ajanta pharma limited

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

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

20th June 2019

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

Sub.: Regulation 34 - Annual Report for financial year 2018-19

Dear Sir/Madam,

The fortieth Annual General Meeting ('AGM') of the Company will be held on Thursday, 18th July 2019 at 11.00 a.m. at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai – 400050. Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2018-19.

The Annual Report containing the Notice is also uploaded on the Company's website http://www.ajantapharma.com/AnnualReports.aspx

Thanking You,

Yours faithfully,

Gaurang Shah
AVP – Legal & Company Secretary

Encl.: a/a

ajanta pharma limited

LOOKING BEYOND CHALLENGES
EMBRACING TOMORROW

ANNUAL REPORT 2018-19

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

VISION

Be a niche player in global pharma space and to enhance value for all stakeholders.

MISSION

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

Challenges are inherent part of every business. At Ajanta Pharma, success is demonstrated by our ability to look for opportunities beyond these challenges.

While your Company has consistently been upfront about the trials it faces, it has been equally proactive to rightly strategise and embrace tomorrow.

This annual report is a narration of the same.

▲ *Expanded R&D Centre*

LETTER TO SHAREHOLDERS

> Despite the challenging year, we generated net cash flow from operating activities of ₹ 375 cr. which allowed us to fund our entire capex for the year from internal accruals. We have been proactive in terms of capacity building to meet our emerging needs for the next 5 years along with bringing efficiency.

Dear Shareholder,

Performance for the last financial year was in line with our expectation, where we could withstand the sharp decline in institution business by recouping it with growth in other segments. Our strategy to de-risk the business through diversification of portfolio across markets, segments and products proved to be very useful.

We used this opportunity to build efficiency across the organisation through productivity enhancement, cost rationalisation, capacity building and above all, remaining agile for our next phase of growth.

We continue to be passionate about finding unmet medical needs of our customers and use our R&D capabilities to fulfil the same, ahead of competition. Our concentrated strategy in terms of selected markets and therapies along with on-ground presence in each market, has been instrumental in ensuring sustainability of our business for long-term.

SEGMENT REVIEW

Our branded generic business in India grew 16% against industry growth of 11% as per IMS MAT March 2019. During the year, we launched 28 products in branded generic space in the country. We aspire to continue beating industry growth with reasonable margin on the back of strong brands and new product launches.

In other emerging markets of Asia and Africa, our branded generic sales remained almost flat as a result of pipeline filling in the previous year that got normalised. Our brands in all our key markets continue to post satisfactory growth, reflecting strong inherent fundamentals built over the years. We continue to build more brands in these markets and are very positive about the same.

The anti-malarial institutional business of Africa, faced a sharp decline as guided in the beginning of FY 2019. It came down by 49% in FY 2019 compared to previous year. We have been always upfront about the nature of such institutional businesses being lumpy in nature, where there is always uncertainty about its continuation. We expect this business to remain uncertain in coming years.

US generics industry saw some stability after last year's sharp price erosion, but with increasing cost of servicing that market continues to pose challenges for Indian players. We registered strong growth of 46% at the back of 8 new product launches during the year. We remain optimistic about growth from this market, with 10-12 new filings every year.

Our branded generic business in India grew 16% against industry growth of 11% as per IMS MAT March 2019. With the focus on first-to-market products in niche therapeutic segments, we aspire to maintain this above industry growth in coming years.

FINANCIAL HIGHLIGHTS

Consolidated income from operations was lower at ₹ 2,055 cr. against ₹ 2,131 cr. in the previous year. The major impact was from Africa's anti-malarial institutional business. While this is the first annual decline of revenue for Ajanta over the last 15 years, we remain confident of future opportunities with our carefully selected product pipeline for the generics market in US and branded generics in India and other emerging markets.

Our EBITDA (Earnings before interest, tax, depreciation and amortisation) margin fell by over 250 basis points to 28% in FY 2019 as operational expenses from our two new facilities at Dahej and Guwahati are fully charged to P&L. The capacity utilisation at both these plants are low as we are in the process of gradually ramping up product approvals from these facilities. Our net profit for FY 2019 consequently declined by 17% to ₹ 387 cr.

Despite the challenging year, we generated net cash flow from operating activities of ₹ 375 cr. which allowed us to fund our entire capex for the year from internal accruals. We have been proactive in terms of capacity building to meet our emerging needs for the next 5 years along with bringing efficiency.

We would like to take this opportunity to thank our dedicated employees for their passion with which they continue to contribute to the culture of excellence.

We thank you all for your continued support in our growth. And we hope that you will continue to repose your faith in us.

Warm regards,

Yogesh M. Agrawal
Managing Director

Rajesh M. Agrawal
Joint Managing Director

BUSINESS OVERVIEW

₹ 2,055 cr.
Global Revenue

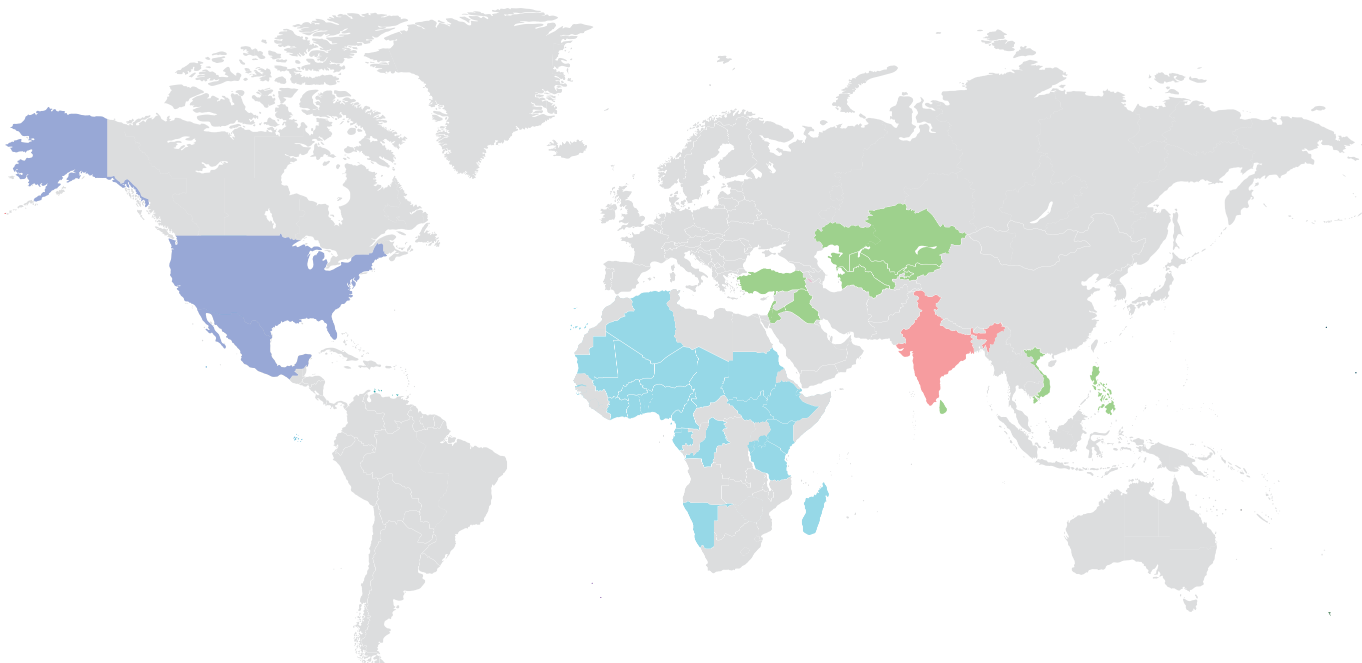
30+
Markets Globally

9%
R&D Spent of revenue

7
Manufacturing Facilities, 2 USFDA approved

6,500+
Ajantaites across the world

SALES % BY GEOGRAPHY (FY 2019)



INDIA **34%**

AFRICA 19 COUNTRIES **26%**

USA **14%**

REST OF ASIA 10 COUNTRIES **26%**

(Map not to scale. For illustrative purposes only.)

GROWTH DRIVERS

- Customised market specific product portfolio
- Many first-to-market products
- Specialty segments in India
- MetXL is among top 200 pharmaceutical brands in India
- 27 approved ANDAs in USA, 25 on shelf
- 13 ANDAs filed in FY 2019 with USFDA

LOOKING BEYOND CHALLENGES, EMBRACING TOMORROW

We have been very conscious of the changing dynamics of the markets. Be it realignment of inventory levels in the emerging markets or anti-malaria institutional business getting contracted – all these were measured in our proactive strategy to be ready for the future. We have been consistently taking steps to sharpen focus on our markets of presence to ensure sustainability in the long-term, which is demonstrated in the following paragraphs.

INDIA

Indian pharmaceutical market has been growing at 11%, whereas your Company has achieved a growth of 16%, indicating our consistent outperformance. We have also outperformed the industry growth in each of the therapeutic segments we operate in. This has been possible on the back of our strategy of meeting unmet medical needs, with many first-to-market products.

In total, we launched 28 new products in India last year across four specialty therapies, 9 being first-to-market, including the launch of Fimasartan, latest 9th generation Angiotensin Receptor Blocker (ARB). These launches ensure our continued growth in coming years apart from the growth from our existing products like MetXL (Metoprolol) and others.

EMERGING MARKETS

About 2 years back, many of the emerging markets in Asia and Africa were facing currency and repatriation issues due to oil prices moving down. At that time, we took a conscious call of restricting our exposure to these markets.

Once the currency situation started improving in FY 2018, we packed the empty and hungry market with pipeline filling to ensure availability of all our products across our markets. This had given extraordinary growth in FY 2018 but we were aware that to sustain in long-term, we have to streamline the higher inventory levels created by this pipeline filling of FY 2018. Hence, in FY 2019, we brought down inventories to a reasonable level, by taking lower growth / de-growth in these markets.

The most satisfactory part of this exercise was that our brand sales in all our key markets continued to post satisfactory growth in secondary markets. We launched 35 new products in Rest of Asia & Africa markets during FY 2019.

As you know, we were the first generic company in anti-malaria institutional business for Artimether-Lumefantrine combination in Africa. We maintained our dominance in this business segment for last decade, with full consciousness of its lumpy nature. As expected, in FY 2019 overall allocation saw significant contraction from funding bodies towards this segment. Though this was anticipated, it was not expected so sharply. This resulted in a major decline to contribution from this business in our overall revenue at 9.7% in FY 2019 from 18.6% in FY 2018. This was a major challenge for FY 2019 and we are happy that we could handle it well by recouping part of the impact from other segments.

USA

FY 2019 was very successful in the US market, with 8 new product launches during the year, taking our total on-shelf products to 25. Silodosin capsules was one of the key Day-One launches, used for treatment of enlarged prostate, where we gained a significant market share. US has played key role in recouping part of impact in the Africa institution business.

Our impeccable execution capabilities and record of zero back-orders strengthened our position of partner of first-choice in the US market.

We have been very selective in choosing the products for the US market. Increasing cost of filing and maintenance of ANDAs with US FDA has further demanded sharper product selection. Hence, we reworked our proposed products for the US markets and filed 13 ANDAs under the new strategy. We plan to file 10 to 12 ANDAs annually and expect 8 to 10 product launches in the next financial year.

BUILDING TOMORROW'S INFRASTRUCTURE, TODAY

We have been proactive about the changing scenario on regulatory front across the world, where compliance requirements for manufacturing facilities have seen a fast-paced evolution. We have invested more than ₹ 1,350 cr. in capex during the last 5 financial years, including investment in two greenfield facilities and an expanded R&D centre. In this regard, we commissioned two additional manufacturing facilities at Dahej and Guwahati in FY 2018. Dahej, the dedicated facility for USA as well as other emerging markets, was in the process of product registrations for these markets during FY 2019.

A Pharma manufacturing facility takes about 24 months to be built, after which it needs another 12-24 months for specific approvals, depending upon the markets it caters to. For instance, we commenced commercial operation at Dahej in April 2017, but the first product for US market from this facility could be despatched only in October 2018 – almost 18 months after commencement of commercial production. Till then, the facility was mostly carrying out validations and all the running expenses of the facility have been fully expensed out. This impacted EBITDA margin for FY 2019. As we receive the product approvals in coming years and expenses are absorbed with higher volumes, the benefits of our investments will be visible and result in accretion to EBITDA.

Construction work on Ophthal section at Guwahati and greenfield manufacturing facility for oral solid at Pithampur in Madhya Pradesh will continue to put some pressure on EBITDA even in FY 2020. We expect this burden to normalise in coming 2 years.

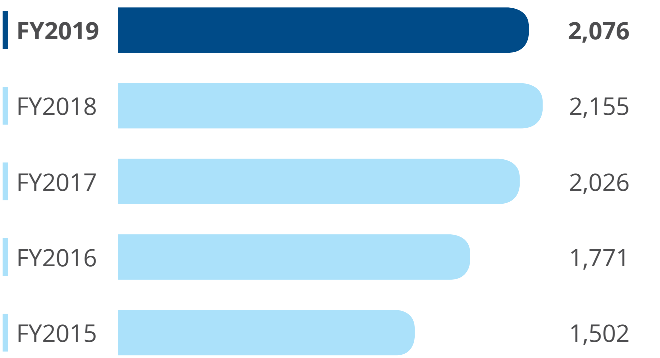
During FY 2019, we also operationalised our new expanded wing of R&D building in Mumbai, which has been built over a span of two years with an investment of about ₹ 100 cr. This has helped us consolidate our activities at one site.

Our total capex for FY 2019 was ₹ 361 cr. and we propose to spend further ₹ 350 cr. in FY 2020, mainly on Guwahati, Pithampur and corporate office in Mumbai. This is towards proactively building tomorrows infrastructure for future growth.

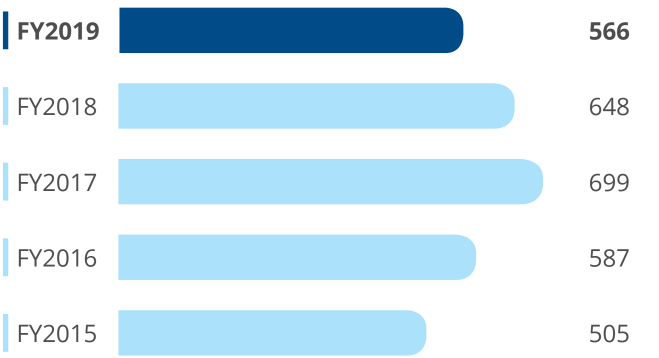
ajanta pharma limited

FINANCIAL OVERVIEW

TOTAL INCOME
(₹ in cr.)



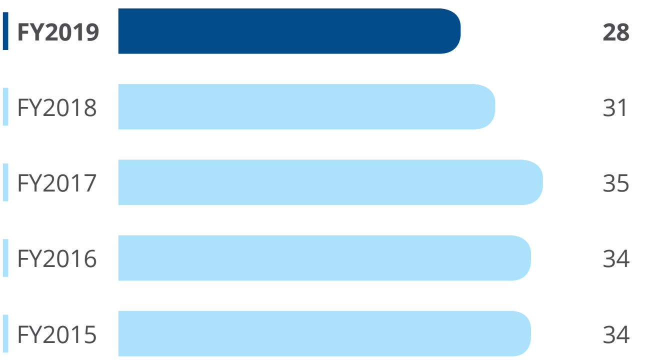
EBITDA
(₹ in cr.)



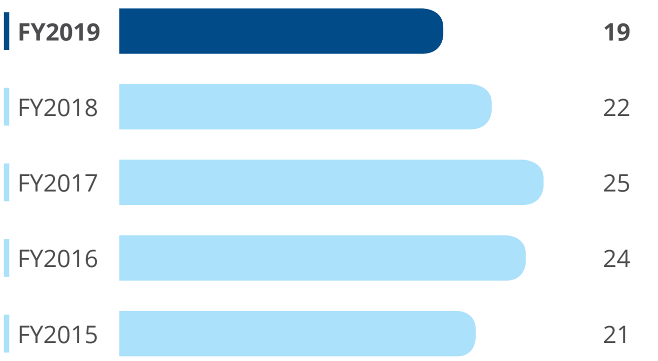
NET PROFIT
(₹ in cr.)

CASH PROFIT
(₹ in cr.)

EBITDA MARGIN
(In %)



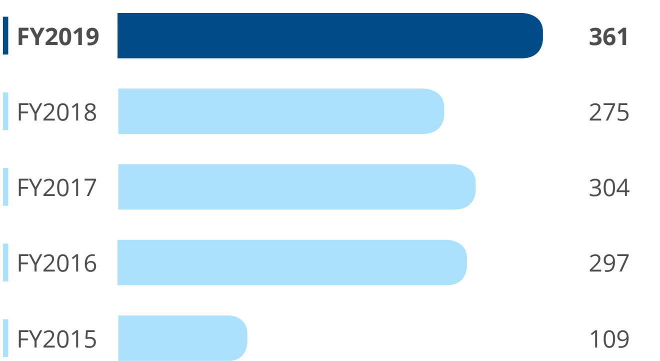
NET MARGIN
(In %)



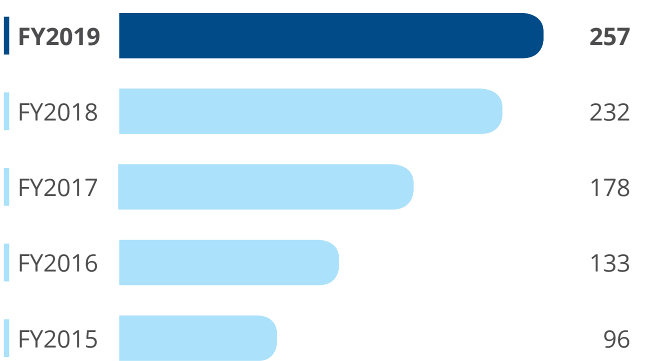
RoCE
(In %)

RoNW
(In %)

CAPITAL EXPENDITURE
(₹ in cr.)



BOOK VALUE PER SHARE
(₹)



CORPORATE INFORMATION

Board of Directors*

Mannalal B. Agrawal
Chairman

Madhusudan B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Rajesh M. Agrawal
Joint Managing Director

Chandrakant M. Khetan
Director

K H. Viswanathan
Director

Prabhakar R. Dalal
Director

Dr. Anjana Grewal
Director

*as on 30th April 2019

Chief Financial Officer

Arvind Agrawal

Company Secretary

Gaurang Shah

Auditors

M/s B S R & Co. LLP

Cost Auditors

M/s Sevekari, Khare & Associates

CIN No.

L24230MH1979PLC022059

Registered Office

Ajanta House, Charkop,
Kandivli (West), Mumbai – 400 067.
Tel: +91 22 6606 1000
Fax: +91 22 6606 1200 / 1300
Website: www.ajantapharma.com
Email: info@ajantapharma.com

MANAGEMENT DISCUSSION & ANALYSIS

Economic Overview and Outlook

The global economic expansion decelerated in the second half of 2018 largely because of increased trade tensions and tariff hikes between the United States and China. After peaking at close to 4% in 2017, global growth dropped to 3.6% in FY 2018. As per the World Economic Outlook report of International Monetary Fund, released in April 2019, global economy is projected to decline further to 3.3% in 2019.

The growth in Emerging Market and Developing Economies is also expected to slow down to 4.4% in 2019 from 4.5% in 2018. Nevertheless, the Indian economy grew 7.1% in 2018 and is expected to accelerate 7.3% in 2019, retaining its position as the fastest growing economy in the world.

Pharmaceutical Sector Overview

Global

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

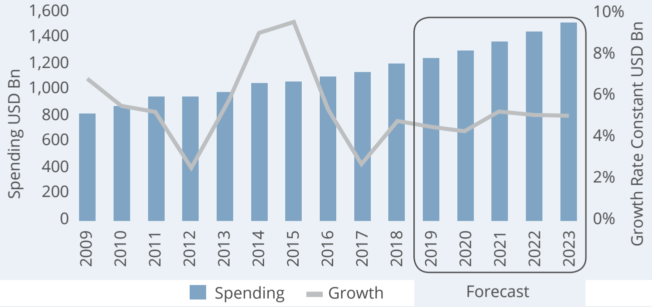
Global spending

According to the IQVIA Institute paper published in January 2019, global spending on medicines reached USD 1.2 trillion in 2018 and is set to exceed USD 1.5 trillion by 2023. This would be a 3–6% annual growth rate over the next five years – a notable slowdown from the 6.3% seen over the past five years. The key drivers of growth will continue to be the United States and pharmerging markets with 4–7% and 5–8% compound annual growth, respectively.

Pharmerging market growth continues to derive primarily from increasing per capita use, but some markets are seeing wider uptake of newer medicines as patients' ability to afford their share-of-costs improves with economic growth. Growth in developed countries will come with higher proportion of aged population.

GLOBAL SPENDING ON MEDICINES

Exhibit 1 : Global Medicine Spending and Growth 2009-2023



Source: IQVIA Institute, January 2019

Spending by geography

USA is expected to continue to be the world's largest pharmaceutical market and its share in global spending is projected to increase to USD 625-655 billion in FY 2023 from USD 485 billion in FY 2018. The European share of spending will grow to USD 195-225 billion from USD 178 billion, in this period. Meanwhile, pharmerging countries will spend USD 355 billion in FY 2023 against USD 286 billion in FY 2018.

GLOBAL PREDICTIONS

Exhibit 2 : Global Medicine Spending and Growth in Selected Regions, 2018-2023

WORLDWIDE
2018: USD 1,205 Bn + 4.8%
2014-18: 6.3% 5-year CAGR
2019: USD 1,245 Bn + 4.5%
2023: USD 1,505-1,535 Bn + 3-6% 5-year CAGR

UNITED STATES
2018: USD 485 Bn + 5.2%
2014-18: 7.2% 5-year CAGR
2019: USD 507 Bn + 4.6%
2023: USD 625-655 Bn + 4-7% 5-year CAGR

PHARMERGING
2018: USD 286 Bn + 6.9%
2014-18: 9.3% 5-year CAGR
2019: USD 293 Bn + 7%
2023: USD 355-385 Bn + 5-8% 5-year CAGR

TOP 5 EUROPE
2018: USD 178 Bn + 3.9%
2014-18: 4.7% 5-year CAGR
2019: USD 182 Bn + 2.8%
2023: USD 195-255 Bn + 1-4% 5-year CAGR

JAPAN
2018: USD 86 Bn + 1.8%
2014-18: 1.0% 5-year CAGR
2019: USD 89 Bn + 0.9%
2023: USD 89-93 Bn (-) 3-0% 5-year CAGR

Source: IQVIA Market Prognosis, Sep 2018; IQVIA Institute, Dec 2018

Notes: Market sizes shown in USD with actual and forecast exchange rates; growth shown in constant dollars at Q2 2018 exchange rates; Japan growth decline on constant dollar basis is due to exchange rate dynamics

India

As per IQVIA, in FY 2019, the Indian Pharmaceutical Market (IPM) stood at about USD 19.5 billion, growing at 10.5%, growth being contributed almost equally by volume, price and new launches. The IPM hitherto considered immune to economic downturns, seems to be defying the trend and has slowed down in tandem with the broader economy. Analysis of IPM's growth drivers indicates slowdown from 13.5% to 10% over the past three years. There are various external forces impacting the IPM at present. Growth from product introduction has also nearly halved as the regulator is more careful with new combination drugs. Frequent regulatory interventions have added to the woes. Regulations on price control, and proposed ban on FDCs, INN prescriptions as well as “One Company – One Brand” regulations, indicates increasing regulatory scrutiny in India, which in turn is expected to shape the growth of the industry.

Rest of Asia

As per a recent study by IQVIA, most Asian markets still have room to grow. Based on the analysis, it classifies the region into three groups: mature (Japan, South Korea, Taiwan); maturing (Thailand, Malaysia, China); and emerging (Philippines, India, Vietnam, Pakistan, and Indonesia). The emerging markets are clearly ripe for sustainable growth stories. For instance, as per industry estimates, Philippines is the third-largest pharmaceutical market in ASEAN, predicted to exceed USD 4 billion by 2020 – recording a compound annual growth rate of over 3.5% in five years. The Philippines’ disease burden is shifting from communicable to non-communicable diseases. Cardiovascular disease is the leading cause of death, and one in three deaths are caused by heart disease.

Africa

The pharmaceuticals market in Africa is expected to reach a business opportunity of USD 45 billion in 2020 (Frost & Sullivan, Dec 2016), propelled by a convergence of changing economic profiles, rapid urbanisation, increased healthcare spending and investment, and increasing incidence of chronic lifestyle diseases. The tropical climate of Africa makes the continent the largest reservoir of infectious diseases, particularly malaria, tuberculosis (TB) and acquired immune deficiency syndrome (AIDS), besides frequent outbreaks of polio, meningitis, cholera, pandemic influenza, yellow fever, measles, hepatitis, and tetanus. With the increasing adoption of Western lifestyle in Africa, there has been a paradigm shift in the burden of illness towards non-communicable diseases (NCDs), driving the demand for chronic prescription drugs. The growing middle-class is a key driving force for pharmaceuticals spending. Limited affordability of governments and the general population for healthcare and pharmaceuticals and a high reliance on donor funding will be the major market restraints.

USA

United States alone holds over 40% of the USD 1.2 trillion global pharmaceutical market with spending of USD 485 billion in 2018. Generics continue to enjoy a formidable percentage of USA’s pharmaceutical market with accounting for more than 90% of total prescriptions dispensed. Within the past 5 years, drugs worth USD 83 billion have gone off-patent and another USD 72 billion worth of small molecule drugs slated to go off-patent in the next 5 years, as per IQVIA Institute report in February 2019. Declining prices in the generics market due to rising competition from the surge in ANDA approvals and consolidation of distributors, has taken a toll on the generics market value. Though the US generic market will be challenging over the medium term, given the pricing and competition risks, Indian companies with clear visibility in terms of US pipeline, in advanced stage of making investments in complex molecule, robust supply chain setups in the US and strong internal quality processes in compliance with FDA guidelines, are bound to succeed.

Company Overview

Ajanta Pharma is a specialty pharmaceutical formulation company engaged in the development, manufacture and marketing of quality finished dosages. The Company has a well-diversified and de-risked business model with branded generics in India, Asia and Africa, generics in USA and Institutional business in Africa, comprising a wide range of products, in more than 30 countries.

The competitive edge Ajanta Pharma has built over the years, in terms of customised products for every market where it operates, continues to provide it the impetus for growth. In spite of sharp decline in its institutional business, it has been able to recoup part of this loss in other markets, thereby posting a much lower de-growth in total revenue for FY 2019.

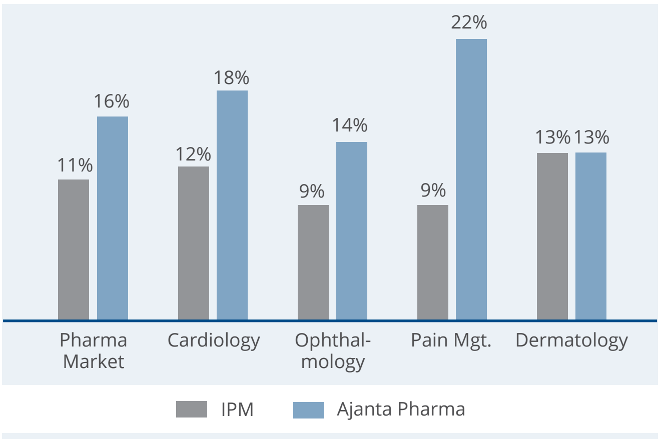
Operational Highlights for FY 2019

- Consolidated Turnover at ₹ 2,055 cr.
- Consolidated Profit after Tax at ₹ 387 cr.
- R&D spend at 9% of revenue

Performance Highlights

India

Ajanta Pharma’s India business continued to perform well steered by strong focus on high growth speciality segments. Total sales from India business stood at ₹ 690 cr. against ₹ 629 cr. in the previous year.



Source: IMS MAT March 2019

As per IMS MAT March 2019, the Company outgrew Indian Pharmaceutical Market (IPM) recording 16% growth compared to 11% for the industry. Within the specialty segments that the Company operates in, all segments recorded higher than industry growth. Company has also improved its ranking in IPM to 31 against 32 last year.

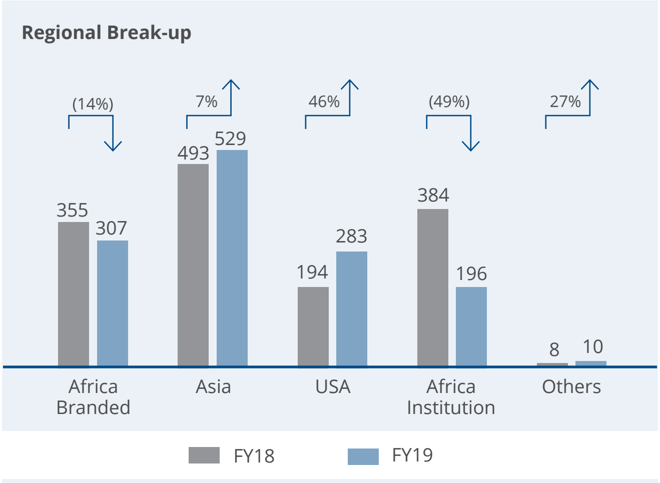
	March 2019	**March 2018**
Ophthalmology	3	3
Dermatology	13	14
Cardiology	15	16
Pain Management	41	43
Ajanta	31	32

Source : IMS MAT March 2019

The Company continues to strengthen product portfolio through new launches, many of them being first-to-market products, offering significant patient benefits. Apart from new launches, many of the Company's existing products continue to grow their market share.

Exports

Total sales from international business for FY 2019 stood at ₹ 1,324 cr. against ₹ 1,434 cr. in the previous year, a decline of 8%. This decline was primarily due to shrinking of institutional business in Africa, which saw a decline of 49% for the year. In Asia and Africa, branded generics business continued to remain robust in individual markets, though it was soft for company due to streamlining of inventory levels in these countries. The performance in US had been excellent for the year with growth of 46% for FY 2019, led by new product launches and gain in market share in existing products.



Source: Company, figures in bracket indicates de-growth

Financial Review

	FY 2019 (₹ in cr.)	**% to Income from operations**	**FY 2018 (₹ in cr.)**	**% to Income from operations**
Income from Operations	2,055		2,131	
EBITDA	566	28%	648	30%
PBT	514	25%	623	29%
PAT	387	19%	469	22%

Operational and Financial Performance

It was a year of challenges, with revenue and profitability both getting impacted by an expected tapering of lumpy institutional business and bringing efficiency through streamlining of inventory levels. The focus was clearly on looking beyond the short-term challenges being faced and prepare the organisation for tomorrow's growth opportunities.

Profit and Loss Statement

Revenue from operations

Revenue from operations stood at ₹ 2,055 cr. in FY 2019 against ₹ 2,131 cr. in FY 2018, a decline of 4% over previous year. The institutional business in Africa saw a major decline, as expected, which was partially compensated by growth in other markets.

Material costs

Material costs remained at 19% in FY 2019, almost at the same level of previous year. It was indeed a great achievement, given that the overall raw material prices had inched up during the year.

Employee expenses

Personnel expenses inched up by about 300 basis points from 18% last year to 21% in this year. Total cost stood at ₹ 431 cr. for FY 2019 as against ₹ 376 cr. in FY 2018. The increase was on account of full year impact of team members added at different times during FY 2018, some addition of teams at new plant locations of Dahej and Guwahati, as also the annual increments provided for the year.

Other expenses

Other expenses stood at ₹ 675 cr. in FY 2019 as against ₹ 690 cr. in FY 2018. We were able to further improve efficiency in the operations with manufacturing, marketing, distribution, R&D and administrative expenses being monitored closely in the face of challenges. R&D cost remained at 9% of total operating income in FY 2019, though in absolute amount, it has seen slight reduction to ₹ 176 cr. in FY 2019 from ₹ 185 cr. in FY 2018. Effective steps are being taken to economise on all costs, without impacting the business objectives.

Operating Profit Margin

EBITDA stood at ₹ 566 cr. in FY 2019, being 28% of operating income as against ₹ 648 cr. in the previous year, being 31% of operating income. As discussed earlier, higher employee cost, plant overheads of 2 new manufacturing facilities and lower revenue had impacted the margins.

Net Profit Margin

Net margins stood at 19% in FY 2019 against 22% in FY 2018. In absolute value, the net profit was at ₹ 387 cr. as against ₹ 469 cr., de-growth of 17% over previous year, again for the reasons mentioned above.

Return on Net Worth

Return on Net Worth saw a sharp decline to 18% in FY 2019 against 26% for FY 2018. The impact is mainly on account of continued investment in new manufacturing and R&D facilities, which are at various stages of implementation. The Company has undertaken major investments during last 4 years to proactively meet the infrastructure needs for future growth. It will improve returns once operations get stabilised at these new facilities.

BALANCE SHEET

Non-current assets

We have added another ₹ 361 cr. in property plant and equipment, in line with our plans to build world-class infrastructure for meeting the future growth requirement. The non-current assets have gone up to ₹ 1,515 cr. in FY 2019 from ₹ 1,225 cr. in FY 2018.

Current assets

Current Assets came down to ₹ 1,181 cr. in FY 2019 from ₹ 1,224 cr. in FY 2018 mainly because of redemption of investments, which were utilised for buy back of equity. Current Ratio for FY 2019 stood at 3.1 against 3.5 in FY 2018.

Trade Receivable remained almost at the same level of last year in terms of absolute number at ₹ 459 cr., though in terms of number of days to sales, it saw a marginal increase to 83 days in FY 2019 from 81 days in FY 2018.

Inventories saw a sharp increase to ₹ 436 cr. in FY 2019 from ₹ 351 cr. in FY 2018 on the back of growing US operations, which has a longer working capital cycle. In terms of number of days to sales, it has gone up to 79 days in FY 2019 from 62 days in FY 2018.

Shareholders' funds

Shareholders' funds increased to ₹ 2,245 cr. in FY 2019 from ₹ 2,041 cr. in FY 2018. Earnings per share stood at ₹ 44 in FY 2019 as against ₹ 53 in FY 2018. During the year, Company returned ₹ 100 cr. of shareholders' fund to its shareholders through share buyback and another ₹ 80 cr. towards dividend.

Non-current liabilities

Increase in deferred tax has taken non-current liabilities to ₹ 73 cr. in FY 2019 from ₹ 61 cr. in FY 2018.

Current liabilities

A small working capital borrowing in US subsidiary for better financial discipline resulted in higher current liability at ₹ 378 cr. in FY 2019 against ₹ 346 cr. in FY 2018.

Human Assets

Ajanta Pharma has a diverse talent pool of over 6,900 Ajantaites, coming from 28 nationalities. The Company acknowledges the pivotal role of Ajantaites in driving continued success. Human Resource Development aims to make Ajanta a preferred place to work. This is being achieved through various initiatives including skill development, personality enhancement, passionate leisure pursuits and employee engagement through internal communications to foster happiness at work.

Talent management at Ajanta means having most skilled and engaged Ajantaites delivering their best in their current roles while getting ready for higher responsibilities. Ajantaites are among our indispensable assets for continued success.

Risk Management

Ajanta Pharma has built a strong culture of managing risks in a structured manner. Risk management committee comprising Managing Director and Joint Managing Director along with senior management, review key internal financial controls and their effectiveness in the form of a risk matrix, inherent risks associated with each function, risk assessment and classification of these risks into different categories. The work of risk management committee is reviewed by audit committee and board periodically.

During the year, various key risks were identified, evaluated and mitigated through a defined process. Some of the key risks are:

Competition Risk

Competition is an integral part of all industries and pharmaceutical is no exception. Different markets /

businesses have different intensities of competitions and Company has a robust framework to identify its competitive advantages like early-to-market, niche new product launches through identifying unmet medical needs etc.

Regulatory Risk

Pharmaceutical is among one of the highly regulated industries across the world. And rightly so as it deals with evolving human life. These regulation impact development, manufacturing, approval, marketing and distribution of products, while throwing new compliance challenges. A strong quality assurance mechanism and compliance monitoring network at Ajanta ensures strict compliance at every level. Regular training for its employees to update them on new developments is an integral part of this process.

Global Economic Volatility Risk

Ajanta has presence in more than 30 countries and each of these markets present different economic and political risk. A widespread global presence, with no overdependence on any one region or country, considerably insulates the Company from any uneventful developments in any particular market.

Foreign Exchange Risk

The Company earns a major part of its revenue in foreign exchange, thus exposing it to the volatility in the exchange rates. This can have an adverse effect on its earnings. The Company follows a conservative and disciplined hedging policy which ensures protecting the desired exchange rate for sustaining the profitability.

Internal Controls and Adequacy

Ajanta Pharma has institutionalised a robust and comprehensive internal control mechanism across all the major processes. It is integral to the principle of governance and freedom is allowed to be exercised within a system of checks and balances. All operations are governed through automated internal business controls, centralised global process framework and integrated key support functions. Internal Controls safeguards company's assets against loss from unauthorised use and ensures reliability of financial reporting. It is also designed for effectiveness and efficiency of operations, compliance or regulations backed by strong audit framework at all the locations. Audit Committee of the Board reviews reports submitted by the independent internal auditors and monitors follow-up and corrective actions.

Cautionary Statement

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present their Fortieth Annual Report and Audited Financial Statements for the Year ended 31st March 2019.

1. Financial performance

(₹ in cr. except EPS)

Particulars	Standalone		Consolidated	
Year ended 31st March	2019	2018	2019	2018
Revenue from operations	1,773	1,830	2,055	2,131
Other Income	102	73	21	24
Profit/Loss before Depreciation, Finance Costs and Tax expenses	583	620	588	683
Profit after Tax	392	428	387	469
Total Comprehensive Income	390	426	384	472
Earning Per Share (EPS) (₹) (Basic)	44.51	48.59	43.97	53.26

2. Performance Review

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

Revenue from operations has seen marginal decline, mainly on account of reduced anti-malaria institution business, which was partially compensated by other markets. Operating cost of 2 new manufacturing facilities at Dahej & Guwahati impacted the EBIDTA margins. Dahej plant is in the process of product registrations in different markets and Guwahati plant had been stabilizing the production line. Major events occurred during the year and state of company's affiars has been discussed in the Management Discussion and Analysis Report which forms part of this report.

3. Dividend

After considering the company's dividend distribution policy, the Board had declared and paid interim dividend of ₹ 9/- (450%) per equity share of the face value of ₹ 2/- each. Total dividend payout was ₹ 79.22 cr. An amount of ₹ 37 Lakhs has been paid as dividend distribution tax on the interim dividend. Board recommends interim dividend to be considered as final.

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

4. Transfer to Reserves

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

5. Subsidiaries, Associates and Joint Ventures

During the year, company's wholly owned subsidiary viz., Ajanta Pharma UK Limited was dissolved on 18th December 2018.

Post that, the company has five operating subsidiaries overseas, including one step down subsidiary. Financials of subsidiaries are disclosed in the consolidated financial statements which forms part of this Annual Report. The Company does not have any Associate company or Joint Venture.

All the subsidiaries have contributed positively in the growth and profitability of the company. The performance of subsidiaries in Philippines and USA had been outstanding with continued growth in sales and profits. US performance was driven by new launches during the year. Mauritius subsidiaries performance was little lower than previous year, but was part of a conscious strategy of realignment of inventory levels in Africa. Performance of our subsidiary in Nigeria was on expected lines as major business has now been routed through the local distributor directly.

There have been no material change in the nature of business of subsidiaries.

Statement containing salient features of financial statements of subsidiaries pursuant to section 129 of the Companies Act, 2013 ("Act") read with Rule 5 of the Companies (Accounts) Rules, 2014 is annexed to this Report in the prescribed Form AOC-1, as **"Annexure A".**

The Audited Financial Statements of Company's subsidiaries are available on the Company's website at www.ajantapharma.com and the same are also available for inspection at the Registered Office of the Company as per the details mentioned in notice of the 40th Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

The Company has laid down policy on material subsidiaries and placed on the website of the Company and its weblink is http://www.ajantapharma.com/AdminData/PolicyCodes/PolicyonMaterialSubsidiaries2019.pdf

6. Consolidated Financial Statements

The Annual Audited Consolidated Financial Statements together with the Report of Auditors' thereon forms part of this annual report.

7. Share capital

7.1. Buyback of equity shares

With an objective to enhance long term shareholder value and improve the Company's return on equity, in March 2019, the Company bought back 7,69,230 (Seven lakhs sixty-nine thousand two hundred and thirty only) fully paid-up equity shares of the face value of ₹ 2/- each, representing 0.87% of the total number of equity shares in the subscribed and paid-up equity share capital of the Company, from the existing shareholders / beneficial owners of equity shares of the Company on a proportionate basis, through "Tender Offer" route at a price of ₹ 1,300/- (Rupees One thousand three hundred only) per equity share for an aggregate amount of ₹ 100 cr. only. Post Buyback, the paid-up share capital has reduced from 8,80,23,000 to 8,72,53,770 equity shares of ₹ 2/- each. Details of the shareholding pattern post buyback is given in the Corporate Governance Report.

7.2. Employee Stock Option Scheme

During the year, 8,500 shares were issued against the options exercised and 7,000 new options were granted under the Company's ESOP scheme, ESOS - 2011. Disclosures with regard to Employees' Stock Options Scheme are put up on the Company's website and can be accessed at http://www.ajantapharma.com/AnnualReports.aspx

8. New projects & CAPEX

Company proactively builds infrastructure for meeting its growing needs in manufacturing, R&D, office space, etc. Currently the work on third phase of Guwahati plant is at an advanced stage of completion, which will be operational during FY 2020. Further, another manufacturing facility is being setup in Pithampur SEZ, District Dhar, Madhya Pradesh, which will also be operational by FY 2020. During the year, an amount of ₹ 355 cr. was incurred on Capex.

9. Directors and Key Managerial Personnel

9.1. Cessation

During the year, Mr. Purushottam B. Agrawal relinquished his directorship w.e.f. 11th August 2018. Further, Dr. Anil Kumar resigned as Director of the Company w.e.f. 3rd April 2019.

The Board places on record its appreciation for the valuable contribution made by Mr. Purushottam B. Agrawal since company's inception and for the services rendered by Dr. Anil Kumar during his long association with the Company. There were no other changes in Directors and Key Managerial Personnel during the year.

9.2. Appointment

Mr. Chandrakant Khetan, Mr. K H. Viswanathan, Mr. Prabhakar Dalal and Dr. Anjana Grewal were appointed as Independent Directors at the 35th Annual General Meeting held on 5th August 2014 for a period of five years and accordingly they hold office upto the ensuing Annual General Meeting. Considering their knowledge, experience and skillset in respective fields as also significant contribution made by them during last five years, the Board has on the recommendations of the Nomination and Remuneration Committee and subject to approval of members at the ensuing Annual General Meeting, re-appointed them as Independent Directors for another term of 5 years, not liable to retire by rotation.

Mr. Chandrakant Khetan, Mr. K H. Viswanathan, Mr. Prabhakar Dalal and Dr. Anjana Grewal have given declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Act and Rules made thereunder and under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"). Based on disclosures provided by these Directors, none of them are disqualified from being appointed as Directors under section 164 of the Act and are independent from the management.

In terms of Section 160 (1) of the Companies Act, 2013, the Company has received notice in writing from member signifying his intention to propose the candidature for the re-appointment of Mr. Chandrakant Khetan, Mr. K H. Viswanathan, Mr. Prabhakar Dalal and Dr. Anjana Grewal as Independent Directors at the ensuing Annual General Meeting for another term of 5 years.

Resolutions for aforementioned re-appointments alongwith brief profile of the directors proposed to be re-appointed, form part of the Notice of the 40th AGM and respective resolutions are recommended for your approval.

Independent Directors are compliant with the Code of Independant Directors as per schedule IV of the Act.

9.3. Retirement by rotation

Mr. Madhusudan B. Agrawal and Mr. Rajesh M. Agrawal, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

9.4. Policy on appointment and remuneration of Directors

The Nomination and Remuneration committee of directors has approved a policy for the selection, appointment and remuneration of directors. Criteria for appointment of Directors (http://www.ajantapharma.com/AdminData/PolicyCodes/PolicyfordeterminingqualificationsofDirectors.pdf) and policy on remuneration of Directors (http://www.ajantapharma.com/AdminData/PolicyCodes/Policyforremuneration2018.pdf) is given in the Corporate Governance Report.

9.5. Key Managerial Personnel

Mr. Yogesh M. Agrawal, Managing Director (DIN: 00073673), Mr. Rajesh M. Agrawal, Joint Managing Director (DIN: 00302467), Mr. Arvind Agrawal, Chief Financial Officer (DIN: 00648589) and Mr. Gaurang Shah, Company Secretary (FCS No.: 6696) are the Key Managerial Personnel of the Company as on the date of this Report.

9.6. Independent Director's familiarisation programme

Company continued to familiarise Independent directors with business operations, important functions and other critical aspects to enable them to contribute on full informed basis and discharge their responsibilities effectively. During the year, the Independent Directors were familiarised with following aspects/operations:

i. Advancement and initiatives on Information Technology;

ii. Business operations in India & emerging markets;

iii. Business in emerging markets;

iv. Manufacturing operations;

v. Quality control.

Details of familiarisation programme imparted is placed on the company's website and its weblink is http://www.ajantapharma.com/AdminData/DirectorFamiliarizationProgram/Directorsfamilarisationprogramme2019.pdf

9.7. Evaluation of Board's performance

Pursuant to the provisions of the Act and the Listing Regulations, the evaluation of performance of the Board, individual directors and Board committees for the year 2018 was carried out by the Board as suggested by the Nomination and Remuneration Committee. 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. Board of Directors were satisfied with the evaluation process.

Manner in which the evaluation has been carried out and matters incidental thereto, have been detailed in the Corporate Governance Report, which forms part of this report.

10. Board meetings

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

11. Board Committees

Details of composition of various Board Committees and matters incidental thereto are provided in the Corporate Governance Report.

12. Related Party Transactions and Policy

All the Related Party transactions (RPTs) affected during the financial year were on an arm's length basis and in the ordinary course of business and the same were undertaken after taking approval of the Audit Committee. Omnibus approval of Audit Committee was obtained for all the transactions which are of repetitive nature. All the RPTs affected during the year are disclosed in the notes to Financial Statements.

Except to the extent of the shares held in the Company and the remuneration paid, if any, there were no materially significant related party transactions made by the company with promoters, directors or key managerial personnel which may have a potential conflict with the interest of the company at large or which warrants approval of the shareholders, drawn from the Company.

The Board has approved and adopted Policy on Related Party Transactions and the same is uploaded on the Company's website and its weblink is http://www.ajantapharma.com/AdminData/PolicyCodes/PolicyonRelatedPartyTransactions2019.pdf

Since all the transactions with related parties were in the ordinary course of business and at arm's length, and there were no material related party transactions, the statement Form AOC-2, is not annexed to this report.

13. Corporate Social Responsibility (CSR)

Company continues to contribute on CSR front with thrust areas of Healthcare, Education & Community welfare, in accordance with company's CSR policy.

During the year, Company continued several initiatives under the CSR program, directly as well as through agencies permitted under the Act. These included cataract surgery camps, family welfare camps, educational initiatives at schools etc. benefitting thousands of underprivileged population in the rural & tribal areas.

Details of CSR policy and CSR activities undertaken during the year in accordance with Section 134 & 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014 and Rule 9 of the Companies (Accounts) Rules 2014, is annexed to this report as **"Annexure B"**.

14. Management Discussion and Analysis

A detailed review of the operations, performance and future outlook is given in the Management Discussion and Analysis, which forms part of this Report.

15. Report on Corporate Governance

Report on Corporate Governance is annexed and forms an integral part of this Annual Report together with certificate from the Practicing Company Secretary regarding compliance of conditions of Report on Corporate Governance.

16. Business Responsibility Report

Business Responsibility Report for FY 2019, forms part of the Annual Report and as a Green Initiative the same has been hosted on the Company's website, which can be accessed at http://www.ajantapharma.com/AnnualReports.aspx Any Member interested in obtaining a copy of BRR may write to the Company Secretary.

17. Credit Rating

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

18. Extract of the Annual Return

In pursuance of Section 92(3) of the Act, and Rule 12(1) of the Companies (Management & Administration) Rules, 2014, extracts of Annual Return in Form MGT.9 is annexed to this Report as **"Annexure C"**. The same is available at http://www.ajantapharma.com/AnnualReports.aspx

19. Auditors and Audit reports

19.1. Statutory Auditors

At the 38th Annual General Meeting held on 5th July 2017, the shareholders had approved the appointment of B S R & Co. LLP., Chartered Accountants (ICAI Firm's Registration No. 101248W/W-100022) as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 38th Annual General Meeting until the conclusion of 43rd Annual General Meeting, subject to ratification by the shareholders every year.

Pursuant to the recent amendment to Section 139 of the Act effective 7th May 2018, ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly, the notice of ensuing Annual General Meeting does not include the proposal for seeking shareholders' approval for ratification of Statutory Auditors appointment. In terms of the Listing Regulations, the auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

Auditor's Report for the year under review forms part of this annual report and does not contain any qualifications, reservations or adverse remarks.

19.2. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, Board had appointed M/s. Alwyn Dsouza & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company. Their Secretarial Audit Report is annexed to this report as "**Annexure D**". There are no qualifications, reservation or adverse remark in the report.

19.3 Cost Auditors

Board has appointed M/s. Sevekari, Khare & Associates, Practicing Cost Accountants to audit the cost records of the Company for the financial year 2019-20. Their remuneration is subject to ratification by shareholders at the ensuing Annual General Meeting. Accordingly, resolution seeking members' ratification of their remuneration, forms part of the Notice convening the 40th Annual General Meeting.

Cost Audit Report for the FY 2018 has been filed with the Ministry of Corporate Affairs on 24th August 2018.

The company is required to maintain cost records as specified by the Central Government under

Section 148(1) of the Act and accordingly such accounts and records are made and maintained.

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

20. Internal Control System, Risk Management and Compliance Framework

The Company believes that a strong internal control framework is very much essential and is part of good corporate governance practices. Company has in place well defined and adequate internal financial control framework commensurate with the size and complexity of its business. During the year, such controls were tested and no material weakness in their design of operations were observed. The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. There are no risks identified which may threaten existence of the company. Risk Management system followed by the Company is detailed in the Management Discussion and Analysis report.

21. Vigil Mechanism/Whistle Blower policy

Company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and Directors to report to the Audit Committee Chairman, genuine concerns, unethical behavior and irregularities, if any, noticed by them in the Company, which could adversely affect company's operations. It is posted on the intranet and website of the Company and the same is available at http://www.ajantapharma.com/AdminData/PolicyCodes/WhistleBlowerPolicy2019.pdf The policy is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported by employees/directors till date.

22. Managerial Remuneration and particulars of employees

There were 6,800 permanent employees of the Company as of 31st March 2019. The information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **"Annexure E"**.

Information pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to the top 10 names and other particulars of employees also form part of this report. However, this information is not sent along with this report pursuant to the proviso to Section 136(1) of the Act. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at the registered office address of the Company.

23. Loans, Guarantees or Investments

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

24. 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.

25. 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 2019, 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 2019 and of the profit of the company for the period;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. that the annual accounts/financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

f. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

Pursuant to Section 134 of the Act read with Companies (Accounts) Rules, 2014, details of conservation of energy, technology absorption, foreign exchange earnings and outgo, are given in **"Annexure F"** to this report.

27. Unclaimed Dividend/Shares

In pursuance of Regulation 39 read with Schedule VI of the Listing Regulations, the details with respect to shares lying in unclaimed suspense account and unclaimed shares/dividend transferred to IEPF are provided in the Corporate Governance Report.

28. Compliance with Secretarial Standards

During FY 2018-19, the Company has complied with applicable Secretarial Standards issued by the Institute of The Company Secretaries of India.

29. Material changes & commitment affecting the financial position of the company

There are no material changes and commitments affecting the financial position of the company, which have occurred between the end of the financial year and the date of this report.

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

The Scheme of Amalgamation and Arrangement of Gabs Investments Pvt. Ltd. with the Company which was filed by the Company with National Company Law Tribunal (NCLT) in the last year, was rejected by NCLT on grounds cited in its order. The Company had preferred an appeal before the National Company Law Appellate Tribunal (NCLAT) challenging the order of NCLT. However, after considering all the pros and cons at length, it was deemed appropriate to withdraw the appeal. Accordingly, the same was withdrawn on 7th December 2018.

Save and except above, 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.

31. Human Resource, Health & Safety

Industrial relations were cordial throughout the year. Health & Safety of our work force is of prime importance to us and we maintain highest standards in all the plants with adoption of best technologies and manufacturing practices which are at par with global standards. Zero casualty and zero harm incidences demonstrates our indomitable and impeccable HSE standards.

Recognizing the fact that employees play vital role in growth of the organisation, Company undertakes various employee engagement programmes and initiatives to harness the talent pool with the objectives of building highly motivated team, promoting individual wellness and maintaining work-life balance.

Various training and grooming programs, sports events and fun events like cricket tournament, indoor sports tournament, singing competition, cooking competition, hobby classes like nail art, guitar learning, calligraphy etc. were conducted during the year as part of employee engagement initiatives.

32. Policy on sexual harassment of women at work place

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

33. Gratitude & Acknowledgements

Your Directors place on record their appreciation for the persistent and highly inspired performance by employees across the globe. Your Directors also express their gratitude to all the stakeholders, medical professionals, business partners, government & other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, co-operation and support.

For and on Behalf of the Board of Directors,

Mannalal B. Agrawal
Chairman

Mumbai, 30th April 2019

ANNEXURE A TO THE DIRECTORS' REPORT - AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Part "A" - Subsidiaries

₹ in cr.

1.	**Sl. No.**	**1**	**2**	**3**	**4**
2.	Name of Subsidiary	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-19	31-Mar-19	31-Mar-19	31-Mar-19
4.	Reporting currency for the subsidiary	Mauritian Rupee	Philippine Peso	US Dollars	Nigerian Naira
5.	Reporting exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries Rupee equivalent of 1 unit of foreign currency as at 31 March 2019 (₹)	1.98	1.32	69.15	0.19
6.	Share Capital	9.44	1.38	6.07	1.37
7.	Reserves & Surplus	97.60	64.53	17.43	(0.22)
8.	Total Assets	116.43	93.44	311.28	4.48
9.	Total Liabilities (excluding Share Capital and Reserves & Surplus)	9.39	27.53	287.78	3.33
10.	Investments	12.99	-	-	-
11.	Turnover	259.04	161.77	280.55	3.39
12.	Profit before taxation	50.14	36.23	15.62	(0.44)
13.	Provision for taxation	1.34	10.85	3.16	(0.13)
14.	Profit after taxation	48.80	25.39	12.45	(0.32)
15.	Proposed Dividend	-	-	-	-
16.	% of shareholding	100%	100%	100%	100%

Notes:

1) Ajanta Pharma (Mauritius) Limited consolidated figures includes its wholly owned subsidiary Ajanta Pharma (Mauritius) International Limited.

2) Details of Ajanta Pharma UK Limited have not been given as no equity contribution has been made and subsidiary was closed on 18th December 2018.

Part "B" - Associates and Joint Ventures: None

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

Mumbai, 30th April 2019

ANNEXURE B TO THE DIRECTORS' REPORT - REPORT ON CSR

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

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

CSR policy is appended.

Weblink: http://www.ajantapharma.com/AdminData/PolicyCodes/CSRPolicy2018.pdf

2. Composition of the CSR Committee:
Mr. Mannalal B. Agrawal - Chairman
Mr. Chandrakant M. Khetan - Member
Mr. Yogesh M. Agrawal - Member

3. Average Profit before tax of the company for last three financial years: ₹ **563.61 cr.**

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ **11.27 cr.**

5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year: ₹ **11.41 cr.**

(b) Amount unspent, if any: **Nil**

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

₹ in Lacs

#	CSR project / activity	Sector*	Location – State/ Dist.	Budget	Amount Spent	Direct / Agency
1.	Medical Assistance (Eye Care, Family Planning, Hospital Charges, Subsidised food, Hospital Facility Upgradation, etc.)	A	Maharashtra	450	447	Agency
2.	Educational activities in schools	B	All India	150	142	Agency / Direct
3.	Improving education infrastructure	B	Maharashtra	500	536	Direct
4.	Other miscellaneous activities	C	Maharashtra	27	16	Agency / Direct
	TOTAL			**1,127**	**1,141**	

*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

Notes: (i) No overheads are included in the amount spent.
(ii) Agency is Samta Foundation

6. Details of major activities carried out during the year:

Cataract eye surgeries	40000 + patients
Skin treatment camps	5500+ patients
Family planning surgeries	2000+ patients
Malnutrition eradicating camps	2800+ mothers & 5000+ children registered
Sanitation awareness camp	In Mumbai slums
Assistance to schools, colleges, technical institutes, etc.	50+ schools/colleges & 1,00,000+ students

7. 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

Yogesh M. Agrawal
Managing Director

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

Mannalal B. Agrawal
Chairman of the Corporate Social Responsibility Committee

Mumbai, 30th April 2019

CSR POLICY

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 recognise the importance of contributing towards development of the underprivileged sections of the society and are committed to execute it responsibly. Through our small contribution, we aspire to improve the quality of life of the weaker sections in the society by making available some basic necessities which are not easily accessible and/or available to them.

CSR Policy

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

1. In Healthcare, our aim is to provide medical assistance to rural underprivileged living in remote village areas with initiatives like:
   a. Free medical camps for health, eye, cataract surgeries, family welfare and related areas;
   b. Developing basic infrastructure around government hospitals for people visiting from remote areas like shelter, subsidised 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, subsidised meals for needy patients & relatives, other such initiatives.
4. For maintaining a balance in the eco-system, we support and initiate programs for continual improvement in Environment, Health and Safety standards.
5. On selective basis, we contribute to Government, voluntary organisations and academic institutes working on any of the causes listed in Schedule VII of the Companies Act, 2013 & Rules framed thereunder.
6. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

   Company may undertake its CSR activities as described in Schedule VII of the Companies Act, 2013 (i) on its own or (ii) through a registered trust or a registered society or a company established under section 8 either singly or alongwith its holding/subsidiary or associate company or (iii) by any trust, society or company having an established track record of three years in undertaking similar programs or projects.

Budget

Minimum of 2% of the Average Net Profit (before tax) of the preceding three years will be allocated every financial year for CSR activities. The expenditure incurred on capacity building programs such as training, workshops, seminars, conferences, etc. and on corporate communication strategies for engagement of all stakeholders, whether internal or external to implement CSR of the company will be accounted as CSR expenditure. Unspent CSR budget of the Company, if any, in any financial year will be allowed to lapse and will not be carried forward in next year.

Monitoring and Review

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

The CSR Policy shall be periodically reviewed and appropriately revised by the CSR Committee.

ANNEXURE C TO THE DIRECTORS' REPORT - MGT.9

Extract of Annual Return as on financial year ended 31st March 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24230MH1979PLC022059
2.	Registration Date	31.12.1979
3.	Name of the Company	Ajanta Pharma Limited
4.	Category/Sub-category of the Company	Company having Share Capital
5.	Address of the Registered office & contact details	'Ajanta House', 98 Govt. Industrial Area, Charkop, Kandivli (West), Mumbai 400 067 Tel. No. 022 66061000 Fax No. 022 66061200 Website: www.ajantapharma.com Email: investorgrievance@ajantapharma.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No. 022 49186000 Fax No. 022 49186060 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Ajanta Pharma USA Inc. 440 US Highway, 22E Suite 150, Bridgewater, NJ 08807	N.A.	Subsidiary	100%	2(87)
2.	Ajanta Pharma Philippines Inc. Unit 710, AXA Life Bldg., 1286, Sen. Gil Puyat Ave., Makati City, Philippines	N.A.	Subsidiary	100%	2(87)
3.	Ajanta Pharma Mauritius Limited Media Building, Goodlands, Mauritius	N.A.	Subsidiary	100%	2(87)
4.	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)
5.	Ajanta Pharma Nigeria Limited Block 6, House 6B, Houson Wright Estate, Oregun, Lagos	N.A.	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN:

(Equity Share Capital Breakup as percentage of Total Equity)

(A) Category-wise Shareholding

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year – 2018				Shareholding at the end of the year – 2019				% 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	5,38,37,497	-	5,38,37,497	61.17	5,31,36,339	-	5,31,36,339	60.90	(0.27)
(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	9.62	0.08
	Sub Total (A)(1)	**6,22,29,759**	**-**	**6,22,29,759**	**70.70**	**6,15,28,601**	**-**	**6,15,28,601**	**70.52**	**(0.18)**
[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)	**6,22,29,759**	**-**	**6,22,29,759**	**70.70**	**6,15,28,601**	**-**	**6,15,28,601**	**70.52**	**(0.18)**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	54,07,265	-	54,07,265	6.14	76,24,087	-	76,24,087	8.74	2.60
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	1,26,052	-	1,26,052	0.14	3,66,250	-	3,66,250	0.42	0.28
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	1,07,07,666	-	1,07,07,666	12.17	85,30,463	-	85,30,463	9.78	(2.39)
(f)	Financial Institutions / Banks	2,22,575	-	2,22,575	0.25	3,22,082	-	3,22,082	0.37	0.12
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	**1,64,63,558**	**-**	**1,64,63,558**	**18.71**	**1,68,42,882**	**-**	**1,68,42,882**	**19.30**	**0.59**
[2]	**Central Government/ State Government(s)/ President of India**	2,38,875	-	2,38,875	0.27	3,84,746	-	3,84,746	0.44	0.17
	Sub Total (B)(2)	**2,38,875**	**-**	**2,38,875**	**0.27**	**3,84,746**	**-**	**3,84,746**	**0.44**	**0.17**
[3]	**Non-Institutions**									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 2 lakh	61,44,095	3,42,193	64,86,288	7.37	59,84,644	2,97,116	62,81,760	7.20	(0.17)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	15,11,644	-	15,11,644	1.72	11,08,935	-	11,08,935	1.27	(0.45)
(b)	NBFCs registered with RBI	-	-	-	-	7,885	-	7,885	0.01	0.01
(c)	Employee Trusts	-	-	-	-	6,800	-	6,800	0.01	0.01
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	IEPF	26,260	-	26,260	0.03	27,910	-	27,910	0.03	0.00
	Trusts	62	-	62	0.00	40,712	-	40,712	0.05	0.05
	Foreign Nationals	-	13,250	13,250	0.02	6,000	11,750	17,750	0.02	0.00
	Hindu Undivided Family	1,71,697	-	1,71,697	0.20	1,63,499	-	1,63,499	0.19	(0.01)
	Non Resident Indians (Non Repat)	1,06,236	-	1,06,236	0.12	85,933	-	85,933	0.10	(0.02)
	Non Resident Indians (Repat)	1,59,447	1,125	1,60,572	0.18	1,55,717	1,125	1,56,842	0.18	0.00
	Clearing Member	1,64,098	-	1,64,098	0.19	3,14,613	-	3,14,613	0.36	0.17
	Market Maker	213	-	213	0.00	624	-	624	0.00	0.00
	Bodies Corporate	4,41,238	750	4,41,988	0.50	2,83,528	750	2,84,278	0.33	(0.17)
	Sub Total (B)(3)	**87,24,990**	**3,57,318**	**90,82,308**	**10.32**	**81,86,800**	**3,10,741**	**84,97,541**	**9.74**	**(0.57)**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**2,54,27,423**	**3,57,318**	**2,57,84,741**	**29.30**	**2,54,14,428**	**3,10,741**	**2,57,25,169**	**29.48**	**0.18**
	Total (A)+(B)	**8,76,57,182**	**3,57,318**	**8,80,14,500**	**100.00**	**8,69,43,029**	**3,10,741**	**8,72,53,770**	**100.00**	**0.00**
(C)	**Non Promoter - Non Public**									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust [under SEBI (Share based Employee Benefit) Regulations, 2014]	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**8,76,57,182**	**3,57,318**	**8,80,14,500**	**100.00**	**8,69,43,029**	**3,10,741**	**8,72,53,770**	**100.00**	**0.00**

(B) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year (#)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Gabs Investments Pvt Ltd	83,92,262	9.54	-	83,92,262	9.62	-	0.08
2.	* Mr. Rajesh M. Agrawal	1,00,000	0.11	100	-	-	-	(0.11)
3.	* Mr. Yogesh M. Agrawal	1,00,000	0.11	100	-	-	-	(0.11)
4.	M/s. Ganga Exports, a partnership firm	24,37,500	2.77	81.64	23,90,903	2.74	-	(0.03)
5.	Mr. Ravi P. Agrawal	1,90,000	0.21	100	1,90,000	0.22	-	-
6.	Mr. Aayush M. Agrawal	20,000	0.02	-	20,000	0.02	-	-
7.	Mr. Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	1,27,49,999	14.49	5.76	1,26,39,934	14.49	1.27	-
8.	Mr. Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	1,27,49,999	14.49	5.76	1,26,39,933	14.49	1.27	-
9.	Mr. Ravi P. Agrawal, trustee Ravi Agrawal Trust	1,26,59,999	14.39	5.81	1,25,45,180	14.38	58.51	(0.01)
10.	Mr. Aayush M. Agrawal, trustee Aayush Agrawal Trust	1,26,60,000	14.39	17.34	1,25,40,389	14.37	16.60	(0.02)
11.	Mr. Mannalal B. Agrawal, trustee Mannalal Agrawal Trust	1,70,000	0.19	-	1,70,000	0.19	-	-

Notes:

*Changes in the promoter holding is on account of Inter-se transfer by way of gift of shares during the year.

#Total Shareholding at the end of the year is calculated after extinguishment of 7,69,230 shares on account of buy-back of shares.

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

Sr. 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.	Yogesh M. Agrawal	1,00,000	0.11	1,00,000	0.11
Less:	Inter-se transfer by way of gift	1,00,000	0.11	-	-
2.	Rajesh M. Agrawal	1,00,000	0.11	1,00,000	0.11
Less:	Inter-se transfer by way of gift	1,00,000	0.11	-	-
3.	Ganga Exports represented by Yogesh M. Agrawal, Rajesh M. Agrawal & Ravi P. Agrawal	24,37,500	2.77	24,37,500	2.77
Less:	Buyback of Shares	46,597	0.05	23,90,903	2.74
4.	Ravi P. Agrawal	1,90,000	0.21	1,90,000	0.22
5.	Aayush M. Agrawal	20,000	0.02	20,000	0.02
6.	Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	1,27,49,999	14.49	1,27,49,999	14.48
Less:	Buyback of Shares	1,10,065	0.13	1,26,39,934	14.49
7.	Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	1,27,49,999	14.49	1,27,49,999	14.48
Less:	Buyback of Shares	1,10,066	0.13	1,26,39,933	14.49
8.	Ravi P. Agrawal, trustee Ravi Agrawal Trust	1,26,59,999	14.39	1,26,59,999	14.38
Less:	Buyback of Shares	1,14,819	0.13	1,25,45,180	14.38
9.	Aayush M. Agrawal, trustee Aayush Agrawal Trust	1,26,60,000	14.39	1,26,60,000	14.38
Less:	Buyback of Shares	1,19,611	0.14	1,25,40,389	14.37
10.	Mannalal B. Agrawal, trustee Mannalal Agrawal Trust	1,70,000	0.19	1,70,000	0.19

Note: The difference in calculation of % is due to extinguishment of 7,69,230 shares on account of buy-back of shares.

(D) **Shareholding of top ten Shareholders:**
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. 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.	Motilal Oswal Multicap 35 Fund	19,02,682	2.16	19,02,682	2.16
Add:	Market Purchase	10,26,014	1.16	29,28,696	3.32
Less:	Market Sale	45,780	0.06	28,82,916	3.30
2.	Matthews India Fund	29,92,070	3.40	29,92,070	3.40
Add:	Market Purchase	1,61,102	0.18	31,53,172	3.58
Less:	Market Sale	10,72,612	1.22	20,80,560	2.38
3.	Mirae Asset Emerging Bluechip Fund	0	0.00	0	0.00
Add:	Market Purchase	19,31,510	2.19	19,31,510	2.19
Less:	Market Sale	2,11,661	0.24	17,19,849	1.95
4.	UTI Equity Fund	9,57,809	1.09	9,57,809	1.09
Add:	Market Purchase	4,74,359	0.53	14,32,168	1.62
Less:	Market Sale	1,71,708	0.19	12,60,460	1.44
5.	Kotak Mahindra (International) Limited	9,70,573	1.10	9,70,573	1.11
6.	ITPL – Invesco India Contra Fund	71,274	0.08	71,274	0.08
Add:	Market Purchase	17,56,257	2.02	18,27,531	2.10
Less:	Market Sale	9,23,723	1.06	9,03,808	1.04
7.	Vanguard Total International Stock Index Fund	3,06,004	0.35	3,06,004	0.35
Add:	Market Purchase	1,16,158	0.13	4,22,162	0.48
Less:	Market Sale	7,221	0.01	4,14,941	0.48
8.	DSP Equity Opportunities Fund	0	0.00	0	0.00
Add:	Market Purchase	4,01,194	0.45	4,01,194	0.45
Less:	Market Sale	485	0.00	4,00,709	0.46
9.	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group INC. (DFAIDG)	2,85,017	0.32	2,85,017	0.32
Add:	Market Purchase	1,09,974	0.12	3,94,991	0.44
Less:	Market Sale	2,984	0.00	3,92,007	0.45
10.	Onkar Singh Karla	5,03,812	0.57	5,03,812	0.57
Add:	Market Purchase	34,914	0.31	5,38,726	0.88
Less:	Market Sale	1,78,675	0.23	3,60,051	0.41

Note: The difference in calculation of % is due to extinguishment of 7,69,230 shares on account of buy-back of shares.

(E) Shareholding of Directors and Key Managerial Personnel:

Sr. 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	-	-	-	-
2.	Mannalal B. Agrawal, trustee Mannalal Agrawal Trust	1,70,000	-	1,70,000	-
3.	Madhusudan B. Agrawal, Vice-Chairman	-	-	-	-
4.	Yogesh M. Agrawal, Managing Director	1,00,000	0.11	1,00,000	0.11
Less:	Inter-se transfer by way of gift	1,00,000	0.11	-	-
5.	Rajesh M. Agrawal, Joint Managing Director	1,00,000	0.11	1,00,000	0.11
Less:	Inter-se transfer by way of gift	1,00,000	0.11	-	-
6.	Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	1,27,49,999	14.49	1,27,49,999	14.48
Less:	Buyback of shares	1,10,065	0.13	1,26,39,934	14.49
7.	Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	1,27,49,999	14.49	1,27,49,999	14.48
Less:	Buyback of shares	1,10,066	0.13	1,26,39,933	14.49
8.	Dr. Anil Kumar, Independent Director	-	-	-	-
9.	Chandrakant Khetan, Independent Director	-	-	-	-
10.	K H. Viswanathan, Independent Director	-	-	-	-
11.	Prabhakar Dalal, independent Director	100	0.00	100	0.00
Add:	Market Purchase	250	0.00	350	0.00
Less:	Buyback of shares	6	0.00	344	0.00
12.	Dr. Anjana Grewal, Independent Director	-	-	-	-
13.	Arvind Agrawal, Chief Financial Officer	27,000	0.03	27,000	0.03
Less:	Buyback of shares	516	0.00	26,484	0.00
14.	Gaurang Shah, Company Secretary	500	0.00	500	0.00
Add:	Market Purchase	400	0.00	900	0.00

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in cr.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		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	1,31,83,164	6,85,44,000	6,85,44,000	15,02,71,164
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	17,65,602	91,80,000	91,80,000	2,01,25,602
	(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
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A
4.	Commission				
	- as % of profit	-	1,87,50,000	1,87,50,000	3,75,00,000
	- others, specify...	-	-	-	-
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	**1,49,48,766**	**9,64,74,000**	**9,64,74,000**	**20,78,96,766**
	Ceiling as per Act	₹ 53,09,11,621 (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mannalal B. Agrawal	Chandrakant M. Khetan	* Dr. Anil Kumar	K H. Viswanathan	Prabhakar Dalal	Dr. Anjana Grewal	
1.	Independent Directors							
	Fees for attending Board & Committee meetings	-	4,52,000	5,20,000	3,65,000	3,65,000	3,34,000	20,36,000
	Commission	-	2,00,000	-	2,00,000	2,00,000	2,00,000	8,00,000
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	**6,52,000**	**5,20,000**	**5,65,000**	**5,65,000**	**5,34,000**	**28,36,000**
2.	Other Non-Executive Directors							
	Fee for attending Board & Committee meetings	3,96,000	-	-	-	-	-	3,96,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	**3,96,000**	**-**	**-**	**-**	**-**	**-**	**3,96,000**
	Total (B)=(1+2)	**3,96,000**	**6,52,000**	**5,20,000**	**5,65,000**	**5,65,000**	**5,34,000**	**32,32,000**
	Ceiling as per Act	₹ 5,30,91,162 (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

* Dr Anil Kumar ceased to be director w.e.f. 3rd April 2019.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	47,31,095	1,03,91,504	1,51,22,599
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	32,400	32,400	64,800
	(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 - as % of profit - others specify...	N.A.	N.A.	N.A.
5.	Others, please specify	N.A.	N.A.	N.A.
	Total	**47,63,495**	**1,04,23,904**	**1,51,87,399**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE D TO THE DIRECTORS' REPORT - SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Ajanta Pharma Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ajanta Pharma Limited** (CIN: L24230MH1979PLC022059) (hereinafter called "the Company").

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

Based on the verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorised 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 2019** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and have required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, if applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016 - **Not applicable to the Company**

(h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable to the Company**

(i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - **Not applicable to the Company**

(vi) Other specific business/industry related laws applicable to the Company:

The Company has complied with specific applicable laws, rules, regulations and guidelines viz., Drugs and Cosmetics Act, 1940 and related Rules; The Pharmacy Act, 1948; Food and Safety Standards Act, 2006; Research and Development Cess Act, 1986; The Drugs (Control) Act, 1950; Food and Drug Administration licensing terms and conditions, Legal Metrology Act, 2009 and the applicable Rules and other applicable general laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and

(ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for a meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period the following events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. During the period under review, National Company Law Tribunal (NCLT) vide its order dated 30th August 2018 had disapproved the Scheme of Amalgamation and Arrangement between Gabs Investments Private Limited and the Company and their respective shareholders under Section 230-232 read with Section 52, Section 66 and other applicable provisions of the Companies Act, 2013. The Company had filed an appeal before the National Company Law Appellate Tribunal (NCLAT) on 12th October 2018 to challenge the order passed by NCLT. However, on 7th December 2018, the Company has withdrawn the said appeal filed with NCLAT.

2. The Company's Wholly Owned Subsidiary viz. Ajanta Pharma UK Ltd was closed down with effect from 18th December 2018.

3. During the period under review, the Board of Directors of the Company, at its meeting held on 30th January 2019 had approved the proposal for the buyback of 7,69,230 Equity Shares of ₹ 2/- each representing 0.87% of the total number of equity shares in the paid up capital of the Company from the shareholders of the Company in terms of Sections 68,69,70 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018. Further, the Company has extinguished 7,69,230 Equity shares comprising of 7,69,188 Equity Shares in dematerialised form and 42 Equity shares in physical form and completed the process of buyback on 26th March 2019.

4. Allotment of 8,500 Equity Shares of ₹ 2/- each and grant of further 7,000 options under Employees Stock Option Scheme – 2011.

For Alwyn D'Souza & Co.,
Company Secretaries

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

Place: Mumbai
Date: 30th April 2019

ANNEXURE E TO THE DIRECTORS' REPORT

Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1.	Name & Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2018 - 19	*% increase / (decrease) in remuneration in the FY 2018 - 19
(i)	Mannalal B. Agrawal	2:1	-
(ii)	Madhusudan B. Agrawal	48:1	-22% **
(iii)	Yogesh M. Agrawal	312:1	119% @
(iv)	Rajesh M. Agrawal	312:1	119% @
(v)	Chandrakant Khetan	2:1	-5%
(vi)	Dr. Anil Kumar	2:1	4%
(vii)	K H. Viswanathan	2:1	8%
(viii)	Prabhakar Dalal	2:1	8%
(ix)	Dr. Anjana Grewal	2:1	2%
(x)	Arvind Agrawal, Chief Financial Officer	N.A.	-32% #
(xi)	Gaurang Shah, Company Secretary	N.A.	11%

2.	The percentage increase in the median remuneration of employees in the financial year	10.45%	
3.	The number of permanent employees on the rolls of company	6,900	
4.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration of employee for the financial year 2018-19 was 10.45% against which the increase in managerial remuneration was 25.88%. The managerial remuneration in the past was not commensurate with industry peers and during FY 2019, it was brought in line with peers. Hence the increase is higher. However, it will get normalised in coming years.	
5.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

Notes:

*Includes sitting fees paid to Non-Executive Directors.

**Reduction due to providing of rent free accommodation in lieu of HRA.

@Includes commission.

#Reduction was because remuneration of earlier year included stock options which were not there in the current year.

ANNEXURE – F TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY:

1. Steps taken or impact on conservation of energy:

a) Installation of inline pump with VFD for chilled water circulation and energy efficient air blower for ETP aeration tank.

b) Injection of thermo conductive liquid and installation of automatic condenser tube cleaning system for chiller.

c) Planned preventive maintenance of HVAC system thereby reducing energy cost.

d) Installation of catalytic converter for boiler for fuel consumption saving.

e) Installation of VSD for HVAC, dust collectors, pumps, process machines etc.

f) Retrofitting in phased manner with LED lights.

g) Implemented well-structured utility leakages management program.

h) Maintained unity power factor resulting in reduced demand and improved life of electrical switchgears.

i) Automation to reduce electricity wastage viz. interlocking of dust collectors with HAVC, occupancy sensors for low man movement area, proximity sensors for air curtains, seasonal set point optimisation of chillers, auto water level sensors fix to ETP, STP, drinking water RO plant & underground & overhead water tanks.

j) Energy audit at one of the location by external agency and measures taken.

k) Harmonisation of best energy conservation practices.

l) Energy saving being a prime objective for all new procurement and modification.

Impact of above measures:

a) Saving in energy and power cost

b) Reduction in carbon foot print thereby contributing for green initiative

c) Reduction in leakages and seepages

d) Automisation leading to lesser human intervention

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

Company continued efforts on ongoing basis to conserve the energy by adopting alternate renewable sources like solar. It has taken steps to adopt green energy utilisation; completed installation of 593 KWp and 191 KWp capacity rooftop solar system at two of its factories located in Aurangabad during the year. The same is being extended to other locations.

3. Capital investment on energy conservation equipment:

Company has invested significantly on energy conservation equipment's across all units.

B. TECHNOLOGY ABSORPTION

1. Research & Development:

a) Development of generic and specialty formulations in different therapeutic segments.

b) Development of tablets in capsule dosage form by direct compression and wet granulation technique intended for once-daily administration.

c) Development of Immediate-release, Extended-Release and Delayed-Release pellet based oral solid dosage using Matrix technology and MUPS (Multiple-Unit Pellet System) technology.

d) Development of tablets formulation through Bi-layered extended-release film-coated and oral disintegrating tablets.

2. Benefits derived as a result of R&D

a) 25+ new products launched in different markets during the year;

b) ANDAs - 15 new filed, 10 approvals received, 6 commercialised in US market.

3. In case of imported technology: No import of technology during the year.

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

Particulars	₹ cr.
Capital Expenditure	66.13
Recurring Expenditure	176.02
Total	**242.15**
Total R&D expenditure as a percentage of total turnover	13.61%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to initiatives taken for increasing exports are discussed in management discussion & analysis in this annual report.

2. Total foreign exchange earned in terms of actual inflow:

- Earnings in foreign currency ₹ 1,068.17 cr. (previous year ₹ 1,166.73 cr.)
- Outgo in foreign currency ₹ 210.19 cr. (previous year ₹ 161.55 cr.)

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Corporate Governance

Ajanta Pharma believes that sustained growth and shareholder value enhancement can be achieved only with sound Corporate Governance. We strive to ensure that our performance is driven by integrity, values and ethics. All our stakeholders, including customers, vendors, investors and communities where we operate, are an integral part of the business and we ensure fairness for every one of them through transparency and accountability. 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.

We are in compliance of all mandatory requirements of corporate governance laid down under the new Listing Regulations and also most non-mandatory requirements.

II. Board of Directors

A. Composition and category of Directors

As on 31st March 2019, the Board consisted of 9 directors with 3 Executive Promoter Directors, 1 Non-Executive Promoter Director and 5 Independent Directors, including 1 Woman Director. During the year, Mr. Purushottam B. Agrawal ceased to be director w.e.f. 11th August 2018. Dr. Anil Kumar has resigned w.e.f. 3rd April 2019 due to his pre-occupation with various engagements and has confirmed that there was no other material reason for his resignation as Director. The Board places on record immense contribution made by both these directors during their long tenure with the company.

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

B. Board Meetings and attendance

Board meeting calendar for the financial year is finalised well in advance in consultation with all directors to ensure 100% participation of all Board members in all meetings. Agenda papers with detailed notes, background information of various proposals placed for consideration and approval, are circulated at least 7 days prior to the meeting, thereby enabling the Board to contribute on an informed basis and take decisions after fruitful discussions. Arrangements are made for participation of Board members through video conferencing as and when requested. Detailed presentation is made by the management in each meeting to apprise the Board of important developments in industry, business segments, technical operations, new projects, marketing, products, HR initiatives, important developments in subsidiaries, regulatory changes etc.

During the year, four Board Meetings were held on 2nd May 2018; 31st July 2018; 31st October 2018 and 30th January 2019.

Details of composition of Directors, their other directorship and membership of committees as on 31st March 2019, (excluding their directorship / committee membership in private limited companies, companies under Section 8 of the Companies Act, 2013 & foreign companies) and their attendance in Board / Annual General meeting are given below:

Name of the Director	Category	Attendance		Other Director ships	Committee Membership		Other entities in which person acting as director	Category of other entities directorship
		Board	AGM		Member	Chairman		
Mr. Mannalal B. Agrawal	Promoter, Non-Executive	4	Yes	-	1	0	-	-
Mr. Madhusudan B. Agrawal	Promoter, Executive	3	Yes	3	0	0	• Samta Mines and Minerals Limited • Inspira Infra (Aurangabad) Limited • Inspira Projects Limited	Director Managing Director Director

Name of the Director	Category	Attendance		Other Director ships	Committee Membership		Other entities in which person acting as director	Category of other entities directorship
		Board	AGM		Member	Chairman		
Mr. Yogesh M. Agrawal	Promoter, Executive	4	Yes	-	0	0	-	-
Mr. Rajesh M. Agrawal	Promoter, Executive	4	Yes	-	1	0	-	-
Mr. Chandrakant M. Khetan	Independent Director	3	Yes	4	0	1	• The Swastik Safe Deposit and Investments Limited • Entremonde Polycoaters Limited • DGP Securities Limited • Vibhuti Investments Company Limited	Director Managing Director Director Director
Dr. Anil Kumar	Independent Director	4	Yes	-	0	1	-	-
Mr. K H. Viswanathan	Independent Director	4	Yes	-	1	0	-	-
Mr. Prabhakar Dalal	Independent Director	4	Yes	2	1	2	• Tema India Limited • Tab Capital Limited	Director Director
Dr. Anjana Grewal	Independent Director	4	Yes	2	3	0	• Cheminova India Limited • Fino Paytech Limited	Director Director

Notes:

(a) Mr. Mannalal B. Agrawal and Mr. Madhusudan B. Agrawal are brothers. Mr. Yogesh M. Agrawal and Mr. Rajesh M. Agrawal are sons of Mr. Mannalal B. Agrawal;

(b) Mr. Prabhakar Dalal holds 344 shares in the company;

(c) Committee membership of only audit committee and stakeholder relationship committee are reckoned;

(d) Dr. Anil Kumar ceased to be director w.e.f. 3rd April 2019.

C. Re-appointment of Directors retiring by rotation

Brief profiles of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

D. Independent Director's Familiarisation programme

The details of the familiarisation programme imparted to Independent Directors have been put on the website of the company. The link can be accessed at: http://www.ajantapharma.com/AdminData/DirectorFamiliarizationProgram/Directorsfamilarisationprogramme2019.pdf

E. Chart or Matrix setting out skills/expertise/competence of Board

The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business and sector, for it to function effectively and those actually available with the board:

Sr. No.	Skill	Description
1.	Business acumen	Ability to combine experience, knowledge & perspective to make sound business decisions.
2.	Vision	Ability to see future with precision based on knowledge, experience and power of reasoning to shape company's plans.
3.	Strategic thinking	Ability to identify opportunities, critical evaluation of the same and plan for successful implementation, to achieve desired business goal.
4.	Industry knowledge	Ability to comprehend intricacies of running an industry and guide the executive management to achieve desired goals.
5.	Sector knowledge	Understanding of pharma sector with specific emphasis on various factors influencing the business in the sector.
6.	Marketing skills	Thorough understanding of market and ability to deploy most innovative and effective marketing strategies supported by best use of technology.
7.	International Business knowledge	Ability to understand nuances of international markets in different geographies, identify business opportunities & to achieve business goals.
8.	Finance & Accounting	Ability to analyse key financial statements, assess financial viability, contribute to strategic financial planning; oversee budgets & efficient use of resources.
9.	Risk management	Ability to identify key risks associated with the business and put in place risk minimisation and mitigation framework, to insulate the business from pitfalls.
10.	General management	Ability to propel company's business goals forward with analytical and critical thinking and complex problem solving.
11.	Leadership skills	Trait of creating an inspiring vision, motivating people to engage with that vision and manage delivery of the vision.
12.	Communication skills	Ability to convey effectively and efficiently with all stakeholders to achieve organisation goals.
13.	Understanding of regulatory framework	Ability to understand & interpret regulatory framework in which company operates & guide in alignment of business and policies with the same.
14.	Networking skills	Ability to cultivate productive relationships that have shared interests and use the same for furtherance of business objectives.
15.	Human resource management	Ability to engage, develop, inspire and manage people in an organisation, so that they help to achieve organisational goals and gain a competitive advantage.
16.	Objectivity	Trait of forming views and opinions based on facts and not influenced by personal beliefs.

F. Independent Directors

All the Independent Directors have fulfilled the independence criteria as per requirement of Listing Regulations and as per opinion of the Board, they are independent of the management.

G. Performance Evaluation of Board, Committees and Directors

Nomination and Remuneration Committee empowered the Board to carry out the entire performance evaluation process. Accordingly, the Board carried out annual performance evaluation of itself, Committees and Independent Directors for the year 2018. Further, at a separate meeting held on 30th January 2019, Independent Directors evaluated performance of Executive Directors Board as a whole and Chairman. The director, whose performance was being evaluated did not take part in such evaluation.

Each board member submitted evaluation form on various parameters enumerated below:

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

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

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

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

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

Performance evaluation was done on the scale of 1 to 5; 1 being Good and 5 being Excellent. The Independent directors were satisfied with the functioning of Board, Chairman and Executive Directors and shared their results with the Chairman.

The assessment of performance of individual directors, Board as a whole and of Board committees carried out by the Board reflected "Excellent" rating. The Board expressed its satisfaction with the evaluation results which depicts high degree of engagement of Board, Individual Directors and its Committees with the company and management.

H. Independent Directors' Meeting

During the year under review, one meeting of Independent Directors was held on 30th January 2019 and Independent Directors reviewed all the matters as per Schedule IV of the Companies Act, 2013 (the Act).

All the Independent Directors were present at the meeting.

I. Code of Conduct

Board of Directors have laid down Code of Conduct setting forth legal and ethical standards to be followed by Directors and Senior Management ("the Code"). All the Directors and senior management have affirmed compliance with the Code of conduct and a declaration to that effect signed by the Managing Director is annexed to this report. The code of conduct has been posted on the website of the Company.

J. Prevention of Insider Trading

Based on the recent amendments in the SEBI (Prevention of Insider Trading Regulations), 2015, the company has revised the "Code of Conduct for Prevention of Insider Trading" of the Company. Company Secretary, is the Compliance Officer for the purpose of this code. During the year, there has been due compliance with the code by the Company and all insiders and requisite disclosures were made to the Stock Exchanges from time to time.

III. Audit Committee

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

(i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

(ii) Reviewing with the management, the quarterly and annual financial statements before submission to the board for approval;

(iii) Evaluation of internal financial controls & risk management systems;

(iv) Recommendation for appointment, remuneration and terms of appointment of Statutory Auditors;

(v) Review and monitor auditor's independence, performance and effectiveness of audit process;

(vi) Approval or any subsequent modification of transactions with related parties;

(vii) Scrutiny of inter-corporate loans and investments;

(viii) Discussion with internal auditors on any significant findings and follow up there on;

(ix) Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(x) Reviewing functioning of whistle blower mechanism;

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

The Committee comprises of 4 Directors, out of which 3 are Independent Directors. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statement. In the financial year 2018 -19, 4 meetings were held on 2nd May 2018; 31st July 2018; 31st October 2018 and 30th January 2019. Composition of committee as on 31st March 2019 and member's attendance at the meetings during the year are as under:

Name	Designation	Meetings attended
Mr. Chandrakant Khetan	Chairman	3
Mr. K H. Viswanathan	Member	4
Mr. Prabhakar Dalal	Member	4
Mr. Mannalal B. Agrawal	Member	4

The Company Secretary acts as Secretary of the Committee.

Chief Financial Officer, Statutory Auditors and Internal Auditors attends all the meetings as invitees.

IV. Nomination and Remuneration Committee

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

(i) Formulation of criteria for determining qualifications, positive attributes and independence of a director;

(ii) Formulate and recommend to the board, policy relating to remuneration of directors, key managerial personnel and other employees;

(iii) Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;

(iv) Specify the manner for effective evaluation of performance of Board, Board committees and individual directors;

(v) Devise policy on diversity of Board of Directors;

(vi) Identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal;

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

The Committee comprises of 4, all Independent Directors. In the financial year 2018-19, 2 meetings of the Committee were held on 2nd May 2018 and 30th January 2019. Composition of committee as on 31st March 2019 and member's attendance at the meeting during the year are as under:

Name	Designation	Meetings attended
Dr. Anil Kumar*	Chairman	2
Mr. Chandrakant Khetan	Member	2
Mr. K H. Viswanathan	Member	2
Mr. Prabhakar Dalal	Member	2

* since resigned on 3rd April 2019.

The Company Secretary acts as Secretary of the Committee.

Performance evaluation criteria for Independent Directors are laid down in the Policy on Board evaluation and more specifically the following:

- Attendance and participation.
- Help in bringing independent judgment on Board's deliberations.
- Independent judgment on strategy, performance, risk management, etc.
- Objectivity & constructivity while exercising duties.
- Safeguarding interests of minority shareholders.

V. Remuneration of Directors:

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

Executive Directors are appointed for a term of 5 years. Remuneration of Executive Directors comprise of fixed components viz. Salary & Perquisite and are also paid commission on net profits of the Company. Nomination and Remuneration Committee recommends to the Board, periodic revision in remuneration of Executive Directors based or remuneration policy of the company and Board fixes their remuneration taking into consideration above factors as also the ceiling limits prescribed under the Act.

Independent Directors are paid sitting fees and commission in accordance with the remuneration policy and based on their performance evaluation.

Remuneration paid to Executive and Non-executive Directors during the year ended 31st March 2019 was as under:

(Amt. in ₹)

Remuneration to Directors	Salary	Perquisite	PF	Sitting Fees	Commission	Total
Mr. Madhusudan B. Agrawal	1,17,70,680	17,65,602	14,12,484	-	-	1,49,48,766
Mr. Yogesh M. Agrawal	6,12,00,000	1,17,00,000	73,44,000	-	1,87,50,000	9,89,94,000
Mr. Rajesh M. Agrawal	6,12,00,000	1,17,00,000	73,44,000	-	1,87,50,000	9,89,94,000
Mr. Mannalal B. Agrawal	-	-	-	3,96,000	-	3,96,000
Mr. Chandrakant Khetan	-	-	-	4,52,000	2,00,000	6,52,000
Dr. Anil Kumar*	-	-	-	5,20,000	-	5,20,000
Mr. Prabhakar Dalal	-	-	-	3,65,000	2,00,000	5,65,000
Mr. K H. Viswanathan	-	-	-	3,65,000	2,00,000	5,65,000
Dr. Anjana Grewal	-	-	-	3,34,000	2,00,000	5,34,000

* since resigned on 3rd April 2019.

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

VI. Stakeholders' Relationship Committee:

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

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

(ii) Review of measures taken for effective exercise of voting rights by shareholders of the Company;

(iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

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

The Committee comprises of 3 Directors out of which 2 are independent. In the financial year 2018-19, 2 meetings of the Committee were held on 2nd May 2018 and 31st July 2018. Composition of committee as on 31st March 2019 and member's attendance at the meetings during the year are as under:

Name	Designation	Meetings attended
Dr. Anil Kumar*	Chairman	2
Dr. Anjana Grewal	Member	2
Mr. Rajesh M. Agrawal	Member	2

* since resigned on 3rd April 2019.

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

Company received 11 complaints during the year and all of them have been redressed/answered to the satisfaction of investors except 1 complaint which was pending as on 31st March 2019. The same was closed on 5th April 2019.

VII. Corporate Social Responsibility Committee (CSR)

Corporate Social Responsibility at the company stems from the philosophy of providing sustainable value to the society in which the company operates and contributing towards development and uplifting of the underprivileged sections of the society. Based on the recommendations of the CSR Committee, the company has laid down the CSR policy, which is displayed on the website of the company. It can be accessed at http://www.ajantapharma.com/AdminData/PolicyCodes/CSRPolicy2018.pdf The CSR policy is within the ambit of Schedule VII of the Act.

The CSR Committee comprises of 4 Directors. It oversees implementation and execution of CSR Policy and provides guidance on various CSR activities to be undertaken by the Company. In the financial year 2018-19, 4 meetings of the Committee were held on 2nd May 2018; 31st July 2018; 31st October 2018 and 30th January 2019. Composition of committee as on 31st March 2019 and member's attendance at the meetings during the year are as under:

Name	Designation	Meetings attended
Mr. Mannalal B. Agrawal	Chairman	4
Mr. Yogesh M. Agrawal	Member	4
Mr. Chandrakant Khetan	Member	3
Dr. Anil Kumar*	Member	4

* since resigned on 3rd April 2019.

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 2018-19, 3 meetings were held on 2nd May 2018, 14th September 2018 and 31st October 2018. The details of composition of the Committee as on 31st March 2019 and member's attendance at the meeting are as under:

Name	Designation	Meetings attended
Mr. Chandrakant Khetan	Chairman	2
Mr. Yogesh M. Agrawal	Member	3
Dr. Anjana Grewal	Member	3
Dr. Anil Kumar*	Member	3

* since resigned on 3rd April 2019.

The Company Secretary acts as Secretary of the Committee.

IX. Executive Committee

Board has constituted Executive Committee for dealing with various urgent operational matters viz. granting power and authorities to employees on need basis, opening of bank accounts and change in authorities from time to time, availing various banking facilities and other routine administrative matters. 10 meetings of Executive Committee were held during the year. Composition of Committee as on 31st March 2019 and member's attendance at the meetings are as under:

Name	Designation	Meetings attended
Mr. Yogesh M. Agrawal	Chairman	10
Mr. Rajesh M. Agrawal	Member	10
Mr. Madhusudan B. Agrawal	Member	0

X. Risk Management Committee

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

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

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

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

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

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

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

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

The Committee comprises of two Directors and CFO. In the financial year 2018-19, one meeting of the Committee was held on 18th January 2019. Composition of committee as on 31st March 2019 and member's attendance at the meeting during the year are as under:

Name	Designation	Meetings attended
Mr. Yogesh M. Agrawal	Chairman	1
Mr. Rajesh M. Agrawal	Member	1
Mr. Arvind Agrawal	Member	1

The Company Secretary acts as Secretary of the Committee.

XI. General Body Meetings

Annual General Meetings during last 3 years were held on:

AGM	Date	Time	Venue	No. of special resolutions passed
37th	5th July 2016	11.00 a.m.	Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivali (West), Mumbai – 400092	-
38th	5th July 2017	11.00 a.m.	Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad (West), Mumbai - 400064	-
39th	5th July 2018			-

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

XII. Means of Communication

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

XIII. General Shareholders Information:

a. 40th Annual General Meeting to be held on:

Thursday, 18th July 2019 at 11.00 a.m. at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai – 400050.

b. Financial Calendar

Financial year: 1st April 2019 to 31st March 2020

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

c. Dates of Book Closure: Thursday, 11th July 2019 to Thursday, 18th July 2019 (both days inclusive)

d. Dividend Payment Date: Interim Dividend paid on 16th November 2018 is proposed as final dividend and no additional dividend is recommended.

e. Listing on Stock Exchanges :

a) BSE Limited (Code: AJANTAPHARM 532331)

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

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

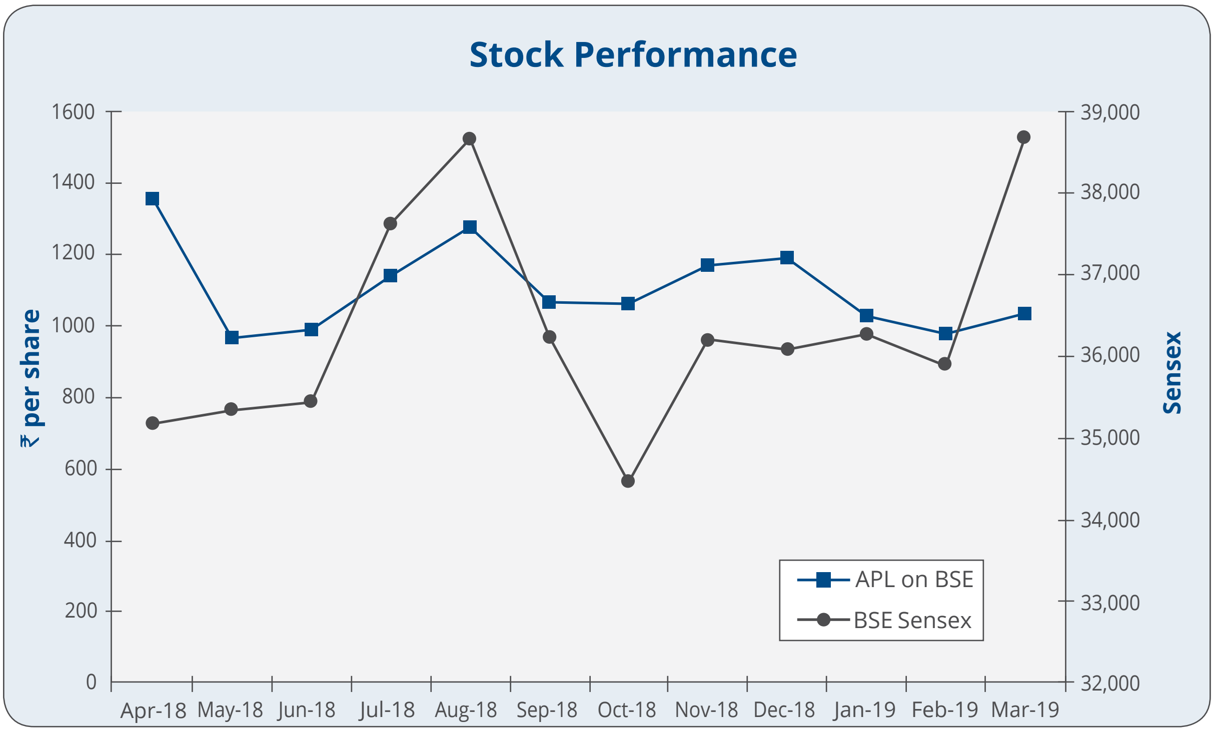
f. ISIN number for NSDL and CDSL: INE031B01049

g. CIN number: L24230MH1979PLC022059

h. Stock Market Data:

	Bombay Stock Exchange(BSE)		National Stock Exchange(NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-18	1,421.85	1,342.00	1,420.00	1,338.00
May-18	1,366.00	953.60	1,365.00	953.00
Jun-18	1,129.60	897.60	1,529.75	895.85
Jul-18	1,177.00	925.00	1,176.60	900.10
Aug-18	1,290.00	1,125.30	1,290.45	1,125.60
Sep-18	1,294.10	1,052.15	1,294.00	1,051.05
Oct-18	1,083.00	941.60	1,084.00	940.50
Nov-18	1,180.00	1,051.00	1,190.00	1,051.75
Dec-18	1,204.25	980.90	1,204.45	1,002.90
Jan-19	1,192.00	1,010.00	1,192.00	1,009.00
Feb-19	1,028.00	903.10	1,030.90	903.00
Mar-19	1,062.25	945.05	1,064.40	945.50

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



j. Registrar and Transfer Agents:

Link Intime India Private Limited
Unit: Ajanta Pharma Limited
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083
Tel No: +91 022 49186000 Fax: +91 022 49186060
Email: rnt.helpdesk@linkintime.co.in

k. 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 statutory period of 30 days from the date of receipt, if the documents are in order in all respects. The Share Transfer Committee of the Company meets as often as required. During the year 2018-19 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	16	13,125	100
16-21	Nil	Nil	Nil
Above 21	Nil	Nil	Nil
Total	**16**	**13,125**	**100**

l. Distribution of Equity Shareholding as on 31st March 2019:

No. of shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 500	38,065	92.66	19,74,305	2.26
501- 1000	1,630	3.97	12,10,427	1.39
1001-2000	732	1.78	10,21,383	1.17
2001-3000	233	0.57	5,85,266	0.67
3001-4000	100	0.24	3,57,877	0.41
4001-5000	46	0.11	21,16,83	0.24
5001-10000	105	0.26	7,28,503	0.83
10001 & above	167	0.41	8,11,64,326	93.02
TOTAL	**41,078**	**100.00**	**8,72,53,770**	**100.00**

m. Pattern of Shareholding:

Sr. No.	Category	As on 31st March 2019	
		No of shares	% of total no. of shares
1.	Promoters Holding		
	• Promoters	6,15,28,601	70.52
	• Foreign Promoters	N.A	N.A
2.	Mutual Funds	76, 24,087	8.74
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	7,06,828	0.81
4.	Private Corporate Bodies	2,84,278	0.33
5.	Indian Public	80,03,751	9.17
6.	NRIs/OCBs/FII's/Foreign Nationals	87,90,988	10.07
7.	In Clearance	3,15,237	0.36
	TOTAL	**8,72,53,770**	**100.00**

n. Dematerialisation of Shares and liquidity:

99.64% of the total equity capital is held in dematerialised form with NSDL and CDSL as on 31st March 2019. 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 2018-19 is given below: -

	Bombay Stock Exchange (BSE)	National Stock Exchange (NSE)	BSE + NSE
In no. of Shares	32,875	4,06,431	4,39,306
In value terms ₹	3,61,75,373	47,09,41,601	50,71,16,974

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

The Company has not issued these types of securities.

p. Commodity price risk or foreign exchange risk and hedging activities

Company mainly consume various Active Pharmaceutical Ingredients (APIs), which are the major raw materials, where commodity price risk arises for the company. Company develops on an ongoing basis, alternate supply sources for key products, subject to economic justification so as to protect itself from any price risk due to overdependence on single supplier. The Company has Risk Management framework to pro-actively mitigate the impact through measures like cost based price increases, cost reduction measures, portfolio rationalisation, renegotiate procurement contracts etc. Most of these materials are sourced from the domestic market and therefore do not have significant foreign exchange fluctuation risks.

Currency risks mainly arise out of exports and overseas operations. Exchange rate fluctuations could significantly impact earning because of invoicing in foreign currencies, expenditures in foreign currencies and translation of financial statement of overseas subsidiaries into Indian Rupees. The Company has defined Exchange Risk Management framework to manage these risks excluding the translation risks. The Company hedges its foreign exchange risk exposure by way of forward exchange contracts as per the decision of Forex Risk Management Committee from time to time.

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

During the year 6,500 options were exercised by employees of a subsidiary company, while 2,000 options were exercised by employees of Company. Thus, a total of 8,500 options were allotted and listed on the Stock Exchanges. During the year 7,000 options were granted to employees (including employees of overseas subsidiary company). As on 31st March 2019, no options are due for vesting.

r. Plant Locations:

The Company has 6 Manufacturing Plants which are as follows:

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

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

iii. Gut No. 11/12/14/15, Chitegaon, Paithan Road, Dist. Aurangabad.

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

v. Plot No Z-103 /A, Dahej SEZ - Part II, Dist. Bharuch.

vi. Mirza Palashbari Road, Mouza Chayani, Kamrup (R), Dist. Guwahati, Assam.

s. R & D Centres are located at Charkop, Kandivli West, Mumbai.

t. Investor Correspondence Address:

(i) **For shares held in physical form**
Link Intime India Private Limited
Unit: Ajanta Pharma Limited
C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083
Tel No: +91 022 49186000
Fax: +91 022 49186060
Email: rnt.helpdesk@linkintime.co.in

(ii) **For shares held in demat form**
To the concerned Depository participants

(iii) **Details of Compliance Officer**
Mr. Gaurang Shah
AVP- Legal & Company Secretary
Ajanta House, 98 Govt. Ind. Area,
Charkop, Kandivli (West),
Mumbai - 400067
Tel.: 022 – 66061000; Fax: 022 - 66061200/1300
E-mail: investorgrievance@ajantapharma.com

u. Credit Ratings:

The company has been assigned Care A1+ rating by Credit Analysis and Research Limited (CARE) during the year.

v. The company does not have any fixed deposit programme nor has any proposal involving mobilisation of funds in India or abroad.

XIV. Subsidiary Companies

Company does not have any material subsidiary on the Board of which any one Independent Director on the Board of the Company, is required to be appointed. 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 held during the quarter, are circulated to all the Directors and are tabled at the Board Meetings. Web link of policy for determining material subsidiaries is http://www.ajantapharma.com/AdminData/PolicyCodes/PolicyonMaterialSubsidiaries2019.pdf

XV. 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. 49 of the Financial Statements. Weblink of policy dealing with related party transactions is available at http://www.ajantapharma.com/AdminData/PolicyCodes/PolicyonRelatedPartyTransactions2019.pdf

b. There were no instances of material non-compliance by the Company 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 have 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. Disclosure on Commodity price risk or foreign exchange risk and hedging activities has been made in earlier paragraphs in this report.

e. The Company had not raised any funds through preferential allotment of qualified institutional placement.

f. There were no instances where the Board had not accepted any recommendation of any committee during the financial year.

g. Managing Director and the Chief Financial Officer of the Company have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of the Listing Regulations [Part B of Schedule II] and the certificate forms part of Annual Report. The Managing Director and the Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

h. There are no non-compliances of any requirement of corporate governance report and all the required disclosures are made to stock exchanges and other regulatory bodies as and when required.

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

j. Disclosures have also been received from the senior management relating to the financial and commercial transactions in which they or their relatives may have a personal interest. There were no such transactions during the Financial Year 2018-19 having potential conflict with the interests of the Company at large.

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

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

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

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

   iii. Internal Auditor reports to the Audit Committee.

   iv. The financial statements are with unmodified audit opinion.

m. Certificate has been received from a company secretary in practice stating that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

n. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is mentioned in Notes to Accounts.

o. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

Sr. No.	Particulars	No. of Complaints
1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed of during the financial year	Nil
3.	Number of complaints pending as on end of the financial year	Nil

XVI. Unclaimed shares & dividend

(i) In pursuance of Regulation 39 read with Schedule VI of the Listing Regulations, 'Unclaimed Suspense Account' was opened by the Company. Details of shares in the suspense account at the beginning of the year, claimed during the year and balance as on 31st March 2019, are given below:

Sr. No.	Particulars	Shareholders	No. of shares
1.	Outstanding shares at the beginning of the year	30	22,500
2.	Shareholders approached the company for transfer	-	-
3.	Shareholders whose shares were transferred from suspense account	-	-
4.	Shares transferred to IEPF account	-	-
5.	Outstanding shares at the end of the year	30	22,500

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

(ii) Undermentioned unclaimed dividends and underlying shares on which dividend had remained unclaimed for last 7 years has been transferred to Investor Education & Protection Fund in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, after complying due procedure:

Financial year	Amount of unclaimed dividend transferred (₹ lakh)	Number of shares transferred
2010-11	2.59	1,650

Members who have a claim on above dividends and shares may claim the same from IEPF authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

(iii) The following table gives information relating to various outstanding dividends and the dates by which they would be transferred to IEPF:

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2011-12	07.07.2012	12.08.2019
2012-13	29.07.2013	03.09.2020
2013-14	05.08.2014	10.09.2021
2014-15	04.07.2015	09.08.2022
2015-16 (Interim)	09.03.2017	14.04.2023
2016-17 (1st Interim)	26.10.2016	01.12.2023
2016-17 (2nd Interim)	18.03.2017	23.04.2024
2018-19 (Interim)	31.10.2018	06.12.2025

Members may also note that underlying Shares on which dividend has remained unclaimed for 7 years i.e. from 2011-12 onwards, will also be transferred to IEPF account during the year and individual notices to that effect are sent to concerned shareholders. Notices in this regard would also be published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority would be uploaded on the Company's website. Shareholders who have not yet encashed their unclaimed/unpaid amounts are requested to correspond with the Company's Registrar & Transfer Agents, at the earliest to avoid transfer of dividend and underlying shares to IEPF.

For and behalf of the Board of Directors

Mannalal B. Agrawal
Chairman

Mumbai, 30th April 2019

DECLARATION PURSUANT TO SCHEDULE V OF THE LISTING REGULATIONS

In accordance with Regulation 26 (3) and Schedule V of the Listing Regulations with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31st March 2019.

For **Ajanta Pharma Limited**

Yogesh M. Agrawal
Managing Director

Mumbai, 30th April 2019

CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE LISTING REGULATIONS

We, Mr. Yogesh M. Agrawal, Managing Director and Mr. Arvind Agrawal, Chief Financial Officer hereby certify for the financial year ended 31st March 2019 that: -

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

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

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

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

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

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

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

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

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

For **Ajanta Pharma Limited**

Yogesh M. Agrawal
Managing Director

For **Ajanta Pharma Limited**

Arvind Agrawal
Chief Financial Officer

Mumbai, 30th April 2019

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
AJANTA PHARMA LIMITED,

1. We have examined the compliances of the conditions of Corporate Governance by **AJANTA PHARMA LIMITED** ("the Company") for the financial year ended 31st March 2019, as stipulated in regulation 17 to 27 and clause (b) to (i) of regulation 46(2) of Chapter IV and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 ('Listing Regulations').

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

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

4. We further 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 **Alwyn D'souza & Co.,**
Company Secretaries

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

Place: Mumbai
Date: 30th April 2019

INDEPENDENT AUDITORS' REPORT

To the Members of
Ajanta Pharma Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ajanta Pharma Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 and its joint venture, as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be Key audit matter to be communicated in our audit report.

Description of Key Audit Matter

Revenue recognition

See note 33 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Refer note 7.8 for policies in respect of revenue recognition. Revenue from sale of pharmaceutical products is recognised when the control over the products have been transferred to the customer based on the terms and conditions of the sales contracts entered into with the customers across geographies. We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator and there is a risk of revenue being fraudulently overstated arising from pressure to achieve performance targets as well as meeting external expectations.	Our procedures in respect of recognition of revenue included the following: – Assessing the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards. – Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT application/manual controls over the Company's systems which govern record of revenue in the general ledger accounting system. – Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year) and verifying the underlying documents, which includes sales invoices/contracts and shipping documents. – Assessing manual journals posted to revenue to identify unusual items other than already identified. – Evaluating the adequacy of the disclosures, including disclosures of key assumptions, judgments and sensitivities.

Property, Plant and Equipment

See note 8 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Refer note 7.1 for policies in respect of Property, Plant and Equipment (PPE) The carrying amount of PPE represents 43 % of the total assets of the group. The value in use of these PPE have been determined based on certain assumptions and estimates of future performance. The value in use so determined of each Cash Generating Unit (CGU) identified by the management have been used for the impairment evaluation of the PPE. Due to the significance of the value of the PPE, the inherent uncertainty and judgment involved in forecasting performance and the estimates involved in discounting future cash flows, we have considered these estimates to be significant to our overall audit strategy and planning.	In view of the significance of the matter our procedures in this area included the following : – Testing the design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models; – Assessing the valuation methodology used by management and testing the mechanical accuracy of the impairment models; – Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; – Challenging the appropriateness of the business assumptions used by management, such as sales growth and the probability of success of new products; – Evaluating the past performances where relevant and assessing historical accuracy of the forecast produced by management; – Enquiring with respect to and challenging the management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows; – Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached on the carrying values of the assets and associated disclosures; – Performing sensitivity analysis of key assumptions, including future revenue growth rates, costs and the discount rates applied in the valuation models; – Evaluating the adequacy of the disclosures made in the consolidated financial statements.

Evaluation of uncertain tax positions

See note 62 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Refer note 7.14 & 7.16 for policies in respect of taxes and contingent liabilities The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements. In addition, recognition of deferred tax assets and minimum alternate tax credits (MAT credit) is dependent on the assessment of future utilization/recoverability as estimated by the management based on projected performance involving significant judgment.	With the support of tax specialists, we assessed the appropriateness of the provisions for uncertain tax positions and carrying value of deferred tax assets and MAT credit by performing the following audit procedures: – Testing the design and operating effectiveness of the Company's controls over provision for current tax, deferred tax and uncertain tax positions; – Assessing and challenging the completeness of UTPs in conjunction with our internal tax specialists by considering changes to business and tax legislations through discussions with management and review of correspondences with authorities where relevant; – Assessing and challenging the key assumptions used by management in estimating tax provisions; – Assessing and challenging the assessment of the possible outcome of disputed matters as estimated by the management; – Assessing and challenging management's estimate of utilization of MAT credit and deferred tax assets; – Evaluating adequacy of disclosures given.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of 5 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 525.64 crore as at 31 March 2019, total revenues of ₹ 704.75 crore and net cash flows amounting to ₹ 10.22 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 on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group and its joint venture companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 50 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable long-term contracts including derivative contracts during the year ended 31 March 2019 for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or subsidiary during the year ended 31 March 2019.

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

   In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sreeja Marar
Partner
Membership No: 111410

Mumbai
30 April 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

on the consolidated financial statements of Ajanta Pharma Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Ajanta Pharma Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 respective 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

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

Sreeja Marar
Partner
Membership No: 111410

Mumbai
30 April 2019

CONSOLIDATED BALANCE SHEET

as at 31st March 2019

₹ in crore

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	8	1,171.90	1,045.21
(b) Capital Work-in-Progress	8	261.29	61.33
(c) Intangible Assets	8	6.65	7.45
(d) Financial Assets			
(i) Non Current Investments	9	12.99	7.58
(ii) Other Non Current Financial Assets	10	11.11	14.41
(e) Deferred tax assets (Net)	11	31.81	22.61
(f) Non-current Tax Assets (Net)	12	13.48	22.83
(g) Other non-current assets	13	5.72	43.55
Total Non-Current Assets		**1,514.95**	**1,224.97**
Current Assets			
(a) Inventories	14	435.71	350.63
(b) Financial Assets			
(i) Current Investments	15	64.74	182.38
(ii) Trade Receivables	16	459.48	459.79
(iii) Cash and cash equivalents	17	95.16	90.64
(iv) Other Bank balances	18	5.35	2.45
(v) Other Current Financial Assets	19	36.96	32.35
(c) Other current assets	20	83.83	105.38
Total Current Assets		**1,181.23**	**1,223.62**
Total Assets		**2,696.18**	**2,448.59**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	21	17.54	17.69
(b) Other Equity	22	2,227.67	2,023.68
Total Equity		**2,245.21**	**2,041.37**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	0.66	1.01
(ii) Other Non Current financial liabilities	24	0.33	-
(b) Non Current Provisions	25	13.44	13.16
(c) Deferred tax liabilities (Net)	26	58.90	47.00
Total Non-current Liabilities		**73.33**	**61.17**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	33.34	-
(ii) Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises	28	9.39	8.91
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	28	215.79	240.72
(iii) Other Current financial liabilities	29	85.33	55.31
(b) Other current liabilities	30	8.83	8.64
(c) Current Provisions	31	24.96	28.75
(d) Current Tax Liabilities (Net)	32	-	3.72
Total Current Liabilities		**377.64**	**346.05**
Total Equity and Liabilities		**2,696.18**	**2,448.59**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 30th April 2019

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2019

₹ in crore

	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
Income :			
Revenue from operations	33	2,055.37	2,130.86
Other Income	34	21.08	24.16
Total Income		**2,076.45**	**2,155.02**
Expenses :			
Cost of Materials Consumed	35	391.84	378.28
Purchase of Stock-in-Trade	36	48.25	77.35
Changes in Inventories of Finished Goods/ Work-in-progress/ Stock-in-Trade	37	(56.61)	(49.22)
Employee Benefits Expense	38	430.71	376.47
Finance Costs	39	1.16	0.41
Depreciation and Amortisation Expense	40	72.08	59.59
Other Expenses	41	674.75	689.59
Total Expenses		**1,562.18**	**1,532.47**
Profit Before Tax		**514.27**	**622.55**
Tax Expense :	62		
- Current Tax (Net)		123.86	131.66
- Deferred Tax (Net)		3.44	22.25
Profit For The Year		**386.97**	**468.64**
Other Comprehensive Income / (Loss)			
Items that will not to be reclassified subsquently to profit or loss:			
Re-measurements of defined benefit plans		(1.97)	(1.99)
Income tax relating to items that will not be reclassified to profit or loss		0.69	0.69
Net other Comprehensive Loss not to be reclassified subsequently to profit or loss		**(1.28)**	**(1.30)**
Items that will be reclassified subsequently to profit or loss:			
Exchange differences in translating the financial statements of foreign operations		(1.95)	5.00
Income tax relating to items that will be reclassified to profit or loss		-	-
Net other Comprehensive Income / (Loss) to be reclassified subsequently to profit or loss		**(1.95)**	**5.00**
Other Comprehensive Income / (Loss) for the year, net of tax		**(3.23)**	**3.70**
Total Comprehensive Income for the year		**383.74**	**472.34**
Earnings Per Equity Share (Face Value ₹ 2/-)	43		
Basic (₹)		43.97	53.26
Diluted (₹)		43.96	53.25

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 30th April 2019

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31st March 2019

₹ in crore

		Year ended 31 March 2019	Year ended 31 March 2018
A.	**Cash Flow from Operating Activities**		
	Profit before Tax	514.27	622.56
	Adjustment for :		
	Depreciation and Amortisation Expense	72.08	59.59
	Loss on Sale / Discard of Property, Plant and Equipment (Net)	0.23	0.01
	Finance Costs	1.16	0.41
	Gain on Investment at FVTPL	(13.80)	(11.41)
	Income from Investments & Deposits	(4.51)	(0.57)
	Share Based Payment Expense	0.67	1.34
	Unrealised Loss / (Gain)	4.73	(5.25)
	Impairment loss on financial assets	8.48	8.36
	Operating Cashflows before Working Capital Changes	**583.32**	**675.03**
	Changes in Working Capital :		
	Increase in Trade and other Receivables	(14.43)	(137.01)
	Decrease / (Increase) in Other Current Assets	29.46	(40.92)
	Increase in Other Current Financial Assets	(4.74)	(32.34)
	Decrease / (Increase) in Other Non-Current Financial Assets	3.31	(5.13)
	Increase in Inventories	(85.33)	(138.97)
	Decrease / (Increase) in Other Non-Current Financial Liabilities	0.33	(0.09)
	Decrease / (Increase) in Other Current Liabilities	0.50	(0.07)
	Increase in Other Current Financial Liabilities	10.36	5.32
	Increase in Non-Current Provisions	0.28	10.00
	Increase in Current Provisions	(5.76)	12.65
	(Decrease) / Increase in Trade Payables	(24.30)	72.24
	Cash Generated from Operations	**493.01**	**420.75**
	Net Income tax paid	(118.23)	(139.60)
	Exchange Rate Fluctuation and other adjustment arising on Consolidation	-	-
	Net Cash flow Generated from Operating Activities	**374.78**	**281.12**
B.	**Cash Flow from Investing Activities**		
	Capital Expenditure on Property, Plant and Equipment including Capital Advances	(342.97)	(262.71)
	Proceeds from Sale of Property, Plant and Equipment	0.63	0.11
	Bank Balances not considered as Cash and Cash Equivalents (Net)	(2.90)	1.67
	Purchase of Current Investments	(269.22)	(225.13)
	Proceeds from sale of Current Investments	392.45	235.71
	Income on Investments and Deposits	4.63	1.79
	Purchase of Non-Current Investments	(5.42)	(7.55)
	Net Cash used in Investing Activities	**(222.80)**	**(256.11)**

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31st March 2019

₹ in crore

	Year ended 31 March 2019	Year ended 31 March 2018
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Borrowings (Net)	34.18	0.51
Interest Paid	(1.16)	(0.41)
Payment for buyback of shares	(100.00)	-
Payment for Expenses for buyback of shares	(0.99)	-
Dividend Paid	(79.12)	(0.30)
Dividend Distribution Tax Paid	(0.37)	-
Net Cash used in Financing Activities	**(147.46)**	**(0.20)**
Net Increase / (Decrease) in Cash and Cash Equivalents	**4.52**	**24.81**
Cash and Cash Equivalents as at the Beginning of the Year	90.64	65.83
Cash and Cash Equivalents as at the End of the Year (Refer Note 17)	95.16	90.64

Figures in brackets indicates outflow.

Note :

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

Particulars	Notes	31 March 2018	Cash Flows	Non-cash changes			31 March 2019
				Acquisition	Foreign exchange movement	Fair value change	
Borrowing Vehicle Loan	23 & 27	1.79	34.18	-	-	-	35.97

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 30th April 2019

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2019

A. Equity Share Capital (Refer Note 21)

₹ in crore

	Balance as at 1 April 2018	Changes in Equity Share Capital during the year	Balance as at 31 March 2019
Authorised	30.00	-	30.00
Issued, Subscribed & Paid up	17.69	(0.15)	17.54

B. Other Equity (Refer Note 22)

₹ in crore

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings	Other Comprehensive Income: Foreign Currency Translation Reserve	Other Comprehensive Income: Other items (Re-measurement gains (losses) on defined benefit plans)	Total	Non-Controlling Interests	Total Equity
As at 1 April 2017	**2.10**	**76.06**	**972.55**	**1.65**	**494.48**	**3.16**	**-**	**1,550.00**	**-**	**1,550.00**
Profit for the period	-	-	-	-	468.64	-	-	468.64	-	468.64
Other comprehensive income	-	-	-	-	-	5.00	(1.30)	3.70	-	3.70
Total comprehensive income	**-**	**-**	**-**	**-**	**468.64**	**5.00**	**(1.30)**	**472.34**	**-**	**472.34**
Exercise of Stock Options	-	1.36	-	(1.36)	-	-	-	-	-	-
Share based payment expenses	-	-	-	1.34	-	-	-	1.34	-	1.34
As at 31 March 2018	**2.10**	**77.42**	**972.55**	**1.63**	**963.12**	**8.16**	**(1.30)**	**2,023.68**	**-**	**2,023.68**
Profit for the period					386.97			386.97	-	386.97
Other comprehensive income (net of tax)	-	-	-	-	-	(1.95)	(1.28)	(3.23)	-	(3.23)
Total comprehensive income	**-**	**-**	**-**	**-**	**386.97**	**(1.95)**	**(1.28)**	**383.74**	**-**	**383.74**
Exercise of Stock Options	-	-	-	(1.20)	-	-	-	(1.20)	-	(1.20)
Uitilised for buy-back of Equity Shares	-	(78.62)	(21.23)	-	-			(99.85)	-	(99.85)
Uitilised for buy-back of Equity Shares	-	-	-	-	(0.99)			(0.99)	-	(0.99)
Transfer to Capital Redemption Reserve for buyback of Equity Shares	0.15	-	(0.15)	-	-	-	-	-	-	-
Exercised Stock Options	-	1.20	-	-	-	-	-	1.20	-	1.20
Share based payment expenses	-	-	-	0.67	-	-	-	0.67	-	0.67
Dividend Paid	-	-	-	-	(79.22)	-	-	(79.22)	-	(79.22)
Dividend Distribution Tax	-	-	-	-	(0.37)	-	-	(0.37)	-	(0.37)
As at 31 March 2019	**2.25**	**-**	**951.18**	**1.10**	**1,269.51**	**6.21**	**(2.58)**	**2,227.67**	**-**	**2,227.67**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2019

Nature of Reserves

a) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created on redemption of preference shares and when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares redeemed or purchased is transferred to capital redemption reserve.

b) Securities Premium

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

c) General Reserve

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

d) Employee Stock Option Outstanding

The fair value of the equity-settled share based payment transactions are debited to Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account over the vesting date of the options.

e) Retained Earnings

Retained Earnings are the profits that the Company has earned till date less any transfer to general reserve, dividends or other distributions paid to shareholders.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 30th April 2019

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

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to the Consolidated Financial Statements as on 31st March 2019

1. Corporate Information

Ajanta Pharma Limited ("the Company") is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The registered office of Holding Company is located at Ajanta House, Charkop, Kandivali (West), Mumbai. These Consolidated Financial statements ("CFS") comprises the Company and its wholly owned subsidiaries (referred to collectively as the "Group").

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

These Consolidated Financial Statements were authorised for issue by the Company's Board of Directors on 30th April, 2019.

2. Basis of Preparation

These consolidated financial statements have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('The Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India.

These consolidated financial statements have been prepared on an accrual basis and under the historical cost basis, except otherwise stated.

3. Basis of consolidation

These consolidated financial statements comprise the financial statement of the Company and its wholly owned subsidiaries. A subsidiary is an entity over which the Group has control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statement from the date on which control commences until the date on which control ceases. The financial statements of the Company and its wholly owned subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting there from and are presented to the extent possible, in the same manner as the Group's independent financial statements. The statement of profit and loss and each component of other comprehensive income are attributed to the equity holders of the Company.

The financial statements of the Company and its wholly owned subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Company i.e., year ended 31th March 2019.

4. Functional and Presentation Currency:

Group's consolidated financial statements are presented in Indian rupees, which is the functional currency of the Holding Company. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Initial recognition

Foreign currency transactions are recorded by the Group's entities at their respective functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported at functional currency spot rate of exchange at reporting date. 'Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Indian rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates.

For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component

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to the Consolidated Financial Statements as on 31st March 2019

of OCI relating to that particular foreign operation is recognised in profit or loss.

5. Rounding of Amounts

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

6. Current versus non-current classification:

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

Operating Cycle

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

7. Significant Accounting Policies

7.1. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates these components separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

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

All identifiable revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work–in–Progress.

Capital expenditure on Property, Plant and Equipment for research and development is classified under Property, Plant and Equipment and is depreciated on the same basis as other Property, Plant and Equipment.

Property, Plant and Equipment are derecognised, either on disposal or when the asset retires from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciation for Holding Company

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant and Equipment is provided on straight line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Premium on Leasehold land are amortised over the period of lease. Building constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold land are amortised over the primary lease period of the land.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other Non-Current Assets.

Depreciation for Subsidiaries

Depreciation on property, plant and equipment has been provided at the rates required / permissible by the GAAPs of the respective countries. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Vehicles acquired on finance leases are depreciated over the period of lease agreement or the useful life, whichever is shorter.

7.2. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably.

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

Software is amortised over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

The amortisation period and the amortisation method for an intangible assets with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets is derecognised.

Research and Development

Revenue expenditure on research is recognised in the statement of profit and loss in the period in which it is incurred.

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment of Assets

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

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

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

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

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

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

7.3. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Classification

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and Measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For the purpose of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value (FVTPL / FVTOCI)
- Financial assets at amortised cost

When assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in other comprehensive income (i.e. fair value through other comprehensive income (FVTOCI)).

Financial Assets measured at Amortised Cost (net of any write down for impairment, if any)

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of profit and loss.

Financial Assets measured at Fair Value through Other Comprehensive Income ("FVTOCI")

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

Financial Assets measured at Fair Value through Profit or Loss ("FVTPL")

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

Investment in Equity Instruments

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income.

There is no recycling of the amounts from other comprehensive income to profit or loss.

Investment in Debt Instruments

A debt instrument is measured at amortised cost or at FVTOCI. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

Derecognition of Financial Assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Impairment of Financial Assets

In accordance with Ind - AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables.

Financial Liabilities

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative Financial Instrument

The Group uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

7.4. Inventories

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less the

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estimated cost of completion and selling expenses necessary to make the sale.

Slow and non-moving material, products nearing expiry, defective inventory are fully provided for and valued at net realisable value.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

7.5. Cash And Cash Equivalents

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/ highly liquid investments with original maturity period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7.6. Cash Flow Statement

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

7.7. Foreign Currency Transactions

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

7.8. Revenue Recognition

Sale of Goods

The majority of the Group's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on orders received.

The Group manufacture and sells pharmaceutical formulation products to its distributors across the markets. Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Group has determined is when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the Group is entitled to payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

Interest income

Interest income is recognised with reference to the Effective Interest Rate method.

Dividend income

Dividend from investment is recognised as revenue when right to receive is established.

Income from Export Benefits and Other Incentives

Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

7.9. Employee Benefits

In case of Holding Company

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

(i) Defined Benefit Plans

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit Method.

The Company fully contributes all ascertained liabilities to the Ajanta Pharma Limited Group Gratuity Trust (The Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. The effect of any plan amendments are recognized in the statement of profit and loss.

(ii) Defined Contribution Plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Compensated Absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(iv) Share-Based Compensation

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

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to the Consolidated Financial Statements as on 31st March 2019

recognized as an expense is adjusted to reflect the actual number of stock options that vest.

The company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment.

In case of Subsidiary at Mauritius

For employees who are not covered by a pension plan, the net present value of severance allowances payable under the Employment Rights Act 2008 is provided for. The obligations arising under this item are not funded.

In case of Subsidiary at Philippines

Short-term benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short term benefits given by the Company to its employees include salaries and wages, social security contributions, short term compensated absences, bonuses and other non-monetary benefits.

Post-employment benefits

The Company does not have a formal retirement benefit plan. However, the Company is subject to the provisions of Republic Act No. 7641, retirement law.

Compensated Absences

Compensated absences are recognized for the number of paid leave days remaining at the end of the reporting period. Those are included in the salaries and wages account and are recognized when availed of by the employees.

In case of Subsidiary at USA

Short-term benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, Medicare contributions, and other non-monetary benefits.

Post-employment benefits

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

7.10. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

7.11. Lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Leases rentals are charged to the statement of profit and loss on straight line basis.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the leased term, the asset is depreciated over the shorter of the estimated useful life of the asset and the leased term.

7.12. Government Grants

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

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

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

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

7.13. Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

7.14. Income Taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the respective Country's tax rates and tax laws that have been enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Deferred income tax assets and liabilities are measured using respective Country's tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

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

7.15. Dividends to Shareholders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

7.16. Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

Provisions (legal and constructive) are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If there is any expectation that some or all of the provision will be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any virtually certain reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimates is possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not recognised but disclosed in the Consolidated Financial Statements. Contingent assets are neither recognised nor disclosed in the Financial Statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non-cancellable operating lease.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Asset Retirement Obligation

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognised in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

7.17. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date in accordance with Ind AS 113.

Financials Statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value received from Bank.
- Mutual Funds are measured at fair values as per Net Asset Value (NAV).
- Employee Stock Option Plan (ESOP) at fair values as per Actuarial Valuation Report.

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

7.18. Recent accounting pronouncements

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 116 'Leases', which replaces Ind AS 17 'Leases'. The new standard shall require lessees to recognize the leases on their balance sheet with limited exemptions related to low value asset and assets with a lease term lower than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognize "Right-Of-Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligation to make lease payments.

The Group is required to adopt Ind AS 116 Leases from 1st April 2019. The Group will have to recognize "Right-Of-Use" assets and "Lease Liability" for its operating leases. Upon application of the new standard, the nature of expenses related to the leases will change and accordingly the Group will recognize a depreciation charge for right-of-use assets and interest expense on unwinding of lease liabilities as against lease expenses recognized up to 31th March 2019. The new standard also provides two broad alternative transition approach - Retrospective Method and Cumulative Effect Method with practical expedient.

Based on preliminary assessment, there will be no significant impact on initial application to the statement of profit and loss of the Group.

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7.19. Critical accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods.

(a) Arrangement containing lease

At the inception of an arrangement, the Group determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values.

The Group has determined, based on an evaluation of the terms and conditions of the arrangements that such contracts are in the nature of operating leases.

(b) Multiple element contracts with vendors

The Group has entered into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is/may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts (as defined in the significant accounting policies) have been accounted under Property, Plant and Equipment and/or as Intangible assets, since the Group has economic ownership in these assets. The Group believes that the current treatment represents the substance of the arrangement.

(c) Determination of functional currency

Each entity in the group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency. Ind AS 21, "The Effects of Changes in Foreign Exchange Rates" prescribes the factors to be considered for the purpose of determination of functional currency. Management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Property, Plant and equipment

Determination of the estimated useful life of Property, Plant and Equipment and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on useful lives / rates prescribed by the GAAPs of the respective countries. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

(e) Intangible Assets

Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

(f) Recognition and measurement of defined benefit obligations

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

(g) Recognition of deferred tax assets and income tax

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Consolidated Financial Statements.

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective country.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

(h) Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

(i) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

(j) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

(k) Insurance claims

Insurance claims are recognised when the Company has reasonable certainty of recovery.

(l) Impairment reviews

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

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to the Consolidated Financial Statements as on 31st March 2019

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

8.1 Current Year

₹ in crore

Particulars	Gross Block (Cost Or Deemed Cost)					Accumulated Depreciation/Amortisation					Net Block
	As at 1 April 2018	Exchange Difference	Additions	Disposals	As at 31 March 2019	As at 1 April 2018	Exchange Difference	For the year	Disposals	As at 31 March 2019	As at 31 March 2019
(A) Property, Plant and Equipment											
Freehold Land	143.67	-	11.75	-	155.42	-	-	-	-	-	155.42
Leasehold Land	31.21	-	40.08	-	71.29	3.49	-	0.70	-	4.19	67.10
Leasehold Improvement	1.16	-	-	-	1.16	0.80	-	-	-	0.80	0.36
Buildings	358.51	-	63.02	-	421.53	78.65	-	11.69	-	90.34	331.19
Plant & Equipments	723.46	-	63.57	0.46	786.57	177.68	-	45.96	0.27	223.37	563.20
Furniture & fixtures	66.60	-	7.43	0.26	73.77	37.67	-	4.26	0.05	41.89	31.89
Vehicles	11.30	-	1.84	2.74	10.40	7.44	-	1.28	2.69	6.03	4.37
Office Equipments	23.36	-	3.05	1.15	25.26	16.12	-	2.00	0.82	17.30	7.96
Computers	27.31	-	5.87	1.12	32.06	19.52	-	3.16	1.03	21.65	10.41
Total	**1,386.58**	**-**	**196.61**	**5.73**	**1,577.46**	**341.37**	**-**	**69.05**	**4.86**	**405.56**	**1,171.90**
(B) Other Intangible assets											
Computer Software	14.72	-	2.23	-	16.95	7.27	-	3.03	-	10.30	6.65
ANDA Development Cost	15.93	-	-	-	15.93	15.93	-	-	-	15.93	-
Total	**30.65**	**-**	**2.23**	**-**	**32.88**	**23.20**	**-**	**3.03**	**-**	**26.23**	**6.65**
Total (A) + (B)	**1,417.23**	**-**	*** 198.84**	**5.73**	**1,610.34**	**364.57**	**-**	**72.08**	**4.86**	**431.79**	**1,178.55**
(C) Capital Work in Progress											261.29
Total Property, Plant and Equipment, Capital Work-in -Progress and Other Intangible Assets (A) + (B) + (C)											**1,439.84**

* Addition includes ₹ 78.28 crore used for Research and Development.

8.2 Previous Year

₹ in crore

Particulars	Gross Block (Cost Or Deemed Cost)					Accumulated Depreciation/Amortisation					Net Block
	As at 1 April 2017	Exchange Difference	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	Exchange Difference	For the year	Disposals	As at 31 March 2018	As at 31 March 2018
(A) Property, Plant and Equipment											
Freehold Land	143.67	-	-	-	143.67	-	-	-	-	-	143.67
Leasehold Land	31.21	-	-	-	31.21	2.93	-	0.55	-	3.49	27.72
Leasehold Improvement	1.16	-	-	-	1.16	0.74	-	0.06	-	0.80	0.36
Buildings	211.33	-	147.18	-	358.51	69.10	-	9.55	-	78.65	279.86
Plant & Equipments	372.17	-	351.29	-	723.46	140.01	-	37.67	-	177.68	545.78
Furniture & fixtures	56.16	-	10.44	-	66.60	33.89	-	3.78	-	37.67	28.93
Vehicles	10.24	-	1.98	0.92	11.30	7.33	-	0.91	0.80	7.44	3.86
Office Equipments	20.38	-	2.98	-	23.36	14.16	-	1.96	-	16.12	7.24
Computers	22.39	-	4.92	-	27.31	17.38	-	2.14	-	19.52	7.79
Total	**868.70**	**-**	**518.79**	**0.92**	**1,386.58**	**285.54**	**-**	**56.61**	**0.80**	**341.37**	**1,045.21**
(B) Other Intangible assets											
Computer Software	10.30	-	4.42	-	14.72	4.29	-	2.98	-	7.27	7.45
ANDA Development Cost	15.93	-	-	-	15.93	15.93	-	-	-	15.93	-
Total	**26.23**	**-**	**4.42**	**-**	**30.65**	**20.22**	**-**	**2.98**	**-**	**23.19**	**7.45**
Total (A) + (B)	**894.93**	**-**	*** 523.21**	**0.92**	**1,417.23**	**305.76**	**-**	**59.59**	**0.80**	**364.56**	**1,052.66**
(C) Capital Work in Progress											61.33
Total Property, Plant and Equipment, Capital Work-in -Progress and Other Intangible Assets (A) + (B) + (C)											**1,113.99**

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

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to the Consolidated Financial Statements as on 31st March 2019

9. Non-Current Investments

₹ in crore

			As at 31 March 2019	As at 31 March 2018
Long Term Trade Investments				
Unquoted Investments				
Investment in Joint Venture				
Turkmenderman Ajanta Pharma Ltd. (Refer Note 58)				
2,00,000 (Previous Year 2,00,000) Shares of US $ 10 each fully paid-up			-	-
In Others at fair value				
OPGS Power Gujarat Private Limited				
1,95,000 (Previous Year 1,95,000) Shares of ₹ 0.19 each (Current Year ₹ 37,050, Previous Year ₹ 37,050)			-	-
In Mutual Funds (unquoted)	**Face Value ₹**	**No. of Units ***		
Kotak Fixed Term Fund XII Segregated Portfolio	345	67,870 (70,413)	2.34	4.62
Greenland Global Fund - Sub Fund A - Class B RPS - Series 8	72,219	450 (450)	3.25	2.96
Silverdale Fund SP-1	8,952	8,263 (-)	7.40	-
Total			**12.99**	**7.58**
Aggregate value of quoted investments			-	-
Aggregate value of unquoted investments (net of impairment)			12.99	7.58
Aggregate market value of quoted investments			-	-
Aggregate value of impairment of investments			6.95	6.95

* Figures in Brackets are for Previous Years

10. Other Non-Current Financial Assets

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good unless otherwise stated		
Security Deposits	8.45	10.41
In Deposit Accounts with Banks with maturity of more than 12 months from the Balance Sheet date		
- Under Lien	2.53	3.89
- Others (Current Year ₹ 64,819 Previous Year ₹ 10,000)	0.01	-
Interest Accrued on fixed deposits with Banks	0.12	0.11
	11.11	**14.41**

11. Defered Tax Assets (Net)

	As at 31 March 2019	As at 31 March 2018
Others	31.81	22.61
	31.81	**22.61**

12. Non-Current Tax Assets (Net)

	As at 31 March 2019	As at 31 March 2018
Income Tax Paid (Net of Provision)	13.48	22.83
	13.48	**22.83**

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to the Consolidated Financial Statements as on 31st March 2019

13. Other Non-Current Assets

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Capital Advances	5.72	43.55
	5.72	**43.55**

14. Inventories

	As at 31 March 2019	As at 31 March 2018
Raw Materials	150.71	119.83
Packing Materials	42.88	45.30
Work-in-Progress	35.82	11.32
Finished Good (including in transit ₹ 46.35 crore, previous year ₹ 21.62 crore)	148.59	122.00
Stock-in-trade (including in transit ₹ 1.45 crore, previous year ₹ 1.25 crore)	57.72	52.18
	435.71	**350.63**

15. Current Investments

	Face Value ₹	No. of Units *	As at 31 March 2019	As at 31 March 2018
Investment at Fair Value through Profit or Loss (FVTPL)				
In Mutual Funds (Unquoted)				
Zero Coupon Bond Aditya Birla Finance Ltd.	1,000,000	250 (-)	27.77	-
Franklin India Low Duration Fund - Growth	10	103,140 (15,208,668)	0.22	30.38
DSP BlackRock India Enhanced SatCore Fund C B-2.18	10	2,500,000 (-)	26.27	-
Reliance Regular Saving Fund-Debt Plan - Growth Plan - Growth Option	10	- (17,491,199)	-	42.34
ICICI Prudential Liquid Fund Direct Plan Daily Dividend	10	1,046,073 (-)	10.48	-
ICICI Prudential Regular Savings Fund - Growth	10	- (32,606,841)	-	60.53
ICICI Prudential Balanced Fund Direct Plan Growth	10	- (1,793,670)	-	23.74
DSP Black Rock Income Opportunities Fund Regular Growth	10	- (3,549,057)	-	10.15
IDFC Credit Opportunities Fund Regular Plan Growth	10	- (14,218,953)	-	15.24
			64.74	**182.38**
Aggregate value of quoted investments			-	-
Aggregate value of unquoted investments (net of impairment)			64.74	182.38
Aggregate market value of quoted investments			-	-
Aggregate value of impairment of investments			-	-

* Figures in Brackets are for previous year

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to the Consolidated Financial Statements as on 31st March 2019

16. Trade Receivables

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Unsecured		
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Trade receivables considered good	22.90	44.47
- Trade receivables credit impaired	4.28	5.80
	27.18	**50.27**
Trade Receivables Considered Good	437.30	415.32
Less: Provision for		
- Trade receivables considered good	(0.72)	-
- Trade receivables credit impaired	(4.28)	(5.80)
	(5.00)	**(5.80)**
Total Trade Receivables	**459.48**	**459.79**
Break-up of Security Details		
(i) Trade receivables considered good- Secured	-	-
(ii) Trade receivables considered good- Unsecured	459.48	459.79
(iii) Trade receivables which have significant increase in Credit Risk	-	-
(iv) Trade receivables - credit impaired	5.00	5.80
Total	**464.48**	**465.59**
Less: Allowance	(5.00)	(5.80)
Total Trade Receivables	**459.48**	**459.79**

There are no other trade receivables which have signinficant increase in credit risk, Refer note 47 for information about credit risk and market risk of trade receivables

17. Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Balance with Banks - In Current Accounts	95.11	90.57
Cash on Hand	0.05	0.07
	95.16	**90.64**

18. Other Bank balances

	As at 31 March 2019	As at 31 March 2018
Earmarked balances with banks		
- Unpaid Dividend	0.76	0.65
In Deposit Accounts (with original maturity of more than 3 months but expected to mature within 12 months from Balance sheet date)		
- Under Lien	4.59	1.80
- Others (Current Year ₹ 10,000, Previous Year ₹ 10,000)	-	-
	5.35	**2.45**

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to the Consolidated Financial Statements as on 31st March 2019

19. Other Current Financial Assets

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Interest Receivable	0.31	0.12
Export Benefits Receivable	29.95	32.23
Mark to Market Derivative Asset	6.70	-
	36.96	**32.35**

20. Other Current Assets

	As at 31 March 2019	As at 31 March 2018
Advances other than Capital Advances		
Advance to Vendors		
- considered good	10.94	12.42
- credit impaired	-	-
	10.94	**12.42**
Less:Provision for credit impaired	-	-
	10.94	**12.42**
Prepaid Expenses	11.70	2.93
Advance to Employees	9.97	8.50
Loan to Employees	1.69	1.19
Other Advances Recoverable	0.14	0.85
Balance with Statutory/Govt. Authorities		
Excise Authorities	-	0.15
Vat Receivable	0.91	1.46
GST Receivable	47.96	77.36
Octroi Refund Receivable	0.52	0.52
	83.83	**105.38**

21. Equity Share Capital

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
Authorised:				
Equity Shares of ₹ 2 each	150,000,000	30.00	150,000,000	30.00
Issued, Subscribed & Paid up:				
Issued, Subscribed and Fully paid up Equity Shares of ₹ 2 each	87,253,770	17.45	88,014,500	17.60
Add : Shares Forfeited	766,500	0.09	766,500	0.09
Total	**88,020,270**	**17.54**	**88,781,000**	**17.69**

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to the Consolidated Financial Statements as on 31st March 2019

21.1 Movement in Equity Share Capital

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
Equity shares outstanding at the beginning of the year	88,014,500	17.60	88,005,000	17.60
Add: Equity shares allotted during the year against option's exercised under ESOP	8,500	0.00*	9,500	0.00#
Less: Equity Shares extinguished on buyback of shares	(769,230)	(0.15)	-	-
Equity Shares outstanding at the end of the year	**87,253,770**	**17.45**	**88,014,500**	**17.60**

* ₹ 17,000 # ₹ 19,000

21.2 Rights attached to equity shares

The company has only one class of equity shares with voting rights having a par value of ₹ 2 per share. The company declares & pays dividend in Indian Rupees. Any interim dividend paid is recognised on the approval by Board of Directors.

During the year ended 31st March 2019, the amount of dividend per equity share recognised as distribution to equity shareholders is ₹ 9 (Previous Year ₹ Nil), which includes interim dividend of ₹ 9 (Previous Year ₹ 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.

21.3 Equity shares extinguished on buyback

The Board of Directors of the Company, at its meeting held on 30th January 2019 had approved a proposal to buyback upto 7,69,230 equity shares of the Company for an aggregate amount not exceeding ₹ 100 crore being 0.87% of the total paid up equity share capital at ₹ 1,300 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 769,230 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought back on 26th March 2019. The Company has utilised its Securities Premium (₹ 78.62 crore) and General Reserve (₹ 21.23 crore) for the buyback of its equity shares. Total transaction cost of ₹ 0.99 crore incurred towards buyback was offset from retained earnings. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of ₹ 0.15 crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

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

Name of Shareholders	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	% holding	No. of Shares	% holding
Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	12,639,934	14.49	12,749,999	14.49
Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	12,639,933	14.49	12,749,999	14.49
Ravi P. Agrawal, trustee Ravi Agrawal Trust	12,545,180	14.38	12,659,999	14.39
Aayush M. Agrawal, trustee Aayush Agrawal Trust	12,540,389	14.37	12,660,000	14.39
Gabs Investments Private Limited	8,392,262	9.62	8,392,262	9.54
Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal and Mr. Ravi P. Agrawal	2,390,903	2.74	2,437,500	2.77

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	As at 31 March 2019 No. of Shares	As at 31 March 2018 No. of Shares
21.5 Equity Shares reserved for issuance under Employee Stock Options Scheme 2011 of the Company		
Equity Shares	1,140,750	1,149,250
21.6 Aggregate number of Equity shares issued during last five years pursuant to Employee Stock Options Scheme 2011		
Equity Shares	184,500	179,750
21.7 Equity Shares allotted as fully paid up Bonus Shares during the period of five years immediately preceding the Balance Sheet date		
Bonus Shares issued in F.Y. 2013-2014	29,292,250	29,292,250
Bonus Shares on allotment of ESOP in F.Y. 2014-15	22,250	22,250
Bonus Shares on allotment of ESOP in F.Y. 2015-16	19,250	19,250
Bonus Shares on allotment of ESOP in F.Y. 2016-17	1,250	1,250

21.8 The Company is not a subsidiary company.

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22. Other Equity

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Capital Redemption Reserve		
Balance at the beginning of the year	2.10	2.10
Add : Amount transferred upon buyback of shares (Refer Note 21.3)	0.15	-
Balance as at the year end	**2.25**	**2.10**
Securities Premium		
Balance at the beginning of the year	77.42	76.06
Add : Addition during the year	1.20	1.36
Less: Utilisation for buyback of shares (Refer Note 21.3)	(78.62)	-
Balance as at the year end	**-**	**77.42**
Exchange Fluctuation Reserve		
Balance at the beginning of the year	8.16	3.16
Add : Addition during the year	(1.95)	5.00
Balance as at the year end	**6.21**	**8.16**
General Reserve		
Balance at the beginning of the year	972.55	972.55
Less: Transferred to Capital Redemption Reserve (Refer Note 21.3)	(0.14)	-
Less: Utilised for buyback of shares (Refer Note 21.3)	(21.23)	-
Balance as at the year end	**951.18**	**972.55**
Employee Stock Options Outstanding Account		
Balance at the beginning of the year	1.63	1.65
Add : Share based payment expense	0.67	1.34
Less : Exercised during the year	1.20	1.36
Balance as at the year end	**1.10**	**1.63**
Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)		
Balance at the beginning of the year	(1.30)	-
Add : Amount transferred	(1.28)	(1.30)
Balance as at the year end	**(2.58)**	**(1.30)**
Retained Earnings		
Balance at the beginning of the year	963.12	494.48
Profit for the year	386.97	468.64
Less: Appropriations		
- Interim Dividend on Equity Shares	79.22	-
- Corporate Tax on Interim Dividend	0.37	-
- Expense relating to buyback of shares (Refer Note 21.3)	0.99	-
Balance at the year end	**1,269.51**	**963.12**
Total Other Equity	**2,227.67**	**2,023.68**

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23. Non-Current Borrowings

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Vehicle Loans (Secured)		
From Banks (Foreign Currency)	0.66	1.01
	0.66	**1.01**

23.1 Vehicle loans are secured against vehicles acquired under the scheme & are repayble in equal monthly instalment upto 31st December 2023 & rate of interest is 5.17% to 10% p.a.

24. Other Non-Current Financial Liabilities

	As at 31 March 2019	As at 31 March 2018
Security Deposits payable	0.33	-
	0.33	**-**

25. Non-Current Provisions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (Net)		
Gratuity (Refer Note 45.2)	0.94	4.08
Compensated absences (Refer Note 45.3)	12.50	9.08
	13.44	**13.16**

26. Deferred Tax Liabilities (Net)

		As at 31 March 2019	As at 31 March 2018
Tax effect of items constituting - Deferred Tax Liabilities			
Difference in tax base of Property, Plant and Equipment	(A)	87.18	67.18
Unrealised gain/loss on securities carried at FVOCI/FVTPL	(B)	2.79	0.82
Tax effect of items constituting - Deferred Tax Assets			
MAT Credit Entitlement	(C)	20.18	10.88
Disallowance under Income Tax	(D)	10.89	10.12
Deferred Tax Liabilities (Net)	**(A+B)-(C+D)**	**58.90**	**47.00**

27. Current Financial Liabilities - Borrowings

	As at 31 March 2019	As at 31 March 2018
Working Capital Loans repayable on demand from banks (Secured)		
Foreign Currency Loan	33.34	-
	33.34	**-**

27.1 Working capital loans are secured by first charge on inventory and trade receivables of the company. It is additionally secured by corporate guarantee of Ajanta Pharma Ltd., India (Parent Company).

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28. Trade Payables

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises	9.39	8.91
Total outstanding dues of creditors other than micro enterprises and small enterprises	215.79	240.72
	225.18	**249.63**

(Refer Note 57 for disclosures relating to Micro and Small Enterprises)

29. Other Current Financial Liabilities

	As at 31 March 2019	As at 31 March 2018
Current Maturities of long-term borrowing		
Vehicle Loans (Secured) (Refer note 23.1)	1.96	0.79
Unpaid Dividend*	0.75	0.65
Unpaid Sale proceeds of Fractional Shares*	0.01	-
Capital Creditors	53.97	35.60
Book Overdraft	18.29	2.32
Employee Benefits Payable	10.35	14.45
Mark to Market Derivative Liability	-	1.50
	85.33	**55.31**

* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31st March 2019.

30. Other Current Liabilities

	As at 31 March 2019	As at 31 March 2018
Advances from Customers	4.37	4.72
Statutory Dues payable	4.46	3.92
	8.83	**8.64**

31. Current Provisions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (Net)		
Gratuity (Refer Note 45.2)	4.64	3.47
Compensated Absences (Refer Note 45.3)	3.02	3.86
Other Provisions		
Sales Returns for Expired Goods (Refer Note 53)	17.30	21.42
	24.96	**28.75**

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to the Consolidated Financial Statements as on 31st March 2019

32. Current Tax Liabilities (Net)

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Provision for Tax (Net of Payment)	-	3.72
	-	**3.72**

33. Revenue from Operations

	31 March 2019	31 March 2018
Sale of Products (Refer note 60)		
Finished Goods	1,521.03	1,585.41
Stock-in-Trade	493.09	477.69
Other Operating Revenues		
Export Incentives	38.92	66.17
Others	2.33	1.59
	2,055.37	**2,130.86**

34. Other Income

	31 March 2019	31 March 2018
Income from Financial Assets carried at FVTPL		
Dividend from Investments in Mututal Funds	4.06	0.12
Gain on fair value of Current Investment	13.80	11.41
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	0.45	0.45
Interest From Others	1.46	0.50
Exchange Difference (Net)	0.16	11.17
Miscellaneous Income	1.15	0.51
	21.08	**24.16**

35. Cost of Materials Consumed

	31 March 2019	31 March 2018
Raw Material Consumed	304.08	289.22
Packing Material Consumed	87.76	89.06
	391.84	**378.28**

36. Purchases of Stock-in-trade

	31 March 2019	31 March 2018
Purchases of Stock-in-trade	48.25	77.35

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to the Consolidated Financial Statements as on 31st March 2019

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

₹ in crore

	31 March 2019	31 March 2018
Inventories at the beginning of the year :		
Work-in-Progress	11.32	14.87
Finished Goods	122.00	77.86
Stock-in-trade	52.18	43.55
(A)	**185.50**	**136.28**
Inventories at the end of the year :		
Work-in-Progress	35.81	11.32
Finished Goods	148.59	122.00
Stock-in-trade	57.71	52.18
(B)	**242.11**	**185.50**
Changes in Inventories :		
Work-in-Progress	(24.49)	3.55
Finished Goods	(26.59)	(44.14)
Stock-in-trade	(5.53)	(8.63)
(A) - (B)	**(56.61)**	**(49.22)**

38. Employee Benefits Expense

	31 March 2019	31 March 2018
Salaries, Wages and Bonus	397.31	344.83
Contribution to Provident and Other Funds	24.70	23.60
Share Based Payment Expense (Refer Note 46)	0.67	1.34
Staff Welfare Expenses	8.03	6.70
	430.71	**376.47**

39. Finance Cost

	31 March 2019	31 March 2018
Interest expenses	1.16	0.41
	1.16	**0.41**

40. Depreciation and Amortisation Expense

	31 March 2019	31 March 2018
Depreciation on Property, Plant and Equipment (Refer note 8)	69.05	56.61
Amortisation on Intangible Assets (Refer note 8)	3.03	2.98
	72.08	**59.59**

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to the Consolidated Financial Statements as on 31st March 2019

41. Other Expenses

₹ in crore

	31 March 2019	31 March 2018
Selling Expenses	239.58	225.20
Clearing and Forwarding	80.06	79.39
Travelling Expenses	43.04	39.78
Processing Charges	18.36	21.44
Power and Fuel	32.65	27.42
Advertisement and Publicity	1.34	1.71
Consumption of Stores & Spare Parts	40.02	65.29
Product Registration Expenses	25.37	14.02
Rent (Refer Note 49)	17.57	12.08
Rates and Taxes	0.61	0.96
Legal and Professional Fees	11.02	17.51
Postage and Telephone Expenses	2.67	4.95
Repairs & Maintenance		
Buildings	2.47	7.12
Plant and Machinery	23.14	23.70
Computers & Others	3.03	9.19
Insurance	7.15	7.58
Donation	0.01	0.34
Impairment loss on Financial Assets	8.48	8.36
Excise Duty collected on Sales	-	5.10
Loss on Sale/Discard of Property, Plant and Equipment (Net)	0.23	0.01
Clinical and Anaytical Charges	38.40	34.81
Director sitting fees	0.24	0.23
Corporate Social Responsibility Expenses (Refer note 52)	11.69	12.07
Miscellaneous Expenses	67.62	71.33
	674.75	**689.59**

42. Capital Management:

Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return (EBIT) on capital, as well as the level of dividends to equity shareholders. Group's target is to achieve a return on capital above 30%; in 2018-19 the return was 23% and in 2017-18 the return was 30%.

Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as debt and current liabilities less cash and cash equivalents and current investments. Adjusted equity comprises all components of equity.

Group's policy is to keep the Net Debt Equity ratio below 1.00 and its adjusted net debt to equity ratio at 31st March 2019 was as follows.

Particulars		31 March 2019	31 March 2018
Debt (Debt + Current Liabilities)		378.63	343.33
Less: Cash and Cash Equivalents and current investments		(159.90)	(273.03)
Net Debt	A	218.72	70.32
Equity	B	2,245.21	2,041.37
Net Debt to Equity ratio	A/B	0.10	0.03

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

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

		31 March 2019	31 March 2018
Basic and Diluted Earnings Per Share:			
Profit after non-controlling interest attributable to Equity shareholders- for Basic EPS (₹ in crore)	A	386.97	468.64
Add: Dilutive effect on profit (₹ in crore)*	B	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (₹ in crore)	C=A-B	386.97	468.64
Weighted Average Number of Equity Shares outstanding - for Basic EPS	D	8,80,01,113	8,80,02,778
Add: Dilutive effect of option outstanding- Number of Equity Shares *	E	13,453	16,962
Weighted Average Number of Equity Shares for Diluted EPS	F=D+E	8,80,14,566	8,80,19,740
Face Value per Equity Share (₹)		2	2
Basic Earnings Per Share (₹)	A/D	43.97	53.26
Diluted Earnings Per Shares (₹)	C/F	43.96	53.25

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

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

44.1. Details of subsidiaries of the Group are as under:

Name of the Company	Country of Incorporation	% voting power held as at 31 March 2019
Ajanta Pharma (Mauritius) Ltd. (“APML”)	Mauritius	100%
Ajanta Pharma (Mauritius) Intl. Ltd.(“APMIL”) (Wholly owned Subsidiary of APML)	Mauritius	100%
Ajanta Pharma USA Inc. (“APUI”)	U.S.A.	100%
Ajanta Pharma Philippines Inc. (“APPI”)	Philippines	100%
Ajanta Pharma Nigeria Ltd. (“APNL”)	Nigeria	100%
Ajanta Pharma UK Ltd. (“AP UK”) (Refer note 44.3)	England & Wales	-

44.2. The financial statements of the subsidiaries used for consolidation are for the period from 1st April 2018 to 31st March 2019.

44.3. Ajanta Pharma UK Ltd., a wholly owned subsidiarywas incorporated as on 30th November 2010. The said subsidiary was dissolved on 18th December 2018. However there were no transactions up to 18th December 2018.

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to the Consolidated Financial Statements as on 31st March 2019

45. Employee Benefits in respect of the Holding Company

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

45.1. Defined Contribution Plans

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

₹ in crore

Particulars	31 March 2019	31 March 2018
Provident Fund and Employee's Pension Scheme	18.43	15.36
Employees State Insurance and Others	2.26	4.54
	20.69	**19.90**

45.2. Defined Benefit Plans

Gratuity:

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

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

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service with a maximum limit of ₹ 0.20 crore.

45.2.2. On the death in service:

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

₹ in crore

Particulars	31 March 2019	31 March 2018
i) Changes in Defined Benefit Obligation		
Opening defined benefit obligation	23.45	16.60
Current service cost	3.47	3.49
Interest cost	1.48	1.11
Actuarial loss / (gain)		
- changes in financial assumptions	0.31	1.97
- changes in demographic assumptions	Nil	0.25
- experience adjustments	1.78	(0.48)
Past service cost	Nil	2.20
Benefit (paid)	(1.97)	(1.69)
Closing defined benefit obligation	**28.52**	**23.45**

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to the Consolidated Financial Statements as on 31st March 2019

₹ in crore

Particulars		31 March 2019	31 March 2018
ii)	**Changes in Value of Plan Assets**		
	Opening value of plan assets	15.90	13.52
	Interest Income	1.17	0.76
	Contributions by employer	7.83	3.32
	Benefits (paid)	(1.97)	(1.69)
	Closing value of plan assets	**22.93**	**15.90**
iii)	**Amount recognised in the Balance Sheet**		
	Present value of funded obligations as at year end	28.52	23.45
	Fair value of the plan assets as at year end	(22.93)	(15.90)
	Net liability recognised as at the year end	**5.59**	**7.55**
iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	3.47	3.49
	Net Interest cost	0.43	0.10
	Net expenses recognised in the Statement of Profit and Loss	**3.90**	**3.59**
	Expenses recognised in the Statement of Other Comprehensive Income		
	Net actuarial loss/(gain) recognized in the current year		
	- changes in financial assumptions	0.31	1.97
	- change in demographic assumption	Nil	0.25
	- experience adjustments	1.78	(0.48)
	Return on plan assets excluding amounts included in Interest Income	(0.12)	0.25
	Net Expenses recognised in the Statement of Other Comprehensive Income	**1.97**	**1.99**
v)	**Asset information**		
	Insurer Managed Funds (100%)		
	(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	100%	100%
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	7.15%	7.35%
	Salary growth rate (p.a.)	9.00% for next 2 years and 7.00% thereafter	9.00% for next 3 years and 7.00% thereafter
	Average Remaining Service (Years)	5.70	4.60
	Withdrawal Rate (%)		
	Age Band		
	25 and below	40	40
	26 to 35	24	24
	36 to 45	12	12
	46 and above	8	8
vii)	**Estimate of amount of contribution in immediate next year**	4.64	3.47

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Sensitivity Analysis

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

₹ in crore

Particulars	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	27.76	29.32	22.51	24.47
Salary growth rate (0.5% movement)	29.23	27.83	24.35	22.59

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of assumptions. The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

45.3. Leave Encashment

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

Accordingly ₹ 15.52 crore (Pr. Yr. ₹ 12.94 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 at Mauritius:

For employees who are not covered by a pension plan, the net present value of severance allowances payable is provided for aggregating ₹ 0.59 crore (Pr. Yr. ₹ 0.66 crore).

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

Short term benefits includes salaries and wages and other government contributions which are due within 12 months after the end of the period in which employee renders the related service. The Company's short term employee benefits amounted to ₹ 0.11 crore (Pr. Yr. ₹ 0.07 crore). The Company did not yet set up a retirement plan since it does not have more than ten employees who had served at least five years.

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

Short term benefits includes salaries and wages and other government contributions which are due within 12 months after the end of the period in which employee renders the related service. The Company's short term employee benefits amounted to ₹ 1.94 crore (Pr. Yr. ₹ 0.83 crore).

46. Share based payments

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

During the year 7,000 options have been granted by the Company under the aforesaid ESOS – 2011 to the employees of the Company.

Grant Date	No. of Option Granted	No. of Option Cancelled	Exercise price	Vesting Period
31 October 2018	7,000	2,000	2	31 October 2020

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.

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

Particulars	31 March 2019 Nos.	31 March 2018 Nos.
Options outstanding as at the beginning of the Year	17,000	24,500
Add: Options granted during the Year	7,000	2,000
Less: Options exercised during the Year	8,500	9,500
Less: Options lapsed/cancelled during the Year	2,000	Nil
Options outstanding as at the Year End	**13,500**	**17,000**

Particulars	31 March 2019 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the Year	17,000	2.0	2.0	0.90
Add: Options granted during the Year	7,000	2.0	2.0	2.00
Less: Options exercised during the Year	8,500	2.0	2.0	NA
Less: Options lapsed/cancelled during the Year	2,000	Nil	Nil	Nil
Options outstanding as at the Year End	**13,500**	**2.0**	**2.0**	**0.91**

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

Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information:

Variables	Weighted Average Information				
Plan	**ESOS 2011**				
	2,000 options	**6,000 options**	**7,000 options**	**2,000 options**	**5,000 options**
Grant date	8th May 2015	26th July 2016	26th July 2016	22nd August 2017	31st October 2018
Last date for acceptance	8th June 2015	26th August 2016	26th August 2016	22nd September 2017	30th November 2018
Exercise price	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2
Risk free rate (%)	8.00	7.30	7.30	7.50	7.40
Expected Life (years)	1 to 3	3 to 4	1 to 3	1 to 4	2
Volatility (%)	31.70	20.23	20.23	17.20	13.43
Dividend yield (%)	1.50	0.53	0.53	0.43	0.50
Price of the underlying share in the market at the time of option grant	₹ 1,264	₹ 1,478	₹ 1,703	₹ 1,153	₹ 1,058
Fair value of options	₹ 1,189	₹ 1,453	₹ 1,453	₹ 1,142	₹ 1,043

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Valuation of stock options

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

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

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

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

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

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

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.

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

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47. Financial Instrument- Fair values and risk management

A. Fair value measurements

₹ in crore

Financial Instruments by category	31 March 2019		31 March 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Mark to Market Derivative Asset	6.70	Nil	Nil	Nil
Investments in Mutual Funds	77.74	Nil	189.96	Nil
Investment in Unquoted Equity Shares (Current Year ₹ 37,050, Previous Year ₹ 37,050)	-	-	-	-
Trade Receivables	Nil	459.48	Nil	459.79
Other Non-Current Financial Assets	Nil	11.10	Nil	14.41
Cash and cash equivalents	Nil	95.16	Nil	90.64
Bank balances other than cash and cash equivalents	Nil	5.35	Nil	2.45
Export Benefits Receivable	Nil	29.95	Nil	32.23
Interest Receivable	Nil	0.31	Nil	0.12
Total Financial Assets	**84.44**	**601.36**	**189.96**	**599.65**
Financial liabilities				
Borrowings and Book Overdraft	Nil	54.26	Nil	4.11
Other Non-Current Financial Liabilities	Nil	0.33	Nil	Nil
Capital Creditors	Nil	53.97	Nil	35.60
Other Current Financial Liabilities	Nil	0.75	Nil	0.65
Employee Benefits Payable	Nil	10.35	Nil	14.45
Mark to market derivative liability	Nil	Nil	1.50	Nil
Trade Payables	Nil	225.18	Nil	249.63
Total Financial Liabilities	**Nil**	**344.84**	**1.50**	**304.44**

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ in crore

Financial assets and liabilities measured at fair value	31 March 2019			31 March 2018		
	Level			Level		
	I	II	III	I	II	III
Financial assets						
Recurring fair value measurements						
Mark to Market Derivative Asset	Nil	6.70	Nil	Nil	Nil	Nil
Investments in Mutual Funds	77.74	Nil	Nil	189.97	Nil	Nil
Total Financial Assets	**77.74**	**6.70**	**Nil**	**189.97**	**Nil**	**Nil**
Financial liabilities						
Mark to Market Derivative Liability	Nil	Nil	Nil	Nil	1.50	Nil
Total Financial Liabilities	**Nil**	**Nil**	**Nil**	**Nil**	**1.50**	**Nil**

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Level 1 – Level 1 Hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have declared buyback NAV. The mutual funds are valued using the closing NAV.

Level 2 – The fair value of financial instruments that are not traded in an active market (like Mark to Market Derivative) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Measurement of fair values:

Valuation techniques and significant unobservable inputs:

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

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

B. Financial risk management

Company has exposure to following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk

Risk management framework

Group's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

Group's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Group, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Group's Audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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i. **Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and mutual funds, foreign exchange transactions and other financial instruments.

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

₹ in crore

Particulars	31 March 2019	31 March 2018
Not past due but impaired	Nil	Nil
Neither past due nor impaired	386.97	189.40
Past due not impaired	72.51	270.39
- 1-180 days	47.95	252.93
- 181-365 days	9.17	8.12
- more than 365 days	15.39	9.34
Past due impaired	5.00	5.80
- 1-180 days	0.73	Nil
- 181-365 days	0.76	Nil
- more than 365 days	3.51	5.80

(a) **Trade receivables**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non-interest bearing, are mainly from stockists, distributors and customers and are generally on 14 days to 270 days credit term. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

As at 31st March 2019, Group had 56 customers (31st March 2018: 52 customers) that owed the company more than ₹ 0.50 crore each and accounted for approximately 88% and 82% of the total outstanding as at 31st March 2019 and 31st March 2018 of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

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

Expected credit loss assessment

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

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

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₹ in crore

Particulars	31 March 2019	31 March 2018
Gross Carrying amount	464.48	465.59
Average Expected loss rate	1.08%	1.17%
Carrying amount of trade receivables (net of impairment)	459.48	459.79

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

₹ in crore

Particulars	31 March 2019	31 March 2018
Balance as at the beginning of the year	5.80	4.90
Impairment loss recognised (net)	5.00	5.80
Amounts written off	5.80	4.90
Balance as at the year end	5.00	5.80

The impairment loss at 31st March 2019 related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

(b) Financial instruments

Group limits its exposure to credit risk by investing only in liquid debt securities issued by mutual funds having a credit ranking of atleast 3 and above from CRISIL or equivalent rating agency. Group monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties.

ii. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to Outflows is 0.42 at 31st March 2019 (31st March 2018: 0.80).

Exposure to liquidity risk

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

₹ in crore

As at 31 March 2019	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables Current	225.18	225.18	225.18	Nil	Nil	Nil
Other Current Financial Liabilities	85.33	85.33	85.33	Nil	Nil	Nil
Current Borrowing	33.34	33.34	33.34	Nil	Nil	Nil
Non-Current Borrowing	0.66	0.66	Nil	0.66	Nil	Nil
Mark to Market Derivative Liability						
- Outflow	Nil	Nil	Nil	Nil	Nil	Nil
Total	**344.51**	**344.51**	**343.85**	**0.66**	**Nil**	**Nil**

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₹ in crore

As at 31 March 2018	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables Current	249.63	249.63	249.63	Nil	Nil	Nil
Other Current Financial Liabilities	53.81	53.81	53.81	Nil	Nil	Nil
Non-Current Borrowing	1.01	1.01	Nil	1.01	Nil	Nil
Mark to Market Derivative Liability						
- Outflow	1.50	1.50	1.50	Nil	Nil	Nil
Total	**305.95**	**305.95**	**304.94**	**1.01**	**Nil**	**Nil**

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group uses derivative financial instruments such as foreign exchange contracts to manage its exposures to foreign exchange fluctuations. All such transactions are carried out within the guidelines set by the risk management committee.

iv. Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group. The currencies in which these transactions are primarily denominated are US Dollars, Euro, Mauritian Rupee, Philippine Peso and Nigerian Naira.

At any point in time, the Group covers foreign currency risk by taking appropriate percentage of its foreign currency exposure, as approved by risk management committee in line with the laid down policy approved by the Board. The Group uses forward exchange contracts to mitigate its currency risk, most with a maturity of less than one year from the reporting date. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The following table analyses foreign currency risk as of 31st March 2019:

₹ in crore

Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Niara	Total
Bank Balances	34.08	0.83	41.21	7.14	0.88	84.14
Trade Receivables	323.09	0.46	35.43	49.05	3.50	411.53
Payables	(29.76)	(7.25)	(9.39)	(8.49)	Nil	(54.89)
Borrowings	(33.34)	Nil	Nil	(2.63)	Nil	(35.97)
Net Assets / (Liabilities)	**294.07**	**(5.96)**	**67.25**	**45.07**	**4.38**	**404.81**

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

₹ in crore

Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Niara	Total
Bank Balances	21.90	0.01	29.48	10.23	4.87	66.49
Trade Receivables	292.48	6.23	61.80	41.31	11.15	412.98
Payables	(16.88)	(6.27)	(13.82)	(7.44)	Nil	(44.41)
Borrowings	Nil	Nil	Nil	(1.79)	Nil	(1.79)
Net Assets / (Liabilities)	**297.50**	**(0.02)**	**77.47**	**42.30**	**16.02**	**433.27**

For the year ended 31st March 2019 every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Group's incremental profit before tax as per below:

₹ in crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	2.94 / (2.94)
Euro	+1% / (-1%)	0.06 / (0.06)
Mauritian Rupee (MUR)	+1% / (-1%)	0.67 / (0.67)
Philippine Peso (PHP)	+1% / (-1%)	0.45 / (0.45)
Nigerian Niara (NN)	+1% / (-1%)	0.04 / (0.04)

For the year ended 31st March 2018 every percentage point depreciation/appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	2.98 / (2.98)
Euro	+1% / (-1%)	0.00 / (0.00)
Mauritian Rupee (MUR)	+1% / (-1%)	0.77 / (0.77)
Philippine Peso (PHP)	+1% / (-1%)	0.42 / (0.42)
Nigerian Niara (NN)	+1% / (-1%)	0.16 / (0.16)

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

During the year, the Group has entered into forward exchange contract, being derivative instruments to mitigate foreign currency risk, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. The following are the outstanding foreign currency forward contracts entered into by the Group:

Particulars	31 March 2019 Foreign Currency Amt in crore	31 March 2018 Foreign Currency Amt in crore	Buy or Sell	Cross Currency
EURO	Nil	0.44	SELL	₹
USD	3.29	7.46	SELL	₹

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The year-end foreign currency exposures that have not been mitigated by a derivative instrument or otherwise are as below:

Particulars	₹ in crore	₹ in crore	Foreign Currency	Foreign Currency	Foreign Currency
			Amt in crore	Amt in crore	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	
Amount Receivable	403.09	403.39	5.83	6.19	USD
	35.36	68.69	0.46	0.85	EURO
Amount Payable	88.66	48.34	1.28	0.74	USD
	7.25	6.30	0.09	0.08	EURO

a) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt interest obligations. Further, the Group engages in financing activities at market linked rates, any changes in the interest rates environment may impact future rates of borrowing.

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

₹ in crore

Particulars	31 March 2019	31 March 2018
Foreign Currency Term Loan	2.63	1.79
Foreign Currency Working Capital Loan	33.34	Nil

A reasonably possible change of 100 basis points in interest rates at the reporting date would have impacted profit before tax as per below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ in crore

Particulars	31 March 2019	31 March 2018
Increase in interest rate by 100 basis points	(0.35)	(0.01)
Decrease in interest rate by 100 basis points	0.35	0.01

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

The Group have taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents. The lease payments of ₹ 17.57 crore (Pr. Yr. ₹ 12.08 crore) are recognised in Statement of Profit and Loss under "Rent" under Note 41.

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

₹ in crore

Particulars	31 March 2019	31 March 2018
Not later than one year	1.17	1.29
Later than one year but not later than five years	3.13	3.58
Later than five years	Nil	Nil

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Finance Lease

₹ in crore

Particulars	Total Minimum Lease Payments Outstanding	Future Interest on Outstanding	Present Value of Minimum Lease Payments
Within one year	1.97	Nil	1.97
	(0.79)	(Nil)	(0.79)
Later than one year and not later than five years	0.66	Nil	0.66
	(1.01)	(Nil)	(1.01)

Figures in brackets indicate previous year figures.

Future obligations towards lease rentals under the lease agreements as on 31st March 2019 amounts to ₹ 6.93 crore (Pr. Yr. ₹ 6.67 crore)

50. Contingent Liabilities and commitments:

Contingent Liabilities

₹ in crore

Particulars	31 March 2019	31 March 2018
i. Claims against the Company not acknowledged as debt	0.61	0.61
ii. Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation	1.92	4.85
iii. Disputed Octroi	0.52	0.52
Amount paid there against and included under "Other Current Assets" ₹ 0.52 crore (Previous Year ₹ 0.52 crore)	0.68	4.73
iv. Excise duty and Service tax disputed by the Company	0.97	0.97
v. Income Tax demand disputed by the Company pending in appeal		
Amount paid there against and included under "Current Tax Assets" ₹ 0.97 crore (Previous Year ₹ 0.97 crore)		
vi. Financial guarantees aggregating to ₹ 41.42 crore (Previous Year ₹ Nil) given to third party on behalf of subsidiaries for contractual obligations.	41.42	-

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

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

Supreme Court Judgement on computation of provident fund contribution

"The Hon'ble Supreme Court of India ("SC") by their order dated 28th February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the period from date of the SC order to 31st March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements."

Commitments:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 260.18 crore (Pr. Yr. ₹ 161.88 crore).

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

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51. Related party disclosure as required by Ind AS 24 are given below: -

A) Relationships:

Category I - Directors, Key Management Personnel:

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Non-Executive Director (Resigned w.e.f. 11th August 2018)
Madhusudan B. Agrawal	Executive Vice Chairman
Yogesh M. Agrawal	Managing Director
Rajesh M. Agrawal	Joint Managing Director
Arvind Agrawal	Chief Financial Officer
Gaurang Shah	Company Secretary
Chandrakant M Khetan	Independent Director
Dr. Anil Kumar	Independent Director (Resigned w.e.f. 3rd April 2019)
K. H. Viswanathan	Independent Director
Prabhakar Dalal	Independent Director
Dr. Anjana Grewal	Independent Director

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

Gabs Investment Private Limited

Seth Bhagwandas Agrawal Charitable Trust

Ganga Exports being represented by Yogesh M. Agrawal, Rajesh M. Agrawal & Ravi P. Agrawal

Mannalal Agrawal Trust, Trustee – Mannalal B. Agrawal

Yogesh Agrawal Trust, Trustee - Yogesh M. Agrawal

Rajesh Agrawal Trust, Trustee - Rajesh M. Agrawal

Ravi Agrawal Trust, Trustee - Ravi P. Agrawal

Aayush Agrawal Trust, Trustee - Aayush M. Agrawal

Ajanta Pharma Limited Group Gratuity Trust

SamtaPurushottam Agrawal Memorial Foundation

Ajanta Foundation

Category III - Others (Relatives of Key Management Personnel):

Tanya Agrawal - Daughter of Managing Director

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

₹ in crore

Sr.No	Particulars	Category	31 March 2019	31 March 2018
1.	**Compensation to Key Management & Others:**			
	Short Term Employee Benefits			
	Purushottam B. Agrawal	I	Nil	1.66
	Madhusudan B. Agrawal	I	1.49	1.91
	Yogesh M. Agrawal	I	8.02	1.91
	Rajesh M. Agrawal	I	8.02	1.91
	Arvind Agrawal	I	1.10	1.54
	Gaurang Shah	I	0.50	0.41
	Tanya Agrawal	III	0.03	Nil
	Post-employment benefits	I	1.21	0.09
2.	**Commission and Sitting Fees to Non-Executive Directors**			
	Mannalal B. Agrawal	I	0.04	1.24
	Chandrakant M Khetan	I	0.07	0.07
	Dr. Anil Kumar	I	0.05	0.07
	K. H. Viswanathan	I	0.06	0.05
	Prabhakar Dalal	I	0.06	0.05
	Dr. Anjana Grewal	I	0.05	0.05
3.	**Commission to Executive Directors**			
	Yogesh M. Agrawal	I	1.88	2.50
	Rajesh M. Agrawal	I	1.88	2.50
4.	**Dividend Paid**			
	Key Management Personnel	I	0.21	Nil
	Others	II	55.64	Nil
5.	**Sale of Vehicle**			
	Mannalal B. Agrawal	I	Nil	0.02
6.	**Corporate Social Responsibility Expense**			
	Seth Bhagwandas Agrawal Charitable Trust	II	Nil	2.40
	Samta Puroshattam Agrawal Memorial Foundation	II	5.40	7.54
	Ajanta Foundation	II	0.05	0.05
7.	**Contribution made to Group gratuity trust towards premium paid to LIC**			
	Premium paid	II	7.94	3.42
8.	**Buyback of Equity Share**			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	14.31	Nil
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	14.31	Nil
	Ravi P. Agrawal, Trustee Ravi Agrawal Trust	III	14.93	Nil
	Aayush M. Agrawal, Trustee Aayush Agrawal Trust	III	15.55	Nil
	Ganga Exports being represented by Yogesh M. Agrawal, Rajesh M. Agrawal & Ravi P. Agrawal	III	6.06	Nil

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C) Amount Outstanding as on 31st March 2019

₹ in crore

Sr.No	Particulars	Category	31 March 2019	31 March 2018
1.	**Commission Payable to Non-Executive Director**			
	Mannalal B. Agrawal	I	Nil	1.20
	Chandrakant M Khetan	I	0.02	0.02
	Dr. Anil Kumar	I	Nil	0.02
	K. H. Viswanathan	I	0.02	0.02
	Prabhakar Dalal	I	0.02	0.02
	Dr. Anjana Grewal	I	0.02	0.02
2.	**Commission Payable to Executive Director**			
	Yogesh M. Agrawal	I	1.88	2.50
	Rajesh M. Agrawal	I	1.88	2.50

Based on the internal and external transfer pricing review and validation, the Group believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle and are in normal course.

52. Contribution towards Corporate Social Responsibility:

The particulars of CSR expenditure are as follows:

a) Gross amount required to be spent by the Group during the year is ₹ 11.27 crore (Previous year: ₹ 10.60 crore).

b) Amount spend during the year on:

₹ in crore

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of asset	Nil	Nil	Nil
(ii)	On purposes other than (i) above	11.69	Nil	11.69

*includes paid to related parties ₹ 5.45 crore (Refer note 51)

c) Amount spend during the previous year on:

₹ in crore

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of asset	Nil	Nil	Nil
(ii)	On purposes other than (i) above	12.07	Nil	12.07

*includes paid to related parties ₹ 9.99 crore (Refer note 51)

53. Provision of anticipated Return of Expired Goods subsequent to Sale

Provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37estimated by management based on past trends.

₹ in crore

Particulars	31 March 2019	31 March 2018
Balance at the beginning of the year	21.42	10.31
Add: Provisions made during the year	17.30	21.42
Less: Amount written back/utilized during the year	21.42	10.31
Balance at the end of the year	17.30	21.42

The Group normally sells goods and services on credit which varies from 30 to 240 days in case of export sales. This does not involve any significant financing element.

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to the Consolidated Financial Statements as on 31st March 2019

The Group receives payments from customers based on payment terms, as established in each contract. The contract asset relates to cost incurred to perform in advance of scheduled billing. The contract liability relates to payments received in advance of performance under the contract. Changes in the contract asset and liability are due to performance under the contract.

Ind AS 115 requires certain other disclosures as well. However, those are not considered material in this case. Therefore, the Group has decided not to give those disclosures.

54. Operating Segments

A. Basis for segmentation

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

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

B. Geographic information

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

a. Revenue from external customers

₹ in crore

Particulars	31 March 2019	31 March 2018
India	689.76	628.66
Africa		
- Branded	307.01	354.99
- Institution	195.67	383.81
Asia	528.67	493.41
USA	283.07	194.43
Others	9.94	7.80
	2,014.12	**2,063.10**

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

₹ in crore

Particulars	31 March 2019	31 March 2018
India	1,453.35	1,178.60
Africa	19.38	13.90
Asia	5.89	5.84
USA	4.52	4.01
	1,483.14	**1,202.35**

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

₹ in crore

Particulars	31 March 2019	31 March 2018
- As Auditors	0.19	0.17
- For Certification and Other Matters	0.23	0.20
Subsidiaries Auditors'		
- For audit of subsidiaries	0.16	0.14

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to the Consolidated Financial Statements as on 31st March 2019

56. Research and Development expenditure:

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

₹ in crore

Particulars	31 March 2019	31 March 2018
Cost of Material/Consumables/Spares	28.98	46.63
Employee benefit expenses	55.72	54.43
Utilities	4.33	4.50
Other Expenses	86.98	80.68
Total	**176.02**	**186.24**

57. Details Of Dues To Micro And Small Enterprises As Defined Under The Micro, Small And Medium Enterprises Development Act, 2006:

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

₹ in crore

		31 March 2019	31 March 2018
i.	The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principle amount due to micro and small enterprises	9.39	8.91
	Interest due on above	Nil	Nil
ii.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
iii.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act 2006.	Nil	Nil
iv.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act 2006.	Nil	Nil

58. The Company had entered into a Joint Venture ('JV') with JV Turkmenderman Ajanta Pharma Ltd. (TDAPL) where it had management control during the first 10 years of this contractual arrangement. However in terms of the JV agreement, the Company subsequently surrendered the management control in favour of the local partner and since then ceased to have any control on the operations of the JV. Further, TDAPL operates under severe restrictions that significantly impairs its ability to transfer the funds. Consequently, the Company had impaired it's entire investment in TDAPL and considers this as an unrelated party. The Company is also unable to obtain reliable and accurate financial information in respect of the said JV.

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to the Consolidated Financial Statements as on 31st March 2019

59. Pre-operative expenses capitalised during the year represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same were capitalised on completion of projects and commencement of commercial operations. The details of pre-operative expenses capitalised are:

₹ in crore

Particulars	31 March 2019	31 March 2018
Opening Balance	Nil	85.04
Add: Incurred during year		
Employee Benefit Expenses	2.80	1.27
Professional fees	0.07	Nil
Travelling expenses	0.19	0.02
Depreciation	Nil	Nil
Others	4.50	2.60
Total	**7.56**	**88.93**
Less : Other Income	Nil	Nil
Less: Capitalised to Tangible Assets	Nil	88.93
Closing Balance	**7.56**	**Nil**

60. Disaggregation of revenue

The operations of the Group are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Group is not significant.

Primary geographical markets

₹ in crore

Particulars	31 March 2019	31 March 2018
India	689.76	628.66
Africa		
- Branded	307.01	354.99
- Institution	195.67	383.81
Asia	528.67	493.41
USA	283.07	194.43
Others	9.94	7.80
Total revenue from contract with customers	**2,014.12**	**2,063.10**
Timing of revenue recognition		
Goods transferred at a point in time	2,014.12	2,063.10
Services transferred over time	-	-

Variable components such as discounts, late delivery charges etc. continues to be recognised as revenue deductions in compliance with Ind AS 115.There is no customer who contributes more than 10% of the Group's revenue.

₹ in crore

Revenue Break-up	31 March 2019	31 March 2018
Revenue as per contracted price	3,455.60	3,174.77
Adjusted for:		
Sales Return (including provisions)	35.08	12.41
Trade Discounts	1,406.40	1,099.26
Total	**1,441.48**	**1,111.67**
Net Sale	**2,014.12**	**2,063.10**

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to the Consolidated Financial Statements as on 31st March 2019

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

As of 31st March 2019

Name of Enterprise	Net assets i.e total assets minus total liabilities		Share in profit (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount ₹ in crore	As % of consolidated net assets	Amount ₹ in crore	As % of consolidated net assets	Amount ₹ in crore	As % of consolidated net assets	Amount ₹ in crore
Holding Company								
Ajanta Pharma Ltd.	94.6%	2,124.61	81.2%	314.35	39.7%	(1.28)	81.6%	313.06
Foreign Subsidiaries								
APML	4.6%	102.88	14.7%	56.87	9.3%	(0.30)	14.7%	56.57
APPI	2.1%	46.84	5.5%	21.13	(83.0%)	2.69	6.2%	23.82
APUI	(1.3%)	(30.27)	(1.3%)	(5.05)	129.2%	(4.19)	(2.4%)	(9.24)
APNL	0.1%	1.15	(0.1%)	(0.32)	4.9%	(0.16)	(0.1%)	(0.47)
Total		**2,245.21**		**386.98**		**(3.24)**		**383.74**

As of 31st March 2018

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

Also refer Note 44.3

Refer Annexure "A" of Director's Report for salient features of the financial statements of subsidiaries

62. Income Tax

Income tax (expense)/benefit recognized in the income statement consists of the following:

₹ in crore

Particulars	31 March 2019	31 March 2018
a. Current tax		
Current tax on profit for the year	123.91	134.55
Adjustment for current tax of prior periods	(0.05)	(2.89)
Total Current Tax expenses	**123.86**	**131.66**
Deferred tax expense/(benefit)		
Origination and reversal of timing difference	12.74	27.48
MAT Credit Entitlement	(9.30)	(5.23)
Total Deferred Tax expenses	**3.44**	**22.25**
Total Income tax expense recognized in the income statement	**127.30**	**153.90**

NOTES

to the Consolidated Financial Statements as on 31st March 2019

₹ in crore

Particulars	31 March 2019	31 March 2018
b. Reconciliation of effective tax rate The following is a reconciliation of the Group's effective tax rate		
Accounting profit before income taxes	514.27	622.55
Enacted tax rate in India (%)	34.94%	34.61%
Computed expected tax (benefit) / expenses	179.71	215.45
Tax effect due to non-taxable income for India tax purpose	(0.43)	(20.80)
Overseas taxes	15.22	17.56
Effect of non-deductible expenses	10.33	2.48
Effect of exempt non-operating income	(1.42)	(0.04)
Temporary difference which is reversed during the Tax Holiday period	(18.44)	(13.72)
Tax effect which is chargeable at different rate	(13.53)	(8.59)
Additional deduction on R&D Expenses	(32.93)	(34.35)
Other deductible expenses	(11.17)	(1.19)
Adjustment for current tax of prior periods	(0.04)	(2.89)
Income tax expenses	127.30	153.90
Effective tax rate	24.75%	24.72%

c. **Deferred tax asset and (liabilities):**

The tax effects of significant temporary difference that resulted in deferred tax asset and liabilities and a description of that created these difference in given below:

₹ in crore

Particulars	31 March 2019	31 March 2018
Deferred Tax Liabilities		
Property, Plant and equipment	(87.18)	(67.19)
Gain on Financial Instrument at fair value through profit or loss	(2.34)	(0.82)
Gain on Investment at fair value through profit or loss	(0.45)	Nil
Total Deferred Tax Liabilities	**(89.98)**	**(68.01)**
Deferred Tax Asset		
Leave Encashment	5.42	4.77
Provision for Expired Goods	3.73	3.34
MAT Credit Entitlement	20.18	10.88
Provision for Loss Allowance	1.75	2.01
Temporary difference related to subsidiaries	31.67	22.46
Others	0.14	0.15
Total Deferred Tax Asset	**62.89**	**43.63**
Deferred tax liabilities after set off	(58.90)	(47.00)
Deferred tax assets after set off	31.81	22.61
Movement in deferred tax liabilities, net		
Opening balance	(47.00)	(27.34)
Re-measurement of defined benefit plans	0.69	0.69
Deferred tax adjustment of previous year	0.05	Nil
Tax expense during the period recognised in profit or loss	(12.63)	(20.32)
Others	Nil	(0.03)
Closing balance	**(58.90)**	**(47.00)**

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to the Consolidated Financial Statements as on 31st March 2019

₹ in crore

Particulars	31 March 2019	31 March 2018
Movement in deferred tax assets, net		
Opening balance	22.61	24.45
Temporary difference related to subsidiaries	9.21	(1.43)
Others	(0.01)	(0.41)
Closing balance	**31.81**	**22.61**

The charge relating to temporary differences during the year ended 31st March 2019 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences, MAT credit entitlement. The credit to temporary differences during the year ended 31st March 2018 are primarily on account of Property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, compensated absences, provision for loss allowance.

63. Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

In terms of our report attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 30th April 2019

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

INDEPENDENT AUDITORS' REPORT

To the Members of
Ajanta Pharma Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Ajanta Pharma Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue recognition

See note 30 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Refer note 6.8 for policies in respect of revenue recognition. Revenue from sale of pharmaceutical products is recognised when the control over the products have been transferred to the customer based on the terms and conditions of the sales contracts entered into with the customers across geographies. We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator and there is a risk of revenue being fraudulently overstated arising from pressure to achieve performance targets as well as meeting external expectations.	Our procedures in respect of recognition of revenue included the following: – Assessing the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards. – Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT application/manual controls over the Company's systems which govern recording of revenue in the general ledger accounting system. – Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year) and verifying the underlying documents, which includes sales invoices/contracts and shipping documents. – Assessing manual journals posted to revenue to identify unusual items other than already identified. – Evaluating the adequacy of the standalone financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.

Property, Plant and Equipment

See note 8 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Refer note 6.1 for policies in respect of Property, Plant and Equipment The carrying amount of Property, Plant and Equipment represents 46 % of the total assets. The value in use of these Property, Plant and Equipment have been determined based on certain assumptions and estimates of future performance. The value in use so determined of each Cash Generating Unit (CGU) identified by the management have been used for the impairment evaluation of the Property, Plant and Equipment. Due to the significance of the value of the PPE, the inherent uncertainty and judgment involved in forecasting performance and the estimates involved in discounting future cash flows, we have considered these estimates to be significant to our overall audit strategy and planning.	In view of the significance of the matter our procedures in this area included the following : – Testing the design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models. – assessing the valuation methodology used by management and testing the mechanical accuracy of the impairment models – evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; – challenging the appropriateness of the business assumptions used by management, such as sales growth and the probability of success of new products, – evaluating the past performances where relevant and assessing historical accuracy of the forecast produced by management; – enquiring with respect to and challenging the management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows; – Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached on the carrying values of the assets and associated disclosures. – Performing sensitivity analysis of key assumptions, including future revenue growth rates, costs and the discount rates applied in the valuation models. – Evaluating the adequacy of the disclosures made in the standalone financial statements

Evaluation of uncertain tax positions

See note 57 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Refer note 6.14 & 6.16 for policies in respect of taxes and contingent liabilities The Company operates in a complex tax jurisdiction and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements. In addition, recognition of deferred tax assets and minimum alternate tax credits (MAT credit) is dependent on the assessment of future utilization/ recoverability as estimated by the management based on projected performance involving significant judgment.	With the support of tax specialists, we assessed the appropriateness of the provisions for uncertain tax positions and carrying value of deferred tax assets and MAT credit by performing the following audit procedures: – Testing the design and operating effectiveness of the Company's controls over provision for current tax, deferred tax and uncertain tax positions; – Assessing and challenging the completeness of UTPs in conjunction with our internal tax specialists by considering changes to business and tax legislations through discussions with management and review of correspondences with tax authorities where relevant; – Assessing and challenging the key assumptions used by management in estimating tax provisions; – Assessing and challenging management's assessment of the possible outcome of disputed matters; – Assessing and challenging management's assessment of utilization of MAT credit and deferred tax assets – Evaluating adequacy of disclosures given in note 57 to the standalone financial statements

Information other than the financial statements and Auditors' report thereon ("Other Information")

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) 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.

(A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 48 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any 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.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sreeja Marar
Partner
Membership No: 111410

Mumbai
30 April 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

31 March 2019

(Referred to in our report of even date)

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

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

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

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

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

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

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

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

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

(ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the paragraph 3(ix) of the Order are not applicable to the Company.

(x) During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such cases by the Management.

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

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

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

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

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

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

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

Sreeja Marar
Partner
Membership No: 111410

Mumbai
30 April 2019

Annexure I

Name of the Statute	Nature of dues	Amount Demanded ₹ in crore	Amount Paid ₹ in crore	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	Excise duty	0.07	-	FY 2007-08 to FY 2008-09	CESTAT, Mumbai
Central Excise Act 1944	Excise duty	0.05	-	FY 2006-07 to FY 2010-11	CESTAT, Mumbai
Central Excise Act 1944	Excise duty	0.20	-	FY 2010-11 to FY 2015-16	CESTAT, Hyderabad
Central Excise Act 1944	Excise duty	0.04	-	FY 2012-13 to FY 2016-17	CESTAT, Mumbai
Central Excise Act 1944	Excise duty	0.13	-	FY 2010-11 to FY 2015-16	CESTAT, Mumbai
Central Excise Act 1944	Excise duty	0.11	-	FY 2015-16 to FY 2016-17	CESTAT, Mumbai
Central Excise Act 1944	Excise duty	0.09	-	FY 2016-17 to FY 2017-18	The Commissioner (Appeals), Central Excise and GST, Nashik
Central Excise Act 1944	Excise duty	0.01	-	FY 2016-17 to FY 2017-18	The Commissioner (Appeals), Central Excise and GST, Nashik
The Income Tax Act 1961	Penalty U/s 271(1) (C) of the Income tax Act, 1961	0.97	0.50	FY 2013-14	Commissioner of Income Tax (Appeals) Mumbai

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

on the financial statements of Ajanta Pharma Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Ajanta Pharma Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Sreeja Marar
Partner
Membership No: 111410

Mumbai
30 April 2019

BALANCE SHEET

as at 31st March 2019

₹ in crore

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	8	1,155.37	1,029.29
(b) Capital work-in-progress	8	261.29	61.33
(c) Intangible Assets	8	6.65	7.40
(d) Financial Assets			
(i) Non-current Investments	9	18.26	18.26
(ii) Other Non-current Financial Assets	10	10.85	14.18
(e) Non-Current Tax Assets (Net)	11	13.48	22.83
(f) Other non-current assets	12	5.72	43.55
Total Non-current Assets		**1,471.62**	**1,196.84**
Current Assets			
(a) Inventories	13	414.26	317.37
(b) Financial Assets			
(i) Current Investments	14	64.74	182.38
(ii) Trade receivables	15	423.38	432.19
(iii) Cash and cash equivalents	16	30.52	36.22
(iv) Other Bank Balances	17	5.35	2.45
(v) Other Current Financial Assets	18	36.96	32.35
(c) Other current assets	19	74.68	92.05
Total Current Assets		**1,049.89**	**1,095.01**
Total Assets		**2,521.51**	**2,291.85**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	20	17.54	17.69
(b) Other Equity	21	2,124.54	1,913.81
Total Equity		**2,142.08**	**1,931.50**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Other Non-current financial liabilities	22	0.33	-
(b) Non-current Provisions	23	13.44	13.16
(c) Deferred tax liabilities (Net)	24	58.90	47.00
Total Non-current Liabilities		**72.67**	**60.16**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	25		
(a) total outstanding dues of micro enterprises and small enterprises		9.39	8.91
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		176.14	202.56
(ii) Other Current Financial Liabilities	26	83.36	54.52
(b) Other Current Liabilities	27	19.54	13.49
(c) Current Provisions	28	18.33	16.99
(d) Current Tax Liabilities (Net)	29	-	3.72
Total Current Liabilities		**306.76**	**300.19**
Total Equity and Liabilities		**2,521.51**	**2,291.85**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 30th April 2019

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2019

₹ in crore

Particulars	Note No.	31 March 2019	31 March 2018
Income :			
Revenue from operations	30	1,772.62	1,830.45
Other Income	31	102.15	73.01
Total Income		**1,874.77**	**1,903.46**
Expenses :			
Cost of Materials Consumed	32	388.71	375.43
Purchase of Stock-in-Trade	33	70.79	73.01
Changes in Inventories of Finished Goods/Work-in-progress/Stock-in-Trade	34	(67.38)	(49.15)
Employee Benefits Expense	35	389.37	342.89
Finance Costs	36	0.41	0.24
Depreciation and Amortisation Expense	37	69.90	57.14
Other Expenses	38	509.92	541.46
Total Expenses		**1,361.72**	**1,341.02**
Profit Before Tax		**513.05**	**562.44**
Tax Expense :	57		
- Current Tax (net)		108.66	114.60
- Deferred Tax (net)		12.63	20.32
Profit For The Year		**391.76**	**427.52**
Other Comprehensive Loss			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit plans		(1.97)	(1.99)
Income tax relating to items that will not be reclassified to profit or loss		0.69	0.69
Net other Comprehensive Loss that will not be reclassified subsequently to profit or loss		**(1.28)**	**(1.30)**
Other Comprehensive Loss for the year, net of tax		**(1.28)**	**(1.30)**
Total Comprehensive Income for the year		**390.48**	**426.22**
Earnings Per Equity Share (Face Value ₹ 2/-)	40		
Basic (₹)		44.51	48.59
Diluted (₹)		44.51	48.58

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 30th April 2019

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

STATEMENT OF CASH FLOW

for the year ended 31st March 2019

₹ in crore

		As at 31 March 2019	As at 31 March 2018
A.	**Cash Flow from Operating Activities**		
	Profit before Tax	513.05	562.44
	Adjustment for:		
	Depreciation and Amortisation Expense	69.90	57.14
	Loss on Sale / Discard of Property, Plant and Equipment (Net)	0.23	0.01
	Finance Costs	0.41	0.24
	Dividend from Subsidiary	(77.42)	(49.65)
	Gain on Investment at FVTPL	(13.80)	(11.41)
	Income from Investments & Deposits	(4.51)	(0.57)
	Share based payment Expense	0.67	1.34
	Unrealised Loss / (Gain)	4.73	(5.25)
	Impairment loss on Financial Assets	8.48	8.36
	Operating Profit before Working Capital Changes	**501.74**	**562.65**
	Changes in working capital :		
	Decrease in Other Non-Current Financial Assets	3.33	(5.09)
	Increase in Inventories	(96.88)	(138.09)
	Increase in Trade Receivables	(4.73)	(99.66)
	Increase in Other Current Financial Assets	3.48	(31.95)
	Decrease / (Increase) in Other Current Assets	17.37	(37.90)
	Increase / (Decrease) in Non Current Other Financial Liabilities	0.33	(0.09)
	Increase in Non Current Provisions	0.28	10.01
	Decrease / (Increase) in Trade Payables	(25.61)	66.51
	Increase in Other Current Finanical Liabilities	10.49	7.16
	Increase in Other Current Liabilities	5.95	5.88
	Decrease /(Increase) in Current Provisions	(0.63)	2.20
	Cash generated from Operations	**415.11**	**341.64**
	Net Income tax paid	(103.03)	(122.47)
	Net Cash Flow Generated from Operating Activities	**312.08**	**219.17**
B.	**Cash Flow from Investing Activities**		
	Capital Expenditure on Property, Plant and Equipment including Capital Advances	(339.87)	(261.39)
	Proceeds from Sale of Property, Plant and Equipment	0.62	0.11
	Bank Balances not considered as Cash and Cash Equivalents (Net)	(2.90)	(0.87)
	Dividend from Subsidiary	77.42	49.65
	Purchase of Current Investments	(269.22)	(225.12)
	Proceeds from Sale of Current Investments	392.45	235.71
	Income on Investments and Deposits	4.62	1.80
	Investment in Subsidiaries	-	(1.01)
	Net Cash Used in Investing Activities	**(136.88)**	**(201.13)**

STATEMENT OF CASH FLOW

for the year ended 31st March 2019

₹ in crore

		As at 31 March 2019	As at 31 March 2018
C.	**Cash Flow from Financing Activities**		
	Interest Paid	(0.41)	(0.24)
	Payment for buyback of shares	(100.00)	-
	Payment of Expenses for buyback of shares	(0.99)	-
	Dividend Paid	(79.12)	(0.30)
	Dividend Distribution Tax Paid	(0.37)	-
	Net Cash Used in Financing Activities	**(180.90)**	**(0.54)**
	Net Increase/(Decrease) in Cash and Cash Equivalents	**(5.70)**	**17.51**
	Cash and Cash Equivalents as at the Beginning of the Year	36.22	18.72
	Cash and Cash Equivalents as at the End of the Year (Refer Note 16)	**30.52**	**36.22**

Figures in brackets indicates outflow.

Notes:

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

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 30th April 2019

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2019

A. Equity Share Capital (Refer Note 20)

₹ in crore

	Balance as at 1 April 2018	Changes in Equity Share Capital during the year	Balance as at 31 March 2019
Authorised	30.00	-	30.00
Issued, Subscribed & Paid up	17.69	(0.15)	17.54

B. Other Equity (Refer Note 21)

₹ in crore

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings	Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)	Total Other Equity
As at 1 April 2017	**2.10**	**76.06**	**901.00**	**1.65**	**505.44**	**-**	**1,486.25**
Profit for the year	-	-	-	-	427.52	-	427.52
Other comprehensive income (net of tax)	-	-	-	-	-	(1.30)	(1.30)
Total comprehensive income	**-**	**-**	**-**	**-**	**427.52**	**(1.30)**	**426.22**
Exercised Stock Options	-	1.36	-	(1.36)	-	-	-
Share based payment expense	-	-	-	1.34	-	-	1.34
As at 31 March 2018	**2.10**	**77.42**	**901.00**	**1.63**	**932.97**	**(1.30)**	**1,913.81**
Profit for the year	-	-	-	-	391.76	-	391.76
Other comprehensive income (net of tax)	-	-	-	-	-	(1.28)	(1.28)
Total comprehensive income	**-**	**-**	**-**	**-**	**391.76**	**(1.28)**	**390.48**
Utilised for buy-back of Equity Shares	-	(78.62)	(21.23)	-	-	-	(99.85)
Payment of Expenses for buyback of shares	-	-	-	-	(0.99)	-	(0.99)
Transfer to Capital Redemption Reserve for buyback of Equity Shares	0.15	-	(0.15)	-	-	-	-
Exercised Stock Options	-	1.20	-	(1.20)	-	-	-
Share based payment expense	-	-	-	0.67	-	-	0.67
Dividend Paid	-	-	-	-	(79.22)	-	(79.22)
Dividend Distribution Tax	-	-	-	-	(0.37)	-	(0.37)
As at 31 March 2019	**2.25**	**-**	**879.62**	**1.10**	**1,244.15**	**(2.58)**	**2,124.54**

Nature of Reserves

a) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created on redemption of preference shares and when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares redeemed or purchased is transferred to capital redemption reserve.

b) Securities Premium

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2019

c) **General Reserve**

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

d) **Employees Stock Options Outstanding Account**

The fair value of the equity-settled share based payment transactions are debited to Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account over the vesting date of the options.

e) **Retained Earnings**

Retained Earnings are the profits that the Company has earned till date less any transfer to general reserve, dividends or other distributions paid to shareholders.

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 30th April 2019

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

NOTES

to the Standalone Financial Statements as on 31st March 2019

1. Corporate Information

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

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

The financial statements for the Company were authorised for issue by Company's Board of Directors on 30th April 2019.

2. Basis of Preparation

These standalone financial statements of the Company have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('The Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India.

These standalone financial statements have been prepared on an accrual basis and under the historical cost basis, except otherwise stated.

3. Functional and Presentation Currency

The financial statements are presented in Indian Rupees ('INR' or 'Rupees' or 'Rs.' or '₹') which is the functional currency for the Company.

4. Rounding of Amounts

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

5. Current versus non-current classification

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

Operating Cycle

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

6. Significant Accounting Policies

6.1. Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates these components separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment

NOTES

to the Standalone Financial Statements as on 31st March 2019

as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

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

All identifiable revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work – in – Progress.

Capital expenditure on Property, plant and equipment for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are derecognised either on disposal or when the asset retires from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on the property, plant and equipment is provided on straight line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Premium on Leasehold land are amortised over the period of lease. Building constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold land are amortised over the primary lease period of the land.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non-current assets.

6.2. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of profit and loss in the period in which the expenditure is incurred.

Software is amortised over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

The amortisation period and the amortisation method for an intangible assets with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets is derecognised.

Research and Development

Revenue expenditure on research is recognised in the statement of profit and loss in the period in which it is incurred.

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

6.3. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value (FVTPL / FVTOCI)
- Financial assets at amortised cost

When assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in other comprehensive income (i.e. fair value through other comprehensive income (FVTOCI)).

Financial Assets measured at amortised cost (net of write down for impairment, if any):

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of profit and loss.

Financial Assets measured at Fair Value through Other Comprehensive Income ("FVTOCI"):

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

Financial Assets measured at Fair Value through Profit or Loss ("FVTPL"):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

Investment in Subsidiary:

Investment in equity instruments of Subsidiaries are measured at cost. In the financial statements, investment in subsidiaries is carried at cost. The carrying amount is reduced to recognise any impairment in the value of investment.

Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

Investment in Debt Instruments:

A debt instrument is measured at amortised cost or at FVTOCI. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

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Derecognition of Financial Assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables.

Financial Liabilities:

Classification:

The Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition of Financial Liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative Financial Instrument:

The Company uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

6.4. Inventories

Raw materials and packing materials are valued at lower of cost (on moving weighted average basis) and the net realisable value, cost of which includes duties and taxes (net off CENVAT and GST wherever applicable). Cost of imported raw materials and packing materials lying in bonded warehouse includes the amount of customs duty. Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived on moving weighted average basis.

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

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

Slow and non-moving material, products nearing expiry, defective inventory are fully provided for and valued at net realisable value.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

6.5. Cash And Cash Equivalents

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/ highly liquid investments with original maturity period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6.6. Cash Flow Statement

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

6.7. Foreign Currency Transactions

Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are re-measured at the exchange rate prevailing on the balance sheet date. Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the Statement of Profit and Loss.

6.8. Revenue Recognition

Sale of Goods

The majority of the Company's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on orders received.

The Company manufacture and sells pharmaceutical formulation products to its distributors across the markets. Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined is when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the Company is entitled to payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

Interest income

Interest income is recognised with reference to the Effective Interest Rate method.

Dividend income

Dividend from investment is recognised as revenue when right to receive is established.

Income from Export Benefits and Other Incentives

Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

6.9. Employee Benefits

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

(i) Defined benefit plans

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit Method.

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The Company fully contributes all ascertained liabilities to the Ajanta Pharma Limited Group Gratuity Trust (The Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. The effect of any plan amendments are recognized in the Statement of Profit and Loss.

(ii) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(iv) Share-based compensation

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

The company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share Based Payment.

6.10. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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6.11. Lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Leases rentals are charged to the Statement of Profit and Loss on straight line basis.

6.12. Government Grants

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

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

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

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

6.13. Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

6.14. Income Taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

6.15. Dividends to Shareholders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

6.16. Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

Provisions (legal and constructive) are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If there is any expectation that some or all of the provision will be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any virtually certain reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimates is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not recognised but disclosed in the standalone financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non-cancellable operating lease.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Asset Retirement Obligation

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognised in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

6.17. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date in accordance with Ind AS 113.

Financials Statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value received from Bank.
- Mutual Funds are measured at fair values as per Net Asset Value (NAV).
- Employee Stock Option Plan (ESOP) at fair values as per Actuarial Valuation Report.

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

6.18. Recent accounting pronouncements

Standards issued but not yet effective

Ind AS 116 Leases

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 116 'Leases', which replaces Ind AS 17 'Leases'. The new standard shall require lessees to recognize the leases on their balance sheets with limited exemptions related to low value asset and assets with a lease term lower than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognize "Right-Of-Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligation to make lease payments.

The Company is required to adopt Ind AS 116 Leases from 1st April 2019. The Company will have to recognize "Right-Of-Use" assets and "Lease Liability" for its operating leases. Upon application of the new standard, the nature of expenses related to the leases will change and accordingly the Company will recognize a depreciation charge for right-of-use assets and interest expense on unwinding of lease liabilities as against lease expenses recognized upto 31st March 2019. The new standard also provides two broad alternative transition approach - Retrospective Method and Cumulative Effect Method with practical expedient.

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Based on preliminary assessment, there will be no significant impact on initial application to the statement of profit and loss of the company.

7. Critical accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods.

(a) Arrangement containing lease

At the inception of an arrangement, Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values.

Company has determined, based on an evaluation of the terms and conditions of the arrangements that such contracts are in the nature of operating leases.

(b) Multiple element contracts with vendors

Company has entered into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is/may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts (as defined in the significant accounting policies) have been accounted under Property, Plant and Equipment and/or as Intangible assets, since the Company has economic ownership in these assets. The Company believes that the current treatment represents the substance of the arrangement.

(c) Property, Plant and Equipment

Determination of the estimated useful life of Property, Plant and Equipment and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

(d) Intangible Assets

Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

(e) Recognition and measurement of defined benefit obligations

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

(f) Recognition of deferred tax assets and income tax

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

(g) Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

(h) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(i) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

(j) Insurance claims

Insurance claims are recognised when the Company has reasonable certainty of recovery.

(k) Impairment reviews

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

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

8.1. Current Year

₹ in crore

Particulars		Gross Block (Cost Or Deemed Cost)				Accumulated Depreciation/Amortisation				Net Block
		As at 1 April 2018	Additions	Disposals	As at 31 March 2019	As at 1 April 2018	For the year	Disposals	As at 31 March 2019	As at 31 March 2019
(A)	**Property, Plant and Equipment**									
	Freehold Land	142.00	11.75	-	153.75	-	-	-	-	153.75
	Lease hold Land	31.21	40.08	-	71.29	3.48	0.70	-	4.18	67.11
	Buildings	351.77	63.02	-	414.79	77.35	11.38	-	88.73	326.06
	Plant & Equipments	576.73	54.73	0.46	631.00	142.56	33.71	0.27	176.00	455.00
	Laboratory Equipment	131.85	8.75	-	140.60	25.16	11.87	-	37.03	103.57
	Furniture & fixtures	64.32	6.45	0.25	70.52	36.07	3.94	0.05	39.96	30.56
	Vehicles	4.19	0.27	0.94	3.52	3.06	0.21	0.90	2.37	1.15
	Office Equipments	19.60	2.93	1.15	21.38	12.51	1.94	0.82	13.63	7.75
	Computers	27.30	5.87	1.12	32.05	19.49	3.16	1.03	21.62	10.43
	Total	**1,348.97**	**193.85**	**3.92**	**1,538.90**	**319.68**	**66.91**	**3.07**	**383.52**	**1,155.37**
(B)	**Other Intangible assets**									
	ANDA Development Cost	15.93	-	-	15.93	15.93	-	-	15.93	-
	Computer Software	14.48	2.24	-	16.72	7.08	2.99	-	10.07	6.65
	Total	**30.41**	**2.24**	**-**	**32.65**	**23.01**	**2.99**	**-**	**26.00**	**6.65**
	Total (A) + (B)	**1,379.38**	*** 196.09**	**3.92**	**1,571.55**	**342.69**	**69.90**	**3.07**	**409.52**	**1,162.02**
(C)	**Capital Work in Progress**									261.29
Total Property, Plant and Equipment, Capital Work-in -Progress and Other Intangible Assets (A) + (B) + (C)										**1,423.31**

* Addition includes ₹ 78.28 crore used for Research and Development.

8.2. Previous Year

₹ in crore

Particulars		Gross Block (Cost Or Deemed Cost)				Accumulated Depreciation/Amortisation				Net Block
		As at 1 April 2017	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	For the year	Disposals	As at 31 March 2018	As at 31 March 2018
(A)	**Property, Plant and Equipment**									
	Freehold Land	142.00	-	-	142.00	-	-	-	-	142.00
	Lease hold Land	31.21	-	-	31.21	2.93	0.55	-	3.48	27.73
	Buildings	204.59	147.18	-	351.77	68.11	9.24	-	77.35	274.42
	Plant & Equipments	271.07	305.66	-	576.73	115.82	26.74	-	142.56	434.17
	Laboratory Equipment	86.33	45.52	-	131.85	15.01	10.15	-	25.16	106.69
	Furniture & fixtures	54.32	10.00	-	64.32	32.63	3.44	-	36.07	28.25
	Vehicles	4.68	0.43	0.92	4.19	3.64	0.22	0.80	3.06	1.13
	Office Equipments	16.67	2.93	-	19.60	10.78	1.73	-	12.51	7.09
	Computers	22.38	4.92	-	27.30	17.36	2.13	-	19.49	7.81
	Total	**833.25**	**516.64**	**0.92**	**1,348.97**	**266.28**	**54.20**	**0.80**	**319.68**	**1,029.29**
(B)	**Other Intangible assets**									
	ANDA Development Cost	15.93	-	-	15.93	15.93	-	-	15.93	-
	Computer Software	10.10	4.38	-	14.48	4.14	2.94	-	7.08	7.40
	Total	**26.03**	**4.38**	**-**	**30.41**	**20.07**	**2.94**	**-**	**23.01**	**7.40**
	Total (A) + (B)	**859.28**	*** 521.02**	**0.92**	**1,379.38**	**286.35**	**57.14**	**0.80**	**342.69**	**1,036.69**
(C)	**Capital Work in Progress**									61.33
Total Property, Plant and Equipment, Capital Work-in -Progress and Other Intangible Assets (A) + (B) + (C)										**1,098.02**

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

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to the Standalone Financial Statements as on 31st March 2019

9. Non-Current Investments

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Unquoted (At cost)		
Investment in Equity Instruments at amortised cost		
In Subsidiary Companies:		
Ajanta Pharma (Mauritius) Ltd.		
6,13,791 (Previous Year 6,13,791) Ordinary Shares of Mauritian Rupees 100 each fully paid up	9.44	9.44
Ajanta Pharma USA Inc		
10,000 (Previous Year 10,000) Common Stock of US $ 100 each fully paid up	6.07	6.07
Ajanta Pharma Philippines Inc.		
82,000 (Previous Year 82,000) Ordinary Shares of Philippines Peso 100 each fully paid up	1.38	1.38
Ajanta Pharma Nigeria Ltd		
6,00,00,000 (Previous Year 6,00,00,000) Ordinary Shares of Nigerian Naira 1 each fully paid up	1.37	1.37
In Joint Venture		
Turkmenderman Ajanta Pharma Ltd. (Refer Note 55)		
2,00,000 (Previous Year 2,00,000) Shares of US $ 10 each fully paid-up	-	-
In Others at fair value		
OPGS Power Gujarat Private Limited		
1,95,000 (Previous Year 1,95,000) Shares of ₹ 0.19 each (Current Year ₹ 37,050, Previous Year ₹ 37,050)	-	-
Total	**18.26**	**18.26**
Aggregate value of unquoted investments	18.26	18.26
Aggregate value of quoted investments	-	-
Aggregate value of unquoted investments (net of impairment)	18.26	18.26
Aggregate market value of quoted investments	-	-
Aggregate value of impairment of investments	6.95	6.95

10. Other Non-Current Financial Assets

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good unless otherwise stated		
Security Deposits	8.19	10.18
In Deposit Accounts with Banks with maturity of more than 12 months from the balance sheet date		
- Under Lien	2.53	3.89
- Others (Current Year ₹ 64,819 Previous Year ₹ 10,000)	0.01	-
Interest Accrued on fixed deposits with Banks	0.12	0.11
	10.85	**14.18**

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to the Standalone Financial Statements as on 31st March 2019

11. Non-Current Tax Assets (Net)

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Income Tax Paid (Net of Provision)	13.48	22.83
	13.48	**22.83**

12. Other Non-Current Assets

	As at 31 March 2019	As at 31 March 2018
Capital Advances	5.72	43.55
	5.72	**43.55**

13. Inventories

	As at 31 March 2019	As at 31 March 2018
Raw Materials	148.63	116.77
Packing Materials	42.14	44.50
Work-in-Progress	35.31	11.04
Finished Goods (including in transit ₹ 46.35 crore, previous year ₹ 21.62 crore)	148.05	120.92
Stock-in-trade (including in transit ₹ 1.45 crore, previous year ₹ 1.25 crore)	40.13	24.14
	414.26	**317.37**

14. Current Investments

	Face Value ₹	No. of Units *	As at 31 March 2019	As at 31 March 2018
Unquoted (Fair Value through Profit or Loss (FVTPL))				
In Mutual Funds				
Franklin India Low Duration Fund - Growth	10	103,140 (15,208,668)	0.22	30.38
Reliance Regular Saving Fund-Debt Plan - Growth Plan - Growth Option	10	- (17,491,199)	-	42.34
ICICI Prudential Regular Savings Fund - Growth	10	- (32,606,841)	-	60.53
DSP Black Rock Income Opportunities Fund Regular Growth	10	- (3,549,057)	-	10.15
IDFC Credit Opportunities Fund Regular Plan Growth	10	- (14,218,953)	-	15.24
DSP BlackRock India Enhanced SatCore Fund C B-2.18	10	2,500,000 (-)	26.27	-
Zero Coupon Bond Aditya Birla Finance Ltd.	1,000,000	250 (-)	27.77	-
ICICI Prudential Balanced Fund Direct Plan Growth	10	- (1,793,670)	-	23.74
ICICI Prudential Liquid Fund Direct Plan Daily Dividend	10	1,046,073 (-)	10.48	-
			64.74	**182.38**

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to the Standalone Financial Statements as on 31st March 2019

₹ in crore

	Face Value ₹	No. of Units *	As at 31 March 2019	As at 31 March 2018
Aggregate value of quoted investments			-	-
Aggregate value of unquoted investments (net of impairment)			64.74	182.38
Aggregate market value of quoted investments			-	-
Aggregate value of impairment of investments			-	-

* Figures in Brackets are for previous year

15. Trade Receivables

	As at 31 March 2019	As at 31 March 2018
Unsecured		
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Trade receivables considered good	22.90	44.47
- Trade receivables credit impaired	4.28	5.80
	27.18	50.27
Trade Receivables Considered Good	401.20	387.72
	428.38	**437.99**
Less: Provision for		
- Trade receivables considered good	(0.72)	-
- Trade receivables credit impaired	(4.28)	(5.80)
	(5.00)	(5.80)
Total Trade Receivables	**423.38**	**432.19**
Break-up of Security Details		
(i) Trade receivables considered good- Secured	-	-
(ii) Trade receivables considered good- Unsecured	423.38	432.19
(iii) Trade receivables which have significant increase in Credit Risk	-	-
(iv) Trade receivables - credit impaired	5.00	5.80
Total	**428.38**	**437.99**
Loss Allowance	(5.00)	(5.80)
Total Trade Receivables	**423.38**	**432.19**

There are no other trade receivables which have signinficant increase in credit risk, Refer note 43 B for information about credit risk and market risk of trade receivables

Trade receivables includes debts due from subsidiary companies (Current Year ₹ 245.78 crore, Previous Year ₹ 201.41 crore) Refer note 49

16. Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Balance with Banks - In Current Accounts	30.49	36.17
Cash on Hand	0.03	0.05
	30.52	**36.22**

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to the Standalone Financial Statements as on 31st March 2019

17. Other Bank balances

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Earmarked balances with banks		
- Unpaid Dividend	0.75	0.65
In Deposit Accounts (with original maturity of more than 3 months but expected to mature within 12 months from Balance sheet date)		
- Under Lien	4.60	1.80
- Others (Current Year ₹ 10,000, Previous Year ₹ 10,000)	-	-
	5.35	**2.45**

18. Other Current Financial Assets

	As at 31 March 2019	As at 31 March 2018
Interest Receivable	0.31	0.12
Export Benefits Receivable	29.95	32.23
Mark to Market Derivative Asset	6.70	-
	36.96	**32.35**

19. Other Current Assets

	As at 31 March 2019	As at 31 March 2018
Advances other than Capital Advances		
Advance to Vendors		
- considered good	10.33	7.40
- credit impaired	-	-
	10.33	7.40
Less: Provision for credit impaired	-	-
	10.33	7.40
Prepaid Expenses	8.80	-
Advance to Employees	4.34	3.12
Loan to Employees	1.69	1.19
Other Advances Recoverable	0.13	0.85
Balance with Statutory/Govt. Authorities		
Excise Authorities	-	0.15
Vat Receivable	0.91	1.46
GST Receivable	47.96	77.36
Octroi Refund Receivable	0.52	0.52
	74.68	**92.05**

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to the Standalone Financial Statements as on 31st March 2019

20. Equity Share Capital

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
Authorised :				
Equity Shares of ₹ 2 each	150,000,000	30.00	150,000,000	30.00
Issued, Subscribed & Paid up:				
Issued, Subscribed and Fully paid up Equity Shares of ₹ 2 each	87,253,770	17.45	88,014,500	17.60
Add : Shares Forfeited	766,500	0.09	766,500	0.09
Total	**88,020,270**	**17.54**	**88,781,000**	**17.69**

20.1. Movement in Equity Share Capital

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
Equity shares outstanding at the beginning of the year	88,014,500	17.60	88,005,000	17.60
Add: Equity shares allotted during the year against option's exercised under ESOP	8,500	0.00*	9,500	0.00#
Less: Equity Shares extinguished on buyback of shares	(769,230)	(0.15)	-	-
Equity Shares outstanding at the end of the year	**87,253,770**	**17.45**	**88,014,500**	**17.60**

* ₹ 17,000 # ₹ 19,000

20.2. Rights attached to equity shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 2 per share. The Company declares and pays dividends in Indian Rupees. Any interim dividend paid is recognised on the approval by Board of Directors.

During the year ended 31st March 2019, the amount of dividend per equity share recognised as distribution to equity shareholders is ₹ 9 (Previous Year ₹ Nil), which includes interim dividend of ₹ 9 (Previous Year ₹ 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.

20.3. Equity shares extinguished on buyback

The Board of Directors of the Company, at its meeting held on 30th January 2019 had approved a proposal to buyback upto 7,69,230 equity shares of the Company for an aggregate amount not exceeding ₹ 100 crore being 0.87% of the total paid up equity share capital at ₹ 1,300 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 769,230 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought back on 26th March 2019. The Company has utilised its Securities Premium (₹ 78.62 crore) and General Reserve (₹ 21.23 crore) for the buyback of its equity shares. Total transaction cost of ₹ 0.99 crore incurred towards buyback was offset from retained earnings. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of ₹ 0.15 crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

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to the Standalone Financial Statements as on 31st March 2019

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

Name of Shareholders	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	% holding	No. of Shares	% holding
Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	12,639,934	14.49	12,749,999	14.49
Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	12,639,933	14.49	12,749,999	14.49
Ravi Purushottam Agrawal, trustee Ravi Agrawal Trust	12,545,180	14.38	12,659,999	14.39
Aayush Madhusudan B. Agrawal, trustee Aayush Agrawal Trust	12,540,389	14.37	12,660,000	14.39
Gabs Investments Private Limited	8,392,262	9.62	8,392,262	9.54
Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal and Mr. Ravi P. Agrawal	2,390,903	2.74	2,437,500	2.77

	As at 31 March 2019	As at 31 March 2018
	No. of Shares	No. of Shares
20.5. Equity Shares reserved for issuance under Employee Stock Options Scheme 2011 of the Company		
Equity Shares	1,140,750	1,149,250
20.6. Aggregate number of Equity shares issued during last five years pursuant to Employee Stock Options Scheme 2011		
Equity Shares	184,500	176,000
20.7. Equity Shares allotted as fully paid up Bonus Shares during the period of five years immediately preceding the Balance Sheet date		
Bonus Shares issued in F.Y. 2013-2014	29,292,250	29,292,250
Bonus Shares on allotment of ESOP in F.Y. 2014-15	22,250	22,250
Bonus Shares on allotment of ESOP in F.Y. 2015-16	19,250	19,250
Bonus Shares on allotment of ESOP in F.Y. 2016-17	1,250	1,250

20.8. The Company is not a subsidiary company.

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to the Standalone Financial Statements as on 31st March 2019

21. Other Equity

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Capital Redemption Reserve		
Balance at the beginning of the year	2.10	2.10
Add : Amount transferred upon buyback of shares (Refer Note 20.3)	0.15	-
Balance as at the year end	**2.25**	**2.10**
Securities Premium		
Balance at the beginning of the year	77.42	76.06
Add : Addition during the year	1.20	1.36
Less: Utilisation for buyback of shares (Refer Note 20.3)	(78.62)	-
Balance as at the year end	**-**	**77.42**
General Reserve		
Balance at the beginning of the year	901.00	901.00
Less: Transferred to Capital Redemption Reserve (Refer Note 20.3)	(0.15)	-
Less: Utilised for buyback of shares (Refer Note 20.3)	(21.23)	-
Balance as at the year end	**879.62**	**901.00**
Employee Stock Options Outstanding Account		
Balance at the beginning of the year	1.63	1.65
Add : Share based payment expense	0.67	1.34
Less: Exercised during the year	(1.20)	(1.36)
Balance as at the year end	**1.10**	**1.63**
Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)		
Balance at the beginning of the year	(1.30)	-
Add : Amount transferred	(1.28)	(1.30)
Balance as at the year end	**(2.58)**	**(1.30)**
Retained Earnings		
Balance at the beginning of the year	932.97	505.44
Profit for the year	391.76	427.52
Less: Appropriations		
- Interim Dividend on Equity Shares	79.22	-
- Corporate Tax on Interim Dividend	0.37	-
- Expense relating to buyback of shares (Refer Note 20.3)	0.99	-
Balance as at the year end	**1,244.15**	**932.97**
Total	**2,124.54**	**1,913.81**

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to the Standalone Financial Statements as on 31st March 2019

22. Other Non-Current Financial Liabilities

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Security Deposits payable	0.33	-
	0.33	**-**

23. Non-Current Provisions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (Net)		
Gratuity (Refer Note 41.2)	0.94	4.08
Compensated absences (Refer Note 41.3)	12.50	9.08
	13.44	**13.16**

24. Deferred Tax Liabilities (Net)

		As at 31 March 2019	As at 31 March 2018
Tax effect of items constituting - Deferred Tax Liabilities			
Difference in tax base of Property, Plant and Equipment	(A)	87.18	67.18
Unrealised gain/loss on securities carried at FVTOCI/FVTPL	(B)	2.79	0.82
Tax effect of items constituting - Deferred Tax Assets			
MAT Credit Entitlement	(C)	20.18	10.88
Disallowance under Income Tax	(D)	10.89	10.12
Deferred Tax Liabilities (Net)	**(A+B)-(C+D)**	**58.90**	**47.00**

25. Trade Payables

	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises	9.39	8.91
Total outstanding dues of creditors other than micro enterprises and small enterprises	176.14	202.56
	185.53	**211.47**

(Refer Note 53 for disclosures relating to Micro and Small Enterprises)

26. Other Current Financial Liabilities

	As at 31 March 2019	As at 31 March 2018
Unpaid Dividend*	0.75	0.65
Unpaid Sale proceeds of Fractional Shares*	0.01	-
Capital Creditors	53.96	35.60
Book Overdraft	18.29	2.32
Employee Benefits Payable	10.35	14.45
Mark to Market Derivative Liability	-	1.50
	83.36	**54.52**

* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31 March 2019.

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to the Standalone Financial Statements as on 31st March 2019

27. Other Current Liabilities

₹ in crore

	As at 31 March 2019	As at 31 March 2018
Advances from Customers	15.08	9.57
Statutory Dues payable	4.46	3.92
	19.54	**13.49**

28. Current Provisions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (Net)		
Gratuity (Refer Note 41.2)	4.65	3.47
Compensated Absences (Refer Note 41.3)	3.02	3.86
Other Provisions		
Sales Returns for Expired Goods (Refer Note 46.2)	10.66	9.66
	18.33	**16.99**

29. Current Tax Liabilities (Net)

	As at 31 March 2019	As at 31 March 2018
Provision for Tax (Net of Payment)	-	3.72
	-	**3.72**

30. Revenue from Operations

	31 March 2019	31 March 2018
Sale of Products (Refer note 46)		
Finished Goods	1,493.94	1,561.77
Stock-in-Trade	237.42	200.92
Other Operating Revenues		
Export Incentives	38.93	66.17
Others	2.33	1.59
	1,772.62	**1,830.45**

31. Other Income

	31 March 2019	31 March 2018
Dividend from Subsidiary Companies	77.42	49.65
Income from Financial Assets carried at FVTPL		
Dividend from Investments in Mututal Funds	4.06	0.12
Gain on fair value of Current Investment	13.80	11.41
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	0.45	0.45
Interest From Others	2.77	0.61
Exchange Difference (Net)	2.84	10.65
Miscellaneous Income	0.81	0.12
	102.15	**73.01**

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to the Standalone Financial Statements as on 31st March 2019

32. Cost of Materials Consumed

₹ in crore

	31 March 2019	31 March 2018
Raw Material Consumed	301.40	287.40
Packing Material Consumed	87.31	88.03
	388.71	**375.43**

33. Purchases of Stock-in-trade

	31 March 2019	31 March 2018
Purchases of Stock-in-trade	70.79	73.01

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

	31 March 2019	31 March 2018
Inventories at the beginning of the year :		
Finished Goods	120.92	76.25
Work-in-Progress	11.04	13.98
Stock-in-trade	24.14	16.72
(A)	**156.10**	**106.95**
Inventories at the end of the year :		
Finished Goods	148.05	120.92
Work-in-Progress	35.31	11.04
Stock-in-trade	40.13	24.14
(B)	**223.49**	**156.10**
Changes in Inventories :		
Finished Goods	(27.13)	(44.67)
Work-in-Progress	(24.27)	2.94
Stock-in-trade	(15.99)	(7.42)
(A) - (B)	**(67.38)**	**(49.15)**

35. Employee Benefits Expense

	31 March 2019	31 March 2018
Salaries, Wages and Bonus	359.68	313.76
Contribution to Provident and Other Funds	24.59	23.49
Share Based Payment Expense (Refer Note 42)	0.67	1.34
Staff Welfare Expenses	4.43	4.30
	389.37	**342.89**

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to the Standalone Financial Statements as on 31st March 2019

36. Finance Cost

₹ in crore

	31 March 2019	31 March 2018
Interest expenses	0.41	0.24
	0.41	**0.24**

37. Depreciation and Amortisation Expense

	31 March 2019	31 March 2018
Depreciation on Property, Plant and Equipment (Refer note 8)	66.91	54.20
Amortisation on Intangible Assets (Refer note 8)	2.99	2.94
	69.90	**57.14**

38. Other Expenses

	31 March 2019	31 March 2018
Selling Expenses	121.29	118.37
Clearing and Forwarding	49.30	53.67
Travelling Expenses	37.33	34.91
Processing Charges	18.36	21.44
Power and Fuel	32.26	27.00
Advertisement and Publicity	1.34	1.71
Consumption of Stores & Spare Parts	40.02	63.59
Rent (Refer Note 47)	15.75	10.84
Rates & Taxes	0.61	0.96
Legal and Professional Fees	10.56	16.28
Postage and Telephone Expenses	2.11	4.40
Repairs & Maintenance		
- Buildings	2.45	7.05
- Plant and Machinery	22.91	23.58
- Computers & Others	2.82	8.75
Insurance	5.47	6.05
Donation	0.01	0.34
Impairment loss on Financial Assets	8.48	8.36
Excise Duty collected on Sales	-	5.10
Directors Sitting Fees	0.24	0.23
Clinical and Anaytical Charges	38.40	34.81
Loss on Sale/Discard of Property, Plant and Equipment (Net)	0.23	0.01
Product Registration Expenses	25.37	14.02
Corporate Social Responsibility Expenses (Refer Note 50)	11.41	11.99
Miscellaneous Expenses	63.20	68.00
	509.92	**541.46**

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to the Standalone Financial Statements as on 31st March 2019

39. Capital Management:

Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return (EBIT) on capital, as well as the level of dividends to equity shareholders. Company's target is to achieve a return on capital above 30%; in 2018-19 the return was 24% and in 2017-18 the return was 29%.

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

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

		31 March 2019	31 March 2018
Basic and Diluted Earnings Per Share:			
Profit attributable to Equity shareholders for Basic EPS (₹ in crore)	(A)	391.76	427.52
Add: Dilutive effect on profit (₹ in crore)	(B)	Nil	Nil
Profit attributable to Equity shareholders for Diluted EPS (₹ in crore)	(C=A+B)	391.76	427.52
Weighted Average Number of Equity Shares outstanding for Basic EPS	(D)	8,80,01,113	8,80,02,778
Add: Dilutive effect of option outstanding Number of Equity Shares *	(E)	13,453	16,962
Weighted Average Number of Equity Shares for Diluted EPS	(F=D+E)	8,80,14,566	8,80,19,740
Face Value per Equity Share (₹)		2	2
Basic Earnings Per Share (₹)	(A/D)	44.51	48.59
Diluted Earnings Per Share (₹)	(C/F)	44.51	48.58

* On account of Employee Stock Option Scheme (ESOS)-(Refer note 42).

41. Employee Benefits

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

41.1. Defined Contribution Plans

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

During the year, the Company has made the following contributions:

₹ in crore

Particulars	31 March 2019	31 March 2018
Provident Fund and employees' Pension Scheme	18.43	15.36
Employees State Insurance and Others	2.26	4.54
	20.69	**19.90**

41.2. 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:

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On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service with a maximum limit of ₹ 0.20 crore.

On the death in service:

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

₹ in crore

Particulars		31 March 2019	31 March 2018
i)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	23.45	16.60
	Current service cost	3.47	3.49
	Interest cost	1.48	1.11
	Actuarial loss / (gain)		
	- changes in financial assumptions	0.31	1.97
	- changes in demographic assumptions	Nil	0.25
	- experience adjustments	1.78	(0.48)
	Past service cost	Nil	2.20
	Benefit (paid)	(1.97)	(1.69)
	Closing defined benefit obligation	**28.52**	**23.45**
ii)	**Changes in Value of Plan Assets**		
	Opening value of plan assets	15.90	13.52
	Interest Income	1.17	0.76
	Contributions by employer	7.83	3.31
	Benefits (paid)	(1.97)	(1.69)
	Closing value of plan assets	**22.93**	**15.90**
iii)	**Amount recognised in the Balance Sheet**		
	Present value of funded obligations as at year end	28.52	23.45
	Fair value of the plan assets as at year end	(22.93)	(15.90)
	Net liability recognised as at the year end	**5.59**	**7.55**
iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	3.47	3.49
	Net Interest cost	0.43	0.10
	Net expenses recognised in the Statement of Profit and Loss	**3.90**	**3.59**
	Expenses recognised in the Statement of Other Comprehensive Income		
	Net actuarial loss/(gain) recognized in the current year		
	- changes in financial assumptions	0.31	1.97
	- change in demographic assumption	Nil	0.25
	- experience adjustments	1.78	(0.48)
	Return on plan assets excluding amounts included in Interest Income	(0.12)	0.25
	Net Expenses recognised in the Statement of Other Comprehensive Income	**1.97**	**1.99**

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₹ in crore

Particulars		31 March 2019	31 March 2018
v)	**Asset information**		
	Insurer Managed Funds (100%)	100%	100%
	(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)		
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	7.15%	7.35%
	Salary growth rate (p.a.)	9.00% for next 2 years and 7.00% thereafter	9.00% for next 3 years and 7.00% thereafter
	Average Remaining Service (Years)	5.70	4.60
	Withdrawal Rate (%)		
	Age Band		
	25 and below	40	40
	26 to 35	24	24
	36 to 45	12	12
	46 and above	8	8
vii)	**Estimate of amount of contribution in immediate next year**	4.65	3.47

Sensitivity Analysis

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

₹ in crore

Particulars	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	27.76	29.32	22.51	24.47
Salary growth rate (0.5% movement)	29.23	27.83	24.35	22.59

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of assumptions. The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

41.3. 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 ₹ 15.52 crore (Pr. Yr. ₹ 12.94 crore) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

42. Share based payments

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

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During the year 7000 options have been granted by the Company under the aforesaid ESOS – 2011 to the employees of the Company.

Grant Date	No. of Option Granted	No. of Option Cancelled	Exercise price	Vesting Period
31st October 2018	7,000	2,000	2	31st October 2020

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:

Particulars	31 March 2019	31 March 2018
	Nos.	Nos.
Options outstanding as at the beginning of the Year	17,000	24,500
Add: Options granted during the Year	7,000	2,000
Less: Options exercised during the Year	8,500	9,500
Less: Options lapsed/cancelled during the Year	2,000	Nil
Options outstanding as at the Year End	**13,500**	**17,000**

Particulars	31 March 2019	Range of Exercise Prices	Weighted Average Exercise Prices	Weighted Average Contractual life
	Nos.	(₹)	(₹)	(Years)
Options outstanding as at the beginning of the Year	17,000	2.0	2.0	0.90
Add: Options granted during the Year	7,000	2.0	2.0	2.00
Less: Options exercised during the Year	8,500	2.0	2.0	NA
Less: Options lapsed/cancelled during the Year	2,000	Nil	Nil	Nil
Options outstanding as at the Year End	**13,500**	**2.0**	**2.0**	**0.91**

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

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Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information:

Variables	**Weighted Average Information**				
Plan	**ESOS 2011**				
	2,000 options	**6,000 options**	**7,000 options**	**2,000 options**	**5,000 options**
Grant date	8th May 2015	26th July 2016	26th July 2016	22nd August 2017	31st October 2018
Last date for acceptance	8th June 2015	26th August 2016	26th August 2016	22nd September 2017	30th November 2018
Risk free rate (%)	8.00	7.30	7.30	7.50	7.40
Expected Life (years)	1 to 3	3 to 4	1 to 3	1 to 4	2
Volatility (%)	31.70	20.23	20.23	17.20	13.43
Dividend yield (%)	1.50	0.53	0.53	0.43	0.50
Price of the underlying share in the market at the time of option grant	₹ 1,264	₹ 1,478	₹ 1,702	₹ 1,153	₹ 1,058
Fair value of options	₹ 1,189	₹ 1,453	₹ 1,453	₹ 1,142	₹ 1,043
Exercise price	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2

Valuation of stock options

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

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

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

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

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

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

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.

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

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43. Financial Instrument- Fair value and risk management

A. Fair value measurements

₹ in crore

Financial Instruments by category	31 March 2019		31 March 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Mark to Market Derivative Asset	6.70	-	-	-
Investments in Mutual Funds	64.74	-	182.38	-
Investment in Unquoted Equity Shares (Current Year ₹ 37,050, Previous Year ₹ 37,050)	-	-	-	-
Trade Receivables	-	423.38	-	432.19
Other Non-Current Financial Assets	-	10.85	-	14.18
Cash and cash equivalents	-	30.52	-	36.22
Bank balances other than cash and cash equivalents	-	5.35	-	2.45
Export Benefits Receivable	-	29.95	-	32.23
Interest Receivable	-	0.31	-	0.12
Total Financial Assets	**71.44**	**500.36**	**182.38**	**517.39**
Financial liabilities				
Book Overdrafts	-	18.29	-	2.32
Other Non-Current Financial Liabilities	-	0.33	-	-
Capital Creditors	-	53.96	-	35.60
Other Current Financial Liabilities	-	0.76	-	0.65
Employee Benefits Payable	-	10.35	-	14.45
Mark to Market Derivative Liability	-	-	1.50	-
Trade payables	-	185.53	-	211.47
Total Financial Liabilities	**-**	**269.22**	**1.50**	**264.49**

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ in crore

Financial assets and liabilities measured at fair value	31 March 2019			31 March 2018		
	Level			Level		
	I	II	III	I	II	III
Financial assets						
Recurring fair value measurements						
Mark to Market Derivative Asset	-	6.70	-	-	-	-
Investments in Mutual Funds	64.74	-	-	182.38	-	-
Non Recurring fair value measurements						
Total Financial Assets	**64.74**	**6.70**	**-**	**182.38**	**-**	**-**
Financial liabilities						
Non Recurring fair value measurements						
Mark to Market Derivative Liability	-	-	-	-	1.50	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**1.50**	**-**

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Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have declared buyback NAV. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (like Mark to Market Derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Measurement of fair value:

Valuation techniques and significant unobservable inputs:

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

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

B. Financial risk management

Company has exposure to following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk
- currency risk

Risk management framework

Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

Company's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Company, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Company's Audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

i. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and mutual funds, foreign exchange transactions and other financial instruments.

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

₹ in crore

Particulars	31 March 2019	31 March 2018
Not past due but impaired	-	-
Neither past due nor impaired	258.34	211.64
Past due not impaired	165.04	220.55
- 1-180 days	142.14	176.08
- 181-365 days	9.17	35.13
- more than 365 days	13.73	9.34
Past due impaired	5.00	5.80
- 1-180 days	0.72	-
- 181-365 days	0.76	-
- more than 365 days	3.52	5.80

(a) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non-interest bearing, are mainly from stockists, distributors and customers and are generally on 14 days to 150 days credit term excluding wholly owned subsidiaries. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

As at 31st March 2019, Company had 25 customers, excluding wholly owned subsidiaries (31st March 2018: 36 customers) that owed the company more than ₹ 0.50 crore each and accounted for approximately 29% and 40% of the total outstanding as at 31st March 2019 and 31st March 2018.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

58% of total receivables is from wholly owned subsidiaries. These subsidiaries also have credit policies that are in line with the holding company.

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

Expected credit loss assessment

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

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect

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any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

₹ in crore

Particulars	31 March 2019	31 March 2018
Gross Carrying amount	428.38	437.99
Average Expected loss rate	1.17%	1.23%
Carrying amount of trade receivables (net of impairment)	423.38	432.19

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

Particulars	31 March 2019	31 March 2018
Balance as at the beginning of the year	5.80	4.90
Impairment loss recognised (net)	5.00	5.80
Amounts written off	5.80	4.90
Balance as at the year end	5.00	5.80

The impairment loss at 31st March 2019 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

(b) Financial instruments

Company limits its exposure to credit risk by investing in liquid securities issued by mutual funds having a credit ranking of at least 3 and above from CRISIL or equivalent rating agency. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties.

ii. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to outflows is 0.31 at 31st March 2019 (31st March 2018: 0.73).

Exposure to liquidity risk

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

₹ in crore

As at 31 March 2019	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables Current	185.53	185.53	185.53	-	-	-
Other Current Financial Liabilities	83.36	83.36	83.36	-	-	-
Mark to Market Derivative Liability						
- Outflow	-	-	-	-	-	-
Total	**268.89**	**268.89**	**268.89**	**-**	**-**	**-**

As at 31 March 2018	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables Current	211.47	211.47	211.47	-	-	-
Other Current Financial Liabilities	53.02	53.02	53.02	-	-	-
Mark to Market Derivative Liability						
- Outflow	1.50	1.50	1.50	-	-	-
Total	**265.99**	**265.99**	**265.99**	**-**	**-**	**-**

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange contracts to manage its exposures to foreign exchange fluctuations. All such transactions are carried out within the guidelines set by the risk management committee.

iv. Currency risk

Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of Company. The currencies in which these transactions are primarily denominated are US dollars and Euro.

At any point in time, Company covers foreign currency risk by taking appropriate percentage of its foreign currency exposure, as approved by risk management committee in line with the laid down policy approved by the Board. Company uses forward exchange contracts to mitigate its currency risk, most with a maturity of less than one year from the reporting date. In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The following table analyses foreign currency risk as of 31st March 2019:

₹ in crore

Particulars	US Dollars	Euro	Total
Bank balances	18.68	0.83	19.51
Trade receivables	374.96	0.46	375.43
Trade Payables	9.13	7.25	16.38
Net assets / (liabilities)	**384.51**	**(5.95)**	**378.56**

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

Particulars	US Dollars	Euro	Total
Bank balances	12.07	0.01	12.08
Trade receivables	380.87	6.23	387.10
Trade Payables	8.27	6.27	14.54
Net assets / (liabilities)	**384.67**	**(0.03)**	**384.64**

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For the year ended 31st March 2019 every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Company's incremental profit before tax as per below:

₹ in crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	3.85 / (3.85)
Euro	+1% / (-1%)	(0.06) / 0.06

For the year ended 31st March 2018 every percentage point depreciation/appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	3.85 / (3.85)
Euro	+1% / (-1%)	0.01 / (0.01)

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

Disclosure on foreign currency forward contracts

During the year, the Company has entered into forward exchange contract, being derivative instruments to mitigate foreign currency risk, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables.

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

Particulars	31 March 2019 Foreign Currency Amt in crore	31 March 2018 Foreign Currency Amt in crore	Buy or Sell	Cross Currency
EURO	-	0.44	SELL	₹
USD	3.29	7.46	SELL	₹

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

Disclosure on foreign currency exposures on assets and liabilities

The year-end foreign currency exposures that have not been mitigated 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 2019	31 March 2018	31 March 2019	31 March 2018	
Amount Receivable	374.96	380.87	5.42	5.91	USD
	0.46	6.23	0.01	0.08	EURO
Amount Payable	9.13	8.27	0.13	0.13	USD
	7.25	6.27	0.09	0.08	EURO

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46. Disaggregation of revenue

The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

46.1. Revenue

Primary geographical markets

₹ in crore

Particulars	31 March 2019	31 March 2018
India	689.76	628.66
Africa		
- Branded	122.57	150.57
- Institution	195.67	383.81
Asia	460.62	436.16
USA	252.78	155.69
Others	9.96	7.80
Total revenue from contract with customers	**1731.36**	**1762.69**
Timing of revenue recognition		
Goods transferred at a point in time	1731.36	1762.69
Services transferred over time	-	-

Variable components such as discounts and rebates continue to be recognised as deduction from revenue in compliance with Ind AS 115.

₹ in crore

Revenue Break-up	31 March 2019	31 March 2018
Revenue as per contracted price	1,791.34	1,808.56
Adjusted for:		
Trade Discounts	31.07	24.71
Sales Return (including provisions)	28.91	21.16
	59.98	**45.87**
Net Revenue	**1,731.36**	**1,762.69**

46.2. Provision of anticipated Return of Expired Goods subsequent to Sale:

Provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37 estimated by management based on past trends.

₹ in crore

Particulars	31 March 2019	31 March 2018
Balance at the beginning of the year	9.66	9.00
Add: Provisions made during the year	10.66	9.66
Less: Amount written back/utilized during the year	9.66	9.00
Balance at the end of the year	**10.66**	**9.66**

The company normally sells goods on credit which varies from 30 to 240 days in case of export sales. This does not involve any significant financing element.

The company receives payments from customers based on payment terms, as established in each contract. The contract asset relates to cost incurred to perform in advance of scheduled billing. The contract liability relates to payments received in advance of performance under the contract. Changes in the contract asset and liability are due to performance under the contract.

More than 10% of Company's Revenue is from only one Customer based at USA for ₹ 250.27 crore.

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

Company has taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents. The lease payments of ₹ 15.75 crore (Pr. Yr. ₹ 10.84 crore) are recognised in the Statement of Profit and Loss under "Rent" under Note 38.

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

₹ in crore

Particulars	31 March 2019	31 March 2018
Not later than one year	0.70	0.85
Later than one year but not later than five years	1.07	1.58
Later than five years	Nil	Nil

48. Contingent Liabilities and commitments:

Contingent Liabilities

₹ in crore

Particulars	31 March 2019	31 March 2018
i. Claims against the Company not acknowledged as debt	0.61	0.61
ii. Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation.	1.92	4.85
iii. Disputed Octroi. Amount paid under protest and included under "Other Current Assets" ₹ 0.52 crore (Previous Year ₹ 0.52 crore)	0.52	0.52
iv. Excise duty and Service Tax disputed by the Company	0.68	4.73
v. Income Tax demand disputed by the Company pending in appeal Amount paid and included under "Current Tax Assets" ₹ 0.97 crore (Previous Year ₹ 0.97 crore)	0.97	0.97
vi. Financial guarantees aggregating to ₹ 41.42 crore (Previous Year ₹ Nil) given to third party on behalf of subsidiaries for contractual obligations.	41.42	Nil
vii. Unpaid allotment money in respect of Shares of Ajanta Pharma UK Ltd, wholly owned subsidiary dissolved w.e.f. 18th December 2018 (Pr. Yr. UK Pound 10,000).	Nil	0.09

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

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

Supreme Court Judgement on computation of provident fund contribution

The Hon'ble Supreme Court of India ("SC") by their order dated 28th February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the period from date of the SC order to 31st March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

NOTES

to the Standalone Financial Statements as on 31st March 2019

Commitments

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 260.18 crore (Pr. Yr. ₹ 161.88 crore).

b) Other Commitments – Non-cancellable operating leases (Refer note 47).

49. Related party disclosure as required by Ind AS 24 are given below: -

A) Relationships:

Category I- Subsidiaries:

Ajanta Pharma (Mauritius) Ltd	(APML)
Ajanta Pharma Mauritius International Ltd	(APMIL)
Ajanta Pharma Nigeria Limited	(APNL)
Ajanta Pharma USA Inc	(APUI)
Ajanta Pharma Philippines Inc.	(APPI)
Ajanta Pharma UK Ltd (Dissolved w.e.f. 18th December 2018)	(APUK)

Category II- Directors and Key Management Personnel:

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Non-Executive Director (Resigned w.e.f. 11th August 2018)
Madhusudan B. Agrawal	Executive Vice-Chairman
Yogesh M. Agrawal	Managing Director
Rajesh M. Agrawal	Joint Managing Director
Chandrakant M. Khetan	Independent Director
Dr. Anil Kumar	Independent Director (Resigned w.e.f. 3rd April 2019)
K. H. Viswanathan	Independent Director
Prabhakar Dalal	Independent Director
Dr. Anjana Grewal	Independent Director
Arvind Agrawal	Chief Financial Officer
Gaurang Shah	Company Secretary

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

Gabs Investments Private Limited

Seth Bhagwandas Agrawal Charitable Trust

Ganga Exports being represented by Yogesh M. Agrawal, Rajesh M. Agrawal and Ravi P. Agrawal

Mannalal Agrawal Trust, Trustee - Mannalal B. Agrawal

Yogesh Agrawal Trust, Trustee - Yogesh M. Agrawal

Rajesh Agrawal Trust, Trustee - Rajesh M. Agrawal

Ravi Agrawal Trust, Trustee - Ravi P. Agrawal

Aayush Agrawal Trust, Trustee - Aayush M. Agrawal

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to the Standalone Financial Statements as on 31st March 2019

Ajanta Pharma Limited Group Gratuity Trust

Samta Purushottam Agrawal Memorial Foundation

Ajanta Foundation

Category IV- Others (Relatives of Key Management Personnel):

Tanya Agrawal - Daughter of Managing Director

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

₹ in crore

Sr.No	Particulars	Category	31 March 2019	31 March 2018
1.	**Sale of Goods**			
	APML	I	48.97	64.52
	APPI	I	93.73	70.39
	APMIL	I	27.01	38.43
	APUI	I	250.27	148.43
	APNL	I	2.02	9.27
2.	**Dividend from Subsidiary Companies**			
	APML	I	60.98	43.45
	APPI	I	16.45	6.20
3.	**Expenses Reimbursement to**			
	APUI	I	8.10	15.73
	APNL	I	0.95	Nil
4.	**Compensation to Key Management and Others**			
	Short Term Employee Benefits			
	Purushottam B. Agrawal	II	Nil	1.66
	Madhusudan B. Agrawal	II	1.49	1.91
	Yogesh M. Agrawal	II	8.02	1.91
	Rajesh M. Agrawal	II	8.02	1.91
	Arvind Agrawal	II	1.10	1.54
	Gaurang Shah	II	0.50	0.41
	Tanya Agrawal	IV	0.03	Nil
	Post-employment benefits	II	1.21	0.09
5.	**Commission to Executive Directors**			
	Yogesh M. Agrawal	II	1.88	2.50
	Rajesh M. Agrawal	II	1.88	2.50
6.	**Commission and Sitting Fees to Non-Executive Directors**			
	Mannalal B. Agrawal	II	0.04	1.24
	Chandrakant M. Khetan	II	0.07	0.07
	K. H. Viswanathan	II	0.06	0.05
	Prabhakar Dalal	II	0.06	0.05
	Dr. Anjana Grewal	II	0.05	0.05
	Dr. Anil Kumar	II	0.05	0.07
7.	**Dividend Paid**			
	Key Management Personnel	II	0.21	Nil
	Others	III	55.64	Nil
8.	**Investment in Subsidiary**			
	APNL	I	Nil	1.01

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to the Standalone Financial Statements as on 31st March 2019

₹ in crore

Sr.No	Particulars	Category	31 March 2019	31 March 2018
9.	**Commission from Subsidiary on Corporate Guarantee**			
	APUI	I	0.06	Nil
10.	**Sale of Vehicle**			
	Mannalal B. Agrawal	II	Nil	0.02
11.	**Corporate Social Responsibility Expense**			
	Seth Bhagwandas Agrawal Charitable Trust	III	Nil	2.40
	Samta Puroshattam Agrawal Memorial Foundation		5.40	7.54
	Ajanta Foundation		0.05	0.05
12.	**Contribution made to Group gratuity trust towards premium paid to LIC**			
	Premium paid	III	7.94	3.42
13.	**Buyback of Equity Share**			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	14.31	Nil
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	14.31	Nil
	Ravi P. Agrawal, Trustee Ravi Agrawal Trust	III	14.93	Nil
	Aayush M. Agrawal, Trustee Aayush Agrawal Trust	III	15.55	Nil
	Ganga Exports being represented by Yogesh M. Agrawal, Rajesh M. Agrawal and Ravi P. Agrawal	III	6.06	Nil

C) Amount Outstanding as on 31st March 2019

₹ in crore

Sr.No	Particulars	Category	31 March 2019	31 March 2018
1.	**Trade Receivables**			
	APPI	I	16.34	21.10
	APUI	I	227.17	174.18
	APNL	I	2.27	6.13
2.	**Investments in**			
	APML	I	9.44	9.44
	APPI	I	1.38	1.38
	APUI	I	6.07	6.07
	APNL	I	1.37	1.37
3.	**Trade Payables**			
	APUI	I	0.26	0.72
	APNL	I	0.15	Nil
4.	**Advance Received**			
	APML	I	3.60	0.19
	APMIL	I	6.85	3.94
5.	**Commission Payable to Executive Director**			
	Yogesh M. Agrawal	II	1.88	2.50
	Rajesh M. Agrawal	II	1.88	2.50
6.	**Commission Payable to Non-Executive Director**			
	Mannalal B. Agrawal	II	Nil	1.20
	Chandrakant M. Khetan	II	0.02	0.02
	K. H. Viswanathan	II	0.02	0.02
	Prabhakar Dalal	II	0.02	0.02
	Dr. Anjana Grewal	II	0.02	0.02
	Dr. Anil Kumar	II	Nil	0.02

Based on the internal and external transfer pricing review and validation, the Company believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle and are in normal course.

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to the Standalone Financial Statements as on 31st March 2019

50. Contribution towards Corporate Social Responsibility:

The particulars of CSR expenditure are as follows:

a) Gross amount required to be spent by the Company during the year is ₹ 11.27 crore (Previous year: ₹ 10.60)

b) Amount spend during the year on:

₹ in crore

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of asset	Nil	Nil	Nil
(ii)	On purposes other than (i) above	11.41	Nil	11.41

*includes paid to related parties ₹ 5.45 crore (Refer note 49)

c) Amount spend during the previous year on:

₹ in crore

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of asset	Nil	Nil	Nil
(ii)	On purposes other than (i) above	11.99	Nil	11.99

*includes paid to related parties ₹ 9.99 crore (Refer note 49)

51. The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclosures related to segments are presented in this standalone financial statements.

52. Remuneration to Auditors (excluding GST) :

₹ in crore

Particulars	31 March 2019	31 March 2018
- Audit Fees	0.19	0.17
- For Certification and Other Matters	0.23	0.20

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to the Standalone Financial Statements as on 31st March 2019

53. Details Of Dues To Micro And Small Enterprises As Defined Under The Micro, Small And Medium Enterprises Development Act, 2006:

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

₹ in crore

		31 March 2019	31 March 2018
a.	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	9.39	8.91
	Interest due on above	Nil	Nil
b.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act 2006.	Nil	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act 2006.	Nil	Nil

54. Research and Development expenditure:

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

₹ in crore

Particulars	31 March 2019	31 March 2018
Cost of Material/Consumables/Spares	28.95	46.63
Employee benefit expenses	55.72	54.43
Utilities	4.33	4.50
Other Expenses	87.02	80.68
Total	**176.02**	**186.24**

55. The Company had entered into a Joint Venture ('JV') with JV Turkmenderman Ajanta Pharma Ltd. (TDAPL) where it had management control during the first 10 years of this contractual arrangement. However in terms of the JV agreement, the Company subsequently surrendered the management control in favour of the local partner and since then ceased to have any control on the operations of the JV. Further, TDAPL operates under severe restrictions that significantly impairs its ability to transfer the funds. Consequently, the Company had impaired it's entire investment in TDAPL and considers this as an unrelated party. The Company is also unable to obtain reliable and accurate financial information in respect of the said JV.

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to the Standalone Financial Statements as on 31st March 2019

56. Pre-operative expenses capitalised during the year represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same were capitalised on completion of projects and commencement of commercial operations. The details of pre-operative expenses capitalised are:

₹ in crore

Particulars	31 March 2019	31 March 2018
Opening Balance	-	85.04
Add: Incurred during the year		
Employee Benefit Expenses	2.80	1.27
Professional fees	0.07	-
Travelling expenses	0.19	0.02
Others	4.50	2.60
Total	**7.56**	**88.93**
Less: Capitalised to Tangible Assets	-	88.93
Closing Balance	**7.56**	**-**

57. Income Tax

Income tax (expense)/benefit recognized in the income statement consists of the following:

₹ in crore

	Particulars	31 March 2019	31 March 2018
a.	**Current tax**		
	Current tax on profit for the year	108.70	117.49
	Adjustment for current tax of prior periods	(0.04)	(2.89)
	Total Current Tax expenses	**108.66**	**114.60**
	Deferred tax expense/(benefit)		
	Origination and reversal of timing difference	21.93	25.55
	MAT Credit Entitlement	(9.30)	(5.23)
	Total Deferred Tax expenses	**12.63**	**20.32**
	Total Income tax expense recognized in the income statement	**121.29**	**134.92**
b.	**Reconciliation of effective tax rate** The following is a reconciliation of the company's effective tax rate		
	Accounting profit before income taxes	513.05	562.44
	Enacted tax rate in India (%)	34.94	34.61
	Computed expected tax expenses	179.28	194.65
	Effect of non-deductible expenses	10.33	2.48
	Effect of exempt non-operating income	(1.42)	(0.04)
	Temporary difference which is reversed during the Tax Holiday period	(18.44)	(13.72)
	Tax effect which is chargeable at different rate	(13.53)	(8.59)
	Additional deduction on R & D Expenses	(32.93)	(34.35)
	Others deductible expenses	(1.96)	(2.62)
	Adjustment for current tax of prior periods	(0.05)	(2.89)
	Income tax expenses	121.29	134.92
	Effective tax rate	23.64%	23.99%

NOTES

to the Standalone Financial Statements as on 31st March 2019

c. Deferred tax asset and (liabilities):

The tax effects of significant temporary difference that resulted in deferred tax asset and liabilities and a description of that created these difference in given below:

₹ in crore

Particulars	31 March 2019	31 March 2018
Deferred Tax Liabilities		
Property, Plant and equipment	(87.18)	(67.18)
Gain on Financial Instrument at fair value through profit or loss	(2.34)	(0.82)
Gain on Investment at fair value through profit or loss	(0.45)	-
Total Deferred Tax Liabilities	**(89.97)**	**(68.00)**
Deferred Tax Asset		
Leave Encashment	5.42	4.77
Provision for Expired Goods	3.72	3.34
MAT Credit Entitlement	20.18	10.88
Provision for Loss Allowance	1.75	2.01
Total Deferred Tax Asset	**31.07**	**21.00**
Deferred tax liabilities after set off	(58.90)	(47.00)
Movement in deferred tax liabilities, net		
Opening balance	**(47.00)**	**(27.37)**
Re-measurement of defined benefit plans	0.69	0.69
Deferred tax adjustment of previous year	0.04	-
Tax expense during the period recognised in profit or loss	(12.63)	(20.32)
Closing balance	**(58.90)**	**(47.00)**

The charge relating to temporary differences during the year ended 31st March 2019 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences, MAT credit entitlement. The credit to temporary differences during the year ended 31st March 2018 are primarily on account of Property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, compensated absences, provision for loss allowance.

58. Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

In terms of our report attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 30th April 2019

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

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

NOTICE

NOTICE is hereby given that the **Fortieth** Annual General Meeting of the Members of Ajanta Pharma Limited will be held on Thursday, the 18th day of July 2019 at 11.00 a.m. at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400050, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2019 together with the Reports of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the Financial year ended 31st March 2019 together with the Report of the Auditors thereon.

2. To confirm the interim dividend of ₹ 9/- per share as final dividend for the year ended 31st March 2019.

3. To appoint a Director in place of Mr. Madhusudan B. Agrawal (DIN:00073872), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Rajesh M. Agrawal (DIN:00302467), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations"), Mr. Chandrakant Khetan (DIN: 00234118), an Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not be liable to retire by rotation, to hold office for a second term of upto five consecutive years;

   RESOLVED FURTHER THAT pursuant to Regulation 17 (1A) of the Listing Regulations, the Company do hereby approve continuation of directorship of Mr. Chandrakant Khetan till completion of second term even after his attaining the age of 75 years on 24th January 2021."

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations"), Mr. K H. Viswanathan (DIN: 06563472), an Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not be liable to retire by rotation, to hold office for a second term of upto five consecutive years;

   RESOLVED FURTHER THAT pursuant to Regulation 17 (1A) of the Listing Regulations, the Company do hereby approve continuation of directorship of Mr. K H. Viswanathan till completion of second term even after his attaining the age of 75 years on 11th January 2021."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations"), Mr. Prabhakar Dalal (DIN: 00544948), an Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not be liable to retire by rotation, to hold office for a second term of upto five consecutive years."

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations"), Dr. Anjana Grewal (DIN: 06896404), an Independent Director of the Company who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not be liable to retire by rotation, to hold office for a second term of upto five consecutive years."

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

   "RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with Rule no. 11 & 13 of the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), amendments or re-enactment thereof for the time being in force), Memorandum and Articles of Association, and subject to such other approvals, consents, sanctions and permissions, as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any Committee thereof) to give any loan(s) and/or any guarantee(s) and/or provide any security(ies) in connection with any loan(s) to any other body corporate or person and/ or to make any further investments/acquisition by way of subscription, purchase or otherwise, the securities (including equity shares, preference shares, debentures, or any other kind of instruments, whether convertible or not) of other body corporate, up to an amount of ₹ 500 cr. (Rupees Five Hundred crore Only), over and above the limits available to the Company of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, and remaining outstanding at any point of time;

   RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for implementation of the above resolution and matters connected therewith or incidental thereto including but not limited to delegation of all or any of the powers herein conferred to any Committee or any director(s) or any other officer(s) of the Company, or to settle any questions, difficulties or doubts that may arise with regard to the above resolution, without being required to seek any further clarification, consent or approval of the Members."

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

    "**RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, remuneration of ₹ 5.50 lakhs plus Goods & Service Tax and reimbursement of actual travel and out-of-pocket expenses, fixed by the Board for M/s. Sevekari, Khare & Associates, Cost Accountants, for audit of cost records maintained by the company for the financial year ending 31st March 2020, be and is hereby ratified."

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

    Approval of Ajanta Pharma Share Based Incentive Plan 2019

    "RESOLVED THAT pursuant to the provisions of section 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules thereto, the Memorandum and Articles of Association of the Company, Reserve Bank of India, the Listing

Agreements with the Stock Exchanges in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), such other rules and regulations as may be applicable and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions which may be agreed to by the Board of Directors of the company (hereinafter referred to as the 'Board', which term shall include the Nomination and Remuneration Committee constituted by the Board or any other committee which the Board may constitute to act as the 'Compensation Committee' under the SEBI SBEB Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to introduce, formulate and implement the "Ajanta Pharma Share Based Incentive Plan 2019" (hereinafter referred to as the "Incentive Plan 2019" or "Scheme" or "Plan") and to create, offer, issue and allot, not exceeding 5,00,000 (Five Lakhs only) equity shares of the Company through issue of stock based instruments in form of Stock Options / Stock Appreciation Rights ("SARs") / Employee Share Purchase Scheme / other Stock Based Instruments as may be formulated by SEBI from time to time, in any combination, (read together as "Stock Based Instruments") or such other adjusted figure for any Rights issue, Bonus issue, Stock splits or consolidations or such other corporate action requiring re-organization of the capital structure of the Company as may be applicable, to the permanent employees of the Company whether working in India or outside India, Directors of the Company including Whole Time Directors, Non-Executive Directors but excluding Promoters of the Company, members of the promoter group, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company and selected by the Board in its sole and absolute discretion ("Eligible Employees"), at such price(s) through direct route, on such terms and conditions and in such tranches as may be decided by the Board in accordance with the provisions of the Plan as summarized in the explanatory statement annexed hereto and in due compliance with the SEBI SBEB Regulations and other applicable laws, rules and regulations;

RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company upon exercise of Options/ equity settled SARs / other Stock Based Instruments as the case may be from time to time in accordance with the Plan shall rank *pari-passu* in all respects with the then existing equity shares of the Company;

RESOLVED FURTHER THAT the number of Stock Based Instruments that may be granted to identified employees, during any one financial year, under the Plan shall not equal to or exceed 1% of the total issued equity share capital in a financial year (excluding outstanding warrants and conversions) of the Company as at the time of grant of options except prior approval from shareholders by way of separate resolution in the general meeting;

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and other applicable laws and regulations to the extent relevant and applicable to the Plan;

RESOLVED FURTHER THAT the Stock Based Instruments that have lapsed either by reason of non-vesting / non-exercise be added to the pool for future grants;

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorized to modify, change, vary, alter, amend, revise, suspend, withdraw, revive or terminate the Plan as it may deem fit, from time to time in its sole and absolute discretion in conformity with the applicable laws and regulations and the Memorandum and Articles of Association and to do all such acts, deeds and things and execute all such deeds, documents and writings at its absolute discretion deems necessary, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees;

RESOLVED FURTHER THAT Mr. Yogesh M. Agrawal, Managing Director, Mr. Arvind Agrawal, Chief Financial Officer and Mr. Gaurang Shah, Company Secretary be and are hereby severally authorized to make modifications/ changes to the Plan, if required, in compliance with the applicable Regulations;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem necessary including appointment of various intermediaries, advisors, consultants or representatives for effective implementation and administration of the Plan as also to make applications to the appropriate authorities for obtaining their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard;

RESOLVED FURTHER THAT the Board may delegate all or any powers conferred herein, to the Nomination and Remuneration Committee of the Company to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regards;

RESOLVED FURTHER THAT Mr. Yogesh M. Agrawal, Managing Director, Mr. Arvind Agrawal, Chief Financial Officer and Mr. Gaurang Shah, Company Secretary of the Company be and are hereby authorised jointly and/or severally to do all such acts, deeds, matters and things as may be necessary or expedient including filing of necessary documents, intimations including e-forms with regulatory authorities and to settle any questions, difficulties or doubts that may arise in this regard at any stage in connection to the Plan."

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

Approval to extend the benefits of Ajanta Pharma Share Based Incentive Plan 2019 to employees of existing and future subsidiary company(ies)

"RESOLVED THAT pursuant to the provisions of section 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules thereto, the Memorandum and Articles of Association of the Company, Reserve Bank of India, the Listing Agreements with the Stock Exchanges in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), such other rules and regulations as may be applicable and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions which may be agreed to by the Board of Directors of the company (hereinafter referred to as the 'Board', which term shall include the Nomination and Remuneration Committee constituted by the Board or any other committee which the Board may constitute to act as the 'Compensation Committee' under the SEBI SBEB Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to extend the benefits of the "Ajanta Pharma Share Based Incentive Plan 2019" (hereinafter referred to as the "Incentive Plan 2019" or "Scheme" or "Plan") to the person(s), who are the permanent Employees or Directors of existing and future subsidiary company(ies), if any, of the Company as may be permissible under the SEBI SBEB Regulations and selected by the Board in its sole and absolute discretion ("Eligible Employees"), at such price(s) through direct route, on such terms and conditions as may be decided by the Board in accordance with the provisions of the Plan as summarized in the explanatory statement annexed hereto and in due compliance with the SEBI SBEB Regulations and other applicable laws, rules and regulations;

RESOLVED FURTHER THAT the maximum number of shares that can be granted to Eligible Employees of both, employees of the Company and its existing and future subsidiaries, if any under Ajanta Pharma Share Based Incentive Plan 2019 shall not exceed 5,00,000 (Five Lakhs Only) equity shares at a price as may be decided by the Board or Nomination and Remuneration Committee from time to time in accordance with Plan;

RESOLVED FURTHER THAT Mr. Yogesh M. Agrawal, Managing Director, Mr. Arvind Agrawal, Chief Financial Officer and Mr. Gaurang Shah, Company Secretary of the Company be and are hereby authorised jointly and/or severally to do all such acts, deeds, matters and things as may be necessary or expedient including filing of necessary documents, intimations including e-forms with regulatory authorities and to settle any questions, difficulties or doubts that may arise in this regard at any stage in connection to the Plan."

By order of the Board of Directors

Gaurang Shah
AVP – Legal &
Company Secretary

30th April 2019

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

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**. A person cannot act as proxy for members not exceeding 50 (Fifty) and holding in aggregate not more than ten percent of the total share capital of the Company.

3. Proxy form is sent herewith. The proxy form, in order to be effective, must be duly completed, signed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

5. Pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Director seeking re-appointment at the Annual General Meeting, forms part of the notice and is appended to the notice.

6. The Register of Members and the Transfer Books in respect of the Equity Shares will remain closed from, Thursday, 11th July 2019 to Thursday, 18th July 2019 (both days inclusive) for the purpose of AGM.

7. In order to prevent fraudulent encashment of dividend warrants, the Company encourages remittance of dividend through ECS/NEFT. Dividend in future would be remitted through ECS/NEFT for shareholders who have registered their mandates with the Company or to the bank particulars registered against respective depository accounts, in respect of shares held in demat mode. Shareholders are therefore requested to update their bank account details as under:

    i. In respect of shares held in demat mode, by informing the changes, if any to the Depository Participants of the Members.

    ii. In respect of shares held in physical mode, to furnish the mandates to the Company or Company's R&T Agents, Link Intime India Private Limited, bank account details to which the dividend shall be remitted through ECS/NEFT/NECS.

8. Your attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8th February 2019. A person is considered as a Significant Beneficial Owner (SBO) if he/she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10%. The beneficial interest could be in the form of a company's shares or the right to exercise significant influence or control over the company. If any Shareholders holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his/her interest and other essential particulars in the prescribed manner and within the permitted time frame.

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 2011-2012 will be transferred to Investor Education and Protection Fund in August 2019, on due date. 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. Pursuant to provisions of section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all the underlying shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF authority as notified by the Ministry of Corporate Affairs. In view thereof, after complying with the prescribed procedure, 1,650 shares on which dividend remained to be unclaimed for seven consecutive years, were transferred to IEPF account in 2018. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in The Company has initiated the process of transfer of shares on which dividend has not been claimed since FY 2011-12 and the same will be transferred in September 2019 on due date. Members who have not claimed dividend since FY 2011-12, are requested to claim the same before the dividend and underlying shares gets transferred to IEPF.

11. To support the green initiative of the Government, electronic copy of the Annual report for the year ended 31st March 2019 and notice of the 40th AGM

are being sent to the members whose mail IDs are available with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2019 and the notice are being sent in the permitted mode. Please note that the annual report and the notice of the 40th 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. 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.

13. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

14. At the thirty-eighth AGM held on 5th July 2017 the members approved appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the forty-third AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 7th May 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the fortieth AGM.

15. Route Map showing directions to reach to the venue of the 40th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards - 2 on "General Meeting".

16. 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 40th 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 Central Depository Services (India) Ltd. (CDSL).

    II. The remote e-voting period commences on Monday, 15th July 2019 (9:00 a.m.) and ends on Wednesday, 17th July 2019 (5:00 p.m.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 11th July 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

    III. The instructions for e-voting are as under:

        i. The voting period begins on Monday, 15th July 2019 at 9.00 a.m. and ends on Wednesday, 17th July 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 11th July 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

        ii. The shareholders should log on to the e-voting website www.evotingindia.com.

        iii. Click on Shareholders / Members.

        iv. Now Enter your User ID

            a. For CDSL: 16 digits beneficiary ID,

            b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

            c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

        v. Next enter the Image Verification as displayed and Click on Login.

        vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvii. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

xix. **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same email.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

xxi. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Thursday, 11th July 2019. 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, should follow the same procedure for e-Voting as mentioned above.

xxii. 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.

xxiii. 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. 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.

xxiv. 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.

xxv. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company 'http://www.ajantapharma.com' and on the website of CDSL e-Voting 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.

By order of the Board of Directors

Gaurang Shah
AVP – Legal &
Company Secretary

30th April 2019

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

Route Map of AGM

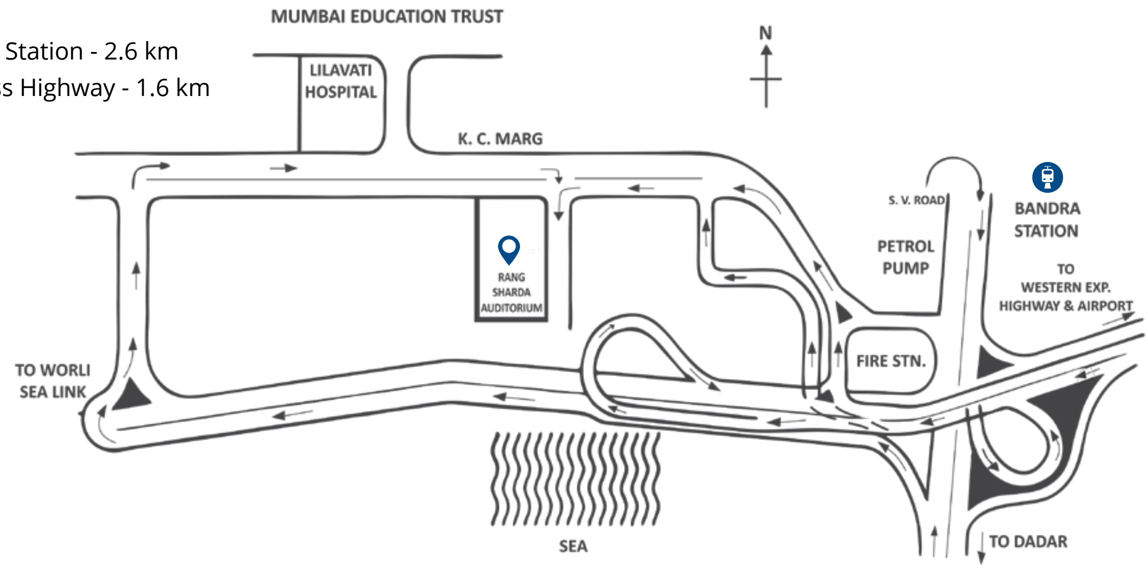
Address: Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400050

Rangsharda Auditorium

Distance From

- Bandra Railway Station - 2.6 km
- Western Express Highway - 1.6 km

Scan the Below Code for the map



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Nos. 5 to 8

Mr. Chandrakant Khetan, Mr. K H. Viswanathan, Mr. Prabhakar Dalal and Dr. Anjana Grewal are currently Independent Directors ("IDs") of the Company. They were appointed as IDs for a period of upto 5 years at the 35th Annual General Meeting held on 5th August 2014. ("first term").

As per section 149(10) of the Company Act, 2013 ("Act"), an ID shall hold office for a term of upto five consecutive years but shall be eligible for re-appointment on passing a special resolution by the Company for another (second) term of upto five consecutive years on the Board of the Company. Further, shareholders' approval by way of Special Resolution is also required for continuation of any non-executive Director after they have attained seventy-five years of age.

Based on recommendation of Nomination and Remuneration Committee ("NRC") and taking into consideration their performance evaluation done by the Board, the Board at its meeting held on 30th April 2019 re-appointed Mr. Chandrakant Khetan, Mr. K H. Viswanathan, Mr. Prabhakar Dalal and Dr. Anjana Grewal as Independent Directors pursuant of provisions of Section 149, 150, 152, Schedule IV and other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), for second term of upto 5 years, subject to approval of members.

The Company has received notice in writing from members under Section 160 of the Act proposing candidature of all the above directors for the office of the Independent Director of the Company.

They are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has also received declarations from all of them that they meet the criteria of independence as prescribed both, under sub-section (6) of Section 149 of the Act and under Listing Regulations and they are independent from the management.

In the opinion of the Board, Mr. Chandrakant Khetan, Mr. K H. Viswanathan, Mr. Prabhakar Dalal and Dr. Anjana Grewal fulfills the conditions specified under the Companies Act, 2013, Rules made thereunder and the Listing Regulations, for continuation for second term as Independent Directors of the Company.

Brief profiles of Mr. Chandrakant Khetan, Mr. K H. Viswanathan, Mr. Prabhakar Dalal and Dr. Anjana Grewal, giving details of their skill, expertise and competencies in functional area, directorships and committee positions held by them in other Companies are annexed to this Notice.

The Board considers that their continued association would be immensely beneficial to the Company and aaccordingly, recommends Special Resolution in relation to re-appointment of Mr. Chandrakant Khetan, Mr. K H. Viswanathan, Mr. Prabhakar Dalal and Dr. Anjana Grewal as Independent Directors for second term of upto five consecutive years for approval of members. Board also recommends for the approval of members of the Company, continuation of Mr. Chandrakant Khetan and Mr. K H. Viswanathan, as Independent Directors even after their attaining the age of 75 years on 24th January 2021 and 11th January 2021, respectively, upto the end of their second term.

None of the Directors or Key Managerial Personnel or their respective relatives, except Mr. Chandrakant Khetan, Mr. K H. Viswanathan, Mr. Prabhakar Dalal and Dr. Anjana Grewal, to whom the resolution relates, are in any way concerned or interested, financially or otherwise in this resolution.

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

The Board recommends the Resolution at Item Nos. 5 to 8 of the accompanying Notice for approval of the Members of the Company.

Item No. 9

As per the provision of Section 186 of the Act, if a company proposes to give loan(s), and/or guarantee(s) or provide any security(ies) in connection with loan(s) made and / or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate in excess of 60% of the paid up share capital and free reserves and securities premium of the Company or 100% of free reserves and securities premium of the Company whichever is more, the same is required to be approved by its shareholders.

As a measure of achieving greater financial flexibility and to enable optimal utilisation of financial resources, this approval is sought pursuant to the provisions of Section 186 of the Act, to give enabling powers to the Board of Directors or any duly constituted committee thereof, for making further investment, providing further loans or give guarantee or provide security in connection with loans to any persons or any other body corporate for an amount not exceeding ₹ 500 cr. (Rupees Five Hundred crore Only) or in any other currency for an equivalent amount.

The investment(s), loan(s), guarantee(s) and security (ies), as the case may be, will be made in accordance with the applicable provisions of the Act and relevant rules made there under.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested financially or otherwise in the aforesaid Special Resolution save and except to the extent of their directorship/ shareholding in any such body corporate as may be applicable.

The Board recommends the Resolution at Item No. 9 of the accompanying Notice for approval of the Members of the Company.

Item no. 10

As per Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall, based on the recommendation of the Audit Committee appoint a cost accountant in practice, for auditing cost records of the Company and fix their remuneration. The remuneration of cost Auditors approved by the Board shall be subject to ratification by the shareholders.

In pursuance thereof, on recommendation of Audit Committee, the Board has at its meeting held on 30th April 2019 considered and approved appointment of M/s. Sevekari, Khare & Associates, Cost Accountants, for Cost Audit of the cost records maintained by the company for the financial year ending 31st March 2020, at a remuneration of ₹ 5.50 lakhs plus Goods & Service Tax as applicable and reimbursement of actual travel and out of pocket expenses, subject to ratification by the members.

None of the Directors and/or Key Managerial Personnel of the company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 10.

The Board recommends the Resolution at Item No. 10 of the accompanying Notice for approval of the Members of the Company.

Item Nos. 11 and 12

The Company recognises that employees are most valuable resource and their steadfast commitment and highly motivated performance is instrumental in sustained growth of the Company. It is therefore essential to attract and retain talent to ensure long-term commitment to the company to contribute to the growth and development of the company.

Stock Based Instruments have long been recognized, as effective instruments, to align the interest of employees with those of the company and its shareholders, providing an opportunity to employees to share the growth of the company, and to create long term wealth in the hands of employees. Your Company believes in rewarding its present and future permanent employees/Directors (In India or outside India) of the Company and those of its subsidiary company(ies) as may be permissible under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (herein after referred to as "SEBI SBEB Regulations") and selected by the Board in its sole and absolute discretion ("Eligible Employees") for their continuous hard work, dedication and support. The Company intends to implement the Ajanta Pharma Share Based Incentive Plan 2019 ("Incentive Plan 2019"/ "Scheme"/"Plan"), with a view to attract and retain key talent working with the Company and its subsidiary company(ies); motivate the Eligible Employees for enhanced performance and to create a sense of ownership and participation amongst employees by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to provisions of SEBI SBEB Regulations, the Company seeks members' approval in respect of the Scheme and grant Stock Based Instruments and thereby issue equity shares of the Company to its Eligible Employees as decided by the Board of Directors of the Company (hereinafter referred to as the Board which term shall include any committee including Nomination and Remuneration Committee) on such terms and conditions and at such price from time to time in due compliance of the SEBI SBEB Regulations.

The main features of the Scheme are as under:

1. **Brief Description of the Scheme:**

   This proposed Scheme called the Ajanta Pharma Share Based Incentive Plan 2019 ("Incentive Plan 2019"/ "Scheme"/ "Plan") enables the Company to grant share based incentives to Eligible Employees (as selected by the Board or the Nomination and Remuneration Committee) through issue of Stock Options/Stock Appreciation Rights ("SARs")/ Employees Share Purchase Scheme ("ESPS") subject to applicable laws and terms and conditions of the Plan. The Plan is intended to reward the Eligible Employees for their performance and to motivate them to contribute to the growth and profitability of the Company.

   The Incentive Plan 2019 shall be administered by Board or the Nomination and Remuneration Committee as may be authorised by the Board. Any issues relating to the interpretation of the Incentive Plan 2019 shall be determined by the Board / the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the Incentive Plan 2019 or in any Stock Based Instrument issued pursuant to the Plan. The objectives of the Scheme are to:

   i. promote the best interests of the Company and its Members by encouraging Eligible Employees (as defined below) to acquire an ownership interest in the Company through a Share Based Incentive Plan, thus aligning their interests with those of the Members of the Company;

ii. promote the long term interests of the Company by providing an incentive to attract, retain and reward Eligible Employees of the Company, its existing and future subsidiary company(ies), whether in or outside India, and by motivating such Employees to contribute to the growth and profitability of the Company, and thereby promoting the welfare of the employees.

2. Total number of Stock Based Instruments to be granted/offered and thereby equity shares to be issued and allotted:

- The Company shall ensure that the aggregate allotment of shares under the Plan, shall at all times, not exceed 500,000 (Five Lakhs Only) equity shares of the fully diluted share capital of the Company.

- The maximum number of Stock Based Instruments, that may be granted to identified Eligible Employees under the Incentive Plan 2019, in any financial year shall not equal to or not exceed 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company at the time of grant if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

Provided however, the total number of Stock Based Instruments to be granted under the Incentive Plan 2019 in aggregate shall at no time exceed 500,000 (Five Lakhs Only) equity shares of the Company in form of Stock Options / SARs / ESPS or in any combination thereof, as enumerated in clause above. In case of:

a. Options: Each option when exercised would be converted into 1 (One) equity share having face value of ₹ 2 (Rupees Two) each fully paid-up.

b. Share Purchase: Each purchase of share would entitle the employee to an equity share having face value of ₹ 2 (Rupees Two) each fully paid-up.

c. SARs: Number of shares to be issued on the exercise of SAR's shall be computed as follows:

$$\frac{\text{No. of SARs} * (\text{Market Price on the date of Exercise} - \text{Exercise Price})}{\text{Market Price on the date of Exercise}}$$

- If a Stock Based Instrument expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the pool and shall become available for future grants, subject to compliance with all applicable laws.

3. Identification of classes of employees entitled to participate in the Scheme:

Following classes of employees are entitled to participate in Incentive Plan 2019:

a. a permanent employee of the Company who has been working in India or outside India; or

b. a director of the Company, whether a Whole Time Director or not but excluding an Independent Director; or

c. an employee as defined in clause (a) or (b) of a subsidiary of the Company, in India or outside India;

but does not include:

a. an employee who is a promoter or a person belonging to the promoter group; or

b. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company.

The Board/ Nomination and Remuneration Committee shall have the authority at its sole discretion to formalize the eligibility criteria and appraisal process of the Eligible Employee(s) to participate in the Incentive Plan 2019.

4. Requirements of vesting and period of vesting:

In case of Stock Options / SARs:

Options/SARs granted under the Incentive Plan 2019 shall vest after a minimum period of 1 (One) year from the date of grant. Vesting of Options/SARs may happen in one or more tranches. Options / SARs granted under Incentive Plan 2019 would vest subject to maximum period of 5 (five) years from the date of grant of such Options / SARs.

Notwithstanding anything contained above, the Nomination and Remuneration Committee shall always have a right, at its sole discretion to change the vesting schedule in respect of any Option/SAR to be granted, subject to the minimum vesting period.

In case of ESPS, there is no requirement of vesting/ period of vesting in the Plan.

5. **Maximum period within which the Stock Based Instruments shall be vested:**

   Stock Options / SARs granted under the plan shall be vested within maximum period of 36 months from the date of grant. In case of ESPS, there is no requirement of vesting/period of vesting in the Plan.

6. **Exercise price / SAR price / Offer price or pricing formula:**

   In case of Stock Options:

   The consideration payable by an option grantee for exercising an individual option would be the exercise price, which shall be as mentioned in the letter of grant. Such exercise price shall not be less than face value and not more than the market value of the equity share of the Company at the time of grant of the option. Exercise price payable by an option grantee shall be determined by the Nomination and Remuneration Committee, from time to time.

   In case of SARs:

   SAR price shall have relevance for the purpose of determination of appreciation and the SAR grantees are not required to pay the SAR price. However, upon vested SAR are settled by way of allotment of shares, the SAR grantees shall pay the face value of shares prevailing at the time of such allotment. SAR price will be mentioned in the letter of grant and which shall not be less than the face value and not more than the market price per share as on the grant date of such SAR, as determined by the Nomination and Remuneration Committee from time to time.

   In case of ESPS:

   Offer price shall be decided by the Nomination and Remuneration Committee from time to time, which shall be not less than the face value of the shares of the Company.

7. **Exercise Period and the process of Exercise:**

   In case of Stock Options:

   The exercise period in respect of vested Stock Options shall be a period not exceeding 3 months from the date of vesting of such Stock Options.

   Any option grantee may exercise the vested options, at any time, in accordance with the Plan and the letter of grant, by giving a notice in writing to the Company. The options will be exercisable in part or whole, subject to applicable laws and regulations. On exercise of the options, the option grantee shall forthwith pay to the Company the price which includes the exercise price and applicable taxes. Upon exercise, the option grantee will be allotted the shares. The Eligible Employees shall have the option, but no obligation to exercise options offered to him, to purchase shares of the Company during the exercise period.

   In case of SARs:

   The exercise period in respect of vested SARs shall be a period not exceeding 3 months from the date of vesting of such SARs.

   The SARs shall be deemed to have been exercised when a SAR grantee makes an application in writing to the Company or by any other means as decided by Nomination and Remuneration Committee, for the issuance of shares or receipt of the cash, as the case may be against the SARs vested in him, subject to payment of face value per share allotted in case of issuance of shares and in compliance of other requisite conditions of exercise. The SARs will be exercisable in part or whole, subject to applicable laws and regulations. All vested SARs upon exercise shall be settled by way of allotment of shares or payment of cash or a combination of cash and shares. In case of equity settled SAR scheme, if the settlement results in fractional shares, then the consideration for fractional shares should be settled in cash. The Eligible Employees shall have the option, but no obligation to exercise SARs offered to him, to purchase shares of the Company during the exercise period.

   In case of ESPS:

   Employee shall have a right and not an obligation to subscribe to the equity shares offered, in one or more tranches, within the subscription period, which shall be a period not exceeding 1 (one) year from the offer date of equity shares in one or more tranches.

   An offeree can subscribe to the equity shares by submitting the subscription form along with payment of the total amount for the equity share subscribed. The payment shall be made by way of demand draft / cheque drawn in favour of the Company or by way of bank remittance as per the details mentioned in the offer letter or as decided by Nomination and Remuneration Committee from time to time.

8. **Appraisal process for determining the eligibility of employees under the Scheme:**

   The employees to whom the Stock Based Instrument/s shall be granted and their eligibility criteria shall be determined by the Nomination and Remuneration Committee. The appraisal process for determining the employees to whom the Stock Based Instrument shall be granted/offered will be specified by the Nomination and Remuneration Committee, and will be based on designation, period of service, band, performance linked parameters such as work performance and such other criteria as may be determined by the Nomination and Remuneration Committee at its sole discretion, from time to time.

9. **Maximum number of Stock Based Instruments to be granted per employee and in aggregate:**

   The maximum number of Stock Based Instruments, that may be granted to identified Eligible Employees under the Incentive Plan 2019, in any financial year shall not equal to or not exceed 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company at the time of grant if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

Provided however, the total number of Stock Based Instruments to be granted under the Incentive Plan 2019 in aggregate shall at no time exceed 500,000 (Five Lakhs Only) equity shares of the Company in form of Stock Options / SARs / ESPS or in any combination thereof.

10. Maximum quantum of benefits to be provided per employee under the Scheme:

Apart from granting the Stock Based Instruments as mentioned in point 8 and 9 above, no other monetary benefits are contemplated under the Plan.

11. The Lock-in period, if any

In case of Stock Options / SARs:

The shares arising out of the exercise of vested Stock Options/SARs under the Incentive Plan 2019 shall be subjected to lock in period of 1 (one) year after the exercise from the date of allotment of such shares.

In case of ESPS:

Shares issued under an ESPS shall be locked-in for a minimum period of 1 (one) year from the date of allotment.

12. The conditions under which Stock Based Instruments vested in employees may lapse

If Stock Options/SARs are not exercised within the stipulated exercise period in the Plan, such Options/ SARs shall lapse. In case of ESPS, the equity shares which are offered but not subscribed within the subscription period stipulated in the plan, shall automatically lapse.

13. The specified time period within which the employee shall exercise the vested Stock Based Instruments in the event of a proposed termination of employment or resignation of employee:

In case of Stock options/ SARs:

Sr. No.	Particulars	In case of vested Stock Options/SARs	In case of unvested Stock Options/SARs
1.	Resignation/ Termination (other than due to misconduct or breach of terms of employment)	All the vested Stock Options/SARs as on the date of submission of resignation or termination shall be exercised by Option/ SARs grantees on or before last working day in the Company or before the expiry of the exercise period, whichever is earlier.	All the unvested Stock Options/ SARs as on the date of submission of resignation or termination shall stand cancelled from that date
2.	Termination due to misconduct or due to breach of terms of employment	All the vested unexercised Stock Options/ SARs shall stand cancelled with effect from the date of such termination or as decided by the Nomination and Remuneration Committee.	All the unvested Stock Options/SARs shall stand cancelled with effect from the date of such termination or as decided by the Nomination and Remuneration Committee.
3.	Termination due to Permanent Disability	All vested Stock Options/SARs as on the date of incurring such disability may be exercised by the Option/ SAR grantee immediately after the date of termination of the Option/ SAR grantee(s), but in no event later than 90 days from the date of the termination.	All unvested Stock Options/SARs as on the date of incurring such disability shall be deemed to be vested immediately and may be exercised by the Option/ SAR grantee immediately after the date of termination of the Option/ SAR grantee(s) but in no event later than 90 days from the date of the termination.

In case of ESPS:

- In the event of resignation or termination of the offeree with or without cause, all the shares offered but not subscribed to shall lapse automatically on the date of such resignation or termination, as the case may be.

- In case an offeree suffers a permanent disability while in employment of the Company all the equity shares offered to him as on the date of permanent disability, shall be subscribed within a period of 90 days from date of such permanent disability by paying necessary offer price.

14. Whether the Scheme is proposed to be implemented and administered directly by the Company or through a trust:

The Plan shall be implemented and administered directly by the Company through Board/ Nomination and Remuneration Committee and not through the Trust route.

15. Whether the scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:

The Plan contemplates issue of new fresh/primary shares by the Company in case of Stock Options and ESPS and in case of SARs, may be settled by way of issuance of shares or payment of cash.

16. The amount of loan provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms etc.:

This is currently not contemplated under the Incentive Plan 2019.

17. Maximum percentage of Secondary Acquisition that can be made by the Trust for the purchase under the scheme:

This is currently not contemplated under the Incentive Plan 2019.

18. Accounting and Disclosure Policies:

The Company shall comply with the requirements of the Indian Accounting Standard (Ind AS) 102 on Share based Payment notified under section 133 of the Companies Act, 2013 and/ or any relevant Accounting Standard(s) or Guidance Note(s) prescribed or as may be prescribed or recommended by the Institute of Chartered Accountants of India, National Financial Reporting Authority or any other authority from time to time, as applicable to the Company for financial reporting in connection with transactions in the Stock Based Instruments undertaken under the Plan in terms of SEBI SBEB Regulations.

19. Method of Valuation:

All the applicable provisions of SEBI SBEB Regulations and the Companies Act, 2013 read with its applicable rules, as amended from time to time, shall govern the pricing of the shares, arising out of exercise of Options/ SARs and/or subscription of shares issued pursuant to the Incentive Plan 2019, from time to time. Permissible method shall be adopted for valuation of shares.

In case the company opts for expensing of share based employee benefits using the intrinsic value, 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, shall be disclosed in the Directors' report and the impact of this difference on profits and on Earnings Per Share of the company shall also be disclosed in the Directors' report.

As per the SEBI SBEB Regulations, separate special resolution is required to be passed by the members if benefits of the Plan are extended to Eligible Employees of subsidiary company(ies). Accordingly, separate resolution seeking approval of the members for extending the benefits of the Incentive Plan 2019 to the Eligible Employees of subsidiary company(ies) is placed before the members.

A draft copy of the Incentive Plan 2019 is available for inspection at the Company's Registered Office during office hours on all working days from the date of dispatch of Notice until the date of Annual General Meeting. None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent of their entitlements, if any, under the Plan.

Consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations. The Board recommends passing of the resolutions as set out under Item Nos. 11 & 12 of the Notice for approval of the members as Special Resolutions.

By order of the Board of Directors

Gaurang Shah
AVP – Legal &
Company Secretary

30th April 2019

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

Details of the Director seeking appointment/re-appointment at Fortieth 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	**Rajesh M. Agrawal**
Date of Birth	31.03.1976
DIN No.	00302467
Date of Appointment	30.04.2013
Expertise in Specific Functional Area	He has been Joint Managing Director for last 5 years & heading India business for more than 15 years with proven record of building and growing business in every segment and market. **Expertise in functional area:** Business Acumen; Vision; Strategic thinking; Industry knowledge; Sector knowledge; International Business knowledge; General Management; Leadership Skills, Understanding of regulatory framework; Human resource management.
Qualifications:	
Educational	MBA
Experience in years	20+
No. of shares held in the company	1,26,39,933
Relationship with other Directors and Key Managerial Personnel	Brother of Mr. Yogesh M. Agrawal and son of Mr. Mannalal B. Agrawal, Directors
No. of Board meetings attended during FY 2018-19	Four
Other Directorships in Companies	Ajanta Pharma Philippines Inc. Gabs Investments Private Limited Ajanta Pharma USA Inc.
Membership of committees	Ajanta Pharma Limited – Stakeholders' Relationship Committee (M) Risk Management Committee (M) Executive Committee (M)

Name of Director	**Madhusudan B. Agrawal**
Date of Birth	29.03.1955
DIN No.	00073872
Date of Appointment	31.12.1979
Expertise in Specific Functional Area	Has rich experience of more than 4 decades. **Expertise in functional area:** Business Acumen; Vision; Industry knowledge; Sector knowledge; International Business knowledge; General Management; Leadership Skills, Networking Skills.
Qualifications:	
Educational	B.Sc (part one)
Experience in years	40+
No. of shares held in the company	Nil
Relationship with other Directors and Key Managerial Personnel	Brother of Mr. Mannalal B. Agrawal, Director
No. of Board meetings attended during FY 2018-19	Three
Other Directorships in Companies	Inspira Projects Limited Inspira Infra (Aurangabad) Limited Ajanta Pharma USA Inc. Louroux Bio Energies Private Limited Samta Mines And Minerals Limited Agrawal Global Foundation Lenexis Foodworks Private Limited
Membership of committees	Ajanta Pharma Limited – Executive Committee (M)

Name of Director	Chandrakant M. Khetan
Date of Birth	24.01.1946
DIN No.	00234118
Date of Appointment	20.10.2008
Expertise in Specific Functional Area	An astute industrialist and businessman with experience of more than 40 years. **Expertise in functional area:** Business Acumen; Vision; Strategic thinking; Finance & accounting; Risk Management; General Management; Objectivity.
Qualifications:	
Educational	B.Sc, B.E. (Electrical)
Experience in years	45+
No. of shares held in the company	Nil
Relationship with other Directors and Key Managerial Personnel	None
No. of Board meetings attended during FY 2018-19	Three
Other Directorships in Companies	Entremonde Polycoaters Limited DGP Securities Limited Karelides Traders Private Limited Baroda Superstores Private Limited The Swastik Safe Deposit & Investment Limited Vibhuti Investment Company Limited Omicron Power Engineers Private Limited
Membership of committees	Ajanta Pharma Limited – Audit Committee (C) Nomination & Remuneration Committee (M) Corporate Social Responsibility Committee (M) Compensation Committee (C)

Name of Director	K H. Viswanathan
Date of Birth	11.01.1946
DIN No.	06563472
Date of Appointment	30.04.2013
Expertise in Specific Functional Area	Retired as General Manager of IDBI Bank Limited, he has rich experience of more than 35 years. **Expertise in functional area:** Finance & Accounting; Communication Skills; Understanding of regulatory framework; General Management; Objectivity.
Qualifications:	
Educational	B.Sc
Experience in years	35+
No. of shares held in the company	Nil
Relationship with other Directors and Key Managerial Personnel	None
No. of Board meetings attended during FY 2018-19	Four
Other Directorships in Companies	None
Membership of committees	Ajanta Pharma Limited – Audit Committee (M) Nomination & Remuneration Committee (M)

Name of Director	Prabhakar Dalal
Date of Birth	09.01.1953
DIN No.	00544948
Date of Appointment	13.06.2014
Expertise in Specific Functional Area	Ex- Executive Director of EXIM bank, has a versatile experience of more than 40+ years with extensive international exposure. **Expertise in functional area:** Vision; International Business knowledge; Finance & Accounting; Risk Management; General Management; Communication Skills; Understanding of regulatory framework; Objectivity.
Qualifications:	
Educational	M.Com, PGD (Securities Law), CAIIB, PGDFERM, FIIBF, LLB
Experience in years	40+
No. of shares held in the company	354
Relationship with other Directors and Key Managerial Personnel	None
No. of Board meetings attended during FY 2018-19	Four
Other Directorships in Companies	1.Tema India Limited 2. Tab Capital Limited
Membership of committees	Ajanta Pharma Limited – Audit Committee (M) Nomination & Remuneration Committee (M) Tema India Limited – Audit Committee (CM) CSR Committee (M) Nomination & Remuneration Committee (M) Tab Capital Limited – Audit Committee (CM) Nomination & Remuneration Committee (M)

Name of Director	Dr. Anjana Grewal
Date of Birth	01.11.1953
DIN No.	06896404
Date of Appointment	13.06.2014
Expertise in Specific Functional Area	Business professional and an academician with rich and varied experience. **Expertise in functional area:** Marketing skills, Communication Skills; Understanding of regulatory framework; Human resource management; General Management; Corporate Governance Objectivity.
Qualifications:	
Educational	Ph. D, MMS, B. Chem Engineering, UDCT, Certification in Financial Engineer
Experience in years	35+
No. of shares held in the company	Nil
Relationship with other Directors and Key Managerial Personnel	None
No. of Board meetings attended during FY 2018-19	Four

Name of Director	Dr. Anjana Grewal
Other Directorships in Companies	Cheminova India Limited Fino Finance Private Limited Fino Paytech Limited
Membership of committees	Ajanta Pharma Limited – Stakeholders' Relationship Committee (M) Compensation Committee (M) Cheminova India Limited – Audit Committee (M) Nomination & Remuneration Committee (M) Fino Paytech Limited – Audit Committee (M) Nomination & Remuneration Committee (CM) Fino Finance Private Limited – Audit Committee (M) Operations Committee (M) Nomination & Remuneration Committee (M) Asset – Liability Committee (M)

Disclaimer:

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

ajanta pharma limited

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

Concept, Content & Design WYATT Prism COMMUNICATIONS (info@wyatt.co.in)

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Tel No. 022 6606 1000; Fax No. 022 6606 1200
Website: www.ajantapharma.com; email: investorgrievance@ajantapharma.com

ATTENDANCE SLIP

I hereby record my presence at the **40TH ANNUAL GENERAL MEETING** of the Company held on Thursday, 18th July 2019 at 11:00 a.m. at Rang Sharda Natyamandir, Bandra Reclamation, Bandra West, Mumbai - 400050

Regd. Folio/DPID & Client ID	
Name and address of the shareholder	
Joint Holders	
No. of shares	

Signature of the Member/ Joint Member(s) / Proxy

Notes:

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 2019 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 2019 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

EVSN (Electronic Voting Sequence Number)	User ID	Password / Sequence Number

ajanta pharma limited

(CIN No. L24230MH1979PLC022059)

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

Tel No. 022 6606 1000; Fax No. 022 6606 1200

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

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 40th Annual General Meeting of the Company, to be held on Thursday, 18th day of July 2019 at 11.00 a.m. at Rang Sharda Natyamandir, Bandra Reclamation, Bandra West, Mumbai-400050 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTIONS	Optional*	
		For	Against
	ORDINARY BUSINESS		
1.	Adoption of Financial Statements for the year ended 31st March 2019		
2.	Confirm interim dividend as final dividend		
3.	Re-appointment of Mr. Madhusudan B. Agrawal, retiring by rotation		
4.	Re-appointment of Mr. Rajesh M. Agrawal, retiring by rotation		
	SPECIAL BUSINESS		
5.	Special Resolution for appointment of Mr. Chandrakant Khetan as an Independent Director		
6.	Special Resolution for appointment of Mr. K H. Viswanathan as an Independent Director		
7.	Special Resolution for appointment of Mr. Prabhakar Dalal as an Independent Director		
8.	Special Resolution for appointment of Dr. Anjana Grewal as an Independent Director		
9.	Special Resolution for authorising the company for making loans, investments, etc.		
10.	Ordinary Resolution for ratifying remuneration of Cost Auditors		
11.	Special Resolution for approval of Ajanta Pharma Share Based Incentive Plan 2019		
12.	Special Resolution to approve extending the benefits of Ajanta Pharma Share Based Incentive Plan 2019 to employees of existing and future subsidiary company(ies)		

Signed this ___________________________ day of ___________ 2019

Signature of shareholder: _________________________

Signature of Proxy holder(s): _______________________

Affix Revenue Stamp

* 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.

Notes:

1. This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxy need not be a member of the company.
2. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 40th Annual General Meeting forming part of the Annual report.
4. Please complete all details including details of member(s) before submission.