



ajanta pharma limited

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5th July, 2016

BSE LIMITED
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

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

Sub.: Regulation 34(1) Annual Report for financial year 2015-16
Scrip Code: BSE - AJANTPHARM 532331/ NSE - AJANTPHARM EQ

Dear Sir/Madam,

Pursuant to Regulation 34 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report of the Company for the financial year 2015-16, adopted by the members at the Annual General Meeting held on 5th July, 2016.

Kindly acknowledge and take the same on your records.

Thanking You,





Yours faithfully,

Gaurang Shah
Sr. GM - Legal & Company Secretary

Encl.: a/a

FORM A (for audit report with unmodified opinion)





[Pursuant to Regulation 33 of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1.	Name of the Company	Ajanta Pharma Limited (Consolidated)
2.	Annual financial statements for the year ended	31st March, 2016
3.	Type of Audit observation	Unmodified
4.	Frequency of observation	Not Applicable
5.	To be signed by:	
	a. Yogesh Agrawal Managing Director	
	b. Arvind Agrawal Chief Financial Officer	
	c. S S. Kapoor Partner Membersip No. 5399 For Kapoor & Parekh Associates Chartered Accountants ICAI FRN 104803W	
	d. Chandrakant Khetan Chairman of Audit Committee	

Mumbai, 29th April, 2016

FORM A (for audit report with unmodified opinion)

[Pursuant to Regulation 33 of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1.	Name of the Company	Ajanta Pharma Limited (Standalone)
2.	Annual financial statements for the year ended	31st March, 2016
3.	Type of Audit observation	Unmodified
4.	Frequency of observation	Not Applicable
5.	To be signed by:	
	a. Yogesh Agrawal Managing Director	
	b. Arvind Agrawal Chief Financial Officer	
	c. S S. Kapoor Partner Membersip No. 5399 For Kapoor & Parekh Associates Chartered Accountants ICAI FRN 104803W	
	d. Chandrakant Khetan Chairman of Audit Committee	

Mumbai, 29th April, 2016

CLEAR
VISION.

CLEAR
EXECUTION.

MARKETS | INNOVATION | CAPACITY | PEOPLE

Contents

REVENUE FROM OPERATIONS

₹ 1,728 crore

(from ₹ 1,474 crore in FY 2015, growth of 17%)

EBITDA

₹ 581 crore

(from ₹ 505 crore in FY 2015, growth of 15%)

EARNINGS PER SHARE

₹ 45.62

(from ₹ 35.24 in FY 2015, growth of 29%)



1

01-22

Corporate Overview

01 Clear Vision. Clear Execution.
22 Corporate Information

2

23-63

Statutory Reports

24 Management Discussion and Analysis
30 Directors' Report
50 Report on Corporate Governance

3

64-133

Financial Statements

64 Consolidated
98 Standalone

134-140

Notice

AT AJANTA PHARMA, WE UNDERSTAND VISION AS “THE ABILITY TO SYSTEMATICALLY PLAN THE FUTURE WITH WISDOM.”

Our CLEAR VISION has been ‘to deliver differentiated products, thereby achieving superior operating and financial performance, ensuring sustained growth to enhance stakeholder success and shareholder wealth.’ This is a scientifically planned strategy, based on our knowledge and understanding about the markets we operate in.

To realise our vision, we are equally committed to CLEAR EXECUTION. We put our strategic goals in action by harmonising the four essential keys to achievement - Markets, Innovation, Capacities and People.

In FY 2016, we demonstrated a continuity of our vision, and several steps towards realising its potential.

- Growing our branded generic business in India and emerging markets with customised product portfolio.

- Stepped up our presence in USA market with 4 more product launches .
- Increased R&D and innovation initiatives, with higher spend of 6% of revenue against 5% last year, in order to enhance our differentiated product portfolio in both domestic and international market.
- Augmented capacities through new Dahej facility and commenced work on Guwahati facility to meet growing demand for our products.
- Continued to invest in development and expansion of our highly talented and motivated team, total count increased to 6,000+.

1

Corporate Overview

Ajanta Pharma at a Glance

Ajanta Pharma is a specialty pharmaceutical company engaged in the development, manufacture and commercialisation of quality pharmaceutical products. We have a strong presence in branded generics space in more than 30 emerging countries across India, Africa, CIS, Middle East and South East Asia, generics in developed markets of USA and institution sales.

Our brands in each of the sub-therapeutic categories or molecules are recognised leaders. We continuously add new products, many being first to market, to our existing portfolio to provide patient convenience and compliance.

SPREAD
ACROSS 5
CONTINENTS

30+ Countries

NICHE, COMPLEX
AND DIFFICULT TO
MAKE PRODUCTS

~ 70% being **1ST** to market

MANUFACTURING
FACILITIES

5 State-of-the-art

SPENDING
ON R&D

6% of revenue

R&D
SCIENTISTS

650+

DEDICATED
TEAM FROM 20+
NATIONALITIES

6,000+ Ajantaites

GEOGRAPHY WISE SALES



Territory	Sales ₹ crore	% Sales
Africa	692	41
India	528	31
Rest of Asia	462	27
USA	14	1
Others	10	0

KEY STRENGTHS

Business Model

At Ajanta Pharma, we believe in creating opportunities and then fully harnessing them. In doing so, we identify the unmet healthcare needs across therapies in different markets and capitalise on them to optimum levels. This conclusively enables us to stay ahead of competition.

Strong R&D Capabilities

Our highly-skilled research team is dedicated to develop innovative products using cutting edge

technologies and platforms for positively improving health as well as overall well-being of patients. Our research efforts drive our vision of becoming a profitable and integrated global pharmaceutical organisation.

Commitment to Quality Manufacturing

Our multiple manufacturing facilities make us uniquely-positioned to select the most appropriate manufacturing strategy for a product, driven by cost, regulatory and capacity considerations.

Regulatory Compliance

All our facilities consistently match rigorous global operating benchmarks and are approved by international regulators. This provides us a wide footprint in India, key emerging markets in Asia and Africa and the USA.

MISSION

We serve Global Healthcare needs through Empathy, Innovation and Technology.

Product Portfolio

USA MARKET



- Presence in world's largest and most stringent pharmaceutical market – the USA.
- Carved out a select product portfolio, which includes complex technology products to derive competitive advantage in the market.
- Eight products approved by the US Food and Drug Administration (FDA) that are either commercialised or are awaiting launches.
- 2 ANDAs tentatively approved, 16 more under USFDA review.

INDIAN MARKET



- Presence in fast growing specialty chronic therapies such as Ophthalmology, Dermatology, Cardiology and Pain Management.
- Pioneered most first launches in speciality product portfolio.
- Till date, 190+ products launched; 70% products are 1st to market.
- Products are marketed through 3,000+ Medical Representatives (MRs) covering 4 lakh+ doctors.

EMERGING MARKETS



- Exports to over 30 Emerging Markets with a significant presence in Asia and Africa.
- Serve a wide range of therapeutic segments like Anti-Biotic, Anti-Malarial, Anti-Diabetic, Cardiology, Gynaecology, Orthopaedics, Paediatric, Respiratory and General Health products.
- Markets products through a team of 650+ on the ground.

2

**23-62
Statutory Reports**

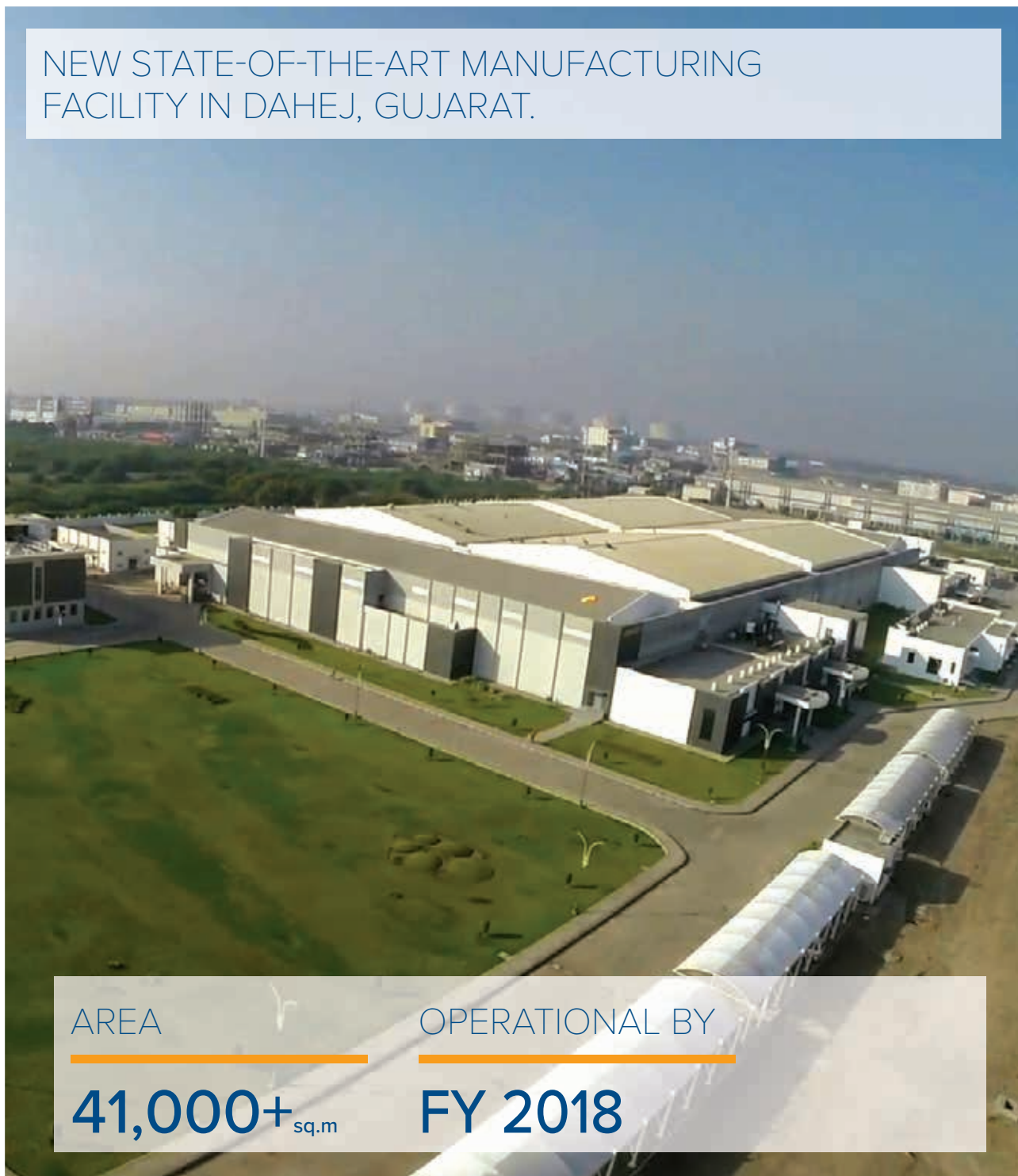
24 Management Discussion and Analysis
30 Directors' Report
50 Report on Corporate Governance

3

**63-133
Financial Statements**

64 Consolidated
98 Standalone

NEW STATE-OF-THE-ART MANUFACTURING FACILITY IN DAHEJ, GUJARAT.



AREA

41,000+_{sq.m}

OPERATIONAL BY

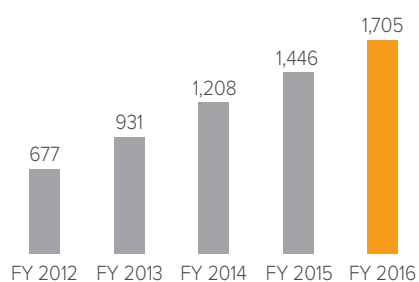
FY 2018

Clear Performance Consistently

Our clear vision about the business strategies for individual markets, along with clear execution in the areas of R&D, manufacturing and people management, enabled us to deliver consistent performance over the years. FY 2016 has been another successful year in terms of all the parameters. Despite challenges of currency volatility and scarcity in emerging markets, we have posted overall satisfactory growth.

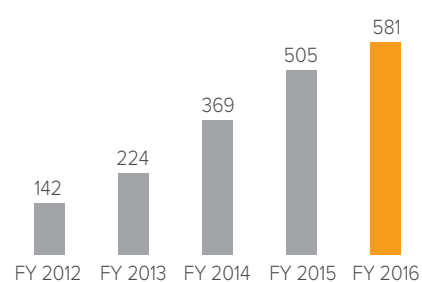
- 68% revenue from exports.
- Revenue from operations grew 17% at ₹ 1,728 crore against ₹ 1,474 crore.
- EBITDA growth of 15% at ₹ 581 crore against ₹ 505 crore.

Net Sales (₹ in crore)



↑ **26%** (5-year CAGR)

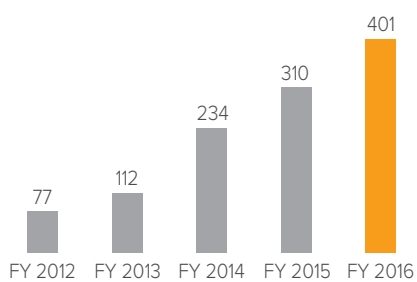
EBITDA (₹ in crore)



↑ **42%** (5-year CAGR)

Net Profit

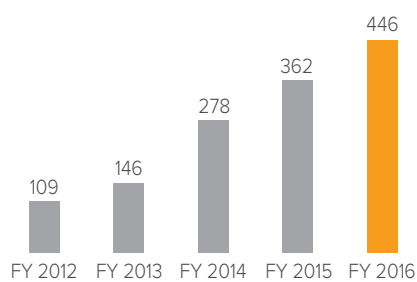
(₹ in crore)



↑ **51%** (5-year CAGR)

Cash Profit

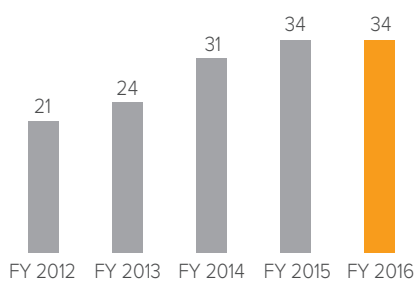
(₹ in crore)



↑ **42%** (5-year CAGR)

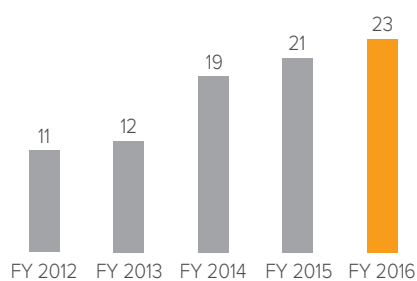
EBITDA Margin

(%)



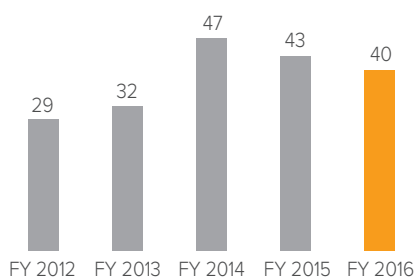
Net Margin

(%)



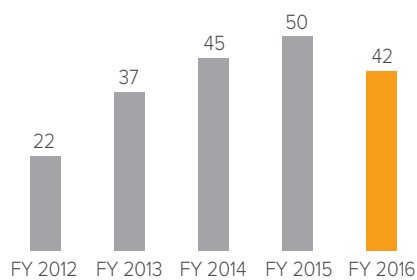
RONW

(%)



ROCE

(%)



Awards and Recognitions



Mr. Yogesh Agrawal, Managing Director and Mr. Rajesh Agrawal, Joint Managing Director, were conferred with TIME India's 'Young Maker of the Year' Award by Hon'ble Prime Minister of India Shri Narendra Modi.

2

23-62 Statutory Reports

24 Management Discussion and Analysis
30 Directors' Report
50 Report on Corporate Governance

3

63-133 Financial Statements

64 Consolidated
98 Standalone



Mr. Yogesh Agrawal,
Managing Director listed
as 'India's Most Valuable
CEO' in mid-size companies
category by Business World.



Listed in Forbes India's
Super 50 Companies.



Listed in Fortune India's
Next 500, being the 3rd
largest wealth creator in last
5 years.



Management Speak



Yogesh Agrawal, Managing Director (L)
Rajesh Agrawal, Joint Managing Director (R)



AT AJANTA PHARMA, CONSISTENT PERFORMANCE AND SUSTAINED, PROFITABLE GROWTH, DEFINES OUR CAPACITY TO DELIVER, SUPERIOR OPERATING AND FINANCIAL OUTCOMES OVER THE LONG-TERM.

Dear Shareholders,

Clarity of purpose aligned with consistent performance and profitable growth is the first step towards building a successful business. Ajanta Pharma's success in FY 2016 was the result of our clear vision and clear

execution. We inherently focus on innovation to provide our consumers better products and cater to their unmet needs in different therapeutic segments. In the quest for new product launches, backed by strong R&D support and management vision,

our differentiated approach has helped us carve out a niche in the pharmaceutical space.

With steady and substantial investments in R&D, use of latest platform technologies and developing niche and complex formulations, we are confident of reinforcing our exclusive positioning in the markets we operate in.

Our vision to have customised portfolio of products for every market enabled us to build a strong positioning in these markets. Be it India portfolio focusing on high growth specialities or a more wider therapeutic coverage with customisation for emerging markets or the complex niche strategy for the generic market, we have been able to strategise and implement our vision seamlessly over the years. We have strengthened it further with ground presence in every market we are present in.

This clear vision has resulted into greater scale, increased product portfolio and greater penetration in the markets.

At Ajanta Pharma, consistent performance and sustained, profitable growth, defines our capacity to deliver, superior operating and financial outcomes over the long-term. Along with a clear thought process on what we want to do, we also have a very good idea of what we won't do. This enables us to stay focused and ahead of the curve. Our capability to launch new products – being first-to-market is the basis of our success and continues to define us, going ahead.



WITH STEADY AND SUBSTANTIAL INVESTMENTS IN R&D, USE OF LATEST PLATFORM TECHNOLOGIES AND DEVELOPING NICHE AND COMPLEX FORMULATIONS, WE ARE CONFIDENT OF REINFORCING OUR EXCLUSIVE POSITIONING IN THE MARKETS WE OPERATE IN.

We are building a sustainable and scalable business across segments to cater to the regulated and the emerging markets.

As we look ahead, we have set clear goals for our next level of growth. In the medium term, building on proven results, we will potentially gain from our prudently developed product portfolio, long-standing stakeholder relationships and a diverse consumer mix. In addition, we have an improved cost structure, robust balance sheet and a seasoned, professional management. While we have multiple levers in place, we are aware that our greatest competitive advantage is our passion to deliver results.

Regards,

Yogesh Agrawal and Rajesh Agrawal

We stepped up our presence in the USA market with a select product portfolio. We have 26 Abbreviated New Drug Applications (ANDAs), out of which we received 8 final approvals (5 already commercialised) and 2 tentative approvals. That currently leaves us with 16 ANDAs awaiting approval and we plan to file 8-12 ANDAs every year going forward.

R&D investment over the years has benefited the Company in attaining leadership in every market segment that it operates in. R&D expenses constituted 6% of the gross revenue for the year. We launched more innovative first-time products in India and emerging markets, thereby providing strong support for growth in domestic and global markets. During the year, we have successfully launched number of products in different therapeutic segments and geographies.

We have resiliently stayed on course with a clear plan and added manufacturing capacities for different

markets. Our Dahej manufacturing facility, mainly dedicated for developed markets, will be operational in FY 2018. A new formulations facility being set up at Guwahati with a capex of over ₹ 300 crore, to cater to India and emerging markets will be commercialised before March 2017, which will enable us to build our strength in manufacturing and get more tax efficient.

Ajanta Pharma today is a 6,000+ strong team. We are nurturing and up-skilling our human capital to prepare for the next level of growth. We have further strengthened our management team with people having an established track record in the industry. Its only through consistent improvement and empowerment of our people that we will be able to sustain our leadership in our focus areas.

Our financial performance signifies remarkable growth. Ajanta Pharma registered a top line growth of 17% from ₹ 1,728 crore to ₹ 1,474 crore, driven by uniform business expansion.



FOCUS MARKETS. A WELL THOUGHT OUT STRATEGY.

For Ajanta Pharma, being present in the right markets is of paramount importance. We choose our areas of geographic presence with a clear understanding of opportunity and our ability to place speciality differentiated and complex products in that market.

Ajanta Pharma has a clear vision on which markets it wants to operate in. We have diligently pursued this strategy and are today at a stage where our geographic mix is better balanced, substantially de-risked and not overtly dependant on any single region or country. In each of these markets, our strong marketing and sales capabilities, a robust product pipeline, serviced by a 24x7 supply chain ensures that Ajanta Pharma is delivering quality medicines to consumers.

We do not have a one-size-fits-all approach. Therefore, not all our products get sold in all the

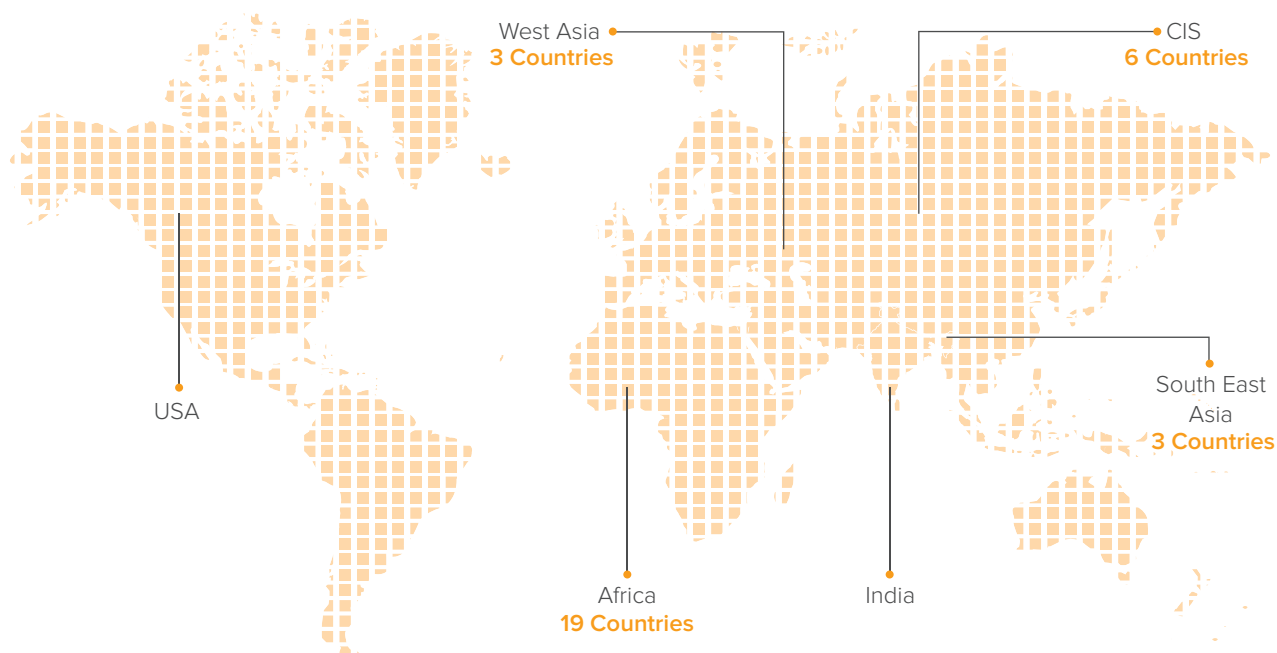
geographies we operate in. We follow a country-specific and product-specific model. Our marketing teams focus on growing our share of the market based on specific demand dynamics of different regions. This demand approach with a wider product portfolio has resulted into a sustainable and profitable business for us.

Our clear vision to remain focused on few high growth specialty therapeutic segments in India was clearly executed in terms of building leadership in cardiology, dermatology, ophthalmology and pain management.

In emerging markets, our vision to provide differentiated products, customised to suit individual marketplace was clearly executed with a bouquet of 1,400+ product registrations in hand and another equal number under approval.

In the regulated markets of the USA, our vision is to introduce niche and

complex technology products in oral solids with Immediate-Release, Extended-Release, Delayed-Release, Orally Disintegrating Tablets and Powders, etc. shall give us the competitive advantage in the market. Having own front-end sales and marketing team in the USA from day one also had its own advantage and shows the clear execution capabilities of Ajanta. We have a firm product pipeline under development for the USA and expect to file about 8-12 ANDAs every year for approval with the USFDA.





INVESTMENTS IN R&D. INNOVATION LEADS THE WAY.

Innovation is at the heart of Ajanta Pharma and fundamental to the implementation of our strategy of helping patients access our medicines. We focus on speciality formulations, identifying the right segments, products and markets.

We made significant investments in Research and Development (R&D) to create new products that address the evolving needs of patients, healthcare professionals and society. "Serving global healthcare needs through Empathy, Innovation and Technology," our Company's mission emphasises the role of R&D.

R&D is a key differentiator in our strategic positioning, an important element of our brand image, and vital in maintaining and strengthening our leading market position. R&D is also the foundation of the changing operating environment at Ajanta Pharma. Continuous investment in the product pipeline has enabled Ajanta Pharma to lead first-to-market product launches in key markets. Our continuous R&D investment has helped us introduce around 20 new products in India every year.

Innovation is crucial for deepening our relationships with consumers and helping them succeed in an evolving marketplace. Our demonstrated commitment to innovation is deeply entrenched in our strategy and culture.

The R&D team comprises highly talented scientists with excellent capabilities for delivering robust, high quality and cost-effective formulations in various dosage forms. The primary role of the formulations development team is to design robust formulation using Quality by Design (QbD) concept which will meet various regulatory expectations.

The synthetic development team develops new pharmaceutical substances with a focus on cost-effective processes.

The analytical development team is dedicated to developing methods, performing method validations, undertaking and stability testing programmes in accordance to the International Council for Harmonisation (ICH) guidelines.

NICHE, COMPLEX
AND DIFFICULT
TO MAKE
PRODUCTS

SPENT ₹ 106
CRORE ON R&D
IN FY 2016



CAPACITY AUGMENTATION. FACILITATING GROWTH.

At Ajanta Pharma, our investments in capacity signal our confidence in growth and opportunity. In FY 2016, we continued our long track record of investing in the maintenance and expansion of our high quality manufacturing facilities. We made significant investments in manufacturing facilities to build required infrastructure to fuel future growth plans.

We have four formulations facilities in India (including recently commissioned Dahej plant in Gujarat, which is getting ready to obtain USFDA approval), one at Mauritius and one Active Pharmaceutical Ingredient (API) unit in India. Besides, we are investing in the formulations facility in Guwahati, Assam, which will be operational before March 2017. The Guwahati facility is planned taking into account incremental growth for coming years in the domestic and emerging markets. It is also in line with our proactive approach to have further control over manufacturing and to ensure world-class product quality.

The Guwahati facility will produce tablets, capsules, creams/ointments and sterile ophthalmic liquids. Also, a dedicated API R&D unit was set-up in Mumbai that is equipped with state-of-the-art facilities.

Quality is institutionalised at our manufacturing facilities through sophisticated mechanisms and automation, training programmes and enabling infrastructure support. Quality is the primary focus from product development to delivery. That is what has enabled one of our manufacturing facility to get approved by leading pharmaceutical regulatory authorities such as the USFDA, World Health Organisation and UK MHRA and the other one is being offered for the same.

Relevant Processes

Our processes follow the Current Good Manufacturing Practices (cGMP) practices - as prescribed by the WHO and the country of operation. Our people are suitably trained. We have a team of Quality and Compliance professionals aligned to each manufacturing location to achieve quality excellence.

We are:

COMPLIANT
WITH STRINGENT
REGULATIONS

READY WITH
QUALITY
SYSTEMS AND
PROCESSES

INVESTING
IN THE RIGHT
INFRASTRUCTURE
AND CAPABILITIES



STRENGTHENING HUMAN CAPITAL.



At Ajanta Pharma, we strongly believe that our success hinges on our people achieving their personal and professional goals. We strive to provide our people with the right opportunities for professional development and personal fulfilment.

We give our team members the freedom and motivation to excel along with a focus on a healthy work-life balance. We score high on people engagement processes, diversity and inclusion metrics and help our teams grow in the organisation through learning and development opportunities.

We periodically review and strengthen our people practices, HR programmes, to maximise organisational performance. We ensure our teams are aligned with our organisational culture and values while remaining firm on our business objectives. Ajanta Pharma has, therefore, built an enviable talent hub and built trustworthy teams. Our constant endeavour is that our people feel invested in, and in turn, they invest in the Company, its growth and its mission.

The impressive business growth seen by Ajanta Pharma in the last few years has been driven by the people we

have, by the free and nurturing work environment we provide and by the support given through clear people - processes.

Unity in Diversity

Ajanta Pharma employs a talent pool spread across different geographies; with a diverse workforce making it truly a multi-dimensional and cultural organisation with a pursuit of passion and innovation. Our team constitute people from 20 nationalities spread across East and West.

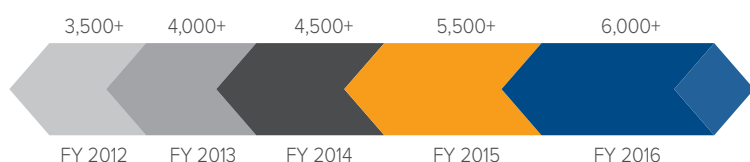
Training and Development

Our Training and Development (T&D) initiatives help our people learn the latest developments in the industry. One standout exercise is the 'Continuous Learning Program (CLP@ Ajanta),' which is conducted for team Ajanta. Apart from training in functional areas for teams, CLPs also stress on personal development and include insights on health, food, etiquette, relationships, self-management and personal finances, etc. This exercise is a conscious effort to build a brighter future for Ajanta Pharma and the people who've tirelessly served the Company.

EMPLOYEE
DEVELOPMENT
AND
ENGAGEMENT
IS AT THE CORE
OF AJANTA'S
CONSISTENT
BUSINESS
GROWTH

Head count over the last 5 years

No. of employees



Corporate Social Responsibility

At Ajanta Pharma, we believe that contributing back to the society is not only a **RESPONSIBILITY** but a **COMMITMENT**. Our little value addition to the betterment of society is a part of our mission, in line with our commitment to human health.



Social commitment is anchored in our business philosophy. By embedding sustainability considerations within our strategies, we seek to enhance health, safety and environment standards, reduce inequalities amongst socially backward groups by extending necessary help and assistance, ensure accountability, increase the positive impact of our operations and reduce potential material risks.

Key activities undertaken

- Conducted 49,049 free cataract surgeries at 497 medical camps organised for the under-privileged communities at various locations in Maharashtra.
- Renovation of school and other educational institutions in remote villages with special emphasis on women skill development.
- Extended aid to deserving patients and subsidised food facilities to patients' relatives, assisted in upgradation of charitable hospital facilities, etc.
- Organised Samuhik Vivah Sohala (Group Marriage Programme) in different parts of Vidarbha region in Maharashtra. Weddings of couples from different communities were solemnised as part of the programme. Severe drought in Maharashtra has had a crippling effect on the social fabric in the region. With an aim to prevent people from falling into debt traps, delay in weddings and farmers ending lives unable to marry their children, Ajanta Pharma organised and funded the group weddings.
- Swachh Bharat Abhiyaan – The Paithan plant near Aurangabad extended its cleanliness drive to cover an area of 25 km from its location. The Company organised cleanliness awareness programmes for rural people through lectures, practical examples and road shows. The target group was educated on steps to ensure a clean, disease-free village. Local schools and students were also covered by the programme.



- Ajanta Pharma, in a tie-up with Lions Club, adopted Khetripada village in Jawhar region of Thane district and provided personal toilets for every house with proper drainage system in place. Villages were provided with 24 hours water supply through a dedicated pipeline. This pipeline is connected by a solar power generator attached with a 20,000 litre tank.



Corporate Information

BOARD OF DIRECTORS

Mannalal Agrawal

Chairman

Purushottam Agrawal

Vice Chairman

Madhusudan Agrawal

Vice Chairman

Yogesh Agrawal

Managing Director

Rajesh Agrawal

Joint Managing Director

Chandrakant Khetan

Director

Dr. Anil Kumar

Director

K. H. Vishwanathan

Director

Prabhakar Dalal

Director

Dr. Anjana Grewal

Director

AUDITORS

Kapoor & Parekh Associates

COST AUDITORS

Sevekari Khare & Associates

CHIEF FINANCIAL OFFICER

Arvind Agrawal

COMPANY SECRETARY

Gaurang Shah

CIN NO

L24230MH1979PLC022059

REGISTERED OFFICE

Ajanta House, Charkop, Kandivli (W)

Mumbai – 400 067

Tel: +91 22 6606 1000

Fax: +91 22 6606 1200 / 1300

Website: www.ajantapharma.comEmail: info@ajantapharma.com

2

Statutory Reports

24	Management Discussion and Analysis
30	Directors' Report
50	Report on Corporate Governance

Management Discussion & Analysis

Pharmaceutical Sector Overview

Global

As per IMS, global spending on medicines is expected to reach \$1.4 trillion by FY 2020, representing an increase of 29-32% from FY 2015. The drivers of this growth will be diverse. In developed markets, brands will be instrumental, while in the pharmerging markets it will be driven by better usage and offset by patent expiries. Among the other key drivers to this growth trend are an ageing population and rising occurrence of chronic diseases. Technology and product innovation, increase in government funding and insurance coverage, and the positive impact of healthcare improvement provisions will also contribute. Going forward, by FY 2020, specialty medicines will command an increased share of spending – estimated at 36% in developed markets and 12% in pharmerging ones.

USA spending on medicines will reach \$560-590 billion in FY 2020, seeing an increase of 34% over FY 2015. This growth will be driven by innovation, invoice price increases and exclusivity-loss impact. Generic medicines will continue to be the mainstay of the prescription medicine usage in the USA, rising from 88% to 91-92% of all dispensed prescriptions by FY 2020. However, an increasing share of medicines will be paid for by Medicare, Medicaid, and other government funded or mandated programme each imposing substantial discounts from list prices.

Growth in spending on medicines in pharmerging markets is expected to reach \$125 billion by 2020 driven primarily by wider use of medicines. According to IMS Health, Africa is the

world's second fastest growing pharmaceutical market which is expected to reach \$30 billion by FY 2016 and \$45 billion by FY 2020. The growth will be fuelled by increasing economic wealth and demand for treatments for chronic diseases in more urban, middle-class population.

Growth Drivers

Ageing population

Globally the average human life span has increased considerably over the last few decades. Though, more infections and diseases have come along with this longevity growth. The aim going forward is to avoid infections and maintain health so that these population can enjoy better lives.

Changing lifestyles

Hectic daily schedules have led to unhealthy eating habits, lack of exercise, less sleep, and other challenging lifestyle choices. This has resulted in high obesity rates, poor digestion, delusions, breathing difficulties, and other physical problems. Health supplements have been introduced as a cure for all these issues, to reduce the chance of getting sick, and meet daily nutritional needs through vitamins and minerals.

Increased income and chronic diseases

The middle class has been growing in both the emerging and developed markets. People in these markets have more disposable income and expect better healthcare solutions. Chronic disease cases have risen in number. This has made people become more reliant on medications and health supplements.

Increasing role of Government

Governments' pivotal and growing role as a regulator and market-shaper in the global healthcare sector cannot be understated. Around the globe, several governments are presenting broad reforms to cut costs and improve the quality of their health care systems.

India

The Indian pharmaceutical industry ranks 14th in the world by value of pharmaceutical products.

A significant increase in domestic consumption due to the higher incidence of lifestyle diseases, increasing health awareness, growing population, greater penetration in rural

GOING FORWARD, BY 2020, SPECIALTY MEDICINES WILL COMMAND AN INCREASED SHARE OF SPENDING – ESTIMATED AT 36% IN DEVELOPED MARKETS AND 12% IN PHARMERGING ONES.

markets, and a nascent, yet fast growing health insurance industry, are some factors influencing the growth of the pharmaceutical market. Moreover, the country's low-cost production base and the patent cliff in the global arena significantly support the export market which plays an important role in the growth of the industry.

The percentage contribution of the generic pharmaceutical market to the world is expected to increase from 28.5% in FY 2013 to 36% in FY 2017. India currently ranks fourth in the world among the highest generic pharmaceuticals producers and contributes 20% of global generic drug exports. Lifestyle segments such as cardiovascular, diabetes, CNS, oncology will continue to be fast growing owing to increased urbanisation and change in lifestyle patterns.

Source: IBEF and Pharmexcil

Outlook

The Indian Pharmaceutical Industry has been an important component of the pharma sector globally due to the recent changes in patent laws, the rising use of generics, cost competitiveness, and availability of the large scientific talent pool. The outlook for the Pharmaceutical industry remains largely positive over the next few years. India is the largest supplier of cost effective generic medicines to the developed world. With the varied range of medicines available for exports and with the availability of the largest number of approved pharmaceutical manufacturing facilities, India is all set to become the leader of pharmaceutical exports to the world. The augment of pharmaceutical outsourcing and investments by multinational companies, allied with the country's growing economy, persistent health insurance segment and better healthcare facilities, is expected to drive the market's growth.

Company Overview

Ajanta Pharma is a specialty pharmaceutical company engaged in the development, manufacture and commercialisation of pharmaceutical products. Its products are sold and marketed in over 30 countries. Its business includes Branded Generics in emerging markets of Asia and Africa, Generics in the developed markets of USA and Institutional sales.

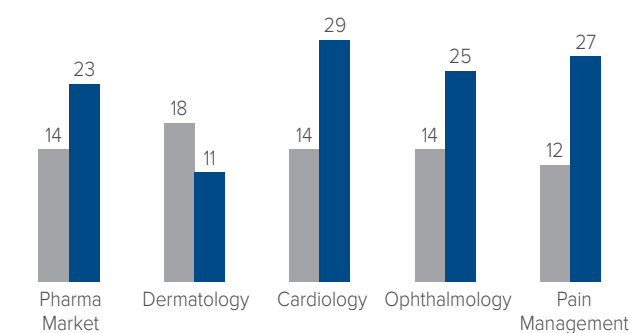
Performance Highlights

India

In India, the Company operates in 4 speciality segments of Cardiology (ranked 20th), Ophthalmology (ranked 5th), Dermatology (ranked 13th) and Pain Management (ranked 45th) with overall ranking of 33rd in Indian Pharmaceutical market (IMS MAT March 2016).

Ajanta vs. Indian Pharmaceutical Market – Branded Revenue FY 2016

% growth



■ IPM ■ Ajanta Pharma

MARCH 2016 - MAT (Source IMS)

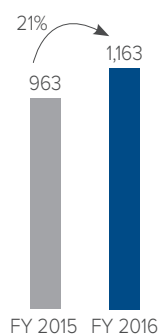
Company also has small presence in institutional business in India and is a reliable supplier for various government bodies like armed forces, government hospitals, canteens, stores department, etc. However, the Company is reducing its focus on this segment which has seen a de-growth during the financial year.

Emerging Markets

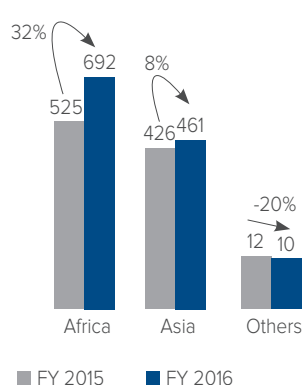
Emerging markets are the major contributors in our business where we are present across Asia and Africa. We choose each of the market where we are present in and designed a customised basket of products for each of these markets. Ajanta has been doing pioneering efforts in having ground presence through its own field force in the emerging markets and aggressively promoting brands to take leadership positions. In Africa, Ajanta Pharma also has institutional business, supplying Anti-Malarial products.

With the objective of building sustainable and scalable business model, we have been continuously filing products for registration in different countries of emerging markets, across therapeutic segments. This will ensure sustained growth for the Company in years to come.

Total Revenue ₹ in crore



Revenue Break-up ₹ in crore



Regulated Markets

For Ajanta Pharma, USA market will be a key growth driver in the coming years. With an objective of building a critical size in the world's largest market, the Company is strengthening its capabilities in R&D, Manufacturing, Team, etc. Its 5 products are already available on the shelf in USA and many more are in the pipeline. Currently, the Company has 8 final products approved and 2 tentative approvals from the U.S. Food and Drug Administration (FDA), with other 16 ANDAs under review. It is further planning to file 8-12 ANDAs every year.

REVENUES FROM OPERATIONS INCREASED BY 17%, FROM ₹ 1,474 CRORE IN FY 2015 TO ₹ 1,728 CRORE IN FY 2016.

R&D SCIENTISTS

650+

NEW PRODUCTS
LAUNCHED
IN FY 2016 (INDIA AND
EMERGING MARKETS)

64

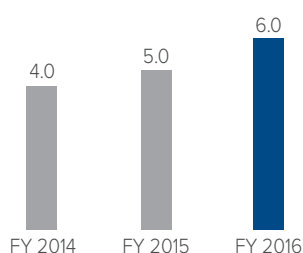
Research and Development

At Ajanta Pharma, a nimble and highly experienced pool of R&D professionals is working towards adding value for the Company and commercialising cost effective products for the global markets. Over the years, continuous initiatives have resulted in a steady flow of new products, a well-balanced pipeline of assets, thus strengthening the competitive portfolio position. We have completely integrated R&D, technology and engineering capabilities that enable us to be cost effective player on a sustainable basis.

Ajanta Pharma's forte is in making the right decision in selecting molecules and products for development, at the right time. Our commitment to compliance standards and quality, operating excellence and customer focus reiterates our accountability to customers and patients. Quality assurance is accomplished through process creation, implementation, review, re-engineering and capability building.

R&D has always been the thrust area which has enabled Ajanta Pharma to introduce many first-to-market products. We continue to enhance our R&D capabilities and capacities to develop differentiated and niche formulations for India, USA and emerging markets.

R&D Expenditure*



*R&D Spend as % of Operating Income (excluding capex)

Financial Overview

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

Profit and Loss Statement

Revenues from operations (net)

Revenues from operations increased by 17%, from ₹ 1,474 crore in FY 2015 to ₹ 1,728 crore in FY 2016. This increase was driven by growth in volumes and new launches in domestic business of 31% and export business of 68% along with niche and new launches of products.

Material costs

Material costs declined to 24% in FY 2016 against 25% in FY 2015. This reduction is on account of growth in quality business with niche and first time product launches.

Employee expenses

People-related expenses increased from ₹ 200.58 crore in FY 2015 to ₹ 256.99 crore in FY 2016. This increase was due to additional manpower recruited in marketing, R&D and other support functions.

Other expenses

Other expenses include marketing, R&D, administrative expenses and distribution which stood at ₹ 475.99 crore in FY 2016 against ₹ 402.32 crore in FY 2015. As a % of revenue other expenses is at 28%. The absolute increase is largely due to increase in R&D and selling expense in line with increase in revenue.

Margins

The Company has been able to retain its margins in spite of increase in R&D cost, with EBIDTA and net margins stood at 34% and 23%, respectively, in FY 2016 compared to 34% and 21%, respectively, in FY 2015.

Balance Sheet

Shareholders' funds

Shareholders' funds increased from ₹ 841.09 crore in FY 2015 to ₹ 1,172.06 crore in FY 2016. This increase was primarily due to increase in net margins. The equity share capital increased from ₹ 17.68 crore in FY 2015 to ₹ 17.69 crore in FY 2016. This was due to equity shares allotted under employee stock option plan. Earnings per share stood at ₹ 45.62 in FY 2016 against ₹ 35.24 in FY 2015.

Non-current liabilities

The balance under this head declined from ₹ 55.67 crore in FY 2015 to ₹ 37.90 crore in FY 2016 largely due to repayment of long-term borrowings.

Current liabilities

The balance under this head increased from ₹ 249.59 crore in FY 2015 to ₹ 271.47 crore in FY 2016. The increase was due to utilisation of short term borrowings and increase in trade payables due to an increase in the scale of operations.

Fixed assets

Fixed assets, increased by ₹ 233.09 crore in FY 2016 primarily due to proactive investments in R&D and manufacturing facilities.

Current assets

The balance under this head increased from ₹ 633.41 crore in FY 2015 to ₹ 763.88 crore in FY 2016. This increase was largely due to increase in trade receivables in line with increase in operating revenue.

Human Capital

All our people policies and developmental plans are geared towards our future business focus. Our aim is to advance the competencies and abilities of Ajantaitees so that they can execute our corporate strategies more effectively, while their own potential is unleashed. In turn, we offer our in-house

talent, attractive career opportunities as well as personal and professional growth. It is all about merit, competencies and deliveries on planned results. We recognise the fact that employee satisfaction is intricately woven with the success of any organisation. We offer our people an enriching work experience that is beneficial for them and the organisation in the long run.

Various unique initiatives for people development including regular training, sports, recreational tours, etc. keeps team Ajanta always motivated and enable them to excel in whatever they do.

Risk Management

Ajanta Pharma leverages its deep domain and management insights to undertake proactive counter-measures that strengthen viability across verticals, products, geographies and market cycles. The Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of internal controls in place. Governed by a strong compliance ethic, it relies heavily on risk management and forecasting frameworks to manage competitive, economic, financial, geo-political and social risks. Company has put in place response mechanisms

that mitigate environmental, operational and business risks and minimise impact on business.

Changing global political and economic conditions

Risk of exposure to various external political and economic conditions exists as well as natural disaster that may hit the Company's work performance and capability to achieve its objectives. Additionally, the Company operates across a broad range of markets and these markets have the potential to come across natural disasters that could impact business operations. The extent of the Company's portfolio and geographic footprint support in mitigating our coverage to any specific localised risk to a certain degree. External uncertainties are carefully measured when developing strategy and reviewing performance.

Competition Risk

The Company's products face intense competition from products of other pharmaceutical companies in India and abroad and introduction of new products by competitors may impair the Company's competitive advantage and lead to erosion of revenues. The Company has unique capabilities to innovate on product offerings across the market customised as per their needs, which gives it an edge over its competition.

Foreign Exchange Risk

The Company derives majority of its revenue in foreign currency, exposing it to fluctuations in currency movements. Such a scenario makes earnings volatile. The Company has laid down a foreign exchange risk policy as per which senior management team reviews and manages the foreign exchange risks in a systematic manner, including regular monitoring of exposures, proper advice from market experts, hedging of exposures, etc. The Company's currency hedging strategies have helped minimise volatility and have helped buffer the impact of currency exchange rate fluctuations.

Regulatory Risk

The Company's operations subject it to compliance with a broad range of decrees and regulatory controls on the development, manufacturing, testing, approval, distribution and marketing of its pharmaceutical products. The Company works globally in complex legal and regulatory environments that often differ among jurisdictions. As the rules and regulations transform or as governmental interpretation of

AJANTA HAS BEEN DOING
PIONEERING EFFORTS
IN HAVING GROUND
PRESENCE THROUGH ITS
OWN FIELD FORCE IN THE
EMERGING MARKETS AND
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BRANDS TO TAKE
LEADERSHIP POSITIONS.

those rules and regulations develop, there is a possibility for the conduct of the Company to be called into question. The Company's internal control framework is designed to help ensure we hold fast to legal and regulatory requirements through constant evaluation. The Company has implemented several mechanisms to monitor and support compliance with legal and regulatory requirements.

Internal Control Systems and Adequacy

The Company's internal control framework is designed specifically to help ensure effectiveness and efficiency of operations, reliability of financial reporting and compliance of laws and regulations. The Company has put in place automated internal business controls and a centralised global process framework that works and governs the day-to-day operations of key functions like research, procurement, manufacturing and supply chain, integrating them with key support functions like marketing, sales, finance, regulatory affairs and HR.

An alert and empowered internal audit group monitors systems and processes ensuring that automated control procedures ensure prudent financial control, accountability and integrity in every part of our organisation. The organisation's annual quality objectives are tracked on a quarterly basis through a planning and tracking module, which is part of QMS (quality management system) software, specially developed by the Company's IT team. Our internal auditors for different locations keep an eye on all the compliances and submit reports and updates to the Audit Committee of the Board, which reviews and provides direction on how we can further enhance controls within the Company.

Cautionary Statements

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

R&D HAS ALWAYS BEEN THE THRUST AREA WHICH HAS ENABLED AJANTA PHARMA TO INTRODUCE MANY FIRST-TO-MARKET PRODUCTS.

Directors' Report

Dear Shareholders,

Your Directors take pleasure in presenting Thirty Seventh Annual Report and Audited Financial Statements for the Year ended 31st March 2016.

1. Financial Results

Year ended 31 st March	Standalone			Consolidated		
	2016	2015	Growth	2016	2015	Growth
Total Revenue	1634.11	1389.90	18%	1744.16	1490.35	17%
EBITDA	515.85	472.56	9%	580.72	505.23	15%
Profit After Tax	414.48	306.37	35%	401.41	309.86	30%
Transfer to General Reserve	330.00	160.00	-	321.49	182.13	-
Earnings Per Share (EPS) (₹)	47.10	34.84	-	45.62	35.24	-

(₹ in crores except EPS)

2. Dividend

During the financial year 2015-16, your Company declared and paid an interim dividend of ₹ 8 (400%) per equity share of the face value of ₹ 2 each in the month of March, 2016. Total dividend payout was ₹ 70.40 crores excluding dividend distribution tax.

With a view to conserve resources for funding the growth and CAPEX plans of the Company, Directors recommend interim dividend to be considered as final dividend and no additional dividend is recommended.

3. Performance Review

Company posted impressive performance during the year under review. While India business contributed 31% of the total sales, balance was contributed by international business. We continued to strengthen our presence in the markets we operate in.

Company continues to operate only in one segment i.e. pharmaceuticals and there is no change in the nature of business of the company. There are no material changes and commitments affecting the financial position of the company, which have occurred between the end of the financial year and the date of this report.

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

4. Management Discussion and Analysis

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

5. Share Capital

During the year, 57,750 shares were issued under ESOS, 2011. Consequent thereto, total paid up equity share capital of the Company as on 31st March 2016 stood at ₹ 17.60 crores divided into 8,80,01,250 shares of ₹ 2/- each. Particulars of Employee Stock Options granted/ vested/exercised during the year are given in "Annexure A" to this report.

6. Credit Rating

Your Company's bank facilities have been rated by Credit Analysis and Research Limited (CARE) during June 2015. The Company has received the highest rating A1+ (A1 plus) for its short term facilities as per which Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. For the long term borrowings, Company's rating has improved to AA (Double A), which indicates high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

7. Subsidiaries/Joint Ventures

Your company continues to have six subsidiaries overseas, including one step down subsidiary and

there were no changes in the same during the year. Financials of subsidiaries are disclosed in the consolidated financial statements which forms part of this Annual Report. Company has one Joint Venture (JV) in Turkmenistan namely, Turkmenderman Ajanta Pharma Limited, where it does not have significant influence as day to day management is controlled by the JV partner. JV operates under severe restriction that significantly impairs its ability to transfer the funds and its performance is not satisfactory. Company is therefore looking for divestment of this JV and as such, JV's accounts are not consolidated.

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

8. Directors

a. There were no changes in the directors or Key Managerial Personnel during the year. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and the Listing Regulations. Based on disclosures provided by Directors, none of them are disqualified from being appointed as Directors under section 164 of the Companies Act, 2013.

b. Retirement by rotation

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

c. Board meetings

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

d. Independent Directors' familiarization programme

The Company undertook directors' familiarization programme for familiarizing them with company's operations and other relevant information which would enable them to effectively discharge the responsibilities and functions conferred on them. Details of familiarization programme imparted is placed on the company's website at <http://www.ajantapharma.com/AdminData/DirectorFamiliarizationProgram/f73bfcd3-59a4-47bd-bad7-59591e9e630fDirectorsFamiliarizationProgramme.pdf>.

e. Evaluation of Board, Committees and Directors

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

f. Policy on appointment and remuneration of Directors

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining Qualifications, Positive Attributes and Independence of a Director as also a Policy for remuneration of Directors, Key Managerial Personnel and senior management. The details of criteria laid down and the Remuneration Policy are given in the Corporate Governance Report.

9. Capex/New projects

Your Company is committed to continuously invest in the infrastructure well in advance to complement its growth plans and to cater to customers in more efficient

and cost-effective manner. As a step in this direction, new state-of-the-art manufacturing unit facility is already established at Dahej and commercial production will commence by early next financial year. The Company is setting up another manufacturing facility at Guwahati and construction of this facility is in progress and the same will be operational before 31st March 2017. Total cost of this project is estimated at ₹ 300 crores.

10. Auditors

a. Statutory Auditors

Auditors' Report for the year under review does not contain any qualifications or adverse remarks.

Company's statutory auditors, M/s. Kapoor & Parekh Associates, Chartered Accountants, Mumbai, hold office till the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. They have expressed their willingness to get re-appointed at the ensuing Annual General Meeting and have confirmed that their appointment, if made, will be in accordance with the provisions of section 139 & 141 of the Act and that they are holding peer review certificate.

The Board based on recommendation of Audit Committee, recommends their re-appointment for approval of members.

b. Secretarial Auditors

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

c. Cost Auditors

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board has on the recommendation of the Audit Committee, appointed M/s. Sevekari, Khare & Associates, Practicing Cost Accountants

to audit the cost records of the Company for the financial year 2016-17. The Board recommends ratification of their remuneration by members at the ensuing Annual General Meeting.

11. Internal Control System and compliance framework

The Company has well defined and adequate Internal Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations.

During the year, Internal Financial Controls (IFC) testing process was done in order to review adequacy and strength of IFC followed by the Company. As per the assessment, there are no major concerns and Controls are strong.

The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems were adequate and operating effectively.

12. Risk Management

Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to ensure that a robust system of risk controls and mitigation is in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges.

Risk management system followed by the Company is elaborately detailed in the MDA.

13. Vigil Mechanism

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

14. Related Party Transactions and Policy

All Related Party transactions (RPTs) entered during the financial year were on an arm's length basis and in the ordinary course of business. For RPTs which are foreseen and repetitive in nature, omnibus approval of Audit Committee is obtained at the beginning of the financial year, as per RPT policy. All the RPTs affected during the year are disclosed in the notes to Financial Statements.

There are no materially significant RPTs made by the Company which may have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required. The Board has approved and adopted Policy on Related Party Transactions and the same is uploaded on the Company's website at <http://www.ajantapharma.com/AdminData/PolicyCodes/ec6023bc-420f-438c-94f9-506925ee2cf4PolicyonRelatedPartyTransactions.pdf>

15. Managerial Remuneration and particulars of employees

Information to be disclosed pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However, this information is not sent along with this Report as per the provisions of Section 136 of the Act. Members interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. Aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before the 37th Annual General Meeting and upto the date of Annual General Meeting during the business hours on working days.

16. Loans, guarantees or investments

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

17. Corporate Social Responsibility (CSR)

Pursuant to the provisions of section 135 of the Act, read with CSR Rules, the Company has constituted CSR committee and formulated CSR policy. The Policy primarily rests on four broad tenets: Healthcare, Education, Community Development and Ecology and the same is within the ambit of Schedule VII of the Act. During the year, the Company undertook several

initiatives under the CSR programme. Details of CSR policy and CSR activities undertaken during the year is annexed to this report as "Annexure D".

18. Deposits

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

19. Unclaimed dividend and unclaimed shares

In respect of share certificates sent to shareholders and returned undelivered, the company has initiated the process of sending reminders to concerned shareholders. After completing the process, unclaimed shares, if any, will be transferred to 'Unclaimed Suspense Account' as per the procedure laid down under the Listing Regulations.

20. Extract of the annual return

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

21. Directors' Responsibility Statement

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

- a. that in the preparation of the annual accounts for the year ended 31st March 2016, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- b. that the directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March 2016 and of the profit of the company for the year;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d. that the annual accounts/financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

23. Corporate Governance

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

24. Human Resource

Your company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. The Company continued to conduct various employee benefit, recreational and team building programs to enhance employee skills, motivation as also to foster team spirit. Company also conducted in-house training programs to develop leadership as well as technical/functional capabilities

in order to meet future talent requirements. Industrial relations were cordial throughout the year.

25. Policy on sexual harassment of women at work place

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

26. Gratitude & Acknowledgements

Your Directors place on record their high appreciation for the unflinching commitment, dedication, hard work and valuable contribution made by employees across the globe for sustained growth of the Company. Your Directors also sincerely thank all the stakeholders, medical professionals, business partners, government & other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, co-operation and support.

For and on behalf of the Board of Directors

Sd/-

Mannalal B. Agrawal

Chairman

Mumbai, 29th April 2016

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

No.	Description	Details / No. of Options
a)	Total Options granted	1,56,500
b)	The pricing formula	Exercise price for 6,000 options is ₹ 835/- per option, for balance options at par value
c)	Options vested	1,45,000
d)	Options exercised	1,25,000
e)	Total number of shares arising as result of exercise of options	1,25,000
f)	Options lapsed during the year	20,000
g)	Variation of terms of options	None
h)	Money realized by exercise of options	₹ 2,50,000
i)	Total no. of options in force	11,500
j)	Employee-wise details of options granted to	
i.	Senior Managerial Personnel	1,43,000 options granted to employees of the Company and 13,500 to employees of overseas subsidiaries
ii.	Any other employees to whom options granted amounting to 5% or more, of the total options granted during the year	None
iii.	Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year	None
k)	Diluted earnings per share (EPS) calculated in accordance with Accounting Standard (AS) 20 EPS	₹ 47.10
l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company	Not Applicable
m)	Weighted average exercise prices and weighted average fair values of options outstanding, disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock	Weighted average exercise price is ₹ 2/- for 5,500 options and ₹ 835/- for 6,000 options Weighted average fair value of 2,500 options is ₹ 746.11; for 3,000 options is ₹ 1,211/- and for 6,000 options it is ₹ 800/-
n)	Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information :	
Variables		Weighted Average Information
Plan		ESOS 2011
		2,500 options 3,000 options 6,000 options
Grant date		30 th April 2013 8 th May 2015 13 th August 2015
Last date for acceptance		7 th May 2013 8 th June 2015 13 th September 2015
Risk free rate (%)		8.00% 8.00% 8.00%
Expected Life (years)		1 year 1 to 3 years 3 to 4 years
Volatility (%)		57% 31.7% 31.7%
Dividend yield (%)		2.51% 1.4% 1.4%
Price of the underlying share in the market at the time of option grant		(*) ₹ 318 ₹ 1,264 ₹ 1,684

*Consequent to sub-division of face value of equity shares from ₹ 5/- to ₹ 2/-, number of options granted, vested, exercised and in force and price of underlying share in the market at the time of grant have been correspondingly adjusted.

Notes:-

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

Annexure 'B' to the Directors' Report - Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

₹ in Crore				
1	2	3	4	5
Sl. No.	Name of the Subsidiary			
2	Ajanta Pharma (Mauritius) Limited (Consolidated)	Ajanta Pharma Philippines Inc.	Ajanta Pharma USA Inc.	Ajanta Pharma Nigeria Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-16	31-Mar-16	31-Mar-16
4	Reporting currency for the subsidiary	MUR	PHP	USD
5	Reporting exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries Rupee equivalent of 1 unit of foreign currency	1.84	1.44	66.26
6	Share Capital	8.10	1.38	6.07
7	Reserves & Surplus	74.01	32.28	(9.83)
8	Total Assets	94.92	64.18	30.39
9	Total Liabilities (excluding Share Capital and Reserves & Surplus)	12.81	30.52	34.15
10	Investments	-	-	-
11	Turnover	225.20	103.04	14.29
12	Profit before taxation	48.58	26.11	(6.70)
13	Provision for taxation	1.41	7.74	-
14	Profit after taxation	47.17	18.37	(6.70)
15	Proposed Dividend	-	-	-
16	% of shareholding	100%	100%	100%

Note:

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

Part "B": Joint Venture

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Venture

Sl. No.	Name of Joint Venture	Turkmennderman Ajanta Pharma Limited
1	Latest audited Balance Sheet Date	31-Dec-15
2	Shares of Joint Venture held by the company on the year end	
	No.	2,00,000 Shares
	Amount of Investment in Joint Venture	₹ 6.95 Crore (already provided for diminution in value in earlier years)
	Extend of Holding %	50%
3	Description of how there is significant influence	Holding being more than 20%
4	Reason why the joint venture is not consolidated	JV operates under severe restriction that significantly impairs its ability to transfer the funds. Hence, we have made a provision for full value of investment in earlier years.
5	Networth attributable to Shareholding as per latest audited Balance Sheet	Not Applicable
6	Profit / Loss for the year	
	i. Considered in Consolidation	Not Applicable
	ii. Not Considered in Consolidation	Not Applicable

As per our report of even date attached

For **Kapoor & Parekh Associates**

Chartered Accountants

S. S. Kapoor

Partner

For and on behalf of Board of Directors

Mannalal B. Agrawal

Chairman

Purushottam B. Agrawal

Vice Chairman

Yogesh M. Agrawal

Managing Director

Arvind K. Agrawal

Chief Financial Officer

Madhusudan B. Agrawal

Vice Chairman

Rajesh M. Agrawal

Joint Managing Director

Gaurang Shah

Company Secretary

Mumbai, 29th April 2016

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

For the financial year ended 31st March 2016 [Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Ajanta Pharma Limited

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

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

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (vi) Based on the representation made by the management of the Company, the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with specific applicable laws, rules, regulations and guidelines viz., Drugs and Cosmetics Act, 1940; The Pharmacy Act, 1948 and Food and Drug Administration licensing terms and conditions.
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements/Regulations entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for a meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no material events / actions have taken place that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

For **Alwyn D'souza & Co.,**

Sd/-

Alwyn P D'souza

FCS.No. 5559

C P No.5137

Place : Mumbai

Date : 29th April 2016

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

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

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

Weblink: <http://www.ajantapharma.com/AdminData/PolicyCodes/3902d0e5-3a00-43be-a0e8-57af62482d40CSRPolicy.pdf>
2. Composition of the CSR Committee:
Mr. Mannalal B. Agrawal - Chairman
Mr. Chandrakant M. Khetan - Member
Mr. Yogesh M. Agrawal - Member
Dr. Anil Kumar - Member
3. Average Profit before tax of the company for last three financial years: **₹ 304.69 crores**
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

The company is required to spent ₹ 6.09 crores towards CSR.
5. Details of CSR spent during the financial year:
(a) Total amount spent for the financial year: **₹ 6.39 crores**
(b) Amount unspent, if any: **None**

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

						₹ lacs
#	CSR project / activity	Sector*	Location - State/ Dist.	Budget	Amount Spent	Direct / Agency
1.	Eye Care & cataract Surgery Camps	A	Maharashtra	110	115	Direct
2.	Other medical camps	A	Maharashtra	5	4	Direct
3.	Facilities in Govt. hospitals	A	Maharashtra	10	13	Direct
4.	Subsidized food for patients & relatives	A	Maharashtra	30	30	Direct
5.	Hospital charges for needy patients	A	Maharashtra	25	27	Direct
6.	Charitable Hospital Facility upgradation	A	Maharashtra	200	200	Direct #
7.	Educational assistance	B	All India	42	48	Direct
8.	School Renovation /Facilities	B	Maharashtra	50	49	Direct
9.	Assistance for women Skill development	B	Maharashtra	70	70	Agency
10.	Community Development in rural areas	C	Maharashtra	50	57	Direct
11.	Clean India / Relief material	D	All India	25	26	Direct
TOTAL				617	639	

*Refers to details of sectors below:

A - Promoting health care including preventive health care

B - Promoting Education, including special education

C – Reducing inequalities faced by socially & economically backward group

D – Improvement in Environment, Health and Safety standards

Note: No overheads are included in the amount spent.

Seth Shri Bhagwandasji Agrawal Charitable Trust

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

For Ajanta Pharma Limited

Sd/-

Yogesh M. Agrawal

Managing Director

For and on behalf of the
Corporate Social Responsibility Committee of Ajanta Pharma Limited

Sd/-

Mannalal B. Agrawal

Chairman of the Corporate Social Responsibility Committee

CSR Policy

(Approved by the Board of Directors on 5th May, 2014)

Background:

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

CSR Policy:

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

1. In Healthcare, our aim is to provide medical assistance to underprivileged living in remote village areas with initiatives like:
 - a. Free medical camps for health, eye, cataract surgeries, family welfare and related areas;
 - b. Developing basic infrastructure around government hospitals for people visiting from remote areas like shelter, subsidized food and similar facilities
2. In Education, our efforts concentrate on providing quality learning at affordable cost in rural areas by aiding schools, vocational skill centers and related institutions.

3. In community development, we advocate and support sustainability in rural areas giving assistance for safe drinking water, community halls, parks, welfare of victims of natural calamities, amenities in government hospitals, subsidized meals for needy patients & relatives, other such initiatives.
4. For maintaining a balance in the eco-system, we support and initiate programmes for continual improvement in Environment, Health and Safety standards.
5. On selective basis, we contribute to Government, voluntary organizations and academic institutes working for any of the above cause.

Budget:

Minimum of 2% of the Average Net Profit (before tax) of the preceding three years will be allocated every financial year for CSR activities. The expenditure incurred on capacity building programmes such as training, workshops, seminars, conferences, etc. and on corporate communication strategies for engagement of all stakeholders, whether internal or external to implement CSR of the company will be accounted as CSR expenditure. CSR budget will be non-lapsable in nature, that is any income or surplus arising out of CSR activity will be added to the corpus of CSR activity for the next year.

Monitoring and Review:

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

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

Extract of Annual Return as on financial year ended on 31.03.2016 [Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. Registration & Other Details:

1. CIN	L24230MH1979PLC022059
2. Registration Date	31.12.1979
3. Name of the Company	Ajanta Pharma Limited
4. Category/Sub-category of the Company	Company having Share Capital
5. Address of the Registered office & contact details	'Ajanta House', 98 Govt Industrial Area, Charkop, Kandivali (West), Mumbai 400 067. Tel. No. : 022 66061000 Fax No. : 022 66061200 www.ajantapharma.com Email : investorgrievance@ajantapharma.com
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt Ltd C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078. Tel. No. : 022 25946970 Fax No. : 022 25946969 Email : rnt.helpdesk@linkintime.co.in

II. Principal Business Activities of the Company

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

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

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	Ajanta Pharma UK LTD 2 Cabot House, Compass Point Business Park, ST IVES,	N.A.	Subsidiary	100%	2(87)
2.	Ajanta Pharma Philippines Inc Unit 710, AXA Life Bldg., 1286, Sen. Gil Puyat Ave., Makati City, Phillipines	N.A.	Subsidiary	100%	2(87)
3.	Ajanta Pharma Mauritius Limited Media Building Goodlands, Mauritius	N.A.	Subsidiary	100%	2(87)
4.	Ajanta Pharma USA Inc 600 1st Ave., Raritan, NJ 08869.	N.A.	Subsidiary	100%	2(87)
5.	Ajanta Pharma Mauritius International Limited Abax Corporate Administrators Ltd of 6th Floor, Tower A, 1 Cyber City, Ebene, Mauritius	N.A.	Subsidiary	Step down Subsidiary	2(87)
6.	Ajanta Pharma Nigeria Limited Block 6, House 6B, Houson Wright Estate, Oregun, Lagos	N.A.	Subsidiary	100%	2(87)
7.	Turkmennderman Ajanta Pharma Limited 47, Oguz Khan Street, Aitakov, Ashgabat, Republic of Turkmenistan	N.A.	Joint Venture	50%	2(6)

IV. Share Holding Pattern

(Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Shareholding

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year - 2015				Shareholding at the end of the year - 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
	(a) Individuals / Hindu Undivided Family	5,65,37,497	-	5,65,37,497	64.29	5,65,37,497	-	5,65,37,497	64.24	(0.05)
	(b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
	(c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
	(d) Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Bodies Corporate	83,92,262	-	83,92,262	9.54	83,92,262	-	83,92,262	9.54	0.00
	Sub Total (A)(1)	6,49,29,759	-	6,49,29,759	73.83	6,49,29,759	-	6,49,29,759	73.78	(0.05)
[2]	Foreign									
	(a) Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
	(b) Government	-	-	-	-	-	-	-	-	-
	(c) Institutions	-	-	-	-	-	-	-	-	-
	(d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
	(e) Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	6,49,29,759	-	6,49,29,759	73.83	6,49,29,759	-	6,49,29,759	73.78	(0.05)
(B)	Public Shareholding									
[1]	Institutions									
	(a) Mutual Funds / UTI	13,40,999	-	13,40,999	1.52	16,60,642	-	16,60,642	1.89	0.37
	(b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
	(d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
	(e) Foreign Portfolio Investor	6,775,220	-	6,775,220	7.70	85,87,032	-	85,87,032	9.76	2.06
	(f) Financial Institutions / Banks	22,518	-	22,518	0.03	19,906	-	19,906	0.02	(0.01)
	(g) Insurance Companies	-	-	-	-	-	-	-	-	-
	(h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
	(i) Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	81,38,737	-	81,38,737	9.25	1,02,67,580	-	1,02,67,580	11.67	2.42
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
[3]	Non-Institutions									
	(a) Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	80,69,185	5,95,768	86,64,953	9.85	74,71,822	4,87,943	79,59,765	9.05	(0.80)
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	42,50,064	-	42,50,064	4.83	32,46,744	-	32,46,744	3.69	(1.14)
	(b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
	(c) Employee Trusts	-	-	-	-	-	-	-	-	-
	(d) Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
	(e) Any Other (Specify)									
	Trusts	7,622	-	7,622	0.01	8,114	-	8,114	0.01	0.00
	Foreign Nationals	-	-	-	-	8,500	7,500	16,000	0.02	0.02
	Hindu Undivided Family	31,182	-	31,182	0.04	2,14,771	-	2,14,771	0.24	0.20
	Non Resident Indians (Non Repat)	1,86,831	-	1,86,831	0.21	1,83,510	-	1,83,510	0.21	0.00
	Non Resident Indians (Repat)	2,39,748	15,375	2,55,123	0.29	2,51,726	11,625	2,63,351	0.30	0.01
	Clearing Member	1,04,042	-	1,04,042	0.12	1,24,951	-	1,24,951	0.14	0.02
	Market Maker	14,732	-	14,732	0.02	8,984	-	8,984	0.01	(0.01)
	Bodies Corporate	13,59,705	750	13,60,455	1.55	7,76,971	750	7,77,721	0.88	(0.67)
	Sub Total (B)(3)	1,42,63,111	6,11,893	1,48,75,004	16.92	1,22,96,093	5,07,818	1,28,03,911	14.55	(2.37)
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	2,24,01,848	6,11,893	2,30,13,741	26.17	2,25,63,673	5,07,818	2,30,71,491	26.22	0.05
	TOTAL (A)+(B)	8,73,31,607	6,11,893	8,79,43,500	100.00	8,74,93,432	5,07,818	8,80,01,250	100.00	0.00
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder									
	Sub Total (C)(1)	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)									
	Sub Total (C)(2)	-	-	-	-	-	-	-	-	-
	TOTAL (A)+(B)+(C)	8,73,31,607	6,11,893	8,79,43,500	100.00	8,74,93,432	5,07,818	8,80,01,250	100.00	-

* There is no change in number of shares held by Promoters. However, there is negligible reduction in their shareholding percentage, which is due to increase in total paid up capital of the Company consequent upon issue of shares under ESOS 2011 during the year.

B) Shareholding of Promoter

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year (*)
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Gabs Investments Pvt Ltd	83,92,262	9.54	1.19	83,92,262	9.54	3.72	0.00
2.	Rajesh M Agrawal	64,11,102	7.29	0	64,11,102	7.29	0	0.00
3.	Yogesh M Agrawal	63,83,560	7.26	0	63,83,560	7.25	0	(0.01)
4.	Mannalal B Agrawal	54,06,720	6.15	0	54,06,720	6.14	0	(0.01)
5.	Purushottam B Agrawal	53,89,425	6.13	0	53,89,425	6.12	0	(0.01)
6.	Madhusudan B Agrawal	53,88,750	6.13	0	53,88,750	6.12	0	(0.01)
7.	Manisha Y Agrawal	51,37,500	5.84	0	51,37,500	5.84	0	0.00
8.	Madhusudan B Agrawal	30,75,000	3.50	0	30,75,000	3.50	0	0.00
9.	Mannalal B Agrawal	30,60,652	3.48	0	30,60,652	3.48	0	0.00
10.	Purushottam B Agrawal	30,36,015	3.45	0	30,36,015	3.45	0	0.00
11.	Ravi P Agrawal	27,67,060	3.15	0	27,67,060	3.14	0	(0.01)
12.	Aayush M Agrawal	25,77,317	2.93	0	25,77,317	2.93	0	0.00
13.	Mamta M Agrawal	18,08,932	2.06	0	18,08,932	2.06	0	0.00
14.	Manisha Y Agrawal	16,78,912	1.91	0	16,78,912	1.91	0	0.00
15.	Richa R Agrawal	16,57,500	1.88	0	16,57,500	1.88	0	0.00
16.	Smriti R Agrawal	16,55,302	1.88	0	16,55,302	1.88	0	0.00
17.	Vimal R Agrawal	11,03,750	1.25	0	11,03,750	1.25	0	0.00

* There is no change in number of shares held by Promoters. However, there is negligible reduction in their shareholding percentage, which is due to increase in total paid up capital of the Company consequent upon issue of shares under ESOS 2011 during the year.

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	N.A.				

Note : Their was no change in Promoter's Shareholding

D) Shareholding Pattern of top ten Shareholders:

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Matthews India Fund	31,52,072	3.58	31,52,072	3.58
	Add: Market Purchase	1,01,000	0.11	32,53,072	3.70
	Less: Market Sale	3,81,000	0.43	28,72,072	3.26
2.	Motilal Oswal Most Focused Multicap 35 Fund	11,30,245	1.28	11,30,245	1.28
	Add: Market Purchase	5,33,216	0.61	16,63,461	1.89
	Less: Market Sale	2,65,446	0.30	13,98,015	1.59
3.	Narendra Kumar Agarwal	10,00,000	1.14	10,00,000	1.14
	Less: Market Sale	4,50,000	0.51	5,50,000	0.63
4.	Narendra Kumar Agarwal	6,72,000	0.76	6,72,000	0.76

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	Less: Market Sale	1,22,000	0.14	5,50,000	0.62
5.	Onkar Singh Kalra	5,06,125	0.58	5,06,125	0.58
	Add: Market Purchase	2,030	0.00	5,08,155	0.58
	Less: Market Sale	700	0.00	5,07,455	0.57
6.	Purna Chaudhary	4,72,064	0.54	4,72,064	0.54
	Add: Market Purchase	10	0.00	4,72,074	0.54
7.	Sushama Chaudhary	4,61,519	0.52	4,61,519	0.52
	Add: Market Purchase	10	0.00	4,61,529	0.52
8.	Grandeur Peak International Opportunities Fund	3,71,305	0.42	3,71,305	0.42
	Less: Market Sale	3,01,500	0.34	69,805	0.08
9.	India Emerging Opportunities Fund Limited	3,46,191	0.39	3,46,191	0.39
	Add: Market Purchase	15,745	0.02	3,61,936	0.41
	Less: Market Sale	1,07,277	0.12	2,54,659	0.29
10.	Grandeur Peak Global Opportunities Fund	2,96,267	0.34	2,96,267	0.34
	Less: Market Sale	2,01,100	0.23	95,167	0.11

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	*Mannalal B. Agrawal, Chairman	54,06,720	6.15	54,06,720	6.14
2.	*Purushottam B. Agrawal, Vice-Chairman	53,89,425	6.13	53,89,425	6.12
3.	*Madhusudan B. Agrawal, Vice-Chairman	53,88,750	6.13	53,88,750	6.12
4.	*Yogesh M. Agrawal, Managing Director	63,83,560	7.26	63,83,560	7.25
5.	Rajesh M. Agrawal, Joint Managing Director	64,11,102	7.29	64,11,102	7.29
6.	Dr. Anil Kumar, Independent Director	-	-	-	-
7.	Chandrakant Khetan, Independent Director	-	-	-	-
8.	K.H. Viswanathan, Independent Director	-	-	-	-
9.	Prabhakar Dalal, Independent Director	-	-	-	-
10.	Dr. Anjana Grewal, Independent Director	-	-	-	-
11.	Arvind Agrawal, Chief Financial Officer	22,500	0.03	22,500	0.03
12.	Gaurang Shah, Company Secretary	325	0.00	325	0.00
	Add: Market Purchase	175	0.00	500	0.00

* There is no change in number of shares held by Promoters. However, there is negligible reduction in their shareholding percentage, which is due to increase in total paid up capital of the Company consequent upon issue of shares under ESOS 2011 during the year.

V. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
(₹ in crs)				
Indebtedness at the beginning of the financial year				
i) Principal Amount	59.49	10.77	-	70.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.02	-	-	0.02
TOTAL (i+ii+iii)	59.51	10.77	-	70.28
Change in Indebtedness during the financial year				
* Addition	28.73	-	-	28.73
* Reduction	18.51	0.82	-	19.33
Net Change	10.22	(0.82)	-	9.40
Indebtedness at the end of the financial year				
i) Principal Amount	69.71	9.95	-	79.66
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.02	-	-	0.02
TOTAL (i+ii+iii)	69.73	9.95	-	79.68

VI. Remuneration of Directors and Key Managerial Personnel**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
		Purushottam B. Agrawal	Madhusudan B. Agrawal	Yogesh M. Agrawal	Rajesh M. Agrawal	
1.	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,47,09,240	1,47,09,240	1,47,09,240	1,47,09,240	5,88,36,960
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	41,38,000	41,38,000	41,38,000	-	1,24,14,000
(c)	Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	N.A.	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.	N.A.
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	TOTAL (A)	1,88,47,240	1,88,47,240	1,88,47,240	1,47,09,240	7,12,50,960
	Overall ceiling for payment of remuneration to MD/WT/					58,08,93,539

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mannalal B. Agrawal	Chandrakant M. Khetan	Dr. Anil Kumar	K H Viswanathan	P R Dalal	Dr. Anjana Grewal	
1	Independent Directors							
	Fee for attending Board & Committee meetings	-	4,32,000	2,40,000	3,36,000	2,88,000	2,88,000	15,84,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	TOTAL (1)	-	4,32,000	2,40,000	3,36,000	2,88,000	2,88,000	15,84,000
2	Other Non-Executive Directors							
	Fee for attending Board & Committee meetings	3,12,000	-	-	-	-	-	3,12,000
	Commission	1,20,00,000	-	-	-	-	-	1,20,00,000
	Others, please specify	-	-	-	-	-	-	-
	TOTAL (2)	1,23,12,000	-	-	-	-	-	1,23,12,000
	TOTAL (B)=(1+2)	1,23,12,000	4,32,000	2,40,000	3,36,000	2,88,000	2,88,000	1,38,96,000
	TOTAL MANAGERIAL REMUNERATION (A+B)							8,51,46,960
	Overall Ceiling for payment of remuneration to Directors other than MD/WTD							5,80,89,353

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,98,512	66,16,851	97,15,363
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	32,400	28,800	61,200
(c)	Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.
	- as % of profit			
	others specify			
5	Others, please specify	N.A.	N.A.	N.A.
	TOTAL	31,30,912	66,45,651	97,76,563

VII. Penalties / Punishment/ Compounding of Offences

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

Annexure – 'F' to the Directors' Report

A. Conservation of Energy:

1. Energy Conservation Measures taken during the year:

- Variable frequency drivers used for all HVAC and other equipment motors.
- Fixed 10 Turbo wind roof ventilator, energy free at HVAC roof reducing load on HVAC.
- Variable speed drivers fixed to heavy load machines.
- Fixed Energy + Tube light and LED tube in plant to reduce energy consumption.
- Continuous monitoring of Air Handling units to reduce consumption.
- Put in system to switch off the HVAC, A/C, Tube Lights, Fans when not required.
- Chiller of 70kw load replaced with air-cooled chiller of 45kw.
- Brine leakages completely stopped by modified Brine pump in Mechanical seal.
- Eliminated steam leakages in steam generation boiler operation.

2. Impact of above measures:

- Reduction of power consumption
- Reduction in fuel consumption
- Reduction in power and fuel cost
- Increase in operational efficiencies

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

As per details in Form A below:

Form A			
Year ended 31 st March		2016	2015
(I) Power and Fuel Consumption			
Electricity			
(a)	Purchased Unit (Thousand KWH)	11,868.71	10,945.22
Total Amount (₹ In lacs)		911.18	791.56
Rate/Unit (KWH) (₹)		7.68	7.28
(b)	Own generation Unit (Thousand KWH)	598.04	570.81
Unit per Ltr. of Diesel Oil (KWH)		3.12	3.31
Cost / Unit (KWH) (₹)		17.71	19.49

(ii) Consumption per unit of production

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

4. Steps taken by the company for utilizing alternate sources of energy: None

5. Capital investment on energy conservation equipment: None

B. Research and Development and Technology Absorption

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

Company firmly believes that R&D is catalyst to sustained growth and lays emphasis on enhancing its R & D capabilities both in terms of infrastructure like building, equipment, utilities, etc. as also the trained manpower. During the financial year 2016, company further expanded its R & D capabilities and added more than 300 scientists for accelerating its development programmes.

Company's R & D focuses on development of various formulations and Active Pharmaceutical Ingredients (APIs) to cater to unmet patient needs in different therapeutic segments and geographies. It also focuses on developing various products, processes and drug delivery systems so as to make robust formulations and APIs at affordable price to consumers.

During the year, R&D continued to work on new formulations development in different dosage forms like tablets, cream, capsules, liquid, lotion etc. adopting cutting age technology, to provide patient compliance and convenience. Products in different therapeutic segments of cardiology, dermatology, ophthalmology, pain management, diabetes, Trichology, premium antibiotics, etc. were developed which enabled the Company maintain its growth momentum in all segments it operates in. Development of New Abbreviated Drug Application (ANDA) for US market continues to be another focus area of R&D which is being accelerated to increase the speed of filing.

Specific R&D was carried out in the following areas:

- Formulation development of immediate-release solid oral dosage forms
- Development of Extended-Release and Delayed-Release pellet based formulations
- Formulation development of Osmotic Release Oral System based technology
- Formulations development using Matrix / Multiple Unit Pellet System technology
- Development of ophthalmic products for domestic and export markets
- Highly potent and very low strength / dose formulations viz. 0.1 mg / Tablet
- Adapting new technologies to make superior quality product
- Improving processes for existing products

2. Benefits derived as a result of R&D

The company has been directly getting the benefit of R&D during last decade and this financial year was no exception. During the current financial year,

Company successfully launched 19 new products in the domestic market, 45 products in emerging market and 4 in US market. It continued to maintain its leadership position in various therapeutic and geographic segments and scaled up its position in new segments launched. The Company continued its enviable track record of launching many first to market products. In the US market, Company strengthened its market position with launch of 4 new products in the market, taking the total tally to 5. During the year, out of 26 ANDAs filed, it received 8 ANDAs final approvals and 2 tentative approvals.

14 APIs were successfully developed and charged for stability study, 6 API were scaled-up at plant for commercialization for Domestic/ROW market. 6 APIs were developed in the lab and are ready for scale-up at plant for Regulated market.

3. Future plan of action

The Company continues to scale up its R & D facilities by making dedicated R & D facilities for API and for formulations for different therapeutic segments and markets. Resources and capabilities are continually added to meet the growing needs. Company's newly dedicated API - R & D center is continuously working on synthesis of new pharmaceutical substances with focus on cost effective processes for Domestic and Regulatory Segments. In the coming years, company plans:

- to develop new platform technologies using microspheres for derma products, for better penetration.
- to continue trials of ophthalmic formulations considering Nano-suspension technology, for better stability.
- to develop cost-effective formulations viz. orally disintegrating tablets, effervescent tablets, sustained release dosage forms and products with taste masking of bitter drugs.
- Upgraded facilities with latest technologies to strengthen and expand product pipelines for markets across the globe.
- to develop / launch annually 4 to 5 first time products in India & 10 to 12 ANDAs.

- Lab development for 6-12 APIs for US-DMF filing and development of 12 new APIs for domestic and other markets.

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

- Consumer satisfaction and bridging unmet patient need is the prime objective. Hence new and improved products and process technologies are being developed to bridge the gap and provide affordable products.
- New R & D facility to produce in-house APIs have been installed. A dedicated technology transfer team is formed which works in association with Research Scientists to enable an effective technology transfer from lab-scale to pilot scale of production.
- Company's forte lies in developing robust quality products at affordable price. Hence adherence to Current Good Manufacturing Practice (cGMP), Good Laboratory Practice (GLP) and Good Documentation Practices (GDP) is ensured to manufacture world class products.

- Regular training to resources through continuous learning process (CLP) to enhance their knowledge, skill and ensure adaption to new trends and technologies.

5. Expenditure on R&D

Particulars	₹ Crs
Capital Expenditure	42.86
Recurring Expenditure	106.47
TOTAL	149.33
Total R&D expenditure as a percentage of total turnover	9.53%

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 – ₹ 1042.18 crs (previous year ₹ 849.43 crs)
 - Outgo in foreign currency – ₹ 167.82 crs (previous year ₹ 124.71 crs)

Report on Corporate Governance

I. Company's Philosophy on Code of Corporate Governance

Your company believes that sound Corporate Governance is vital for sustained growth and enhancing shareholder value. We continually put thrust on implementing best corporate governance practices and benchmarking the same with highest standards. We consider transparency and accountability as two basic tenets of Corporate Governance which are integral part of our business and endeavour to ensure fairness for every stakeholder – our customers, investors, vendors and the communities wherever we operate. Accordingly, we always seek to ensure that our performance is driven by integrity, values and ethics. Your company is proud to be a responsible corporate citizen in all its conduct.

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

II. Board of Directors:

A. Composition and category of Directors

The Board consists of 10 directors and is evenly balanced with 4 Executive Promoter Directors, 1 Non-Executive Promoter Director and 5 Independent Directors, including 1 Woman Director. Your directors have rich and varied experience in fields of business management, medicine, banking & finance, project management, risk management, international operations, marketing, HR, Corporate Governance and bring in extensive knowledge and expertise to the Board. Board provides strategic guidance to the company and ensures effective monitoring of the management. It also monitors effectiveness of company's corporate governance practices.

B. Selection of Directors

Selection and appointment of Directors is done based on various criteria laid down in the Policy for Determining

Qualifications, Positive Attributes & Independence of a Director and Policy for Board diversity. The criteria inter alia include, having qualified in any professional discipline or having proven track record of strong managerial capabilities; possessing knowledge and skills in one or more fields of sales, marketing, technical operations, research, accounting, finance, management, administration, corporate governance; possessing relevant experience at policy-making and at leadership position in large organisations; having high standards of integrity and probity etc. In case of Independent Directors, he/she must fulfill the criteria of independence attributes to bring independent judgment to Board's deliberations and decisions over and above other attributes. Woman member on the Board to be selected on merit and must meet criteria as per the policy. There were no changes in the Board composition during the year.

C. Board Meetings held, attendance of each Director at Board meeting and AGM and other details

During the financial year 2015-16, five Board Meetings were held on 8th May 2015; 13th August 2015; 30th October 2015; 1st February 2016 and 9th March 2016. Board meeting dates are finalized in consultation with all directors and agenda papers with detailed notes and other background information, which are essential for the Board to effectively and reasonably perform their duties and functions, are circulated at least 8 days in advance before the meeting thereby enabling the Board to take informed decisions. Arrangements are also made for participation of Board members in the Board Meeting through video conferencing or other audio visual means as and when requested.

Detailed presentation is also made to apprise the Board of important developments in industry, segments, business operations, marketing, products etc. Details of Boards meetings and AGM attended by Directors are given in the appended table:

Name of the Director	Category of Directorship	No. of Board Meetings attended	Last AGM Attended (04-Jul-15)	No. of other Directorships #	No. of shares held *	All Committee Membership (including non mandatory)	
						Member	Chairman
Mr. Mannalal B. Agrawal @	P&NED	5	Yes	3	54,06,720	4	1
Mr. Purushottam B. Agrawal @	P&ED	3	No	3	53,89,425	3	1
Mr. Madhusudan B. Agrawal @	P&ED	5	Yes	3	53,88,750	3	1
Mr. Yogesh M. Agrawal @	P&ED	5	Yes	1	63,83,560	2	1
Mr. Rajesh M. Agrawal @	P&ED	5	Yes	0	64,11,102	2	0
Mr. Chandrakant M. Khetan	I&NED	5	No	5	Nil	2	2
Dr. Anil Kumar	I&NED	3	Yes	0	Nil	2	3
Mr. K. H. Viswanathan	I&NED	5	Yes	0	Nil	2	0
Mr. Prabhakar Dalal	I&NED	5	Yes	6	Nil	16	3
Dr. Anjana Grewal	I&NED	5	Yes	1	Nil	5	0

Notes:

- P - Promoter; I - Independent; ED - Executive Director; NED - Non-executive Director.
- # excludes Private Limited Companies & Foreign Companies.
- * Details of shares held are as on 31st March 2016.
- @ relatives viz (a) Mannalal B. Agrawal, Mr. Purushottam B. Agrawal and Mr. Madhusudan B. Agrawal are brothers;
(b) Mr. Yogesh M. Agrawal and Mr. Rajesh M. Agrawal are also brothers;
(c) Mr. Mannalal B. Agrawal is related to Mr. Yogesh M. Agrawal and Mr. Rajesh Agrawal as he is the father of both.
- Number of Committee Membership is taken as on the date of this report.

D. Re-appointment of Directors liable to retire by rotation

Details of Director seeking appointment/reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Listing Regulations is annexed to the Notice convening the Annual General Meeting and forms part of this Annual Report.

E. Independent Directors' Familiarisation programme

The details of the familiarisation programme imparted to Independent Directors have been put on the website of the company. The link can be accessed at: <http://www.ajantapharma.com/AdminData/DirectorFamiliarizationProgram/f73bfcd3-59a4-47bd-bad7-59591e9e630fDirectorsFamiliarizationProgramme.pdf>

F. Performance Evaluation of Board, Committees and Directors

The Board has laid down Policy for evaluation of Board, Committees and Independent Directors which sets out performance evaluation criteria as under:

(i) For performance evaluation of Board as a whole:

Composition in light of business complexities and statutory requirements; establishment of vision, mission, objectives and values for the Company; laying down strategic roadmap for the company & annual plans; growth attained by the Company; providing leadership and directions to the Company and employees; effectiveness in ensuring statutory compliances and discharging its duties / responsibilities towards all stakeholders; Identification, monitoring & mitigation of significant corporate risks; composition of various committees, laying down terms of reference and reviewing committee's working etc.

(ii) For performance evaluation of Executive Directors:

Level of skill, knowledge and core competence; performance and achievement vis-à-vis budget and operating plans; Effectiveness towards ensuring statutory compliances; discharging duties/responsibilities towards all stakeholders; reviewing/monitoring Executive management performance, adherence to ethical standards of integrity & probity; employment of strategic perception and business acumen in critical matters etc.

(iii) **For performance evaluation of Independent Directors:** Objectivity & constructivity while exercising duties; providing independent judgment on strategy, performance, risk management and Board's deliberations; devotion of sufficient time for informed decision making; exercising duties in bona fide manner; safeguarding interests of all stakeholders, particularly minority shareholders; upholding ethical standards of integrity & probity; updating knowledge of company & its external environment etc.

(iv) **For performance evaluation of Chairman:** Providing guidance and counsel to Executive Management in strategic matters; providing overall direction to Board towards achieving Company's objectives; effectiveness towards ensuring statutory compliances; maintaining critical balance between the views of different Board Members; ensuring maximum participation and contribution by each Board member; monitoring effectiveness of Company's governance practices; conducting Board and Shareholders meetings in effective and orderly manner etc.

(v) **For performance evaluation of Committees:** Effectiveness in discharging duties and functions conferred; setting up and implementation of various policies, procedures and plans, effective use of Committee's powers as per terms of reference, periodicity of meetings, attendance and participation of committee members; providing strategic guidance to the Board on various matters coming under committee's purview etc.

The Board carried out the annual performance evaluation of Board Committees and of the Independent Directors and at a separate meeting, Independent Directors evaluated the performance of Executive Directors, Board as a whole and of the Chairman. Nomination and Remuneration Committee also evaluated individual directors' performance.

Performance evaluation was done by rating the performance on each criteria on the scale of 1 to 5, 1 being very poor and 5 being very good. Separate exercise was carried for evaluation of Independent Directors, Executive Directors, Chairman, Board as a whole & Board committees.

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

G. Independent Directors' Meeting

During the year under review, one meeting of independent Directors was held on 1st February 2016 and Independent Directors reviewed all the matters as per Schedule IV of the Companies Act, 2013.

All the Independent Directors were present at the meeting, except Dr. Anil Kumar who could not attend due to factors beyond control.

H. Code of Conduct for Directors and senior management

Board of Directors have laid down Code of Conduct for Directors and Senior Management ("the Code") for all the Board members and senior management personnel.

Company's code is designed to adhere & promote:

- Honest, fair and ethical conduct, including ethical handling of conflicts of interest between personal and professional relationships;
- Protection and proper use of corporate assets & confidential information;
- Compliance with governmental laws, rules and regulations;
- Prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code.

All the Directors and Senior management have confirmed compliance/adherence to the said Code.

I. Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulations, 2015 which became effective from 15th May 2015, the company has inter-alia, devised and adopted Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price sensitive information of the Company. Company Secretary, is the Compliance Officer for the purpose of this code. During the year, there has been due compliance with the code by the Company and all insiders.

III. Audit Committee

Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 (Act), which inter alia include:

- (i) Recommendation for appointment, remuneration and terms of appointment of Auditors' of the company;
- (ii) Review and monitor the Auditors' independence and performance and effectiveness of audit process;
- (iii) Examination of the financial statement and the Auditors' report therein;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Evaluation of internal financial controls & risk management systems;
- (vii) Reviewing with the management, the quarterly and annual financial statements before submission to the board for approval;
- (viii) Discussion with internal auditors of any significant findings and follow up there on;
- (ix) Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (x) Reviewing functioning of whistle blower mechanism.

The Committee comprises of four Directors, out of which three are Independent Directors. All the members, including Chairman of Audit Committee are financially literate and have the ability to read the understand the financial statement. In the financial year 2015-16, four meetings were held on 8th May 2015; 13th August 2015; 30th October 2015 and 1st February 2016. Composition of committee as on 31st March 2016 and member's attendance at the meetings during the year are as under:

Name	Category	Designation	Meetings attended
Mr. Chandrakant Khetan	Independent Directors	Chairman	4
Mr. K H Viswanathan		Member	4
Mr. Prabhakar Dalal		Member	4
Mr. Mannalal B. Agrawal	Non-Executive Director	Member	4

The Company Secretary acts as Secretary of the Committee. Chief Financial Officer attends all the meetings and statutory auditors and internal auditors are also invited for the meeting.

IV. Nomination & Remuneration Committee

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

- (i) Formulation of criteria for determining qualifications, positive attributes and independence of a director;
- (ii) Formulate and recommend to the board of directors policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (iii) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (iv) Devising a policy on diversity of board of directors;
- (v) Identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the board of directors their appointment and removal;

The Committee comprises of four Independent Directors. In the financial year 2015-16, two meetings of the Committee were held on 8th May 2015 and 1st February 2016. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Category	Designation	Meetings attended
Dr. Anil Kumar	Independent Directors	Chairman	1
Mr. Chandrakant Khetan		Member	2
Mr. K H Viswanathan		Member	2
Mr. Prabhakar Dalal		Member	2

The Company Secretary acts as Secretary of the Committee.

V. Remuneration of Directors

Nomination & Remuneration Committee has formulated Policy for Remuneration of Directors, Key Managerial Personnel (KMP) & other employees.

As per the Policy, remuneration to Non-executive Directors and Independent Directors shall include:

- Fees for attending meetings of the Board as well as Committees of the Board as decided by the Board within the limits prescribed under the Companies Act;
- Commission on the net profits of the Company as decided by the Board within the limits prescribed under the Act;
- Travelling and other expenses they incur for attending to the Company's affairs, including attending Committee, Board and General Meetings of the Company.

Further, as per the policy, remuneration to Executive Directors shall be fair and reasonable after taking into account, level of skill, knowledge and core competence of individual, functions, duties and responsibilities, Company's performance and achievements, compensation of peers and industry standard and other factors laid down in the policy.

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

Payments of remuneration to all Executive Directors is governed by the agreement executed between them and the company by aggregate value of salary and perquisites paid to all directors, subject to provisions of Schedule V of the Act. Remuneration paid to Executive and Non-Executive Directors during the year ended 31st March 2016 is as under:

Particulars	₹
Remuneration to Executive Directors	
Mr. Purushottam B. Agrawal, Vice-Chairman	1,88,47,240
Mr. Madhusudan B. Agrawal, Vice-Chairman	1,88,47,240
Mr. Yogesh M. Agrawal, Managing Director	1,88,47,240
Mr. Rajesh M. Agrawal, Joint Managing Director	1,47,09,240
Remuneration to Non-Executive Directors:	
a) Sitting Fees paid:	
Mr. Mannalal B. Agrawal	3,12,000
Dr. Anil Kumar	2,40,000
Mr. Prabhakar Dalal	2,88,000
Dr. Anjana Grewal	2,88,000
Mr. Chandrakant Khetan	4,32,000
Mr. K H Viswanathan	3,36,000
b) Commission payable:	
Mr. Mannalal B. Agrawal	1,20,00,000

VI. Stakeholders' Relationship Committee

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

The Committee comprises of three Directors out of which two are independent. In the financial year 2015-16, four meetings of the Committee were held on 8th May 2015; 13th August 2015; 30th October 2015 and 1st February 2016. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Category	Designation	Meetings attended
Dr. Anil Kumar	Independent Directors	Chairman	3
Mr. K H Viswanathan		Member	1*
Dr. Anjana Grewal		Member	4
Mr. Rajesh Agrawal	Executive Director	Member	4

* Committee was reconstituted on 8th May 2015 after which Mr. K H Viswanathan ceased to be member.

The Company Secretary is designated as the compliance officer by the Company and acts as Secretary of the Committee.

Company received 78 complaints during the year and all of them have been redressed/answered to the satisfaction of investors. No investor grievance remained unattended/pending.

VII. Corporate Social Responsibility Committee (CSR)

Corporate Social Responsibility at the company stems from the ideology of providing sustainable value to the society in which the company operates and contributing towards development of the underprivileged sections of the society. Based on the recommendations of the CSR Committee, the company has laid down the CSR policy, which is displayed on the website of the company. It can be accessed at <http://www.ajantapharma.com/AdminData/PolicyCodes/3902d0e5-3a00-43be-a0e8-57af62482d40CSRPolicy.pdf>

The Committee oversees the implementation and execution of CSR Policy and provides guidance on various CSR activities to be undertaken by the Company. The CSR policy is within the ambit of Schedule VII of the Act.

The Committee comprises of four Directors. In the financial year 2015-16, four meetings of the Committee were held on 8th May 2015; 13th August 2015; 30th October 2015 and 1st February 2016. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Category	Designation	Meetings attended
Mr. Mannalal B. Agrawal	Non Executive Director	Chairman	4
Mr. Yogesh M. Agrawal	Executive Director	Member	4
Mr. Chandrakant Khetan	Independent Director	Member	3
Dr. Anil Kumar	Independent Director	Member	2*

* Committee was reconstituted on 8th May 2015. Dr. Anil Kumar was appointed w.e.f. 8th May 2015

The Company Secretary acts as Secretary of the Committee.

VIII. Compensation Committee

The Committee is constituted for granting employee stock options to eligible employees under the ESOP scheme of the Company. During the financial year 2015-16, two meetings were held on 8th May 2015 and 13th August 2015. The details of composition of the Committee as on 31st March 2016 and member's attendance at the meetings are as under:

Name	Category	Designation	Meetings attended
Mr. Chandrakant Khetan	Independent Director	Chairman	2
Mr. Yogesh M. Agrawal	Executive Director	Member	2
Mr. K H Viswanathan	Independent Director	Member	1*
Dr. Anjana Grewal	Independent Director	Member	2

* Committee was reconstituted on 8th May, 2015 after which Mr. K H Viswanathan ceased to be member.

The Company Secretary acts as Secretary of the Committee.

IX. Executive Committee

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

Name	Category	Designation	Meetings attended
Mr. Yogesh M. Agrawal	Executive Director	Chairman	11
Mr. Rajesh M. Agrawal	Executive Director	Member	9
Mr. Purushottam B. Agrawal	Executive Director	Member	8
Mr. Madhusudan B. Agrawal	Executive Director	Member	10

X. General Body Meetings

Annual General Meetings during last 3 years were held on 29th July 2013 (For FY 2013), 5th August 2014 (For FY 2014) and 4th July 2015 (For FY 2015) at the same location namely Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivali West, Mumbai – 400092. All resolutions including special resolutions set out in respective Notices were passed by shareholders.

XI. Means of Communication

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

XII. General Shareholders Information:

1. **37th Annual General Meeting to be held on:**
Tuesday, 5th July 2016 at 11.00 a.m. at Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivali West, Mumbai- 400092

2. Financial Calendar

Financial year: 1st April 2016 to 31st March 2017
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

Tuesday, 28th June 2016 to Tuesday, 5th July 2016 (both days inclusive)

4. Dividend Payment Date

Interim Dividend paid on 23rd March 2016 is proposed as final dividend and no additional dividend is recommended.

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

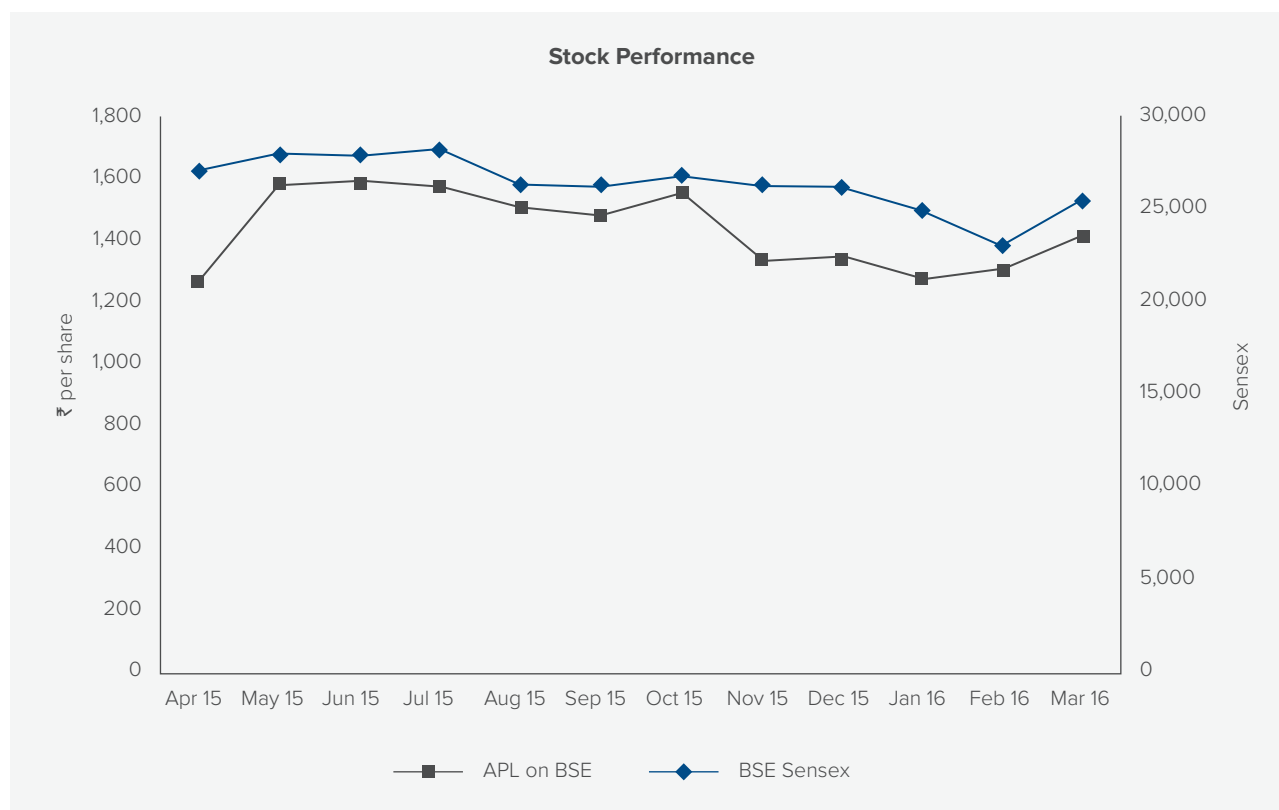
INE031B01049

7. CIN number

L24230MH1979PLC022059

8. Stock Market Data

	Bombay Stock Exchange(BSE)		National Stock Exchange(NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apl-15	1,470.05	1,211.00	1474.50	1207.05
May-15	1,593.00	1,210.55	1596.40	1228.10
Jun-15	1,669.00	1,379.20	1672.00	1377.75
Jul-15	1,690.00	1,532.00	1689.70	1530.20
Aug-15	1,720.00	1,270.00	1720.00	1278.70
Sep-15	1,550.00	1,315.65	1551.00	1315.90
Oct-15	1,629.40	1,461.60	1630.00	1460.50
Nov-15	1,554.70	1,312.00	1555.35	1312.60
Dec-15	1,405.95	1,210.00	1406.95	1211.35
Jan-16	1,349.50	1,103.00	1351.00	1101.05
Feb-16	1,379.00	1,203.60	1379.95	1203.80
Mar-16	1,459.95	1,290.75	1460.00	1290.00

9. Performance of APL Share price in comparison to BSE Sensex**10. Registrar and Transfer Agents**

Link Intime India Private Limited - Unit: Ajanta Pharma Limited, C-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

11. Share Transfer System

Shares in physical form sent for registering transfer, to the Registrar and Shares Transfer Agents, M/s. Link Intime India Private Limited are registered and returned within statutorily prescribed period of 15 days from the date of receipt, if the documents are in order in all respects.

The Share Transfer Committee of the Company meets as often as required. During the year 2015-16, the total numbers of shares transferred in physical form were as follows:-

Transfer period (in days)	No. of requests (processed, effected & dispatched)	No. of shares	%
1-15	4	3,375	100
16-20	Nil	Nil	Nil
21-30	Nil	Nil	Nil
30 & Above	Nil	Nil	Nil
TOTAL	4	3,375	100

12. Distribution of Equity Shareholding as on 31st March 2016:

No. of shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 500	26,852	86.78	21,17,838	2.41
501- 1000	2,184	7.06	16,10,360	1.83
1001-2000	1,016	3.28	14,03,726	1.60
2001-3000	309	0.99	7,76,365	0.88
3001-4000	161	0.52	5,78,241	0.66
4001-5000	82	0.27	3,75,224	0.43
5001-10000	159	0.51	11,11,356	1.26
10001 & above	183	0.59	8,00,28,140	90.94
TOTAL	30,946	100.00	8,80,01,250	100.00

13. Pattern of Shareholding

Sr No.	Category	As on 31 st March 2016	
		No of Shares	% of Total No. of Shares
1.	Promoters Holding		
	● Promoters	6,49,29,759	73.78
	● Foreign Promoters	N.A.	N.A.
2.	Mutual Funds	16,60,642	1.89
3.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Government Institutions)	19,906	0.02
4.	Private Corporate Bodies	7,77,721	0.88
5.	Indian Public	1,14,29,394	13.00
6.	NRI/OCBs/FII's/Foreign Nationals	90,49,893	10.28
7.	In Clearance	133,935	0.15
	TOTAL	8,80,01,250	100.00

14. Dematerialisation of Shares and liquidity:

99.42% of the total equity capital is held in dematerialized form with NSDL and CDSL as on 31st March 2016. 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 2015-16 is given below:

	Bombay Stock Exchange (BSE)	National Stock Exchange (NSE)	BSE + NSE
In no. of Shares	24,804	1,77,426	2,02,230
In value terms ₹	3,54,67,531	25,35,55,088	28,90,22,619

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

The Company has not issued these types of securities.

16. Employees Stock Option Scheme 2011 (ESOS 2011)

During the year 38,500 options were exercised (out of which 2,500 options were exercised by employee of a subsidiary company). Bonus element of 19,250 options was also granted and exercised (out of which 1,250 options were exercised by employee of a subsidiary company). Thus a total of 57,750 options were exercised, allotted and listed on the Stock Exchanges. 20,000 options (excluding bonus element of 10,000 thereon) were lapsed during the year. As on 31st March 2016, no options are due for vesting.

17. Plant Locations:

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

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

Company has set up new manufacturing facility in Gujarat, India at: Plot No Z-103 /A, Dahej SEZ - Part II, Dist. Bharuch, which will be operational in FY 2018.

Company is in the process of setting up new manufacturing facility at Guwahati, Assam, India.

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

19. Investor Correspondence Address:

For shares held in physical form:

Unit: Ajanta Pharma Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup West, Mumbai - 400078
Tel: 022- 25946970
Fax: 022- 2594 6969
Email: rnt.helpdesk@linkintime.co.in

For shares held in demat form:

To the respective Depository participant

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, 98 Govt. Ind. Area,
Charkop, Kandivali West,
Mumbai - 400067
Tel.: 022- 66061000
Fax: 022-6606 1200/1300
E-mail: gaurang.shah@ajantapharma.com

XIII. Subsidiary Companies

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

XIV. Other Disclosures

- a. There were no transactions of material nature with its related parties that may have the potential conflict with the interest of the company at large. Transactions with related parties are disclosed in Note No. 44 of the Financial Statements.
- b. There were no instances of non-compliance nor have any penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market, during last 3 financial years.
- c. The Board of Directors of the Company has adopted and put in place a Whistle Blower Policy and no personnel have been denied access to the audit committee. Details of vigil mechanism/whistle blower policy are provided in the Directors report.
- d. Details of Related Party transactions and policy are provided in the Directors Report.
- e. The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of the Listing Regulations [Part B of Schedule II] and the certificate forms part of Annual Report.
- f. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- g. The Company has not formed any Risk Management Committee and the same will formed when deemed necessary.
- h. The Company complies with the following non mandatory requirements of Regulation 27(1) specified in Part E of Schedule II of the listing regulation:
 - i. A non-executive Chairman is entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

- ii. As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- iii. The Company has appointed separate persons to the post of Chairman and Managing Director/CEO.
- iv. The Internal auditor periodically reports to the Audit Committee.
- i. Financial statements of the Company have been prepared in accordance with the Generally

Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

For and Behalf of the Board of Directors

Sd/-
Mannalal B. Agrawal
Chairman

Mumbai, 29th April 2016

Declaration Pursuant to Schedule V of the Listing Regulations

In accordance with Schedule V of the Listing Regulations with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31st March 2016.

For **Ajanta Pharma Limited**

Sd/-
Yogesh M. Agrawal
Managing Director

Mumbai, 29th April 2016

Certificate Pursuant to Regulation 17(8) of the Listing Regulations

We, Mr. Yogesh M. Agrawal, Managing Director and Mr. Arvind K. Agrawal, Chief Financial Officer hereby certify for the financial year ended 31st March 2016 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**For **Ajanta Pharma Limited**Sd/-
Yogesh M. Agrawal
Managing DirectorSd/-
Arvind Agrawal
Chief Financial OfficerMumbai, 29th April 2016

Auditors' Certificate on Corporate Governance

To,

The Members of Ajanta Pharma Limited

We have examined the compliance of conditions of corporate governance by Ajanta Pharma Limited ("the Company"), for the year ended on 31st March 2016, as stipulated in Chapter IV read with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

For **Kapoor & Parekh Associates**

Chartered Accountants

ICAI FRN 104803W

Sd/-

S. S. Kapoor

Partner

M. No. 5399

Mumbai, 29th April 2016

3

Financial Statements

64 Consolidated

98 Standalone

Independent Auditors' Report

To
The Members of
AJANTA PHARMA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of AJANTA PHARMA LIMITED ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act,

the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2016, and the consolidated profit of the Group and the consolidated cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements / financial information of the subsidiaries whose financial statements / financial information reflect total assets of ₹ 198.33 Crore as at 31st March 2016, total revenues of ₹ 352.73 Crore and net cash outflows amounting to ₹ 9.14 Crore for the year ended on that

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of the written representations received from the directors of the Holding Company as on 31st March 2016 taken on record by the Board of Directors of the Holding Company, none of the

directors of the Holding company is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, of pending litigations as at 31st March 2016, on its financial position – Refer Note 33 to the consolidated financial statements;
 - ii. The Group has not entered into any long-term contracts including derivative contracts, requiring provision under the applicable law or accounting standards, for material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

Sd/-
S. S. Kapoor
Partner
M.No. 5399

Mumbai, 29th April 2016

Annexure A to the Independent Auditors' Report

(The Annexure referred to in para 1 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of **AJANTA PHARMA LIMITED** on the consolidated financial statements for the year ended 31st March 2016.)

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of the Holding Company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

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

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

Sd/-
S. S. Kapoor
Partner
M.No. 5399

Mumbai, 29th April 2016

Consolidated Balance Sheet

as at 31st March 2016

₹ in Crore

	Note No	31 March 2016	31 March 2015
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	17.69	17.68
Reserves and Surplus	4	1,154.37	823.41
Non-Current Liabilities			
Long-Term Borrowings	5	14.87	33.25
Deferred Tax Liabilities (Net)	6	19.98	15.16
Other Long Term Liabilities	7	0.46	2.50
Long-Term Provisions	8	2.59	4.76
		37.90	55.67
Current Liabilities			
Short-Term Borrowings	9	57.83	17.90
Trade Payables			
Due to Micro and Small Enterprises		1.59	1.20
Due to others		143.98	107.86
Other Current Liabilities	10	56.72	58.33
Short-Term Provisions	11	11.35	64.30
		271.47	249.59
TOTAL		1,481.43	1,146.35
Assets			
Non-current assets			
Fixed Assets			
	12		
Tangible Assets		446.98	283.78
Intangible Assets		4.60	4.31
Capital Work-in-Progress		238.42	170.20
Intangible assets under development		1.38	-
		691.38	458.29
Non-current Investments	13	-	40.04
Long-Term Loans and Advances	14	21.89	9.34
Other Non Current assets	15	4.28	5.27
		717.55	512.94
Current Assets			
Current Investments	16	66.39	19.46
Inventories	17	204.58	159.03
Trade Receivables	18	372.35	258.76
Cash and Bank Balances	19	54.96	136.76
Short-Term Loans and Advances	20	64.87	50.46
Other Current Assets	21	0.73	8.94
		763.88	633.41
TOTAL		1,481.43	1,146.35

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For Kapoor & Parekh Associates

Chartered Accountants

S. S. Kapoor

Partner

For and on behalf of Board of Directors

Mannalal B. Agrawal

Chairman

Purushottam B. Agrawal

Vice Chairman

Yogesh M. Agrawal

Managing Director

Arvind Agrawal

Chief Financial Officer

Madhusudan B. Agrawal

Vice Chairman

Rajesh M. Agrawal

Joint Managing Director

Gaurang Shah

Company Secretary

Mumbai, 29th April 2016

Statement of Consolidated Profit and Loss

for the year ended 31st March 2016

₹ in Crore

	Note No	31 March 2016	31 March 2015
Revenue :			
Revenue from operations (Gross)	22	1,742.92	1,485.21
Less : Excise Duty		15.39	11.65
Revenue from operations (Net)		1,727.53	1,473.56
Other Income	23	16.63	16.80
TOTAL REVENUE		1,744.16	1,490.36
Expenses :			
Cost of Materials Consumed	24	400.09	324.97
Purchase of Stock-in-Trade	25	63.01	33.11
Changes in Inventories of Finished Goods/Work-in-progress/Stock-in-Trade	26	(49.27)	7.34
Employee Benefits Expense	27	256.99	200.58
Finance Costs	28	4.89	5.92
Depreciation & Amortisation Expense	12	45.06	51.64
Other Expenses	29	475.99	402.33
TOTAL EXPENSES		1,196.76	1,025.89
Profit Before Exceptional Items and Tax		547.40	464.47
Exceptional Item - Income (Expense)			
Diminution in value of investments	46	-	(8.46)
Profit Before Tax		547.40	456.01
Tax Expense :			
Current Tax		144.20	152.85
Income Tax of Earlier Years Written Off (Back)		(3.03)	0.54
Net Current Tax Expense		141.17	153.39
Deferred Tax Charge (Credit)		4.82	(7.24)
Profit For The Year		401.41	309.86
There are no Extra Ordinary Items and Discontinuing Operations			
Earning Per Equity Share (Face Value ₹ 2/-)	30		
Basic (₹)		45.62	35.24
Diluted (₹)		45.61	35.20

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For Kapoor & Parekh Associates

Chartered Accountants

S. S. Kapoor

Partner

For and on behalf of Board of Directors

Mannalal B. Agrawal

Chairman

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Managing Director

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Chief Financial Officer

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Vice Chairman

Rajesh M. Agrawal

Joint Managing Director

Gaurang Shah

Company Secretary

Mumbai, 29th April 2016

Statement of Consolidated Cash Flow

for the year ended 31st March 2016

₹ in Crore

	31 March 2016	31 March 2015
A. Cash Flow from Operating Activities		
Profit before Tax	547.40	456.01
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation & Amortisation Expense	45.06	51.64
Provision for Expired Goods	7.67	-
Diminution in the value of investments	-	8.46
Loss on Sale / Discard of Fixed Assets (Net)	6.92	0.05
Interest Expense	4.89	5.92
Share of Profit from Associate Company	(0.73)	-
Income from Investments & Deposits	(6.78)	(10.92)
Employee Stock Option Expenses	0.31	0.10
Receivable Written Off	0.95	1.64
Exchange Fluctuation	5.58	(5.68)
Operating Profit before Working Capital Changes	611.27	507.22
Changes in Working Capital :		
Decrease(Increase) in Trade Receivable	(114.55)	(58.19)
Decrease(Increase) in Long-Term Loans and Advances	(1.63)	(2.02)
Decrease(Increase) in Short-Term Loans and Advances	3.23	(9.36)
Decrease (Increase) in Other Current Assets	3.27	(3.75)
Decrease(Increase) in Inventories	(45.55)	(3.63)
Increase(Decrease) in Other Long Term Liabilities	(2.04)	-
Increase(Decrease) in Other Current Liabilities	(1.05)	7.12
Increase(Decrease) in Other Long Term Provisions	(2.16)	1.93
Increase(Decrease) in Short Term Provisions	0.45	1.69
Increase(Decrease) in Trade Payables	36.51	(15.48)
Cash Generated from Operations	487.75	425.53
Direct Taxes Paid (Net of Refunds)	(161.37)	(146.11)
Net Cash Generated from Operating Activities	326.38	279.42
B. Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets including Capital Advances	(296.60)	(102.73)
Proceeds from Sale of Fixed Assets	0.43	(0.84)
Bank Balances not considered as Cash and Cash Equivalents (Net)	81.45	(56.59)
Share of Profit from Associate Company	0.73	-
Current Investments	(46.93)	35.54
Income on Investments & Deposits	11.59	6.30
Non Current Investments	40.04	(40.04)
Net Cash Generated from (Used in) Investing Activities	(209.29)	(158.36)

₹ in Crore

	31 March 2016	31 March 2015
C. Cash Flow from Financing Activities		
Repayment of Long Term Borrowings	(19.36)	(15.46)
Proceeds (Repayment) of Short Term Borrowings	39.93	(42.65)
Proceeds from Issue of Equity Shares (ESOPs)	0.01	0.01
Interest Paid	(4.90)	(6.02)
Dividend Paid	(122.79)	(35.09)
Dividend Distribution Tax Paid	(11.46)	(5.98)
Net Cash Generated from (Used in) Financing Activities	(118.57)	(105.19)
Net Increase (Decrease) in Cash & Cash Equivalents	(1.48)	15.87
Cash and Cash Equivalents as at the Beginning of the Year	54.49	38.62
Cash and Cash Equivalents as at the End of the Year (Refer Note 19.1)	53.01	54.49
Components of Cash and Cash Equivalents		
Balance with Banks - In Current Accounts	52.87	45.23
In Deposit Accounts (with original maturity 3 months or less)	-	9.15
Cash on Hand	0.14	0.11
Total Cash and Cash Equivalents	53.01	54.49
Figures in brackets indicates outflow.		

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For **Kapoor & Parekh Associates**

Chartered Accountants

S. S. Kapoor

Partner

For and on behalf of Board of Directors

Mannalal B. Agrawal

Chairman

Purushottam B. Agrawal

Vice Chairman

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Managing Director

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Rajesh M. Agrawal

Joint Managing Director

Gaurang Shah

Company Secretary

Mumbai, 29th April 2016

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

1 General Information

Ajanta Pharma Limited ("the Holding Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Holding Company is speciality focused Pharmaceutical Company developing, producing and marketing a wide range of branded and generic formulations.

2 Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of Accounting

2.1.1 The Consolidated Financial statement ("CFS") comprises the financial statements of the Holding Company and its subsidiaries (hereinafter referred to as "the Group"). The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Holding Company.

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and other recognised accounting practises and policies generally accepted in India. 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 The Financial statements of the Holding and its subsidiaries have been consolidated in accordance with the Accounting Standard 21 (AS 21) "Consolidated Financial Statements",

on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra- group transactions and unrealised profits/losses.

2.2.2 The financial statements of the Holding Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

2.3 Operating Cycle

Based on the nature of its activities, the Group has considered its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

2.4 Use of Estimates

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

2.5 Inventories

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes (net off CENVAT and VAT, wherever applicable) and is arrived at on FIFO basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes custom duty. However, materials and other items held for use in production of inventories are not written below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on FIFO basis.

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

Cost of finished products and work-in-progress includes material cost, standard overheads and excise duty, where applicable.

2.6 Cash Flow Statements

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

2.7 Cash And Cash Equivalent

Cash and Cash Equivalents for the purpose of cash flow statement comprise of 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 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 intended 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.

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

2.9 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.

2.10 Depreciation/Amortization

2.10.1 In case of Holding Company:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets is provided on Written Down Value method based on useful lives of the assets specified in Schedule II of the Companies Act, 2013. Premium on leasehold land is being written off over the period of lease. Computer software are amortised over estimated useful life.

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

2.10.2 In case of Subsidiary Company at

Mauritius :

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

Particulars	Useful Life
Leasehold Improvement	20 Years
Furniture, Fixture & Fittings	2 to 6.7 Years
Office Equipments	2 to 4 Years
Plant and Machinery	5 to 20 Years
Motor Vehicles	5 Years

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

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

acquisition of technical know-how and are amortised over a period of 10 years.

2.10.3 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
Buildings	20 Years
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 useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation 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 charged to current operations.

In case of Intangible Assets

Assets are initially measured at cost and are subsequently measured at cost less accumulated amortization and any accumulated impairment loss. These are amortized over estimated useful life of 3 years using the straight line method. If there is an indication that there has been a significant change in amortization rate, useful life or residual value of an intangible asset, the amortization is revised prospectively to reflect the new expectations. Intangible assets are derecognised when these assets are disposed of or when no future economic benefits are expected from these assets.

2.10.4 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	Useful Life
Building	20 to 30 Years
Furniture, Fixture & Fittings	5 Years

2.10.5 In case of Subsidiary Company at Nigeria :

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	Useful Life	Rate of Depreciation
Plant & Machinery	5 Years	20%
Office Equipments	5 Years	20%
Furniture & Fixture	5 Years	20%
Vehicles	4 Years	25%

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

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation 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 charged to current operations.

2.11 Research and Development

Research and development expenditures of revenue nature are charged to the respective heads in the Statement of Profit and Loss in the year in which it is incurred and expenditures of capital nature are added to respective fixed assets.

2.12 Impairment of Assets

The fixed assets are reviewed for impairment at each balance sheet date. An asset is treated as 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.

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

2.13 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. The amount recognised as revenue is exclusive of sales tax, value added tax ("VAT"), and is net off returns, applicable trade discounts and allowances. Excise duty collected on sales is shown by way of deduction from sales. Sales are also netted off for probable non-saleable return of goods from the customers, estimated on the basis of historical data of such returns. 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. Export benefits available under prevalent schemes are accounted to the extent considered receivable. Revenue is recognised when there is reasonable certainty of its realisation.

2.14 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

2.15 Accounting for Tax

Tax expense comprises of Current and Deferred tax.

Current tax is measured on the basis of tax provisions of the respective countries.

Deferred tax resulting from timing differences between the accounting income and taxable income for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. The carrying amount of deferred tax assets/liabilities are reviewed at each Balance Sheet date. The Group writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case

may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

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

2.16 Excise and Custom Duty

Excise and custom duty is accounted on the basis of payment made in respect of goods cleared and provision is made for goods lying in bonded warehouse and included in the valuation of inventory.

2.17 Cenvat, Service Tax and Vat Credit

Cenvat, service tax and Vat credit receivable/availed are treated as an asset when there is reasonable certainty in availing/utilising the credits and relevant expenses being accounted net of such credit. Further the said assets are reduced to the extent of their utilisation.

2.18 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 and / or restatement are dealt with in the statement of profit and loss 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 respect of the Forward Exchange contracts with underlying transaction, the premium or discount arising at the inception of such contracts are recognised as expenses or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

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

- 2.18.1** All income and expenses are translated at the average rate of exchange prevailing during the period.
- 2.18.2** Monetary and Non-monetary assets and liabilities are translated at the closing rate on the Balance Sheet date.
- 2.18.3** 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".

2.19 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

Long term Investments are carried individually at cost, less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually at lower of cost and realisable value.

Cost of investments includes expenses directly incurred on acquisition of investments.

Investments in foreign currency are stated at cost by converting at exchange rate prevailing, at the time of acquisition/remittance.

2.20 Employee Benefits

Short Term Employee Benefits:

These are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the period in which the related services are rendered. Short term compensated absences are provided for based on actuarial valuation in accordance with company's policies.

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 policies.

Stock Based Compensation:

Employee stock options 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 Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014, as amended till date. The Compensation cost of stock options granted to employees is measured by the fair value method and is amortised uniformly over the vesting period.

2.21 Borrowing Cost

Borrowing costs that are attributable to acquisition, construction or production of a qualifying asset are capitalised as cost of such assets.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.22 Accounting for Leases

In case of the Holding 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

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

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.

2.23 Earnings Per Share

Basic earnings per share is 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.

2.24 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is

present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount of obligation can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

Contingent liabilities are 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 Liabilities are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

3 Share Capital

	31 March 2016		31 March 2015	
	No. of Shares of FV ₹ 2	₹ in Crore	No. of Shares of FV ₹ 2	₹ in Crore
Authorised :				
Equity Shares	15,00,00,000	30.00	15,00,00,000	30.00
Issued :				
Equity Shares	8,87,67,750	17.74	8,87,10,000	17.74
Subscribed & Paid-up :				
Equity Shares fully paid up	8,80,01,250	17.60	8,79,43,500	17.59
Add: Share Forfeited - Amount originally paid up	7,66,500	0.09	7,66,500	0.09
		17.69		17.68

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

	31 March 2016		31 March 2015	
	No. of Shares of FV ₹ 2	₹ in Crore	No. of Shares of FV ₹ 2	₹ in Crore
Equity shares outstanding as at the beginning of the year	8,79,43,500	17.59	8,78,76,750	17.58
Add: Equity shares allotted during the year against option's exercised under ESOP	38,500	0.01	44,500	0.01
Add: Equity shares allotted during the year as Bonus on ESOP (C.Y. ₹ 38,500 / P.Y. on ESOP ₹ 44,500)	19,250	0.00	22,250	0.00
Less: Equity shares bought back during the year	-	-	-	-
Equity shares outstanding as at the end of the year	8,80,01,250	17.60	8,79,43,500	17.59

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

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 ₹ 2 per share. The company declares & pays dividend 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 2016, the amount of dividend per equity share recognised as distribution to equity shareholders is ₹ 8 (Pr. Yr. ₹ 6), which includes interim dividend of ₹ 8 (Pr. Yr. ₹ Nil) 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 2016		31 March 2015	
	No. of Shares of FV ₹ 2	% Holding	No. of Shares of FV ₹ 2	% Holding
Mannalal B. Agrawal	54,06,720	6.14	54,06,720	6.15
Purushottam B. Agrawal	53,89,425	6.12	53,89,425	6.13
Madhusudan B. Agrawal	53,88,750	6.12	53,88,750	6.13
Vimal Agrawal & Mamta Agrawal	-	-	51,37,500	5.84
Yogesh M. Agrawal	63,83,560	7.25	63,83,560	7.26
Rajesh M. Agrawal	64,11,102	7.29	64,11,102	7.29
Manisha Y. Agrawal, Richa R. Agrawal & Aayush M. Agrawal	51,37,500	5.84	-	-
Gabs Investments Private Limited	83,92,262	9.54	83,92,262	9.54

Name of Shareholders	31 March 2016	31 March 2015
	No. of Shares of FV ₹ 2	No. of Shares of FV ₹ 2
3.4 Equity Shares reserved for issuance under Employees Stock Options Scheme 2011 of the Company		
Equity Shares	11,62,500	12,20,250
3.5 Aggregate number of equity shares issued during last five years pursuant to Employees Stock Options Scheme 2011		
Equity Shares	1,66,500	1,08,750
3.6 Equity Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding the Balance Sheet date		
Bonus Shares issued in FY 2014	2,92,92,250	2,92,92,250
Bonus Shares on allotment of ESOP in FY 2015	22,250	-
3.7 The Company is not a subsidiary company.		

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

4 Reserves & Surplus

	₹ in Crore	
	31 March 2016	31 March 2015
Capital Redemption Reserve		
Balance at the beginning of the year	2.11	2.11
Less : Utilised for allotment of Bonus Shares under ESOP (Cr.Yr. ₹ 38,500, Pr. Yr. ₹ 44,500)		
	2.11	2.11
Securities Premium Account		
Balance at the beginning of the year	66.02	65.70
Add : Addition during the year	0.28	0.32
	66.30	66.02
Exchange Fluctuation Reserve	9.93	4.35
General Reserve		
Balance at the beginning of the year	650.73	468.60
Add: Transferred from statement of Profit & Loss	321.49	182.13
	972.22	650.73
Employee Stock Option Outstanding		
Employee Stock Option Outstanding		
Balance at the beginning of the year	0.46	0.78
Add : Options granted during the year	0.84	-
Less : Lapsed during the year	0.11	-
Less : Exercised during the year	0.28	0.32
Balance as at the year end (A)	0.91	0.46
Deferred Employee Stock Option Cost		
Balance at the beginning of the year	0.03	0.20
Add : Options granted during the year	0.84	-
Less : Lapsed during the year	0.11	-
Less : Amortisation during the year	0.12	0.17
Balance as at the year end (B)	0.64	0.03
(A) - (B)	0.27	0.43
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	99.77	28.61
Profit for the year	401.41	309.84
Less: Appropriations		
Proposed Dividend on Equity Shares	-	52.82
Corporate Tax on Proposed Dividend	-	5.69
Interim Dividend on Equity Shares	70.40	-
Corporate Tax on Interim Dividend	6.15	-
Depreciation on Assets whose useful life has expired as on 01-Apr-14 (net of deferred tax of ₹ 0.58 Crore)	-	1.11
Transfer to General Reserve	321.49	182.13
Add: Reversal of excess provision for Final Dividend for previous year	0.02	-
Add: Reversal of excess provision for Corporate Tax on Final Dividend for previous year (in terms of Section 115-O /115BBD of the Income-tax Act, 1961)	0.38	3.07
Net Surplus in the Statement of Profit and Loss	103.54	99.77
Total Reserves & Surplus	1,154.37	823.41

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

5 Long Term Borrowings

	₹ in Crore	
	31 March 2016	31 March 2015
Term Loan (Secured)		
From Bank (Foreign Currency)	4.73	22.32
Vehicle Loans (Secured)		
From Banks (Foreign Currency)	1.06	0.99
Other Loans (Unsecured)		
Deferred Sales Tax Loans from Government of Maharashtra	9.08	9.94
	14.87	33.25

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 Term Loans from banks are repayable in 5 (Pr. Yr. 9) equal quarterly instalments up to 28th June 2017 and the rate of interest is 4% p.a. to 11.50% p.a. (Pr.Yr. 4% p.a. to 11.50% p.a.).

5.3 Vehicle loans are secured against vehicles acquired under the scheme & are repayable in equal monthly instalment upto 31st December 2018 & rate of interest is 7% p.a. (Pr.Yr. 7% p.a.).

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

6 Deferred Tax Liability (Asset)

		31 March 2016	31 March 2015
Deferred Tax Liabilities			
Depreciation (A)		25.93	16.84
Deferred Tax Assets			
Others (B)		5.95	1.68
Deferred Tax Liabilities (Net)	(A) - (B)	19.98	15.16

7 Other Long Term Liabilities

	31 March 2016	31 March 2015
Trade / Security Deposits received	0.46	2.50
	0.46	2.50

8 Long Term Provisions

	31 March 2016	31 March 2015
Provision for employee benefits (Net)		
Gratuity	-	0.66
Leave Benefits	2.59	4.10
	2.59	4.76

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

9 Short Term Borrowings

	₹ in Crore	
	31 March 2016	31 March 2015
Working Capital Loans repayable on demand from banks (Secured)		
Rupee Loan	21.53	17.90
Foreign Currency Loan	24.52	-
Working Capital Loans repayable on demand from banks (Unsecured)		
Foreign Currency Loan	11.78	-
	57.83	17.90

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 Other Current Liabilities

	31 March 2016	31 March 2015
Current Maturities of long-term borrowing		
Secured (Refer note 5.1 to 5.3)		
Foreign Currency Term Loan from Banks	18.93	17.86
Rupee Term Loan from Banks	-	2.00
Vehicle Loans	0.44	0.54
Unsecured (Refer note 5.4)		
Deferred Sales Tax Loans	0.86	0.83
Unpaid Dividend*	0.73	0.29
Unpaid Sale proceeds of Fractional Shares*	-	0.38
Interest Accrued but not due on borrowings	0.02	0.02
Other Payables		
Payables for Fixed Assets	19.38	20.77
Advances received from Customers	4.22	4.32
Statutory Dues payable	6.39	3.52
Others	5.75	7.80
	56.72	58.33

*There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as on 31st March 2016.

11 Short Term Provisions

	31 March 2016	31 March 2015
Provision for employee benefits (Net)		
Gratuity	2.98	2.47
Leave Benefits	0.70	0.76
Other Provisions		
Sales Returns (Refer note 44)	7.67	-
Proposed Dividend on Equity Shares	-	52.82
Corporate Tax on Proposed Dividend	-	5.69
Provision for Tax (Net of Payment)	-	2.56
	11.35	64.30

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

12 Fixed Assets

12.1 Current Year

₹ in Crore

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at	Consolidation	Additions	Deductions	As at	As at	Consolidation	Additions	Deductions	As at	As at
	1 April 2015	Adjustments			31 March 2016	1 April 2015	Adjustments			31 March 2016	31 March 2016
(A) Tangible Assets											
Freehold Land	16.38	0.10	127.23	-	143.71	-	-	-	-	-	143.71
Leasehold Land	31.21	-	-	-	31.21	1.77	-	0.58	-	2.35	28.86
Leasehold Improvement	1.10	0.09	-	-	1.19	0.66	0.06	0.02	-	0.74	0.45
Buildings	141.98	1.17	1.14	-	144.29	53.43	0.03	7.64	-	61.10	83.19
Plant & Equipments	228.99	1.16	74.31	34.58	269.88	115.18	0.69	24.58	27.97	112.48	157.40
Furniture & Fixtures	48.54	0.11	5.66	2.91	51.40	27.11	0.07	6.27	2.42	31.03	20.37
Vehicles	13.44	0.21	1.17	0.21	14.61	8.05	0.12	1.84	0.20	9.81	4.80
Office Equipments	17.03	0.27	2.23	0.38	19.15	11.41	0.23	2.82	0.36	14.10	5.05
Computers	23.40	0.00	2.73	7.90	18.23	20.68	0.00	2.08	7.68	15.08	3.15
TOTAL (A)	522.07	3.11	214.47	45.98	693.67	238.29	1.20	45.83	38.63	246.69	446.98
(B) Intangible Assets											
Computer Software	4.33	0.00	1.80	-	6.13	1.10	0.00	1.27	-	2.37	3.76
ANDA Development Cost	15.93	-	-	-	15.93	15.93	-	-	-	15.93	-
Knowhow	7.52	0.64	0.31	-	8.47	6.44	0.56	0.63	-	7.63	0.84
TOTAL (B)	27.78	0.64	2.11	-	30.53	23.47	0.56	1.90	-	25.93	4.60
TOTAL (A + B)	549.85	3.75	*216.58	45.98	724.20	261.76	1.76	# 47.73	38.63	272.63	451.58
(C) Capital Work in Progress (Including Pre Operative expenses of ₹ 40.89 Crore - Refer note 35)											238.42
(D) Intangible assets under development											1.38
Total Fixed Assets (A) + (B) + (C) + (D)											691.38

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

Depreciation of ₹ 2.67 Crore considered as Pre-operative expenditure - Refer note 35.

12.2 Previous Year

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at	Consolidation	Additions	Deductions	As at	As at	Consolidation	Additions	Deductions	As at	As at
	1 April 2014	Adjustments			31 March 2015	1 April 2014	Adjustments			31 March 2015	31 March 2015
(A) Tangible Assets											
Freehold Land	9.74	0.08	6.63	0.07	16.38	-	-	-	-	-	16.38
Leasehold Land	14.01	-	17.21	0.01	31.21	1.31	-	0.46	^	1.77	29.44
Leasehold Improvement	1.27	(0.17)	-	-	1.10	0.73	(0.10)	0.03	-	0.66	0.44
Buildings	134.84	0.24	6.90	-	141.98	46.02	0.01	7.40	-	53.43	88.55
Plant & Equipments	215.74	(2.10)	15.60	0.25	228.99	86.37	(1.21)	30.20	0.18	115.18	113.81
Furniture & Fixtures	41.23	(0.11)	7.42	-	48.54	20.26	(0.09)	6.94	-	27.11	21.43
Vehicles	12.52	0.01	2.15	1.24	13.44	7.10	0.01	2.02	1.08	8.05	5.39
Office Equipments	13.59	(0.44)	3.88	!	17.03	8.34	(0.36)	3.43	@	11.41	5.62
Computers	21.55	0.00	2.10	0.25	23.40	19.25	0.00	1.66	0.23	20.68	2.72
TOTAL (A)	464.49	(2.50)	61.89	1.82	522.07	189.38	(1.74)	52.14	1.49	238.29	283.78
@ ₹ 13,854/- ^ ₹ 15,361/- ! ₹ 36,000/-											
(B) Intangible Assets											
Computer Software	1.80	0.00	2.53	-	4.33	0.34	0.00	0.76	-	1.10	3.23
ANDA Development Cost	15.93	-	-	-	15.93	15.93	-	-	-	15.93	-
Knowhow	8.07	(1.09)	0.54	-	7.52	6.96	(0.95)	0.43	-	6.44	1.08
TOTAL (B)	25.80	(1.09)	3.07	-	27.78	23.23	(0.95)	1.19	-	23.47	4.31
TOTAL (A + B)	490.29	(3.59)	* 64.96	1.82	549.85	212.61	(2.69)	# 53.33	1.49	261.76	288.09
(C) Capital Work in Progress (Including Pre Operative expenses of ₹ 15.66 Crore - Refer note 35)											170.20
TOTAL FIXED ASSETS (A) + (B) + (C)											458.29

* Addition includes ₹ 7.73 Crore used for Research & Development.

includes

(i) Depreciation of ₹ 1.69 Crore considered as Pre-operative expenditure - Refer note 35.

(ii) Depreciation of ₹ 1.70 Crore on Assets whose useful life has expired as on 1st April 2014 pursuant to Schedule II of the Companies Act, 2013.

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

13 Non - Current Investments

					₹ in Crore	
					31 March 2016	31 March 2015
A. 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
Less: Diminution in the value of investments (Refer note 45)					(8.46)	(8.46)
SUB TOTAL (A)					-	-
B. Other Investments						
In Mutual Funds (Quoted)	Face Value ₹	No. of Units *			31 March 2016	31 March 2015
ICICI Prudential FMP Series 70-367 days Plan	10	(-)		-		5.00
N Regular Plan Cumulative		(50,00,000)				
ICICI Prudential FMP Series 71-369 days Plan	10	(-)		-		5.00
E Regular Plan Cumulative		(50,00,000)				
Kotak FMP Series 124 - Growth	10	(-)		-		5.04
		(50,38,705)				
HDFC FMP 372D October 2013 (I) Series 28 - Regular	10	(-)		-		10.00
Growth		(1,00,00,000)				
Birla Sun Life Fixed Term Plan - Series JA (366 days)	10	(-)		-		10.00
		(1,00,00,000)				
IDFC Fixed Term Plan Series 49 Regular Plan-Growth	10	(-)		-		5.00
		(50,00,000)				
SUB TOTAL (B)					-	40.04
TOTAL (A + B)					-	40.04
Aggregate amount of quoted investments - Gross						
Cost					-	40.04
Market Value					-	45.35
Aggregate amount of unquoted investments (Cost/ Book Value) - Gross						
					-	-
Aggregate provision for diminution in value of investments					8.46	8.46
Above investments are long term investments and valued at cost less other than temporary diminution in value, if any						

* Figures in Brackets are for Previous Year

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

14 Long Term Loans and Advances

	31 March 2016	31 March 2015
₹ in Crore		
(Unsecured, Considered Good)		
Capital Advances	16.30	5.38
Security Deposits	5.59	3.96
	21.89	9.34

15 Other Non Current Assets

	31 March 2016	31 March 2015
In Deposit Accounts with Banks (with original maturity for more than 12 months)		
Under Lien	3.27	4.30
Others (C.Y. ₹ 20,000)	-	0.10
Interest Accrued on fixed deposits with Banks	1.01	0.87
	4.28	5.27

16 Current Investments

Other Investments

In Mutual Funds (Quoted)	Face Value ₹	No. of Units *	31 March 2016	31 March 2015
Birla Sun Life Dynamic Bond Fund Growth	10	50,67,712	13.00	-
		(-)		
SBI Dynamic Bond Fund Regular Plan Growth	10	56,10,098	10.00	-
		(-)		
Birla Sun Life Cash Plus Daily Dividend	100	14,007	0.14	-
		(-)		
UTI-Treasury Advantage Fund-Institutional Plan	1,000	-	-	16.11
		(1,60,730)		
Current Portion of Long Term Investments				
In Mutual Funds (Quoted)				
ICICI Prudential FMP Series 70-367 days Plan N Regular Plan Cumulative	10	50,00,000	5.00	-
		(-)		
ICICI Prudential Interval Annual Plan III Regular Growth	10	24,80,000	3.21	3.35
		(25,84,343)		
ICICI Prudential FMP Series 71-368 days Plan A Regular Plan Cumulative	10	50,00,000	5.00	-
		(-)		
Kotak FMP Series 124 - Growth	10	50,38,705	5.04	-
		(-)		
HDFC FMP 372D October 2013 (I) Series 28 - Regular Growth	10	1,00,00,000	10.00	-
		(-)		
Birla Sun Life Fixed Term Plan - Series JA (366 days)	10	1,00,00,000	10.00	-
		(-)		
IDFC Fixed Term Plan Series 49 Regular Plan-Growth	10	50,00,000	5.00	-
		(-)		
			66.39	19.46
Aggregate amount of quoted investments - Gross				
Cost			66.39	19.46
Market Value			76.78	19.89

* Figures in Brackets are for Previous Year

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

17 Inventories

	₹ in Crore	
	31 March 2016	31 March 2015
Raw Materials	58.49	59.24
Packing Materials	20.43	23.40
Work-in-Process	11.58	12.35
Finished Goods *	87.87	53.80
Stock-in-trade *	26.21	10.24
	204.58	159.03

* Finished Goods includes In Transit Stock of ₹ 13.20 Crore (P.Y. ₹ 8.50 Crore)

* Stock-in-trade includes In Transit Stock of ₹ 0.16 Crore (P.Y. ₹ Nil)

18 Trade Receivable

	31 March 2016	31 March 2015
(Unsecured, Considered Good)		
Over Six Months from the date they are due for payment	23.83	19.77
Others from the date they are due for payment	348.52	238.99
	372.35	258.76

19 Cash and Bank Balances

	31 March 2016	31 March 2015
19.1 Cash and cash equivalents (As per AS-3)		
Balance with Banks - In Current Accounts	52.87	45.23
Cash on Hand	0.14	0.11
In Deposit Accounts (with original maturity of 3 months or less)	-	9.15
(A)	53.01	54.49
19.2 Other bank balances		
Earmarked balances with banks	0.73	0.29
Unpaid Dividend	-	0.38
Unpaid Sale Proceeds of Fractional Shares (Cr. Yr. ₹ 6,240)	-	40.00
In Deposit Accounts (with original maturity of more than 3 months and upto 12 months)		
In Deposit Accounts (With original maturity of more than 12 months)	1.15	0.60
Under Lien	0.07	41.00
Others	(B)	82.27
(A) + (B)	54.96	136.76

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

20 Short Term Loans and Advances

	31 March 2016	31 March 2015
₹ in Crore		
(Unsecured, Considered Good)		
Income Tax Paid (Net of Provision)	17.64	-
Balance with Statutory/Govt. Authorities		
Excise Authorities	28.50	30.12
Vat Receivable	3.75	2.33
Octroi Refund Receivable	0.52	0.52
Prepaid Expenses	1.21	0.18
Advances to Creditors	2.75	7.66
Advances Recoverable in Cash or Kind	10.50	9.65
	64.87	50.46

21 Other Current Assets

	31 March 2016	31 March 2015
Interest Accrued on fixed deposits with banks	0.25	5.19
Forward Contract Receivable	0.48	3.75
	0.73	8.94

22 Revenue From Operations

	31 March 2016	31 March 2015
Sale of Products		
Finished Goods	1,263.29	1,087.20
Stock-in-Trade	457.13	370.43
Other Operating Revenues		
Export Incentives	20.00	25.48
Royalty and Fees	1.90	1.19
Others	0.60	0.91
	1,742.92	1,485.21

23 Other Income

	31 March 2016	31 March 2015
Exchange Rate Difference (Net)	8.13	4.14
Share of Profit from Associate Company	0.73	-
Dividend from Current Investments	2.55	0.17
Gain on sale/redemption of Current Investments	1.00	1.06
Interest on Deposits with Banks	3.23	9.69
Interest from Others	0.29	1.45
Miscellaneous Income	0.70	0.29
	16.63	16.80

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

24 Cost of Materials Consumed

	31 March 2016	31 March 2015
Raw Material Consumed	303.59	249.88
Packing Material Consumed	96.50	75.09
	400.09	324.97

₹ in Crore

25 Purchase of Stock-in-Trade

	31 March 2016	31 March 2015
Purchase of Stock-in-Trade	63.01	33.11

26 Changes in Inventories of Finished Goods/Work-in-progress/Stock-in-Trade

	31 March 2016	31 March 2015
Inventories at the beginning of the year :		
Work-in-Process	12.35	14.97
Finished Goods	53.80	61.75
Stock-in-Trade	10.24	7.01
(A)	76.39	83.73
Inventories at the end of the year :		
Work-in-Process	11.58	12.35
Finished Goods	87.87	53.80
Stock-in-Trade	26.21	10.24
(B)	125.66	76.39
(A) - (B)	(49.27)	7.34

27 Employee Benefits Expenses

	31 March 2016	31 March 2015
Salaries, Wages, Bonus and Allowances	238.19	185.03
Expense on Employee Stock Option Scheme	0.31	0.10
Contribution to Provident and Other Funds	15.76	13.56
Staff Welfare Expenses	2.73	1.89
	256.99	200.58

28 Finance Cost

	31 March 2016	31 March 2015
Interest Expenses	2.50	3.69
Other Borrowing Cost (Including Bank Charges)	2.39	2.23
	4.89	5.92

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

29 Other Expenses

	₹ in Crore	
	31 March 2016	31 March 2015
Selling Expenses	180.70	175.98
Clearing and Forwarding	54.61	47.83
Travelling Expenses	35.37	28.42
Processing Charges	17.41	16.61
Power and Fuel	15.49	12.91
Advertisement and Publicity	11.56	10.15
Consumption of Stores & Spare Parts	36.18	21.10
Rent	8.99	5.99
Rates and Taxes	0.39	0.31
Legal and Professional Fees	10.25	6.40
Postage and Telephone Expenses	6.63	5.76
Repairs & Maintenance		
Buildings	5.86	3.87
Machineries	11.51	7.31
Computers & Others	6.93	6.83
Insurance	4.54	3.77
Donation	0.03	0.04
Loss on Sale/Discard of Fixed Assets (Net)	6.92	0.05
Corporate Social Responsibility Expenses	6.39	3.89
Miscellaneous Expenses	56.23	45.11
	475.99	402.32

30 Earnings Per Share (EPS):

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

	31 March 2016	31 March 2015
Basic and Diluted Earnings Per Share:		
Profit attributable to Equity shareholders- considered for Basic EPS (₹ in Crore) (A)	401.41	309.86
Add: Dilutive effect on profit (₹ in Crore) (B)*	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (₹ in Crore) (C=A+B)	401.41	309.86
Number of Equity Shares outstanding - considered for Basic EPS (D)	8,79,96,438	8,79,37,938
Add: Dilutive effect of option outstanding- Number of Equity Shares (E)*	6,738	89,585
Number of Equity Shares considered for computing Diluted EPS (F=D+E)	8,80,03,176	8,80,27,523
Face Value per Equity Share (₹)	2	2
Basic Earnings Per Share (₹)	45.62	35.24
Diluted Earnings Per Shares (₹)	45.61	35.20

* Dilutive effect on number of equity shares and profit attributable is on account of Employee Stock Option Scheme (ESOS)- (Refer note 37).

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

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

31.1 Details of subsidiaries of the Group are as under:

Name of the Company	Country of Incorporation	% voting power held as at
		31 March 2016
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 USA Inc.")	U.S.A.	100%
Ajanta Pharma Philippines Inc. ("APPI")	Philippines	100%
Ajanta Pharma UK Ltd. ("AP UK")	England & Wales	100%
Ajanta Pharma Nigeria Ltd. ("APNL")	Nigeria	100%

31.2 The financial statements of the subsidiaries used in consolidation are for the period from 1st April 2015 to 31st March 2016

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

31.4 Ajanta Pharma UK Ltd., a wholly owned subsidiary has been incorporated as on 30th November 2010. However there are no transactions up to 31st March 2016.

31.5 The Holding Company has decided to sell its investments in Turkmenderman Ajanta Pharma Ltd., an associate company. Further, associate company operates under severe restriction that significantly impairs its ability to transfer the funds to the Holding 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'.

32 Commitments

- Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 103.66 Crore (Pr. Yr. ₹ 9.69 Crore).
- Other Commitments – Non-cancellable operating leases (Refer note 38).

33 Contingent Liabilities

Particulars	₹ in Crore	
	31 March 2016	31 March 2015
i. Claims against the Company not acknowledged as debt	0.70	0.70
ii. Sales tax demands disputed by Company pending in appeal	0.22	0.22
iii. Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation	0.76	4.46
iv. Disputed Octroi Amount paid under protest ₹ 0.52 Crore (Pr. Yr. ₹ 0.52 Crore)	0.52	0.52
v. Excise duty disputed by the Company Amount paid under protest ₹ 0.25 Crore (Pr. Yr. ₹ 0.25 Crore)	0.50	0.34
vi. Income Tax demand disputed by the Company pending in appeal Amount paid under protest ₹ 2.17 Crore (Pr. Yr. Nil)	17.52	Nil

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

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

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

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

35 In case of the Holding Company, Pre-operative expenses pending capitalisation included in Capital Work-in-Progress (Refer note 12) 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 2016	31 March 2015
Opening Balance	15.66	5.59
Add: Incurred during year – Other Expenses		
Salary, allowances and contribution to funds	8.46	4.33
Professional fees	0.37	0.34
Travelling expenses	0.56	0.88
Depreciation	2.67	1.69
Others	13.52	4.81
TOTAL	41.24	17.64
Less: Other Income	0.35	0.51
Less: Capitalised to Fixed Assets	Nil	1.47
Closing Balance	40.89	15.66

36 Employee Benefits in respect of the Holding Company

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

36.1. Defined Contribution Plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain 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:

₹ in Crore		
Particulars	31 March 2016	31 March 2015
Provident Fund and Employee's Pension Scheme	11.43	8.76
Employees State Insurance	1.81	1.77
TOTAL	13.24	10.53

36.2. Defined Benefit Plans:

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

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

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

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

36.2.2. On the death in service:

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

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

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31st March 2016 are as under:

		₹ in Crore	
Particulars	31 March 2016	31 March 2015	
i) Changes in Defined Benefit Obligation			
Opening defined benefit obligation	11.37	7.99	
Current Service Cost	2.56	1.36	
Interest Cost	0.82	0.66	
Actuarial loss / (gain)	0.41	1.78	
Benefit (paid)	(0.85)	(0.42)	
Closing defined benefit obligation	14.31	11.37	
ii) Changes in Fair Value of Assets			
Opening fair value of plan assets	8.24	6.76	
Expenses deducted from the fund	(0.10)	(0.03)	
Adjustment to the opening fund	0.02	Nil	
Expected return on plan assets	0.75	0.58	
Actuarial gain/(loss)	(0.01)	0.03	
Contributions of employer	3.27	1.32	
Benefits (paid)	(0.85)	(0.42)	
Closing fair value of plan assets	11.32	8.24	
iii) Amount recognized in the Balance Sheet			
Present value of obligations as at year end	14.31	11.37	
Fair value of the plan assets as at year end	11.32	8.24	
Net (asset) / liability recognized as at the year end	2.99	3.13	
iv) Expenses recognized in the Statement of Profit and Loss			
Current Service Cost	2.56	1.36	
Interest on defined benefit obligation	0.82	0.66	
Expected return on plan assets	(0.75)	(0.58)	
Net actuarial loss / (gain) recognized in the current year	0.42	1.74	
Expenses deducted from the fund	0.10	0.03	
Adjustment to the opening fund	(0.02)	Nil	
TOTAL EXPENSE	3.12	3.21	
v) Asset information			
Others – Policy of Insurance	100%	100%	
vi) Principal actuarial assumptions used			
Discount rate (p.a.)	7.95%	7.70%	
Expected rate of return on plan assets (p.a.)	7.95%	8.50%	
Annual increase in salary cost (p.a.)	6.00%	6.00%	

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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

36.3 Leave Encashment

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

Accordingly ₹ 3.29 Crore (Pr. Yr. ₹ 4.86 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.

37 Employees Stock Options Scheme ('ESOS')

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

During the year 9,000 options have been granted by the Company under the aforesaid ESOS – 2011 to the employees of the Company and of the wholly owned subsidiaries of the Company.

Grant Date	No. of Option	Exercise Price	Vesting Period
8 May 2015	3,000	2	08.05.2017 to 08.05.2019
13 August 2015	6,000	835	13.08.2018 to 13.08.2019

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

The particulars of the options under ESOS 2011 are as under:

Particulars	₹ in Crore	
	31 March 2016 Nos.	31 March 2015 Nos.
Options outstanding as at beginning of Year	91,500	1,58,250
Add: Options granted during the Year	9,000	Nil
Less: Options Exercised during the Year	57,750	66,750
Less: Options lapsed during the Year	30,000	Nil
Options outstanding as at the Year End	12,750	91,500

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

The Holding 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 Holding Company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments of ₹ 8.99 Crore (Pr. Yr. ₹ 5.99 Crore) are recognised in the Statement of Profit and Loss under "Rent" under Note 29.

Operating Lease

Particulars	₹ in Crore	
	31 March 2016 Nos.	31 March 2015 Nos.
Not later than one year	6.10	6.26
Later than one year but not later than five years	9.05	17.36
Later than five year	Nil	3.18

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

Finance Lease*

Particulars	₹ in Crore		
	Total Minimum Lease Payments Outstanding	Future Interest on Outstanding	Present Value of Minimum Lease Payments
Within one year	0.44	Nil	0.44
	(0.54)	(Nil)	(0.54)
Later than one year and not later than five years	1.06	Nil	1.06
	(0.99)	(Nil)	(0.99)
TOTAL	1.50	Nil	1.50
	(1.53)	(Nil)	(1.53)

*Figures in brackets indicate previous year figures.

Future obligations towards lease rentals under the lease agreements as on 31st March 2016 amounts to ₹ 16.65 Crore (Pr. Yr. ₹ 28.33 Crore)

- 39** In case of the Holding Company, Excise duty includes ₹ 0.12 Crore (Pr. Yr. ₹ 0.13 Crore) being net impact of the excise duty provision on opening and closing stock.

40 Research and Development expenditure:

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

Particulars	31 March 2016	31 March 2015
Cost of Material/Consumables/Spare	32.07	21.59
Employee Benefit Expenses	30.82	20.59
Utilities	3.09	1.82
Other Expenses	40.49	26.07
TOTAL	106.47	70.07

41 Remuneration to Auditors (excluding service tax):

Particulars	31 March 2016	31 March 2015
Audit Fees	0.32	0.25
Tax Audit Fees	0.04	0.02
For Certification and Other Matters	0.08	0.07

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

42 Related party disclosure 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

Dr. Ramesh Jhawar

Director (AP USA Inc.)

Mr. Arvind Agrawal

Chief Financial Officer

Mr. Gaurang Shah

Company Secretary

& Relatives of Key Management Personnel

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

Gabs Investment Private Limited

Louroux Bio Energies Limited

Inspira Projects Limited

Inspira Infra (Aurangabad) Limited

Seth Bhagwandas Agrawal Charitable Trust

Ganga Exports

B) Following transactions were carried out with related parties

₹ in Crore

Sr. No	Particulars	Category	31 March 2016	31 March 2015
1.	Royalty Income received from TDAPL	I	1.90	1.10
2.	Share of profit from Associate Company – TDAPL	I	0.73	Nil
3.	Remuneration to Executive Directors :			
	Mr. Purushottam B Agrawal	II	1.88	1.71
	Mr. Madhusudan B Agrawal	II	1.88	1.71
	Mr. Yogesh M Agrawal	II	1.88	1.71
	Mr. Rajesh M Agrawal	II	1.47	1.31
	Dr. Ramesh Jhawar	II	1.48	1.22
4.	Commission and Sitting Fees to Non-Executive Director :	II	1.23	1.52
	Mr. Mannalal B Agrawal			
5.	Rent to :			
	Mrs. Manisha Y Agrawal	II	0.79	0.79
	Mrs. Smriti R Agrawal	II	0.79	0.79
	Mr. Aayush M Agrawal	II	0.79	0.79

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

				₹ in Crore
Sr. No	Particulars	Category	31 March 2016	31 March 2015
6.	Remuneration to :			
	Mr. Arvind Agrawal	II	0.70	0.92
	Mr. Gaurang Shah	II	0.33	0.29
7.	Dividend Paid	II	79.15	21.85
		III	11.75	3.36
8.	Purchase of Assets			
	Louroux Bio Energies Limited	III	Nil	0.03
9.	Corporate Social Responsibility Expense			
	Seth Bhagwandas Agrawal Charitable Trust	III	1.05	0.25
10.	Provision for diminution in value of investment			
	TDAPL	I	Nil	8.46

C) Amount outstanding as on 31st March 2016

				₹ in Crore
Sr. No	Particulars	Category	31 March 2016	31 March 2015
1.	Investment in TDAPL	I	8.46	8.46
	Provision for diminution in value of investment - TDAPL	I	8.46	8.46
2.	Commission Payable to Non-Executive Director			
	Mr. Mannalal B Agrawal	II	1.20	1.51

43 Note on hedge and unhedged foreign currency assets and liabilities:

During the year, the Holding 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. The following are the outstanding foreign currency forward contracts entered into by the Holding Company:

Particulars	31 March 2016	31 March 2015	Buy or Sell	Cross Currency
	Foreign Currency Amt in Crore	Foreign Currency Amt in Crore		
Euro	0.25	0.88	SELL	INR
USD	0.50	Nil	SELL	INR

Notes

forming part of Consolidated Financial Statements for the year ended 31st March 2016

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 2016	31 March 2015	31 March 2016	31 March 2015	
Amount Receivable	276.33	200.48	4.17	3.21	USD
	33.94	7.26	0.45	0.11	EURO
	Nil	0.07	Nil	@	GBP
	5.40	0.06	0.08	#	CHF
	0.12	Nil	0.20	Nil	JPY
Amount Payable	54.44	52.05	0.82	0.83	USD
	2.05	4.71	0.03	0.07	EURO
	0.02	0.02	*	*	GBP

@ GBP 2,082 (P.Y. @ GBP 7,884, # CHF 10,416, * GBP 2,513).

44 Provision for anticipated Sales Returns – AS 29

Particulars	31 March 2016	31 March 2015
Balance at the beginning of the year	Nil	Nil
Add: Provisions made during the year	7.67	Nil
Less: Amount written back/utilized during the year	Nil	Nil
Balance at the end of the year	7.67	Nil

Until 31st March 2015, the Holding Company accounted for sales returns on actual returns. During the year ended 31st March 2016, in line with an opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India on accounting for sales returns, the Holding Company has revised its approach by accounting for anticipated sales returns and has recorded a cumulative provision for anticipated sales returns as at 31st March 2016 by charging it to Statement of Profit and Loss.

- 45** Turkmenderman Ajanta Pharma Ltd, an associate company, operates under severe restriction that significantly impairs its ability to transfer the funds. Company has been making efforts to divest this investment since last few years without any success. During the preceding financial year ended 31st March 2015, the Company has fully provided ₹ 8.46 Crore, being permanent diminution in value of said investment which has been shown under exceptional item.

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

Name of Enterprise	Net assets i.e total assets minus total liabilities		Share in profit (loss)	
	As % of consolidated net assets	Amount ₹ in Crore	As % of consolidated net assets	Amount ₹ in Crore
Parent				
Ajanta Pharma Limited	90.8%	1,064.62	86.6%	347.58
Foreign Subsidiaries				
Ajanta Pharma (Mauritius) Ltd (APML) including its wholly owned subsidiary Ajanta Pharma (Mauritius) Intl. Ltd.	7.4%	86.42	12.8%	51.49
Ajanta Pharma Philippines Inc. (APPI)	3.0%	34.68	4.8%	19.38
Ajanta Pharma USA Inc. (AP USA Inc)	(1.2%)	(13.87)	(4.2%)	(16.80)
Ajanta Pharma Nigeria Ltd. (APNL)	0.0%	0.21	(0.1%)	(0.24)
TOTAL		1,172.06		401.41

Also refer Note 31.4

Refer Annexure "B" of Directors' Report for salient features of the financial statements of subsidiaries

47 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

For and on behalf of Board of Directors

Mannalal B. Agrawal

Chairman

Purushottam B. Agrawal

Vice Chairman

Yogesh M. Agrawal

Managing Director

Arvind Agrawal

Chief Financial Officer

Madhusudan B. Agrawal

Vice Chairman

Rajesh M. Agrawal

Joint Managing Director

Gaurang Shah

Company Secretary

Mumbai, 29th April 2016

Independent Auditors' Report

To
The Members of
AJANTA PHARMA LIMITED

Report on Standalone Financial Statements

We have audited the accompanying standalone financial statements of **AJANTA PHARMA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, and its profit and its 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act ;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i The Company has disclosed the impact, if any, of pending litigations as at 31st March 2016, on its financial position in its standalone financial statements- Refer Note 32 to the financial statements;
- ii. The Company has not entered into any long-term contracts including derivative contracts requiring provision under the applicable law or accounting standards, for material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-
S. S. Kapoor
Partner
M.No. 5399

Mumbai, 29th April 2016

Annexure A 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 20 16.)

- 1) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As informed to us by the management the Company has a policy of physically verifying fixed assets in a phased manner over a period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that there were no material discrepancies noticed on such verification and the same has been properly dealt with in the books of account.
 - c) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.
- 2) According to the information and explanation given to us, the inventories have been physically verified by the management at reasonable intervals during the year except for stocks with third parties for which most of the confirmation certificates have been obtained by the Company. The discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.
- 3) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
- 5) The Company has not accepted any deposit from public. 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.
- 6) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(l) of the Companies Act, 2013 in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- 7) According to the information and explanations given to us:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues with the appropriate authorities during the year. There are no undisputed amounts payable in respect of aforesaid material statutory dues as at 31st March 2016, which were in arrears for a period of more than six months from the date they became payable.
 - b) On the basis of our examination of the documents and records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess 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
Central Excise Act, 1944	Excise	0.16	FY 2010-11 to FY 2015-16	Superintendent of Central Excise, Customs & Service Tax, Aurangabad
The Income Tax Act, 1961	Penalty	15.35	FY 2006-07 to FY 2012-13	Commissioner of Income Tax (Appeals), Mumbai

*Net of amounts paid under protest or otherwise. Amount as per demand order including interest and penalty wherever quantified.

- 8) Based on our audit procedures, information and explanations given to us, in our opinion the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government. The Company does not have any outstanding debentures during the year.
- 9) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer and has not taken any term loan during the year.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- 11) In our opinion and according to the information and explanation given to us, the managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- 12) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- 13) The company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the standalone financial statements as required under Accounting Standard - 18 "Related Party Disclosure".
- 14) According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- 15) In our opinion and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- 16) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **Kapoor & Parekh Associates**

Chartered Accountants

ICAI FRN 104803W

Sd/-

S. S. Kapoor

Partner

M.No. 5399

Mumbai, 29th April 2016

Annexure B to the Independent Auditors' Report

(The Annexure referred to in para 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of **AJANTA PHARMA LIMITED** on the Standalone financial statements for the year ended 31st March 2016.)

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

We have audited the internal financial controls over financial reporting of **AJANTA PHARMA LIMITED** ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at 31st March 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Sd/-

S. S. Kapoor
Partner
M.No. 5399

Mumbai, 29th April 2016

Balance Sheet

as at 31st March 2016

₹ in Crore

	Note No	31 March 2016	31 March 2015
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	17.69	17.68
Reserves and Surplus	4	1,107.10	768.65
Non-Current Liabilities			
Long-Term Borrowings	5	13.82	32.27
Deferred Tax Liabilities (Net)	6	20.11	15.16
Other Long Term Liabilities	7	0.46	2.50
Long-Term Provisions	8	2.59	4.76
		36.98	54.69
Current Liabilities			
Short-Term Borrowings	9	46.05	17.90
Trade Payables			
Due to Micro and Small Enterprises	33	1.59	1.20
Due to others		143.45	106.92
Other Current Liabilities	10	50.68	54.51
Short-Term Provisions	11	11.36	64.30
		253.13	244.83
TOTAL		1,414.90	1,085.85
Assets			
Non-current assets			
Fixed Assets			
	12		
Tangible Assets		429.08	268.16
Intangible Assets		3.75	3.16
Capital Work-in-Progress		238.42	170.20
Intangible assets under development		1.38	-
		672.63	441.52
Non-current Investments	13	17.25	57.16
Long-Term Loans and Advances	14	21.11	8.87
Other Non Current assets	15	4.27	5.27
		715.26	512.82
Current Assets			
Current Investments	16	66.39	19.46
Inventories	17	189.78	153.05
Trade Receivables	18	350.48	240.85
Cash and Bank Balances	19	33.02	105.69
Short-Term Loans and Advances	20	59.24	45.04
Other Current Assets	21	0.73	8.94
		699.64	573.03
TOTAL		1,414.90	1,085.85

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For Kapoor & Parekh Associates

Chartered Accountants

S. S. Kapoor

Partner

For and on behalf of Board of Directors

Mannalal B. Agrawal

Chairman

Purushottam B. Agrawal

Vice Chairman

Yogesh M. Agrawal

Managing Director

Arvind Agrawal

Chief Financial Officer

Madhusudan B. Agrawal

Vice Chairman

Rajesh M. Agrawal

Joint Managing Director

Gaurang Shah

Company Secretary

Mumbai, 29th April 2016

Statement of Profit and Loss

for the year ended 31st March 2016

₹ in Crore

	Note No	31 March 2016	31 March 2015
Revenue :			
Revenue from operations (Gross)	22	1,567.15	1,367.85
Less : Excise Duty		15.39	11.65
Revenue from operations (Net)		1,551.76	1,356.20
Other Income	23	82.35	33.70
Total Revenue		1,634.11	1,389.90
Expenses :			
Cost of Materials Consumed	24	397.21	321.18
Purchase of Stock-in-Trade	25	57.81	50.21
Changes in Inventories of Finished Goods/ WIP/Stock-in-Trade	26	(41.02)	9.22
Employee Benefits Expense	27	235.38	186.34
Finance Costs	28	4.20	5.01
Depreciation & Amortisation Expense	12	42.68	49.42
Other Expenses	29	386.53	316.69
Total Expenses		1,082.79	938.07
Profit Before Exceptional Items and Tax		551.32	451.83
Exceptional Item - Income (Expense)			
Diminution in value of investments	53	-	(6.95)
Profit Before Tax		551.32	444.88
Tax Expense :			
Current Tax		134.92	145.21
Income Tax of Earlier Years Written Off (Back)		(3.03)	0.54
Net Current Tax Expense		131.89	145.75
Deferred Tax Charge (Credit)		4.95	(7.24)
Profit For The Year		414.48	306.37
There are no Extra Ordinary Items and Discontinuing Operations			
Earning Per Equity Share (Face Value ₹ 2/-)			
Basic (₹)	30	47.10	34.84
Diluted (₹)		47.10	34.80

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For **Kapoor & Parekh Associates**

Chartered Accountants

S. S. Kapoor

Partner

For and on behalf of Board of Directors

Mannalal B. Agrawal

Chairman

Purushottam B. Agrawal

Vice Chairman

Yogesh M. Agrawal

Managing Director

Arvind Agrawal

Chief Financial Officer

Madhusudan B. Agrawal

Vice Chairman

Rajesh M. Agrawal

Joint Managing Director

Gaurang Shah

Company Secretary

Mumbai, 29th April 2016

Statement of Cash Flow

for the year ended 31st March 2016

₹ in Crore

	31 March 2016	31 March 2015
A. Cash Flow from Operating Activities		
Profit before Tax	551.32	444.88
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation & Amortisation Expense	42.68	49.42
Provision for Expired Goods	7.67	-
Diminution in value of investments	-	6.95
Loss on Sale / Discard of Fixed Assets (Net)	6.92	0.05
Interest Expense	4.20	5.01
Dividend from Subsidiary	(66.91)	(18.08)
Share of Profit from Associate Company	(0.73)	-
Income from Investments & Deposits	(6.78)	(10.92)
Employee Stock Option Expenses	0.31	0.10
Receivable Written Off	0.95	1.65
Operating Profit before Working Capital Changes	539.63	479.06
Changes in working capital :		
Decrease (Increase) in Trade Receivable	(110.58)	(65.41)
Decrease (Increase) in Long-Term Loans and Advances	(1.32)	(2.02)
Decrease (Increase) in Short-Term Loans and Advances	3.43	(7.26)
Decrease (Increase) in Other Current Assets	3.27	(3.75)
Decrease (Increase) in Inventories	(36.73)	(4.28)
Increase (decrease) in Other Current Liabilities	(3.36)	1.14
Increase (decrease) in Other Long Term Provisions	(2.17)	1.93
Increase (decrease) in Short Term Provisions	0.46	1.68
Increase (decrease) in Trade Payables	36.92	(2.78)
Cash generated from Operations	427.50	398.31
Direct Taxes Paid (Net of Refunds)	(152.08)	(135.39)
Net Cash Generated from Operating Activities	275.42	262.92
B. Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets including Capital Advances	(292.24)	(107.75)
Proceeds from Sale of Fixed Assets	0.42	(0.93)
Bank Balances not considered as Cash and Cash Equivalents (Net)	81.46	(56.61)
Dividend from Subsidiary	66.91	18.08
Share of Profit from Associate Company	0.73	-
Current Investments	(46.93)	35.54
Income on Investments & Deposits	11.59	6.31
Non Current Investments	40.04	(40.04)
Investments in Subsidiaries	(0.13)	(0.23)
Net Cash Generated from (Used in) Investing Activities	(138.15)	(145.63)

Notes

forming part of the financial statements for the year ended 31st March 2016

₹ in Crore

	31 March 2016	31 March 2015
C. Cash Flow from Financing Activities		
Repayment of Long Term Borrowings	(24.08)	(15.44)
Proceeds (Repayment) of Short Term Borrowings	28.15	(42.64)
Proceeds from Issue of Equity Shares (ESOPs)	0.01	0.01
Interest Paid	(4.20)	(5.11)
Dividend Paid	(122.77)	(35.09)
Dividend Distribution Tax Paid	(11.46)	(2.91)
Net Cash Generated from (Used in) Financing Activities	(129.62)	(101.18)
Net Increase (Decrease) in Cash and Cash Equivalents	7.66	16.11
Cash and Cash Equivalents as at the Beginning of the Year	23.41	7.30
Cash and Cash Equivalents as at the End of the Year (Refer Note 19.1)	31.07	23.41
Components of Cash and Cash Equivalents		
Balance with Banks - In Current Accounts	30.96	14.15
Cash on Hand	0.11	0.11
In Deposit Accounts (with original maturity 3 months or less)	-	9.15
Total Cash and Cash Equivalents	31.07	23.41
Figures in brackets indicates outflow.		

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For **Kapoor & Parekh Associates**

Chartered Accountants

S. S. Kapoor

Partner

For and on behalf of Board of Directors

Mannalal B. Agrawal

Chairman

Purushottam B. Agrawal

Vice Chairman

Yogesh M. Agrawal

Managing Director

Arvind Agrawal

Chief Financial Officer

Madhusudan B. Agrawal

Vice Chairman

Rajesh M. Agrawal

Joint Managing Director

Gaurang Shah

Company Secretary

Mumbai, 29th April 2016

Notes

forming part of the financial statements for the year ended 31st March 2016

1 General Information:

Ajanta Pharma Limited ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is speciality focused Pharmaceutical Company developing, producing and marketing a wide range of branded and generic formulations.

2 Significant Accounting Policies:

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and other recognised accounting practises and policies generally accepted in India. 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. Operating Cycle

Based on the nature of its activities, the Company has considered its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

2.3. Use of Estimates

Preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumption to be made, that affect reported amounts of assets and liabilities, disclosure of contingent 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. Inventories

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes (net off CENVAT and VAT, wherever applicable) and is arrived at on FIFO basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes custom duty. However, materials and other items held for use in production of inventories are not written below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on FIFO basis.

Cost of finished products and work-in-progress includes material cost, standard overheads and excise duty, where applicable.

2.5. Cash Flow Statements

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

2.6. Cash And Cash Equivalent

Cash and Cash Equivalents for the purpose of cash flow statement comprise of 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.

2.7. 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 intended 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.

Notes

forming part of the financial statements for the year ended 31st March 2016

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.

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

2.8. 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.

2.9. Depreciation/Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets is provided on Written Down Value method based on useful lives of the assets specified in Schedule II of the Companies Act, 2013. Premium on leasehold land is being written off over the period of lease. Computer software are amortised over estimated useful life.

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

2.10. Research and Development

Research and development expenditures of revenue nature are charged to the respective heads in the Statement of Profit and Loss in the year in which it is incurred and expenditures of capital nature are added to respective fixed assets.

2.11. Impairment of Assets

The fixed assets are reviewed for impairment at each balance sheet date. An asset is treated as 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 recognised in prior accounting periods is reversed, if there has been a change in the estimate or recoverable amount.

2.12. 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. The amount recognised as revenue is exclusive of sales tax, value added tax ("VAT"), and is net off returns, applicable trade discounts and allowances. Excise duty collected on sales is shown by way of deduction from sales. Sales are also netted off for probable non-saleable return of goods from the customers, estimated on the basis of historical data of such returns. 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. Export benefits available under prevalent schemes are accounted to the extent considered receivable. Revenue is recognised when there is reasonable certainty of its realisation.

2.13. Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

2.14. Accounting for Tax

Tax expense comprises of Current and Deferred tax.

Current tax is measured on the basis of the provisions of the Income Tax Act, 1961.

Deferred tax resulting from timing differences between the accounting income and taxable income for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. The carrying amount of deferred tax assets/liabilities are reviewed at each Balance Sheet date. The Company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

Notes

forming part of the financial statements for the year ended 31st March 2016

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

2.15. Excise and Custom Duty

Excise and custom duty is accounted on the basis of payment made in respect of goods cleared and provision is made for goods lying in bonded warehouse 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 when there is reasonable certainty in availing/utilising the credits and relevant expenses being accounted net of such credit. Further the said assets are reduced to the extent of their utilisation.

2.17. 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 and / or restatement are dealt with in the statement of profit and loss 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 respect of the Forward Exchange contracts with underlying transaction, the premium or discount arising at the inception of such contracts are recognised as expenses or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

2.18. Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made

are classified as current investments. All other investments are classified as long term investments.

Long term Investments are carried individually at cost, less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually at lower of cost and realisable value.

Cost of investments includes expenses directly incurred on acquisition of investments.

Investments in foreign currency are stated at cost by converting at exchange rate prevailing, at the time of acquisition/remittance.

2.19. Employee Benefits

Short Term Employee Benefits

These are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the period in which the related services are rendered. Short term compensated absences are provided for based on actuarial valuation in accordance with company's policies.

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 policies.

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 Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014, as amended till date. The Compensation cost of stock options granted to

Notes

forming part of the financial statements for the year ended 31st March 2016

employees is measured by the fair value method and is amortised uniformly over the vesting period.

2.20. Borrowing Costs

Borrowing costs that are attributable to acquisition, construction or production of a qualifying asset are capitalised as cost of such assets.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.21. 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.

2.22. Earnings Per Share

Basic earnings per share is 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.

2.23. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount of obligation can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

Contingent liabilities are 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 Liabilities are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

3 Share Capital

	31 March 2016		31 March 2015	
	No. of Shares of FV ₹ 2	₹ in Crore	No. of Shares of FV ₹ 2	₹ in Crore
Authorised :				
Equity Shares	15,00,00,000	30.00	15,00,00,000	30.00
Issued :				
Equity Shares	8,87,67,750	17.75	8,87,10,000	17.74
Subscribed & Paid up:				
Equity Shares fully paid up	8,80,01,250	17.60	8,79,43,500	17.59
Add :- Share Forfeited - Amount originally paid up	7,66,500	0.09	7,66,500	0.09
		17.69		17.68

Notes

forming part of the financial statements for the year ended 31st March 2016

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

	31 March 2016		31 March 2015	
	No. of Shares of FV ₹ 2	₹ in Crore	No. of Shares of FV ₹ 2	₹ in Crore
Equity shares outstanding at the beginning of the year	8,79,43,500	17.59	8,78,76,750	17.58
Add: Equity shares allotted during the year against option's exercised under ESOP	38,500	0.01	44,500	0.01
Add: Equity shares allotted during the year as Bonus on ESOP (Cr.Yr. ₹ 38,500, Pr.Yr. on ESOP ₹ 44,500)	19,250	0	22,250	0.00
Less: Equity shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	8,80,01,250	17.60	8,79,43,500	17.59

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 ₹ 2 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 2016, the amount of dividend per equity share recognised as distribution to equity shareholders is Rs. 8 (Pr. Yr. ₹ 6), which includes interim dividend of ₹ 8 (Pr. Yr. ₹ Nil) 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 2016		31 March 2015	
	No. of Shares of FV ₹ 2	% holding	No. of Shares of FV ₹ 2	% holding
Mannalal B. Agrawal	54,06,720	6.14	54,06,720	6.15
Purushottam B. Agrawal	53,89,425	6.12	53,89,425	6.13
Madhusudan B. Agrawal	53,88,750	6.12	53,88,750	6.13
Vimal Agrawal & Mamta Agrawal	-	-	51,37,500	5.84
Yogesh M. Agrawal	63,83,560	7.25	63,83,560	7.26
Rajesh M. Agrawal	64,11,102	7.29	64,11,102	7.29
Manisha Y. Agrawal, Richa R. Agrawal & Aayush M. Agrawal	51,37,500	5.84	-	-
Gabs Investments Private Limited	83,92,262	9.54	83,92,262	9.54

3.4 Equity Shares reserved for issuance under Employees Stock Options Scheme 2011 of the Company

	31 March 2016	31 March 2015
	No. of Shares of FV ₹ 2	No. of Shares of FV ₹ 2
Equity Shares	11,62,500	12,20,250

3.5 Aggregate number of Equity shares issued during last five years pursuant to Employees Stock Options Scheme 2011

	31 March 2016	31 March 2015
	No. of Shares of FV ₹ 2	No. of Shares of FV ₹ 2
Equity Shares	1,66,500	1,08,750

Notes

forming part of the financial statements for the year ended 31st March 2016

	31 March 2016	31 March 2015
	No. of Shares of FV ₹ 2	No. of Shares of FV ₹ 2
3.6 Equity Shares allotted as fully paid up Bonus Shares during the period of five years immediately preceding the Balance Sheet date		
Bonus Shares issued in FY 2014	2,92,92,250	2,92,92,250
Bonus Shares on allotment of ESOP in FY 2015	22,250	-
3.7 The Company is not a subsidiary company.		

4 Reserves & Surplus

	31 March 2016	31 March 2015
	₹ in Crore	
Capital Redemption Reserve		
Balance at the beginning of the year	2.11	2.11
Less : Utilised for allotment of Bonus Shares under ESOP (Cr. Yr. ₹ 38,500, Pr. Yr. ₹ 44,500)	-	-
	2.11	2.11
Securities Premium Account		
Balance at the beginning of the year	75.71	75.39
Add : Addition during the year	0.28	0.32
	75.99	75.71
General Reserve		
Balance at the beginning of the year	571.00	411.00
Add: Transferred from statement of Profit & Loss	330.00	160.00
	901.00	571.00
Employee Stock Option Outstanding		
Employee Stock Option Outstanding		
Balance at the beginning of the year	0.46	0.78
Add : Options granted during the year	0.84	-
Less : Lapsed during the year	0.11	-
Less : Exercised during the year	0.28	0.32
Balance as at the year end (A)	0.91	0.46
Deferred Employee Stock Option Cost		
Balance at the beginning of the year	0.03	0.21
Add : Options granted during the year	0.84	-
Less : Lapsed during the year	0.11	-
Less : Amortisation during the year	0.12	0.18
Balance as at the year end (B)	0.64	0.03
(A) - (B)	0.27	0.43
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	119.40	29.58
Profit for the year	414.48	306.37
Less: Appropriations		

Notes

forming part of the financial statements for the year ended 31st March 2016

4 Reserves & Surplus (Contd.)

	₹ in Crore	
	31 March 2016	31 March 2015
- Proposed Dividend on Equity Shares	-	52.82
- Corporate Tax on Proposed Dividend	-	5.69
- Interim Dividend on Equity Shares	70.40	-
- Corporate Tax on Interim Dividend	6.15	-
- Depreciation on Assets whose useful life has expired as on 01-Apr-14 (net of deferred tax of ₹ 0.58 Crore)	-	1.11
- Transfer to General Reserve	330.00	160.00
Add: Reversal of excess provision for Final Dividend for previous year	0.02	-
Add : Reversal of excess provision for Corporate Tax on Final Dividend for previous year (in terms of Section 115-O /115BBD of the Income-tax Act, 1961)	0.38	3.07
Net Surplus in the Statement of Profit and Loss	127.73	119.40
TOTAL RESERVE & SURPLUS	1,107.10	768.65

5 Long Term Borrowings

	31 March 2016	31 March 2015
Term Loans (Secured)		
From Bank (Foreign Currency)	4.73	22.32
Other Loans (Unsecured)		
Deferred Sales Tax Loans from Government of Maharashtra	9.09	9.95
	13.82	32.27

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 Term Loans from banks are repayable in 5 (Pr. Yr. 9) equal 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 11.50% 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 deferral period from 2000-01 to 2012-13.

6 Deferred tax Liability (Asset)

		31 March 2016	31 March 2015
Deferred Tax Liabilities			
Depreciation (A)		25.81	16.84
Deferred Tax Assets			
Others (B)		5.70	1.68
Deferred Tax Liabilities (Net)	(A) - (B)	20.11	15.16

Notes

forming part of the financial statements for the year ended 31st March 2016

7 Other Long Term Liabilities

	31 March 2016	31 March 2015
Trade / Security Deposits received	0.46	2.50
	0.46	2.50

₹ in Crore

8 Long Term Provisions

	31 March 2016	31 March 2015
Provision for employee benefits (Net)		
Gratuity	-	0.66
Leave Benefits	2.59	4.10
	2.59	4.76

9 Short Term Borrowings

	31 March 2016	31 March 2015
Working Capital Loans repayable on demand from banks (Secured)		
Rupee Loan	21.53	17.90
Foreign Currency Loan	24.52	-
	46.05	17.90

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 personal guarantee of some of the directors.

10 Other Current Liabilities

	31 March 2016	31 March 2015
Current Maturities of long-term borrowing		
Secured (Refer note 5.1 & 5.2)		
Foreign Currency Term Loan from Banks	18.93	17.86
Rupee Term Loan from Banks	-	2.00
Unsecured (Refer note 5.3)		
Deferred Sales Tax Loans	0.86	0.83
Unpaid Dividend*	0.73	0.30
Unpaid Sale proceeds of Fractional Shares*	-	0.38
Interest Accrued but not due on borrowings	0.02	0.02
Other Payables		
Payables for Fixed Assets	19.38	20.77
Advances received from Customers	4.22	8.65
Statutory Dues payable	6.39	3.53
Others	0.15	0.17
	50.68	54.51

* There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as on 31st March 2016.

Notes

forming part of the financial statements for the year ended 31st March 2016

11 Short - Term Provisions

	₹ in Crore	
	31 March 2016	31 March 2015
Provision for employee benefits (Net)		
Gratuity	2.99	2.47
Leave Benefits	0.70	0.76
Other Provisions		
Sales Returns (Refer note 47)	7.67	-
Proposed Dividend on Equity Shares	-	52.82
Corporate Tax on Proposed Dividend	-	5.69
Provision for Tax (Net of Payment)	-	2.56
	11.36	64.30

12 Fixed Assets

12.1 Current Year

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at	Additions	Deductions	As at	As at 1	Additions	Deductions	As at	As at
	1 April 2015		/Adjustment	31 March 2016	April 2015		/Adjustment	31 March 2016	31 March 2016
(A) Tangible Assets									
Freehold Land	14.77	127.23	-	142.00	-	-	-	-	142.00
Lease hold Land	31.21	-	-	31.21	1.77	0.58	-	2.35	28.86
Buildings	137.00	-	-	137.00	53.04	7.33	-	60.37	76.63
Plant & Equipments	215.04	40.69	34.58	221.15	107.02	22.48	27.98	101.52	119.63
Laboratory Equipment	-	33.55	-	33.55	-	1.80	-	1.80	31.75
Furniture & fixtures	47.04	5.58	2.90	49.73	26.16	6.13	2.41	29.89	19.84
Vehicles	8.76	0.47	0.16	9.06	5.48	1.14	0.15	6.47	2.60
Office Equipments	13.58	2.17	0.38	15.37	8.51	2.61	0.36	10.76	4.61
Computers	23.41	2.73	7.90	18.23	20.67	2.08	7.68	15.07	3.16
TOTAL	490.81	212.42	45.93	657.30	222.65	44.15	38.58	228.22	429.08
(B) Intangible Assets									
ANDA Development Cost	15.93	-	-	15.93	15.93	-	-	15.93	-
Computer Software	4.18	1.79	-	5.97	1.02	1.20	-	2.22	3.75
TOTAL INTANGIBLE ASSETS	20.11	1.79	-	21.90	16.95	1.20	-	18.15	3.75
TOTAL (A) + (B)	510.92	* 214.21	45.93	679.20	239.60	# 45.35	38.58	246.37	432.83
(C) Capital Work in Progress	(Including Pre Operative expenses of ₹ 40.89 Crore - Refer note 35)								238.42
(D) Intangible assets under development									1.38
TOTAL FIXED ASSETS (A) +(B) + (C)									672.63

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

Depreciation of ₹ 2.67 Crore considered as Pre-operative expenditure - Refer note 35.

Notes

forming part of the financial statements for the year ended 31st March 2016

12.2 Previous Year

₹ in Crore

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at	Additions	Deductions/	As at	As at	Additions	Deductions/	As at	As at
	1 April 2014		Adjustment	31 March 2015	1 April 2014		Adjustment	31 March 2015	31 March 2015
(A) Tangible Assets									
Freehold Land	8.21	6.63	0.07	14.77	-	-	-	-	14.77
Lease hold Land	14.01	17.21	0.01	31.21	1.32	0.46	^	1.77	29.44
Buildings	130.15	6.85	-	137.00	45.84	7.20	-	53.04	83.96
Plant & Equipments	199.83	15.46	0.25	215.04	77.33	29.88	0.19	107.02	108.02
Furniture & fixtures	39.86	7.18	-	47.04	19.18	6.98	-	26.16	20.88
Vehicles	8.49	1.27	1.00	8.76	5.18	1.24	0.94	5.48	3.28
Office Equipments	9.82	3.76	!	13.58	4.54	3.98	@	8.51	5.07
Computers	21.56	2.10	0.25	23.41	18.52	2.38	0.23	20.67	2.74
TOTAL (A)	431.93	60.46	1.58	490.81	171.91	52.12	1.38	222.65	268.16
@ ₹ 13,854/- ^ ₹ 15,361/- ! ₹ 36,000/-									
(B) Intangible Assets									
ANDA Development Cost	15.93	-	-	15.93	15.93		-	15.93	-
Computer software	1.71	2.47	-	4.18	0.33	0.69	-	1.02	3.16
TOTAL INTANGIBLE ASSETS (B)	17.64	2.47	-	20.11	16.26	0.69	-	16.95	3.16
TOTAL (A) + (B)	449.57	* 62.93	1.58	510.92	188.17	# 52.81	1.38	239.60	271.32
(C) Capital Work in Progress	(Including Pre Operative expenses of ₹ 15.66 Crore - Refer note 35)								170.20
TOTAL FIXED ASSETS (A) + (B) + (C)									441.52

* Addition includes ₹ 773 Crore used for Research & Development.

includes

(i) Depreciation of ₹ 1.69 Crore considered as Pre-operative expenditure - Refer note 35.

(ii) Depreciation of ₹ 1.70 Crore on Assets whose useful life has expired as on 1st April 2014 pursuant to Schedule II of the Companies Act, 2013.

13 Non - Current Investments

	31 March 2016	31 March 2015
A. 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 Common Stock of US \$ 100 each fully paid up	6.07	6.07
Ajanta Pharma Nigeria Ltd		
1,00,00,000 (Pr.Yr. 58,75,000) Ordinary Shares of Nigerian Naira 1 each fully paid up	0.36	0.23
Ajanta Pharma Philippines Inc.		
81,995 Shares of Philippines Peso 100 each fully paid up	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
Less: Diminution in the value of investments (Refer note 53)	6.95	6.95
SUB TOTAL (A)	17.25	17.12

Notes

forming part of the financial statements for the year ended 31st March 2016

₹ in Crore

B. Other Investments				
In Mutual Funds (Quoted)	Face Value ₹	No. of Units *	31 March 2016	31 March 2015
ICICI Prudential FMP Series 70-367 days Plan N Regular Plan Cumulative	10	-	-	5.00
		(50,00,000)		
ICICI Prudential FMP Series 71-369 days Plan E Regular Plan Cumulative	10	-	-	5.00
		(50,00,000)		
Kotak FMP Series 124 - Growth	10	-	-	5.04
		(50,38,705)		
HDFC FMP 372D October 2013 (I) Series 28 - Regular Growth	10	-	-	10.00
		(1,00,00,000)		
Birla Sun Life Fixed Term Plan - Series JA (366 days)	10	-	-	10.00
		(1,00,00,000)		
IDFC Fixed Term Plan Series 49 Regular Plan-Growth	10	-	-	5.00
		(50,00,000)		
SUB TOTAL (B)			-	40.04
TOTAL (A + B)			17.25	57.16
Aggregate amount of quoted investments - Gross				
Cost			-	40.04
Market Value			-	45.35
Aggregate amount of unquoted investments (Cost/ Book Value) - Gross			24.20	24.07
Aggregate provision for diminution in value of investments			6.95	6.95
Above investments are long term investments and valued at cost less other than temporary diminution in value, if any				

* Figures in Brackets are for Previous Year

14 Long Term Loans and Advances

	31 March 2016	31 March 2015
(Unsecured, Considered Good)	16.30	5.38
Capital Advances	4.81	3.49
Security Deposits	21.11	8.87

15 Other Non Current Assets

	31 March 2016	31 March 2015
In Deposit Accounts with Banks (with original maturity of more than 12 months)		
Under Lien	3.27	4.30
Others (C.Y. ₹ 20,000)	-	0.10
Interest Accrued on fixed deposits with Banks	1.00	0.87
	4.27	5.27

Notes

forming part of the financial statements for the year ended 31st March 2016

16 Current Investments

Other Investments

₹ in Crore

In Mutual Funds (Quoted)	Face Value ₹	No. of Units *	31 March 2016	31 March 2015
UTI-Treasury Advantage Fund-Institutional Plan	1,000	-	-	16.11
		(1,60,730)		
Birla Sun Life Cash Plus Daily Dividend	100	14,007	0.14	-
		(-)		
Birla Sun Life Dynamic Bond Fund Retail Growth	10	50,67,712	13.00	-
		(-)		
SBI Dynamic Bond Fund Regular Plan Growth	10	56,10,098	10.00	-
		(-)		
Current Portion of Long Term Investments				
In Mutual Funds (Quoted)				
ICICI Prudential FMP Series 70-367 days Plan N Regular Plan Cumulative	10	50,00,000	5.00	-
		(-)		
ICICI Prudential Interval Annual Plan III Regular Growth	10	24,80,000	3.21	3.35
		(25,84,343)		
ICICI Prudential FMP Series 71-369 days Plan E Regular Plan Cumulative	10	50,00,000	5.00	-
		(-)		
Kotak FMP Series 124 - Growth	10	50,38,705	5.04	-
		(-)		
HDFC FMP 372D October 2013 (I) Series 28 - Regular Growth	10	1,00,00,000	10.00	-
		(-)		
Birla Sun Life Fixed Term Plan - Series JA (366 days)	10	1,00,00,000	10.00	-
		(-)		
IDFC Fixed Term Plan Series 49 Regular Plan-Growth	10	50,00,000	5.00	-
		(-)		
			66.39	19.46
Aggregate amount of quoted investments - Gross				
Cost			66.39	19.46
Market Value			76.78	19.89

* Figures in Brackets are for previous year

17 Inventories

	31 March 2016	31 March 2015
Raw Materials	56.27	57.68
Packing Materials	19.26	22.14
Work-in-Process	10.96	11.26
Finished Goods (Refer note 51)*	87.02	51.35
Stock-in-trade (Refer note 51)*	16.27	10.62
	189.78	153.05

* Finished Goods includes In Transit Stock of ₹ 13.20 Crore (P.Y. ₹ 8.50 Crore)

* Stock-in-trade includes In Transit Stock of ₹ 0.16 Crore (P.Y. ₹ Nil)

Notes

forming part of the financial statements for the year ended 31st March 2016

18 Trade Receivable

	31 March 2016	31 March 2015
(Unsecured, Considered Good)		
Over Six Months from the date they are due for payment	23.21	19.61
Others from the date they are due for payment *	327.27	221.24
	350.48	240.85

* Includes receivable from subsidiaries [Refer note 44(C)(1)]

19 Cash and Bank Balances

	31 March 2016	31 March 2015
19.1 Cash and cash equivalents (As per AS-3)		
Balance with Banks - In Current Accounts	30.96	14.15
In Deposit Accounts (with original maturity of 3 months or less)	-	9.15
Cash on Hand	0.11	0.11
(A)	31.07	23.41
19.2 Other bank balances		
Earmarked balances with banks		
Unpaid Dividend	0.73	0.30
Unpaid Sale Proceeds of Fractional Shares (Cr. Yr. ₹ 6,240)	0.00	0.38
In Deposit Accounts (with original maturity of more than 3 months and upto 12 months)	-	40.00
In Deposit Accounts (With original maturity of more than 12 months)		
Under Lien	1.15	0.60
Others	0.07	41.00
(B)	1.95	82.28
(A) + (B)	33.02	105.69

20 Short Term Loans and Advances

	31 March 2016	31 March 2015
(Unsecured, Considered Good)		
Income Tax Paid (Net of Provision)	17.63	-
Balance with Statutory/Govt. Authorities		
Excise Authorities	28.51	30.12
Vat Receivable	3.75	2.33
Octroi Refund Receivable	0.52	0.52
Prepaid Expenses	1.21	0.18
Advances to Creditors	2.75	7.66
Advances Recoverable in Cash or Kind	4.87	4.23
	59.24	45.04

Notes

forming part of the financial statements for the year ended 31st March 2016

21 Other Current Assets

	₹ in Crore	
	31 March 2016	31 March 2015
Interest Accrued on fixed deposits with banks	0.25	5.19
Forward Contract Receivable	0.48	3.75
	0.73	8.94

22 Revenue from Operations

	31 March 2016	31 March 2015
Sale of Products (Refer note 50)		
Finished Goods	1,388.89	1,209.37
Stock-in-Trade	155.76	130.90
Other Operating Revenues		
Export Incentives	20.00	25.48
Royalty and Fees	1.90	1.19
Others	0.60	0.91
	1,567.15	1,367.85

23 Other Income

	31 March 2016	31 March 2015
Income from Long Term Investments		
Dividend from Subsidiary Companies	66.91	18.08
Share of Profit from Associate Company	0.73	-
Dividend from Current Investments	2.55	0.17
Gain on sale/redemption of Current Investments	1.00	1.06
Interest on Deposits with Banks	3.23	9.69
Interest From Others	0.17	0.19
Exchange Rate Difference (Net)	7.07	4.44
Miscellaneous Income	0.69	0.07
	82.35	33.70

24 Cost of Materials Consumed

	31 March 2016	31 March 2015
Raw Material Consumed (Refer note 48)	301.51	247.12
Packing Material Consumed (Refer note 48)	95.70	74.06
	397.21	321.18

25 Purchases of Stock-in-trade (Refer note 49)

	31 March 2016	31 March 2015
Purchases of Stock-in-trade (Refer note 49)	57.81	50.21

Notes

forming part of the financial statements for the year ended 31st March 2016

26 Changes in Inventories of Finished Goods/Work-in progress/Stock-in-Trade

	₹ in Crore	
	31 March 2016	31 March 2015
Inventories at the beginning of the year :		
Finished Goods (Refer note 51)	51.35	58.89
Work-in-Process	11.26	14.13
Stock-in-trade (Refer note 51)	10.62	9.43
(A)	73.23	82.45
Inventories at the end of the year :		
Finished Goods (Refer note 51)	87.02	51.35
Work-in-Process	10.96	11.26
Stock-in-trade (Refer note 51)	16.27	10.62
(B)	114.25	73.23
(Increase) Decrease	(A) - (B)	9.22
	(41.02)	

27 Employee Benefits Expenses

	31 March 2016	31 March 2015
Salaries, Wages, Bonus and Allowances	217.15	170.99
Expense on Employee Stock Option Scheme	0.31	0.10
Contribution to Provident and Other Funds	15.66	13.46
Staff Welfare Expenses	2.26	1.79
	235.38	186.34

28 Finance Cost

	31 March 2016	31 March 2015
Interest expenses	2.50	3.69
Other Borrowing Cost (Including Bank Charges)	1.70	1.32
	4.20	5.01

29 Other Expenses

	31 March 2016	31 March 2015
Selling Expenses	116.17	107.40
Clearing and Forwarding	38.02	37.29
Travelling Expenses	31.83	25.49
Processing Charges	17.41	16.61
Power and Fuel	15.15	12.58
Advertisement and Publicity	10.81	9.75
Consumption of Stores & Spare Parts (Refer note 52)	36.18	21.10
Rent	8.37	5.45
Rates & Taxes	0.39	0.31
Legal and Professional Fees	10.25	6.40
Postage and Telephone Expenses	6.24	5.46

Notes

forming part of the financial statements for the year ended 31st March 2016

29 Other Expenses (Contd.)

	₹ in Crore	
	31 March 2016	31 March 2015
Repairs & Maintenance		
Buildings	5.64	3.77
Machineries	11.43	7.21
- Computers & Others	6.82	6.83
Insurance	4.46	3.63
Donation	0.03	0.04
Loss on Sale/Discard of Fixed Assets (Net)	6.92	0.05
Corporate Social Responsibility Expenses	6.39	3.89
Miscellaneous Expenses	54.02	43.43
	386.53	316.69

30 Earnings Per Share (EPS):

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

	31 March 2016	31 March 2015
Basic and Diluted Earnings Per Share:		
Profit attributable to Equity shareholders-considered for Basic EPS (₹ in Crore) (A)	414.48	306.37
Add: Dilutive effect on profit (₹ in Crore) (B)*	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (₹ in Crore) (C=A+B)	414.48	306.37
Number of Equity Shares outstanding - considered for Basic EPS (D)	8,79,96,438	8,79,37,938
Add: Dilutive effect of option outstanding-Number of Equity Shares (E)*	6,738	89,585
Number of Equity Shares considered for computing Diluted EPS (F=D+E)	8,80,03,176	8,80,27,523
Face Value per Equity Share (₹)	2	2
Basic Earnings Per Share (₹) (A/D)	47.10	34.84
Diluted Earnings Per Share (₹) (C/F)	47.10	34.80

* Dilutive effect on number of equity shares and profit attributable is on account of Employee Stock Option Scheme (ESOS)- (Refer note 37).

31 Commitments:

- Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 103.66 Crore (Pr. Yr. ₹ 9.69 Crore).
- Other Commitments – Non-cancellable operating leases (Refer note 38).

32 Contingent Liabilities:

Particulars	31 March 2016	31 March 2015
i. Claims against the Company not acknowledged as debt	0.70	0.70
ii. Sales tax demands disputed by Company pending in appeal	0.22	0.22
iii. Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation.	0.76	4.46
iv. Disputed Octroi. Amount paid under protest ₹ 0.52 Crore (Pr. Yr. ₹ 0.52 Crore)	0.52	0.52
v. Excise duty disputed by the Company Amount paid under protest ₹ 0.25 Crore (Pr. Yr. ₹ 0.25 Crore)	0.50	0.34
vi. Income Tax demand disputed by the Company pending in appeal Amount paid under protest ₹ 2.17 Crore (Pr. Yr. ₹ Nil Crore)	17.52	Nil

Notes

forming part of the financial statements for the year ended 31st March 2016

32 Contingent Liabilities: (Contd.)

₹ in Crore

Particulars	31 March 2016	31 March 2015
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).	0.09	0.09
(b) Ordinary Shares of Ajanta Pharma Nigeria Ltd., wholly owned subsidiary, equivalent to Nil (Pr. Yr. 0.41 Crore Nigerian Naira).	Nil	0.13

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

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

33 Details of Dues to Micro and Small Enterprises as Defined Under the Micro, Small and Medium Enterprises Development act, 2006*:

Particulars	31 March 2016	31 March 2015
a. The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principle amount due to micro and small enterprises	1.59	1.20
Interest due on above	0.14	0.16
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act 2006.	0.14	0.16
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.50	0.36
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act 2006.	Nil	Nil

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes

forming part of the financial statements for the year ended 31st March 2016

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

35 Pre-operative expenses pending capitalisation included in Capital Work-In-Progress (Refer note 12) 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 2016	31 March 2015
Opening Balance	15.66	5.59
Add: Incurred during the year -Other Expenses		
Salary, allowances and contribution to funds	8.46	4.33
Professional fees	0.37	0.34
Travelling expenses	0.56	0.88
Depreciation	2.67	1.69
Others	13.52	4.81
TOTAL	41.25	17.64
Less: Other Income	0.35	0.51
Less: Capitalised to Fixed Assets	Nil	1.47
Closing Balance	40.89	15.66

36 Employee Benefits

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

36.1 Defined Contribution Plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. During the year, the Company has recognised the following amounts in the Account:

Particulars	31 March 2016	31 March 2015
Provident Fund and Employee's Pension Scheme	11.43	8.76
Employees State Insurance	1.81	1.77
TOTAL	13.24	10.53

36.2 Defined Benefit Plans

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

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

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

36.2.2. On the death in service:

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

Notes

forming part of the financial statements for the year ended 31st March 2016

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 2016 are as under:

		₹ in Crore	
Particulars	31 March 2016	31 March 2015	
i) Changes in Defined Benefit Obligation			
Opening defined benefit obligation	11.37	7.99	
Current service cost	2.56	1.36	
Interest cost	0.82	0.66	
Actuarial loss / (gain)	0.41	1.78	
Benefit (paid)	(0.85)	(0.42)	
Closing defined benefit obligation	14.31	11.37	
ii) Changes in Fair Value of Assets			
Opening fair value of plan assets	8.24	6.76	
Expenses deducted from the fund	(0.10)	(0.03)	
Adjustment to the opening fund	0.02	Nil	
Expected return on plan assets	0.75	0.58	
Actuarial gain / (loss)	(0.01)	0.03	
Contributions of employer	3.27	1.32	
Benefits (paid)	(0.85)	(0.42)	
Closing fair value of plan assets	11.32	8.24	
iii) Amount recognised in the Balance Sheet			
Present value of the obligations as at year end	14.31	11.37	
Fair value of the plan assets as at year end	11.32	8.24	
Net (asset) / liability recognised as at the year end	2.99	3.13	
iv) Expenses recognised in the Statement of Profit and Loss			
Current service cost	2.56	1.36	
Interest on defined benefit obligation	0.82	0.66	
Expected return on plan assets	(0.75)	(0.58)	
Net actuarial loss/(gain) recognised in the current year	0.42	1.74	
Expenses deducted from the fund	0.10	0.03	
Adjustment to the opening fund	(0.02)	Nil	
TOTAL EXPENSE	3.12	3.21	
v) Asset information			
Others – Policy of Insurance	100%	100%	
vi) Principal actuarial assumptions used			
Discount rate (p.a.)	7.95%	7.70%	
Expected rate of return on plan assets (p.a.)	7.95%	8.50%	
Annual increase in salary cost (p.a.)	6.00%	6.00%	

The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016.

Notes

forming part of the financial statements for the year ended 31st March 2016

36.3 Leave Encashment:

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

Accordingly ₹ 3.29 Crore (Pr. Yr. ₹ 4.86 Crore) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

37 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 9,000 options have been granted by the Company under the aforesaid ESOS – 2011 to the employees of the Company and of the wholly owned subsidiaries of the Company.

Grant Date	No. of Option	Exercise Price	Vesting Period
8 May 2015	3,000	2	08.05.2017 to 08.05.2019
13 August 2015	6,000	835	13.08.2018 to 13.08.2019

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

The particulars of the options under ESOS 2011 are as below:

₹ in Crore		
Particulars	31 March 2016 Nos.	31 March 2015 Nos.
Options outstanding as at the beginning of the Year	91,500	1,58,250
Add: Options granted during the Year	9,000	Nil
Less: Options Exercised during the Year	57,750	66,750

₹ in Crore

Particulars	31 March 2016 Nos.	31 March 2015 Nos.
Less: Options lapsed during the Year	30,000	Nil
Options outstanding as at the Year End	12,750	91,500

38. 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 ₹ 8.37 Crore (Pr. Yr. ₹ 5.45 Crore) are recognised in the Statement of Profit and Loss under "Rent" under Note 29.

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

₹ in Crore

Particulars	31 March 2016 Nos.	31 March 2015 Nos.
Not later than one year	5.72	5.93
Later than one year but not later than five years	7.35	15.87
Later than five years	Nil	3.18

39. Excise duty includes ₹ 0.12 Crore (Pr. Yr. ₹ 0.13 Crore) being net impact of the excise duty provision on opening and closing stock.

40. Research and Development expenditure:

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

₹ in Crore

Particulars	31 March 2016	31 March 2015
Cost of Material/ Consumables/Spares	32.07	21.59
Employee benefit expenses	30.82	20.59
Utilities	3.09	1.82
Other Expenses	40.49	26.07
TOTAL	106.47	70.07

Notes

forming part of the financial statements for the year ended 31st March 2016

41 Foreign Currency Outflow

₹ in Crore		
Particulars	31 March 2016	31 March 2015
C.I.F. Value of Imports:		
Raw & Packing Materials	29.77	49.65
Capital Goods	72.17	14.96
Consumables, Stores & Spares	1.82	0.67
Expenditure in Foreign Currency:		
Travelling	0.82	0.99
Interest	1.41	2.41
Legal & Professional Expenses	1.96	0.46
Marketing & Other Expenses	59.87	55.57

₹ in Crore			
Remittance in foreign currency on account of dividend*:	31 March 2016		31 March 2015
	Interim Dividend	Final Dividend	Final Dividend
Number of non-resident shareholders	950	624	262
Number of shares held by them	4,50,691	4,57,894	1,01,966
Amount of dividend (₹ in Crore)	0.36	0.27	0.10
Year to which the dividend relates	FY 2016	FY 2015	FY 2014

* 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.

42 Earning in Foreign Currency:

₹ in Crore		
Particulars	31 March 2016	31 March 2015
FOB value of Exports	952.71	806.20
Freight & Insurance	19.91	23.32
Dividend from Subsidiary Companies	66.91	18.08
Share of Profit from Associate Company	0.73	Nil
Expenses Reimbursements	Nil	0.64
Royalty Income	1.90	1.19
Other Miscellaneous Income	0.02	Nil

43 Remuneration to Auditors (excluding service tax):

₹ in Crore		
Particulars	31 March 2016	31 March 2015
Audit Fees	0.20	0.15
Tax Audit Fees	0.04	0.02
For Certification and Other Matters	0.08	0.07

Notes

forming part of the financial statements for the year ended 31st March 2016

44 Related party disclosure 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 Nigeria Limited	(APNL)
Ajanta Pharma USA Inc	(APUI)
Ajanta Pharma Philippines Inc.	(APPI)
Ajanta Pharma UK Ltd	(AP UK)

Category II- Associate Company:

Turkmenderman Ajanta Pharma Ltd.	(TDAPL)
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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
Mr. Arvind Agrawal	Chief Financial Officer
Mr. Gaurang Shah	Company Secretary
& 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
Louroux Bio Energies Limited
Inspira Projects Limited
Inspira Infra (Aurangabad) Limited
Seth Bhagwandas Agarwal Charitable Trust
Ganga Exports

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

				₹ in Crore
Sr. No	Particulars	Category	31 March 2016	31 March 2015
1.	Sale of Goods:			
	APML	I	37.32	50.22
	APPI	I	47.47	34.00
	APMIL	I	60.23	62.05
	APUI	I	22.28	3.55
	APNL	I	6.90	1.25
2.	Dividend from Subsidiary Companies			
	APML	I	55.47	15.03
	APPI	I	11.44	3.05
3.	Share of Profit from Associate Company			
	TDAPL	II	0.73	Nil
4.	Expenses Reimbursement to:			
	APUI	I	11.11	10.45
5.	Remuneration to Executive Directors :			
	Purushottam B Agrawal	III	1.88	1.71

Notes

forming part of the financial statements for the year ended 31st March 2016

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

₹ in Crore				
Sr. No	Particulars	Category	31 March 2016	31 March 2015
	Madhusudan B Agrawal	III	1.88	1.71
	Yogesh M Agrawal	III	1.88	1.71
	Rajesh M Agrawal	III	1.47	1.31
	Commission and Sitting Fees to Non-Executive Director :			
	Mannalal B Agrawal	III	1.23	1.52
6.	Rent to :			
	Manisha Agrawal	III	0.79	0.79
	Smriti Rajesh Agrawal	III	0.79	0.79
	Aayush Agrawal	III	0.79	0.79
7.	Remuneration to :			
	Arvind Agrawal	III	0.70	0.92
	Gaurang Shah	III	0.33	0.29
8.	Dividend Paid	III	79.15	21.85
		IV	11.75	3.36
9.	Investment in subsidiary:			
	APNL	I	0.13	0.23
10.	Expenses Reimbursement from			
	APPI	I	Nil	0.71
11.	Royalty Income received from			
	TDAPL	II	1.90	1.10
12.	Purchase of Assets			
	Louroux Bio Energies Limited	IV	Nil	0.03
13.	Corporate Social Responsibility Expense			
	Seth Bhagwandas Agarwal Charitable Trust	IV	1.05	0.25
14.	Provision for diminution in value of investment			
	TDAPL	II	Nil	6.95

c) Amount Outstanding as on 31st March 2016

₹ in Crore				
Sr. No	Particulars	Category	31 March 2016	31 March 2015
1.	Trade Receivables :			
	APML	I	Nil	Nil
	APPI	I	18.00	11.74
	APUI	I	14.91	0.98
	APNL	I	7.13	1.27
	APMIL	I	4.04	Nil
2.	Other Receivable :			
	APPI	I	Nil	0.83
3.	Investments in :			
	APML	I	9.44	9.44
	APPI	I	1.38	1.38
	APUI	I	6.07	6.07
	APNL	I	0.36	0.23
	TDAPL	II	6.95	6.95
	Provision for diminution in value of investment – TDAPL	II	6.95	6.95
4.	Trade Payables :			
	APUI	I	2.41	0.44

Notes

forming part of the financial statements for the year ended 31st March 2016

c) Amount Outstanding as on 31st March 2016 (Contd.)

₹ in Crore				
Sr. No	Particulars	Category	31 March 2016	31 March 2015
5.	Advance Received :			
	APML	I	6.57	3.89
6.	Commission payable to Non-Executive Director:			
	Mannalal B Agrawal	III	1.20	1.51

45 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. The following are the outstanding foreign currency forward contracts entered into by the Company:

Particulars	31 March 2016		31 March 2015	Buy or Sell	Cross Currency
	Foreign Currency Amt in Crore		Foreign Currency Amt in Crore		
EURO	0.25		0.88	SELL	INR
USD	0.50		Nil	SELL	INR

Particulars	₹ in Crore		₹ in Crore	Foreign Currency Amt in Crore	Foreign Currency Amt in Crore	Foreign Currency
	31 March 2016		31 March 2015	31 March 2016	31 March 2015	
Amount Receivable	330.26	182.45	4.98	2.92	USD	
	11.71	7.95	0.16	0.12	EURO	
	Nil	0.07	Nil	@	GBP	
	5.4	0.06	0.08	#	CHF	
	0.12	Nil	0.20	Nil	JPY	
Amount Payable	54.44	52.05	0.82	0.83	USD	
	2.05	4.71	0.03	0.07	EURO	
	0.02	0.02	*	*	GB	

*GBP 2,082 (P.Y. @GBP 7,884, # CHF 10,416 * GBP 2,513)

- 46** The Company has not granted any loan or advances in the nature of loans, as stipulated in Regulation 34(3) and 53(f) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. For this purpose, the loans to employees as per 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.

47 Provision for anticipated Sales Return – AS 29 :

₹ in Crore		
Particulars	31 March 2016	31 March 2015
Balance at the beginning of the year	Nil	Nil
Add: Provisions made during the year	7.67	Nil
Less: Amount written back/utilized during the year	Nil	Nil
Balance at the end of the year	7.67	Nil

Until 31st March 2015, the company accounted for sales returns on actual returns. During the year ended 31st March 2016, in line with an opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India on accounting for sales returns, the company has revised its approach by accounting for anticipated sales returns and has recorded a cumulative provision for anticipated sales returns as at 31st March 2016 by charging it to Statement of Profit and Loss.

Notes

forming part of the financial statements for the year ended 31st March 2016

48 Materials Consumed :

₹ in Crore		
Particulars	31 March 2016	31 March 2015
- Active Pharma Ingredient & Excipients	294.12	239.11
- Others	7.39	8.01
Raw Material Consumed	301.51	247.12
Packing Material Consumed	95.70	74.06
TOTAL	397.21	321.18

₹ in Crore				
Particulars	31 March 2016		31 March 2015	
	%	₹ in Crore	%	₹ in Crore
Indigenous	93%	371.13	84%	270.80
Imported	7%	26.08	16%	50.38
TOTAL	100%	397.21	100%	321.18

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

49 Purchase of Traded Goods

₹ in Crore		
Category	31 March 2016	31 March 2015
Tablets	25.16	18.92
Liquids	0.96	1.21
Ointment	6.11	3.64
Capsules	19.05	16.39
Powder	0.77	1.38
Injectibles	2.65	3.93
Others	3.10	4.74
TOTAL	57.81	50.21

50 Sale of Products comprises

₹ in Crore				
Category	Manufactured Goods *		Traded Goods	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Tablets	919.74	716.52	64.67	43.90
Liquids	205.82	201.69	2.09	5.38
Ointment	139.62	130.73	7.39	6.04
Capsules	101.56	98.66	67.62	55.25
Powder	16.22	36.85	1.82	2.50
Injectibles	5.64	20.50	5.21	8.92
Others	5.85	4.42	9.07	8.91
SUB TOTAL	1,394.45	1209.37	157.87	130.90
Less: Provision for anticipated Sales Return	5.56	-	2.11	-
TOTAL	1,388.89	1209.37	155.76	130.90

*including manufactured by others on job work basis

Notes

forming part of the financial statements for the year ended 31st March 2016

51 Details of Closing Stock as on 31 March :

₹ in Crore						
Category	Manufactured Goods*			Stock in Trade		
	2016	2015	2014	2016	2015	2014
Tablets	65.32	31.37	37.47	7.46	4.97	2.95
Liquids	7.95	6.42	6.63	0.52	0.48	1.55
Ointment	5.20	5.64	4.30	1.57	0.67	0.99
Capsules	4.20	4.71	7.89	5.71	3.10	2.64
Powder	0.93	0.60	0.61	0.36	0.45	0.41
Injectibles	1.37	0.31	0.75	0.57	0.57	0.73
API	1.88	2.08	0.81	Nil	Nil	Nil
Others	0.17	0.22	0.43	0.08	0.38	0.16
TOTAL	87.02	51.35	58.89	16.27	10.62	9.43

*including manufactured by others on job work basis

52 Consumption of Consumables, Stores & Spares

₹ in Crore		
Particulars	31 March 2016	31 March 2015
Consumption of Consumables, Stores & Spares	36.18	21.10

₹ in Crore				
Particulars	31 March 2016		31 March 2015	
	%	₹ in Crore	%	₹ in Crore
Indigenous	95%	34.36	97%	20.43
Imported	5%	1.82	3%	0.67
TOTAL	100%	36.18	100%	21.10

53 Turkmenderman Ajanta Pharma Ltd, an associate company, operates under severe restriction that significantly impairs its ability to transfer the funds. Company has been making efforts to divest this investment since last few years without any success. During the preceding financial year ended 31st March 2015, the Company has fully provided ₹ 6.95 Crore, being permanent diminution in value of said investment which has been shown under exceptional item.

54 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, 29th April 2016

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



(CIN No. L24230MH1979PLC022059)

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

Tel No. 022 66061000; Fax No. 022 66061200

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

NOTICE

NOTICE is hereby given that the **thirty-seventh** Annual General Meeting of the Members of Ajanta Pharma Limited will be held on Tuesday, the 5th day of July 2016 at 11.00 a.m. at Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivali (West), Mumbai – 400092 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2016 together with the Report of the Board of Directors and Auditors thereon and the consolidated Audited Financial Statement of the Company for the year ended 31st March 2016.
2. To confirm the interim dividend paid on the equity shares for the year ended 31st March 2016.
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 pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), 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 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, approved by the Board for M/s. Sevekari Khare & Associates, Cost Accountants, for audit of cost records of the company's manufacturing plant situated at Paithan, Chikalthana, Chitegaon & products manufactured in Active Pharmaceutical Ingredient plant at Waluj all located in Aurangabad, Maharashtra for the financial year ending 31st March 2017, be and is hereby ratified and confirmed."

By order of the Board of Directors

Sd/-

Gaurang Shah

Sr. General Manager – Legal &
Company Secretary

29th April 2016

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

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person cannot act as proxy for members not exceeding 50 (Fifty) and holding in aggregate not more than ten percent of the total share capital of the Company.
3. 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.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting
5. Pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Director seeking re-appointment at the Annual General Meeting, forms part of the notice.
6. The Register of Members and the Transfer Books in respect of the Equity Shares will remain closed from, Tuesday, 28th June 2016 to Tuesday, 5th July 2016 (both days inclusive) for the purpose of Annual General Meeting.
7. In order to prevent fraudulent encashment of dividend warrants, the Company encourages remittance of dividend through ECS/NEFT. Dividend in future would be remitted through ECS/NEFT for shareholders who have registered their mandates with the Company or to the bank particulars registered against respective depository accounts, in respect of shares held in demat mode. Shareholders are therefore requested to update their bank account details as under:
 - (i) In respect of shares held in demat mode, by informing the changes, if any to the Depository Participants of the Members.
 - (ii) In respect of shares held in physical mode, to furnish the mandates to the Company or Company's R&T Agents, Link Intime India Private Limited, bank account details to which the dividend shall be remitted through ECS/NEFT/NECS.
8. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market. In view thereof, members who have not furnished PAN are requested to furnish the same as under:
 - (i) Members holding shares in electronic form to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
 - (ii) Members holding shares in physical form to submit their PAN details to the Registrar and Transfer Agents.
9. In terms of Sections 124 of the Companies Act, 2013, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Accordingly, the unpaid dividend lying in dividend account of the year 2008-2009 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.
10. 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.
11. To support the green initiative of the Government, electronic copy of the Annual report for the year ended 31st March 2016 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 2016 are being sent in the permitted mode. Please note that the annual report and the notice of the 37th 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.
12. Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on the resolutions proposed to be considered at the 37th Annual

General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. Electronic copy of the notice of the 37th 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 ID's are registered with the Company's/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy for the same. For members who have not registered their email address, physical copies of the Notice of the 37th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
- IV. The remote e-voting period commences on Saturday, 2nd July 2016 (9:00 a.m.) and ends on Monday, 4th July 2016 (5:00 p.m.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 28th June 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. 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 Participant(s)]:
 - (i) Open email and open PDF file viz; "APL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for 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 scrutinizer@ajantapharma.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:
 - (i) Initial password is provided in the Attendance Slip for the AGM:
EVEN (E Voting Event Number)
USER ID _____ PASSWORD/PIN _____

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. 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 or call on toll free no.: 1800-222-990.
- VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Tuesday, 28th June 2016. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any person who has ceased to be the member of the Company before the cut-off date will not be entitled for remote e-voting or voting at the meeting. Any person, who becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company. However, if you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- IX. Mr. Alwyn Dsouza, a Practicing Company Secretary, Mumbai (Membership No. 5559; Certificate of Practice No. 5137) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company 'www.ajantapharma.com' and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited & NSE, Mumbai.
13. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
14. The Register of Directors' and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested will be available for inspection at the AGM.
15. Route Map showing directions to reach to the venue of the 37th AGM is given at the end of this Notice.

By order of the Board of Directors

Sd/-

Gaurang Shah

Sr. General Manager – Legal &
Company Secretary

29th April 2016

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

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

ITEM NO. 6

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

On recommendation of Audit Committee, the Board has at its meeting held on 29th April 2016 considered and approved appointment of M/s. Sevekari Khare & Associates, Cost Accountants, for 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 2017, subject to ratification by the members.

The Board recommends the Resolution at Item No. 6 of the accompanying Notice for approval of the Members of the Company.

None of the Directors and/or Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

By order of the Board of Directors

Sd/-

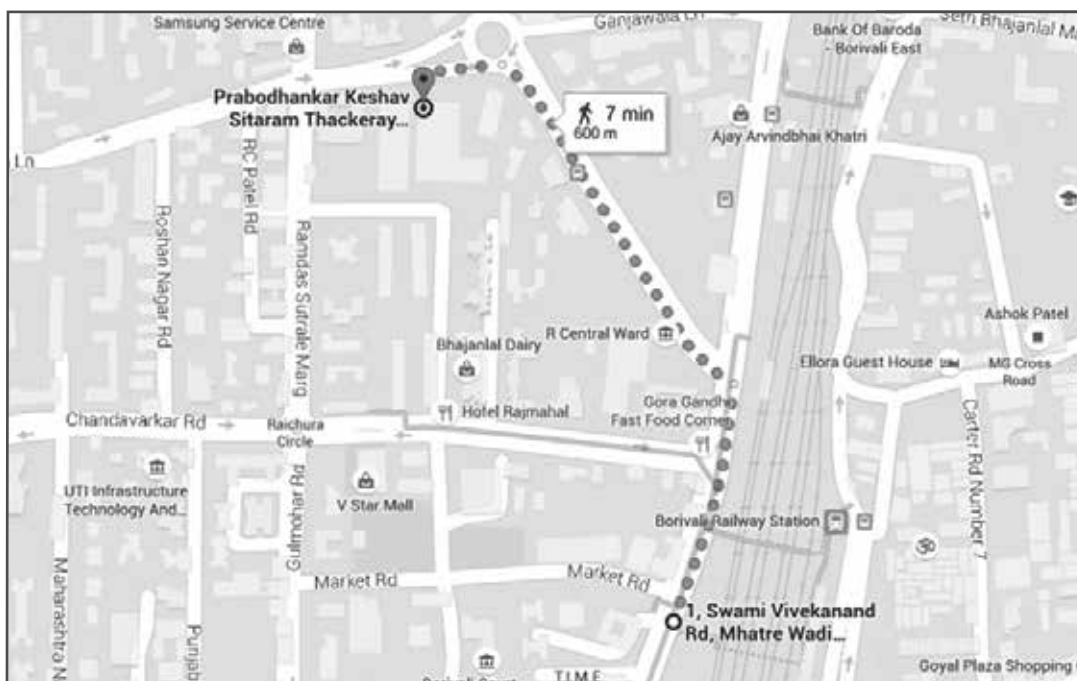
Gaurang Shah

Sr. General Manager – Legal &
Company Secretary

29th April 2016

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

Route Map to AGM Venue



Ajanta Pharma Limited

Prabodhankar Thackeray Natyagrah, Sodawala Lane, Borivali (West), Mumbai – 400092

Details of the Director seeking appointment/re-appointment at thirty-seventh Annual General Meeting (pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standards on General Meetings)

Name of Director	Mr. Mannalal B. Agrawal	Mr. Purushottam B. Agrawal
Date of Birth	26.03.1947	14.06.1949
DIN No.	00073828	00073680
Date of Appointment	31.12.1979	31.12.1979
Expertise in Specific Functional Area	<p>He is associated with the Company since inception and has immensely contributed in growth of the Company.</p> <p>Has strong business acumen and provides valuable counsel in laying down specific business objectives in line with vision and mission of the Company. Brings in a very macro view of business environment to drive the business.</p> <p>Has rich knowledge in the field of finance, taxation and governance matters and guides finance, taxation and CAPEX strategies.</p>	<p>He is associated with the Company since inception as the initiator and has immensely contributed in growth of the Company.</p> <p>His vision and execution capabilities has seen the company grow over the years. He provides valuable guidance and wise counsel on the operations and management strategies with his strong acumen and deep understanding of business.</p> <p>Currently he is driving and executing CSR initiatives of the Company.</p>
Qualifications:		
(i) Educational	B.Com	B. Pharm
(ii) Experience in years	40+	40+
No. of shares held in the company	54,06,720	53,89,425
Relationship with other Directors and Key Managerial Personnel	Father of Mr. Yogesh M. Agrawal, Managing Director & Mr. Rajesh M. Agrawal, Joint Managing Director and brother of Mr. Purushottam B. Agrawal & Mr. Madhusudan B. Agrawal, Directors	Brother of Mr. Mannalal B. Agrawal & Mr. Madhusudan B. Agrawal, Directors
No. of Board meetings attended during FY 2015-16	Five	Three
Other Directorships in Companies	1. Inspira Projects Limited	1. Inspira Projects Limited
	2. Inspira Infra (Aurangabad) Limited	2. Inspira Infra (Aurangabad) Limited
	3. Louroux Bio Energies Limited	3. Louroux Bio Energies Limited
		4. Ajanta Pharma USA Inc.
Membership of committees (M- Member) (C- Chairman)	Ajanta Pharma Limited: Audit Committee (M) Corporate Social Responsibility Committee (C)	Ajanta Pharma Limited: Executive Committee (M)
	Inspira Infra (Aurangabad) Limited: Audit Committee (M) Executive Committee (M)	Louroux Bio Energies Limited: Executive Committee (M)
	Louorux Bio Energies Limited: Audit Committee (M)	Inspira Infra (Aurangabad) Limited: Nomination & Remuneration Committee (M) Executive Committee (C)
Terms and conditions of appointment	Non-Executive Director (Non Independent), liable to retire by rotation.	Whole-time director, liable to retire by rotation.

Notes

[illegible]

Disclaimer

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.



(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



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 **37TH ANNUAL GENERAL MEETING** of the Company held on Tuesday, 5th July 2016 at 11:00 a.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 2016 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 2016 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



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 37th Annual General Meeting of the Company, to be held on Tuesday, 5th day of July 2016 at 11.00 a.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:

Sr. No.	Resolutions	Optional*	
		For	Against

ORDINARY BUSINESS

1.	Adoption of Financial Statements for the year ended 31 st March 2016		
2.	Confirm payment of interim dividend		
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 ratifying remuneration of Cost Auditors.		
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Signed this day of 2016

Signature of shareholder:

Signature of Proxy holder(s):

Affix
Revenue
Stamp

Note:

- 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.
- 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.
- For the Resolution, Explanatory Statement and Notes, please refer to Notice of the 37th Annual General Meeting forming part of the Annual report.
- *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.
- Please complete all details including details of member(s) in above box before submission