs developed. The R&D team was also instrumental in scaling up of various products developed in manufacturing facilities.

2. Benefits derived as a result of R&D

During the year, company could launch 19 new products, 4 being first to market, through its R&D efforts. 5 more ANDAs were filed in USA taking the tally to 14 ANDAs. Work on another 8-10 ANDAs also commenced during the year, which will be filed in the coming years. More than 500 dossiers were filed for emerging markets during the year. 7 APIs were successfully developed and charged for stability study, 3 API were scaled-up at plant for commercialization for ROW, another 3 APIs were ready for scale-up at plant for regulatory market.

3. Future plan of action

After adding many new equipments and new team members, the company is poised to take another stride in terms of product filings with new platform technologies, cost reduction and new delivery systems. The company believes that these programs would be key drivers to our growth in all its markets.

4. Efforts in brief, made towards technology absorption, adaptation and innovation and benefits derived thereof

The Company developed indigenous technology in respect of products developed and manufactured by it, taking in consideration optimization studies and stability data. Continuous Learning Programs, external technical seminars and training programs helped keeping update with latest Pharma Research and trends which enabled the company to bring world class formulations to the market.

5. **Expenditure on R&D**

Particulars	₹ Crs
Capital Expenditure	8.93
Recurring Expenditure	37.31
Total	46.24
Total R&D expenditure as a percentage of total turnover	5.47%

C. FOREIGN EXCHANGE EARNINGS & OUT GO

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

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

- Earnings in foreign currency – ₹529.84 crs previous year ₹354.78 crs
- Outgo in foreign currency – ₹93.45 crs previous year ₹67.96 crs

ANNEXURE 'B' TO THE DIRECTORS' REPORT

DETAILS OF STOCK OPTIONS AS ON 31ST MARCH, 2013

In terms of clause 12.1 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the particulars of stock options as on 31st March, 2013 are as under:

No.	Description	Details / No of options
a)	Options granted and accepted during the year	Nil
b)	The pricing formula	Not Applicable
c)	Options vested during the year	16,800
d)	Options exercised during the year	Not Applicable
e)	Total number of shares arising as result of exercise of options	Not Applicable
f)	Options lapsed during the year	Not Applicable
g)	Variation of terms of options	During the year face value of company's shares was sub-divided from one share of ₹10/- to two shares of ₹5/- and consequently 28,000 options accepted in the previous year stands increased to 56,000 options
h)	Money realized by exercise of options	Nil
i)	Total no. of options in force	56,000 under ESOS 2011
j)	Employee-wise details of options granted to i. Senior Managerial Personnel	Not Applicable
	ii. Any other employees to whom options granted amounting to 5% or more, of the total options granted during the year	Nil
	iii. Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year	Nil

No.	Description	Details	No of options
k)	Diluted earnings per share (EPS) pursuant to issue of shares on exercise of options during the year and ESOSs outstanding as on 31.03.2013, calculated in accordance with Accounting Standard (AS) 20 'Earning per share'	Not Applicable	
l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company	Not applicable	
m)	Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals to exceeds or is less than the market price of the stock	Not Applicable	
n)	Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information : ■ Fair value calculated by using Black-Scholes option pricing formula ■ Stock price: The closing price on NSE as on the date of grant has been considered for valuing the options granted ■ Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options ■ Risk free rate of return: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities ■ Time to Maturity: Time to Maturity/ Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised ■ Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the four financial year preceding the date of the grant		

Variables	Weighted Average Information
Plan	ESOS 2011
Grant date	24th October, 2011
Last date for acceptance	31st March, 2012
Risk free rate (%)	8.5%
Expected Life (years)	Between 1 to 3.2 years
Volatility (%)	96%
Dividend yield (%)	1.73%
Price of the underlying share in the market at the time of option grant	₹324.90

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Code of Corporate Governance

Your company believes in best practices in Corporate Governance in its true spirit and benchmarks it with highest standards. It considers transparency and accountability as two basic tenets of Corporate Governance which are integral part of its business. In its last 4 decades of existence, your company has been proud to be a responsible corporate citizen in all its conduct. Apart from complying with all mandatory requirements, Company has been complying with some non-mandatory requirements as well, prescribed by Clause 49 of Listing Agreement, such as formation of Remuneration Committee, unqualified financial statements, etc. Company has guiding principles laid out through its Code of business conduct, duly adopted by directors and senior management personnel which has been posted on website of company (www.ajantapharma.com).

II. Board of Directors

The Board of Directors comprises of total 8 directors; 3 Executive Promoter Directors, 1 Non-Executive Promoter Director and 4 Independent Directors, including 2 Nominee Directors. Your directors have expertise in fields of management, finance, operations, medicine and bring wide range of skills and experience to the Board. Board provides guidance and strategic direction to the management.

During the financial year 2012-2013 total four Board Meetings were held on 26th April, 2012; 19th July, 2012; 25th October, 2012 and 23rd January, 2013 respectively. Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions.

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

Name of the Director	Category of Directorship	No. of Board Meetings attended	Last AGM Attended (07-Jul-12)	No. of other Directorships #	No. of shares held *	All Committee Membership (including non-mandatory)	
						Member	Chairman
Mr. Mannalal B. Agrawal @	P&NED	4	Yes	5	14,41,792	1	0
Mr. Purushottam B. Agrawal @	P&ED	3	No	6	14,37,180	1	0
Mr. Madhusudan B. Agrawal @	P&ED	4	Yes	6	14,37,000	1	0
Mr. Yogesh M. Agrawal @	P&ED	4	Yes	1	16,85,616	2	1
Dr. Anil Kumar	I&NED	3	No	0	Nil	0	3
Mr. Chandrakant M. Khetan	I&NED	4	Yes	5	Nil	0	2
Mr. S. C. Saha	I&NED	4	No	0	Nil	4	0
Ms. Madhu Verma	I&NED	4	No	0	Nil	4	0

Notes

a) # excludes Private Limited Companies & Foreign Companies

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

c) * Details of shares held are as on 31st March, 2013

d) @ 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

Details of Directors seeking appointment/ reappointment at the forthcoming Annual General Meeting as required under clause 49 of the listing agreement are annexed to the Notice convening the Annual General Meeting and forms part of this Annual Report.

III. Audit Committee

The Audit Committee comprises of Mr. Chandrakant Khetan, Chairman; Ms. Madhu Verma, Member, both being independent directors and Mr. Mannalal B. Agrawal, Member being Non-Executive Director. All members of the Audit Committee are financially literate. The terms of reference of this committee are wide enough covering the matters specified for Audit Committee under the listing agreement.

Four meetings were held during the year on 26th April, 2012; 19th July, 2012; 25th October, 2012 and 23rd January, 2013 and there was full quorum present at all the Committee meetings. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes. Chief Financial Officer attends all meetings and auditors are invited for the meeting as required.

IV. Remuneration Committee

The Remuneration Committee comprises independent directors, namely Dr. Anil Kumar, Chairman; Mr. S. C. Saha and Ms. Madhu Verma are Members. Committee performs functions spelt out in Clause 49 of the Listing Agreement and Schedule XIII attached to the Companies Act, 1956. 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. During the year one meeting of the Remuneration Committee was held on 26th April, 2012 and was attended by all the members of the Committee.

Details of remuneration to Directors

Payment of remuneration to Vice-Chairmen and Managing Director are governed by the agreement executed between them and the company in the past. These agreements were approved in the past, by the Remuneration Committee and Board of Directors. Aggregate value of salary and perquisites paid to Vice-Chairmen and Managing Director, subject to provisions of Schedule XIII of the Act, for the financial year ended 31st March, 2013 was as under

PARTICULARS	₹
Remuneration to Executive Directors	
Mr. Purushottam B. Agrawal, Vice-Chairman	1,45,62,000
Mr. Madhusudan B. Agrawal, Vice-Chairman	1,45,62,000
Mr. Yogesh M. Agrawal, Managing Director	1,45,62,000
Remuneration to Non-Executive Directors	
a) Sitting Fees paid	
Mr. Mannalal B. Agrawal	40,000
Dr. Anil Kumar	35,000
Mr. S. C. Saha, Nominee Director, IDBI Bank	45,000
Ms. Madhu Verma, Nominee Director, EXIM Bank	45,000
Mr. Chandrakant M. Khetan	40,000
b) Commission payable	
Mr. Mannalal B. Agrawal	1,51,00,000
Mr. Chandrakant M. Khetan	2,00,000
Dr. Anil Kumar	2,00,000

V. Investors' Grievance Committee

Investors' Grievance Committee comprises Dr. Anil Kumar (Chairman); Mr. S. C. Saha and Mr. Yogesh M. Agrawal (Members). Committee specifically looks into resolving of investors' grievances. During the year, 4 meetings were held on 26th April, 2012; 19th July, 2012; 25th October, 2012 and 23rd January, 2013. Dr. Anil Kumar was present in 3 meetings, whereas other 2 members attended all the 4 meetings.

Company received 47 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. Nature of complaints were non-receipt of dividend (31), non-receipt of share certificates (13), Dematerialisation of shares (1) and other miscellaneous (2).

VI. Executive Committee Meeting

Fifteen Executive Committee Meetings were held during the year under report for dealing with operational matters delegated by Board. The Committee comprises of all the 3 Executive Directors namely, Mr. Yogesh M. Agrawal (attended 13 meetings), Mr. Purushottam B. Agrawal (attended 14 meetings) and Mr. Madhusudan B. Agrawal (attended 12 meetings).

VII. Compensation Committee Meeting

Compensation Committee Meeting was held on 25th October, 2012 and was attended by all members to take note of corporate action for sub-division of shares and accordingly amending the Employee Stock Option Scheme. Committee comprises of Mr. Chandrakant M. Khetan (Chairman), Mr. S. C. Saha, Ms. Madhu Verma and Mr. Yogesh M. Agrawal.

VIII. General Body Meetings

Annual General Meetings during last 3 years were held on 9th July, 2010 (For FY 2009-10), 1st July, 2011 (For FY 2010-11) and 7th July, 2012 (For FY 2011-12) at the same location namely Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli West, Mumbai – 400092. All resolutions including special resolutions set out in respective Notices were passed by shareholders.

IX. Disclosures

a. There were no transactions of material nature with its promoters, Directors or Management, their Subsidiaries or relatives etc. that may have the potential conflict with the interest of the company at large. Transactions with related parties are disclosed in Note No. 46 of the Financial Statements.

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

X. Means of Communication

Board of Directors approves and takes on record Unaudited Quarterly Results and Audited Annual Results and announces forthwith the results to both Stock Exchanges where the shares of the Company are listed. Same are published within 48 hours in 1 English daily newspaper and 1 Marathi newspaper and are displayed on the website of the company www.ajantapharma.com. Management Discussion and Analysis forms part of the Annual Report.

XI. General Shareholders Information

1. Annual General Meeting

Monday, 29th July, 2013 at 11.30 a.m.
Prabodhankar Thackrey Natyagrah,
Sodawala Lane, Borivli West,
Mumbai- 400092

2. Financial Calendar

Financial year 1st April to 31st March
Quarterly results will be declared normally in 3rd or 4th week of following month after the end of financial quarter.

3. Dates of Book Closure : 22nd July, 2013 to 29th July, 2013 (both days inclusive)

4. Dividend Payment Date : After 29th July, 2013

5. Listing on Stock Exchanges:

a) Bombay Stock Exchange Limited (Code: AJANTAPH 532331)

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

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

6. ISIN number for NSDL and CDSL : INE031B01031

7. CIN number : L24230MH1979PLC022059

8. Sub-Division of the face value of Equity Shares

Pursuant to the resolution passed at the 33rd Annual General Meeting of the Company held on 7th July, 2012, Company's equity shares of the face value of ₹10/- each have been sub-divided into face value of ₹5/- each.

The Record date for the purpose of ascertaining the names of the shareholders entitled to receive sub-divided shares was 10th August, 2012. Upon sub-division, the depository accounts of the shareholders holding shares in dematerialized form, were directly credited with the new shares of the face value of ₹5/- each, on the next day of the Record Date under new ISIN: INE 031B01031.

Shareholders holding shares in physical form were issued a composite share certificate for the new shares of the face value of ₹5/- each. Consequent, to issuance of new share certificates, the existing share certificates for the shares of the face value of ₹10/- each are treated as cancelled and invalid.

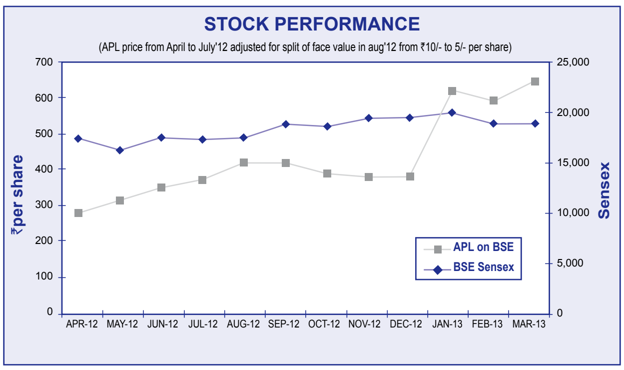
In cases where the new share certificates sent by the Company were returned undelivered, a reminder has been sent to the concerned shareholders to claim the same.

9. Stock Market Data

The trading at stock exchanges in new share of the face value of ₹5/- each was started from 13th August, 2012. The share market data before the split has been reworked for the face value of ₹5/- in the below table and graph to make it comparable and easy understanding.

	Bombay Stock Exchange(BSE)		National Stock Exchange(NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-12	301.83	231.25	302.10	226.60
May-12	401.90	264.93	401.90	263.75
Jun-12	358.98	284.55	359.73	284.50
Jul-12	382.40	343.00	382.25	343.50
Aug-12	433.90	366.10	436.00	357.00
Sep-12	505.00	400.00	447.15	380.15
Oct-12	424.00	360.25	424.50	360.00
Nov-12	398.00	353.30	397.50	340.00
Dec-12	410.00	368.00	411.35	372.55
Jan-13	674.80	382.25	675.00	381.00
Feb-13	630.00	533.00	630.00	532.50
Mar-13	698.00	591.00	720.00	589.95

10. Performance of APL Share price in comparison to BSE Sensex



11. Registrar and Transfer Agents

Link Intime India Private Limited- Unit: Ajanta Pharma Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078
Tel.: 022- 2596 3838/2594 6970;
Fax: 022- 2594 6969;
Email: rnt.helpdesk@linkintime.co.in

12. Share Transfer System

Shares in physical form sent for registering transfer, to the Registrar and Shares Transfer Agents, M/s. Link Intime India Private Limited are registered and returned within 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. During the year, 2012-13 the total numbers of shares transferred in physical form were as follow:

Transfer period (in days)	No. of requests (processed, effected & dispatched)	No. of shares	%
1-15	34	17,700	98.33
16-20	1	300	1.67
21-30	0	0	0.00
30 & Above	0	0	0.00
TOTAL	**35**	**18,000**	**100**

13. Distribution of Equity Shareholding as on 31st March, 2013

No. of shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 500	8,364	89.50	11,30,271	4.83
501- 1000	550	5.88	4,32,371	1.85
1001-2000	205	2.19	3,17,898	1.36
2001-3000	61	0.65	1,46,790	0.63
3001-4000	31	0.33	1,12,635	0.48
4001-5000	25	0.26	1,16,712	0.49
5001-10000	43	0.46	3,03,010	1.29
10001 & above	66	0.71	2,08,57,313	89.06
TOTAL	**9,345**	**100.00**	**2,34,17,000**	**100.00**

14. Pattern of Shareholding

Sr No.	CATEGORY	AS ON 31st MARCH, 2013	
		NO OF SHARES	% OF TOTAL NO. OF SHARES
1.	Promoters Holding ▪ Promoters ▪ Foreign Promoters	 1,70,95,502 Nil	 73.00 Nil
2.	Mutual Funds	0	0
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Government Institutions)	18,102	0.08
4.	Private Corporate Bodies	23,33,115	9.96
5.	Indian Public	34,71,131	14.83
6.	NRIs/OCBs/FII's	4,35,250	1.86
7.	In Clearance	63,900	0.27
	TOTAL	**2,34,17,000**	**100.00**

15. Dematerialisation of Shares and liquidity

99.06% of the total equity capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2013. 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 2012-13 is given below: -

	Bombay Stock Exchange s(BSE)	National Stock Exchange (NSE)	BSE + NSE
In no. of Shares	54,619	1,16,339	1,70,959
In value terms ₹	2,34,91,150	5,00,08,727	7,34,99,877

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

As of date, the Company has not issued these types of securities.

17. Employees Stock Option Scheme 2011 (ESOS 2011)

Under Employee Stock Option Scheme 2011, at the beginning of year 28,000 options were outstanding. No options have been granted by the Company under the aforesaid ESOS – 2011 during the year. Following the stock split from ₹10/- to ₹5/- per share as approved by the shareholders on 7th July 2012, the number of options granted and outstanding have been revised to 56,000 (FV 5/-) as on 7th July 2012 and consequently each option entitles an employee to subscribe to one equity share of the Company at revised exercise price of ₹5/- per share. As on 31st March, 2013, 30% of options are due for vesting.

18. Plant Locations

The Company has four existing Manufacturing Plants located in and around Aurangabad in Maharashtra, India, the addresses of which are as follows:

i. B-4, B-5, B-6, MIDC Industrial Area, Paithan
ii. 31-O, MIDC Industrial Area, Chikalthana
iii. Gut No. 11/12/14/15, Chitegaon, Paithan Road
iv. Gut No. 378, Plot No. 8, Waluj

Company is setting up 2 more manufacturing facilities in Gujarat, India, the addresses of which are as follows:

i. Plot No Z-103 /A, Dahej SEZ - Part II, Dist. Bharuch
ii. Plot No 109, GIDC, Post Manjusar, Taluka - Savli, Dist. Vadodra

19. R & D Centre is at 43AB & 44BCD, ADVENT, Charkop, Kandivali West, Mumbai, Maharashtra

20. Voluntary Guidelines 2009

Ministry of Corporate Affairs issued a set of Voluntary Guidelines on 'Corporate Governance' and 'Corporate Social Responsibility'. Some of the provisions of these guidelines are in place as mentioned elsewhere in this report. Board will continue to evaluate other provisions of these guidelines for adoption in future.

21. Investor Correspondence Address

For transfer/dematerialisation of shares, payment of dividend on shares and any other query relating to the shares of the company

For shares held in physical form
Link Intime India Private Limited
Unit: Ajanta Pharma Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup West, Mumbai - 400078
Tel: 022- 2594 6970, 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. Deodatta Pandit
General Manager - Legal & Company Secretary
Ajanta Pharma Limited, Ajanta House,
Charkop, Kandivli West, Mumbai - 400067
Tel.: 022- 6606 1000/1203, Fax: 022-6606 1200/1300
E-mail: deodatta.pandit@ajantapharma.com

For and Behalf of The Board of Directors

MANNALAL B. AGRAWAL
CHAIRMAN

Mumbai, 30th April, 2013

DECLARATION PURSUANT TO CLAUSE 49 1(D) (ii) OF THE LISTING AGREEMENT

In accordance with Clause 49 1 (D)(ii) of the Listing Agreement with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31st March, 2013.

For Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director

Mumbai, 30th April, 2013

CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

We, Mr. Yogesh M. Agrawal, Managing Director and Mr. Arvind K. Agrawal, Chief Financial Officer hereby certify for the financial year ended 31st March, 2013 that: -

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

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

  (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

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

  (i) significant changes in internal control over financial reporting during the year;

  (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

	For AJANTA PHARMA LIMITED	**For AJANTA PHARMA LIMITED**
	YOGESH M. AGRAWAL	**ARVIND K. AGRAWAL**
Mumbai, 30th April, 2013	**MANAGING DIRECTOR**	**CHIEF FINANCIAL OFFICER**

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 of Ajanta Pharma Limited

We have examined the compliance of conditions of corporate governance by Ajanta Pharma Limited ("the Company"), for the year ended on March 31, 2013 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

S. S. Kapoor
Partner
M. No. 5399
Mumbai, 30th April, 2013

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

	Ajanta Pharma (Mauritius) Limited	Ajanta Pharma (Mauritius) Intl. Limited*	Ajanta Pharma Philippines Inc	Ajanta Pharma Inc #	Ajanta Pharma USA Inc ##	Ajanta Pharma UK Ltd. **
	(Amt. in MUR)	(Amt. in MUR)	(Amt. in PHP)	(Amt. in USD)	(Amt. in USD)	(Amt. in Pound)
Section 212 (3)						
Financial year of the Subsidiary Company ended on	Dec 31, 2012	Dec 31, 2012	Dec 31, 2012	Dec 31, 2012	N.A.	Dec 31, 2012
Number of shares in the subsidiary Company held by Ajanta Pharma Ltd. at the above date	613,791	250,001	81,995	1,520	Nil	Refer note no. 2
Extent of Holding	100%	100%	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, 2012	NIL	NIL	NIL	NIL	NIL	NIL
(b) for previous financial years of the subsidiary since it became subsidiary of Ajanta Pharma Ltd.	NIL	NIL	NIL	NIL	NIL	NIL
(II) Not dealt within the accounts of Ajanta Pharma Ltd. amounted to	3,10,50,000					
(a) for the subsidiary's financial year ended 31st December, 2012	1,89,01,540	65,217,111	3,21,81,928	NIL	NIL	NIL
(b) for previous financial years of the subsidiary since it became subsidiary of Ajanta Pharma Ltd.	14,95,58,126	NIL	(1,58,86,851)	NIL	NIL	NIL

	Ajanta Pharma (Mauritius) Limited	Ajanta Pharma (Mauritius) Intl. Limited*	Ajanta Pharma Philippines Inc	Ajanta Pharma Inc #	Ajanta Pharma USA Inc ##	Ajanta Pharma UK Ltd. **
	(Amt. in MUR)	(Amt. in MUR)	(Amt. in PHP)	(Amt. in USD)	(Amt. in USD)	(Amt. in Pound)
Section 212(5)						
(a) Changes in the interest of Ajanta Pharma Ltd. between the end of the subsidiary's Financial year and 31st March, 2013 Number of shares acquired/(disposed off)	NIL	NIL	NIL	(1,520)	2,000	NIL
(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	No change	No change
ii) Its investments	No change	No change	No change	No change	No change	No change
iii) The money lent by it	No change	No change	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	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. The Company is yet to issue shares.

Wound up on 11 January, 2013

Incorporated on 6 December, 2012 and first accounting year will end on 31.12.2013

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

₹ in Crores

Name of the Subsidiary Company	Ajanta Pharma (Mauritius) Ltd.	Ajanta Pharma (Mauritius) Intl. Ltd.	Ajanta Pharma Philippines Inc.	Ajanta Pharma Inc.	Ajanta Pharma USA Inc. #
The Financial Year ended on	Dec 31, 2012	Dec 31, 2012	Dec 31, 2012	Dec 31, 2012	Dec 31, 2012
Capital	10.21	4.28	0.87	0.66	-
Reserves	29.03	11.70	2.10	0.18	-
Total Liabilities	16.08	0.98	18.50	-	-
Total Assets	55.32	16.96	21.47	0.84	-
Investment (other than in subsidiaries)	-	-	-	-	-
Turnover (Net)	108.47	29.83	35.04	-	-
Profit/(Loss) before Tax	3.90	11.54	5.87	-	-
Provision for Tax	0.27	-	0.89	-	-
Profit/(Loss) after Tax	3.64	11.54	4.98	-	-
Proposed Dividend	5.50	-	-	-	-
Foreign Currency of Subsidiary	Mauritian Rupee	Mauritian Rupee	Philippine Peso	US Dollar	US Dollar
Rupee Equivalent of 1 Unit of Foreign Currency as as 31st March, 2013	1.72	1.72	1.33	54.30	54.30

1) Ajanta Pharma (Mauritius) Int. Ltd. is wholly owned subsidiary of Ajanta Pharma (Mauritius) Ltd.

2) Ajanta Pharma UK Ltd. has not been operationalised after its incorporation. Hence, above details in respect of aforesaid subsidiary are not given.

Ajanta Pharma USA Inc. was incorporated on 6 December, 2012 and no transaction was done upto 31 December, 2012. Hence, above details in respect of aforesaid subsidiary are not given.

INDEPENDENT AUDITOR'S REPORT

To the Members of

AJANTA PHARMA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **AJANTA PHARMA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;

(ii) in the case of the Statement of Profit and Loss, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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;
   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
   (e) On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants
ICAI FRN 104803W

S. S. KAPOOR
Partner
M. No. 5399

Mumbai, 30 April 2013

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(The Annexure referred to in para 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of **AJANTA PHARMA LIMITED** on the financial statements for the year ended 31 March 2013.)

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 except additions made during the current and preceding financial year, which are in the process of updation.
   b) As informed to us by the management the Company has a policy of physically verifying fixed assets in a phased manner over a period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, physical verification has not been carried out during the year.
   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, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues were in arrears, as at 31 March 2013 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, Sales 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 Crore)	Period to which amounts relate	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax/ TDS/ Interest/ Penalty	0.31	AY 2000-01	Income Tax Appellate Tribunal
		0.88	AY 2001-02	
		0.37	AY 2002-03	
		0.18	AY 2003-04	
		#	AY 2006-07	Commissioner of Income Tax (Appeals)
		0.08	AY 2007-08	
		0.05	AY 2009-10	
The Bombay Sales Tax Act, 1959	Sales Tax/ Interest/ Penalty	0.07	FY 2004-05	Maharashtra Sales Tax Tribunal-Mumbai
The A. P. VAT Act, 2005	VAT/ Interest/ Penalty	0.15	FY 2009-10	Appellate Dy. Commissioner (Commercial Tax)-Secunderabad
Central Excise Act, 1944	Excise	0.16	FY 2007-08	Commissioner of Customs and Central Excise Hyderabad-I

₹16,840/-

* 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, 30 April 2013

BALANCE SHEET AS AT 31 MARCH 2013

	Note No	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	11.80	11.80
Reserves and Surplus	4	344.48	260.04
Non-Current Liabilities			
Long-Term Borrowings	5	72.20	75.36
Deferred Tax Liabilities (Net)	6	23.65	17.09
Other Long Term Liabilities	7	2.50	2.50
Long-Term Provisions	8	2.98	4.91
		101.33	**99.86**
Current Liabilities			
Short-Term Borrowings	9	51.26	86.87
Trade Payables	10	130.04	105.92
Other Current Liabilities	11	16.81	42.22
Short-Term Provisions	12	19.66	10.45
		217.77	**245.46**
TOTAL		**675.38**	**617.16**
ASSETS			
Non-Current Assets			
Fixed Assets	13		
Tangible Assets		253.09	223.30
Intangible Assets		9.64	13.26
Capital Work-in-Progress		12.49	2.52
		275.22	**239.08**
Non-Current Investments	14	18.86	17.05
Long-Term Loans and Advances	15	48.41	50.56
Other Non Current assets	16	7.09	1.28
		349.58	**307.97**
Current Assets			
Inventories	17	143.51	162.35
Trade Receivables	18	135.19	125.42
Cash and Bank Balances	19	25.11	5.08
Short-Term Loans and Advances	20	21.32	15.61
Other Current Assets	21	0.67	0.73
		325.80	**309.19**
TOTAL		**675.38**	**617.16**
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

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

S. S. Kapoor
Partner

Mumbai, 30 April 2013

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Madhusudan B. Agrawal
Vice Chairman

Deodatta Pandit
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

	Note No	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
REVENUE :			
Revenue from operations (Gross)	22	845.24	612.37
Less : Excise Duty		6.04	8.10
Revenue from operations (Net)		**839.20**	**604.27**
Other Income	23	7.41	1.21
TOTAL REVENUE :		**846.61**	**605.48**
EXPENSES :			
Cost of Materials Consumed	24	284.09	230.29
Purchase of Stock-in-Trade	25	27.35	20.47
Changes in Inventories of Finished Goods/ Work-in-progress/Stock-in-Trade	26	(11.41)	(32.99)
Employee Benefits Expenses	27	115.40	87.17
Finance Costs	28	18.48	14.01
Depreciation & Amortisation Expense	13	32.70	30.68
Other Expenses	29	216.49	176.10
TOTAL EXPENSES		**683.10**	**525.73**
Profit Before Tax		**163.51**	**79.75**
Tax Expense :			
Current Tax		32.81	15.95
MAT Credit Entitlement			
For Current Year		7.25	(8.74)
For Earlier years	33	15.75	-
Income Tax of Earlier Years		0.02	(0.12)
Deferred Tax		6.56	6.17
Profit After Tax For The Year From Continuing Operations		**101.12**	**66.49**
There are no Exceptional Items, Extra Ordinary Items and Discontinuing Operations.			
Earning Per Equity Share (Face Value ₹5/-)	30		
Basic (₹)		**43.17**	**28.39**
Diluted (₹)		**43.07**	**28.33**
Significant Accounting Policies	2		
The accompanying notes are an integral part of the financial statements.			

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

S. S. Kapoor
Partner

Mumbai, 30 April 2013

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Madhusudan B. Agrawal
Vice Chairman

Deodatta Pandit
Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2013

	Year Ended 31 March 2013 ₹ in Crore	Year Ended 31 March 2012 ₹ in Crore
A. Cash Flow from Operating Activities		
Profit before Tax	163.51	79.75
Adjustment to reconcile profit before tax to net cash flows		
Depreciation	32.70	30.68
(Profit) Loss on Fixed Assets Sold	(0.03)	(0.08)
Interest Expense	18.48	14.01
Dividend from Subsidiary	(5.42)	-
Employee Stock Option Expenses [Pr.Yr. ₹ 13,173/-]	0.49	
Receivable Written Off	-	2.04
Operating Profit before Working Capital Changes:	**209.73**	**126.40**
Changes in working capital:		
Decrease(Increase) in Trade Receivable	(9.75)	(51.70)
Decrease(Increase) in Long-Term Loans and Advances	(0.37)	2.19
Decrease(Increase) in Short-Term Loans and Advances	(6.61)	(0.20)
Decrease(Increase) in Other Non-Current Assets	(0.15)	(0.10)
Decrease(Increase) in Other Current Assets	0.01	(0.72)
Decrease(Increase) in Inventories	18.86	(66.23)
Increase(Decrease) in Other Long Term Liabilities [C.Yr. ₹16,000/-]		-
Increase(Decrease) in Other Current Liabilities	3.04	6.54
Increase(Decrease) in Other Long Term Provisions	(1.93)	2.25
Increase(Decrease) in Short Term Provisions	1.37	(0.90)
Increase(Decrease) in Trade Payables	24.12	38.33
Cash generated from (used in) Operations	**238.32**	**55.85**
Direct Taxes Paid (Net of Refunds)	(31.10)	(17.00)
Net Cash Generated from (Used in) Operating Activities	**207.22**	**38.85**
B. Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets including Capital Advances	(89.53)	(57.10)
Proceeds from Sale of Fixed Assets	0.24	0.14
Investment in Bank Deposits with Original maturiy of more than 3 months	(14.33)	6.76
Dividend from Subsidiary	5.42	-
Investments in Subsidiaries	(2.47)	-
Return of Equity Capital by Subsidiary	0.66	-
Proceeds (Purchase) of Non Current Investments		
[C.Yr.₹25,000/- {Pr.Yr.(₹25,000/-)}]		
Net Cash Generated from (Used in) Investing Activities	**(100.01)**	**(50.20)**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2013

	Year Ended 31 March 2013 ₹ in Crore	Year Ended 31 March 2012 ₹ in Crore
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	54.30	40.00
Repayment of Long Term Borrowings	(85.55)	(17.86)
Proceeds (Repayment) of Short Term Borrowings	(35.61)	9.90
Interest Paid	(18.89)	(13.64)
Dividend Paid	(8.73)	(5.83)
Dividend Distribution Tax Paid	(1.42)	(0.95)
Net Cash Generated from (Used in) Financing Activities	**(95.90)**	**11.62**
Net Increase (Decrease) in Cash & Cash Equivalents	**11.31**	**0.27**
Cash and Cash Equivalents as at the Beginning of the Year	1.65	1.38
Cash and Cash Equivalents as at the End of the Year	**12.96**	**1.65**
Components of Cash and Cash Equivalents		
Balance with Banks - In Current Accounts	4.88	1.60
In Deposit Accounts	8.00	-
Cash on Hand	0.08	0.05
Total Cash and Cash Equivalents	**12.96**	**1.65**
Figures in brackets indicates outflow.		
Significant Accounting Policies (Refer note 2)		
The accompanying notes are an integral part of the financial statements.		

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

S. S. Kapoor
Partner

Mumbai, 30 April 2013

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Madhusudan B. Agrawal
Vice Chairman

Deodatta Pandit
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. GENERAL INFORMATION

Ajanta Pharma Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company is engaged in the business of pharmaceutical and related activities, including research.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Accounting

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention unless otherwise specified. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise specified.

2.2. Change in Accounting policy

Upto last year the Company used to value stock of sales promotional materials at cost. From this year the same has been changed and entire amount is charged to the Statement of Profit and Loss in the year of incurrence.

2.3. 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.

2.4. 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.

2.5. 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.

2.6. 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.

2.7. Inventories

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

2.7.2. Works in process are valued at estimated cost.

2.8. Cash And Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with an original maturity of three months or less.

2.9. 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 statement of profit and loss. 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.

2.10. 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 reliability. Revenue in respect of other income is recognised when a reasonable certainty as to its realisation exists.

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

2.11. Export Benefits

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

2.12. 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 is being written off over the period of lease. Expenditure incurred on ANDA development cost are amortised over estimated useful life.

2.13. Employee Benefits

2.13.1. 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.

2.13.2. Post Employment Benefits:

Company's contribution for the period paid / payable to defined contribution retirement benefit schemes are charged to statement of profit and loss. 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.

Defined benefit in the form of compensated absences is provided for based on actuarial valuation at the year-end in accordance with Company's rules.

2.13.3. Stock Based Compensation:

Employee stock options are accounted as per the accounting treatment prescribed under Guidance Note on "Accounting for Employee Share-based payments" issued by the ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India. The Compensation cost of stock options granted to employees is measured by the fair value method and is amortised uniformly over the vesting period.

2.14. 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.

2.15. 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.

2.16. 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.

2.17. 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 in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, by credit to the statement of profit and loss.

2.18. 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 statement of profit and loss 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.

2.19. 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.

2.20. 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.

2.21. 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.

2.22. Cash Flow Statement

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

2.23. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
3. SHARE CAPITAL		
Authorised :		
3,00,00,000 (Pr.Yr.1,50,00,000) Equity Shares of ₹5 (Pr.Yr. ₹10) each	15.00	15.00
3,00,00,000 (Pr.Yr.1,50,00,000) Preference Shares of ₹5 (Pr.Yr. ₹10) each	15.00	15.00
	30.00	**30.00**
Issued :		
2,37,23,600 (Pr.Yr.1,18,61,800) Equity Shares of ₹5 (Pr.Yr. ₹10) each	11.86	11.86
Subscribed & Paid up:		
2,34,17,000 (Pr.Yr.1,17,08,500) Equity Shares of ₹5 (Pr.Yr. ₹10)each fully paid up	11.71	11.71
	11.71	11.71
3,06,600 (Pr.Yr.1,53,300) Share Forfeited - Amount originally paid up	0.09	0.09
	11.80	**11.80**

(a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year :

	31 March 2013		31 March 2012	
	No. of Shares *	₹ in Crore	No. of Shares	₹ in Crore
Number of shares outstanding as at the beginning of the year	2,34,17,000	11.71	1,17,08,500	11.71
Add: Number of shares allotted as fully paid-up during the year	-	-	-	-
Less: Number of shares bought back during the year	-	-	-	-
Number of shares outstanding as at the end of the year	**2,34,17,000**	**11.71**	**1,17,08,500**	**11.71**

(b) Terms/Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹5 (Pr.Yr ₹10) per share. Each holder of equity shares is entitled to one vote per share.The company declares & pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013 amount per share of dividend recognised as distributions to equity shareholders was ₹6.25 per equity share of FV ₹5/- (Pr.Yr. ₹7.50 per equity share of FV ₹10/-) per equity share.

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

(c) Details of Equity Shares held by each shareholders holding more than 5%

	31 March 2013		31 March 2012	
Equity Shares of ₹5 (Pr.Yr. ₹10) each fully paid.	**No. of Shares ***	**% holding**	**No. of Shares**	**% holding**
Mannalal B. Agrawal	14,41,792	6.16	7,20,896	6.16
Purushottam B. Agrawal	14,37,180	6.14	7,18,590	6.14
Madhusudan B. Agrawal	14,37,000	6.14	7,18,500	6.14
Vimal Agrawal & Mamta Agrawal	13,70,000	5.85	6,85,000	5.85
Yogesh M. Agrawal	16,85,616	7.20	N.A.	N.A.
Gabs Investments Private Limited	20,86,552	8.91	7,54,896	6.45

(d) Shares reserved for issue under options *

3,60,000 (Pr.Yr.1,80,000) equity shares reserved out of which 56,000 (Pr.Yr. 28000) equity shares granted for issue under the Employee Stock Option Plan (ESOP), 2011 of the Company.

(e) The Company is not a subsidiary company

* Number of equity shares are adjusted consequent to sub-division of one equity share of face value ₹10/- each into two equity shares of ₹5/- each as approved by the shareholders on 7 July 2012.

		31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
4. RESERVES & SURPLUS			
Capital Reserve			
Balance as per last Balance Sheet		0.47	0.47
Capital Redemption Reserve			
Balance as per last Balance Sheet		7.50	7.50
Share Premium			
Balance as per last Balance Sheet		75.14	75.14
General Reserve			
Balance at the beginning of the year		171.00	111.00
Add: Transferred from statement of Profit & Loss		80.00	60.00
		251.00	171.00
Employee Stock Option Outstanding			
Employee Stock Option Outstanding			
Balance at the beginning of the year		0.82	-
Add : Options granted during the year		-	0.82
Less : Amortised during the year		-	-
Balance as at the year end	**(A)**	**0.82**	**0.82**
Deferred Employee Stock Option Cost			
Balance at the beginning of the year		0.82	-
Add : Options granted during the year		-	0.82
Less : Amortised during the year [Pr.Yr. ₹13,173/-]		0.49	
Balance as at the year end	**(B)**	**0.33**	**0.82**
[Pr.Yr. ₹13,173/-]	**(A) - (B)**	**0.49**	
Surplus in the Statement of Profit and Loss			
Balance at the beginning of the year		5.93	9.64
Profit for the year		101.12	66.49
Less: Appropriations			
-Proposed Dividend on Equity Shares		14.67	8.78
-Dividend Distribution Tax On Proposed		2.50	1.42
-Transfer to General Reserve		80.00	60.00
Net Surplus in the Statement of Profit and Loss		**9.88**	**5.93**
Total Reserve & Surplus		**344.48**	**260.04**
5. LONG TERM BORROWINGS			
Term Loan (Secured)			
From Banks (Rupee)		2.14	42.61
From others (Rupee)		-	16.25
From Banks (Foreign)		54.30	-
Vehicle Loans (Secured)			
From Banks (Rupee)		-	2.29
From others (Rupee)		-	0.21
Other Loans & Advances (Unsecured)			
Deferred Sales Tax Loans		15.76	14.00
		72.20	**75.36**

5.1. 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.

5.2. Previous year end vehicle loans were secured against vehicles acquired under the scheme.

		31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore

5.3. Term of Repayments

a) Secured Loans from banks are repayable in equal Quarterly/Monthly installment up to 31 March 2016

b) The rate of interest on secured term loans vary between 4%p.a. to 11.25% p.a (Pr.Yr. 11.25% p.a. to 14% p.a.)

c) Previous year end vehicle loans from banks were repayable in equal Monthly installment upto 31 July 2016.

d) The rate of interest on vehicle loans vary between 10% p.a. to 11% p.a.

		31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
6. DEFERRED TAX (LIABILITY) ASSET			
Deferred Tax Liabilities			
Depreciation		24.32	18.79
	(A)	**24.32**	**18.79**
Deferred Tax Assets			
Others		0.67	1.70
	(B)	**0.67**	**1.70**
Deferred Tax Liabilities (Net)	**(A) - (B)**	**23.65**	**17.09**
7. OTHER LONG - TERM LIABILITIES			
Trade deposit		2.50	2.50
		2.50	**2.50**
8. LONG - TERM PROVISIONS			
Provision for employee benefit (Net)			
Provision for Gratuity (Net)		0.63	2.92
Provision for Leave Benefits (Net)		2.35	1.99
		2.98	**4.91**
9. SHORT- TERM BORROWINGS			
Working Capital Loans repayable on demand from banks (Secured)			
Rupee Loan		16.56	4.00
Foreign Currency Loan		34.70	82.87
		51.26	**86.87**

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

		31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
10. TRADE PAYABLES		130.04	105.92
		130.04	**105.92**
11. OTHER CURRENT LIABILITIES			
Current Maturities of long-term borrowing (Secured)			
Rupee Term Loan from Banks (Refer note 5.1 & 5.3)		-	27.18
Vehicle Loans (Refer note 5.2 & 5.3)		-	0.91
Unpaid Dividend*		0.17	0.12
Interest Accrued but not due on borrowings		0.09	0.50
Other Payables		16.55	13.51
		16.81	**42.22**

* There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as on 31 March 2013

	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
12. SHORT - TERM PROVISIONS		
Provision for employee benefits (Net)		
Provision for Gratuity (Net)	1.24	-
Provision for Leave Benefits (Net)	0.42	0.25
Other Provisions		
Proposed Dividend on Equity Shares	14.65	8.78
Tax on Proposed Dividend	2.49	1.42
Provision for Tax (Net of Payment)	0.86	-
	19.66	**10.45**

13. FIXED ASSETS

13.1. Current Year

₹ in Crore

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	As at 1. 4. 2012	Additions	Deductions/ Adjustment	As at 31. 3. 2013	As at 1. 4. 2012	Additions	Deductions/ Adjustment	As at 31. 3. 2013	As at 31. 3. 2013
A) Tangible Assets									
Freehold Land	8.21	-	-	8.21	-	-	-	-	8.21
Lease hold Land	3.55	10.46	-	14.01	0.54	0.39	-	0.93	13.08
Buildings	116.71	12.63	-	129.34	31.63	7.15	-	38.78	90.56
Plant & Equipments	139.40	26.51	0.23	165.68	47.88	13.17	0.05	61.00	104.68
Furniture & fixtures	32.86	5.31	-	38.17	10.95	4.02	-	14.97	23.20
Vehicles	6.98	1.51	0.15	8.34	3.05	1.21	0.13	4.13	4.21
Office Equipments	8.09	1.27	0.01	9.35	2.99	0.73	-	3.72	5.63
Computers	19.42	0.94	-	20.36	14.89	1.96	-	16.85	3.51
Total	**335.22**	**58.63**	**0.39**	**393.46**	**111.93**	**28.63**	**0.18**	**140.38**	**253.09**
Note : Addition to above Tangible Fixed Assets includes ₹8.93 Crores used for Research & Development.									
(B) Intangible Assets									
ANDA Development Cost	15.93	-	-	15.93	2.84	3.98	-	6.82	9.11
Computer software	0.18	0.45	-	0.63	0.01	0.09	-	0.10	0.53
Total Intangible Assets	**16.11**	**0.45**	**-**	**16.56**	**2.85**	**4.07**	**-**	**6.92**	**9.64**
C) Capital Work in Progress*									**12.49**
Total Fixed Assets (A) +(B) + (C)									**275.22**
*Capital Works in Progress includes Pre Operative expenses of ₹1.55 Crore. (Refer note 36).									

13.2. Previous Year

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	As at 1. 4. 2012	Additions	Deductions/ Adjustment	As at 31. 3. 2013	As at 1. 4. 2012	Additions	Deductions/ Adjustment	As at 31. 3. 2013	As at 31. 3. 2013
A) Tangible Assets									
Freehold Land	7.68	0.53	-	8.21	-	-	-	-	8.21
Lease hold Land	3.55	-	-	3.55	0.49	0.05	-	0.54	3.01
Buildings	102.60	14.12	0.01	116.71	24.92	6.72	0.01	31.63	85.08
Plant & Equipments	121.50	17.90	-	139.40	34.96	12.92	-	47.88	91.52
Furniture & fixtures	25.14	7.72	-	32.86	7.23	3.72	-	10.95	21.91
Vehicles	5.45	1.64	0.11	6.98	1.98	1.13	0.06	3.05	3.93
Office Equipments	5.59	2.50	-	8.09	2.47	0.52	-	2.99	5.10
Computers	18.82	0.60	-	19.42	12.10	2.79		14.89	4.53
Total	**290.33**	**45.01**	**0.12**	**335.22**	**84.15**	**27.85**	**0.07**	**111.93**	**223.30**
Note : Addition to fixed assets includes ₹2.14 Crores used for Research & Development.									
(B) Intangible Assets									
ANDA Development Cost	-	15.93	-	15.93	-	2.84	-	2.84	13.09
Computer software	-	0.18	-	0.18	-	0.01	-	0.01	0.17
Total Intangible Assets	**-**	**16.11**	**-**	**16.11**	**-**	**2.85**	**-**	**2.85**	**13.26**
C) Capital Work in Progress*									**2.52**
Total Fixed Assets (A) +(B) + (C)									**239.08**
*Capital Works in Progress includes Pre Operative expenses of ₹0.10 Crore. (Refer note 36).									

	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
14. NON CURRENT INVESTMENTS		
Trade Investments - Unquoted		
In Subsidiary Companies:		
Ajanta Pharma (Mauritius) Ltd.		
6,13,791 (Pr.Yr. 6,13,791) Ordinary Shares of Mauritian Rupees 100 each fully paid up	9.44	9.44
Ajanta Pharma Inc.		
Nil (Pr.Yr. 1,520) Common Stock of US $ 100 each fully paid up	-	0.66
Ajanta Pharma USA Inc		
2,000 (Pr.Yr. Nil) Common Stock of US $ 100 each fully paid up	1.09	-
Ajanta Pharma Philippines Inc.		
81,995 (Pr.Yr. Nil) Shares of Philippines Peso 100 each	1.38	-
In Associates Companies :		
Turkmenderman Ajanta Pharma Ltd.		
2,00,000 (Pr. Yr. 2,00,000) Shares of US $ 10 each fully paid-up	6.95	6.95
Non - Trade Investments - Unquoted		
The Saraswat Co-Op Bank Ltd		
Nil (Pr. Yr. 2500) Equity Shares @ ₹10 each [Pr.Yr. ₹25,000/-]	-	
	18.86	**17.05**
15. LONG - TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	37.98	17.51
Security Deposits	1.09	0.72
MAT Credit Entitlement	9.34	32.33
	48.41	**50.56**
16. OTHER NON CURRENT ASSETS		
In Deposit Accounts (Under Lien with Banks)	6.75	1.09
Interest Accrued on fixed deposit	0.34	0.19
	7.09	**1.28**
17. INVENTORIES		
(As certified by the management)		
Raw Materials	37.81	65.38
Packing Materials	16.11	17.60
Work-in-Process	11.93	18.88
Finished Goods (Refer note 53)	71.25	54.31
Stock-in-trade (Refer note 53)	6.41	4.99
Sales promotion materials	-	1.19
	143.51	**162.35**
18. TRADE RECEIVABLE		
(Unsecured, Considered Good)		
Over Six Months from the date they are due for payment	6.81	4.03
Others from the date they are due for payment *	128.38	121.39
	135.19	**125.42**

* Includes receivable from subsidiaries [Refer note 47(C)(1)].

	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
19. CASH AND BANK BALANCES		
Cash and Cash Equivalents (As per AS-3)		
Balance with Banks - In Current Accounts	4.88	1.60
Cash on Hand	0.08	0.05
In Deposit Accounts (with original maturity of less than 3 months)	8.00	-
(A)	**12.96**	**1.65**
Other Bank Balances		
Earmarked balances with banks-Unpaid Dividend	0.17	0.12
In Deposit Accounts (With original maturity more than 12 months)		
- Under Lien	4.12	3.27
- Others	7.86	0.04
(B)	**12.15**	**3.43**
(A) + (B)	**25.11**	**5.08**
20. SHORT - TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Income Tax Paid (Net of Provision)	-	0.88
Balance with Statutory/Govt. Authorities		
Balance with Excise Authorities	12.07	5.59
Vat Receivable	2.47	1.84
Octroi Refund Receivable	0.52	0.52
Prepaid Expenses	0.34	0.39
Advances to Creditors	3.16	3.46
Advances Recoverable in Cash or Kind	2.76	2.93
	21.32	**15.61**
21. OTHER CURRENT ASSETS		
Interest Accrued on fixed deposit	0.67	0.73
	0.67	**0.73**
22. REVENUE FROM OPERATIONS		
Sale of Products		
Finished Goods (Refer note 52)	772.47	541.56
Traded Goods (Refer note 52)	62.07	58.52
Other Operating Revenues		
Export Incentives	8.95	8.74
Licencing Fees	1.01	0.93
Others	0.74	2.62
	845.24	**612.37**
23. OTHER INCOME		
Profit on Sale of Fixed Assets (Net)	0.03	0.08
Dividend from Subsidiary	5.42	-
Interest on Bank Deposits	1.70	0.99
Interest From Others	0.15	0.14
Miscellaneous Income	0.11	-
	7.41	**1.21**
24. COST OF MATERIALS CONSUMED		
Raw Material Consumed (Refer note 50)	232.44	188.81
Packing Material Consumed (Refer note 50)	51.65	41.48
	284.09	**230.29**

	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
25. Purchases of Traded Goods (Refer note 51)	**27.35**	**20.47**
26. Changes in Inventories of Finished Goods/Work-in-progress/Stock-in-Trade		
Inventories at the end of the year :		
Work-in-Process	11.93	18.88
Finished Goods (Refer note 53)	71.25	54.31
Traded Goods (Refer note 53)	6.41	4.99
	89.59	**78.18**
Inventories at the beginning of the year :		
Work-in-Process	18.88	8.09
Finished Goods (Refer note 53)	54.31	31.51
Traded Goods (Refer note 53)	4.99	5.59
	78.18	**45.19**
Net (Increase)Decrease inventories	**(11.41)**	**(32.99)**
27. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus and Allowances	105.32	80.32
Expense on Employee Stock Option Scheme (ESOP) [Pr.Yr. ₹13,173/-]	0.49	
Contribution to Provident and Other Funds	7.74	5.47
Staff Welfare Expenses	1.85	1.38
	115.40	**87.17**
28. FINANCE COST		
On Term Loans	13.38	11.97
Other Borrowing Cost	5.10	2.04
	18.48	**14.01**
29. OTHER EXPENSES		
Selling Expenses	68.85	61.15
Clearing and Forwarding	32.23	22.96
Travelling Expenses	18.94	14.48
Processing Charges	11.05	8.34
Power and Fuel	9.98	7.63
Advertisement and Publicity	7.01	5.95
Consumption of Stores & Spare Parts	9.28	5.70
Licence and Registration Fees	2.98	1.20
Product Registration	4.46	2.42
Product Development	2.78	0.65
Rent	3.55	3.45
Rates & Taxes	0.23	0.13
Legal and Professional Fees	3.93	3.86
Telephone, Telex and Postage	4.70	3.48
Repairs & Maintenance		
- Buildings	0.84	0.24
- Machineries	2.83	1.95
- Computers & Others	1.65	1.33
Insurance	2.66	1.93
Excise Expenses	0.39	0.28
Donation	0.38	0.25
Exchange Rate Difference (Net)	2.90	9.92
Miscellaneous Expenses	24.87	18.80
	216.49	**176.10**

30. Earnings Per Share (EPS)

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

Particulars	31 March 2013	31 March 2012
Basic and Diluted Earnings Per Share:		
Profit attributable to Equity shareholders-considered for Basic EPS (₹ in Crore) (A)	101.12	66.49
Add: Dilutive effect on profit (₹ in Crore) (B)*	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (₹ in Crore) (C=A+B)	101.12	66.49
Number of Equity Shares outstanding - considered for Basic EPS (D)	2,34,17,000	2,34,17,000
Add: Dilutive effect of option outstanding-Number of Equity Shares (E)*	54,119	54,119
Number of Equity Shares considered for computing Diluted EPS (F=D+E)	2,34,71,119	2,34,71,119
Basic Earnings Per Share (₹) (A/D)	43.17	28.39
Diluted Earnings Per Share (₹)(C/F)	43.07	28.33

* Dilutive effect on number of equity shares and profit attributable is on account of Employee Stock Option Scheme (ESOS)- (Refer note 38). There are no Exceptional Items, Extra Ordinary Items and Discontinuing Operations.

Pursuant to the approval accorded at the Annual General Meeting of the members of the Company held on 7th July 2012 and upon completion of other regulatory formalities, one equity shares of the Company of ₹10 each is subdivided into two equity shares of ₹5 each fully paid up. Accordingly, the Basic and Diluted Earnings Per Share (EPS) has been restated for the previous year to give effect of the sub-division of shares in accordance with Accounting Standard 20 “ Earning Per Share”.

31. Contingent Liabilities:

Particulars	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
i. Letter of Credit opened	1.44	18.14
ii. Guarantees given by the Bankers on behalf of the company	16.09	20.18
iii. Guarantee given to banks for loan availed by Ajanta Pharma (Mauritius) Ltd., wholly owned subsidiary USD Nil (Pr.Yr. USD 0.15 Crore)	Nil	7.63
iv. Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances	59.71	23.63
v. Claims against the Company not acknowledged as debt	0.34	Nil
vi. Income tax demands disputed by Company pending in appeal. Amount paid under protest ₹1.82 Crore (Pr. Yr. ₹1.82 Crore).	3.69	3.69
vii. Sales tax demands disputed by Company pending in appeal.	0.22	0.22
viii. Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation.	0.60	1.33
ix. Disputed Octroi. Amount paid under protest ₹0.52 Crore (Pr. Yr. ₹0.52 Crore)	0.52	0.52
x. Excise duty disputed by the Company	0.16	Nil
xi. Unpaid allotment money in respect of (a) Common Stock of Ajanta Pharma Inc., wholly owned subsidiary equivalent to USD Nil (Pr.Yr. USD 0.01 Crore).	Nil	0.75
(b) Shares of Ajanta Pharma UK Ltd, wholly owned subsidiary, equivalent to UK Pound 10,000 (Pr.Yr. UK Pound 10,000).	0.08	0.08
(c) Common Stock of Ajanta Pharma USA Inc., wholly owned subsidiary equivalent to USD 0.01 Crore (Pr.Yr. USD Nil).	0.54	Nil

Future cash outflows in respect of liability under clauses (i) to (iv) is dependent on terms agreed upon with the parties, in respect of clauses (v) to (x) is dependent on decisions by relevant authorities of respective disputes and in respect of clause (xi) it is dependent on call made by investee companies..

32. The Board of Directors have recommended dividend of ₹6.25 per equity share of FV ₹5/- (Pr. Yr. ₹7.50 per equity share of FV ₹10/-), which is subject to approval of shareholders.

33. In response to relevant notices issued under the Income Tax Act,1961, the Company has filed its returns of income revising income of earlier years, resulting into additional income tax liability of ₹15.75 Crore, consequently reducing MAT Credit Entitlement of earlier years to that extent.

34. Disclosure of trade payables to micro; Small & Medium Enterprises 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". Amount outstanding as on 31 March 2013 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹2.20 Crore (Pr.Yr. ₹2.68 Crore) [including overdue amount of ₹0.53 Crore (Pr.Yr. ₹0.60 Crore)] and interest due thereon is ₹0.11 Crore (Pr.Yr. ₹0.10 Crore) and interest paid during the year ₹Nil (Pr.Yr. ₹Nil). As per the terms/ understanding with the parties, no interest is payable and hence no provision has been made for the same.

35. The Company has one segment of activity namely "Pharmaceuticals".

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

Particulars	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
Opening Balance	0.10	Nil
Add: Incurred during the year -Other Expenses		
Salary, allowances and contribution to funds	0.55	Nil
Professional fees	0.30	0.01
Travelling expenses	0.06	Nil
Others	0.63	0.09
Total	**1.64**	**0.10**
Less: Capitalised to Fixed Assets	0.09	Nil
Closing Balance	**1.55**	**0.10**

37. Employee Benefits

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

37.1. Defined Contribution Plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The 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 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
Provident Fund and Employee's Pension Scheme	5.33	4.64
Employees State Insurance	0.53	0.22
TOTAL	**5.86**	**4.86**

37.2. Defined Benefit Plans

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

37.2.1. On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service.

37.2.2. On the death in service:

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

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

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31 March 2013 are as under:

Particulars		31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
i)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	5.00	4.41
	Current service cost	1.05	0.85
	Interest cost	0.41	0.35
	Actuarial loss / (gain)	0.62	(0.35)
	Benefit (paid)	(0.39)	(0.26)
	Closing defined benefit obligation	**6.69**	**5.00**
ii)	**Changes in Fair Value of Assets**		
	Opening fair value of plan assets	2.08	0.63
	Adjustment to the fund	0.02	0.14
	Transfers out of fund	Nil	(0.01)
	Expected return on plan assets	0.30	0.12
	Actuarial gain / (loss) [C.Yr. ₹7,368/-]		Nil
	Contributions of employer	2.82	1.46
	Benefits (paid)	(0.39)	(0.26)
	Closing fair value of plan assets	**4.83**	**2.08**
iii)	**Amount recognised in the Balance Sheet**		
	Present value of the obligations as at year end	6.69	5.00
	Fair value of the plan assets as at year end	4.83	2.08
	Net (asset) / liability recognised as on 31 March 13	**1.86**	**2.92**
iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	1.05	0.85
	Interest on defined benefit obligation	0.41	0.35
	Expected return on plan assets	(0.30)	(0.12)
	Net actuarial loss/(gain) recognized in the current year	0.62	(0.35)
	Adjustment to the opening fund	(0.02)	Nil
	Total expense	**1.76**	**0.73**
v)	**Asset information**		
	Others – Policy of Insurance	100%	100%
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	8.10%	8.50%
	Expected rate of return on plan assets (p.a.)	9.00%	9.00%
	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.

37.3. Leave Encashment:

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

Accordingly ₹2.77 Crore (Pr.Yr. ₹2.24 Crore) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

38. Employees Stock Options Scheme ('ESOS')

The Company has implemented "Employees Stock Options Scheme 2011" ('ESOS – 2011') as approved in earlier year by the shareholders of the Company and the Compensation committee of Board of Directors. No options have been granted by the Company under the aforesaid ESOS – 2011 during the year.

The options are granted at an exercise price which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercises the right to apply for and seek allotment of one equity share of ₹5/- each.

The particulars of the option granted and lapsed under ESOS 2011 are as below:

Particulars	31 March 2013 Nos. (FV ₹5)*	31 March 2012 Nos. (FV ₹10)
Options outstanding as at the beginning of the Year (Refer note 30)	56,000	Nil
Add: Options granted during the Year	Nil	30,000
Less: Options lapsed during the Year	Nil	2,000
Less: Options Exercised during the Year	Nil	Nil
Options outstanding as at the Year End (Refer note 30)	56,000	28,000

* Following the stock split from ₹10/- to ₹5/- per share (Refer note 30) as approved by the shareholders on 7 July 2012, the number of options granted and outstanding have been revised to 56,000 (FV 5/-) as on 7 July 2012 and consequently each option entitles an employee to subscribe to one equity share of the Company at revised exercise price of ₹5/- per share.

39. 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 ₹3.55 Crore (Pr.Yr. ₹3.45 Crore) are recognised in the Statement of Profit and Loss under "Rent" under Note 29.

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

Particulars	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
Not later than one year	3.51	3.33
Later than one year but not later than five years	13.16	12.75
Later than five years	9.53	12.70

40. Excise duty related to difference between closing and opening stock and other adjustments are stated under other expenses. Excise duty related to turnover is reduced from the Gross Revenue from Operations.

41. 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.

42. 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.

43. Research and Development expenditure:

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

Particulars	**31 March 2013 ₹ in Crore**	**31 March 2012 ₹ in Crore**
Cost of Material/Consumables/Spares	9.20	16.18
Employee Benefit Expenses	11.89	8.70
Utilities	0.97	0.77
Other Expenses	15.25	11.76
Total	**37.31**	**37.41**

44. Foreign Currency outflow

Particulars	**31 March 2013 ₹ in Crore**	**31 March 2012 ₹ in Crore**
C.I.F. Value of Imports:		
Raw & Packing Materials	39.30	33.21
Capital Goods	12.36	4.12
Others	0.71	0.41
Expenditure in Foreign Currency:		
Travelling	1.47	0.93
Interest	3.55	2.84
Legal & Professional Expenses	0.30	0.33
Marketing & Other Expenses	35.76	26.12
Remittance in Foreign Currency on account of Dividend*		
Number of non-resident shareholders	94	83
Number of shares held by them	1,76,728	39,535
Amount of dividend (₹ in Crore)	0.13	0.02
Year to which the dividend relates	2011-12	2010-11

* The Company has paid dividend in respect of shares held by Non-Resident Shareholders, on repatriation 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.

45. Earning in Foreign Currency:

Particulars	**31 March 2013 ₹ in Crore**	**31 March 2012 ₹ in Crore**
FOB value of Exports	506.67	342.68
Freight & Insurance	17.25	11.59
Technology Transfer Fees	0.50	0.51
Dividend from Subsidiary	5.42	Nil

46. Remuneration to Auditors (excluding service tax)

Particulars	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
Audit Fees	0.11	0.08
Tax Audit Fees	0.01	0.01
For Certification and Other Matters	0.06	0.05

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

A) Relationships:

Category I- Subsidiaries:

Ajanta Pharma (Mauritius) Ltd	(APML)
Ajanta Pharma (Mauritius) Intl. Ltd	(APMIL) (Subsidiary of APML w.e.f. 3 April 2012)
Ajanta Pharma Inc.	(AP Inc.) (Upto 11 January 2013)
Ajanta Pharma USA Inc	(AP Inc. USA) (w.e.f. 6 December 2012)
Ajanta Pharma Philippines Inc.	(APPI) (Subsidiary of APML upto 29 April 2012) (Subsidiary of Ajanta Pharma Limited from 30 April 2012)
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

B) The following transactions were carried out with related parties:

Sr. No	Particulars	Category	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
1.	**Sale of Goods:**			
	- APML	I	33.38	65.22
	- APPI	I	14.99	7.95
	- APMIL	I	14.90	Nil
2.	**Dividend from Subsidiary** - APML	I	5.42	Nil
3.	**Expenses Reimbursement to:**			
	- AP Inc.	I	4.41	3.30
	- AP Inc. USA	I	1.43	Nil
4.	**Remuneration,Commission & Sitting fees to Directors (include Perquisites)**	III	5.88	4.36
5.	**Rent to**			
	- Mrs. Manisha Agrawal	III	0.79	0.79
	- Mr. Aayush Agrawal	III	0.79	0.79
6.	**Salaries to**			
	- Mr. Rajesh Agrawal	III	0.89	0.78
7.	**Dividend Paid**	III	5.26	3.50
		IV	0.72	0.20

Sr. No	Particulars	Category	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
8.	**Deposits Refunded From**			
	- Mrs. Manisha Agrawal	III	Nil	0.55
	- Mr. Aayush Agrawal	III	Nil	0.55
9.	**Guarantee for Loan availed**			
	- APML	I	Nil	7.63
10.	**Investment in subsidiary:** - AP USA Inc	I	1.09	Nil
11.	**Purchase of Shares of APPI from:** - APML	I	1.38	Nil
12.	**Return of Capital Investment** - AP Inc	I	0.66	Nil

(C) Amount Outstanding as on 31 March 2013

Sr. No.	Particulars	Category	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
1.	**Trade Receivables**			
	- APMIL	I	0.31	Nil
	- APPI	I	6.67	5.83
2.	**Investments in**			
	- AP Inc	I	Nil	0.66
	- APML	I	9.44	9.44
	- APPI	I	1.38	Nil
	- AP USA Inc	I	1.09	Nil
	- TDAPL	II	6.95	6.95
3.	**Trade Payables**			
	- AP Inc.	I	Nil	0.60
	- AP USA Inc.	I	0.68	Nil
4.	**Advance Received**			
	- APML	I	7.78	4.75
5.	**Commission payable to Non-Executive Director:**	III	1.51	0.80
6.	**Guarantee for Loan Availed** - APML	I	Nil	7.63

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

During the year, 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. There are no forward Exchange Contracts outstanding as at the year end.(Pr.Yr. Forward contract to sell USD 0.10 Crore). The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	₹ in Crore	₹ in Crore	Foreign Currency Amt in Crore	Foreign Currency Amt in Crore	Foreign Currency
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	
Amount Receivable	96.33 6.20	86.26 0.89	1.77 0.09	1.70 0.01	USD EURO
Amount Payable	102.68 1.36	92.55 4.93	1.89 0.02	1.82 0.07	USD EURO

49. 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.

50. Materials Consumed

Particulars	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
Active Pharma Ingredient & Exciepients	226.15	182.80
Others	6.29	6.01
Raw Material Consumed	**232.44**	**188.81**
Packing Material Consumed	51.65	41.48
Total	**284.09**	**230.29**

Particulars	31 March 2013		31 March 2012	
	%	₹ in Crore	%	₹ in Crore
Indigenous	84%	238.30	86%	197.53
Imported	16%	45.79	14%	32.76
Total	**100%**	**284.09**	**100%**	**230.29**

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

51. Purchase of Traded Goods

Category	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
Tablets	4.41	3.89
Capsules	8.95	4.29
Liquids	3.83	4.49
Injectibles	3.32	3.06
Powder	0.70	0.62
Ointment	2.51	1.87
Others	3.63	2.25
Total	**27.35**	**20.47**

52. Sale of Products comprises

Category	Manufactured Goods *		Traded Goods	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
Tablets	448.58	315.02	8.32	17.00
Capsules	67.23	41.08	23.06	14.63
Liquids	114.41	94.99	9.04	7.63
Injectibles	17.13	7.96	8.42	4.43
Powder	27.24	10.20	1.19	0.95
Ointment	96.10	70.52	3.74	5.25
Others	1.78	1.79	8.30	8.63
Total	**772.47**	**541.56**	**62.07**	**58.52**

***including manufactured by others on job work basis**

53. Details of Closing Stock as on 31 March

	Manufactured Goods*			Stock in Trade		
	2013	2012	2011	2013	2012	2011
Category	**₹ in Crore**	**₹ in Crore**	**₹ in Crore**	**₹ in Crore**	**₹ in Crore**	**₹ in Crore**
Tablets	49.04	34.74	19.50	1.70	1.06	1.45
Capsules	7.16	5.15	2.39	1.72	0.75	0.78
Liquids	5.09	5.25	4.63	1.23	1.36	0.44
Injectibles	1.74	0.96	0.82	0.51	0.86	2.03
Powder	0.40	1.92	0.59	0.41	0.25	0.38
Ointment	4.62	3.90	1.07	0.58	0.45	0.30
API	3.03	2.18	2.31	Nil	Nil	Nil
Others	0.17	0.21	0.20	0.26	0.26	0.21
Total	**71.25**	**54.31**	**31.51**	**6.41**	**4.99**	**5.59**

* **including manufactured by others on job work basis**

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

55. Consequent to the change in accounting policy relating to sales promotional materials (Refer note 2.2), profit before tax for the current year is lower by ₹0.41 Crore.

56. Previous year's figures are regrouped and recasted wherever required. Amount less than 50,000/- are shown at actual.

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

S. S. Kapoor
Partner

Mumbai, 30 April 2013

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Madhusudan B. Agrawal
Vice Chairman

Deodatta Pandit
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors of

AJANTA PHARMA LIMITED

We have audited the accompanying consolidated financial statements of **AJANTA PHARMA LIMITED** ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at **31 March 2013,** the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the accounts being prepared and certified by the respective managements of the subsidiaries, which are unaudited, as noted below in the paragraph of "Emphasis of Matter" as mentioned below the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2013;

(b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets (net) of ₹85.00 Crore as at 31 March 2013, total revenues of ₹161.43 Crore and net cash inflows of ₹14.72 Crore for the year then ended.

The unaudited financial statements of the subsidiaries are prepared as per the requirement of Indian GAAP and certified by the respective management of the subsidiaries. Our opinion in so far as it relates to the amounts included in respect of the aforesaid subsidiaries, is based solely on these unaudited certified financial statements. Our opinion is not qualified in respect of this matter.

For KAPOOR & PAREKH ASSOCIATES
Chartered Accountants
ICAI FRN 104803W

S. S. KAPOOR
Partner
M. No. 5399
Mumbai, 30 April 2013

Consolidated Balance Sheet As At 31 March 2013

	Note No	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	11.80	11.80
Reserves and Surplus	4	381.63	286.23
Non-Current Liabilities			
Long-Term Borrowings	5	73.33	76.09
Deferred Tax Liabilities (Net)	6	23.65	17.09
Other Long Term Liabilities	7	2.50	2.50
Long-Term Provisions	8	2.98	4.91
		102.46	**100.59**
Current Liabilities			
Short-Term Borrowings	9	51.26	95.27
Trade Payables	10	131.71	101.32
Other Current Liabilities	11	19.44	43.15
Short-Term Provisions	12	19.92	10.45
		222.33	**250.19**
TOTAL		**718.22**	**648.81**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	13	262.27	231.85
Intangible Assets	13	10.29	14.27
Capital Work-in-Progress	13	12.49	2.51
		285.05	**248.64**
Non-Current Investments	14	8.46	8.47
Long-Term Loans and Advances	15	48.61	50.75
Other Non Current Assets	16	7.09	1.28
		349.21	**309.14**
Current Assets			
Inventories	17	147.60	167.80
Trade Receivables	18	150.47	141.00
Cash and Bank Balances	19	46.23	11.47
Short-Term Loans and Advances	20	24.04	18.67
Other Current Assets	21	0.67	0.73
		369.01	**339.67**
TOTAL		**718.22**	**648.81**
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

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

S. S. Kapoor
Partner

Mumbai, 30 April 2013

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Madhusudan B. Agrawal
Vice Chairman

Deodatta Pandit
Company Secretary

Statement of Consolidated Profit and Loss for the Year Ended 31 March 2013

	Note No	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
REVENUE :			
Revenue from operations (Gross)	22	936.88	685.50
Less : Excise Duty		6.04	8.10
Revenue from operations (Net)		930.84	677.40
Other Income	23	8.50	6.22
TOTAL REVENUE		**939.35**	**683.62**
EXPENSES :			
Cost of Materials Consumed	24	286.32	232.51
Purchase of Stock-in-Trade	25	25.84	18.16
Changes in Inventories of Finished Goods/ Work-in-progress/Stock-in-Trade	26	(9.54)	(20.72)
Employee Benefits Expenses	27	123.18	93.84
Finance Costs	28	19.13	15.43
Depreciation and Amortisation Expenses	13	34.17	31.87
Other Expenses	29	283.45	221.58
TOTAL EXPENSES		**762.56**	**592.67**
Profit Before Tax		**176.79**	**90.95**
Tax Expense :			
Current Tax		35.10	16.39
MAT Credit Entitlement			
For Current Year		7.25	(8.75)
For Earlier years		15.75	-
Deferred Tax		6.56	6.17
Income Tax of Earlier Years		0.02	(0.12)
Profit After Tax For The Year From Continuing Operations		**112.11**	**77.26**
There are no Exceptional Items, Extra Ordinary Items and Discontinuing Operations.			
Earning Per Equity Share (Face Value ₹5/-)			
Basic (₹)	30	**47.87**	**32.98**
Diluted (₹)	30	**47.76**	**32.92**
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

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

S. S. Kapoor
Partner

Mumbai, 30 April 2013

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Madhusudan B. Agrawal
Vice Chairman

Deodatta Pandit
Company Secretary

Statement of Consolidated Cashflows for the year ended 31 March 2013

		Year Ended 31 March 2013 ₹ in Crore	Year Ended 31 March 2012 ₹ in Crore
A.	**Cash Flow from Operating Activities**		
	Profit before Tax	176.79	90.96
	Adjustment to reconcile profit before tax to net cash flows :		
	Depreciation	34.17	31.87
	(Profit) Loss on Fixed Asset Sold	(0.03)	(0.12)
	Interest Expense	19.13	15.43
	Employee Stock Option Expenses [Pr. Yr. ₹13,173/-]	0.49	
	Receivable Written Off	-	2.04
	Exchange Fluctuation	(0.06)	2.14
	Operating Profit before Working Capital Changes	**230.48**	**142.32**
	Changes in Working Capital :		
	Decrease(Increase) in Trade Receivable	(9.47)	(39.05)
	Decrease(Increase) in Long-Term Loans and Advances	(0.38)	2.16
	Decrease(Increase) in Short-Term Loans and Advances	(6.25)	(0.86)
	Decrease(Increase) in Other Non-Current Assets	(0.15)	(0.10)
	Decrease(Increase) in Other Current Assets	0.01	(0.73)
	Decrease(Increase) in Inventories	20.21	(54.68)
	Increase(decrease) in Other Long Term Liabilities [C.Yr. ₹15,500/-]		
	Increase(decrease) in Other Current Liabilities	4.68	7.25
	Increase(decrease) in Other Long Term Provisions	(1.93)	2.25
	Increase(decrease) in Short Term Provisions	1.37	(0.90)
	Increase(decrease) in Trade Payables	30.39	30.13
	Cash generated from(used in) Operations	**268.95**	**87.78**
	Direct Taxes Paid (Net of Refunds)	(33.12)	(17.43)
	Net Cash Generated from (Used in) Operating Activities	**235.83**	**70.35**
B.	**Cash Flow from Investing Activities**		
	Capital Expenditure on Fixed Assets including Capital Advances	(91.22)	(60.00)
	Proceeds from Sale of Fixed Assets	0.24	0.18
	Investment in Bank Deposits with Original maturity of more than 3 months	(14.29)	6.76
	Purchase of Non Current Investments		-
	[C.Yr.₹25,000/- (Pr.Yr.(₹25,000/-))]		
	Net Cash Generated from (Used in) Investing Activities	**(105.27)**	**(53.07)**

	Year Ended 31 March 2013 ₹ in Crore	Year Ended 31 March 2012 ₹ in Crore
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	54.30	40.00
Repayment of Long Term Borrowings	(85.09)	(17.55)
Proceeds from Short Term Borrowings	(44.01)	(13.45)
Interest Paid	(19.54)	(15.07)
Dividend Paid	(8.73)	(5.82)
Dividend Distribution Tax Paid	(1.42)	(0.95)
Net Cash Generated from (Used in) Financing Activities	(104.49)	(12.84)
Net Increase (Decrease) in Cash & Cash Equivalents	26.08	4.44
Cash and Cash Equivalents as at the Beginning of the Year	8.05	3.61
Cash and Cash Equivalents as at the End of the Year	**34.13**	**8.05**
Components of cash and cash equivalents		
Balance with Banks - In Current Accounts	26.03	7.99
In Deposit Accounts	8.00	-
Cash on Hand	0.10	0.06
Total cash and cash equivalents	**34.13**	**8.05**
Figures in brackets indicates outflow.		
Significant Accounting Policies (Refer note 2)		
The accompanying notes are an integral part of the financial statements.		

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

S. S. Kapoor
Partner

Mumbai, 30 April 2013

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Madhusudan B. Agrawal
Vice Chairman

Deodatta Pandit
Company Secretary

Notes to Consolidated Financial Statements for the year ended 31 March 2013

1. GENERAL INFORMATION

Ajanta Pharma Limited ("the parent Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The parent Company is engaged in the business of pharmaceutical and related activities, including research.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Accounting

2.1.1 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 31 March 2013.

2.1.2 The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention unless otherwise specified. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise specified.

2.2 Principles of Consolidation:

2.2.1 Consolidated Financial Statements present the consolidated accounts of Ajanta Pharma Limited ("the Parent Company") and 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
		31 March 2013
Ajanta Pharma (Mauritius) Ltd. (herein after referred as" APML")	Mauritius	100%
Ajanta Pharma (Mauritius) Intl. Ltd. * (herein after referred as" APMIL")	Mauritius	100%
Ajanta Pharma USA Inc.	U.S.A.	100%
Ajanta Pharma Philippines Inc.	Philippines	100%
Ajanta Pharma UK Ltd.	England & Wales	100%

* Wholly owned subsidiary of APML

2.2.2 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".

2.2.3 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 ₹8.46 Crores as on 31 March 2007 has been regarded as cost in compliance with the AS 23 'Accounting for Investments in Associates'.

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

2.2.5 Ajanta Pharma UK Ltd., a wholly owned subsidiary has been incorporated as on 30 November 2010. However there are no transactions up to 31 March 2013.

2.3 Change in Accounting policy

Upto last year the Company used to value stock of sales promotional materials at cost. From this year the same has been changed and entire amount is charged to the Statement of Profit and Loss in the year of incurrence.

2.4 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.

2.5 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.

2.6 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.

2.7 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.

2.8 Inventories

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

2.8.2 Works in process are valued at estimated cost

2.9 Cash And Cash Equivalent

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with an original maturity of three months or less.

2.10 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 statement of profit and loss. 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:

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

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

2.10.3 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".

2.11 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 reliability. Revenue in respect of other income is recognised when a reasonable certainty as to its realisation exists.

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

2.12 Export Benefits

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

2.13 Depreciation/Amortization

2.13.1 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 is being written off over the period of lease. Expenditure incurred on ANDA development cost are amortised over estimated useful life.

2.13.2 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.

2.13.3 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.

2.14 Employee Benefits

2.14.1 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.

2.14.2 Post Employment Benefits:

Company's contribution for the period paid / payable to defined contribution retirement benefit schemes are charged to statement of Profit and Loss. 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.

Defined benefit in the form of compensated absences is provided for based on actuarial valuation at the year-end in accordance with Company's rules.

2.14.3 Stock Based Compensation:

Employee stock options are accounted as per the accounting treatment prescribed under Guidance Note on "Accounting for Employee Share-based payments" issued by the ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India. The Compensation cost of stock options granted to employees is measured by the fair value method and is amortised uniformly over the vesting period.

2.15 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.

2.16 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.

2.17 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.

2.18 Income Tax

Current tax is accounted on the basis of 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 crystallize.

In case of the Parent Company, MAT Credit Entitlement as per the provisions of Income Tax Act, 1961 is treated as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, by credit to the statement of profit and loss.

2.19 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 statement of Profit & Loss 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.

2.20 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.

2.21 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.

2.22 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.

2.23 Cash Flow Statement

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

2.24 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
3. SHARE CAPITAL		
Authorised :		
3,00,00,000 (Pr.Yr.1,50,00,000) Equity Shares of ₹5 (Pr.Yr. ₹10) each	15.00	15.00
3,00,00,000 (Pr.Yr.1,50,00,000) Preference Shares of ₹5 (Pr.Yr. ₹10) each	15.00	15.00
	30.00	**30.00**
Issued :		
2,37,23,600 (Pr.Yr.1,18,61,800) Equity Shares of ₹5 (Pr.Yr. ₹10) each	**11.86**	**11.86**
Subscribed & Paid-up :		
2,34,17,000 (Pr.Yr.1,17,08,500) Equity Shares of ₹5 (Pr.Yr. ₹10) each fully paid up	11.71	11.71
	11.71	11.71
3,06,600 (Pr.Yr.1,53,300) Share Forfeited - Amount originally paid up	0.09	0.09
	11.80	**11.80**

(a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year :

	31 March 2013		31 March 2012	
	No. of Shares*	**₹ in Crores**	**No. of Shares***	**₹ in Crores**
Number of shares outstanding as at the beginning of the year	23,417,000	11.71	11,708,500	11.71
Add : Number of shares allotted as fully paid-up during the year	-	-	-	-
Less: Number of shares bought back during the year	-	-	-	-
Number of shares outstanding as at the end of the year	**23,417,000**	**11.71**	**11,708,500**	**11.71**

(b) Terms/Rights attached to equity shares

The company has issued only one class of equity shares having a par value of ₹5 (Pr. Yr ₹10). Each holder of equity shares is entitled to one vote per share.

The company declares & pays dividend in indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

During the year ended 31 March 2013 amount per share of dividend recognised as distributions to equity shareholders was ₹6.25 per equity share of FV ₹5/- (Pr.Yr. ₹7.50 per equity share of FV ₹10/-) per equity share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by shareholders.

(c) Details of Equity Shares held by each shareholders holding more than 5%

	31 March 2013		31 March 2012	
Equity Shares of ₹5 (Pr.Yr. ₹10) each fully paid.	**No. of Shares***	**% holding**	**No. of Shares***	**% holding**
Mannalal B. Agrawal	1,441,792	6.16	720,896	6.16
Purushottam B. Agrawal	1,437,180	6.14	718,590	6.14
Madhusudan B. Agrawal	1,437,000	6.14	718,500	6.14
Vimal Agrawal & Mamta Agrawal	1,370,000	5.85	685,000	5.85
Yogesh M. Agrawal	1,685,616	7.20	N.A.	N.A.
Gabs Investments Private Limited	2,086,552	8.91	754,896	6.45

(d) Shares reserved for issue under options*

3,60,000 (Pr.Yr.1,80,000) equity shares reserved out of which 56,000 (Pr.Yr. 28,000) equity shares granted for issue under the Employee Stock Option Plan (ESOP), 2011 of the company.

(e) The Company is not a subsidiary company.

* Number of equity shares are adjusted consequent to sub-division of one equity share of face value ₹10/- each into two equity shares of ₹5/- each as approved by the shareholders on 7 July 2012.

		31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
4. RESERVES & SURPLUS			
Capital Reserve			
Balance as per last Balance Sheet		0.48	0.48
Capital Redemption Reserve			
Balance as per last Balance Sheet		7.50	7.50
Share Premium			
Balance as per last Balance Sheet		65.46	65.46
Exchange Fluctuation Reserve		(2.18)	3.30
General Reserve :			
Balance at the beginning of the year		185.59	111.00
Add: Transferred from statement of Profit & Loss		93.83	74.59
		279.42	**185.59**
Employee Stock Option Outstanding			
Employee Stock Option Outstanding			
Balance at the beginning of the year		0.82	-
Add : Options granted during the year		-	0.82
Less : Amortised during the year		-	-
Balance as at the year end	**A**	**0.82**	**0.82**
Deferred Employee Stock Option Cost			
Balance at the beginning of the year		0.81	-
Add : Options granted during the year		-	0.82
Less : Amortised during the year [Pr.Yr. ₹13,173/-]		0.49	
Balance as at the year end	**B**	**0.33**	**0.82**
[Pr.Yr. ₹13,173/-]	**(A - B)**	**0.49**	
Surplus in the Statement of Profit and Loss			
Balance at the beginning of the year		23.90	31.44
Profit for the year		117.53	77.27
Less: Appropriations			
- Proposed Dividend on Equity Shares		14.65	8.78
- Dividend Distribution Tax on Proposed		2.49	1.42
- Transfer to General Reserve		93.83	74.59
Net Surplus in the Statement of Profit and Loss		**30.47**	**23.90**
Total Reserves & Surplus		**381.63**	**286.23**

	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
5. LONG TERM BORROWINGS		
Term Loan (Secured)		
From Banks (Rupee)	2.14	42.61
From Others (Rupee)	-	16.25
From Banks (Foreign Exchange)	54.30	-
Vehicle Loans (Secured)		
From Banks (Rupee)	1.13	3.02
From Others (Rupee)	-	0.21
Other Loans & Advances (Unsecured)		
Deferred Sales Tax Loans	15.76	14.00
	73.33	**76.09**

		31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore

5.1 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.

5.2 Vehicle loans are secured against vehicles acquired under the scheme

5.3 Term of Repayments

a) Secured Loans from banks are repayable in equal Quarterly/Monthly installment upto 31 March 2016

b) The rate of interest on secured term loans vary between 4% p.a. to 11.25% p.a (Pr. Yr. 11.25% p.a. to 14% p.a.)

c) Vehicle loans from banks are repayble in equal monthly instalment upto 31 December 2016

d) The rate of interest on vehicle loans vary between 2% p.a. to 11% p.a.

		31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
6. DEFERRED TAX (LIABILITY) ASSET			
Deferred Tax Liabilities			
Depreciation		24.32	18.79
	A	24.32	18.79
Deferred Tax Assets			
Others		0.67	1.70
	B	0.67	1.70
Deferred Tax Liabilities (Net)	**(A - B)**	**23.65**	**17.09**
7. OTHER LONG - TERM LIABILITIES			
Trade deposit		2.50	2.50
		2.50	**2.50**
8. LONG - TERM PROVISIONS			
Provision for employee benefit (Net)			
Provision for Gratuity (Net)		0.63	2.92
Provision for Leave Benefits (Net)		2.35	1.99
		2.98	**4.91**
9. SHORT - TERM BORROWINGS			
Working Capital Loans repayable on demand from banks (Secured)			
Rupee Loan		16.56	4.00
Foreign Currency Loan		34.70	91.27
		51.26	**95.27**

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

		31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
10. TRADE PAYABLES		131.71	101.32
		131.71	**101.32**
11. OTHER CURRENT LIABILITIES			
Current Maturities of long-term borrowing (Secured)			
Rupee Term Loan from Banks (Refer note 5.1 & 5.3)		-	27.18
Vehicle Loans (Refer note 5.2 & 5.3)		0.25	1.10
Unpaid Dividend*		0.17	0.13
Interest Accrued but not due on borrowings		0.09	0.50
Other Payables		18.93	14.25
		19.44	**43.15**

* There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as on 31 March 2013.

	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
12. SHORT - TERM PROVISIONS		
Provision for employee benefits (Net)		
Provision for Gratuity (Net)	1.24	-
Provision for Leave Benefits (Net)	0.42	0.25
Other Provisions		
Proposed Dividend on Equity Shares	14.65	8.78
Tax on Proposed Dividend	2.49	1.42
Provision for Tax (Net of Payment)	1.12	-
	19.92	**10.45**

13. FIXED ASSETS

13.1. Current Year

₹ in Crore

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 1 April 2012	Consolidation Adjustments	Additions	Deductions	As at 31 March 2013	As at 1 April 2012	Consolidation Adjustments	Additions	Deductions	As at 31 March 2013	As at 31 March 2013
A) Tangible Assets											
Freehold Land	8.21	-	-	-	8.21	-	-	-	-		**8.21**
Leasehold Land	3.55	-	10.46	-	14.01	0.53	-	0.39	-	0.92	**13.09**
Leasehold Improvement	1.09		-	-	1.10	0.59	-	0.03	-	0.62	**0.48**
Buildings	116.71	-	12.63	-	129.34	31.63	-	7.15	-	38.78	**90.56**
Plant & Equipments	152.75	(0.03)	26.79	0.23	179.33	55.22	(0.01)	13.48	0.05	68.66	**110.67**
Furniture & Fixtures	33.73	(0.02)	5.42	-	39.17	11.56	(0.01)	4.08	-	15.65	**23.52**
Vehicles	9.18	(0.26)	2.12	0.25	11.31	3.93	(0.09)	1.65	0.23	5.44	**5.87**
Leasehold Vehicles	0.08	-	-	-	0.08	0.07	-	-	-	0.07	**0.01**
Office Equipments	10.67	(0.04)	1.81	0.01	12.51	5.11	(0.02)	1.01		6.14	**6.36**
Computers	19.42		0.94	-	20.37	14.90		1.96	-	16.86	**3.50**
Total Tangible Assets	**355.39**	**(0.34)**	**60.17**	**0.49**	**415.42**	**123.54**	**(0.15)**	**29.75**	**0.28**	**153.15**	**262.27**
Note : Addition to fixed assets includes ₹8.93 Crores used for Research & Development											
B) Intangible Assets											
Computer Softwares	0.18	-	0.45	-	0.63	0.01	-	0.09	-	0.10	**0.53**
ANDA Development Cost	15.93	-	-	-	15.93	2.84	-	3.98	-	6.82	**9.11**
Knowhow	6.51	(0.01)	-	-	6.52	5.50	(0.01)	0.36	-	5.87	**0.65**
Total Intangible Assets	**22.62**	**(0.01)**	**0.45**	**-**	**23.07**	**8.35**	**(0.01)**	**4.42**	**-**	**12.78**	**10.29**
C) Capital Work in Progress*											**12.49**
Total Fixed Assets (A) + (B) + (C)											**285.05**
*Capital Works in Progress includes Pre-Operative expenses of ₹1.55 Crore. (Refer note 35)											

13.2. Previous Year

₹ in Crore

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 1 April 2011	Consolidation Adjustments	Additions	Deductions	As at 31 March 2012	As at 1 April 2011	Consolidation Adjustments	Additions	Deductions	As at 31 March 2012	As at 31 March 2012
A) Tangible Assets											
Freehold Land	7.68	-	0.53	-	8.21	-	-	-	-	-	**8.21**
Leasehold Land	3.55	-	-	-	3.55	0.49	-	0.05	-	0.53	**3.02**
Leasehold Improvement	0.96	(0.13)	-	-	1.09	0.50	(0.07)	0.03	-	0.59	**0.50**
Buildings	102.60	-	14.12	0.01	116.71	24.92	-	6.72	0.01	31.63	**85.08**
Plant & Equipments	133.89	(1.67)	18.30	1.11	152.75	42.17	(0.95)	13.21	1.11	55.22	**97.53**
Furniture & Fixtures	25.88	(0.10)	7.74	-	33.73	7.72	(0.07)	3.77	-	11.56	**22.17**
Vehicles	6.81	(0.24)	2.25	0.11	9.18	2.46	(0.10)	1.43	0.06	3.93	**5.25**
Leasehold Vehicles	0.08	-	-	-	0.08	0.07	-		-	0.07	**0.01**
Office Equipments	7.71	(0.31)	2.66	-	10.67	4.19	(0.25)	0.67	-	5.11	**5.56**
Computers	18.82		0.60	-	19.42	12.11		2.79	-	14.90	**4.52**
Total Tangible Assets	**307.98**	**(2.46)**	**46.20**	**1.24**	**355.39**	**94.62**	**(1.44)**	**28.67**	**1.18**	**123.54**	**231.85**
Note : Addition to fixed assets includes ₹2.14 Crore used for Research & Development											
B) Intangible Assets											
Computer Softwares	-	-	0.18	-	0.18	-	-	0.01	-	0.01	**0.17**
ANDA Development Cost	-	-	15.93	-	15.93	-	-	2.84	-	2.84	**13.09**
Knowhow	5.16	(0.76)	0.59	-	6.51	4.50	(0.65)	0.36	-	5.50	**1.01**
Total Intangible Assets	**5.16**	**(0.76)**	**16.70**	**-**	**22.62**	**4.50**	**(0.65)**	**3.20**	**-**	**8.35**	**14.27**
C) Capital Work in Progress *											**2.51**
Total Fixed Assets (A) + (B) + (C)											**248.64**
* Capital Works in Progress includes Pre-Operative expenses of ₹0.10 Crore. (Refer note 35)											

	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
14. NON-CURRENT INVESTMENTS		
Trade Investments - Unquoted		
In Associates Companies :		
Turkmenderman Ajanta Pharma Ltd.		
2,00,000 (Pr. Yr. 2,00,000) Shares of US $ 10 each fully paid-up	8.46	8.46
Non - Trade Investments - Unquoted		
The Saraswat Co-Op Bank Ltd.		
Nil (Pr. Yr. 2500) Equity Shares @ ₹10 each [Pr.Yr. ₹25,000/-]	-	
	8.46	**8.47**
15. LONG - TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	37.99	17.51
Security Deposits	1.28	0.89
MAT Credit Entitlement	9.34	32.34
	48.61	**50.75**
16. OTHER NON CURRENT ASSETS		
In Deposit Accounts (Under Lien with Banks)	6.75	1.10
Interest Accrued on fixed deposit	0.34	0.19
	7.09	**1.28**
17. INVENTORIES		
(As certified by the management)		
Raw Materials	40.29	67.35
Packing Materials	17.56	19.06
Work-in-Process	12.51	19.39
Finished Goods	74.65	55.36
Stock-in-Trade	2.59	5.45
Sales Promotion Materials	-	1.19
	147.60	**167.80**
18. TRADE RECEIVABLE		
(Unsecured, Considered Good)		
Over Six Months from the date they are due for payment	7.14	4.52
Others from the date they are due for payment	143.33	136.48
	150.47	**141.00**
19. CASH AND BANK BALANCE		
Cash and Cash Equivalents (As per AS-3)		
Balance with Banks - In Current Accounts	26.03	7.99
Cash on Hand	0.10	0.06
In Deposit Accounts (with original maturity of less than 3 months)	8.00	-
(A)	**34.13**	**8.05**
Other Bank Balances		
Earmarked balances with banks - Unpaid Dividend	0.17	0.13
In Deposit Accounts (With original maturity more than 12 months)		
- Under Lien	4.10	3.26
- Others	7.83	0.04
(B)	**12.10**	**3.43**
(A) + B)	**46.23**	**11.48**

	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
20. SHORT - TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Income Tax Paid (Net of Provision)	-	0.88
Balance with Statutory/Govt. Authorities		
Balance with Excise Authorities	12.07	5.59
Vat Receivable	2.47	1.84
Octroi Refund Receivable	0.52	0.52
Prepaid Expenses	0.34	0.39
Advances to Creditors	3.16	3.46
Advances Recoverable in Cash or Kind	5.49	5.99
	24.04	**18.67**
21. OTHER CURRENT ASSETS		
Interest Accrued on fixed deposit	0.67	0.73
	0.67	**0.73**
22. REVENUE FROM OPERATIONS		
Sale of Products		
Finished Goods	799.98	566.15
Traded Goods	126.20	107.06
Other Operating Revenues		
Export Incentives	8.95	8.73
Licensing Fees	1.01	0.93
Others	0.74	2.62
	936.88	**685.49**
23. OTHER INCOME		
Exchange Fluctuation	6.30	4.97
Profit on Sale of Fixed Assets (Net)	0.03	0.12
Interest on Bank Deposits	1.70	0.99
Interest From Others	0.16	0.14
Miscellaneous Income	0.30	-
	8.49	**6.22**
24. COST OF MATERIALS CONSUMED		
Raw Material Consumed	233.81	190.21
Packing Material Consumed	52.51	42.30
	286.32	**232.51**
25. PURCHASE OF TRADED GOODS	25.84	18.16
26. CHANGES IN INVENTORIES OF FINISHED GOODS/WORK-IN-PROGRESS/STOCK-IN-TRADE		
Inventories at the end of the year :		
Work-in-Process	12.51	19.39
Finished Goods	74.65	55.36
Traded Goods	2.59	5.45
(A)	89.74	80.20

		31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
Inventories at the beginning of the year :			
Work-in-Process		19.39	8.89
Finished Goods		55.36	32.61
Traded Goods		5.45	17.98
	(B)	80.20	59.48
Net (Increase)/Decrease in Inventories	**(B) - (A)**	**(9.54)**	**(20.72)**

27. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus and Allowances	112.95	86.88
Expense on Employee Stock Option Scheme (ESOP) [Pr. Yr. ₹13,173/-]	0.49	
Contribution to Provident and Other Funds	7.81	5.54
Staff Welfare Expenses	1.93	1.42
	123.18	**93.84**

28. FINANCE COST		
On Term Loans	13.39	11.98
Other Borrowing Cost	5.75	3.45
	19.13	**15.43**

29. OTHER EXPENSES		
Selling Expenses	126.48	99.51
Clearing and Forwarding	36.48	25.94
Travelling Expenses	20.89	16.43
Processing Charges	11.05	8.34
Power and Fuel	10.25	7.83
Advertisement and Publicity	7.03	5.95
Consumption of Stores & Spare Parts	9.28	5.70
Licence and Registration Fees	2.98	1.20
Product Registration	4.46	2.42
Product Development	2.78	0.65
Rent	4.03	3.85
Rates and Taxes	0.23	0.13
Legal and Professional Fees	3.93	3.86
Telephone, Telex and Postage	4.97	3.81
Repairs & Maintenance		
- Buildings	1.57	0.24
- Machineries	2.91	2.03
- Computers & Others	1.65	1.34
Insurance	2.72	1.97
Excise Expenses	0.39	0.28
Donation	0.38	0.25
Exchange Rate Difference (Net)	2.90	9.92
Miscellaneous Expenses	26.09	19.92
	283.45	**221.58**

30. Earnings Per share (EPS):

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

Particulars	31 March 2013	31 March 2012
Basic and Diluted Earnings Per Share:		
Profit attributable to Equity shareholders-considered for Basic EPS (₹in Crores) (A)	112.11	77.27
Add: Dilutive effect on profit (₹in Crores) (B)*	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (₹in Crores) (C=A+B)	112.11	77.27
Number of Equity Shares outstanding - considered for Basic EPS (D)	2,34,17,000	2,34,17,000
Add: Dilutive effect of option outstanding-Number of Equity Shares (E)*	54,119	54,119
Number of Equity Shares considered for computing Diluted EPS (F=D+E)	2,34,71,119	2,34,71,119
Basic Earnings Per Share (₹) (A/D)	47.87	32.98
Diluted Earnings Per Shares (₹)(C/F)	47.76	32.92

* Dilutive effect on number of equity shares and profit attributable is on account of Employee Stock Option Scheme (ESOS)- (Refer note 37). There are no Exceptional Items, Extra Ordinary Items and Discontinuing Operations.

Pursuant to the approval accorded at the Annual General Meeting of the members of the Company held on 7 July 2012 and upon completion of other regulatory formalities, one equity shares of the Company of ₹10 each is subdivided into two equity shares of ₹5 each fully paid up. Accordingly, the Basic and Diluted Earnings Per Share (EPS) has been restated for the previous year to give effect of the sub-division of shares in accordance with Accounting Standard 20 "Earning Per Share".

31. Contingent Liabilities:

Particulars	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
i. Letter of Credit opened	1.44	18.14
ii. Guarantees given by the Bankers on behalf of the company	16.88	20.28
iii. Guarantee given to banks	Nil	7.63
iv. Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances	59.71	23.63
v. Claims against the Company not acknowledged as debt	0.34	Nil
vi. Income tax demands disputed by Company pending in appeal. Amount paid under protest ₹1.82Crore (Pr. Yr. ₹1.82Crore)	3.69	3.69
vii. Sales tax demands disputed by Company pending in appeal	0.22	0.22
viii. Custom Duty on import under Advance License Scheme, pending fulfillment of Exports obligation	0.60	1.33
ix. Disputed Octroi Amount paid under protest ₹0.52Crore (Pr. Yr. ₹0.52Crore)	0.52	0.52
x. Excise duty disputed by the Company	0.16	Nil

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

32. The Board of Directors of the parent Company have recommended dividend of ₹6.25 per equity share of FV ₹5/- (Pr. Yr. ₹7.50 per equity share FV ₹10/-), which is subject to approval of shareholders.

33. In case of the Parent Company, in response to relevant notices issued under the Income Tax Act, 1961, the Company has filed its returns of income revising income of earlier years, resulting into additional income tax liability of ₹15.75Crore, consequently reducing MAT Credit Entitlement of earlier years to that extent.

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

35. 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 March 2013 ₹ in Crore**	**31 March 2012 ₹ in Crore**
Opening Balance	0.10	Nil
Add: Incurred during year – Other Expenses Salary, allowances and contribution to funds	0.55	Nil
Professional fees	0.30	0.01
Travelling expenses	0.06	Nil
Others	0.63	0.09
Total	**1.64**	**0.10**
Less: Capitalised to Fixed Assets	0.09	Nil
Closing Balance	**1.55**	**0.10**

36. Employee Benefits in respect of the Parent Company

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

36.1. Defined Contribution Plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain 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 March 2013 ₹ in Crore**	**31 March 2012 ₹ in Crore**
Provident Fund and Employee's Pension Scheme	5.33	4.64
Employees State Insurance	0.53	0.22
TOTAL	**5.86**	**4.86**

36.2. Defined Benefit Plans:

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

36.2.1. On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service.

36.2.2. On the death in service:

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

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

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31 March 2013 are as under :

Particulars		31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
i)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	5.00	4.41
	Current Service Cost	1.05	0.85
	Interest Cost	0.41	0.35
	Actuarial loss / (gain)	0.62	(0.35)
	Benefit (paid)	(0.39)	(0.26)
	Closing defined benefit obligation	**6.69**	**5.00**
ii)	**Changes in Fair Value of Assets**		
	Opening fair value of plan assets	2.08	0.63
	Adjustment to the fund	0.02	0.14
	Transfers out of fund	Nil	(0.01)
	Expected return on plan assets	0.30	0.12
	Actuarial gain/(loss) [C. Yr. ₹7,368/-]		Nil
	Contributions of employer	2.82	1.46
	Benefits (paid)	(0.39)	(0.26)
	Closing fair value of plan assets	**4.83**	**2.08**
iii)	**Amount recognized in the Balance Sheet**		
	Present value of obligations as at year end	6.69	5.00
	Fair value of the plan assets as at year end	4.83	2.08
	Net (asset) / liability recognized as on 31 March 2013	**1.86**	**2.92**
iv)	**Expenses recognized in the Statement of Profit and Loss**		
	Current Service Cost	1.05	0.85
	Interest on defined benefit obligation	0.41	0.35
	Expected return on plan assets	(0.30)	(0.12)
	Net actuarial loss / (gain) recognized in the current year	0.62	(0.35)
	Adjustment to the opening fund	(0.02)	Nil
	Total expense	**1.76**	**0.73**
v)	**Asset information**		
	Others – Policy of Insurance	100%	100%
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	8.10%	8.50%
	Expected rate of return on plan assets (p.a.)	9.00%	9.00%
	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.

36.3 Leave Encashment:

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

Accordingly ₹2.77 Crores (Pr. Yr. ₹2.24 Crores) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

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

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.

37. Employees Stock Options Scheme ('ESOS')

The Parent Company has implemented "Employees Stock Options Scheme 2011" ('ESOS – 2011') as approved in earlier year by the shareholders of the Company and Compensation committee of Board of Directors. No options have been granted by the Company under the aforesaid ESOS – 2011 during the year.

The options are granted at an exercise price which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercises the right to apply for and seek allotment of one equity share of ₹5/- each.

The particulars of the option granted and lapsed under ESOS 2011 are as under:

Particulars	31 March 2013 Nos. (FV ₹5)*	31 March 2012 Nos. (FV ₹10)
Options outstanding as at the beginning of the Year (Refer note 30)	56,000	Nil
Add: Options granted during the Year	Nil	30,000
Less: Options lapsed during the Year	Nil	2,000
Less: Options Exercised during the Year	Nil	Nil
Options outstanding as at the Year End (Refer note 30)	56,000	28,000

* Following the stock split from ₹10/- to ₹5/- per share (Refer note 30) as approved by the shareholders on 7 July 2012, the number of options granted and outstanding have been revised to 56,000 (FV ₹5/-) as on 7 July 2012 and consequently each option entitles an employee to subscribe to one equity share of the Company at revised exercise price of ₹5/- per share.

38. 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 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 ₹4.03Crores (₹3.85Crores) are recognised in the Statement of Profit and Loss under "Rent" under Note 29.

Operating Lease

Particulars	31 March 2013 ₹ in Crores	31 March 2012 ₹ in Crores
Not later than one year	3.82	3.67
Later than one year but not later than five years	14.54	14.06
Later than five year	9.53	12.70

Finance Lease

Particulars	Total Minimum Lease Payments Outstanding ₹ in Crores	Future Interest on Outstanding ₹ in Crores	Present Value of Minimum Lease Payments ₹ in Crores
Within one year	0.25 (0.20)	Nil (Nil)	0.25 (0.20)
Later than one year and not later than five years	1.13 (0.73)	Nil (Nil)	1.13 (0.73)
Total	**1.38** **(0.93)**	**Nil** **(Nil)**	**1.38** **(0.93)**

Future obligations towards lease rentals under the lease agreements as on 31 March 2013 amounts to ₹29.26 Crores (Pr. Yr. ₹31.36 Crores)

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

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

41. 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.

42. 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.

43. **Research and Development expenditure:**

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

Particulars	**31 March 2013 ₹ in Crore**	**31 March 2012 ₹ in Crore**
Cost of Material/Consumable/Spare	9.20	16.18
Employee Benefit Expenses	11.89	8.70
Utilities	0.97	0.77
Other Expenses	15.25	11.76
Total	**37.31**	**37.41**

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

Particulars	**31 March 2013 ₹ in Crore**	**31 March 2012 ₹ in Crore**
Audit Fees	0.18	0.15
Tax Audit Fees	0.01	0.01
For Certification and Other Matters	0.06	0.05

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

A) **Relationships:**

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

Mr. Mannalal B. Agrawal	Chairman
Mr. Purushottam B. Agrawal	Executive Vice Chairman
Mr. Madhusudan B. Agrawal	Executive Vice Chairman
Mr. Yogesh M. Agrawal	Managing Director
Dr. Ramesh Jhawar	Director (API)

& Relatives of Key Management Personnel

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

Gabs Investment Private Limited

B) Following transactions were carried out with related parties:

Particulars	Category	31 March 2013 ₹ in Crore	31 March 2012 ₹ in Crore
Remuneration, Commission & Sitting Fees to Directors (Includes Perquisites)	I	5.88	4.36
Rent Paid	I	1.58	1.58
Salaries	I	0.89	0.78
Dividend Paid	I	5.26	3.50
	II	0.72	0.20
Deposits Refunded From	I	Nil	1.10

C) Amount outstanding as at 31 March 2013

Commission Payable to Non-Executive Director	I	1.51	0.80

46. 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. There are no forward Exchange Contracts outstanding as at the year end (Pr. Yr. Forward contract to sell USD 0.10 Crore). The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	₹ in Crore	₹ in Crore	Foreign Currency Amt in Crore	Foreign Currency Amt in Crore	Foreign Currency
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	
Amount Receivable	105.04	92.29	1.93	1.81	USD
	12.76	10.40	0.18	0.15	EURO
Amount Payable	96.56	90.44	1.78	1.78	USD
	8.49	1.43	0.12	0.02	EURO

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

48. Consequent to the change in accounting policy relating to sales promotional materials (Refer note 2.3), profit before tax for the current year is lower by ₹0.41 Crore.

49. Previous year's figures are regrouped and recasted wherever required. Amount less than 50,000 are shown at actual.

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

S. S. Kapoor
Partner

Mumbai, 30 April 2013

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Madhusudan B. Agrawal
Vice Chairman

Deodatta Pandit
Company Secretary

NOTICE

NOTICE is hereby given that the Thirty-Fourth Annual General Meeting of the Members of Ajanta Pharma Limited will be held at Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli (West), Mumbai - 400092 on Monday, the 29th day of July, 2013 at 11.30 a.m. to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2013 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, 2013.
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 from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

6. Re-appointment of Mr. Yogesh M. Agrawal as Managing Director

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Article 128, 162 & 163 and the other applicable provisions, if any, of the Articles of Association of the Company and Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the Company hereby approves the reappointment of Mr. Yogesh M. Agrawal as Managing Director of the Company for a period of five years effective from 1st April, 2013 on such remuneration and on terms and conditions as recommended by the Remuneration Committee of the Directors and approved by the Board of Directors in their respective meetings held on 30th April, 2013 and set out in the draft Agreement submitted before the meeting/s, which agreement be and is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and/or agreement and remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Directors and Mr. Yogesh M. Agrawal or as may be varied by the General Meeting and to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company, the remuneration and perquisites set out in the aforesaid agreement be paid to Mr. Yogesh M. Agrawal, Managing Director as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule XIII or such other amount and perquisites as may be provided from time to time."

7. Re-appointment of Mr. Purushottam B. Agrawal as Vice Chairman

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Article 128, 163 and the other applicable provisions, if any, of the Articles of Association of the Company and Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the Company hereby approves the reappointment of Mr. Purushottam B. Agrawal as Wholetime Director designated as Vice-Chairman of the Company for a period of five years effective from 1st April, 2013 on such remuneration and on terms and conditions as recommended by the Remuneration Committee of the Directors and approved by the Board of Directors in their respective meetings held on 30th April, 2013 and set out in the draft Agreement submitted before the meeting/s, which agreement be and is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and/or agreement and remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Directors and Mr. Purushottam B. Agrawal or as may be varied by the General Meeting and to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company, the remuneration and perquisites set out in the aforesaid agreement be paid to Mr. Purushottam B. Agrawal, Vice Chairman as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule XIII or such other amount and perquisites as may be provided from time to time."

8. Payment of Commission to Non-Executive Directors

To consider and if thought fit, to pass with or without modification(s) if any, 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 to the Non-Executive Directors of the Company including Chairman, remuneration by way of commission on the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 1956, not exceeding one percent of such net profits including any commission payable to other Non-Executive Directors of the Company, for a period of 5 years effective from the Financial year 2013-2014."

9. Appointment of Director

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT Mr. Rajesh M. Agrawal, who was appointed as an additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 120 of the Articles of Association of the Company effective from 30th April, 2013 to hold office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

10. Appointment of Director

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT Mr. K H Vishwanathan, who was appointed as an additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 120 of the Articles of Association of the Company effective from 30th April, 2013 to hold office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

11. Appointment of Mr. Rajesh M. Agrawal as Joint Managing Director

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Article 128, 163 and the other applicable provisions, if any, of the Articles of Association of the Company and Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the Company hereby approves the appointment of Mr. Rajesh M. Agrawal as Joint Managing Director of the Company for a period of five years effective from 1st May, 2013 on such remuneration and on terms and conditions as recommended by the Remuneration Committee of the Directors and approved by the Board of Directors in their respective meetings held on 30th April, 2013 and set out in the draft Agreement submitted before the meetings, which agreement be and is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and/or agreement and remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Directors and Mr. Rajesh M. Agrawal or as may be varied by the General Meeting and to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company, the remuneration and perquisites set out in the aforesaid agreement be paid to Mr. Rajesh M. Agrawal, Joint Managing Director as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule XIII or such other amount and perquisites as may be provided from time to time."

12. Reclassification of the Authorised Share Capital and amendment to the Memorandum of Association

To consider and if thought fit to pass with or without modification(s) if any, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 16 and 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Members be and is hereby accorded for reclassification of the Authorised Share Capital of the Company from ₹30,00,00,000 (Rupees Thirty Crores) divided into 3,00,00,000 (Three crores) Equity Shares of ₹5/- (Rupees Five only) each and 3,00,00,000 (Three crores) Preference Shares of ₹5/- (Rupees Five only) to ₹30,00,00,000 (Rupees Thirty Crores) divided into 6,00,00,000 (Six Crores) Equity Shares of ₹5/- (Rupees Five only) each with power to increase, reduce, divide and/or sub-divide the Share Capital or reclassify them into several classes and attach thereto respectively such preferential, priority, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to dividend, voting, return of capital, distribution of assets or otherwise, as may be determined in accordance with the laws, rules and regulations from time to time and to vary, modify or abrogate such rights, privileges, conditions or restrictions in such manner as may from time to time be provided by the regulations/ resolutions of the Company or are provided for in the Articles of Association of the Company and to consolidate or sub-divide or reorganise shares or issue shares of higher or lower denominations.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new 'Clause V':

V. The Authorised Share Capital of the Company is ₹30,00,00,000 (Rupees Thirty Crores) divided into 6,00,00,000 (Six Crores) Equity Shares of ₹5/- (Rupees Five only) each with power for the Company to increase, reduce, cancel, reclassify, subdivide or consolidate and to issue any part of its capital, original or increased with or without any preference, priority or special privileges or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue be otherwise, shall subject to the powers herein before contained.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

13. Alteration of Articles of Association

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the existing Articles of Association of the Company be and is hereby altered by substituting the existing Article 4 with the following new 'Article 4':

4. The Authorised Share Capital of the Company is ₹30,00,00,000/- (Rupees Thirty crores) divided into 6,00,00,000 (Six crores) Equity Shares of ₹5/- (Rupees Five only) subject to being increased as hereinafter provided and in accordance with the regulations of the Company and the legislative provisions for the time being in force. Subject to the provisions of the said Act, the Shares in the capital of the Company for the time being whether original or increased or reduced may be divided into classes with the preferential deferred, qualified or other rights, privileges conditions or restrictions attached thereto whether in regard to dividend, voting, return of capital or otherwise.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s)/ Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

By order of the Board of Directors

Mumbai
30th April, 2013

Deodatta Pandit
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 22nd July, 2013 to 29th July, 2013 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March, 2013.

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. The unpaid dividend lying in dividend account of the year 2005-2006 will be transferred to Investor Education and Protection Fund at appropriate time in the current financial year.

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) up to the date of the Annual General Meeting between 11.00 a.m. to 1.00 p.m.

5. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after 29th July, 2013 to those Members whose names shall appear on the Company's Register of Members as on 20th July, 2013. 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 20th July, 2013.

6. The certificate from the Auditors of the Company certifying that the Company's Employees Stock Option Scheme (ESOS), 2011 is being implemented in accordance with SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999, and in accordance with the resolution of the members passed at the general meeting will be available for inspection by the members at the Annual General Meeting.

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. 17/2013 dated 21.04.2013 and Circular No. 18/2013 dated 29.04.2013) 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. 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 writing to them. 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 annual reports for the last three financial years are available and the same can be downloaded from the said website anytime anywhere.

11. 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
30th April, 2013

Deodatta Pandit
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 Explanatory Statement relating to the special business under Item Nos. 6 to 13 of the accompanying Notice dated 30th April, 2013 are as follows:-.

ITEM NO. 6

Mr. Yogesh M. Agrawal was appointed as a Managing Director of the Company for a period of five years with effect from 1st April, 2008 to 31st March, 2013 on the terms and conditions as set out in the Agreement dated 9th May, 2008 as per the approval of the Shareholders at the 29th Annual General Meeting held on 8th July, 2008. His remuneration was revised by supplemental agreement dated 31st October, 2011 as was recommended by the Remuneration Committee and approved by the Board.

The Board of Directors at their Meeting held on 30th April, 2013 re-appointed him as Managing Director, based on the recommendation of Remuneration Committee, for a period of five years effective 1st April, 2013 on the terms and conditions including the terms of his remuneration as set out in the draft agreement placed before the meeting. Unprecedented growth of the company during last 5 years more than justifies his reappointment.

The remuneration payable to the Managing Director is as set out hereinbelow:

I. Salary: ₹6,00,000/- per month with such annual increment as may be decided by Board of Directors.

II. Special allowance: ₹2,40,000/- per month with such annual increment as may be decided by Board of Directors.

III. Commission: Such amount subject to the overall limits pertaining to the Managerial Remuneration laid down under Sections 198 and 309 of the Companies Act, 1956, provided that the amount available as above for payment of commission will be divided equally among Managing Director, Joint Managing Director and the Vice Chairmen of the Company but each of them shall however receive commission not exceeding 1% of the net profit.

IV. Perquisites & Allowances: Perquisites will be allowed in addition to salary which are classified into three parts A, B and C as follows subject to the condition that the aggregate amount of Salary, Perquisites and Commission shall not exceed 5% of the net profit for one managerial person and if there is more than one such managerial person, 10% for all of them together in terms of provisions of Sections 198 and 309 of the Companies Act, 1956:-

Part A

i. Rent free furnished accommodation provided as per policy of the company and its value to be taken as per the provisions of Income Tax Act, 1961.

ii. The expenditure incurred by the Company on gas, electricity, water, furnishing, repairs at actual.

iii. Medical Reimbursement: Expenses incurred for self and family.

iv. Leave Travel Allowances: For self and family once in a year incurred in accordance with the rules of the Company.

v. Club Fees: Fees of clubs subject to a maximum of two clubs excluding admission and Life Membership Fees.

vi. Personal Accident Insurance: The amount of the annual premium at actual.

vii. Servants allowances/expenditure: At actual.

Part B:

i. Provident Fund: Contribution to Provident Fund as per rules of the Company subject to a ceiling of 12% of salary.

ii. Gratuity: Gratuity payable shall be in accordance with the Company's Scheme as may be applicable or amended from time to time.

Part C:

Provision of Car for use of the Company's business and telephone at residence will not be considered as perquisites.

The Board of Directors of the Company may, at its discretion, alter and vary from time to time the terms and conditions of appointment and payment of remuneration set out in the agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force).

The agreement between the Company and Mr. Yogesh M. Agrawal is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day (excluding Saturdays, Sundays and holidays) upto the date of the Annual General Meeting This may also be treated as an abstract of the agreement between the Company and Mr. Yogesh M. Agrawal pursuant to Section 302 of the Companies Act, 1956.

The Board recommends the resolution appearing at Item No. 6 of the accompanying Notice seeking your approval to the re-appointment of Mr. Yogesh M. Agrawal as Managing Director of the Company.

Mr. Yogesh M. Agrawal is deemed to be interested in the resolution as it pertains to his re-appointment and remuneration payable to him. Mr. Mannalal B. Agrawal and Mr. Rajesh M. Agrawal, Directors of the Company are deemed to be interested in this resolution as Mr. Yogesh M. Agrawal is their relative.

None of the other Directors is either directly or indirectly interested in passing of this resolution.

ITEM NO. 7

Mr. Purushottam B. Agrawal was appointed as Vice-Chairman of the Company for a period of five years effective from 1st April, 2008 upto 31st March, 2013 on the terms and conditions as set out in the Agreement dated 9th May, 2008 and as per the approval of the Shareholders at the 29th Annual General Meeting held on 8th July, 2008. His remuneration was revised by supplementary agreement dated 31st October, 2011 as was recommended by the Remuneration Committee and as approved by the Board.

He is one of the Promoters of the Company and has been playing an important role in the growth of the Company since its inception.

The Board of Directors at their Meeting held on 30th April, 2013 re-appointed him as Vice Chairman, based on the recommendation of Remuneration Committee, for a period of five years effective 1st April, 2013 on the terms and conditions including the terms of his remuneration as set out in the draft agreement placed before the meeting. Unprecedented growth of the company during last 5 years more than justifies his reappointment.

The remuneration payable to the Vice Chairman is as set out hereinbelow:

I. Salary: ₹6,00,000/- per month with such annual increment as may be decided by Board of Directors.

II. Special allowance: ₹2,40,000/- per month with such annual increment as may be decided by Board of Directors.

III. Commission: Such amount subject to the overall limits pertaining to the Managerial Remuneration laid down under Sections 198 and 309 of the Companies Act, 1956, provided that the amount available as above for payment of commission will be divided equally among Managing Director, Joint

Managing Director and the Vice Chairmen of the Company but each of them shall however receive commission not exceeding 1% of the net profit.

IV. Perquisites & Allowances: Perquisites will be allowed in addition to salary which are classified into three parts A, B and C as follows subject to the condition that the aggregate amount of Salary, Perquisites and Commission shall not exceed 5% of the net profit for one managerial person and if there is more than one such managerial person, 10% for all of them together in terms of provisions of Sections 198 and 309 of the Companies Act, 1956:-

Part A

i. Rent free furnished accommodation provided as per policy of the company and its value to be taken as per the provisions of Income Tax Act, 1961.

ii. The expenditure incurred by the Company on gas, electricity, water, furnishing, repairs at actual.

iii. Medical Reimbursement: Expenses incurred for self and family.

iv. Leave Travel Allowances: For self and family once in a year incurred in accordance with the rules of the Company.

v. Club Fees: Fees of clubs subject to a maximum of two clubs excluding admission and Life Membership Fees.

vi. Personal Accident Insurance: The amount of the annual premium at actual.

vii. Servants allowances/expenditure: At actual.

Part B:

i. Provident Fund: Contribution to Provident Fund as per rules of the Company subject to a ceiling of 12% of salary.

ii. Gratuity: Gratuity payable shall be in accordance with the Company's Scheme as may be applicable or amended from time to time.

Part C:

Provision of Car for use of the Company's business and telephone at residence will not be considered as perquisites.

The Board of Directors of the Company may, at its discretion, alter and vary from time to time the terms and conditions of appointment and payment of remuneration set out in the agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force).

The agreement between the Company and Mr. Purushottam B. Agrawal is available for inspection at the Registered Office of the Companybetween 11.00 a.m. to 1.00 p.m. on any working day (excluding Saturdays, Sundays and holidays) upto the date of the Annual General meeting This may also be treated as an abstract of the agreement between the Company and Mr. Purushottam B. Agrawal pursuant to Section 302 of the Companies Act, 1956.

The Board recommends the resolution appearing at Item No. 7 of the accompanying Notice seeking your approval to the appointment of Mr. Purushottam B. Agrawal as Vice-Chairman of the Company.

Mr. Purushottam B. Agrawal is deemed to be interested in the resolution as it pertains to his appointment and remuneration payable to him. Mr. Mannalal B. Agrawal and Mr. Madhusudan B. Agrawal, the Directors of the Company are deemed to be interested in this resolution as they are his relatives.

None of the other Directors is either directly or indirectly interested in passing of this resolution.

ITEM NO. 8

Mr. Mannalal B. Agrawal, the Non-Executive Chairman has been advising and guiding the Company for the growth of the Company as also other Non-Executive Independent Directors. They are taking every effort to improve the performance of the Company on a continuous basis.

Taking into consideration the above, Remuneration Committee and the Board of Directors at their respective meetings held on 30th April, 2013 recommended payment of Commission to Non-Executive Directors including Mr. Mannalal B. Agrawal not exceeding 1% of net profits of the Company for a period of five years effective from Financial Year 2013-14.

The Board recommends the resolution appearing at item no. 8 of the accompanying notice seeking your approval for payment of Commission to Non-Executive Directors including Mr. Mannalal B. Agrawal, Chairman.

Mr. Mannalal B. Agrawal and other Non-Executive Directors, excluding Nominee Directors are deemed to be interested in the resolution. Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal, Mr. Purushottam B. Agrawal and Mr. Madhusudan B. Agrawal, Directors of the Company, are deemed to be interested in this resolution, being relative of Mr. Mannalal B. Agarwal.

This may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

ITEM NO. 9

In terms of the provisions of Section 260 of the Companies Act, 1956 and Article No. 120 of the Articles of Association of the Company, Mr. Rajesh M. Agrawal, was appointed as an Additional Director of the Company in the meeting of the Board of Directors held on 30th April, 2013. Mr. Rajesh M. Agrawal holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Rajesh M. Agrawal as a Director of the Company along with a deposit of ₹500/- (Rupees Five Hundred Only), which shall be refunded to the member if Mr. Rajesh M. Agrawal is elected as a Director.

Mr. Rajesh M. Agrawal was Chief Operations Officer of the company before his appointment as a Director. His contribution in the domestic market and overall growth of the company has been immense. His appointment as Director will add lot of value in the overall policy making of the company at the Board level.

Mr. Mannalal B. Agrawal and Mr. Yogesh M. Agrawal, Directors of the Company are deemed to be interested in the resolution as Mr. Rajesh M. Agrawal is their relative.

None of the other Directors is either directly or indirectly interested in passing of this resolution.

ITEM NO. 10

In terms of the provisions of Section 260 of the Companies Act, 1956 and Article No. 120 of the Articles of Association of the Company, Mr. K H Vishwanathan, was appointed as an Additional Director of the Company in the meeting of the Board of Directors held on 30th April, 2013. Mr. K H Vishwanathan holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. K H Vishwanathan as a Director of the Company along with a deposit of ₹500/- (Rupees Five Hundred Only), which shall be refunded to the member if Mr. K H Vishwanathan is elected as a Director.

Mr. K H Vishwanathan is finance professional, retired from IDBI Bank as General Manager. He is an experienced person and had been on the Board of the company in the past as nominee of IDBI. His vast knowledge and expertise in finance will be very useful for the company.

None of the other Directors is either directly or indirectly interested in passing of this resolution.

ITEM NO. 11

Mr. Rajesh M. Agrawal was appointed as an Additional Director of the Company on 30th April, 2013. His term is valid upto the conclusion of forthcoming Annual General Meeting. Prior to appointing him as Joint Managing Director he acted as Chief Operations Officer of the company. Mr. Rajesh M. Agrawal would cease to receive remuneration as Chief Operations Officer w.e.f. 1st May, 2013.

The Board of Directors, based on the recommendation of the Remuneration Committee, at their Meeting held on 30th April, 2013 appointed him as Joint Managing Director for a period of five years effective from 1st May, 2013 on terms and conditions including the terms of his remuneration as set out in the draft agreement placed before the meeting.

The remuneration payable to the Joint Managing Director is as set out hereinbelow:

I. Salary: ₹6,00,000/- per month with such annual increment as may be decided by Board of Directors.

II. House Rent allowance: ₹2,40,000/- per month with such annual increment as may be decided by Board of Directors.

III. Commission: Such amount subject to the overall limits pertaining to the Managerial Remuneration laid down under Sections 198 and 309 of the Companies Act, 1956, provided that the amount available as above for payment of commission will be divided equally among Managing Director, Joint Managing Director and the Vice Chairmen of the Company but each of them shall however receive commission not exceeding 1% of the net profit.

IV. Perquisites & Allowances: Perquisites will be allowed in addition to salary which are classified into three parts A, B and C as follows subject to the condition that the aggregate amount of Salary, Perquisites and Commission shall not exceed 5% of the net profit for one managerial person and if there is more than one such managerial person, 10% for all of them together in terms of provisions of Sections 198 and 309 of the Companies Act, 1956:-

Part A

i. The expenditure incurred by the Company on gas, electricity, water, furnishing, repairs at actual.
ii. Medical Reimbursement: Expenses incurred for self and family.
iii. Leave Travel Allowances: For self and family once in a year incurred in accordance with the rules of the Company.
iv. Club Fees: Fees of clubs subject to a maximum of two clubs excluding admission and Life Membership Fees.
v. Personal Accident Insurance: The amount of the annual premium at actual.
vi. Servants allowances/expenditure: At actual.

Part B:

i. Provident Fund: Contribution to Provident Fund as per rules of the Company subject to a ceiling of 12% of salary.
ii. Gratuity: Gratuity payable shall be in accordance with the Company's Scheme as may be applicable or amended from time to time.

Part C:

Provision of Car for use of the Company's business and telephone at residence will not be considered as perquisites.

The Board of Directors of the Company may, at its discretion, alter and vary from time to time the terms and conditions of appointment and payment of remuneration set out in the agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force).

The agreement between the Company and Mr. Rajesh M. Agrawal is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day (excluding Saturdays, Sundays and holidays) upto the date of the Annual General Meeting This may also be treated as an abstract of the agreement between the Company and Mr. Rajesh M. Agrawal pursuant to Section 302 of the Companies Act, 1956.

The Board recommends the resolution appearing at Item No. 11 of the accompanying Notice seeking your approval to the appointment of Mr. Rajesh M. Agrawal as Joint Managing Director of the Company.

Mr. Rajesh M. Agrawal is deemed to be interested in the resolution as it pertains to his appointment and remuneration payable to him. Mr. Mannalal B. Agrawal and Mr. Yogesh M. Agrawal, Directors of the Company are deemed to be interested in this resolution as Mr. Rajesh M. Agrawal is their relative.

None of the other Directors is either directly or indirectly interested in passing of this resolution.

ITEM NOS. 12 & 13

The Company, in order to meet its growth objectives and to strengthen its financial position may require generating long term resources by issuing securities in future. The Company has not issued preference shares and the authorized capital to that extent is idle. It is therefore deemed appropriate to reclassify the Authorised Share Capital of the Company and for that purpose, the Memorandum and Articles of Association of the Company are proposed to be suitably altered as set out at item No. 12 and 13 of the accompanying Notice.

The provisions of the Companies Act, 1956 require the Company to seek the approval of the Members for reclassification of the Authorised Share Capital and for the alteration of capital clause of the Memorandum and Articles of Association of the Company.

The Board of Directors accordingly recommends the resolutions set out at Item No. 12 and 13 of the accompanying Notice for the approval of the Members.

None of the other Directors is either directly or indirectly interested in passing of this resolution.

By order of the Board of Directors

Mumbai
30th April, 2013

Deodatta Pandit
General Manager – Legal
& Company Secretary

Details of the Directors seeking appointment/re-appointment at thirty-fourth Annual General Meeting (pursuant to Clause 49 IV (G) of the Listing Agreement)

Name of Director	Yogesh M. Agrawal	Purushottam B. Agrawal	Madhusudan B. Agrawal	Rajesh M. Agrawal	K H Vishwanathan	Chandrakant M. Khetan
Date of Birth	14.01.1972	14.06.1949	29.03.1955	31.03.1976	11.01.1946	24.01.1946
DIN No.	00073673	00073680	00073872	00302467	06563472	00234118
Date of Appointment	29.04.2000	31.12.1979	31.12.1979	30.04.2013	30.04.2013	20.10.2008
Expertise in Specific Functional Area	Has been the Managing Director of the company for last 5 years and was instrumental in achieving unprecedented growth of the company	Has been the Vice Chairman of the company and has experience of more than 40 years and was contributing in the growth of the company since its inception	Has been the Vice Chairman of the company and has experience of more than 40 years and was contributing in the growth of the company since its inception	Has been the Chief Operating Officer of the company and was instrumental in making domestic business of the company a star performer taking the company among Top 50 pharma companies of the country	Retired as General Manager of IDBI Bank Limited, he has rich experience of more than 35 years in Finance field with exposure to monitoring many large projects in the country	An astute industrialist and businessman, he has experience of more than 40 years, running his own business house, has been guiding the company for many years being on the Board
Qualifications:						
i. Educational	Business Management Graduate, USA	B. Pharm	B. Sc	M.B.A.	B.Sc	B.Sc
ii. Experience in years	19	More than 40	More than 40	16	More than 35	More than 40
No. of shares held in the company	16,85,616	14,37,180	14,37,000	10,66,294	Nil	Nil
Other Directorships in Companies	Ajanta Pharma (Mauritius) Limited	Ajanta Pharma USA Inc	Turkmenderman Ajanta Pharma Limited	Nil	Nil	Entremonde Polycoaters Limited
	Ajanta Pharma (UK) Limited	Inspira Projects Limited	Inspira Infra (Aurangabad) Limited	Ajanta Pharma Philippines Inc.		Polymermann (Asia) Private Limited
	Inspira Martifer Solar Limited	Inspira Infra (Aurangabad) Limited	Ajanta Pharma USA Inc			Polymermann (Exports) Private Limited
	Ajanta Pharma USA Inc	Louroux Bio Energies Limited	Inspira Projects Limited			Khetan Doshi Construction Private Limited
	Ajanta Pharma Philippines Inc.	Inspira Infrastructure Limited	Louroux Bio Energies Limited			Baroda Superstores Private Limited
	Ajanta Pharma Mauritius (International) Limited	Inspira Leisure & Hospitality Limited	Inspira Infrastructure Limited			Anil Apartment Private Limited
		Inspira Sun Systems Limited	Inspira Leisure & Hospitality Limited			Swastik Safe Deposit & Investment Limited
			Inspira Sun Systems Limited			Vibhuti Investment Company Limited
						Kwality Plastics Limited
						Integra Textiles and Apparels Textile Limited
						Rishiraj Enterprise Private Limited
						Omicron Power Engineers Private Limited
Membership of committees	Ajanta Pharma Limited – Executive Committee (C); Investors' Grievance Committee (M); Compensation Committee (M)	Ajanta Pharma Limited – Executive Committee (M)	Ajanta Pharma Limited – Executive Committee (M)	Nil	Nil	Ajanta Pharma Limited – Audit & Compensation Committee (C)

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 Thirty Fourth Annual General Meeting of the Company on Monday, 29th July, 2013 at 11.30 a.m. at Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli (West), Mumbai- 400 092.

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

Registered Folio No.:	DP ID *:
No. of Shares:	Client 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 Thirty Fourth Annual General Meeting of the Company to be held on Monday, 29th July, 2013 at 11.30 a.m. at Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli (West), Mumbai- 400 092 and at any adjournment thereof.

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

Affix Revenue Stamp of ₹1/-

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.

CONSOLIDATED HISTORICAL PERFORMANCE

FINANCIAL SUMMARY										(₹ in Crs.)
Sales, Profits & Dividend	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Revenue from Operations (Gross)	148	202	236	266	316	352	412	510	686	937
Profit before Dep., Int. & Tax (PBDIT)	28	29	35	40	53	68	80	99	138	230
Profit Before Interest & Tax (PBIT)	18	20	26	32	45	53	59	74	106	196
Profit Before Tax (PBT)	3	9	14	19	29	30	39	57	91	177
Profit After Tax (PAT)	2	10	12	15	22	25	34	51	77	112
Dividend (Amount)	-	-	2	3	3	3	5	7	10	17
Earning Per Share on FV of Rs.5/- (₹)	1	4	5	6	9	11	15	22	33	48
Share Capital & Capital Employed	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Share Capital	12	12	12	12	12	12	12	12	12	12
Reserve & Surplus	135	86	96	104	123	145	173	217	286	382
Capital employed	269	195	207	232	309	408	418	430	515	542
Fixed assets (net) & investments	169	71	72	84	134	202	224	240	257	294
Net current & other assets	99	110	122	139	172	206	194	191	258	248
Return	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
PBT to Sales	1.8%	4.7%	6.0%	7.3%	9.1%	8.5%	9.4%	11.1%	13.3%	18.9%
On Capital Employed (PBIT) %	6.8%	8.4%	13.1%	14.5%	16.7%	14.9%	14.3%	17.5%	22.4%	37.1%
On Shareholders Funds (PAT) %	1.8%	8.9%	13.6%	14.7%	19.4%	19.0%	21.4%	26.0%	30.7%	33.5%
Closing share price on BSE (FV - ₹5/-)	21	29	37	36	40	26	91	100	228	643

ajanta pharma limited

Ajanta House, Charkop, Kandivali (West), Mumbai 400 067, India. Tel. : 91-22-66061000, Fax : 91-22-66061200/300. www.ajantapharma.com

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ajanta pharma limited

"Ajanta House", Charkop, Kandivli (West), Mumbai – 400 067

Securities and Exchange Board of India (SEBI) vide circular no. CIR/MRD/DP/10/2013 dated 21st March, 2013 has informed to the companies to use electronic payment mode for making payments to the investors.

To make payment in electronic mode for the benefit of shareholders, we request the shareholders, who hold the shares in physical form to provide us the updated and correct bank details. Shareholders who have not provided their updated bank details are requested to provide the following details and send to our Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, Unit: Ajanta Pharma Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078.

Name of the shareholder	
Folio No.	
Bank Name	
Bank Account No.	
Type of account	Savings/Current
IFSC Code	
MICR No.	
Photocopy of cancelled cheque	Attached (Yes/No)
Copy of PAN Card	Attached (Yes/No)

For shareholders, who hold shares in demat mode are requested to contact their Depository Participant (DP) and provide them updated and correct bank details. The Company/Registrar & Share Transfer Agents will not act on any direct request received from members holding shares in dematerialized form for change/deletion of such bank details.

Have you still not encashed your past dividend. The unclaimed dividend for the financial year 2005-2006 will be transferred to the Investors' Education & Protection Fund in current year.

Hurry, contact at **email: investorgrievance@ajantapharma.com / rnt.helpdesk@linkintime.co.in**

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ajanta pharma limited

Ajanta House,
Charkop, Kandivli (West),
Mumbai 400 067
India

T +91 22 6606 1000
F +91 22 6606 1200
E info@ajantapharma.com
W www.ajantapharma.com

24th June, 2013

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Dear Sir/Madam,

Re: Clause 31
Scrip Code: BSE - AJANTAPH 532331
NSE - AJANTPHARM EQ

Pursuant to Clause 31 of the listing agreement please find below Audit report in Form A alongwith 6 copies of Annual Report as per Clause 31 of the Lsting agreement.

FORM A
(Pursuant to clause 31 of the Listing Agreement)

1.	Name of the Company	Ajanta Pharma Ltd.
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.

For Ajanta Pharma Ltd.

Mr. Yogesh M Agrawal
Managing Director

For Ajanta Pharma Ltd.

Mr. Chandrakant Khetan
Chairperson of Audit Committee

For Ajanta Pharma Ltd.

Mr. Arvind Agrawal
Chief Financial Officer

Kapoor & Parekh Associates
Chartered Accountants

S S Kapoor
Partner
M No. 5399

Mr. Deodatta Pandit

Company Secretary

Kindly acknowledge receipt.

Thanking You,

Yours faithfully,
For AJANTA PHARMA LIMITED

DEODATTA PANDIT
G.M. - Legal &
Company Secretary

cc.: National Stock Exchange of India,
Exchange Plaza, 5th Floor, Plot no. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051

Encl.: a/a