ajanta pharma limited

ANNUAL REPORT 2013-14

LATERAL BY DESIGN

Thematic overview

This Annual Report has been themed around 'Lateral by design'. The theme explains how an unconventional approach in a largely conventional space has helped Ajanta Pharma Limited outperform sectoral growth on the one hand and significantly enhance shareholder value on the other.

Contents

A SNAPSHOT

- A specialty formulations company.
- Ranked 39th in the Indian formulations market. *(IMS MAT March 2014)*
- Grew market capitalisation from ₹ 235 crore in March 2011 to ₹ 3,497 crore in March 2014.

There are number of routes for growing one's presence in the competitive Indian pharmaceutical sector.

At Ajanta Pharma Limited, we have selected to pursue a differentiated strategy. This is marked by the manufacture of value-added products in niche therapeutic spaces addressing unmet patient needs.

Our differentiated strategy is captured tellingly in just three words.

Lateral by design.

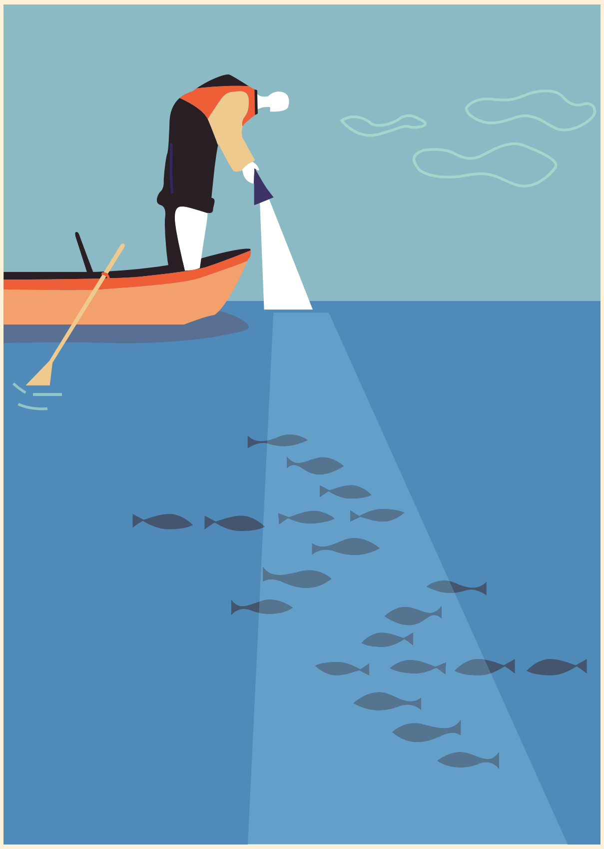
WHAT DO WE MEAN BY THE TERM 'LATERAL BY DESIGN?'

- Study a supposedly saturated space and find under-addressed niches
- Appraise the needs of the moment and target sustainable growth
- See a market opportunity not on the basis of its existing size but what it can be
- Adapt an existing paradigm and modify it to suit our needs
- Enter a challenging market not on the basis of what it will do for us but how we can evolve that space

HOW HAS 'LATERAL BY DESIGN' ENHANCED VALUE FOR OUR COMPANY?

- Grown revenues and profits every single year over the last five years
- Increased net profit margin from 8% in 2009-10 to 19% in 2013-14
- Helped us outperform the sectoral growth average consistently
- Increased our return on capital employed from 14% in 2009-10 to 47% in 2013-14
- Reduced our gearing from 0.77 in 2009-10 to 0.12 in 2013-14

LATERAL BY DESIGN



FORMULATIONS, FORMULATIONS, FORMULATIONS

FOR YEARS, CONVENTIONAL WISDOM DICTATED THAT COMPANIES MANUFACTURE FRONT-END PRODUCTS AND THEIR CORRESPONDING RAW MATERIALS AS WELL, LEADING TO ENHANCED VALUE-ADDITION.

AJANTA PHARMA SELECTED TO THINK LATERALLY INSTEAD.

We focused singularly on manufacturing and marketing branded generic formulations for the following reasons:

- It enabled us to offer a customised product portfolio in each of our markets, in line with our emphasis on empathy, which is a part of our mission statement
- We recognised that being patient-focused reinforced our insight into unmet needs, leading to corresponding product development
- We recognised that a formulations focus would translate into enhanced margins, ensuring sustainable growth

The result

Our topline growth of 30% CAGR over the last five years, with a bottomline growth of 62% CAGR during the period, vindicated our lateral approach.

Lateral strategy

SINGULAR FOCUS ON THE DEVELOPMENT, MANUFACTURE AND MARKETING OF NICHE FORMULATIONS

Effect

700 bps

Growth in 2013-14 EBIDTA margin over the previous year

LATERAL BY DESIGN

DRIVEN BY EMPATHY

FOR YEARS, CONVENTIONAL WISDOM DICTATED THAT A COMPANY EXTEND ITS COMPLETE THERAPEUTIC PRESENCE ACROSS ALL THE COUNTRIES OF ITS PRESENCE.

AJANTA PHARMA SELECTED TO THINK LATERALLY INSTEAD.

Driven by empathy, we focused on providing customised responses to therapeutic segments:

- Segments which were critically under-addressed with unmet needs offered a first-mover's advantage
- Under-penetration in therapeutic segments presented an opportunity to ensure sustainable growth, and allowed us to become the leader in many categories
- Focussed therapeutic presence specific to each market enabled us to gain market share quickly.

The result

The Company's India ranking scaled from 45 in 2012-13 to 39 in 2013-14, amongst the biggest jumps by any Indian pharmaceutical company during the year under review (*Source: IMS MAT March 2014*).

Lateral strategy

AJANTA CUSTOMISED ITS PRODUCT BASKET TO CATER SPECIFICALLY TO EACH MARKET OF ITS PRESENCE

Effect

The Company stood 5th, 13th and 24th in the ophthalmological, dermatological and cardiological segments respectively in India in 2013-14 (*Source: IMS MAT March 2014*).

LATERAL BY DESIGN

BRANDED GENERICS

FOR YEARS, CONVENTIONAL WISDOM DICTATED THAT A COMPANY GENERATE HIGH VOLUMES BY FOCUSING ON GENERIC GENERICS TO ENSURE QUICK SHORT-TERM GROWTH.

AJANTA PHARMA SELECTED TO THINK LATERALLY INSTEAD.

The Company focused on branded generics in India and pharmerging markets; it created proprietary marketing teams through local recruitment which resulted in the following:

- Deeper insight into market realities and preferences
- Stronger regulatory understanding of these markets
- Focused briefing to medical practitioners, translating into enhanced product visibility, loyalty and prescription share

The result

Ajanta generated more than 80% of its revenues from branded generics, thereby providing its business surety, sustainability and scalability.

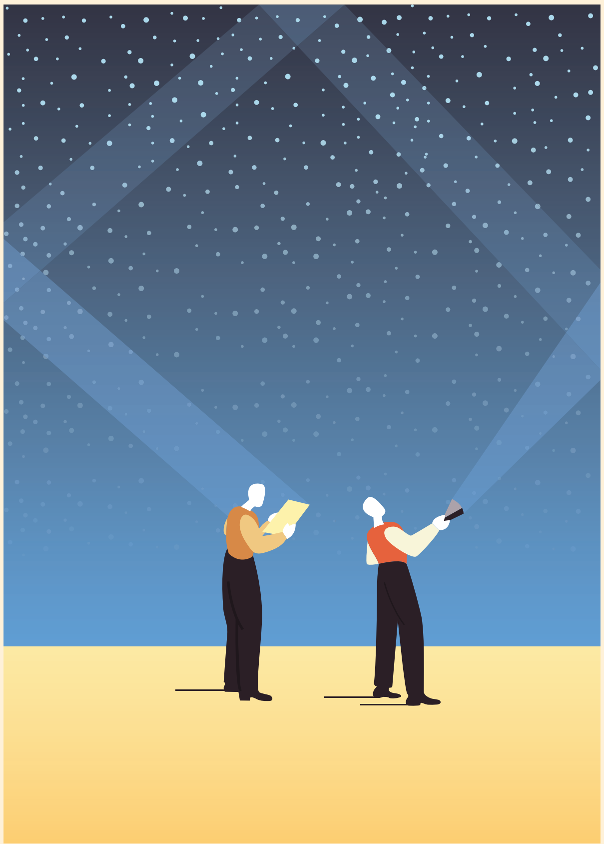
Lateral strategy

FOCUS ON BRANDED GENERICS

Effect

A number of the Company's brands enjoy leadership positions in India and pharmerging markets.

LATERAL BY DESIGN



PATIENT-CENTRIC RESEARCH

FOR YEARS, CONVENTIONAL WISDOM DICTATED THAT COMPANIES FOCUS ON MANUFACTURING AS THE CORE OF THEIR OPERATIONS, BACKED BY RESEARCH.

AJANTA PHARMA SELECTED TO THINK LATERALLY INSTEAD.

At Ajanta Pharma we reversed the paradigm; we invested a cumulative ₹ 214 crore in research over the five years leading to 2013-14, accounting for about 6% of our revenues for this period - possibly one of the highest among our peers. We increased the number of research professionals to 350 which:

- Enabled us to stand out as a corporate dedicated to address unmet patient needs
- Strengthened our brand equity among specialist doctors i.e. the primary customer
- Translated into superior product attributes, providing patient convenience and compliance
- Enabled us to achieve faster growth in the markets/segments of our presence, year after year

The result

119 first-time products were launched by Ajanta in India during the last nine years.

Lateral strategy

PATIENT-CENTRIC RESEARCH

Effect

Ajanta has been able to consistently grow its market share in every geography by launching first-of-its-kind products centred around patient compliance and convenience

STATEMENT FROM THE MANAGEMENT

"WE HAVE CLEARLY DEFINED WHAT WE TRULY ARE AND WHAT WE ARE NOT. THIS REPRESENTS THE SUSTAINABLE BASIS OF OUR LATERAL DNA"

DEAR SHAREHOLDERS,

IT MIGHT BE RELEVANT TO EXPLAIN WHAT AJANTA PHARMA TRULY IS, AND WHAT WE ARE CLEARLY NOT, FOR READERS TO APPRECIATE OUR DIFFERENTIATED STRATEGY – THE KEY REASON FOR OUR SUSTAINED SUCCESS.

At Ajanta Pharma, we are driven by the passion of emerging as the best, not necessarily the biggest.

At Ajanta Pharma, we are enthused by the prospect of running an innovative (and hence profitable) company within our pharmaceutical space, not necessarily the fastest.

At Ajanta Pharma, we are about how we may be able to address opportunities across the long-term as opposed to capitalising on the opportunities of the day.

At Ajanta Pharma, our sustainability strategy is pivoted around consistent R&D investments to generate a long-term competitive advantage as against maximising profits during a specific financial year.

At Ajanta, we are about developing products that competently address unmet patient needs as opposed to the strategy of making products that currently sell well in the marketplace.

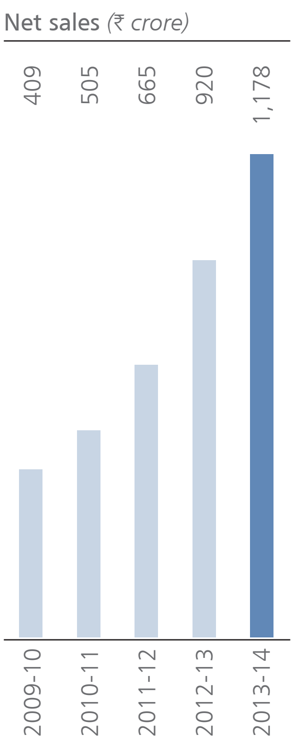
At Ajanta Pharma, we are about launching first-time products in relatively under-occupied spaces leading to the creation of prominent brands as against fighting for incremental gains in crowded spaces.

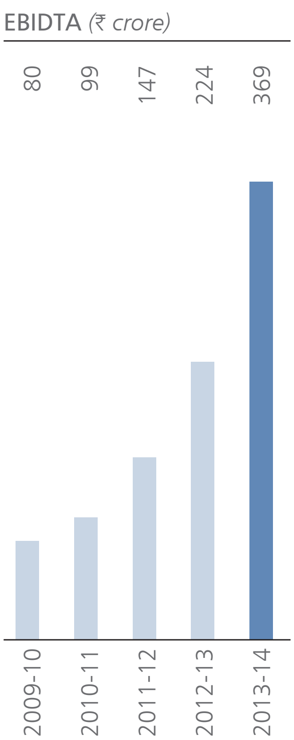
At Ajanta Pharma, we are about competing around knowledge and not on the basis of a narrow price arbitrage.

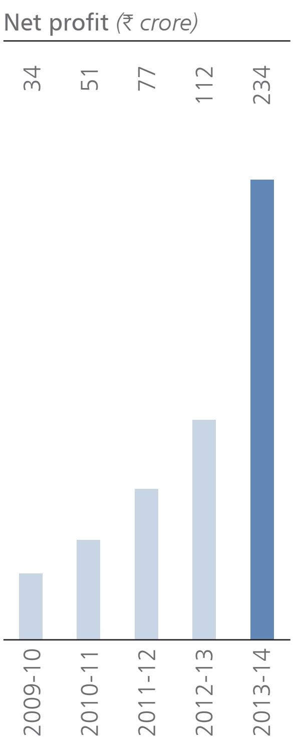
At Ajanta Pharma, we concentrate on generating profitable growth, measured by a percentage growth in our profits that is consistently higher than the percentage growth in our revenues translating into one of the highest margins within India's pharmaceuticals industry, not necessarily focusing on quarter-wise revenue growth only.

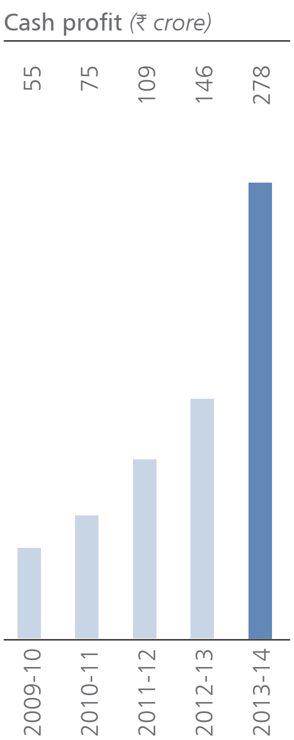
At Ajanta Pharma, we are proactive in investing in our future (additional plants, product registration pipeline, necessary expansion in R&D among others) as opposed to being complacent with a profitable present.

CONSOLIDATED FINANCIAL HIGHLIGHTS









Revenue growth	
30% Over 2012-13	31% CAGR over 5 years

EBIDTA growth	
64% Over 2012-13	47% CAGR over 5 years

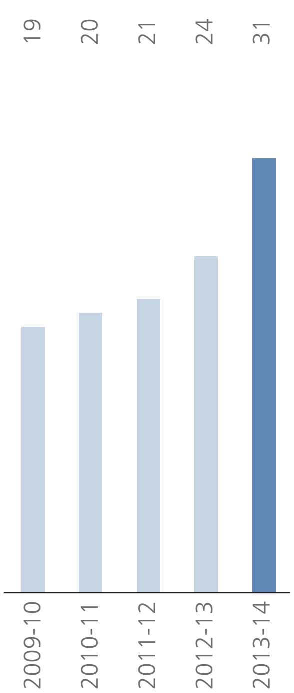
Net profit growth	
109% Over 2012-13	62% CAGR over 5 years

Cash profit growth	
90% Over 2012-13	50% CAGR over 5 years

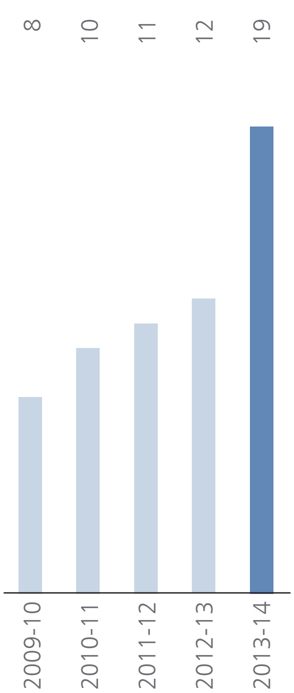
Recognition

AJANTA WAS FEATURED AMONG THE *'FORBES ASIA'S* '200 BEST UNDER A BILLION' LIST FOR THE SECOND CONSECUTIVE YEAR

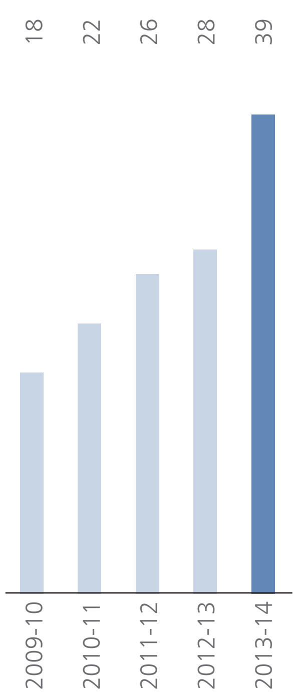
EBIDTA margin *(%)*



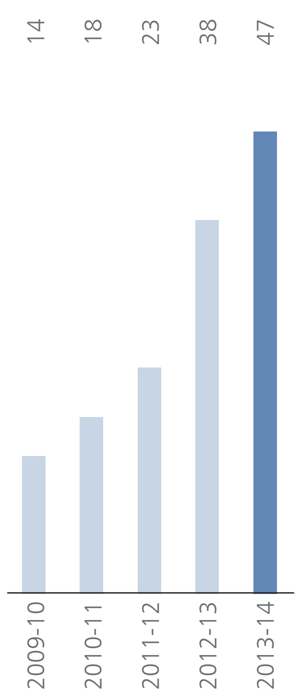
Net margin *(%)*



RONW *(%)*



ROCE *(%)*



EBIDTA margin growth

700bps Over 2012-13 | 1,200bps Over 2009-10

Net margin growth

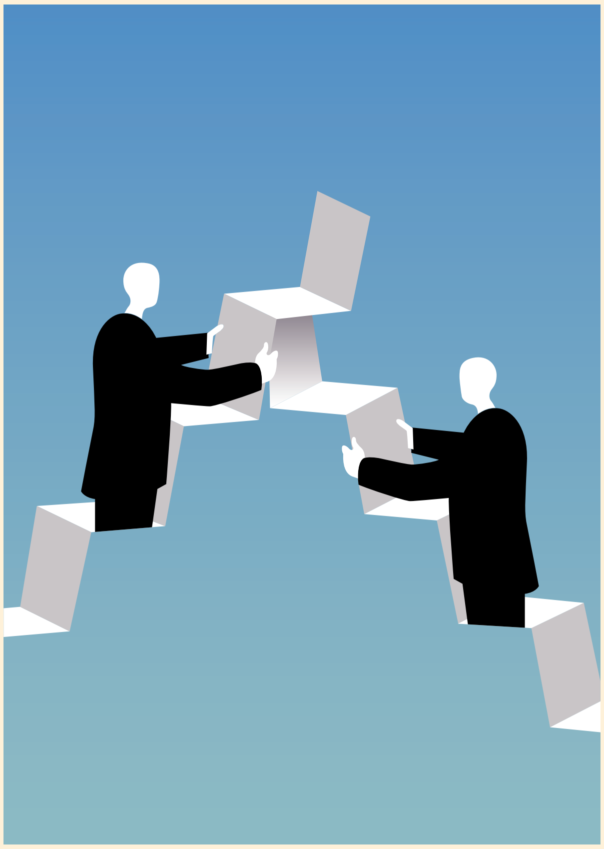
700bps Over 2012-13 | 1,100bps Over 2009-10

RONW growth

1,100bps Over 2012-13 | 2,100bps Over 2009-10

ROCE growth

900bps Over 2012-13 | 3,300bps Over 2009-10



MANAGEMENT DISCUSSION AND ANALYSIS

Generics and branded generics - the way to go

Total global spending on medicines will exceed one trillion US dollars for the first time in 2014 and forecast to reach almost US$1.2 trillion in 2017. The mix of total global spending on medicines could shift toward generics over five years, rising from 27% to 36% of the total by 2017, even as brands continue to account for more than two-thirds of their spending in developed markets.

Absolute brand spending in developed markets could decline by US$113 billion over the next five years due to exclusivity losses, slower offtake of new medicines and more rigorous approval mechanisms. This could be offset by US$40 billion of expected generic spending, resulting in US$73 billion worth of 'patent dividend' in 2017.

The use of branded generics could be at its highest in pharmerging markets where 63% of the expenses are likely to be filed under the head of generic products. Patients in pharmerging markets could increasingly gain access to affordable generics for primary care treatments; total spending on traditional pharmaceuticals in these markets is expected to rise from US$199 billion in 2012 to US$336 billion in 2017. Hence, while spending on brands in pharmerging markets could grow in absolute terms, their relative share is set to decline from 31% to 26% by 2017, reflecting an increased access to generics (*Source: The Global Use of Medicines: Outlook through 2017, IMS Institute*).

Indian pharmaceutical space

Over the last decade, the Indian pharmaceuticals sector has carved out a significant global share by leveraging inherent strengths and enhancing regulatory and technical maturity. Currently, India exports drugs to more than 200 countries and vaccines and biopharmaceutical products to about 151 countries. Globally, India ranks 3rd in terms of volume and 14th in terms of value. Indian pharmaceutical industry is fairly fragmented with top 10 companies contributing to 41% of total sales. The next ten companies contribute to 22% of sales while the remaining companies contribute to 37% of the total sale (*Source: Business Standard February 17, 2014*).

Traditionally acute therapies dominated the Indian pharmaceutical market with a significantly higher share than the chronic segments. However, the Indian population's disease profile is steadily shifting towards chronic ailments.

The domestic formulations market with annual sales pegged at around ₹ 720 billion in FY13 has been globally ranked third in terms of volume and tenth in terms of value. It maintained a steady growth at a CAGR of ~12.5% during the past five years despite the lethargic economic conditions (*Source: Pharmaceutical Report, Phillip Capital*).

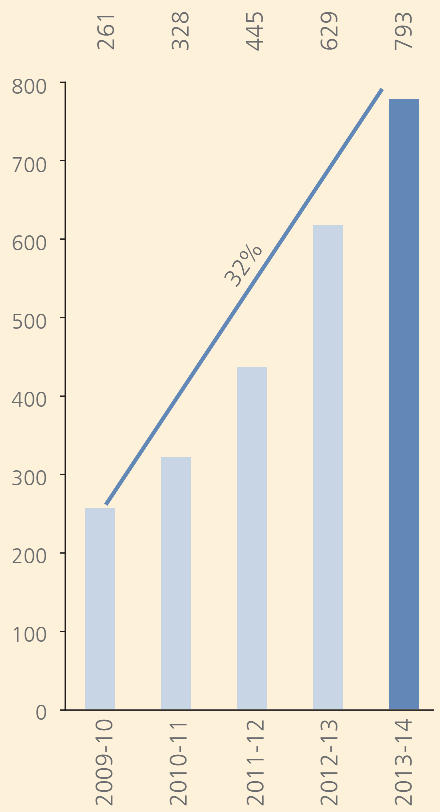
The Indian pharmaceuticals market could grow to US$55 billion by 2020, driven by an increase in affordability and market access (*Source: India Pharma 2020, McKinsey & Co.*).

Ajanta Pharma's growing spotlight on the domestic formulations market has helped deliver steady profitable growth over the last five years despite a fragmented marketplace characterised by intense price competition.

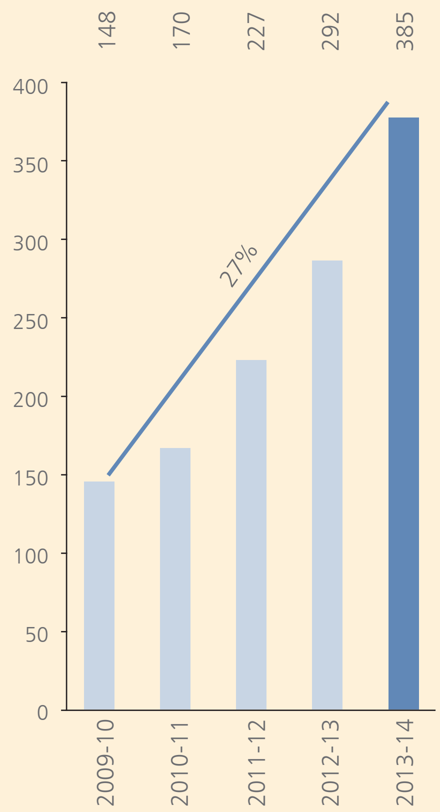
BUSINESS REVIEW

Ajanta is one of the most respected names in India's specialty pharmaceutical business marked by a history of industry outperformance. The Company operates in the domestic and pharmerging markets (primarily Asia and Africa) with a footprint across 30+ nations. While pharmerging markets contributed 67% of revenues in 2013-14, the Indian markets provided the rest.

Revenue from exports *(₹ crore)*



Revenue from India *(₹ crore)*



Domestic market

4	2,500+ MRs	160+	₹ 385 crore	33%
Therapeutic segments	Pan-India field force	Product basket	Revenue (2013-14)	Proportion of total revenue

Business in 2013-14

Revenues from the domestic market grew by 32% from ₹ 292 crore in 2012-13 to ₹ 385 crore in 2013-14.

Overview

Ajanta Pharma is a mid-sized Indian pharmaceutical company in the domestic-formulations business with focus on three therapeutic segments, namely ophthalmology, dermatology and cardiology. In all these segments, the Company has consistently outperformed the overall segment growth with a 30% CAGR in revenues during the last five years.

Business spaces

Dermatology

Ajanta has seen healthy growth in this segment with over 30% CAGR over the last five years and strengthened its ranking in the category.

Dermatology is among the faster growing segments in the Indian pharma market with a market size of about ₹ 4,826 crore (IMS MAT March '14) and registering a y-o-y growth of ~ 19%.

The Company has ~48 brands in this space with four brands leading in their respective categories. More than 30 brands are 'first-of-their-kind' launches.

Cardiology

The Company outpaced the overall segment growth of 11% and grew at 34% CAGR over the last five years.

Cardiology is one of the major segments in the Indian Pharmaceutical Market with a total market size of about ₹ 9,423 crore (IMS MAT March14)

The Company has ~ 27 brands in this space with seven brands leading their categories. About 10 brands were 'first-of-their-kind' launches.

Ophthalmology

The Company's position in this space arena has remained strong over the last five years having achieved 25% CAGR leading to 2013-14.

Ophthalmology is a specialised segment for which the MR network is not easy to build. It is a fast growing segment with market size of about ₹ 1,300 crore (IMS MAT Mar'14)

The Company has ~54 brands in this space with four brands leading their categories. More than 48 brands were 'first-of-its-kind' launches.

Others

The Company is building its presence in the pain management (musculoskeletal) segment.

The Company has ~31 brands; four brands are leaders and 27 of them were 'first-of-their-kind' launches.

Rank improvement in key therapeutic segments

Segment	FY 2014	FY2013	FY 2012	FY 2011	FY 2010
Ophthalmology	5	5	6	7	7
Dermatology	13	15	14	18	21
Cardiology	24	28	29	31	33

Top brands in leadership therapies

IPM – Leading brands, gaining ground	Value (₹ crore) IMS MAT Mar'14	Segment
Melacare range	53	Dermatology
Met-XL range	51	Cardiology
Atorfit range	32	Cardiology
Softdrops range	11	Ophthalmology
Apdrops range	9	Ophthalmology
Rosufit range	8	Cardiology
Feburic	8	Orthopaedic

Pharmerging markets

30+ Nations	450+ MRs	200+	₹ 793 crore	67%
Global footprint	Servicing demand	Product basket	Revenue (2013-14)	Proportion of total revenue

Overview

The Company's success in pharmerging markets was primarily due to a differentiated business strategy, which comprised the following:

Product selection: Ajanta's products were developed on the basis of unmet medical needs in a particular geography, as a result of which the product basket varied from nation to nation.

Service selection: As opposed to the common practice of forging alliances with local/regional pharmaceutical players, Company's proprietary front-end marketing team interacted directly with medical practitioners, inspiring holistic product development.

Regulated markets

2	21	US$ 1.5 billion
ANDAs approved	ANDAs under approval (31st March, 2014)	Opportunity based on ANDA filings (post-generic)

Ajanta is engaged in the process of establishing a presence in the US, the largest global pharmaceutical market. The Company will concentrate on difficult-to-manufacture niche products to carve out a higher market share and superior realisations, inspiring outperformance.

The Company received approval for two Abbreviated New Drug Applications (ANDAs) – Risperidone and Levetiracetam. It launched one product in 2013-14 from its USFDA-approved facility. Additionally, the Company has 21 ANDAs at various stages of approval.

Ajanta has also set up a front-end sales and marketing team in the US. All product approvals will be commercialised by its front-end team, providing invaluable information to help create a robust product development pipeline.

The management estimates that in three years, 10-12 products could be approved by the FDA, which would result in a significant US contribution to volumes and profitability. Five years from now, Ajanta expects to be firmly positioned as an important player in this large and growing market.

INTELLECTUAL CAPITAL

In the business of pharmaceuticals, the difference between corporates comes down to competencies. Over the years, the Company reinforced its numbers and capability through an invigourating work environment, marked by teamwork, respect for merit and knowledge accretion. The Company epitomises a mix of experience and energy.

For an individual, the potential which an organisation provides to the knowledge curve of an individual is the most critical fact which determines loyalty or otherwise to a corporate. Towards this end, the Company implemented a Continuous Learning Programme, which provided an opportunity to master contemporary skills reducing the employee's learning curve and expanding the team knowledge repository.

In any business, employee communication is an important determinant of success. As a means to this end, the Company implemented an intranet network to foster management-employee communication thereby enhancing accessibility and transparency. Besides, the Company implemented a number of morale-building initiatives which cemented a stronger recall of Ajanta as an employee-caring organisation.

"BAD TIMES HAVE A SCIENTIFIC VALUE. THESE ARE OCCASIONS A GOOD LEARNER WOULD NOT MISS."

Ralph Waldo Emerson

ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

109%
Jump in profit after tax over 2012-13

64%
Jump in EBIDTA over 2012-13

30%
Jump in net revenue over 2012-13

AJANTA PHARMA HAS NOT JUST LEARNED WELL; IT HAS PUT THAT LEARNING TO EFFECTIVE USE. IN THE FACE OF AN ECONOMIC SLOWDOWN, A CHALLENGING BUSINESS ENVIRONMENT AND POLICY LOGJAM, AJANTA PHARMA STRENGTHENED ITS PERFORMANCE. THIS OUTPERFORMANCE WAS SHOWCASED IN A HEALTHY TOPLINE GROWTH, A STRONG IMPROVEMENT IN PROFITABILITY AND A ROBUST BALANCE SHEET.

Revenues from operations (net)

Revenues from operations were up by 29.8%, from ₹ 930.84 crore in 2012-13 to ₹ 1,208.34 crore in 2013-14. This increase was driven by growth in existing brands, new product launches and higher currency realisations.

Material costs

Material costs saw a sharp decline to 29% in 2013-14 against 33% in 2012-13, a result of enhanced economies-of-scale, procedural improvements and better negotiation.

Employee expenses

People-related expenses increased from ₹ 123.18 crore in 2012-13 to ₹ 156.97 crore in 2013-14. This increase was due to the growing team size, annual wage/salary increase, performance incentives and other statutory employee-related provisions. The increase in employee cost was more than compensated by people productivity – the average revenue per employee increased by 9% from ₹ 23 lac in 2012-13 to ₹ 25 lac in 2013-14.

Other expenses

Other expenses include marketing, R&D and administrative expenses and distribution which stood at ₹ 337.10 crore in 2013-14 against out of ₹ 280.55 crore in 2012-13. As a percentage of revenue other expenses have shown at improvement of 200 bps.

Margins

Business margins jumped due to the increasing contribution of niche products to the Company's topline. The EBIDTA and net margins stood at 31% and 19% respectively in 2013-14 against 24% and 12% respectively in 2012-13.

Balance Sheet

Shareholders' funds

It increased from ₹ 393.43 crore as on 31st March, 2013 to ₹ 593.31 crore as on 31st March, 2014. This increase was primarily due to the addition of operational surplus for 2013-14 to the Company's reserves and surplus balance. The equity share capital increased from ₹ 11.80 crore as on 31st March, 2013 to ₹ 17.67 crore as on 31st March, 2014. This was due to the issue of bonus shares by capitalising a part of the reserves (1:2 ratio). The book value per share stood at ₹ 169 as on 31st March, 2014 against ₹ 112 as on 31st March, 2013.

Non-current liabilities

The balance under this head declined from ₹ 102.46 crore as on 31st March, 2013 to ₹ 80.62 crore as on 31st March, 2014 largely due to a reduction in long-term borrowings with a part of the amount becoming due in 2014-15 and transferred to current liabilities. Majority of the long-term loans comprised foreign currency loans at a low interest rate; a large portion of its dollar-based revenue served as a natural hedge against currency volatility.

Current liabilities

The balance under this head increased from ₹ 222.33 crore as on 31st March, 2013 to ₹ 275.42 crore as on 31st March, 2014. The increase in balance was due to the following factors:

- Transfer of long-term borrowings due for repayment in 2014-15
- Significant increase in the provision for proposed dividend for 2013-14, which is to be approved at the Annual General Meeting

Interestingly, the trade payables balance declined over the previous year despite an increase in the scale of operations.

Non-current assets

It represents the fixed assets of the organisation. The increase registered this year was primarily due to procurement of equipment, including ₹ 8.80 crore for R&D.

Current assets

The balance under this head increased from ₹ 369.01 crore as on 31st March, 2013 to ₹ 520.05 crore as on 31st March, 2014. This increase was largely due to the following factors:

- An investment of ₹ 55 crore during FY2013-14 in various mutual funds – an initiative taken by the treasury function of the Company so as to park business liquidity in risk-free instruments
- A marginal increase in the inventory balance as on 31st March, 2014 primarily due to an increase in stocking of raw material and packing material. An increase in the trade receivables balance consequent to an increase in business volumes.
- An increase in the cash and bank balance – from ₹ 46.23 crore as on 31st March, 2013 to ₹ 60.39 crore as on 31st March, 2014 – showcasing organisational liquidity.

INTERNAL CONTROL AND AUDIT

The Company has in place robust internal control procedures commensurate with its size and operations. In the recent past the Company obtained the ISO 9001-2008 certification. During that time the Company did thorough study of the internal processes and formulated SOPs for all the major processes across each function. The Company has an elaborate system of checks and balances for any changes after which a detailed impact analysis is done. The organisation's annual quality objectives are tracked on a quarterly basis through a planning and tracking module, which is part of a QMS (quality management system) software, specially developed by the Company's IT team. We have qualified and experienced internal auditors ensuring seamless operations at all our manufacturing units, central warehouses and contractual manufacturing locations.

RISK MANAGEMENT

HOW WE DE-RISKED OUR BUSINESS…

UNFORESEEN CONTINGENCIES CAN AFFECT BUSINESS PROSPECTS. AT AJANTA, WE UNDERSTAND THE IMPACT OF INDUSTRY UNCERTAINTIES AND THEIR POSSIBLE OUTCOMES. WE LEVERAGE OUR DEEP KNOWLEDGE TO UNDERTAKE PROACTIVE COUNTER-MEASURES THAT STRENGTHEN OUR VIABILITY ACROSS VERTICALS, PRODUCTS, GEOGRAPHIES AND MARKET CYCLES.

Concentration risk

The Company's presence in limited therapeutic segments may limit its growth.

Risk management

While the Company has a limited therapeutic presence in India, the Company's ability to create solutions for unmet needs in other pharmerging markets has only widened its therapeutic presence. Besides, large and differentiated product baskets for each market ensure that no therapeutic segment or product has overt influence on the Company's revenues – de-risking business operations from the possibility of segmental or product concentration.

Geographic concentration risk

The Company may select to be present in large countries marked by high entry challenges on the one hand and high competition on the other.

Risk mitigation

The Company has adopted a differentiated global strategy in which it opts to be present in select geographies where it can make a meaningful difference to the lives of inhabitants through remedy-defining solutions. As a result, the Company's presence in uncluttered geographies has enabled it to gain a high rank in terms of products and business – its sixth position in Franco-Africa vindicates this strategy precisely. This consistent strategy has enabled the Company to expand its presence across 30+ nations globally.

Product pipeline risk

The Company's inability to make significant investments in research and development could limit its ability to create a sizeable product pipeline.

Risk mitigation

The Company has consistently invested around 5% of its revenue in R&D and is considered as one of the major R&D spenders in its peer group. This has yielded significant returns – while the Company has more than 1,400 products which are approved in emerging markets and two in the US, there are a large number of products awaiting approval from various global regulatory authorities. Moreover, the R&D team is working consistently on new product pipelines.

THE RESPONSIBLE CORPORATE

AT AJANTA, WE BELIEVE THAT INCLUSIVE GROWTH IS NOT A DESTINATION. IT IS A JOURNEY FACILITATED BY THE PROGRESSIVE ENGAGEMENT OF ALL STAKEHOLDERS IN THE DEVELOPMENT OF A SUSTAINABLE, SECULAR, PLURALISTIC SOCIETY COMMITTED TO GROWTH. AS A MEANS TO THIS END, THE COMPANY IS EXTENDING ITS PHARMACEUTICAL EXPERTISE TO ITS CSR ACTIVITIES.

Health camps

Instituted eye camps at 37 centres in Maharashtra to undertake cataract operations for the benefit of more than 24,000 poor patients from rural areas. This is proposed to be scaled up to 35,000 in 2014-15.

Organised 502 diagnostic eye camps for the benefit of more than 65,000 patients.

Conducted 684 vasectomy operations.

Health infrastructure

Constructed waiting areas for patients and relatives in various hospitals

- Government Medical College Aurangabad
- Cancer Hospital, Aurangabad
- Government Medical College, Akola
- Renovated existing waiting area shed at Government Medical College, Aurangabad.

Medical equipment

Donated equipment to various hospitals

- Opthalmic microscope machine
- Cataract set
- Opthalmic operation chair

Utilities

Provided critical utilities to hospitals

- Installed a borewell for drinking water facility at the Civil Hospital.
- Provided a hand pump to ensure drinking water availability.
- Provided patients dresses, mats and bed sheets at various hospitals.

CORPORATE INFORMATION

Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Madhusudan B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Rajesh M. Agrawal
Joint Managing Director

Chandrakant M. Khetan
Director

Dr. Anil Kumar
Director

K. H. Viswanathan
Director

P. R. Dalal
Director

Dr. Anjana Grewal
Director

Auditors

Kapoor & Parekh Associates

Cost Auditors

Sevekari Khare & Associates

Company Secretary

Gaurang Shah

Registered Office:

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

Contact Details

Email: info@ajantapharma.com
Tel: +91 22 6606 1000
Fax: +91 22 6606 1200 / 1300

Directors' Report

Dear Shareholders,

Your directors are pleased to present their report on business and operations of your Company for the year ended 31st March, 2014 along with 35th Annual Report.

Financial results:

(₹ Crores)

	Standalone			Consolidated		
Year ended 31st March	2014	2013	Growth	2014	2013	Growth
Total Income	1127.64	846.61	33%	1222.05	936.44	30%
EBITDA	346.04	210.18	65%	368.75	224.49	64%
Profit before Tax	313.06	163.51	91%	329.85	176.79	87%
Profit after Tax	220.86	101.12	118%	233.88	112.11	109%
Earnings Per Share (EPS) (₹) (on expanded capital for previous year)	62.83	28.78		66.54	31.91	

Dividend:

Your Directors are pleased to recommend a dividend of ₹ 10/- per equity share on the face-value of ₹ 5/-, for the year ended 31st March, 2014.

Performance Review:

Your Company's performance for the year ended 31st March, 2014 has been outstanding, scaling newer heights in terms of sales and profits. Consolidated sales grew by 30% over the previous year, where international markets accounted for 66% of sales. Profit before interest, depreciation and tax (EBITDA) increased by 64%, whereas Profit after tax was higher by 109% over the previous year.

Management Discussion and Analysis:

A detailed Management Discussion and Analysis forms part of this annual report, which is given elsewhere in the Report.

Share Capital:

During the year company re-classified its Authorised Share capital from 3,00,00,000 Equity shares and 3,00,00,000 Preference Shares of ₹ 5/- each to 6,00,00,000 Equity shares of ₹ 5/- each. During the year, 16,800 shares were issued and listed under ESOS, 2011. Company also issued Bonus shares in the ratio of 1:2 to shareholders which have been listed. Consequently, share capital of the Company increased to ₹ 17,57,53,500/- consisting of 3,51,50,700 shares of ₹ 5/- each from ₹ 11,70,85,000/- consisting of 2,34,17,000 shares of ₹ 5/- each.

Credit Rating:

CARE Limited upgraded its rating for your Company's long term bank facilities during the year to "CARE AA-" (Double A Minus) from CARE A+ (Single A Plus). This rating indicates to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. It also reaffirmed its rating for short term bank facilities at 'CARE A1+' (A One Plus) indicating very strong degree of safety for timely payment of financial obligations and carry lowest credit risk.

Subsidiary Companies:

As on 31st March, 2014, your Company had 5 subsidiaries overseas, including one step down subsidiary. Statement pursuant to section 212(1)(e) of the Companies Act 1956 forms part of this annual report. Consolidated Financials of subsidiary companies are disclosed in the Consolidated Financial Statements which forms part of this Annual Report.

Joint Venture:

The Company's Joint Venture in Turkmenistan continues to underperform and remains area of concern for the Company.

Directors:

During the year, EXIM Bank withdrew nomination of Ms. Madhu Verma and IDBI Bank withdrew nomination of Mr. Subal Chandra Saha. Accordingly, Ms. Madhu Verma and Mr. Subal Chandra Saha ceased to be Directors of the Company w.e.f. 10th January, 2014 and 10th March, 2014 respectively. The Board places on record its appreciation of the valuable service and guidance provided by both the Directors during their association with the Company.

Mr. Mannalal B. Agrawal and Mr. Purushottam B. Agrawal, the Directors of your Company, retire by rotation and being eligible, offer themselves for re-appointment.

Dr. Anil Kumar, Mr. Chandrakant Khetan and Mr. K.H. Viswanathan are currently Non-Executive Independent Directors of the Company liable to retire by rotation. In view of the provisions of Sections 149 & 152 of the Companies Act, 2013 and amended clause 49 of the Listing Agreement, it is proposed to appoint Dr. Anil Kumar, Mr. Chandrakant Khetan and Mr. K.H. Viswanathan as Independent Directors under Section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement, at the ensuing Annual General Meeting for a period of upto five years, not liable to retire by rotation. The Company has received notices in writing from members proposing for appointment of Dr. Anil Kumar, Mr. Chandrakant Khetan and Mr. K.H. Viswanathan as Independent Directors.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Prabhakar Dalal and Dr. Anjana Grewal were appointed as Additional Directors w.e.f. 13th June, 2014 and they hold office up to the date of the ensuing Annual General Meeting. The Company has received notices in writing from members proposing for appointment of Mr. Prabhakar Dalal and Dr. Anjana Grewal as Independent Directors under Section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement, for period of upto five years, not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

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 139 and 141 of the Companies Act, 2013 and are eligible for re-appointment, holding peer review certificate. 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 Accountants, were appointed to conduct audit of cost records of Bulk Drugs and Formulations for the year ended 31st March, 2014. 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, 2013 were filed with the Central Government on 6th September, 2013.

The Company has appointed M/s. Sevekari, Khare & Associates as Cost Auditors to audit the cost records of bulk drugs and formulations for the financial year 2014-15.

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, 2014, and of the profit 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, 3,000 options were granted to a senior management employee of Company's subsidiary, under the 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 Directors' Report.

Human Resources:

Your Company firmly believes that employees are the most vital assets and key differentiators of business success and sustained growth. In order to enhance the efficiency and effectiveness, Company instituted several people-friendly policies and people-development programs, across all levels, to enthuse a vibrant work culture and ensure that the human talent remains invigorated and motivated.

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, forms part of this report. 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 place on record their earnest appreciation for the dedication, hard work and significant contribution made by employees across the globe in ensuring sustained growth of the Company. Your Directors also sincerely thanks all the stakeholders, medical professionals, business partners, government, other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, co-operation and support.

For and on behalf of the Board of Directors,

MANNALAL B. AGRAWAL

Mumbai, 13th June, 2014 *Chairman*

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. Variable frequency drivers used for all HVAC and other equipment motors

ii. Variable speed drive fixed to heavy load machines

iii. Installed HVAC energy saving electrical motors (std. Bharat III)

iv. Chiller of 70kw load replaced with air-cooled chiller of 45kw

v. Eliminated steam leakages in steam generation boiler operation

vi. Continuous monitoring of energy consumption throughout all plants and curtailing wastages

vii. Improved performance of DG sets and reduction of fuel consumption

2. Impact of above measures:

i. Reduction in power consumption

ii. Reduction in fuel consumption

iii. Reduction of utility cost and increase in efficiencies

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

As per details in Form A below

Form A

Year ended 31st March	2014	2013
(i) POWER AND FUEL CONSUMPTION		
Electricity		
(a) Purchased Unit (Thousand KWH)	9,178.07	7,845.08
Total Amount (₹ In lacs)	672.36	574.16
Rate/Unit (KWH) (₹)	7.43	6.97
(b) Own generation Unit (Thousand KWH)	648.38	551.63
Unit per Ltr. of Diesel Oil (KWH)	4.76	4.05
Cost / Unit (KWH) (₹)	15.49	13.18

(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 AND DEVELOPMENT AND TECHNOLOGY ABSORPTION:

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

R&D remained the thrust area for your Company and its major strength continues to be in developing patient friendly, safe and effective formulations at affordable cost. The company is building a future pipeline of products through the R&D and has been rigorously pursuing various initiatives in cardiology, dermatology, ophthalmology, anti malarial and other segments for both domestic as well as emerging markets. Another area of focus for the R&D has been development of Abbreviated New Drug Application (ANDAs) for US market with simple matrix design.

2. Benefits derived as a result of R&D

Our consistent investment in R&D for many years and the focus on specific activities yielded excellent results. During FY2014 company launched 24 new products in the domestic market and 32 new products in the emerging markets. This helped the Company attain leadership position in every market segment of its presence. The products registered in the emerging markets stood at 1400 and products under registrations have gone up from 1200 to 1400. The benefits from the R&D efforts were also reflected in 9 more ANDAs filed with USFDA during the year, being the highest ever filing in a single financial year, taking the total tally to 23.

Further, R&D successfully developed 6 APIs, scaled-up 2 to commercialization and initiated lab development for 3 for US-DMF filing. Development of 8 new APIs are in pipeline.

During FY2014 company filed 2 process patents for IPR protection.

3. Future plan of action

With the mission of providing healthcare with empathy, innovation and technology, your Company is committed to invest in R&D for providing new products which can satisfy the unmet medical needs of the patients and provide convenience & compliance in their medical regime. With the addition of many advanced equipments in analytical and formulation development labs, the R&D is ready for successfully achieving these objectives. The company is working on filing new products for approval both for the domestic market as well as emerging markets. Work on many new ANDAs is also in progress with a target of minimum 6 ANDAs to be filed every year. All these efforts will enable the Company to maintain its growth momentum in the coming years.

4. Expenditure on R&D

(₹ Crores)

Capital Expenditure	8.80
Recurring Expenditure	49.93
Total	58.73
Total R&D expenditure as a percentage of total turnover	5.26%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

2. Total foreign exchange used and earned

   • Earnings in foreign currency – ₹ 689.57 cr previous year ₹ 532.83 cr

   • Outgo in foreign currency – ₹ 116.79 cr previous year ₹ 93.45 cr

Annexure ‘B’ to the Directors’ Report

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, 2014 under the Company’s ESOS, 2011, are as under:

No.	Description	Details	No of options
a)	Total Options granted	56,000 on 24th October, 2011 & 3,000 options on 5th May, 2013	
b)	The pricing formula	Exercise price for above options is face value of the shares i.e. ₹ 5 per option	
c)	Options vested	33,600	
d)	Options exercised	16,800	
e)	Total number of shares arising as result of exercise of options	16,800	
f)	Options lapsed during the year	None	
g)	Variation of terms of options	-	
h)	Money realized by exercise of options	₹ 84,000	
i)	Total no. of options in force	42,200	
j)	Employee-wise details of options granted to i. Senior Managerial Personnel	56,000 options are granted to senior management employees of the Company and 3,000 options are granted to a senior management employee of Company’s subsidiary	
	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
k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options during the year and ESOSs outstanding as on 31st March, 2014, calculated in accordance with Accounting Standard (AS) 20 'Earning per share'	₹ 62.73
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 value of options disclosed separately for options whose exercise price equals to market price exceeds or is less than the market price of the stock	1. Weighted average exercise prices – ₹ 5/- per share for all the options. 2 Weighted average fair value of 56,000 options is ₹ 148.84 per option 3. Weighted average fair value of 3,000 options is ₹ 746.11 per option
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	
	56,000 options	3,000 options
Grant date	24th October, 2011	30th April, 2013
Last date for acceptance	31st March, 2012	7th May, 2013
Risk free rate (%)	8.5%	8%
Expected Life (years)	Between 1 to 3.2 years	
Volatility (%)	96%	57%
Dividend yield (%)	1.73%	2.51%
Price of the underlying share in the market at the time of option grant	₹ 324.90	₹ 795.90

Report on Corporate Governance

I. Company's Philosophy on Code of Corporate Governance:

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting highest standards of professionalism, honesty, transparency and accountability. Over the four decades of its existence, Ajanta has donned the mantle of a responsible corporate citizen across all its activities. The Corporate Governance practices followed by the Company and its subsidiaries are compatible with international standards and best practices. Through the governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision-making. The principles adopted by the Directors and senior managerial personnel are posted on website of the Company (www.ajantapharma.com).

II. Board of Directors:

As on 31st March, 2014, the Board of Directors comprised of total 8 directors; 4 Executive Promoter Directors, 1 Non-Executive Promoter Director and 3 Independent Directors. Your directors have expertise in fields of management, finance, operations, customer needs across geographical segments, medicine, market trends and bring wide range of skills and experience to the Board. Board provides guidance and strategic directions to the management.

During the financial year 2013-2014 total four Board Meetings were held on 30th April, 2013; 29th July, 2013; 28th October, 2013 and 27th January, 2014. 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. A presentation is also made to the Board outlining the important developments in industry, segments, business operations, marketing, products etc.

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 (29th July'13)	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	21,62,688	1	1
Mr. Purushottam B. Agrawal @	P&ED	3	No	5	21,55,770	1	0
Mr. Madhusudan B. Agrawal @	P&ED	4	Yes	5	21,55,500	1	0
Mr. Yogesh M. Agrawal @	P&ED	4	Yes	1	25,28,424	1	1
Mr. Rajesh M. Agrawal @	P&ED	4	Yes	0	25,39,441	2	0
Dr. Anil Kumar	I&NED	4	No	0	Nil	0	3
Mr. Chandrakant Khetan	I&NED	3	No	6	Nil	2	2
Mr. S. C. Saha €	I&NED	4	Yes	0	Nil	4	0
Ms. Madhu Verma ^	I&NED	3	Yes	0	Nil	4	0
Mr. K H Viswanathan	I&NED	4	Yes	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, 2014

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 and Mr. Rajesh M. Agrawal as he is the father of both.

e) ^ Ms. Madhu Verma ceased to be director of the Company as EXIM Bank withdrew its nomination vide letter dated 10th January, 2014.

f) € Mr. S C Saha ceased to be director of the Company as IDBI Bank Limited withdrew its nomination vide letter dated 10th March, 2014.

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 the Annual Report.

III. Audit Committee:

As on 31st March, 2014, the Committee comprised of Mr. Chandrakant Khetan, Chairman; Mr. K H Viswanathan, Member, both being Independent Directors and Mr. Mannalal B. Agrawal, Member being Non-Executive Director. Ms. Madhu Verma ceased to be member of the Committee during the year. All members of the Audit Committee are financially literate. The terms of reference of this committee is wide enough covering the matters specified under clause 49 of the Listing Agreement and section 177 of the Companies Act, 2013.

Four meetings were held during the year on 30th April, 2013, 29th July, 2013, 28th October, 2013 and 27th January, 2014. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes. Chief Financial Officer attends all meetings and auditors and internal auditors are invited for the meeting as and when required. The Company Secretary acts as Secretary of the Committee. The details of member's attendance at the meetings are as under:

Name	Designation	Meetings attended
Mr. Chandrakant Khetan	Chairman	3
Mr. K H Viswanathan (appointed w.e.f. 29th July, 2013)	Member	2
Mr. Mannalal B. Agrawal	Member	4
Ms. Madhu Verma (ceased w.e.f. 10th January, 2014)	Member	3

IV. Nomination and Remuneration Committee:

The name of Remuneration Committee has been changed to Nomination and Remuneration Committee and terms of reference of the committee is broadened to include the matter set out in clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013. The committee comprises of Dr. Anil Kumar, Chairman; Mr. Chandrakant Khetan and Mr. K H Viswanathan, Members, all being Independent Directors. Ms. Madhu Verma and Mr. S C Saha ceased to be members of the Committee during the year. During the year, one meeting of the Remuneration Committee was held on 30th April, 2013.

The details of members attendance at the meeting is as under:

Name	Designation	Meetings attended
Dr. Anil Kumar	Chairman	1
Mr. Subal Chandra Saha (ceased w.e.f. 10th March, 2014)	Member	1
Ms. Madhu Verma (ceased w.e.f. 10th January, 2014)	Member	1
Mr. K H Viswanathan (appointed w.e.f. 29th July, 2013)	Member	–
Mr. Chandrakant Khetan (appointed w.e.f. 27th January, 2014)	Member	–

DETAILS OF REMUNERATION TO DIRECTORS

Payment of remuneration to Vice-Chairmen, Managing Director and Joint Managing Director are governed by the agreements executed between them and the Company in the past. These agreements were approved by the Remuneration Committee, Board of Directors and shareholders. Details of remuneration, sitting fees and commission paid to Executive and Non Executive Directors for the financial year ended 31st March, 2014 is 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
Mr. Rajesh M. Agrawal, Joint Managing Director	1,00,32,000
Remuneration to Non-Executive Directors:	
a) Sitting Fees paid:	
Mr. Mannalal B. Agrawal	40,000
Dr. Anil Kumar	45,000
Mr. S C Saha, Nominee Director, IDBI Bank	45,000
Ms. Madhu Verma, Nominee Director, EXIM Bank	35,000

PARTICULARS	₹
Mr. Chandrakant Khetan	30,000
Mr. K H Viswanathan	40,000
b) Commission payable:	
Mr. Mannalal B. Agrawal	1,51,00,000
Mr. Chandrakant Khetan	2,50,000
Dr. Anil Kumar	2,50,000
Mr. K H Vishwanathan	1,25,000

V. Stakeholders' Relationship Committee:

The name of Investors' Grievance Committee has been changed to Stakeholders' Relationship Committee. As on 31st March, 2014, the Committee comprised of Dr. Anil Kumar, Chairman; Mr. Rajesh M. Agrawal and Mr. K H Viswanathan, Members. Mr. S C Saha ceased to be member of the Committee during the year. Committee specifically looks into resolving of investors' grievances. During the year, 4 meetings were held on 30th April, 2013; 29th July, 2013; 28th October, 2013 and 27th January, 2014. The details of members attendance at the meeting is as under:

Name	Designation	Meetings attended
Dr. Anil Kumar	Chairman	4
Mr. Subal Chandra Saha (ceased w.e.f. 10th March, 2014)	Member	4
Mr. Yogesh M. Agrawal (ceased w.e.f. 29th July, 2013)	Member	2
Mr. K H Viswanathan (appointed w.e.f. 29th July, 2013)	Member	2
Mr. Rajesh M. Agrawal (appointed w.e.f. 29th July, 2013)	Member	2

The Company Secretary is appointed as Compliance Officer.

Company received 96 complaints during the year and all of them have been resolved/replied 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 (40), non-receipt of share certificates (20), non-receipt of bonus share certificates (04); non-receipt of fractional entitlement (19); non-receipt of annual report (08); non- receipt of exchange certificate (01); other miscellaneous (01) and SEBI (03).

VI. Executive Committee:

The Board has constituted Executive Committee for dealing with day to day operational matters and for operational convenience. The Committee comprises of all the 4 Executive Directors namely, Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal, Mr. Purushottam B. Agrawal and Mr. Madhusudan B. Agrawal. 18 Executive Committee Meetings were held during the year and details of members attendance at the meetings is as under:

Name	Designation	Meetings attended
Mr. Yogesh M. Agrawal	Chairman	15
Mr. Rajesh M. Agrawal	Member	14
Mr. Purushottam B. Agrawal	Member	10
Mr. Madhusudan B. Agrawal	Member	17

VII. Compensation Committee:

As on 31st March, 2014, the Committee comprised of Mr. Chandrakant Khetan, Chairman and Mr. K H Viswanathan, Member; both Independent Directors. Mr. S C Saha, Ms. Madhu Verma and Mr. Yogesh M. Agrawal ceased to be members of the Committee during the year. The Committee looks into the issues relating to employees stock options. Committee Meetings were held on 30th April, 2013 and 28th October, 2013. The details of members attendance at the meeting is as under:

Name	Designation	Meetings attended
Mr. Chandrakant Khetan	Chairman	2
Mr. S C Saha (ceased w.e.f. 10th March, 2014)	Member	2
Ms. Madhu Verma (ceased w.e.f. 10th January, 2014)	Member	2
Mr. Yogesh M. Agrawal (ceased w.e.f. 29th July, 2013)	Member	1
Mr. K H Viswanathan (appointed w.e.f. 29th July, 2013)	Member	1

VIII. Corporate Social Responsibility Committee:

During the year, the Board constituted Corporate Social Responsibility (CSR) Committee pursuant to Section 135 of the Companies Act, 2013, comprising of Mr. Mannalal B. Agrawal, Chairman; Mr. Yogesh M. Agrawal and Mr.

Chandrakant M. Khetan, Members. The Committee shall formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the amount to be incurred on the CSR activities and monitor implementation of the Policy.

IX. General Body Meetings:

Annual General Meetings during last 3 years were held on 1st July, 2011 (For FY 2010-11), 7th July, 2012 (For FY 2011-12) and 29th July, 2013 (For FY 2012-13) 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.

Postal ballot

In the current financial year, the Company had sought approval from the shareholders for issue of bonus shares through Postal Ballot. The Company had also provided e-voting facility for the postal ballot. The result of the same was as under:

Sr. No	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms received (*)	323	1,83,44,365	9,17,21,825	-
(b)	Less : Invalid Postal Ballot Forms	16	8,850	44,250	-
(c)	Net Valid Postal Ballot Forms	307	1,83,35,515	9,16,77,575	-
(d)	Postal Ballot Forms with assent for the Resolution	305	1,83,34,890	9,16,74,450	99.997%
(e)	Postal Ballot Forms with dissent for the Resolution	2	625	3,125	0.003%

(*) Including votes Polled through E-Voting facility

X. Disclosures:

a. There were no transactions of material nature with Subsidiaries, Promoters, Directors, Management or their relatives that may have the potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No. 48 of the Financial Statements.

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.

XI. Means of Communication:

Board of Directors approves and takes on record Unaudited Quarterly Results and Audited Annual Results and announces forthwith the results to both Stock Exchanges where the shares of the Company are listed. 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.

XII. General Shareholders Information:

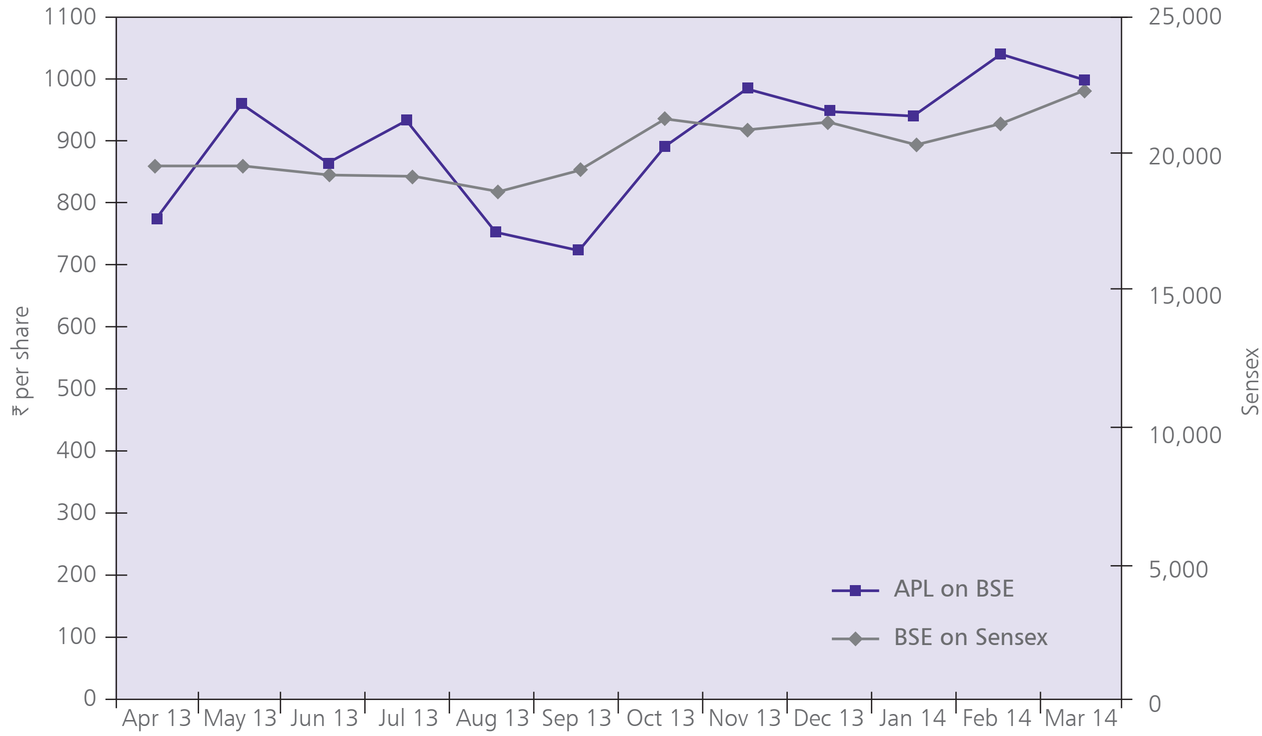
No.	Description	Details
1	Annual General Meeting	5th August, 2014 at 2.00 p.m. Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli West, Mumbai - 400092
2	Financial Calendar	Financial year: April 1st to March 31st Quarterly results will be declared normally in 3rd or 4th week of following month after the end of financial quarter.
3	Dates of Book Closure	Monday, 28th July, 2014 to Tuesday, 5th August, 2014 (both days inclusive)
4	Dividend Payment Date	After 5th August, 2014
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	Bonus Issue of equity shares	Pursuant to the resolution passed by the shareholders through Postal Ballot on 5th September, 2013, 1,17,16,900 equity shares were issued as bonus shares in the ratio of 1 bonus share for every 2 shares held. The Record date for the purpose of ascertaining the names of the shareholders entitled to receive Bonus shares was 18th September, 2013. Upon bonus issue, the depository accounts of the shareholders holding shares in dematerialized form, were directly credited with bonus shares. Shareholders holding shares in physical form were issued share certificates. 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

	Bombay Stock Exchange(BSE)		National Stock Exchange(NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-13	836.05	625.05	837.00	632.00
May-13	1,014.90	761.25	1,014.40	760.20
Jun-13	971.00	777.00	972.00	778.00
Jul-13	1,177.00	867.50	1,179.00	867.00
Aug-13	952.10	713.00	952.00	716.00
* Sep-13	1,010.00	631.80	1,011.80	635.00
Oct-13	907.00	707.00	906.60	705.25
Nov-13	1,018.00	886.00	1,018.80	885.00
Dec-13	1,019.95	910.00	1,021.00	914.00
Jan-14	993.00	888.20	994.65	888.80
Feb-14	1,064.65	901.40	1,062.90	776.65
Mar-14	1,086.05	980.00	1,086.90	977.35

* The Company had issued bonus shares in the ratio of 1:2 on 19th September, 2013. Price fluctuations could be due to the same.

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.: 022-2594 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, 2013-14 the total number of share transferred in physical form were as follow:

Transfer period (in days)	No. of requests (processed, effected & dispatched)	No. of shares	%
1-15	31	8,200	88.65
16-20	2	1,050	11.35
21-30	Nil	Nil	0.00
30 & Above	Nil	Nil	0.00
TOTAL	33	9,250	100

13. Distribution of Equity Shareholding as on 31st March, 2014

No. of shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 500	9,626	86.87	12,36,549	3.52
501- 1000	749	6.76	5,24,174	1.49
1001-2000	360	3.25	5,04,367	1.43
2001-3000	115	1.04	3,02,478	0.86
3001-4000	41	0.37	1,40,150	0.40
4001-5000	24	0.22	1,09,543	0.31
5001-10000	73	0.66	5,32,423	1.51
10001 & above	93	0.84	3,18,01,016	90.47
TOTAL	11,081	100.00	3,51,50,700	100.00

14. Pattern of Shareholding

Sr. No.	Category	As on 31st March, 2014	
		No. of shares	% of Total no. of shares
1.	Promoters Holding • Promoters • Foreign Promoters	 2,58,71,905 Nil	 73.60 Nil
2.	Mutual Funds	14,590	0.04
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	13,051	0.04
4.	Private Corporate Bodies	30,52,323	8.68
5.	Indian Public	47,21,747	13.44
6.	NRIs/OCBs/FII's	14,36,941	4.09
7.	In Clearance	40,143	0.11
	TOTAL	3,51,50,700	100.00

15. Dematerialisation of Shares and liquidity

99.19% of the total equity capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2014. 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 2013-14 is given below:

Turnover	Bombay Stock Exchange (BSE)	National Stock Exchange (NSE)	BSE + NSE
In no. of Shares	36,917	1,04,476	1,41,393
In value terms	3,33,36,308	9,43,57,647	12,76,93,956

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

The Company has not issued these types of securities.

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

During the year, 3,000 options have been granted by the Company under the ESOS, 2011 and 16,800 options were exercised, allotted and listed on the Stock Exchanges. 16,800 options were due for vesting on 31st March, 2014 and all of them were exercised.

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. 11/13/14/15, 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. Vadodara

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

20. Investor Correspondence Address

Details	
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** Investors' concern Depository Participant's and / or Link Intime India Private Limited	
E-mail ID designated for Investor Complaints: **investorgrievance@ajantapharma.com.**	
Details of Compliance Officer	MR. GAURANG SHAH Sr. General Manager - Legal & Company Secretary Ajanta Pharma Limited Ajanta House, Charkop, Kandivli West, Mumbai - 400067 Tel.: 022- 6606 1000 Fax: 022 - 6606 1200/1300 E-mail: **gaurang.shah@ajantapharma.com**

FOR AND BEHALF OF THE BOARD OF DIRECTORS

MANNALAL B. AGRAWAL
CHAIRMAN

Mumbai, 5th May, 2014

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, 2014.

For Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director

Mumbai, 5th May, 2014

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, 2014 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) that there are no significant changes in internal control over financial reporting during the year;

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

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

For Ajanta Pharma Limited
YOGESH M. AGRAWAL
MANAGING DIRECTOR

For Ajanta Pharma Limited
ARVIND K. AGRAWAL
CHIEF FINANCIAL OFFICER

Mumbai, 5th May, 2014

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 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

For Kapoor & Parekh Associates
Chartered Accountants
ICAI FRN 104803W
S. S. Kapoor
Partner
M. No. 5399

Mumbai, 5th May, 2014

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 USA Inc.	Ajanta Pharma UK Ltd. **
	(Amt. in MUR)	(Amt. in MUR)	(Amt. in PHP)	(Amt. in USD)	(Amt. in Pound)
Section 212 (3)					
Financial year of the Subsidiary Company ended on	31st December 2013	31st December 2013	31st December 2013	31st December 2013	31st December 2013
Number of shares in the subsidiary Company held by Ajanta Pharma Ltd. at the above date	6,13,791 Ordinary Shares	2,50,001 Ordinary Shares	81,995 Common Shares#	10,000 Common Stock	Refer note no. 2
Extent of Holding	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, 2013	3,08,98,390	NIL	NIL	NIL	NIL
(b) for previous financial years of the subsidiary since it became subsidiary of Ajanta Pharma Ltd.	3,10,50,000	NIL	NIL	NIL	NIL
(II) Not dealt within the accounts of Ajanta Pharma Ltd. amounted to					
(a) for the subsidiary's financial year ended 31st December, 2013	2,13,66,142	8,50,27,458	6,09,11,717	NIL	NIL
(b) for previous financial years of the subsidiary since it became subsidiary of Ajanta Pharma Ltd.	13,75,61,276	6,52,17,111	1,62,95,077	NIL	NIL
Section 212(5)					
(a) Changes in the interest of Ajanta Pharma Ltd. between the end of the subsidiary's Financial year and 31st March, 2014 Number of shares acquired/(disposed off)	NIL	NIL	NIL	NIL	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
ii) Its investments	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
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

* 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.

Excluding 5 Common Shares held by nominee.

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

₹ in Crore

Name of the Subsidiary Company	Ajanta Pharma (Mauritius) Limited	Ajanta Pharma (Mauritius) Intl. Limited *	Ajanta Pharma Philippines Inc.	Ajanta Pharma USA Inc.
The Financial Year ended on	31st December 2013	31st December 2013	31st December 2013	31st December 2013
Capital	10.21	4.28	0.87	6.07
Reserves	31.62	31.11	10.58	0.11
Total Liabilities	12.87	0.68	25.49	0.43
Total Assets	54.70	36.07	36.94	6.61
Investment (other than in subsidiaries)	-	-	-	-
Turnover (Net)	82.97	71.54	56.41	-
Profit/(Loss) before Tax	6.05	16.98	12.23	-
Provision for Tax	0.84	-	3.56	-
Profit/(Loss) after Tax	5.21	16.98	8.66	-
Proposed/Interim Dividend	6.24	-	-	-
Foreign Currency of Subsidiary	Mauritian Rupee	Mauritian Rupee	Philippine Peso	US Dollar
Rupee Equivalent of 1 Unit of Foreign Currency as at 31st March, 2014	1.95	1.95	1.34	59.91

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 is not given.

INDEPENDENT AUDITORS' 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 31st March 2014, 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.

Auditors' 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 31st March 2014;

(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 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, 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, 5th May 2014

Annexure to the Independent Auditors' 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 31st March 2014.)

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 in respect of additions made during the 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.
   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 its 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. 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, clause (iii) of the Order is 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 31st March 2014 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
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	0.06	FY 2007-08 to FY 2008-09	Commissioner of Central Excise Thane-II
Central Excise Act, 1944	Excise	0.04	FY 2006-07 to FY 2010-11	Assistant Commissioner of Central Excise Thane-II

*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 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, 5th May 2014

BALANCE SHEET AS AT 31st MARCH 2014

₹ in Crore

	Note No	31 March 2014	31 March 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	17.67	11.80
Reserves and Surplus	4	518.65	344.48
Non-Current Liabilities			
Long-Term Borrowings	5	51.28	72.20
Deferred Tax Liabilities (Net)	6	22.98	23.65
Other Long Term Liabilities	7	2.50	2.50
Long-Term Provisions	8	2.83	2.98
		79.59	101.33
Current Liabilities			
Short-Term Borrowings	9	60.54	51.26
Trade Payables	10	110.90	130.04
Other Current Liabilities	11	49.81	16.81
Short-Term Provisions	12	42.71	19.66
		263.96	217.77
TOTAL		879.87	675.38
ASSETS			
Non-current assets			
Fixed Assets	13		
Tangible Assets		260.02	253.09
Intangible Assets		1.38	9.64
Capital Work-in-Progress		93.55	12.49
		354.95	275.22
Non-current Investments	14	23.84	18.86
Long-Term Loans and Advances	15	38.68	48.41
Other Non Current assets	16	8.75	7.09
		426.22	349.58
Current Assets			
Current Investments	17	55.00	-
Inventories	18	148.77	143.51
Trade Receivables	19	177.09	135.19
Cash and Bank Balances	20	29.08	25.11
Short-Term Loans and Advances	21	43.09	21.32
Other Current Assets	22	0.62	0.67
		453.65	325.80
TOTAL		879.87	675.38
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, 5th May 2014

For and on behalf of 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

Arvind Agrawal
Chief Financial Officer

Gaurang Shah
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014

₹ in Crore

	Note No	31 March 2014	31 March 2013
REVENUE :			
Revenue from operations (Gross)	23	1,117.57	845.24
Less : Excise Duty		7.65	6.04
Revenue from operations (Net)		1,109.92	839.20
Other Income	24	17.72	7.41
TOTAL REVENUE :		1,127.64	846.61
EXPENSES :			
Cost of Materials Consumed	25	299.87	284.09
Purchase of Stock-in-Trade	26	40.67	27.35
Changes in Inventories of Finished Goods/ Work-in-progress/Stock-in-Trade	27	7.14	(11.41)
Employee Benefits Expenses	28	147.25	115.40
Finance Costs	29	8.22	18.48
Depreciation & Amortisation Expense	13	41.97	32.70
Other Expenses	30	269.46	216.49
TOTAL EXPENSES		814.58	683.10
Profit Before Tax		313.06	163.51
Tax Expense :			
Current Tax		83.58	32.81
MAT Credit Entitlement Charge			
For Current Year		9.84	7.25
For Earlier years		-	15.75
Income Tax of Earlier Years Written Off (Back)		(0.55)	0.02
Deferred Tax Charge (Reversed)		(0.67)	6.56
Profit After Tax For The Year From Continuing Operations		220.86	101.12
There are no Exceptional Items, Extra Ordinary Items and Discontinuing Operations.			
Earning Per Equity Share (Face Value ₹ 5)			
Basic (₹)		62.83	28.78
Diluted (₹)		62.72	28.71
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, 5th May 2014

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

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Company Secretary

Madhusudan B. Agrawal
Vice Chairman

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH 2014

₹ in Crore

	31 March 2014	31 March 2013
A. Cash Flow from Operating Activities		
Profit before Tax	313.06	163.51
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation & Amortisation Expense	41.97	32.70
(Profit) Loss on Fixed Asset Sold	(0.66)	(0.03)
Interest Expense	8.22	18.48
Dividend from Subsidiary	(6.25)	(5.42)
Income on Investments & Deposits	(9.72)	(1.70)
Employee Stock Option Expenses	0.21	0.49
Receivable Written Off	0.72	-
Operating Profit before Working Capital Changes	**347.55**	**208.03**
Changes in working capital :		
Decrease (Increase) in Trade Receivable	(42.63)	(9.75)
Decrease (Increase) in Long-Term Loans and Advances	(0.39)	(0.37)
Decrease (Increase) in Short-Term Loans and Advances	(16.46)	(6.61)
Decrease (Increase) in Other Current Assets	0.01	-
Decrease (Increase) in Inventories	(5.26)	18.86
Increase (decrease) in Other Long Term Liabilities [P.Yr. ₹ 15,500]	-	
Increase (decrease) in Other Current Liabilities	15.81	3.04
Increase (decrease) in Other Long Term Provisions	(0.15)	(1.93)
Increase (decrease) in Short Term Provisions	0.06	1.37
Increase (decrease) in Trade Payables	(19.14)	24.12
Cash generated from Operations	**279.40**	**236.76**
Direct Taxes Paid (Net of Refunds)	(89.69)	(31.10)
Net Cash Generated from Operating Activities	**189.71**	**205.66**
B. Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets including Capital Advances	(124.28)	(89.53)
Proceeds from Sale of Fixed Assets	3.96	0.24
Bank Balances not considered as Cash and Cash Equivalents (Net)	(10.80)	(14.38)
Dividend from Subsidiary	6.25	5.42
Current Investments	(55.00)	-
Income on Investments & Deposits	9.28	1.61
Investments in Subsidiaries	(4.98)	(2.47)
Return of Equity Capital by Subsidiary	-	0.66
Net Cash Generated from (Used in) Investing Activities	**(175.57)**	**(98.45)**

₹ in Crore

	31 March 2014	31 March 2013
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	-	54.30
Repayment of Long Term Borrowings	(3.80)	(85.55)
Proceeds (Repayment) of Short Term Borrowings	9.28	(35.61)
Proceeds from Issue of Equity Shares (ESOPs)	0.01	-
Interest Paid	(8.19)	(18.89)
Dividend Paid	(14.61)	(8.73)
Dividend Distribution Tax Paid	(2.49)	(1.42)
Net Cash Generated from (Used in) Financing Activities	(19.80)	(95.90)
Net Increase (Decrease) in Cash and Cash Equivalents	(5.66)	11.31
Cash and Cash Equivalents as at the Beginning of the Year	12.96	1.65
Cash and Cash Equivalents as at the End of the Year (Refer Note 20.1)	7.30	12.96
Components of Cash and Cash Equivalents		
Balance with Banks - In Current Accounts	7.22	4.88
In Deposit Accounts	0.08	0.08
Cash on Hand	-	8.00
Total Cash and Cash Equivalents	7.30	12.96
Figures in brackets indicates outflow.		
Significant Accounting Policies (Refer note 2)		

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

S. S. Kapoor
Partner

Mumbai, 5th May 2014

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Madhusudan B. Agrawal
Vice Chairman

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

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 (as amended by the Companies Act, 2013). 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 (to the extent applicable) and the Companies Act, 2013 (to the extent notified). 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. 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.

2.3. Fixed Assets

Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses incurred to bring the assets to its working condition for its indented use, less accumulated depreciation/amortisation/ impairment losses, if any.

Intangible assets are stated at cost or acquisition less accumulated amortisation and impairment loss, if any. Intangible assets are recognised only if it is probable that the expected future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

2.4. 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.

2.5. Investments

Long Term investments are carried individually at cost, less provision for diminution, other than temporary, in the value of such investments. Cost of investments includes expenses directly incurred on acquisition of investments.

Current investments are carried individually at lower of cost and fair value. Investments in foreign currency are stated at cost by converting at exchange rate prevailing at the time of acquisition / remittance.

2.6. Inventories

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

Works in process is valued at estimated cost or net realisable value whichever is lower.

2.7. 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 three months or less and short term highly liquid investments with an original maturity of three months or less.

2.8. 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.

2.9. 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. Sales are net of discounts, sales tax and returns; excise duty collected on sales is shown by way of deduction from sales.

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

Incomes from services are recognised when services are rendered.

Dividend income is recognised when right to receive dividend is established.

Interest income is recognised on time proportion basis.

Revenue is recognised when there is reasonable certainty of its realisation.

2.10. Export Benefits

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

2.11. 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. Computer software and ANDA development cost are amortised over estimated useful life.

2.12. Employee Benefits

Short Term Employee Benefits:

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

Post Employment Benefits:

Company's contribution for the period paid / payable to defined contribution retirement benefit schemes are charged to 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.

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.

2.13. 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.

2.14. 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.

2.15. 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.

2.16. 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.

2.17. 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.

2.18. 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.

2.19. 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.

2.20. 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.

2.21. 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.

3. SHARE CAPITAL

	31 March 2014		31 March 2013	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Authorised :				
Equity Shares of ₹ 5 each	6,00,00,000	30.00	3,00,00,000	15.00
Preference Shares of ₹ 5 each	-	-	3,00,00,000	15.00
	6,00,00,000	30.00	6,00,00,000	30.00
Issued :				
Equity Shares of ₹ 5 each	3,54,57,300	17.73	2,37,23,600	11.86
Subscribed & Paid up:				
Equity Shares of ₹ 5 each fully paid up	3,51,50,700	17.58	2,34,17,000	11.71
Add :- Share Forfeited - Amount originally paid up	3,06,600	0.09	3,06,600	0.09
		17.67		11.80

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

Equity shares outstanding at the beginning of the year	2,34,17,000	11.71	2,34,17,000	11.71
Add: Equity shares allotted during the year against option's exercised under ESOP	16,800	0.01	-	-
Add: Equity shares allotted during the year as Bonus	1,17,16,900	5.86	-	-
Less: Equity shares bought back during the year	-	-	-	-
Equity shares outstanding at the end of the year	3,51,50,700	17.58	2,34,17,000	11.71

3.2 Terms/Rights attached to equity shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 5 per share. The Company declares and pays dividends in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

During the year ended 31st March 2014 amount per share of dividend recognised as distributions to equity shareholders is ₹ 10 (Pr.Yr. ₹ 6.25).

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.

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

Name of Shareholders	31 March 2014		31 March 2013	
	No. of Shares	% holding	No. of Shares	% holding
Mannalal B. Agrawal	21,62,688	6.15	14,41,792	6.16
Purushottam B. Agrawal	21,55,770	6.13	14,37,180	6.14
Madhusudan B. Agrawal	21,55,500	6.13	14,37,000	6.14
Vimal Agrawal & Mamta Agrawal	20,55,000	5.85	13,70,000	5.85
Yogesh M. Agrawal	25,28,424	7.19	16,85,616	7.20
Rajesh M. Agrawal	25,39,441	7.22	N.A.	N.A.
Gabs Investments Private Limited	33,56,905	9.55	20,86,552	8.91

3. SHARE CAPITAL *(contd.)*

	31 March 2014 (No. of Shares)	31 March 2013 (No. of Shares)
3.4 Equity Shares reserved for issuance under Employees Stock Options Scheme 2011 of the Company		
Equity Shares of ₹ 5 each (Pre Bonus)	-	3,60,000
Equity Shares of ₹ 5 each (Post Bonus)	5,14,800	-
3.5 Aggregate number of Equity shares issued during last five years pursuant to Employees Stock Options Scheme 2011		
Equity Shares of ₹ 5 each	16,800	-
3.6 Equity Shares allotted as fully paid up Bonus Shares during the period of five years immediately preceding		
Bonus Shares issued in 2013-2014	1,17,16,900	-
3.7 The Company is not a subsidiary company.		

4. RESERVES & SURPLUS

₹ in Crore

		31 March 2014	31 March 2013
Capital Reserve			
Balance as per last Balance Sheet		0.47	0.47
Less : Utilised for Issue of Bonus Shares		0.47	-
		-	0.47
Capital Redemption Reserve			
Balance as per last Balance Sheet		7.50	7.50
Less : Utilised for Issue of Bonus Shares		5.39	-
		2.11	7.50
Securities Premium Account			
Balance as per last Balance Sheet		75.14	75.14
Add : Addition during the year		0.25	-
		75.39	75.14
General Reserve			
Balance at the beginning of the year		251.00	171.00
Add: Transferred from statement of Profit & Loss		160.00	80.00
		411.00	251.00
Employee Stock Option Outstanding (Refer note 39)			
Employee Stock Option Outstanding			
Balance at the beginning of the year		0.82	0.82
Add : Options granted during the year		0.22	-
Less : Exercised during the year		0.26	-
Balance as at the year end	(A)	0.78	0.82

4. RESERVES & SURPLUS

₹ in Crore

		31 March 2014	31 March 2013
Deferred Employee Stock Option Cost			
Balance at the beginning of the year		0.33	0.82
Add : Options granted during the year		0.22	-
Less : Amortisation during the year		0.34	0.49
Balance as at the year end	(B)	**0.21**	**0.33**
	(A) - (B)	**0.57**	**0.49**
Surplus in the Statement of Profit and Loss			
Balance at the beginning of the year		9.88	5.93
Profit for the year		220.86	101.12
Less: Appropriations			
Proposed Dividend on Equity Shares		35.18	14.67
Dividend Distribution Tax		5.98	2.50
Transfer to General Reserve		160.00	80.00
Net Surplus in the Statement of Profit and Loss		**29.58**	**9.88**
Total Reserves & Surplus		**518.65**	**344.48**

5. LONG TERM BORROWINGS

Term Loans (Secured)		
From Bank (Rupee)	2.00	2.14
From Bank (Foreign Currency)	38.51	54.30
Other Loans & Advances (Unsecured)		
Deferred Sales Tax Loans	10.77	15.76
	51.28	**72.20**

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 Secured Loans from banks are repayable in equal monthly/quarterly installments up to 28th June 2017 and the rate of interest vary between 4% p.a. to 11.50% p.a (Pr.Yr. 4% p.a. to 11.25% p.a.).

5.3 Deferred Sales Tax Loan is interest free and payable in 5 equal installments after expiry of initial 10 years moratorium period from each such year of deferred period from 2000-01 to 2012-13.

6. DEFERRED TAX LIABILITY (ASSET)

Deferred Tax Liabilities			
Depreciation	(A)	23.11	24.32
Deferred Tax Assets			
Others	(B)	0.13	0.67
Deferred Tax Liabilities (Net)	(A) - (B)	**22.98**	**23.65**

7. OTHER LONG TERM LIABILITIES

Trade deposit	2.50	2.50
	2.50	**2.50**

8. LONG TERM PROVISIONS

₹ in Crore

	31 March 2014	31 March 2013
Provision for employee benefits (Net)		
For Gratuity	-	0.63
For Leave Benefits	2.83	2.35
	2.83	2.98

9. SHORT TERM BORROWINGS

Working Capital Loans repayable on demand from banks (Secured)		
Rupee Loan	11.41	16.56
Foreign Currency Loan	49.13	34.70
	60.54	51.26

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.

10. TRADE PAYABLES

Trade Payables	110.90	130.04
(Refer Note 35 for Micro, Small & Medium Enterprises disclosure)		
	110.90	130.04

11. OTHER CURRENT LIABILITIES

Current Maturities of long-term borrowing (Secured)		
Foreign Currency Term Loan from Banks (Refer note 5.1 & 5.2)	17.12	-
Unpaid Dividend*	0.21	0.17
Interest Accrued but not due on borrowings	0.12	0.09
Other Payables	32.36	16.55
	49.81	16.81

*There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as on 31st March 2014.

12. SHORT TERM PROVISIONS

Provision for employee benefits (Net)		
For Gratuity	1.23	1.24
For Leave Benefits	0.32	0.42
Other Provisions		
Proposed Dividend on Equity Shares	35.18	14.65
Tax on Proposed Dividend	5.98	2.49
Provision for Tax (Net of Payment)	-	0.86
	42.71	19.66

13. FIXED ASSETS

13.1 Current Year

₹ in Crore

Particulars		GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
		As at 1.4.2013	Additions	Deductions/ Adjustment	As at 31.3.2014	As at 1.4.2013	Additions	Deductions/ Adjustment	As at 31.3.2014	As at 31.3.2014
(A)	Tangible Assets									
	Freehold Land	8.21	-	-	8.21	-	-	-	-	8.21
	Lease hold Land	14.01	-	-	14.01	0.93	0.39	-	1.32	12.69
	Buildings	129.34	4.41	3.60	130.15	38.78	7.86	0.80	45.84	84.31
	Plant & Equipments	165.68	35.04	0.89	199.83	61.00	16.83	0.50	77.33	122.50
	Furniture & fixtures	38.17	1.90	0.21	39.86	14.97	4.34	0.13	19.18	20.68
	Vehicles	8.34	0.26	0.11	8.49	4.13	1.15	0.10	5.18	3.31
	Office Equipments	9.35	0.49	0.02	9.82	3.72	0.82	@	4.54	5.28
	Computers	20.36	1.20	-	21.56	16.85	1.67	-	18.52	3.04
	Total	393.46	43.30	4.83	431.93	140.38	33.06	1.53	171.91	260.02
	@ ₹ 33,224									
(B)	Intangible Assets									
	ANDA Development Cost	15.93	-	-	15.93	6.82	## 9.11	-	15.93	-
	Computer Software	0.63	1.08	-	1.71	0.10	0.23	-	0.33	1.38
	Total Intangible Assets	16.56	1.08	-	17.64	6.92	9.34	-	16.26	1.38
	Total (A) + (B)	410.02	* 44.38	4.83	449.57	147.30	# 42.40	1.53	188.17	261.40
(C)	Capital Work in Progress	(Including Pre-operative expenses of ₹ 5.59 Crore - Refer note 37)								93.55
	Total Fixed Assets (A) +(B) + (C)									354.95

* Addition includes ₹ 8.80 Crore used for Research & Development.

Depreciation of ₹ 0.43 Crore considered as Pre-operative expenditure - Refer note 37.

Includes impairment of ₹ 5.13 Crore.

13.2 Previous 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	104.69
	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
	@ ₹ 2,674									
(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
	Total (A) + (B)	351.33	* 59.08	0.39	410.02	114.78	32.70	0.18	147.30	262.73
(C)	Capital Work in Progress	(Including Pre Operative expenses of ₹ 1.55 Crore - Refer note 37)								12.49
	Total Fixed Assets (A) +(B) + (C)									275.22

* Addition includes ₹ 8.94 Crore used for Research & Development.

14. NON - CURRENT INVESTMENTS

₹ in Crore

	31 March 2014	31 March 2013
Trade Investments - Unquoted		
In Subsidiary Companies:		
Ajanta Pharma (Mauritius) Ltd.		
6,13,791 Ordinary Shares of Mauritian Rupees 100 each fully paid up	9.44	9.44
Ajanta Pharma USA Inc		
10,000 (Pr.Yr. 2,000) Common Stock of US $ 100 each fully paid up	6.07	1.09
Ajanta Pharma Philippines Inc.		
81,995 Shares of Philippines Peso 100 each	1.38	1.38
In Associates Companies :		
Turkmenderman Ajanta Pharma Ltd.		
2,00,000 Shares of US $ 10 each fully paid-up	6.95	6.95
	23.84	18.86

15. LONG TERM LOANS AND ADVANCES

(Unsecured, Considered Good)		
Capital Advances	37.21	37.98
Security Deposits	1.47	1.09
MAT Credit Entitlement	-	9.34
	38.68	48.41

16. OTHER NON CURRENT ASSETS

In Deposit Accounts with Banks - Under Lien (with original maturity for more than 12 months)	7.92	6.75
Interest Accrued on fixed deposits with Banks	0.83	0.34
	8.75	7.09

17. CURRENT INVESTMENTS

₹ in Crore

	Face Value	No. of Units*	31 March 2014	31 March 2013
Current Portion of Long Term Investments				
In Mutual Funds (Quoted)				
ICICI Prudential FMP Series 70-367 days Plan N Regular Plan Cumulative	10.00	50,00,000	5.00	-
		(-)		
ICICI Prudential Interval Annual Plan III Regular Growth	10.00	38,59,781	5.00	-
		(-)		
ICICI Prudential FMP Series 71-368 days Plan A Regular Plan Cumulative	10.00	50,00,000	5.00	-
		(-)		
ICICI Prudential FMP Series 71-369 days Plan E Regular Plan Cumulative	10.00	50,00,000	5.00	-
		(-)		
Kotak FMP Series 124 - Growth	10.00	1,00,00,000	10.00	-
		(-)		
HDFC FMP 372D October 2013 (1) Series 28 - Regular Growth	10.00	1,00,00,000	10.00	-
		(-)		
Birla Sun Life Fixed Term Plan - Series JA (366 days)	10.00	1,00,00,000	10.00	-
		(-)		
IDFC Fixed Term Plan Series 49 Regular Plan-Growth	10.00	50,00,000	5.00	-
		(-)		
			55.00	-
Quoted Investments - Cost			55.00	-
Quoted Investments - Market Value			56.98	-

* Figures in Brackets are of Previous Year

18. INVENTORIES

(As certified by the management)		
Raw Materials	44.11	37.81
Packing Materials	22.21	16.11
Work-in-Process	14.13	11.93
Finished Goods (Refer note 54)	58.89	71.25
Stock-in-Trade (Refer note 54)	9.43	6.41
	148.77	143.51

19. TRADE RECEIVABLE

(Unsecured, Considered Good)		
Over Six Months from the date they are due for payment	10.28	6.81
Others from the date they are due for payment *	166.81	128.38
	177.09	135.19

* Includes receivable from subsidiaries [Refer note 48(C)(1)].

20. CASH AND BANK BALANCES

₹ in Crore

		31 March 2014	31 March 2013
20.1 Cash and Cash Equivalents (As per AS-3)			
Balance with Banks - In Current Accounts		7.22	4.88
Cash on Hand		0.08	0.08
In Deposit Accounts (with original maturity 3 months or less)		-	8.00
	(A)	7.30	12.96
20.2 Other bank balances			
Earmarked balances with banks-Unpaid Dividend		0.21	0.17
In Deposit Accounts (with original maturity for more than 3 months and upto 12 months)		21.50	-
In Deposit Accounts (With original maturity more than 12 months)			
Under Lien		-	4.12
Others		0.07	7.86
	(B)	21.78	12.15
	(A) + (B)	29.08	25.11

21. SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered Good)		
Income Tax Paid (Net of Provision)	5.31	-
Balance with Statutory/Govt. Authorities		
Excise Authorities	27.22	12.07
Vat Receivable	1.54	2.47
Octroi Refund Receivable	0.52	0.52
Prepaid Expenses	0.70	0.34
Advances to Creditors	4.67	3.16
Advances Recoverable in Cash or Kind	3.13	2.76
	43.09	21.32

22. OTHER CURRENT ASSETS

Interest Accrued on fixed deposit	0.62	0.67
	0.62	0.67

23. REVENUE FROM OPERATIONS

Sale of Products		
Finished Goods (Refer note 53)	1,002.10	772.47
Traded Goods (Refer note 53)	85.42	62.07
Other Operating Revenues		
Export Incentives	27.25	8.95
Licencing Fees	2.02	1.01
Others	0.78	0.74
	1,117.57	845.24

24. OTHER INCOME

₹ in Crore

	31 March 2014	31 March 2013
Profit on Sale of Fixed Assets (Net)	0.66	0.03
Dividend from Subsidiary	6.25	5.42
Income on Investments & Deposits	9.72	1.70
Interest From Others	0.20	0.15
Miscellaneous Income	0.89	0.11
	17.72	7.41

25. COST OF MATERIALS CONSUMED

Raw Material Consumed (Refer note 51)	237.69	232.44
Packing Material Consumed (Refer note 51)	62.18	51.65
	299.87	284.09

26. PURCHASES OF TRADED GOODS (Refer note 52)

Purchases of Traded Goods (Refer note 52)	40.67	27.35

27. CHANGES IN INVENTORIES OF FINISHED GOODS/WORK-IN-PROGRESS/STOCK-IN-TRADE

Inventories at the beginning of the year :			
Work-in-Process		11.93	18.88
Finished Goods (Refer note 54)		71.25	54.31
Traded Goods (Refer note 54)		6.41	4.99
	(A)	89.59	78.18
Inventories at the end of the year :			
Work-in-Process		14.13	11.93
Finished Goods (Refer note 54)		58.89	71.25
Traded Goods (Refer note 54)		9.43	6.41
	(B)	82.45	89.59
Net (Increase)Decrease inventories	(A) - (B)	7.14	(11.41)

28. EMPLOYEE BENEFITS EXPENSE

Salaries, Wages, Bonus and Allowances	135.94	105.32
Expense on Employee Stock Option Scheme (ESOP)	0.21	0.49
Contribution to Provident and Other Funds	9.54	7.74
Staff Welfare Expenses	1.56	1.85
	147.25	115.40

29. FINANCE COST

Interest expenses	6.51	13.38
Other Borrowing Cost (Including Bank Charges)	1.71	5.10
	8.22	18.48

30. OTHER EXPENSES

₹ in Crore

	31 March 2014	31 March 2013
Selling Expenses	99.46	68.85
Clearing and Forwarding	33.13	32.23
Travelling Expenses	25.03	18.94
Processing Charges	12.55	11.05
Power and Fuel	10.86	9.98
Advertisement and Publicity	7.60	7.01
Consumption of Stores & Spare Parts	14.43	12.06
Rent	3.75	3.55
Rates & Taxes	0.94	0.23
Legal and Professional Fees	4.64	3.93
Telephone, Telex and Postage	5.30	4.70
Repairs & Maintenance		
- Buildings	0.70	0.84
- Machineries	3.51	2.59
- Computers & Others	3.43	1.89
Insurance	2.99	2.66
Donation	0.29	0.38
Exchange Rate Difference (Net)	0.51	2.90
Miscellaneous Expenses	40.34	32.70
	269.46	216.49

31. EARNINGS PER SHARE (EPS):

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

	31 March 2014	31 March 2013
Basic and Diluted Earnings Per Share:		
Profit attributable to Equity shareholders-considered for Basic EPS (₹ in Crore) (A)	220.86	101.12
Add: Dilutive effect on profit (₹ in Crore) (B)*	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (₹ in Crore) (C=A+B)	220.86	101.12
Number of Equity Shares outstanding - considered for Basic EPS (D)	3,51,49,300	3,51,33,900
Add: Dilutive effect of option outstanding-Number of Equity Shares (E)*	61,963	82,119
Number of Equity Shares considered for computing Diluted EPS (F=D+E)	3,52,11,263	3,52,16,019
Face Value per Equity Share (₹)	5	5
Basic Earnings Per Share (₹)	62.83	28.78
Diluted Earnings Per Share (₹)	62.72	28.71

* Dilutive effect on number of equity shares and profit attributable is on account of Employee Stock Option Scheme (ESOS)- (Refer note 39). There are no Exceptional Items, Extra Ordinary Items and Discontinuing Operations.

The Shareholders of the Company approved the issue of Bonus Shares in the proportion of one new equity share for every two existing equity share, through postal ballot on 5th September 2013. On 19th September 2013, the Company allotted 1,17,16,900 equity shares of face value of ₹ 5 each as fully paid up, by capitalisation of Capital Reserve ₹ 0.47 Crore and Capital Redemption Reserve ₹ 5.39 Crore. Accordingly, the Basic and Diluted Earnings Per Share (EPS) has been restated for the previous year to give effect of Bonus shares in accordance with Accounting Standard - 20 "Earnings Per Share".

32. COMMITMENTS:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 48.06 Crore (Pr.Yr. ₹ 59.71 Crore).

b) Other Commitments – Non-cancellable operating leases (Refer note 40).

33. CONTINGENT LIABILITIES:

₹ in Crore

Particulars	31 March 2014	31 March 2013
i. Claims against the Company not acknowledged as debt	0.70	0.34
ii. Income tax demands disputed by Company pending in appeal. Amount paid under protest ₹ 1.82 Crore (Pr. Yr. ₹ 1.82 Crore)	Nil	3.69
iii. Sales tax demands disputed by Company pending in appeal	0.22	0.22
iv. Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation.	1.39	0.60
v. Disputed Octroi. Amount paid under protest ₹ 0.52 Crore (Pr. Yr. ₹ 0.52 Crore)	0.52	0.52
vi. Excise duty disputed by the Company	0.34	0.16
vii. Unpaid allotment money in respect of		
(a) Shares of Ajanta Pharma UK Ltd, wholly owned subsidiary, equivalent to UK Pound 10,000 (Pr.Yr. UK Pound 10,000).	0.10	0.08
(b) Common Stock of Ajanta Pharma USA Inc., wholly owned subsidiary is Nil (Pr.Yr. USD 0.01 Crore).	Nil	0.54

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

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

35. 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 31st March 2014 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 1.62 Crore (Pr.Yr. ₹ 2.20 Crore) [including overdue amount of ₹ 0.88 Crore (Pr.Yr. ₹ 0.53 Crore)] and interest due thereon is ₹ 0.20 Crore (Pr.Yr. ₹ 0.11 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.

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

37. Pre-operative expenses pending capitalisation included in Capital Work-In-Progress (Refer note 13) represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same will be capitalised on completion of projects and commencement of commercial operations. The details of pre-operative expenses are:

₹ in Crore

Particulars	31 March 2014	31 March 2013
Opening Balance	1.55	0.10
Add: Incurred during the year -Other Expenses		
Salary, allowances and contribution to funds	2.00	0.55
Professional fees	0.16	0.30
Travelling expenses	0.22	0.06
Depreciation	0.43	Nil
Others	1.23	0.63
Total	**5.59**	**1.64**
Less: Capitalised to Fixed Assets	Nil	0.09
Closing Balance	**5.59**	**1.55**

38. EMPLOYEE BENEFITS:

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

38.1. 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:

Provident Fund and Employee's Pension Scheme	6.97	5.36
Employees State Insurance	1.50	0.53
TOTAL	8.47	5.89

38.2. 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:

38.2.1. 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.

38.2.2. On the death in service:

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

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

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31st March 2014 are as under:

38. EMPLOYEE BENEFITS *(contd.)*

₹ in Crore

Particulars	31 March 2014	31 March 2013
i) **Changes in Defined Benefit Obligation**		
Opening defined benefit obligation	6.68	5.00
Current service cost	1.25	1.05
Interest cost	0.53	0.41
Actuarial loss / (gain)	(0.24)	0.62
Benefit (paid)	(0.24)	(0.39)
Closing defined benefit obligation	**7.98**	**6.69**
ii) **Changes in Fair Value of Assets**		
Opening fair value of plan assets	4.82	2.08
Adjustment to the fund	Nil	0.02
Transfers out of fund	(0.11)	Nil
Expected return on plan assets	0.47	0.30
Actuarial gain / (loss) [(Pr.Yr. ₹ 7,368]	(0.05)	
Contributions of employer	1.87	2.82
Benefits (paid)	(0.24)	(0.39)
Closing fair value of plan assets	**6.76**	**4.83**
iii) **Amount recognised in the Balance Sheet**		
Present value of the obligations as at year end	7.98	6.69
Fair value of the plan assets as at year end	6.76	4.83
Net (asset) / liability recognised as on 31st March 14	**1.22**	**1.86**
iv) **Expenses recognised in the Statement of Profit and Loss**		
Current service cost	1.25	1.05
Interest on defined benefit obligation	0.53	0.41
Expected return on plan assets	(0.47)	(0.30)
Net actuarial loss/(gain) recognized in the current year	(0.19)	0.62
Adjustment to the opening fund	Nil	(0.02)
Total expense	**1.12**	**1.76**
v) **Asset information**		
Others – Policy of Insurance	100%	100%
vi) **Principal actuarial assumptions used**		
Discount rate (p.a.)	9.10%	8.10%
Expected rate of return on plan assets (p.a.)	8.50%	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.

38.3. Leave Encashment:

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

Accordingly ₹ 3.15 Crore (Pr.Yr. ₹ 2.77 Crore) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

39. 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.

During the year 3,000 options (pre Bonus) have been granted by the Company under the aforesaid ESOS – 2011 to the employees of the wholly owned subsidiary of the Company. Expenditure for the year relating to such grant amounting to ₹ 0.12 Cr have been recovered by debiting to the wholly owned subsidiary.

Details of the options (pre bonus) granted during the year under ESOS-2011 are as under:

Grant Date	No. of Option	Exercise Price	Vesting Period
30th April 2013	1,000	₹ 5	30.04.2013 to 05.05.2014
30th April 2013	1,000	₹ 5	30.04.2013 to 05.05.2015
30th April 2013	1,000	₹ 5	30.04.2013 to 05.05.2016

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

Particulars	31 March 2014 Nos.	31 March 2013 Nos.
Options outstanding as at the beginning of the Year (pre bonus)	56,000	56,000
Add: Options granted during the Year (pre bonus)	3,000	Nil
Less: Options lapsed during the Year	Nil	Nil
Less: Options Exercised during the Year (pre bonus)	16,800	Nil
Add: Options increased due to effect of bonus issue (Refer Note 31)	21,100	Nil
Options outstanding as at the Year End		
Pre bonus	Nil	56,000
Post bonus	63,300	Nil

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

40. 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 ₹ 3.75 Crore (Pr.Yr. ₹ 3.55 Crore) are recognised in the Statement of Profit and Loss under "Rent" under Note 30.

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

₹ in Crore

Particulars	31 March 2014	31 March 2013
Not later than one year	3.51	3.51
Later than one year but not later than five years	12.90	13.16
Later than five years	6.35	9.53

41. 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.

42. 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 the present value of estimated future cash flows expected to arrive 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 except in case of intangible assets where the provision for impairment amounting to ₹ 5.13 Crore (Pr. Yr. Nil) has been considered necessary during the year, as recoverable amount of such assets is less than carrying amount as stated in the books.

43. As per the best estimate of the management, no provision is required to be made as per Accounting Standard-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.

44. RESEARCH AND DEVELOPMENT EXPENDITURE:

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

₹ in Crore

Particulars	31 March 2014	31 March 2013
Cost of Material/Consumables/Spares	13.96	9.20
Employee benefit expenses	17.12	11.89
Utilities	1.40	0.97
Other Expenses	17.45	15.25
Total	**49.93**	**37.31**

45. FOREIGN CURRENCY OUTFLOW:

₹ in Crore

C.I.F. Value of Imports:		
Raw & Packing Materials	30.00	39.30
Capital Goods	29.88	12.36
Others	0.30	0.71
Expenditure in Foreign Currency:		
Travelling	1.69	1.47
Interest	3.30	3.55
Legal & Professional Expenses	1.20	0.30
Marketing & Other Expenses	50.42	35.76
Remittance in foreign currency on account of Dividend*:		
Number of non-resident shareholders	105	94
Number of shares held by them	5,98,478	1,76,728
Amount of dividend (₹ in Crore)	0.37	0.13
Year to which the dividend relates	2012-13	2011-12

*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.

46. EARNING IN FOREIGN CURRENCY:

₹ in Crore

Particulars	31 March 2014	31 March 2013
FOB value of Exports	660.56	506.67
Freight & Insurance	15.74	17.25
Dividend from Subsidiary	6.25	5.42
Expenses Reimbursements	4.56	2.45
Royalty Income	1.84	0.46
Other Miscellaneous Income	0.62	0.58

47. REMUNERATION TO AUDITORS (EXCLUDING SERVICE TAX) :

Audit Fees	0.11	0.11
Tax Audit Fees	0.02	0.01
For Certification and Other Matters	0.06	0.06

48. 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 International Ltd	(APMIL)
Ajanta Pharma Inc.	(AP Inc.)
Ajanta Pharma USA Inc	(AP Inc. USA)
Ajanta Pharma Philippines Inc.	(APPI)
Ajanta Pharma UK Ltd	(AP UK)

Category II- Associate Company:

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
Mr. Rajesh M. Agrawal	Joint Managing Director (w.e.f. 1st May 2013)
& 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

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

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

Sr.No	Particulars	Category	31 March 2014	31 March 2013
1.	Sale of Goods:			
	APML	I	27.68	33.38
	APPI	I	35.52	14.99
	APMIL	I	49.73	14.90
2.	Dividend from Subsidiary			
	APML	I	6.25	5.42
3.	Expenses Reimbursement to:			
	AP Inc.	I	Nil	4.41
	AP Inc. USA	I	12.64	1.43
4.	Remuneration to Executive Directors :			
	Purushottam B. Agrawal	III	1.46	1.46
	Madhusudan B. Agrawal	III	1.46	1.46
	Yogesh M. Agrawal	III	1.46	1.46
	Rajesh M. Agrawal	III	1.00	Nil
	Commission and Sitting Fees to Non-Executive Director :			
	Mannalal B. Agrawal	III	1.51	1.51
5.	Rent to :			
	Manisha Y. Agrawal	III	0.79	0.79
	Smriti R. Agrawal	III	0.79	NA
	Aayush M. Agrawal	III	0.79	0.79
6.	Salaries to :			
	Rajesh M. Agrawal	III	0.08	0.89
7.	Dividend Paid	III	9.11	5.26
		IV	1.38	0.72
8.	Investment in subsidiary:			
	AP USA Inc	I	4.98	1.09
9.	Purchase of Shares of APPI from:			
	APML	I	Nil	1.38
10.	Sale of Assets			
	AP USA Inc	I	3.78	Nil
11.	Expenses Reimbursement from			
	APPI	I	4.68	2.45
12.	Royalty Income received from			
	TDAPL	II	1.84	0.46
13.	Return of Capital Investment			
	AP Inc	I	Nil	0.66

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

(C) Amount Outstanding as on 31st March 2014 ₹ in Crore

Sr.No	Particulars	Category	31 March 2014	31 March 2013
1.	Trade Receivables :			
	APML	I	0.52	Nil
	APMIL	I	Nil	0.31
	APPI	I	14.93	6.67
2.	Other Receivables			
	APPI	I	2.52	1.10
3.	Investments in :			
	APML	I	9.44	9.44
	APPI	I	1.38	1.38
	AP USA Inc	I	6.07	1.09
	TDAPL	II	6.95	6.95
4.	Trade Payables :			
	AP USA Inc.	I	2.74	0.68
5.	Advance Received :			
	APML	I	Nil	7.78
	APMIL	I	7.79	Nil
6.	Commission payable to Non-Executive Director:	III	1.51	1.51

49. 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. Nil). 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 2014	31 March 2013	31 March 2014	31 March 2013	
Amount Receivable	136.00	96.33	2.27	1.77	USD
	9.34	6.20	0.11	0.09	EURO
	0.15	Nil	@	Nil	GBP
	0.11	Nil	#	Nil	CHF
Amount Payable	116.46	102.68	1.94	1.89	USD
	8.52	1.36	0.10	0.02	EURO

@ GBP 15,178 and # CHF 21,300.

50. 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.

51. MATERIALS CONSUMED

₹ in Crore

Particulars	31 March 2014	31 March 2013
Active Pharma Ingredient & Exciepients	231.39	226.15
Others	6.30	6.29
Raw Material Consumed	**237.69**	**232.44**
Packing Material Consumed	62.18	51.65
Total	**299.87**	**284.09**

Particulars	31 March 2014		31 March 2013	
	%	₹ in Crore	%	₹ in Crore
Indigenous	89%	266.06	84%	238.30
Imported	11%	33.81	16%	45.79
Total	**100%**	**299.87**	**100%**	**284.09**

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

52. PURCHASE OF TRADED GOODS

₹ in Crore

Category	31 March 2014	31 March 2013
Tablets	8.74	4.41
Capsules	14.40	8.95
Liquids	4.49	3.83
Injectibles	2.18	3.32
Powder	0.89	0.70
Ointment	3.54	2.51
Others	6.43	3.63
Total	**40.67**	**27.35**

53. SALE OF PRODUCTS COMPRISES

₹ in Crore

Category	Manufactured Goods *		Traded Goods	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Tablets	633.66	448.58	18.29	8.32
Capsules	65.30	67.23	37.29	23.06
Liquids	138.91	114.41	9.14	9.04
Injectibles	17.81	17.13	3.85	8.42
Powder	35.64	27.24	1.66	1.19
Ointment	108.62	96.10	4.23	3.74
Others	2.16	1.78	10.96	8.30
Total	**1002.10**	**772.47**	**85.42**	**62.07**

*including manufactured by others on job work basis

54. Details of Closing Stock as on 31st March

₹ in Crore

Category	Manufactured Goods *			Traded Goods		
	2014	2013	2012	2014	2013	2012
Tablets	37.47	49.04	34.74	2.95	1.70	1.06
Capsules	7.89	7.16	5.15	2.64	1.72	0.75
Liquids	6.63	5.09	5.25	1.55	1.23	1.36
Injectibles	0.75	1.74	0.96	0.73	0.51	0.86
Powder	0.61	0.40	1.92	0.41	0.41	0.25
Ointment	4.30	4.62	3.90	0.99	0.58	0.45
API	0.81	3.03	2.18	Nil	Nil	Nil
Others	0.43	0.17	0.21	0.16	0.26	0.26
Total	**58.89**	**71.25**	**54.31**	**9.43**	**6.41**	**4.99**

*including manufactured by others on job work basis

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

56. Consequent to the change in the accounting policy in FY 2012-13, expenses on sales promotion materials was charged to the revenue in the year of incurrence instead of valuing inventory of sales promotion materials at cost, resulting into profit before tax for the previous year being lower by ₹ 0.41 Crore.

57. 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, 5th May 2014

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Madhusudan B. Agrawal
Vice Chairman

INDEPENDENT AUDITORS' 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 31st March 2014, 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.

Auditors' 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 "Emphasis of Matter" paragraph, 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 31st March 2014;

(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 of ₹ 140.91 Crore as at 31st March 2014, total revenues of ₹ 214.78 Crore and net cash inflows of ₹ 10.14 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, 5th May 2014

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2014

₹ in Crore

	Note No	31 March 2014	31 March 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	17.67	11.80
Reserves and Surplus	4	575.64	381.63
Non-Current Liabilities			
Long-Term Borrowings	5	52.30	73.33
Deferred Tax Liabilities (Net)	6	22.99	23.65
Other Long Term Liabilities	7	2.50	2.50
Long-Term Provisions	8	2.83	2.98
		80.62	102.46
Current Liabilities			
Short-Term Borrowings	9	60.54	51.26
Trade Payables	10	124.54	131.71
Other Current Liabilities	11	47.63	19.45
Short-Term Provisions	12	42.71	19.92
		275.42	222.33
TOTAL		949.35	718.22
ASSETS			
Non-current assets			
Fixed Assets	13		
Tangible Assets		276.82	262.26
Intangible Assets		2.57	10.30
Capital Work-in-Progress		93.55	12.49
		372.94	285.05
Non-current Investments	14	8.46	8.46
Long-Term Loans and Advances	15	39.15	48.61
Other Non Current assets	16	8.75	7.09
		429.30	349.21
Current Assets			
Current Investments	17	55.00	-
Inventories	18	155.40	147.60
Trade Receivables	19	202.22	150.47
Cash and Bank Balances	20	60.39	46.23
Short-Term Loans and Advances	21	46.42	24.04
Other Current Assets	22	0.62	0.67
		520.05	369.01
TOTAL		949.35	718.22
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

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

S. S. Kapoor
Partner

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Madhusudan B. Agrawal
Vice Chairman

Mumbai, 5th May 2014

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014

₹ in Crore

	Note No	31 March 2014	31 March 2013
REVENUE :			
Revenue from operations (Gross)	23	1,215.99	936.88
Less : Excise Duty		7.65	6.04
Revenue from operations (Net)		1,208.34	930.84
Other Income	24	13.71	5.60
TOTAL REVENUE :		1,222.05	936.44
EXPENSES :			
Cost of Materials Consumed	25	299.03	286.32
Purchase of Stock-in-Trade	26	40.47	25.84
Changes in Inventories of Finished Goods / Work-in-progress/Stock-in-Trade	27	6.02	(9.54)
Employee Benefits Expenses	28	156.97	123.18
Finance Costs	29	8.73	19.13
Depreciation & Amortisation Expense	13	43.88	34.17
Other Expenses	30	337.10	280.55
TOTAL EXPENSES		892.20	759.65
Profit Before Tax		329.85	176.79
Tax Expense :			
Current Tax		87.35	35.10
MAT Credit Entitlement Charge			
For Current Year		9.84	7.25
For Earlier years		-	15.75
Deferred Tax Charge (Reversed)		(0.67)	6.56
Income Tax of Earlier Years Written Off (Back)		(0.55)	0.02
Profit After Tax For The Year From Continuing Operations		233.88	112.11
There are no Exceptional Items, Extra Ordinary Items and Discontinuing Operations.			
Earning Per Equity Share (Face Value ₹ 5)			
Basic (₹)		66.54	31.91
Diluted (₹)		66.42	31.84
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, 5th May 2014

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Madhusudan B. Agrawal
Vice Chairman

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31st MARCH 2014

₹ in Crore

	31 March 2014	31 March 2013
A. Cash Flow from Operating Activities		
Profit before Tax	313.06	163.51
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation & Amortisation Expense	43.88	34.17
(Profit) Loss on Fixed Asset Sold	0.20	(0.03)
Interest Expense	8.73	19.13
Income on Investments & Deposits	(9.72)	(1.70)
Employee Stock Option Expenses	0.21	0.49
Receivable Written Off	0.72	-
Exchange Fluctuation	6.80	(0.06)
Operating Profit before Working Capital Changes	380.66	228.79
Changes in Working Capital :		
Decrease(Increase) in Trade Receivable	(52.46)	(9.47)
Decrease(Increase) in Long-Term Loans and Advances	(0.67)	(0.38)
Decrease(Increase) in Short-Term Loans and Advances	(17.06)	(6.25)
Decrease (Increase) in Other Current Assets	0.01	-
Decrease(Increase) in Inventories	(7.80)	20.21
Increase(Decrease) in Other Long Term Liabilities [Pr.Yr. ₹ 15,500]	-	-
Increase(Decrease) in Other Current Liabilities	10.73	4.68
Increase(Decrease) in Other Long Term Provisions	(0.15)	(1.93)
Increase(Decrease) in Short Term Provisions	0.06	1.37
Increase(Decrease) in Trade Payables	(7.17)	30.39
Cash generated from Operations	306.15	267.39
Direct Taxes Paid (Net of Refunds)	(93.73)	(33.12)
Net Cash Generated from Operating Activities	212.41	234.27
B. Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets including Capital Advances	(134.83)	(91.22)
Proceeds from Sale of Fixed Assets	3.59	0.24
Bank Balances not considered as Cash and Cash Equivalents (Net)	(10.84)	(14.33)
Current Investments	(55.00)	-
Income on Investments & Deposits	9.29	1.61
Net Cash Generated from (Used in) Investing Activities	(187.80)	(103.70)

₹ in Crore

	31 March 2014	31 March 2013
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	-	54.30
Repayment of Long Term Borrowings	(3.63)	(85.09)
Proceeds (Repayment) of Short Term Borrowings	9.29	(44.01)
Proceeds from Issue of Equity Shares (ESOPs)	0.01	-
Interest Paid	(8.70)	(19.54)
Dividend Paid	(14.61)	(8.73)
Dividend Distribution Tax Paid	(2.49)	(1.42)
Net Cash Generated from (Used in) Financing Activities	(20.13)	(104.49)
Net Increase (Decrease) in Cash and Cash Equivalents	4.48	26.08
Cash and Cash Equivalents as at the Beginning of the Year	34.13	8.05
Cash and Cash Equivalents as at the End of the Year (Refer Note 20.1)	38.62	34.13
Components of Cash and Cash Equivalents		
Balance with Banks - In Current Accounts	38.53	26.03
In Deposit Accounts	-	8.00
Cash on Hand	0.09	0.10
Total Cash and Cash Equivalents	38.62	34.13
Figures in brackets indicates outflow.		
Significant Accounting Policies (Refer note 2)		

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

S. S. Kapoor
Partner

Mumbai, 5th May 2014

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Madhusudan B. Agrawal
Vice Chairman

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

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 (as amended by the Companies Act, 2013). 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 for the period from 1st April 2013 to 31st March 2014

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 (to the extent applicable) and the Companies Act, 2013 (to the extent notified). 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 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 2014
Ajanta Pharma (Mauritius) Ltd. ("APML")	Mauritius	100%
Ajanta Pharma (Mauritius) Intl. Ltd.("APMIL") (Wholly owned Subsidiary of APML)	Mauritius	100%
Ajanta Pharma USA Inc. ("AP Inc. USA")	U.S.A.	100%
Ajanta Pharma Philippines Inc.	Philippines	100%
Ajanta Pharma UK Ltd.	England & Wales	100%

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-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 Accounting Standard-13 'Accounting for Investments'. Accordingly, carrying amount of investments of ₹ 8.46 Cores as on 31st March 2007 has been regarded as cost in compliance with the Accounting Standard- 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 30th November 2010. However there are no transactions up to 31st March 2014.

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 incurred to bring the assets to its working condition for its indented use, less accumulated depreciation/amortisation/impairment losses, if any. Intangible assets are stated at cost or acquisition less accumulated amortisation and impairment loss, if any. Intangible assets are recognised only if it is probable that the expected 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 carried individually at cost, less provision for diminution, other than temporary, in the value of such investments. Cost of investments includes expenses directly incurred on acquisition of investments.

Current investments are carried individually at lower of cost and fair value. Investments in foreign currency are stated at cost by converting at exchange rate prevailing at the time of acquisition / remittance.

2.7 Inventories

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

Works in process is valued at estimated cost or net realisable value whichever is lower.

2.8 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 three months or less 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.

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

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

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

2.9.3 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".

2.10 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. Sales are net of discounts, sales tax and returns; excise duty collected on sales is shown by way of deduction from sales.

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

Incomes from services are recognised when services are rendered.

Dividend income is recognised when right to receive dividend is established.

Interest income is recognised on time proportion basis.

Revenue is recognised when there is reasonable certainty of its realisation.

2.11 Export Benefits

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

2.12 Depreciation/Amortization

2.12.1 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. Computer software and ANDA development cost are amortised over estimated useful life.

2.12.2 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.

2.12.3 In case of Subsidiary Company at Philippines :

Depreciation 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.

2.12.4 In case of Subsidiary Company at USA :

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
Building	5%
Furniture, Fixture & Fittings	15% - 50%

2.13 Employee Benefits

Short Term Employee Benefits:

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

Post Employment Benefits:

Company's contribution for the period paid / payable to defined contribution retirement benefit schemes are charged to 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.

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 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.

2.18 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 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.

2.20 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 realized.

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 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.

3. SHARE CAPITAL

	31 March 2014		31 March 2013	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Authorised :				
Equity Shares of ₹ 5 each	6,00,00,000	30.00	3,00,00,000	15.00
Preference Shares of ₹ 5 each	-	-	3,00,00,000	15.00
	6,00,00,000	30.00	6,00,00,000	30.00
Issued :				
Equity Shares of ₹ 5 each	3,54,57,300	17.73	2,37,23,600	11.86
Subscribed & Paid up:				
Equity Shares of ₹ 5 each fully paid up	3,51,50,700	17.58	2,34,17,000	11.71
Add :- Share Forfeited - Amount originally paid up	3,06,600	0.09	3,06,600	0.09
		17.67		11.80

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

Equity shares outstanding as at the beginning of the year	2,34,17,000	11.71	2,34,17,000	11.71
Add: Equity shares allotted during the year against option's excercised under ESOPs	16,800	0.01	-	-
Add: Equity shares allotted during the year as Bonus	1,17,16,900	5.86	-	-
Less: Equity shares bought back during the year	-	-	-	-
Equity shares outstanding as at the end of the year	3,51,50,700	17.58	2,34,17,000	11.71

3.2 Terms / Rights attached to equity shares

The company has issued only one class of equity shares voting rights having a par value of ₹ 5 per share.

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

During the year ended 31st March 2014 amount per share of dividend recognised as distributions to equity shareholders was ₹ 10 (Pr.Yr. ₹ 6.25). (Pr.Yr. ₹ 6.25 per equity share of FV ₹ 5) 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.

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

Name of Shareholders	31 March 2014		31 March 2013	
	No. of Shares	% holding	No. of Shares	% holding
Mannalal B. Agrawal	21,62,688	6.15	14,41,792	6.16
Purushottam B. Agrawal	21,55,770	6.13	14,37,180	6.14
Madhusudan B. Agrawal	21,55,500	6.13	14,37,000	6.14
Vimal Agrawal & Mamta Agrawal	20,55,000	5.85	13,70,000	5.85
Yogesh M. Agrawal	25,28,424	7.19	16,85,616	7.20
Rajesh M. Agrawal	25,39,441	7.22	N.A.	N.A.
Gabs Investments Private Limited	33,56,905	9.55	20,86,552	8.91

3. SHARE CAPITAL *(contd.)*

	31 March 2014 (No. of Shares)	31 March 2013 (No. of Shares)
3.4 Equity Shares reserved for issuance under Employees Stock Options Scheme 2011 of the Company		
Equity Shares of ₹ 5 each (Pre Bonus)	-	3,60,000
Equity Shares of ₹ 5 each (Post Bonus)	5,14,800	-
3.5 Aggregate number of Equity shares issued during last five years pursuant to Employees Stock Options Scheme 2011		
Equity Shares of ₹ 5 each	16,800	-
3.6 Equity Shares allotted as fully paid up Bonus Shares during the period of five years immediately preceding		
Bonus Shares issued in 2013-2014	1,17,16,900	Nil
3.7 The Company is not a subsidiary company.		

4. RESERVES & SURPLUS

₹ in Crore

	31 March 2014	31 March 2013
Capital Reserve		
Balance as per last Balance Sheet	0.48	0.48
Less : Utilised for Issue of Bonus Shares	0.48	-
	-	0.48
Capital Redemption Reserve		
Balance as per last Balance Sheet	7.50	7.50
Less : Utilised for Issue of Bonus Shares	5.39	-
	2.11	7.50
Securities Premium Account		
Balance as per last Balance Sheet	65.46	65.46
Add : Addition during the year	0.25	-
	65.71	65.46
Exchange Fluctuation Reserve	**10.04**	**3.24**
General Reserve		
Balance at the beginning of the year	279.42	185.59
Add: Transferred from statement of Profit & Loss	189.18	93.83
	468.60	**279.42**
Employee Stock Option Outstanding (Refer note 38)		
Employee Stock Option Outstanding		
Balance at the beginning of the year	0.82	0.82
Add : Options granted during the year	0.22	-
Less : Exercised during the year	0.26	-
Balance as at the year end (A)	**0.78**	**0.82**

4. RESERVES & SURPLUS

₹ in Crore

		31 March 2014	31 March 2013
Deferred Employee Stock Option Cost			
Balance at the beginning of the year		0.33	0.82
Add : Options granted during the year		0.22	-
Less : Amortisation during the year		0.34	0.49
Balance as at the year end	(B)	**0.21**	**0.33**
	(A) - (B)	**0.57**	**0.49**
Surplus in the Statement of Profit and Loss			
Balance at the beginning of the year		25.05	23.90
Profit for the year		233.90	112.11
Less: Appropriations			
Proposed Dividend on Equity Shares		35.18	14.65
Dividend Distribution Tax		5.98	2.49
Transfer to General Reserve		189.18	93.83
Net Surplus in the Statement of Profit and Loss		28.61	25.05
Total Reserves & Surplus		575.64	381.63

5. LONG TERM BORROWINGS

	31 March 2014	31 March 2013
Term Loans (Secured)		
From Bank (Rupee)	2.00	2.14
From Bank (Foreign Currency)	38.51	54.30
Vehicle Loans (Secured)		
From Banks (Foreign Currency)	1.02	1.13
Other Loans & Advances (Unsecured)		
Deferred Sales Tax Loans	10.77	15.76
	52.30	73.33

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 Secured Loans from banks are repayable in equal Quarterly/Monthly installment upto 28th June 2017 and the rate of interest vary between 4% p.a. to 11.50% p.a (Pr.Yr. 4% p.a. to 11.25% p.a.).

5.3 Vehicle loans are secured against vehicles acquired under the scheme & are repayble in equal monthly instalment upto 31st December 2016 & rate of interest vary between 2% p.a. to 11% p.a. (Pr.Yr. 2% p.a. to 11% p.a.).

5.4 Deferred Sales Tax Loan is interest free and payable in 5 equal installments after expiry of initial 10 years moratorium period from each year of deferred period from 2000-01 to 2012-13

6. DEFERRED TAX LIABILITY (ASSET)

		31 March 2014	31 March 2013
Deferred Tax Liabilities			
Depreciation	(A)	23.11	24.32
Deferred Tax Assets			
Others	(B)	0.13	0.67
Deferred Tax Liabilities (Net)	(A) - (B)	22.99	23.65

7. OTHER LONG TERM LIABILITIES

₹ in Crore

	31 March 2014	31 March 2013
Trade deposit	2.50	2.50
	2.50	**2.50**

8. LONG TERM PROVISIONS

Provision for employee benefits (Net)		
For Gratuity	-	0.63
For Leave Benefits	2.83	2.35
	2.83	**2.98**

9. SHORT TERM BORROWINGS

Working Capital Loans repayable on demand from banks (Secured)		
Rupee Loan	11.41	16.56
Foreign Currency Loan	49.13	34.70
	60.54	**51.26**

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.

10. TRADE PAYABLES

Trade Payables	124.54	131.71
	124.54	**131.71**

11. OTHER CURRENT LIABILITIES

Current Maturities of long-term borrowing (Secured)		
Foreign Currency Term Loan from Bank (Refer note 5.1 & 5.3)	17.12	-
Vehicle Loans (Refer note 5.3)	0.52	0.25
Unpaid Dividend*	0.21	0.17
Interest Accrued but not due on borrowings	0.12	0.09
Other Payables	29.66	18.93
	47.63	**19.45**

*There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as on 31st March 2014

12. SHORT TERM PROVISIONS

Provision for employee benefits (Net)		
For Gratuity	1.23	1.24
For Leave Benefits	0.32	0.42
Other Provisions		
Proposed Dividend on Equity Shares	35.18	14.65
Tax on Proposed Dividend	5.98	2.49
Provision for Tax (Net of Payment)	-	1.12
	42.71	**19.92**

13. FIXED ASSETS

13.1 Current Year

₹ in Crore

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	As at 1.4.2013	Consolidation Adjustments	Additions	Deductions	As at 31.3.2014	As at 1.4.2013	Consolidation Adjustments	Additions	Deductions	As at 31.3.2014	As at 31.3.2014
(A) Tangible Assets											
Freehold Land	8.21	-	-	-	8.21	-	-	-	-	-	8.21
Lease hold Land	14.01	-	-	-	14.01	0.92	-	0.39	-	1.31	12.70
Leasehold Improvement	1.09	0.15	0.03	-	1.27	0.62	0.08	0.03	-	0.73	0.54
Buildings	129.34	0.18	10.45	3.60	136.37	38.78	-	8.03	0.79	46.02	90.35
Plant & Equipments	179.34	1.82	35.47	0.89	215.74	68.67	1.03	17.17	0.50	86.37	129.37
Furniture & fixtures	39.17	0.12	2.15	0.21	41.23	15.65	0.08	4.46	0.13	20.06	21.17
Vehicles	11.39	0.12	1.35	0.34	12.52	5.51	0.06	1.81	0.28	7.10	5.42
Office Equipments	12.51	0.39	0.71	0.02	13.59	6.14	0.31	1.10	@	7.55	6.04
Computers	20.35	-	1.20	-	21.55	16.86	-	1.67	-	18.53	3.02
Total	415.41	2.78	51.36	5.06	464.49	153.15	1.56	34.66	1.70	187.67	276.82
@ ₹ 33,224											
(B) Intangible Assets											
Computer Software	0.63	-	1.17	-	1.80	0.10	-	0.24	-	0.34	1.46
ANDA Development Cost	15.93	-	-	-	15.93	6.82	-	## 9.11	-	15.93	-
Knowhow	6.52	0.90	0.65	-	8.07	5.86	0.80	0.30	-	6.96	1.11
Total Intangible Assets	23.08	0.90	1.82	-	25.80	12.78	0.80	9.65	-	23.23	2.57
Total (A) + (B)	438.49	3.68	* 53.18	5.06	490.29	165.93	2.36	# 44.31	1.70	210.90	279.39
(C) Capital Work in Progress	(Including Pre Operative expenses of ₹ 5.59 Crore - Refer note 37)										93.55
Total Fixed Assets (A) +(B) + (C)											372.94

* Addition includes ₹ 8.80 Crore used for Research & Development.

Depreciation of ₹ 0.43 Crore considered as Pre-operative expenditure - Refer note 37.

Includes impairment of ₹ 5.13 Crore.

13.2 Previous Year

₹ in Crore

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	As at 1.4.2012	Consolidation Adjustments	Additions	Deductions	As at 31.3.2013	As at 1.4.2012	Consolidation Adjustments	Additions	Deductions	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	0.53	-	0.39	-	0.92	13.09
Leasehold Improvement	1.09	-	-	-	1.09	0.59	-	0.03	-	0.62	0.47
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	179.34	55.22	0.01	13.49	0.05	68.67	110.67
Furniture & fixtures	33.73	0.02	5.42	-	39.17	11.56	0.01	4.08	-	15.65	23.52
Vehicles	9.26	0.26	2.12	0.25	11.39	4.00	0.09	1.65	0.23	5.51	5.88
Office Equipments	10.67	0.04	1.81	0.01	12.51	5.11	0.02	1.01	@	6.14	6.37
Computers	19.42	-	0.93	-	20.35	14.90	-	1.96	-	16.86	3.49
Total	355.39	0.35	60.16	0.49	415.41	123.54	0.13	29.76	0.28	153.15	262.26
@ ₹ 2,674											
(B) Intangible Assets											
Computer Software	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	0.35	-	5.86	0.66
Total Intangible Assets	22.62	0.01	0.45	-	23.08	8.35	0.01	4.42	-	12.78	10.30
Total (A) + (B)	378.01	0.36	* 60.61	0.49	438.49	131.89	0.14	34.18	0.28	165.93	272.56
(C) Capital Work in Progress	(Including Pre Operative expenses of ₹ 1.55 Crore - Refer note 37)										12.49
Total Fixed Assets (A) +(B) + (C)											285.05

* Addition includes ₹ 8.94 Crore used for Research & Development.

14. NON - CURRENT INVESTMENTS

₹ in Crore

	31 March 2014	31 March 2013
Trade Investments - Unquoted		
In Associates Companies :		
Turkmenderman Ajanta Pharma Ltd.		
2,00,000 Shares of US $ 10 each fully paid-up	8.46	8.46
Non - Trade Investments - Unquoted		
	8.46	8.46

15. LONG - TERM LOANS AND ADVANCES

(Unsecured, Considered Good)		
Capital Advances	37.21	37.99
Security Deposits	1.94	1.28
MAT Credit Entitlement	-	9.34
	39.15	48.61

16. OTHER NON CURRENT ASSETS

In Deposit Accounts with Banks - Under Lien (with original maturity for more than 12 months)	7.92	6.75
Interest Accrued on fixed deposits with Banks	0.83	0.34
	8.75	7.09

17. CURRENT INVESTMENTS

₹ in Crore

	Face Value	No. of Units*	31 March 2014	31 March 2013
Current Portion of Long Term Investments				
In Mutual Funds (Quoted)				
ICICI Prudential FMP Series 70-367 days Plan N Regular Plan Cumulative	10.00	50,00,000	5.00	-
		(-)		
ICICI Prudential Interval Annual Plan III Regular Growth	10.00	38,59,781	5.00	-
		(-)		
ICICI Prudential FMP Series 71-368 days Plan A Regular Plan Cumulative	10.00	50,00,000	5.00	-
		(-)		
ICICI Prudential FMP Series 71-369 days Plan E Regular Plan Cumulative	10.00	5,000,000	5.00	-
		(-)		
Kotak FMP Series 124 - Growth	10.00	10,000,000	10.00	-
		(-)		
HDFC FMP 372D October 2013 (1) Series 28 - Regular Growth	10.00	10,000,000	10.00	-
		(-)		

17. CURRENT INVESTMENTS *(contd.)*

₹ in Crore

	Face Value	No. of Units*	31 March 2014	31 March 2013
Birla Sun Life Fixed Term Plan - Series JA (366 days)	10.00	10,000,000	10.00	-
		(-)		
IDFC Fixed Term Plan Series 49 Regular Plan-Growth	10.00	5,000,000	5.00	-
		(-)		
			55.00	-
Quoted Investments - Cost			55.00	-
Quoted Investments - Market Value			56.98	-

* Figures in Brackets are of Previous Year

18. INVENTORIES

(As certified by the management)		
Raw Materials	47.06	40.29
Packing Materials	24.61	17.56
Work-in-Process	14.97	12.51
Finished Goods	61.75	74.65
Stock-in-Trade	7.01	2.59
	155.40	147.60

19. TRADE RECEIVABLE

(Unsecured, Considered Good)		
Over Six Months from the date they are due for payment	10.77	7.14
Others from the date they are due for payment	191.45	143.33
	202.22	150.47

20. CASH AND BANK BALANCES

20.1 Cash and Cash Equivalents (As per AS-3)			
Balance with Banks - In Current Accounts		38.53	26.00
Cash on Hand		0.08	0.08
In Deposit Accounts (with original maturity 3 months or less)		-	8.00
	(A)	38.61	34.08
20.2 Other bank balances			
Earmarked balances with banks - Unpaid Dividend		0.21	0.17
In Deposit Accounts (with original maturity for more than 3 months and upto 12 months)		21.50	-
In Deposit Accounts (With original maturity more than 12 months)			
Under Lien		-	4.12
Others		0.07	7.86
	(B)	21.78	12.15
	(A) + (B)	60.39	46.23

21. SHORT TERM LOANS AND ADVANCES

₹ in Crore

	31 March 2014	31 March 2013
(Unsecured, Considered Good)		
Income Tax Paid (Net of Provision)	5.31	-
Balance with Statutory / Govt. Authorities		
Excise Authorities	27.22	12.07
Vat Receivable	1.54	2.47
Octroi Refund Receivable	0.52	0.52
Prepaid Expenses	0.70	0.34
Advances to Creditors	4.67	3.16
Advances Recoverable in Cash or Kind	6.45	5.49
	46.42	24.04

22. OTHER CURRENT ASSETS

Interest Accrued on fixed deposit	0.62	0.67
	0.62	0.67

23. REVENUE FROM OPERATIONS

Sale of Products		
Finished Goods	931.35	739.64
Traded Goods	254.59	186.54
Other Operating Revenues		
Export Incentives	27.25	8.95
Licensing Fees	2.02	1.01
Others	0.78	0.74
	1,215.99	936.88

24. OTHER INCOME

Exchange Fluctuation Gain (Net)	2.90	3.41
Profit on Sale of Fixed Assets (Net)	-	0.03
Income on Investments & Deposits	9.72	1.70
Interest from Others	0.20	0.15
Miscellaneous Income	0.89	0.31
	13.71	5.60

25. COST OF MATERIALS CONSUMED

Raw Material Consumed	237.49	233.81
Packing Material Consumed	61.54	52.51
	299.03	286.32

26. PURCHASES OF TRADED GOODS

Purchases of Traded Goods	40.47	25.84

27. CHANGES IN INVENTORIES OF FINISHED GOODS/WORK-IN-PROGRESS/STOCK-IN-TRADE

₹ in Crore

		31 March 2014	31 March 2013
Inventories at the beginning of the year :			
Work-in-Process		12.51	19.39
Finished Goods		74.65	55.36
Traded Goods		2.59	5.46
	(A)	89.75	80.21
Inventories at the end of the year :			
Work-in-Process		14.97	12.51
Finished Goods		61.75	74.65
Traded Goods		7.01	2.59
	(B)	83.73	89.75
Net (Increase)/Decrease inventories	(A) - (B)	6.02	(9.54)

28. EMPLOYEE BENEFITS EXPENSES

Salaries, Wages, Bonus and Allowances	145.44	112.95
Expense on Employee Stock Option Scheme (ESOP)	0.21	0.49
Contribution to Provident and Other Funds	9.63	7.81
Staff Welfare Expenses	1.69	1.93
	156.97	123.18

29. FINANCE COST

Interest Expenses	6.51	13.38
Other Borrowing Cost (Including Bank Charges)	2.22	5.75
	8.73	19.13

30. OTHER EXPENSES

Selling Expenses	153.32	126.48
Clearing and Forwarding	40.64	36.48
Travelling Expenses	28.64	20.89
Processing Charges	12.55	11.05
Power and Fuel	11.20	10.25
Advertisement and Publicity	7.61	7.03
Consumption of Stores & Spare Parts	14.43	12.06
Rent	4.27	4.03
Rates and Taxes	0.94	0.23
Legal and Professional Fees	4.64	3.93
Telephone, Telex and Postage	5.66	4.97
Repairs & Maintenance		
Buildings	0.74	1.57
Machineries	3.60	2.67
Computers & Others	3.43	1.90
Insurance	3.06	2.72
Donation	0.29	0.38
Exchange Rate Difference (Net)	-	-
Miscellaneous Expenses	42.08	33.92
	337.10	280.55

31. EARNINGS PER SHARE (EPS):

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

Particulars	31 March 2014	31 March 2013
Basic and Diluted Earnings Per Share:		
Profit attributable to Equity shareholders-considered for Basic EPS (₹ in Crore) (A)	233.88	112.11
Add: Dilutive effect on profit (₹ in Crore) (B)*	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (₹ in Crore) (C=A+B)	233.88	112.11
Number of Equity Shares outstanding - considered for Basic EPS (D)	3,51,49,300	3,51,33900
Add: Dilutive effect of option outstanding-Number of Equity Shares (E)*	61,963	82,119
Number of Equity Shares considered for computing Diluted EPS (F=D+E)	3,52,11,263	3,52,16,019
Face Value per Equity Share (₹)	5	5
Basic Earnings Per Share (₹)	66.54	31.91
Diluted Earnings Per Share (₹)	66.42	31.84

* 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.

The Shareholders of the Parent Company approved the issue of Bonus Shares in the proportion of one new equity share for every two existing equity share, through postal ballot on 5th September 2013. On 19th September 2013, the Company allotted 1,17,16,900 equity shares of face value of ₹ 5 each as fully paid up, by capitalisation of Capital Reserve ₹ 0.47 Crore and Capital Redemption Reserve ₹ 5.39 Crore. Accordingly, the Basic and Diluted Earnings Per Share (EPS) has been restated for the previous year to give effect of Bonus shares in accordance with Accounting Standard 20 "Earnings Per Share".

32. COMMITMENTS:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 48.06 Crore (Pr. Yr. ₹ 59.71 Crore).

b) Other Commitments – Non-cancellable operating leases (Refer note 39).

33. CONTINGENT LIABILITIES:

₹ in Crore

i. Claims against the Company not acknowledged as debt	0.70	0.34
ii. Income tax demands disputed by Company pending in appeal. Amount paid under protest ₹ 1.82 Crore (Pr. Yr. ₹ 1.82 Crore)	Nil	3.69
iii. Sales tax demands disputed by Company pending in appeal	0.22	0.22
iv. Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation.	1.39	0.60
v. Disputed Octroi. Amount paid under protest ₹ 0.52 Crore (Pr. Yr. ₹ 0.52 Crore)	0.52	0.52
vi. Excise duty disputed by the Company	0.34	0.16

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

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

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

36. In case of the Parent Company, Pre-operative expenses pending capitalisation included in Capital Work-in-Progress (Refer note 13) represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same will be capitalised on completion of projects and commencement of commercial operations. The details of pre-operative expenses are:

₹ in Crore

Particulars	31 March 2014	31 March 2013
Opening Balance	1.55	0.10
Add: Incurred during the year -Other Expenses		
Salary, allowances and contribution to funds	2.00	0.55
Professional fees	0.16	0.30
Travelling expenses	0.22	0.06
Depreciation	0.43	Nil
Others	1.23	0.63
Total	**5.59**	**1.64**
Less: Capitalised to Fixed Assets	Nil	0.09
Closing Balance	**5.59**	**1.55**

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:

Provident Fund and Employee's Pension Scheme	6.97	5.36
Employees State Insurance	1.50	0.53
TOTAL	8.47	5.89

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 31st March 2014 are as under :

37. EMPLOYEE BENEFITS *(contd.)*

₹ in Crore

Particulars		31 March 2014	31 March 2013
i)	Changes in Defined Benefit Obligation		
	Opening defined benefit obligation	6.68	5.00
	Current service cost	1.25	1.05
	Interest cost	0.53	0.41
	Actuarial loss / (gain)	(0.24)	0.62
	Benefit (paid)	(0.24)	(0.39)
	Closing defined benefit obligation	7.98	6.69
ii)	Changes in Fair Value of Assets		
	Opening fair value of plan assets	4.82	2.08
	Adjustment to the fund	Nil	0.02
	Transfers out of fund	(0.11)	Nil
	Expected return on plan assets	0.47	0.30
	Actuarial gain / (loss) [(Pr.Yr. ₹ 7,368]	(0.05)	
	Contributions of employer	1.87	2.82
	Benefits (paid)	(0.24)	(0.39)
	Closing fair value of plan assets	6.76	4.83
iii)	Amount recognised in the Balance Sheet		
	Present value of the obligations as at year end	7.98	6.69
	Fair value of the plan assets as at year end	6.76	4.83
	Net (asset) / liability recognised as on 31st March 14	1.22	1.86
iv)	Expenses recognised in the Statement of Profit and Loss		
	Current service cost	1.25	1.05
	Interest on defined benefit obligation	0.53	0.41
	Expected return on plan assets	(0.47)	(0.30)
	Net actuarial loss / (gain) recognized in the current year	(0.19)	0.62
	Adjustment to the opening fund	Nil	(0.02)
	Total expense	1.12	1.76
v)	Asset information		
	Others – Policy of Insurance	100%	100%
vi)	Principal actuarial assumptions used		
	Discount rate (p.a.)	9.10%	8.10%
	Expected rate of return on plan assets (p.a.)	8.50%	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, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly ₹ 3.15 Crore (Pr. Yr. ₹ 2.77 Crore) 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.

38. 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 Parent Company and Compensation committee of Board of Directors.

During the year, 3,000 options (pre bonus) have been granted by the Company under the aforesaid ESOS – 2011 to the employees of the wholly owned subsidiary of the Company. Expenditure for the year relating to such grant amounting to ₹ 0.12 Crore have been recovered by debiting to the wholly owned subsidiary.

Details of the options (pre bonus) granted during the year under ESOS-2011 are as under:

Grant Date	No. of Option	Exercise Price	Vesting Period
30th April 2013	1,000	₹ 5	30.04.2013 to 05.05.2014
30th April 2013	1,000	₹ 5	30.04.2013 to 05.05.2015
30th April 2013	1,000	₹ 5	30.04.2013 to 05.05.2016

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

Particulars	31 March 2014 Nos.	31 March 2013 Nos.
Options outstanding as at the beginning of the Year (pre bonus)	56,000	56,000
Add: Options granted during the Year (pre bonus)	3,000	Nil
Less: Options lapsed during the Year	Nil	Nil
Less: Options Exercised during the Year (pre bonus)	16,800	Nil
Add: Options increased due to effect of bonus issue (Refer Note 31)	21,100	Nil
Options outstanding as at the Year End		
Pre bonus	Nil	56,000
Post bonus	63,300	Nil

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

39. 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 cancellable 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 ₹ 4.27 Crore (₹ 4.03 Crore) are recognised in the Statement of Profit and Loss under "Rent" under Note 30.

Operating Lease ₹ in Crore

Particulars	31 March 2014	31 March 2013
Not later than one year	3.87	3.82
Later than one year but not later than five years	14.54	14.54
Later than five years	6.35	9.53

39. DISCLOSURE FOR OPERATING LEASES UNDER ACCOUNTING STANDARD 19-" LEASES": *(contd.)*

Finance Lease* ₹ in Crore

Particulars	Total Minimum Lease Payments Outstanding	Future Interest on Outstanding	Present Value of Minimum Lease Payments
Within one year	0.52	Nil	0.52
	(0.25)	(Nil)	(0.25)
Later than one year and not later than five years	1.02	Nil	1.02
	(1.13)	(Nil)	(1.13)
Total	1.54	Nil	1.54
	(1.38)	(Nil)	(1.38)

*Figures in brackets indicate previous year figures.

Future obligations towards lease rentals under the lease agreements as on 31st March 2014 amounts to ₹ 26.30 Crore (Pr. Yr. ₹ 29.26 Crore)

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

41. 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.

42. 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 the present value of estimated future cash flows expected to arrive 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 except in case of intangible assets where the provision for impairment amounting to ₹ 5.13 Crore (Pr. Yr. Nil) has been considered necessary during the year, as recoverable amount of such assets is less than carrying amount as stated in the books.

43. As per the best estimate of the management, no provision is required to be made as per Accounting Standard-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.

44. RESEARCH AND DEVELOPMENT EXPENDITURE:

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

₹ in Crore

Particulars	31 March 2014	31 March 2013
Cost of Material/Consumables/Spares	13.96	9.20
Employee benefit expenses	17.12	11.89
Utilities	1.40	0.97
Other Expenses	17.45	15.25
Total	**49.93**	**37.31**

45. REMUNERATION TO AUDITORS (EXCLUDING SERVICE TAX) :

₹ in Crore

Particulars	31 March 2014	31 March 2013
Audit Fees	0.20	0.18
Tax Audit Fees	0.02	0.01
For Certification and Other Matters	0.07	0.06

46. 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- Associate Company:

Turkmenderman Ajanta Pharma Ltd.	(TDAPL)

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

Mr. Mannalal B. Agrawal	Chairman
Mr. Purushottam B. Agrawal	Executive Vice Chairman
Mr. Madhusudan B. Agrawal	Executive Vice Chairman
Mr. Yogesh M. Agrawal	Managing Director
Mr. Rajesh M. Agrawal	Joint Managing Director (w.e.f. 1st May 2013)
Dr. Ramesh Jhawar	Director (AP Inc. USA)
& Relatives of Key Management Personnel	

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

Gabs Investment Private Limited

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

₹ in Crore

Sr.No	Particulars	Category	31 March 2014	31 March 2013
1.	Royalty Income received from TDAPL	I	1.84	0.46
2.	Remuneration to Executive Directors :			
	Yogesh M. Agrawal	II	1.46	1.46
	Madhusudan B. Agrawal	II	1.46	1.46
	Purushottam B. Agrawal	II	1.46	1.46
	Rajesh M. Agrawal	II	1.00	Nil
	Dr. Ramesh Jhawar	II	0.10	0.08
3.	Commission and Sitting Fees to Non-Executive Director :			
	Mannalal B. Agrawal	II	1.51	1.51
4.	Rent to :			
	Manisha Y. Agrawal	II	0.79	0.79
	Smriti R. Agrawal	II	0.79	NA
	Aayush M. Agrawal	II	0.79	0.79
5.	Salaries to :			
	Rajesh M. Agrawal	II	0.08	0.89
6.	Dividend Paid	II	9.11	5.26
		III	1.38	0.72

(C) Amount Outstanding as on 31st March 2014

1.	Investments in :			
	TDAPL (Refer note 2.2.3)	I	8.46	8.46
2.	Commission payable to Non-Executive Director:	II	1.51	1.51

47. NOTE ON HEDGE AND UNHEDGED FOREIGN CURRENCY ASSETS AND LIABILITIES:

During the year, 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. Nil). 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 2014	31 March 2013	31 March 2014	31 March 2013	
Amount Receivable	142.61	105.04	2.38	1.93	USD
	25.19	12.76	0.31	0.18	EURO
	0.15	Nil	@	Nil	GBP
	0.11	Nil	#	Nil	CHF
Amount Payable	116.46	96.56	1.94	1.78	USD
	21.67	8.49	0.26	0.12	EURO

@ GBP 15,178 and # CHF 21,300.

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

49. Consequent to the change in the accounting policy in FY 2012-13, expenses on sales promotion materials was charged to the revenue in the year of incurrence instead of valuing inventory of sales promotion materials at cost, resulting into profit before tax for the previous year being lower by ₹ 0.41 Crore.

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

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, 5th May 2014

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Yogesh M. Agrawal
Managing Director

Arvind Agrawal
Chief Financial Officer

Purushottam B. Agrawal
Vice Chairman

Rajesh M. Agrawal
Joint Managing Director

Gaurang Shah
Company Secretary

Madhusudan B. Agrawal
Vice Chairman

ajanta pharma limited

(CIN No. L24230MH1979PLC022059)

Redg. Office: "Ajanta House", Charkop, Kandivli (West), Mumbai – 400 067

Tel No. 022 66061000; Fax No. 022 66061200

Website: www.ajantapharma.com; email: investorgrievance@ajantapharma.com

NOTICE

NOTICE is hereby given that the Thirty-Fifth Annual General Meeting of the Members of Ajanta Pharma Limited will be held on Tuesday, the 5th day of August, 2014 at 2.00 p.m. at Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli (West), Mumbai – 400 092 to transact the following business:-

ORDINARY BUSINESS:

1 To receive, consider and adopt the Audited Financial Statements of the Company including audited Balance Sheet as at 31st March, 2014, audited Profit & Loss account for the year ended 31st March, 2014 together with the Report of Directors and Auditors thereon.

2. To declare Dividend for the year ended 31st March, 2014.

3. To appoint a Director in place of Mr. Mannalal B. Agrawal (DIN 00073828), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Purushottam B. Agrawal (DIN 00073680), who retires by rotation and being eligible, offers himself for re-appointment.

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT M/s. Kapoor & Parekh Associates, Chartered Accountants (Registration No. ICAI FRN 104803W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as agreed upon by the Board of Directors and the Auditors."

SPECIAL BUSINESS:

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

   "RESOLVED THAT Dr. Anil Kumar (DIN 00208833), an Independent Director of the Company pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges, whose office is liable to be determined by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation."

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

   "RESOLVED THAT Mr. Chandrakant Khetan (DIN 00234118), an Independent Director of the Company pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges, whose office is liable to be determined by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation."

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

   "RESOLVED THAT Mr. K H Viswanathan (DIN 06563472), an Independent Director of the Company pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges, whose office is liable to be determined by retirement of director by rotation, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation."

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

"RESOLVED THAT Mr. Prabhakar Dalal (DIN 00544945), who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation."

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

"RESOLVED THAT Dr. Anjana Grewal (DIN 06896404), who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation."

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

"RESOLVED THAT in supersession of the resolutions passed under Section 293 (1) (d) of the Companies Act, 1956 at the 33rd AGM held on 7th July, 2012 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof, which the Board may have constituted or constitute hereafter to exercise powers conferred by this resolution) to borrow any sum or sums of money from time to time from Banks or one or more bodies corporate or Financial Institutions or from other person(s) by way of cash credit, advances, term loans or in any other manner, whether unsecured or secured by mortgage, charge, hypothecation or pledge of the company's assets and properties whether movable and/or immovable or stock in trade (including raw-materials, stores in-stock or in-transit), work-in-process and debts and advances, in excess of the aggregate of the paid up share capital and free reserves of the Company which have not been set apart for any specific purpose, provided that the sum or sums so borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not at any time exceed Rs. 1,000 crores (Rupees One Thousand crores only) over and above the aggregate of the paid up share capital and free reserves of the Company."

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

"RESOLVED THAT in supersession of the earlier resolutions passed under Section 293(1)(a) of the Companies Act, 1956 and pursuant to Section 180 (1) (a) and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof, which the Board may have constituted or constitute hereafter to exercise powers conferred by this resolution) to mortgage and/or charge all or any of the immovable and/or moveable, tangible or intangible properties or assets of the Company, wherever located or situated, both present and future, or sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking(s) of the Company on such terms, in such form and in such manner as the Board of Directors may think fit, together with power to take over the management of the business and concern of the company in certain events to or in favour of all or any of the following, namely Financial Institutions, State Financial Institutions/ Companies, banks, Insurance Companies, Trustees for holders of debentures and secured lenders or any creditors/lenders (hereinafter referred to as 'the Lenders') for securing any loan/(s) (both in Rupee currency as well as foreign currency) and/or advances already obtained or debts already incurred or that may hereafter be obtained or incurred from any of the Lenders and/or to secure any debentures issued/that may be issued, all financial obligations/commitments altogether with interest, damages, remuneration of Trustees/agents, all other costs, charges, expenses and monies payable by the company to the concerned Lenders, and/or Agents and Trustees for debentures in terms of respective Loan Agreements/Heads of Agreement/Hypothecation Agreement/Trustees' Agreement/Letter of Sanction or other document entered or that may be entered (hereinafter collectively referred to as "the Loans"), provided that the principal amount of the Loans {other than temporary loans including working capital facilities obtained from the Company's bankers in the ordinary course of business} shall not at any time exceed the limits of Rs. 1,000 crores (Rupees One Thousand crores only);

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise with any of the lenders, or other persons, jointly or severally the documents for creating aforesaid mortgage/charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing the Resolution and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise considered by the Board of Directors to be in the best interest of the Company."

13. 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 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) remuneration not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, be paid to and distributed amongst the directors other than the Managing Director or Whole-time Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each financial year, for a period of five financial years commencing from 1st April, 2014;

RESOLVED FURTHER THAT the above remuneration shall be in addition to fee payable to the director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

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

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 3 lacs plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31st March, 2015 as approved by the Board of Directors of the Company, to be paid to M/s. Sevekari Khare & Associates for the conduct of cost audit of the company's manufacturing plants situated at Paithan, Chikalthana, Chitegaon and products manufactured in Active Pharmaceutical Ingredient plant at Waluj all located in Aurangabad, Maharashtra, be and is hereby ratified and confirmed."

By order of the Board of Directors

Gaurang Shah
Sr. General Manager – Legal &
Company Secretary

13th June, 2014

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

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. A person cannot act as proxy for members not exceeding 50 (Fifty) and holding in aggregate not more than ten percent of the total share capital of the Company.
2. The proxy form, in order to be effective, must be duly completed, signed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting. Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
5. Pursuant to Clause 49 of the Listing Agreement, details of Directors seeking appointment/re-appointment at the Annual General Meeting, forms part of the notice.
6. The Register of Members and the Transfer Books in respect of the Equity Shares will remain closed from Monday, 28th July, 2014 to Tuesday, 5th August, 2014 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend for the year ended 31st March, 2014, if approved by the Members.
7. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after 5th August, 2014. In respect of shares held in physical form, the dividend will be paid to those Members whose names shall appear on the Company's Register of Members as on 26th July, 2014. 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 25th July, 2014.
8. In order to prevent fraudulent encashment of dividend warrants, in respect of shares held in demat mode, bank particulars registered against respective depository accounts will be used by the Company for payment of dividend through ECS/NEFT. Please note that the Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. In respect of shares held in physical mode, members 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. Shareholders' are also requested to register with the Company for payment of dividend through ECS/ NEFT and provide the necessary details to R & T Agents.
9. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agents.
10. 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. Accordingly, the unpaid dividend lying in dividend account of the year 2006-2007 will be transferred to Investor Education and Protection Fund at appropriate time in the current financial year. Members who have not encashed their dividend warrants are requested to write to the Registrars & Share Transfer Agents. Shareholders can visit the company's website www.ajantapharma.com to check the details of their unclaimed dividend under the Investors' section.
11. 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 9.30 a.m. to 11.30 a.m.
12. 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.

13. To support the green initiative of the Government, electronic copy of the Annual report for the year ended 31st March, 2014 is being sent to the members whose mail IDs are available with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2014 is being sent in the permitted mode. Please note that the annual report and the notice of the 35th Annual General Meeting are also posted on the website "www.ajantapharma.com" for download and copy of the Annual Report shall be provided to the shareholder at the Annual General Meeting, if required.

14. In order to facilitate e-voting on the resolutions by members, electronic copy of the Notice of the 35th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 35th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

15. Voting through electronic means

    I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 35th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

    The instructions for e-voting are as under:

    A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

        (i) Open email and open PDF file viz; "APL.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

        (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

        (iii) Click on Shareholder - Login

        (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

        (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

        (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

        (vii) Select Electronic Voting Event Number (EVEN) of Ajanta Pharma Limited.

        (viii) Now you are ready for e-voting as Cast Vote page opens.

        (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

        (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

        (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

        (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sanjayrd65@yahoo.com with a copy marked to evoting@nsdl.co.in

    B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

        (i) Initial password is provided in the Attendance Slip for the AGM:

        (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

    II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on 30th July, 2014 (9:00 am) and ends on 1st August, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th June, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 20th June, 2014.

VII. Mr. Sanjay Dholakia, a Practicing Company Secretary, Mumbai (Membership No. 2655; Certificate of Practice No. 1798) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding 3(three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.ajantapharma.com and on the website of NSDL within 2 (two) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

16. 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.

    iv. 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.

    v. update their new bank account numbers allotted after implementation of Core Banking Solution (CBS) to the Company in case of shares held in physical form and to the DP in case of shares held in demat form.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS OF THE ACCOMPANYING NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NOS. 6, 7 and 8

Dr Anil Kumar, Mr. Chandrakant Khetan and Mr. K.H. Viswanathan are currently Non-Executive Independent Directors of the Company in pursuance of the Listing Agreement. Sections 149 & 152 read with Schedule IV of the Companies Act, 2013 (the "Act") and amended Clause 49 of the Listing Agreement, inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

In view of the same, it is proposed to appoint Dr Anil Kumar, Mr. Chandrakant Khetan and Mr. K.H. Viswanathan as Independent Directors under Section 149 of the Act and amended Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation.

They are not disqualified from being appointed as Directors in terms of Section 164 of the Act. The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing their candidatures for the office of Director of the Company.

The Company has also received declarations from Dr. Anil Kumar, Mr. Chandrakant Khetan and Mr. K.H. Viswanathan that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. Anil Kumar, Mr. Chandrakant Khetan and Mr. K.H. Viswanathan fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and are independent of the management.

Brief profiles of Dr. Anil Kumar, Mr. Chandrakant Khetan and Mr. K.H. Viswanathan, their expertise in Specific Functional Area, Directorships and Committee positions held by them in other Companies are included separately in this Notice and report on Corporate Governance forming part of the Annual Report.

Copies of the draft letter for appointment of Dr. Anil Kumar, Mr. Chandrakant Khetan and Mr. K.H. Viswanathan as Independent Directors setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company during the office hours on all working days (except Saturdays, Sundays and Holidays) upto the date of the Annual General Meeting between 9.30 a.m. to 11.30 a.m.

Except Dr. Anil Kumar, Mr. Chandrakant Khetan and Mr. K.H. Viswanathan, being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 6, 7 & 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

ITEM NO. 9

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board has appointed Mr. Prabhakar Dalal, as an Additional Director of the Company with effect from 13th June, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Prabhakar Dalal would hold office up to the date of the ensuing Annual General Meeting.

Mr. Prabhakar Dalal is a highly experienced banker in commercial and development banking, with extensive international exposure. He has worked with EXIM Bank of India for more than 31 years. He held various senior management positions with EXIM bank and was Executive Director of the Bank for over 3 years. He also served as the Senior Advisor of the Bank upon superannuation. Mr. Dalal has had more than 37 years of rich and varied experience and his core competencies include corporate term loans and working capital finance, international trade and overseas projects finance, human resources management and institutional and international relations. Mr. Dalal has strong execution capabilities and is adept at innovation, product development, team building and leadership.

Considering his vast expertise, competence and knowledge, it will be in the interest of the Company that Mr. Prabhakar Dalal be appointed as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Prabhakar Dalal for the office of Director of the Company.

Mr. Prabhakar Dalal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He has also given a declaration that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Prabhakar Dalal fulfils the conditions specified in the Companies Act, 2013, rules made there under and the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Prabhakar Dalal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during the office hours on all working days (except Saturdays, Sundays and Holidays) upto the date of the Annual General Meeting between 9.30 a.m. to 11.30 a.m.

Mr. Prabhakar Dalal does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Except Mr. Prabhakar Dalal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

ITEM NO. 10

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board has appointed Dr. Anjana Grewal, as an Additional Director of the Company with effect from 13th June, 2014.

In terms of the provisions of Section 161(1) of the Act, Dr. Anjana Grewal would hold office up to the date of the ensuing Annual General Meeting.

A management graduate and Doctorate, Dr. Anjana Grewal is a well respected name with over three decades of corporate experience in the fields of sales, marketing, business management, financial services and insurance. She has worked with premier Indian and multinational corporates in Pharma, FMCG, Banking and insurance sectors. She is reckoned for several product and packaging innovations in the personal care and FMCG sector as also for several initiatives related to sales, service and distribution in the Banking and insurance segments. She is also an academician and visiting faculty at various leading management institutes in India and overseas and is guest faculty and Trainer at RBI and IBA. Currently she is Senior Professor and Centre of Excellence Faculty Director-MISB Bocconi, India Campus of SDA Bocconi- Italy.

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have atleast one-woman director. Keeping in view the legal requirement as also considering her versatile experience, skills and knowledge, it will be in the interest of the Company that Dr. Anjana Grewal be appointed as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Dr. Anjana Grewal for the office of Director of the Company.

Dr. Anjana Grewal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She has also given a declaration that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. Anjana Grewal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Dr. Anjana Grewal as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during the office hours on all working days (except Saturdays, Sundays and Holidays) upto the date of the Annual General Meeting between 9.30 a.m. to 11.30 a.m.

Dr. Anjana Grewal does not hold by herself or for any other person on a beneficial basis, any shares in the Company. Except Dr. Anjana Grewal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

ITEM NOS. 11 & 12

At the 33rd Annual General Meeting held on 7th July, 2012, had passed resolution under section 293 (1) (d) of the Companies Act, 1956, authorizing the Company for borrowing monies over and above the aggregate of paid up share capital and free reserves of the Company, provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 1,000 Crores (Rupees One thousand crores).

At the same meeting, members had also passed Resolution under section 293(1)(a) of the Companies Act, 1956 authorizing the Company to create mortgage and/or charge on its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the lenders/ agent(s)/trustees, as security for the borrowings.

The Companies Act, 2013 has been enacted and is being enforced and implemented in place of the Companies Act, 1956. Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution. In view of this, the earlier resolution passed by the members need to be renewed by passing a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 11 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company.

Further, section 180(1)(a) requires passing of Special Resolution by the members for authorising the Company to mortgage and/or charge its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the lenders/agent(s)/trustees.

Approval of members is being sought to authorise the Company to borrow money upto Rs. 1,000 Crores (Rupees One Thousand crores) in excess of the aggregate of the paid up share capital and free reserves of the Company and to mortgage, charge, sell, lease or dispose off the Company's assets and undertaking(s) for securing the borrowings.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11 & 12.

ITEM NO. 13

At the 34th Annual General Meeting held on 29th July, 2013, the members had approved by way of a Special Resolution under Section 309 of the Companies Act, 1956, the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act 1956, for a period of five years commencing 1st April, 2013.

In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 came into effect from 1st April, 2014 and taking into account the enhanced roles and responsibilities of the directors, it is proposed that the Directors other than Managing Director and the Whole-time Directors be paid for each of the five financial years of the Company commencing from 1st April, 2014, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013. This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, a fresh approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the Directors of the Company other than Managing Director and Whole-time Directors, for a period of five years commencing from 1st April, 2014 as set out in the Resolution at Item No. 13 of the Notice.

The Managing Director and Whole Time Directors of the Company may be deemed to be concerned or interested in the resolution as a relative of the Non-Executive Director. The Non-Executive Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of the remuneration that may be received by them. The Key Managerial Personnel of the Company and their relatives other than Managing Director are not concerned or interested, financial or otherwise, in the resolution.

ITEM NO. 14

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice for auditing the cost records of the Company on the recommendation of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee, at its meeting held on 5th May, 2014, the Board has considered and approved appointment of M/s. Sevekari, Khare & Associates, Cost Accountants, for the conduct of the Cost Audit of the company's manufacturing plants situated at Paithan, Chikalthana, Chitegaon & products manufactured in Active Pharmaceutical Ingredient plant at Waluj all located in Aurangabad, Maharashtra, at a remuneration of Rs. 3 lacs plus service tax as applicable and reimbursement of actual travel and out of pocket expenses, for the financial year ending 31st March, 2015.

None of the Directors and/or Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 14.

By order of the Board of Directors

Gaurang Shah

13th June, 2014 *Sr. General Manager – Legal & Company Secretary*

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

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

Name of Director	Mr. Mannalal B. Agrawal	Mr. Purushottam B. Agrawal	Dr. Anil Kumar	Mr. K H Viswanathan	Mr. Chandrakant Khetan	Mr. Prabhakar Dalal	Dr. Anjana Grewal
Date of Birth	26.03.1947	14.06.1949	02.03.1951	11.01.1946	24.01.1946	09.01.1953	01.11.1953
DIN No.	00073828	00073680	00208833	06563472	00234118	00544948	06896404
Date of Appointment	31.12.1979	31.12.1979	30.09.2003	30.04.2013	20.10.2008	13.06.2014	13.06.2014
Expertise in Specific Functional Area	Has been Chairman of the company contributing in its growth since inception	Has been Vice Chairman of the company contributing in its growth since inception	Eminent cardiologist practicing medicine, contributes in many new initiatives of the company, investor relations, etc.	Retired General Manager of IDBI Bank, has rich experience in financing & monitoring large projects, contributes on financial & risk management, governance practices etc.	Industrialist & businessman, contributes in financial review, CSR initiatives etc.	Experienced banker with extensive international exposure, will contribute on Financial management, policy making, investor relations, etc.	Experienced sales, marketing, business professional and an academician, will contribute in sales, marketing, finance, corporate governance, Risk management.
Qualifications:							
(i)Educational	B.Com	B. Pharm	D.M. Cardiology	B.Sc	B.Sc	M.Com; LLB; PGDFERM; FIIBF	Ph.D. (JBIMS),MMS-(JBIMS), B.Chem. Engg-UDCT, Financial Engineer
(ii)Experience in years	40+	40+	30+	35+	40+	37+	30 +
No. of shares held in the company	21,62,688	21,55,770	NIL	NIL	NIL	NIL	NIL
Other Directorships in Companies	Inspira Projects Limited	Inspira Projects Limited	NIL	NIL	Entremonde Polycoaters Limited	Arvind Limited	NIL
	Inspira Infra (Aurangabad) Limited	Inspira Infra (Aurangabad) Limited			Polyermann (Asia) Private Limited	GOL Offshore Limited	
	Louroux Bio Energies Limited	Louroux Bio Energies Limited			Polyermann (Exports) Private Limited	Vijai Electricals Limited	
	Inspira Infrastructure Limited	Inspira Infrastructure Limited			Khetan Doshi Construction Private Limited		

Name of Director	Mr. Mannalal B. Agrawal	Mr. Purushottam B. Agrawal	Dr. Anil Kumar	Mr. K H Viswanathan	Mr. Chandrakant Khetan	Mr. Prabhakar Dalal	Dr. Anjana Grewal
	Inspira Leisure & Hospitality Limited	Inspira Leisure & Hospitality Limited			Baroda Superstores Private Limited		
		Ajanta Pharma USA Inc			Anil Apartment Private Limited		
					Swastik Safe Deposit & Investment Limited		
					Vibhuti Investment Company Limited		
					Quality Plastics Limited		
					Integra Textiles and Apparels Textile Limited		
					Rishiraj Enterprise Private Limited		
					Omnicron Power Engineers Private Limited		
					DGP Securities Limited		
Membership of committees (M- Member; C- Chairman)	Ajanta Pharma Limited – Audit Committee (M); Corporate Social Responsibility Committee(C)	Ajanta Pharma Limited – Executive Committee (M)	Ajanta Pharma Limited – Chairman of Stakeholders' Relationship Committee; Nomination & Remuneration Committee; Selection Committee	Ajanta Pharma Limited – Member of Audit Committee; Stakeholders' Relationship Committee; Nomination & Remuneration Committee; Compensation Committee	Ajanta Pharma Limited - Audit Committee (C); Nomination & Remuneration Committee(M); Compensation Committee(C); Corporate Social Responsibility Committee(M)	Member of Audit Committee of Arvind Limited and GOL Offshore Limited	NIL

Creativity involves breaking out of established patterns in order to look at things in a different way.

Edward de Bono

Disclaimer

The report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking-statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

A TRISYS product
info@trisyscom.com

ajanta pharma limited

(CIN No. L24230MH1979PLC022059)
Redg. Office: "Ajanta House", Charkop, Kandivli (West), Mumbai – 400 067
Tel No. 022 6606 1000; Fax No. 022 6606 1200
Website: www.ajantapharma.com; email: investorgrievance@ajantapharma.com

ajanta pharma limited

CIN: L24230MH1979PLC022059
Registered Office: "Ajanta House", Charkop, Kandivli (West), Mumbai – 400 067
Tel No. 022 66061000; Fax No. 022 66061200
Website: www.ajantapharma.com; email: investorgrievance@ajantapharma.com

ATTENDANCE SLIP

I hereby record my presence at the **35TH ANNUAL GENERAL MEETING** of the Company held on Tuesday, 5th August, 2014 at 2:00 p.m. at Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli (West), Mumbai – 400 092.

Regd. Folio/DPID & Client ID	
Name and address of the shareholder **Joint Holders**	

____
SIGNATURE OF THE MEMBER/
JOINT MEMBER(S) / PROXY

Note:

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of meeting hall.

2. Electronic copy of the Annual Report for the year ended 31st March, 2014 and Notice of the Annual General Meeting (AGM) along with attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance slip.

3. Physical copy of the Annual Report for the year ended 31st March, 2014 and Notice of the AGM along with the attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

E-Voting Information

EVEN (Electronic Voting Event Number)	User ID	Password

ajanta pharma limited

CIN: L24230MH1979PLC022059
Registered Office: "Ajanta House", Charkop, Kandivli (West), Mumbai – 400 067
Tel No. 022 66061000; Fax No. 022 66061200
Website: www.ajantapharma.com; email: investorgrievance@ajantapharma.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered address :	
E-mail ID :	
Folio No/ DP ID-Client ID :	

I/ We, being the member (s) of ………………………………….. shares of the above named company, hereby appoint:

(1) Name: ___________________________ Address : _____________________________________

E-mail ID: _____________________________ Signature: _______________ or failing him;

(2) Name: ___________________________ Address : _____________________________________

E-mail ID: _____________________________ Signature: _______________ or failing him;

(3) Name: ___________________________ Address : _____________________________________

E-mail ID: _____________________________ Signature: _______________

As my/ our proxy to attend and vote (on poll) for me/us and on my/ our behalf at the 35th Annual General Meeting of the Company, to be held on Tuesday, 5th day of August, 2014 at 2.00 p.m. at Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli (West), Mumbai – 400 092 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Optional*	
		For	Against
	ORDINARY BUSINESS		
1	Adoption of Financial Statements for the year ended 31st March, 2014.		
2	Approval of Dividend for the year 2014.		
3	Re-appointment of Mr. Mannalal B. Agrawal, who retires by rotation.		
4	Re-appointment of Mr. Purushottam B. Agrawal, who retires by rotation.		
5	Appointment of M/s. Kapoor & Parekh as Statutory Auditors.		
	SPECIAL BUSINESS		
6	Ordinary Resolution for Appointment of Dr. Anil Kumar as an Independent Director.		
7	Ordinary Resolution for Appointment of Mr. Chandrakant Khetan as an Independent Director.		
8	Ordinary Resolution for Appointment of Mr. K H Viswanathan as an Independent Director.		
9	Ordinary Resolution for Appointment of Mr. Prabhakar Dalal as an Independent Director.		
10	Ordinary Resolution for Appointment of Dr. Anjana Grewal as an Independent Director.		
11	Special resolution authorizing the Board u/s. 180(1)(c) of Companies Act, 2013 to borrow monies.		
12	Special resolution authorizing the Board u/s. 180(1)(a) of Companies Act, 2013 to mortgage and/or charge, assets and undertaking (s) of the Company for the purpose of borrowings.		
13	Special resolution authorizing payment of Commission to Non-Executive Directors.		
14	Ordinary resolution ratifying the appointment and remuneration of Cost Auditors.		

Signed this ______________________________ day of ____________ 2014

Signature of shareholder: ____________________________

Signature of Proxy holder(s): __________________________

Affix Revenue Stamp not less than ₹ 0.15

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxy need not be a member of the company.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. For the Resolution, Explanatory Statement and Notes, please refer to Notice of the 35th Annual General Meeting forming part of the Annual report.
4. *It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Please complete all details including details of member(s) in above box before submission.

FORM A

(Pursuant to clause 31(a) of the Listing Agreement)

1.	Name of the Company	Ajanta Pharma Limited
2.	Annual financial statements for the year ended	31st March, 2014
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

KAPOOR & PAREKH ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

For Ajanta Pharma Ltd.

Mr. Gaurang Shah
Company Secretary

AJANTA PHARMA LIMITED MUMBAI