

BOOK- POST

Dr. Datsons Labs Ltd
Annual Report 2012-13

If undelivered, please return to:
LINK INTIME INDIA PRIVATE LIMITED
UNIT: DR. DATSONS LABS LIMITED
(Formerly Known as Aanjaneya Lifecare Limited)
C/13, Pannalal Mills Compound,
L.B.S. Marg, Bhandup (West)
Mumbai-400078



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METAMORPHOSIS

Dr. Datsons Labs Ltd.

An integrated pharmaceutical company.

With manufacturing and marketing capabilities in CRAMS and active pharmaceutical ingredients (APIs).

With a focus on anti-malarial and finished dosage forms (FDFs).

Catering to diverse therapeutic segments.

Vision

Dr. Datsons Labs Ltd. strives to be the premier provider of new medical therapies in the anti-cancer and anti-malarial segments worldwide to the pharmaceutical industry.

Mission

To combine the strength of our expertise, experience and innovation to advance in the worldwide success of the pharmaceutical industries in preventing and curing disease.

Values

We value doing what's right and demand honesty, maintenance of confidentiality and adherence to professional standards of excellence. We strive to understand our clients' requirements and meet or exceed their expectations with high-quality deliverables and service. We are flexible and always look for proactive, responsible solutions to ensure client satisfaction.

Legacy

Dr. Datsons Labs Ltd. was originally incorporated as Aanjaneya Biotech Private Limited in 2006. The Company changed its name to Dr. Datsons Labs Ltd in August 7, 2013.

Offerings

The Company has three API manufacturing facilities in Mahad and Hyderabad; formulations are manufactured in Pune. The Company has a dedicated R&D block in Mahad to manufacture potent anti-cancer products (100 to 500 grams).

Awards and accreditations

- The Company's manufacturing units comply with stringent global good manufacturing practices.
- The Mahad plant is WHOGMP certified, it was awarded the ISO 14001:2004 (Environment Management System), ISO 9001:2008 & ISO 22000:2008, & ISO 18000 (OHSAS) certifications by BSI Systems.
- The Pune plant is WHOGMP and ISO 9001:2008-certified.
- The Hyderabad unit is WHO GMP & ISO 9001:2008, ISO 14001:2008- certified.

Cautionary statement

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed 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 'anticipates', 'estimates', '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 assumptions. The achievement of results is 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. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Therapeutic segments

APIs

The Company manufactures second generation anti-malarial APIs like quinine and salts as well as third-generation anti-malarial products like Artemisinin-based salts. The Company also manufactures niche APIs as well as ace inhibitors, CNS, anti retro-virals analgesics.

FDFs

The Company engages in the contract manufacture for leading Indian pharmaceutical brands namely Wockhardt, Cipla, Zydus Cadila, Lupin and Glenmark, among others. The Company distributes branded generic products pan-India through a proprietary network comprising with 350 distributors and over 1,200 stockist. The Company also exports branded formulations to 60 countries.

CRAMS

The Company is engaged in the manufacture of advanced intermediates and APIs for global clients.

Technology transfer and dossier development services: The Company offers technology transfer facilities for key intermediates and APIs and dossier development services from its DSIR-approved R&D centre at Mahad.

METAMORPHOSIS

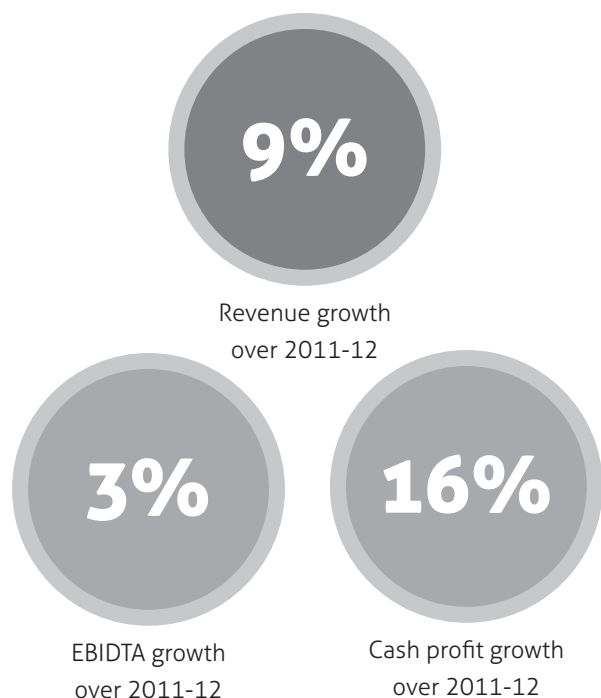
Dr. Datsons has embarked on a journey towards exponential growth through various initiatives.

Upgrading manufacturing facilities. Enhancing production efficiencies. Adding strong product lines. Integrating backwards and forwards. Strengthening raw material linkages. Ensuring product and facility-related regulatory compliance. Entering into international marketing alliances. Conducting knowledge-based research.

With the objective to translate its rich potential into attractive numbers starting 2014 and emerge among the best pharmaceutical companies.

The metamorphosis has begun...

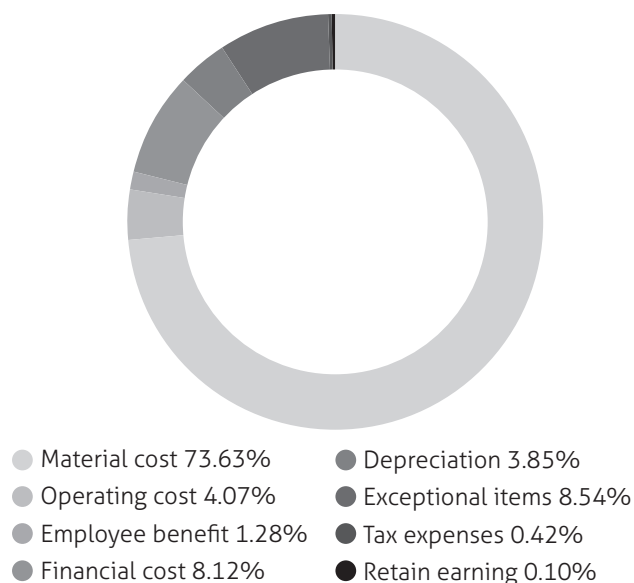
KEY HIGHLIGHTS OF 2012-13



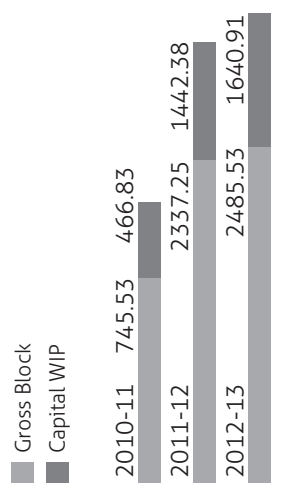
Awards and recognition

- The Golden Peacock National Quality Award 2013
- The Council of Fair Business Practices –CFBP- Jamnalal Bajaj Awards for Fair Business Practices 2013
- The ASSOCHAM - DSIR (Department of Industrial & Scientific Research) Government of India – Emerging Company of year 2013
- IMC Ramakrishna Bajaj National Quality Award 'Certificate of Merit' in the SME Category, 2012.
- 'The Best Company in Corporate Governance Sustainability Vision & Ethical Practice's 2012' award at the Fourth 4th Annual Business Leadership Conclave & Awards at Bangalore in March 2012.
- The BSE Award for 'Best Returns to Investors 2012 from Pharmaleaders'
- The Pharmexcil 'Best Exporter of Year (Silver)' awarded by Pharmexcil & Ministry of Commerce 2012.
- The ICC Best Corporate Governance & Sustainability Awards 2013

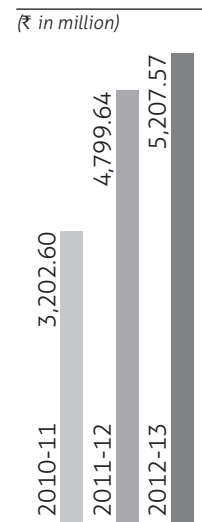
Distribution of revenue



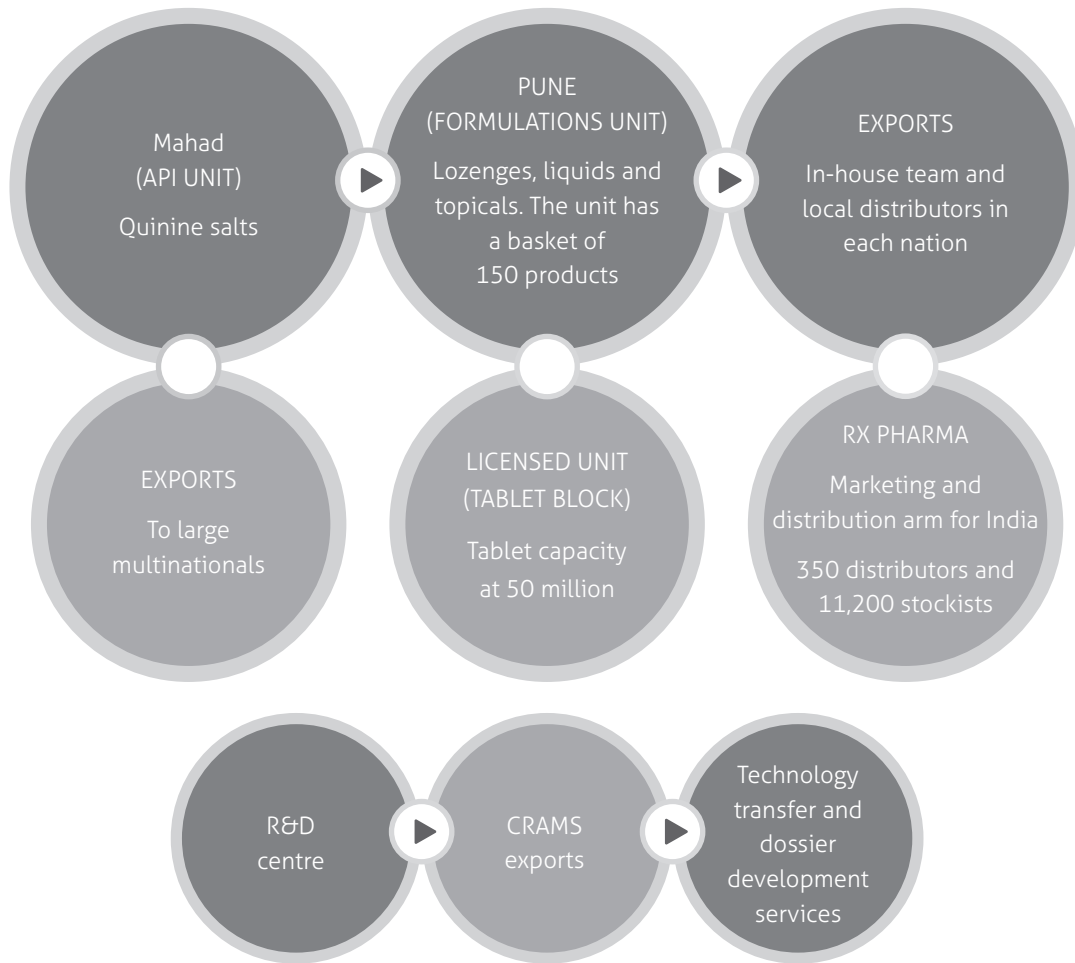
Fixed Assets
(₹ in million)



Sales
(₹ in million)



Business model



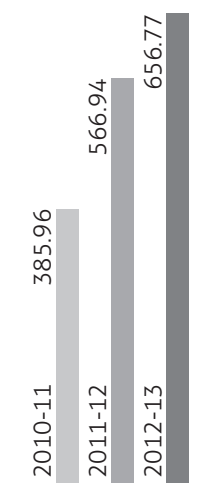
EBIDTA

(₹ in million)

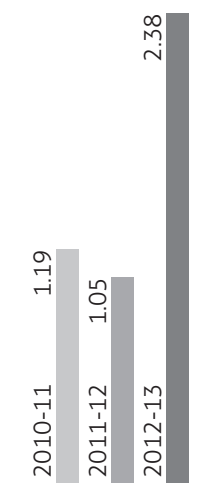


Cash profit

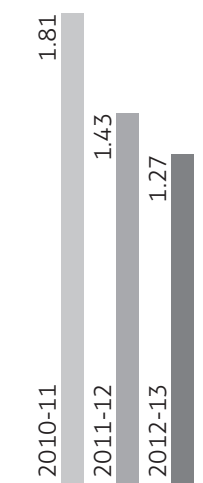
(₹ in million)



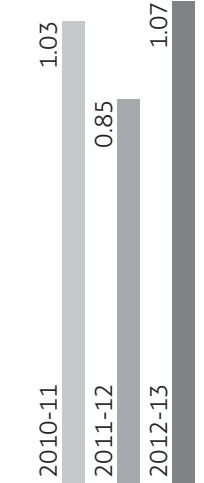
TOL/TNW ratio



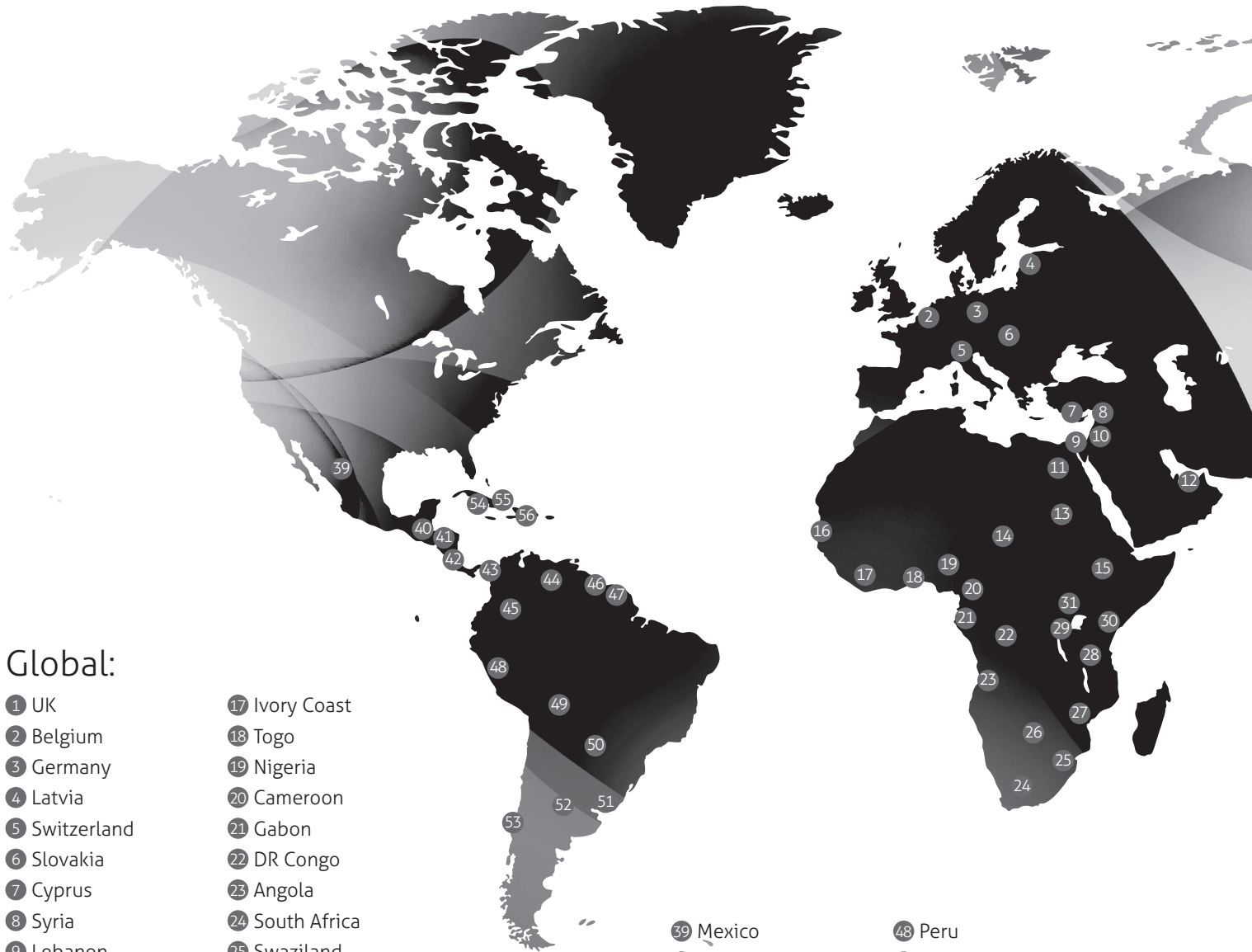
Current ratio



Debt-equity ratio



OUR WIDESPREAD DISTRIBUTION NETWORK



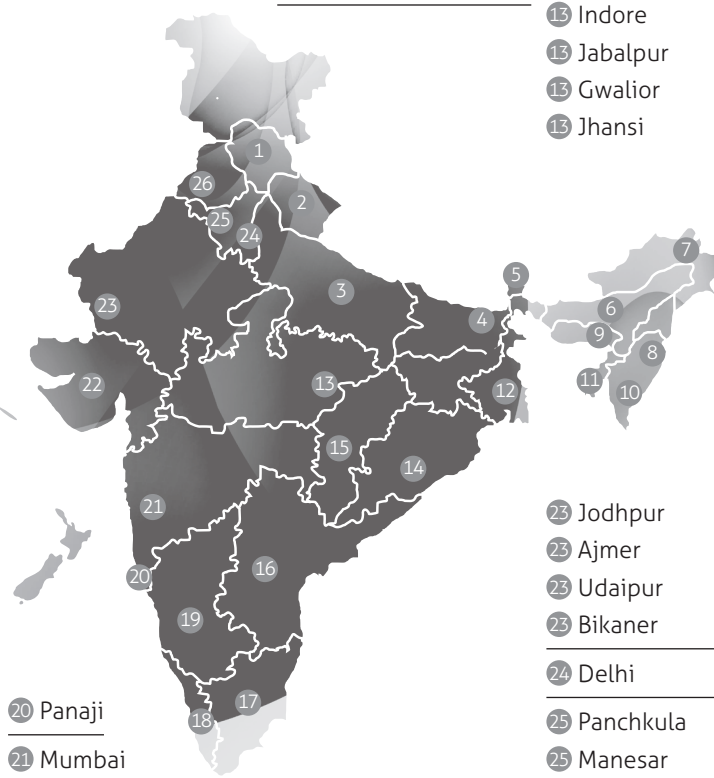
Global:

- | | | | |
|---------------|-----------------|---------------|-----------------------|
| 1 UK | 17 Ivory Coast | 33 Cambodia | 48 Peru |
| 2 Belgium | 18 Togo | 34 Vietnam | 49 Bolivia |
| 3 Germany | 19 Nigeria | 35 Hong Kong | 50 Paraguay |
| 4 Latvia | 20 Cameroon | 36 Singapore | 51 Uruguay |
| 5 Switzerland | 21 Gabon | 37 Indonesia | 52 Argentina |
| 6 Slovakia | 22 DR Congo | 38 Korea | 53 Chile |
| 7 Cyprus | 23 Angola | 39 Mexico | 54 Jamaica |
| 8 Syria | 24 South Africa | 40 Guatemala | 55 Haiti |
| 9 Lebanon | 25 Swaziland | 41 Nicaragua | 56 Dominican Republic |
| 10 Jordan | 26 Botswana | 42 Costa Rica | |
| 11 Egypt | 27 Mozambique | 43 Panama | |
| 12 UAE | 28 Tanzania | 44 Venezuela | |
| 13 Sudan | 29 Rwanda | 45 Colombia | |
| 14 Chad | 30 Kenya | 46 Guyana | |
| 15 Ethiopia | 31 Uganda | 47 Suriname | |
| 16 Senegal | 32 Sri Lanka | | |



India:

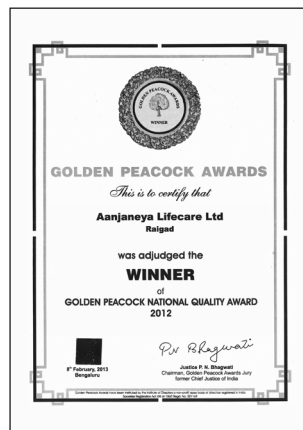
- ① Manali
- ② Haridwar
- ③ Kanpur
- ③ Lucknow
- ③ Allahabad
- ③ Varanasi
- ③ Bareilly
- ③ Gorakhpur
- ④ Patna
- ⑤ Sikkim
- ⑥ Guwahati
- ⑦ Arunachal Pradesh
- ⑧ Imphal
- ⑨ Cherrapunji
- ⑨ Shillong
- ⑩ Aizawl
- ⑪ Agartala
- ⑫ Kolkata
- ⑬ Bhopal
- ⑬ Indore
- ⑬ Jabalpur
- ⑬ Gwalior
- ⑬ Jhansi



- ⑬ Ujjain
- ⑭ Bhubaneswar
- ⑭ Puri
- ⑮ Raipur
- ⑯ Hyderabad
- ⑯ Vijaywada
- ⑯ Vizag
- ⑯ Nizamabad
- ⑰ Velluru
- ⑰ Coimbatore
- ⑰ Madurai
- ⑱ Kochi
- ⑱ Trivandrum
- ⑱ Kozhikode
- ⑲ Bengaluru
- ⑲ Mangalore
- ⑲ Hubli
- ⑲ Gulbarga
- ⑲ Belgaum
- ⑲ Mysore

- ⑳ Panaji
- ㉑ Mumbai
- ㉑ Kalyan
- ㉑ Nagpur
- ㉑ Sholapur
- ㉑ Kolhapur
- ㉒ Ahmedabad
- ㉒ Vadodara
- ㉒ Rajkot
- ㉒ Jamnagar
- ㉒ Surat
- ㉒ Jaipur
- ㉓ Jodhpur
- ㉓ Ajmer
- ㉓ Udaipur
- ㉓ Bikaner
- ㉔ Delhi
- ㉕ Panchkula
- ㉕ Manesar
- ㉖ Amritsar
- ㉖ Ludhiana
- ㉖ Chandigarh
- ㉖ Jalandhar
- ㉖ Pathankot

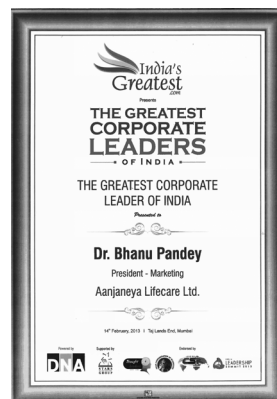
RECOGNITION



Winner - Golden Peacock National Quality Award, 2012



Winner - Business Leadership awards 2012 by Indian Affairs juries



Winner - The Greatest Corporate Leaders of India - Dr. B. Pandey



European award for best Corporate Governance Practices, 2012



ICC award for Corporate Governance and Sustainability 2013



Business Leadership award, 2013 at the 4th India Leadership Conclave 2013

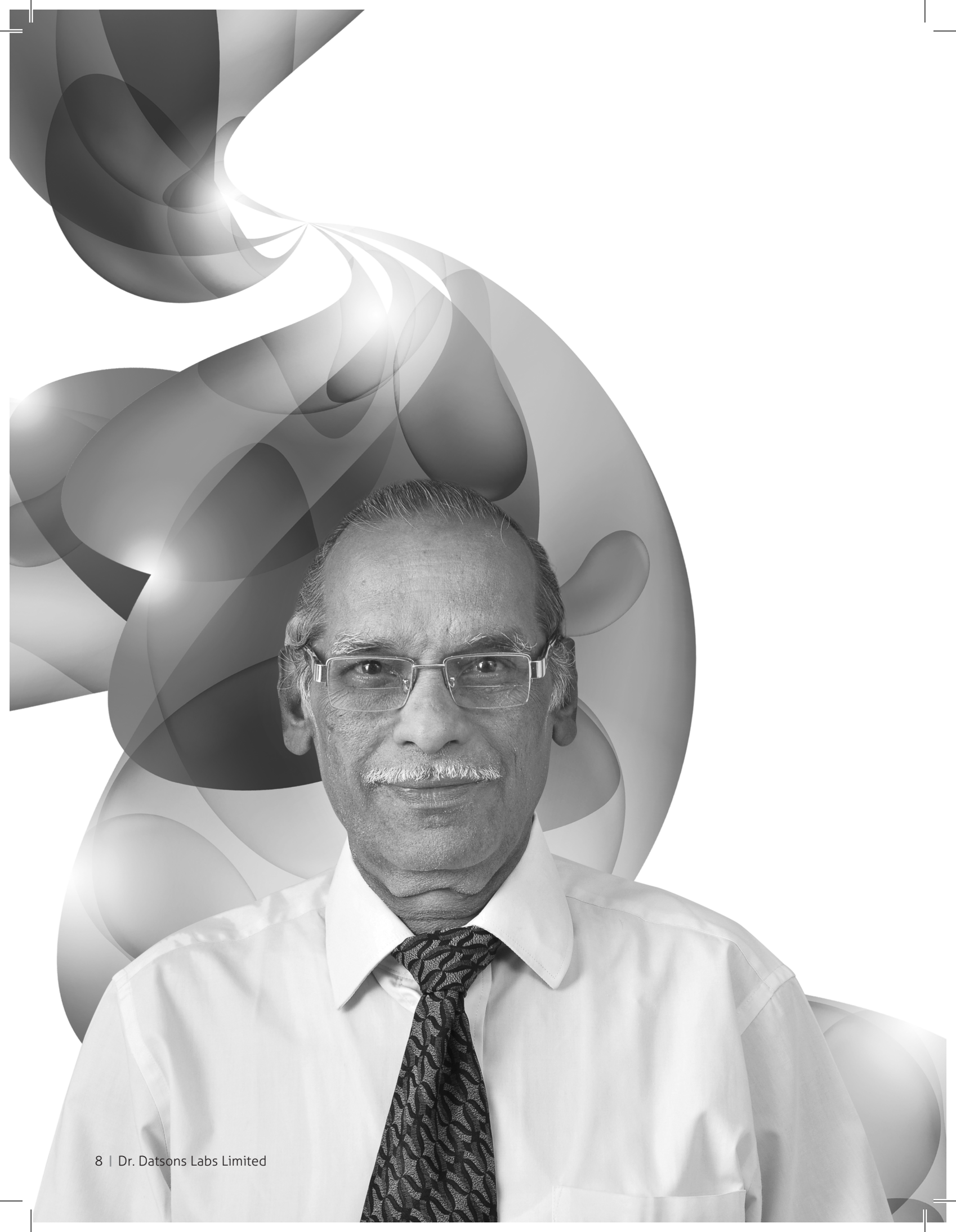


IMC Ramkrishna Bajaj National Quality Award 2012

BRANDS PRODUCED BY US

AANFRESH™ THROAT LOZENGES	<i>Aanban™</i> <i>Liquid</i>	Aancilaa-20	Aancool Inhaler <small>CLEARs STUFFY NOSE</small>	AANGEL SUSPENSION
Aangra - 100™	Aangirex SYRUP	AANJAPETI™	A Herbal Product Aanjaseal™ Herbal Antiseptic Cream	Aanjatone™ Syrup
AANJATRIM™	A Herbal Product Aanjavate Syrup	AANMOL™ SYRUP	Aanmycin™ Cream	AANZOL™ SUSPENSION
ARECTA-PLUS™ LOZENGES	AANTOX™ SYRUP	<i>Ayurfresh™</i> <small>Herbal For Sensitive Skin</small>	Cuffix™ EXPECTORANT	Codorex® 100 ml COUGH SYRUP कोडोरेक्स
DOKTOR QURE™	Doktor Qure™ Herbal Cough Syrup	Doktor Qure Herbal Lozenges	DR. CARE™ DRY COUGH LOZENGES LEMON FLAVOUR	FERCIFOL™ SYRUP
HERBAL DROPS	herbal throat lozenges <small>HONEY & LEMON FLAVOUR</small>	LIVCHEK™ Syrup	Mucovent™ Expectorant SYRUP	NAYADUM™
Prosils™ HERBAL THROAT LOZENGES	Prosils™ HERBAL THROAT LOZENGES	VITAAL-F™ SYRUP/SIROP	VITAAL™ SYRUP (Multivitamin Syrup)	Vifex® Throat Soothers MEDICATED





Chairman's strategic overview IN THE FUTURE...

Dear friends,

DR. DATSONS IS STRENGTHENING ITS 'TOMORROW-READINESS' BY RE-ENGINEERING ITS BUSINESS MODEL WITH THE OBJECTIVE TO EXTEND ITS DOMINANCE FROM THE INDIAN MARKET TO THE GLOBAL MARKETS OF THE FUTURE.

At Dr. Datsons, we are optimistic of our prospects because of our preparatory blueprint.

In the markets of the future, most facilities will need to be benchmarked in line with the demanding standards of regulated countries. At Dr. Datsons, we are engaged in the proactive upgradation of our manufacturing facilities, some of which will be exclusively dedicated to service regulatory markets.

In the markets of the future, the winners will be companies which can produce large volumes of globally competitive products. At Dr. Datsons, we expect to create cost-effective facilities (through equipment, skills,

systems and processes) that enable us to produce a large number of products for price-sensitive global markets.

In the markets of the future, the winners will be companies that select to specialise in specific product segments, emerging as respected global brands. At Dr. Datsons, we rationalised our product mix and moved into every generation of select therapeutic segments; we added a number of anti-malarials and related products on the one hand and exited unprofitable product segments.

In the markets of the future, the winners will be companies that manufacture distinctive products for specific product spaces. At Dr. Datsons, we focussed on establishing competence in generics complemented with increased investments in plants, products and processes.

In the markets of the future, the winners will be companies with the most effective combination of plants, processes and overheads. At Dr. Datsons, we expect to liquidate or realign our plants on the one hand and invest in new facilities on the other to strengthen our competence and cost structure

In the markets of the future, the winners will be companies that generate a high return on employed capital. At Dr. Datsons, we are

shedding low-earners and high gestation products.

In the markets of the future, the winners will be research-led companies providing superior products or processes translating into a sustainable advantage. At Dr. Datsons, our R&D edge is expected to translate into effective processes built around appropriate chemistries, superior technology and non-infringable patented processes.

In the markets of the future, the winners will be companies with conservative balance sheets. At Dr. Datsons, we selected to charge off our product and business development costs to our profit and loss account, selecting to report a near-flat bottomline over the last couple of high-investment years in order to register attractive profit growth over the foreseeable future.

In the markets of the future, the winners will be companies that enhance shareholder value in a robust and sustainable way. At Dr. Datsons, we expect to leverage our product mix and volume expansion to enhance corporate value.

The metamorphosis has begun...

With warm regards,

Chandulal Shah,
Chairman Emeritus

From the desk of the Managing Director

FOCUSING AND GROWING...

IN A COMPETITIVE AND EVOLVING GLOBAL PHARMACEUTICAL INDUSTRY, THERE IS A PREMIUM ON THE ABILITY TO RESPOND WITH SPEED. THE RESULT IS THAT MOST FUTURE-FOCUSED PHARMACEUTICAL COMPANIES HAVE TO BE CONTINUOUSLY ENGAGED IN ORGANISATIONAL RE-ENGINEERING.

At Dr. Datsons Labs, we were engaged in making precisely this our priority during the year under review. The Company invested in business-strengthening initiatives, writing them off to the profit and loss account. The result is that even as these initiatives were expensed to the immediate, the Company reinforced its ability to report larger de-risked revenues across the foreseeable future.

Achievements, 2012-13

During the year under review, Dr. Datsons Labs emerged as the world's third largest manufacturer of quinine salts and the second largest in India, preferred source for major customers.

CRAMS: The Company is engaged in the manufacture of advance intermediates and APIs for global clients.

The Company launched a new

generation of anti-malarial APIs and formulations, which was well-accepted by customers, reinforcing our standing as a Company that possesses the capability to customise products as per the needs of an evolving marketplace, on the one hand, and extend the range of the product mix on the other.

The Company continued to grow its APIs business through a growing focus on niche products; Unit 2 will be ready for regulatory inspection by mid-2014, strengthening our prospects to scale volume, on the one hand, and enter into enduring relationships with large customers on the other, we expect that this initiative will provide us attractive revenue visibility across the foreseeable future.

The Company selected to optimise the utilities of its erstwhile Unit 1; it created a block for the manufacture of

intermediates and APIs and another to exclusively address WHO standards.

The new state-of-the-art Unit 3 is a cost-efficient unit that will go on stream in two phases, the first in September-October 2014. The unit will manufacture oncology products and a number of critical intermediates and is expected to moderate production costs.

The Company's wholly-owned subsidiary (in Singapore and Hong Kong) will help consistently procure key raw material for APIs economically, reinforcing profitability.

The Company strengthened its quality control and quality assurance systems, enhanced competencies, delegated, decentralised and professionalised and executed the process of change management.



Looking ahead

At Dr. Datsons Labs, we intend to emerge as a large and profitable company with a significant proportion of revenues derived from quality-respecting markets (read regulated) backed by enduring multi-year and multi-product relationships with large customers. This represents our blueprint to emerge as a sustainable company across the foreseeable future.

Over the foreseeable future, we expect to reinforce our competitive position through the following strategic imperatives:

People

- Enhance competencies and recruit result-oriented scientists/technicians
- Leverage high energy resources
- Focus on knowledge-based research.

Infrastructure

- Upgrade our manufacturing facilities in line with global standards
- Ensure that the facilities are regulatory-compliant

Product portfolio

- Add products with attractive commercial value
- Rationalise the product mix by shedding small and relatively unprofitable products
- Straddle across every generation of select therapeutic segments
- Be present in high growth segments like CNS, CVS, gastroenterology among others.
- Obtain global regulatory and customer approvals for our products

Operational efficiencies

- Extend the value-chain; engage in

backward and forward integration

- Strengthen raw material sourcing
- Enhance operational efficiencies; moderate raw material costs and overheads

Marketing

- Strengthen marketing infrastructure
- Enter into marketing tie-ups in quality-conscious semi-regulated markets

Through the combination of these initiatives, Dr. Datsons Labs expects to emerge as a large and profitable company with sustainable revenues across the foreseeable future.

Dr. Kannan Vishwanath,
Vice Chairman & Managing Director

"WE ARE NOW A HIGH-ENERGY PHARMACEUTICAL COMPANY THAT WILL GENERATE ATTRACTIVE STAKEHOLDER VALUE."



The reinvention of Dr. Datsons Labs centres around the one word – growth - that is expected to translate into enhanced value for its stakeholder family.

At Dr. Datsons Labs, we are confident of generating sustainable growth through a number of initiatives.

One, the Company intends to formulate a seamless multi-pronged strategy which is expected to generate robust growth without disrupting its existing income lines. This will translate into growing revenues across the foreseeable future.

Two, the Company will not only offer generic formulations to end

consumers, but shall work with industry players and generate value-added solutions to intermediate customers.

Three, the Company will reinforce its culture of operational excellence to remain competitive in challenging markets.

Four, the Company will continue to train its people around compliance standards, plant operations, QA, QC and best practices.

Five, the Company will leverage on high-level research and technologies translating into the manufacture of cutting-edge products.

Six, the Company will sharpen its focus on international markets, even as we consolidate our presence in India.

The message that we wish to send to our customers is that Dr. Datsons Labs is now a high-energy pharmaceutical company that will generate attractive value for customers, shareholders and other stakeholders.

Yours truly,
Prabhat. K. Goyal,
Executive Director

HOW WE EXPECT TO GENERATE REVENUES WORTH ₹1 BILLION IN FY 2014-15



Road map for sustainable growth

- Create a strong product pipeline with a focus on filing new dossiers
- Commercialise generic molecules with attractive demand
- Launch newly approved products
- Pursue inorganic growth opportunities to create marketing platforms in regulated markets
- Dig deeper into semi-regulated markets with existing products
- Seek larger volumes from products already launched
- Enhance market share in areas

where the Company is already present

- Consolidate the business core in domestic and emerging markets
- Partner branded pharmaceutical producers in the development and supply of finished goods
- Expand presence in Latin and Central America (especially Brazil and Mexico)
- Explore opportunities in Australia, Canada and Eastern Europe
- Add API production modules
- Optimise processes to reduce costs; enhance capacity utilisation
- Leverage competence in chemistry;

increase contractual research and custom synthesis

- Invest in human resources; support responsible front line managers
- Enhance margins through higher formulation sales, superior asset utilisation and improved yields
- Focus on consistent quarterly earnings increase

Shashikant Shinde,
Executive Director

Message from CFO

"WE EXPECT TO REPORT A 25% YEAR-ON-YEAR GROWTH IN OUR TOPLINE OVER THREE YEARS"

FRIENDS, WE ARE AT THAT POINT IN OUR JOURNEY WHERE WE ARE ATTRACTIVELY POSITIONED TO CAPITALISE ON OUR CAPABILITY TO IDEATE (CONCEPTUALISE A ROAD LESS TRAVELLED), INNOVATE (CREATE HIGH-END NOVEL PRODUCTS) AND INVEST (IN MEN, MACHINES AND MARKETS).

The result is that we expect to report a 25% year-on-year growth in our topline over the next three years and grow shareholder value in a sustainable way

Our strengths

- 1 Research and development:** The Company's state-of-the-art research and development laboratory complies with all GLP parameters.
- 2 Demonstrated capability:** The Company's 15-member strong R&D team has enabled it to file more than 20 patents and commercialise four research products over the last four years.
- 3 Spread:** The Company's scope of research covers NDDS, formulation

development, new formulation of off-patented drugs, process development and technology transfer, analytical and chemical research and stability studies, among others. Besides, our R&D department is capable of developing drugs using nanotechnology.

- 4 Niche:** The Company is present in the highly complex oral lozenges segment requiring high expertise. Globally, only few pharmaceutical manufacturing companies specialise in this segment. Besides, Dr. Datsons is present in the highly regularised controlled substances segment which require a deep domain knowledge.

- 5 Reach:** The Company has selected to be present in 60 regulated and

semi-regulated countries, actively exporting to more than 20 countries supported by four overseas offices.

- 6 Network:** The Company's domestic marketing network comprises 350 distributors and over 11,200 stockists.

- 7 Home-grown management:** The Company nurtures junior employees, grooms them for emerging responsibilities, intending to promote them to middle and senior management levels.

- 8 IT infrastructure:** The Company is in process of implementing an integrated ERP package compliant with FDA requirements, enhancing information availability and informed decision-making.



9 Intellectual capital: The Company's 400 employees (as on March 31, 2013) possess rich experience in research and innovation.

10 Quality: The Company's assets are state-of-the-art, supported by confidence-enhancing certifications ISO 9001, ISO 14001:2008 and ISO 18000 and WHO GMP.

11 IPR insight: The Company's IPR department is engaged in filing, procuring and maintaining trademarks, copyrights and patents (nationally and internationally). It filed 20 patents over the last four years across 50 countries, applied for 40 trademarks and filed for seven copyrights.

12 Therapeutic spread: The Company

is present in relatively under-served therapeutic segments like anti-obesity, anti-infective, cardiovascular and neurology.

13 Facilities: The Company possesses three globally benchmarked manufacturing units. The units are ISO 9001, ISO 14001 and OHSAS 18001 certified and accredited by WHO GMP, and Kenyan GMP, among others.

14 Certifications: The Company's manufacturing units enjoy national plant certifications like WHO GMP, ISO 9001, ISO 14001 and ISO 18001 and various international certifications, Zimbabwean GMP, Ugandan GMP, Syrian GMP, Kenyan GMP, amongst others.

15 Alliances: The Company enjoyed

strategic marketing tie-ups with leading companies like Universal Healthcare, Pharmed Europe Ltd, World Botanical Products, Active Pharma, amongst others.

16 Tax cover: The DSIR recognition of the research and development facility entitles the Company to a weighted tax benefit of 150%. It enables the Company to get a complete exemption on the import of raw materials, R&D equipment and accelerated depreciation on plant and machinery.

Yours truly,

Narendra Agarwal,
Chief Financial Officer



THIS IS WHAT WE ACHIEVED IN A CHALLENGING 2012-13

Dr. Datsons core strength lies in the research and manufacture of quality lozenges, controlled substances in formulations, anti-malarials and niche API segments.

The Company's culture of manufacturing excellence is centred on quality control, quality assurance, in-process control guidelines and training.

The Company's manufacturing locations are integrated and linked by high-speed networks to deliver products to markets at the right time and price.

The Company's facilities are UK-MHRA and EU-GMP-compliant and ISO 9001:2008, ISO 14001:2004 and ISO 22000-certified; these enhance the confidence of global pharma players.

The Company designed the quinine extraction equipment in-house while maintaining stringent quality parameters, emerging as one of the most cost-effective quinine manufacturers. The quinine sulphate and other salts received approvals from American and Canadian customers as well as from those in the EU.



API facility, Mahad

Equipment	Capabilities	Products
Spanning 100,000 sq metres 130 KL aggregate reactor capability; reactors of varied metallurgy	Addresses hazardous and complex gases Undertakes complex synthesis and reactions	Multi-therapeutic product offerings High-end alkaloids
World-class utilities, solvent recovery systems and quality control infrastructure	Globally-benchmarked safety and productivity standards	Quinine salts
High technology hydrogenator system	Handles high-end intermediates for CRAMS	Veterinary APIs and other highly potent API's
Extraction facility for all herbal products; quinine extraction from the cinchona bark	Extraction of herbs for supplements and syrops	Anti-retroviral, diabetic, CNS, analgesic products and highly potent APIs



Finished dosage facility, Pune

Equipment	Capabilities	Products
Spanning 15,000 sq metres	Hard-boiled lozenges	Brands Like Rankores, Esy Hil, DrQure, Prosils, Nicco.Nil, Apticatch among others
Highest standards of aseptic manufacture	Ointments and gels with alcohol	
CGMP standards	Liquids and inhalers	
Advanced liquid filling line, comparable with the world's best	Received 'Quality Excellence Award' from Institute of Economic Studies	

The Company established a herbal garden at its Mahad facility comprising a variety of medicinal plants with *ayurvedic* applications.



Manufacturing

- Manufacturing, processing, warehousing, packaging and labelling areas compatible with processing sequence. Adequately provided with working space to facilitate the orderly and logical placement of equipment and material and movement of personnel. Minimises contamination and cross-contamination through suitable mechanisms (change rooms, airlocks and pass boxes, among others)
- Ventilation equipped with HVAC systems. Dedicated AHUs designed for each critical area to control dust accumulation and cross-contamination in processing areas. Clean production corridors provide clean air with positive pressure; dust generating areas maintain pressure lower than in corridors to control cross-contamination
- Ventilation and exhaust systems (5 micron to 20 micron filters) provided in unclassified areas. Warehouses and other ancillary areas were adequately ventilated
- The Company is upgrading facilities in line with CGMP standards. The manufacturing units enjoy national plant certifications (WHO GMP, ISO 9001, ISO 14001 and ISO 18001) and international certifications (OHSAS

18001, Zimbabwean GMP, Ugandan GMP, Syrian GMP, Colombian GMP, Kenyan GMP)

Quality management

Dr. Datsons employs stringent quality control initiatives to comply with demanding regulatory requirements. The quality control department is equipped with a globally benchmarked instrumentation lab to monitor critical systems like clean rooms, water systems, personnel flow, material flow and utilities. Quality control chromatographic instruments are supported by suitable validated software (21 CFR-compliant). Quality control computers are used for data acquisition from HPLC and integration. Stability chambers are provided to conduct stability studies for different environmental parameters as per ICH guidelines. The microbiology laboratory is equipped for testing (microbial limit testing, bacterial endotoxin testing, sterility testing and the other microbiological tests). The different incubators are maintained at $35\pm 2^{\circ}\text{C}$ to $25\pm 2^{\circ}\text{C}$. The quality control and analytical lab conducts vigorous analytical tests at all levels (raw materials and ingredients to in-process and finished products). Analytical development scientists continuously develop and validate

cleaning methods to detect residual product in formulation tanks and product contact equipment.

The Company's quality assurance system comprises a demarcated organisational structure, defined responsibilities, documented standard operating procedures, validated processes and periodic training. The quality assurance department monitors and maintains desired quality. The quality control department monitors and analyses data (testing, analysis, manufacture, in-process controls and any other monitoring like process, process conditions, services and utilities including water system, environment, hygiene and HVAC system, among others) used in medicinal product manufacture.

- **Audit programmes:** Periodic audits by internal and external teams ensure quality management system implementation.
- **Continuous surveillance:** Close-circuit cameras being introduced in critical areas (manufacturing and warehouse sections) accessible to authorised personnel anywhere in the world.
- **Systems and automation:** All departments inter-linked through a local area network system. Each user

THE FACILITY AND ALL CRITICAL SYSTEMS ARE VALIDATED IN ACCORDANCE WITH THE PROCEDURES DESCRIBED UNDER THE VMP. ALL ASPECTS ON THE PREMISES, FACILITY/PROCESSES, OPERATIONS WHICH MAY AFFECT PRODUCT QUALITY DIRECTLY OR INDIRECTLY WILL BE VALIDATED.

has a restricted access suitable to his job profile. The master batch is fed in packages; requisitions are generated automatically following the receipt of schedules and the stock position updated automatically. A regular data backup system is reviewed at the time of batch review. The product is accessible at every stage through package, yield reconciliation, stock ledgers, batch-wise stock, party-wise stock, receiving and distribution records.

- **Standards:** Dr. Datsons addresses the qualification and validation strategy in the Validation Master Plan (VMP). The VMP provides a road map for validation; it specifies and coordinates all qualification/ validation activities, ensuring that the quality of pharmaceutical products manufactured is internationally benchmarked. It also specifies the responsibilities for validation procedures and helps plan the necessary activities. The facility and all critical systems are validated in accordance with the procedures described under the VMP. All aspects on the premises, facility/processes, operations which may affect product

quality directly or indirectly will be validated.

Marketing

Dr. Datsons selected to be present in product spaces marked by relatively low competition, ensuring sustainable growth. The Company's domestic and international departments have helped build Dr. Datsons into a global brand.

- **Domestic:** The Company identified the need to create a strong marketing team. Its marketing personnel possess a strong people-oriented approach, promotes a stress-free workplace, formulates attractive incentive policies, maintains round-the-clock communication, niche positioning, strong customer relations, prompt supply chain, custom-made IT software, automation tools to facilitate informed decision-making and advance payment standards to strengthen marketing.

- **Product management team:** A 12-member team conducted market surveys, planned strategy, and devised novel marketing initiatives and promotional tools.



- **Strategic marketing tie-ups:** The department was actively engaged in partnering leading pharmaceutical companies for the launch of R&D products under marketing and distribution agreements. The Company enjoyed strategic marketing tie-ups with leading pharmaceutical companies like Universal Healthcare, Pharmed Europe Ltd. and Zenufa Labs among others.

- **International business:** The Company focused on oncology products. The department comprised three segments that oversaw business in Asia, Africa, CIS, Europe, the Middle East, Latin American countries and the US. The department's qualified and experienced team ensured an active presence across 20 countries (total 60 countries), exporting 50 products for the demanding anti-cancer, anti-infective and cardiovascular segments. The Company established four global offices. The Company participated in the CPHI Trade Fair in Europe and other international conferences.

Human resource

Human capital is the Company's richest asset, comprising 400

professionally qualified, dedicated and committed members. The team is driven by target achievement, discipline, creativity, innovation, loyalty, hard work and service. The Company's human resource policies are aimed at sustaining an empowered, dedicated and motivated workforce.

- **Recruitment:** Around 40% of the recruits comprises beginners.

The Company's employee referral programme encourages employees to refer candidates followed by screening for aptitude, attitude and skill analysis.

- **Induction:** The two-step process covers acquaintance with the Company's culture, rules and norms followed by induction in the allotted job profile and department.

- **Appraisal:** The Company has structured and defined rules for performance appraisal and promotion hierarchy.

- **Awards/rewards:** The Company devises awards and incentives based on performance. Various target-related incentives and schemes are declared for the marketing personnel apart

from their annual incentives.

- **De-centralisation and specialisation:** Complete decentralisation and delegation of authority and responsibility are the key strengths that get the optimum output from each member.

- **Training philosophy:** The Company's training policy is based on continuous improvement.

- **External training:** The employees attended various programmes including external training on the relevant Factory Acts, training on L/C and export documentation, training/workshop on communication skills organised by CII, workshop on GMP by Hexa Training Services (Udaipur), training on cost reduction and export risk management by Indian Merchant Chambers

- **Internal training programme:** A total of 1,280 person-hours were invested in personality training; 29,808 hours were invested in computer training across 108 employees. Other programmes included training in cost reduction, CGMP, GLP, induction and on-the-job training.



THE COMPANY IS COMMITTED TO COMPLY WITH ALL APPLICABLE LEGAL REQUIREMENTS THROUGH CONTINUAL IMPROVEMENT IN ITS OPERATIONAL PROCESSES AND IN ITS ENVIRONMENT MEASURES.

Safety, health and environment

Dr. Datsons aggressively pursues safety, health and environmental protection as an integral part of its business. The Company strives to minimise the adverse impact of its activities and products on the environment and maintain a safe work place for its team members.

The Company maintains a lawn and garden (shrubs and decorative plants) at its manufacturing units. More than 800 trees were planted over the five years leading to 2012-13

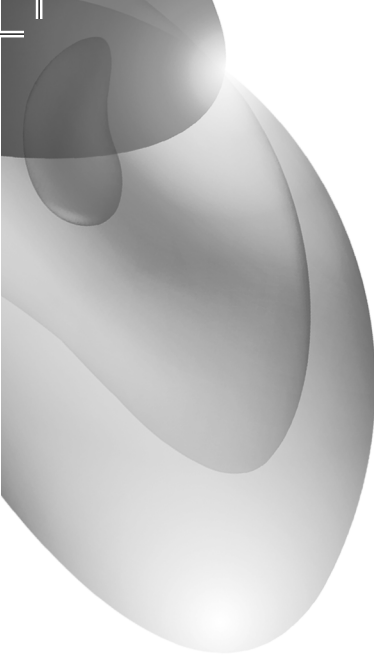
- **Safety and health:** Dr. Datsons strives to maintain the highest safety and health standards. The Company received the ISO 14001 (for environment management) and OHSAS 18001:1999 (for safety and health) certifications, vindicating its endeavour of maintaining operating practices in line with international benchmarks; each team member is adequately trained in maintaining these standards. The Company completed all its expansion projects without a single accident. The Company constituted a six-member SHE committee.

- **Training on safety:** The Company ensures that every team member is capable of handling emergency situations. It organises regular classroom and practical training from government approved agencies.

- **Evacuation plan:** The Company's safety programmes are based on emergency evacuation plans. The team is kept informed about the updated documents and displays and the facilities are well indicated with assembly points.

- **Fire equipment:** The Company's facilities are equipped with sophisticated fire fighting infrastructure. It conducts three mock drills at its facilities annually. Critical areas like general warehouses and finished goods warehouses have smoke sensors with multiple alarm systems.

- **Environment:** The Company is committed to comply with all applicable legal requirements through continual improvement in operational processes for improving its environment measures. The Company does not generate any harmful/chemical wastes; it has a full-fledged



effluent treatment plant for processing plant waste. The waste water is recycled for gardening purposes within the complex. All operating practices are based on the principle of efficient utilisation of material and energy. The Company practices a policy of substituting hazardous materials and recycling of resources to the maximum extent possible.

Information technology

In a knowledge-intensive industry like pharmaceuticals, IT plays a key role in assimilating data from diverse sources and processing it into vital information. The Company implements the latest technologies in line with its organisational vision.

The Company is in the process of building an efficient IT and communication team to minimise its dependence on third parties in the area of application software, technical knowhow of system software and communication equipment.

The Company's IT team is in process of designing a unique state-of-the-art ERP software. Based on open source programming, this eliminates dependence on unlicensed software.

The custom-made software is fully compliant with the FDA requirements. The software will help to automate operations, integrating various units at different locations and making provisions for further scaling. Based on the client-server model, it will employ centralised data storage and processing with distributed data entry system to eliminate activity duplication, eliminating tedious reconciling and reduction of manual errors. The Company's marketing field operations will be automated through ERP. Information regarding stock and sales from the pan-India distributor network can be accessed and monitored real time from any location. The activities of the field staff have also been channelised, increasing productivity and growth.

Open source technologies have enhanced security, integrity, portability and economy. Fully-automated PLC-based machinery and laboratory equipment have been installed in plants integrated with SPINE through in-house developed Supervisory Control and Data Acquisition (SCADA) system. ERP will capture PLC data on a second by

second basis and generate graphs of that particular machine so that batch-wise production, working, output, breakdown and machine efficiency can be controlled online.

Internal audit and control

The Company has integrated internal control systems in place, commensurate with the size and nature of its business. The contribution of the new ERP system towards increasing productivity and ensuring accuracy has been significant. The team of Internal Auditors ensures the compliance of all statutory requirements and implementation of corporate policies in true spirit. The monthly audit reports are discussed with concerned departments and immediate corrective measures taken in case of any deviations. There were 22 committees at work in 2012-13 to manage various development projects. All meeting minutes are sent to the management; valuable suggestions of these committees as well as those of the Statutory Auditors and the Audit Committee are implemented duly.

MANAGEMENT DISCUSSIONS & ANALYSIS

Global economy

Global gross domestic product (GDP) grew 3.2% in 2012 against 3.9% in 2011 due to the following realities: slow growth in high-income countries, the eurozone crisis, debt and fiscal issues affecting the United States, declining investments in China and disruption in global oil supplies. IMF projects global growth to increase in 2013 to 3.5% in 2013 while the World Bank expects the global economy to grow 2.4% in 2013.

Indian economy

India's economic growth decelerated for the second year in succession in 2012-13: from 6.2% in 2011-12 to 5% in 2012-13, its slowest economic growth in a decade. The downturn was due to a decline in the growth of all GDP constituents – agriculture, industry and services. Besides, deceleration in credit flows, policy logjam, infrastructural bottlenecks, high input costs, slowdown in consumer expenditure and subdued business confidence contributed to the industrial slowdown. To counter this reality, the government made important policy announcements: reducing interest rates, reviving a stressed infrastructure sector, fast-tracking large infrastructure projects, using the buffer stock to moderate food inflation, introducing FDI in multi-brand retail, aviation and broadcasting, partial deregulation

of the oil and gas sector to reduce subsidy. The economic survey indicates that the Indian economy could grow by 6.1-6.7% in 2013-14 while CRISIL estimates that the Indian economy could grow at 6.7% in 2013-14 due to a consumption revival catalysed by acceleration in the agricultural sector, lower interest rates and higher government spending.

Industry perspective

After a brief sluggishness, the momentum in the domestic formulations market appears to be reviving. The sectoral demand drivers include the following: rising household incomes, increasing prevalence of lifestyle-related diseases, improving healthcare infrastructure/delivery systems, rising healthcare penetration in smaller towns and rural areas. However, competitive pressures are likely to sustain as MNCs are becoming aggressive and domestic companies leverage their expanded field forces. Probable regulatory interventions could affect pricing. A large number of patent expirations continue to offer growth prospects for generic players in developed markets.

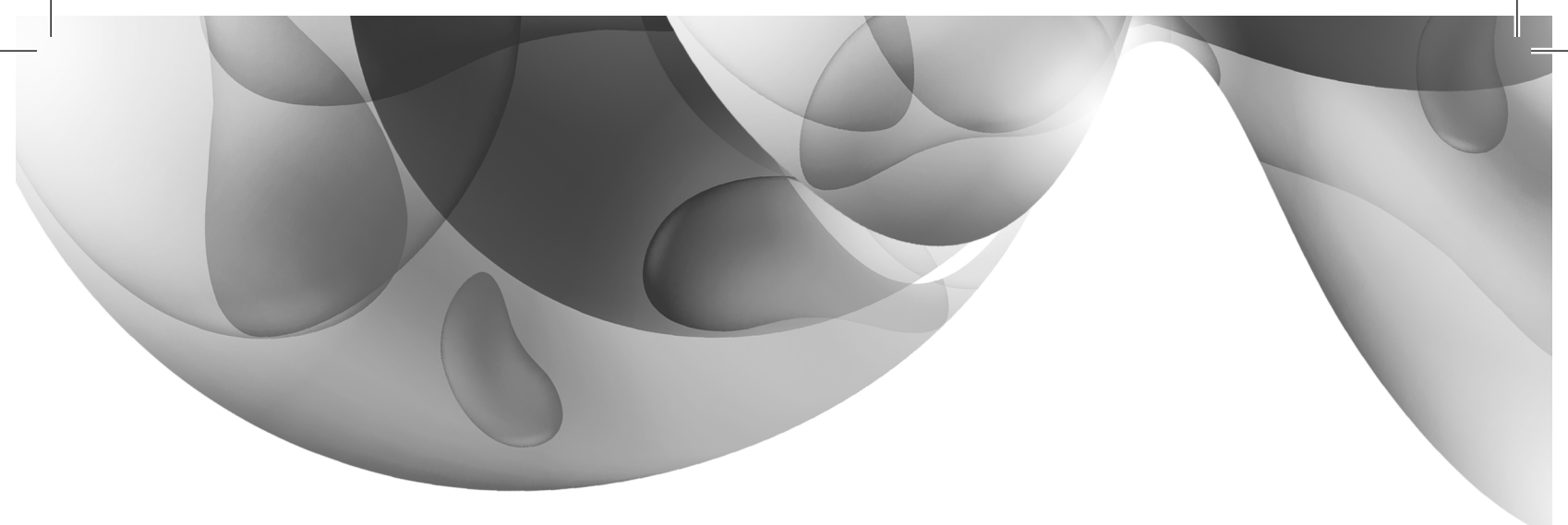
In the recent quarters, a peer set of seven leading generic players have reported a fairly strong revenue growth in the US driven by a steadily expanding and exclusive product

portfolio. While patent expiries are expected to peak out in 2012, the growth momentum would sustain as most Indian companies have a fairly well-spread product pipeline till 2014. While some companies have a healthy pipeline of First-to-File (FTF) opportunities, a few others are likely to benefit from the launch of niche, limited competition products.

Significantly, the quality of products filed by major Indian pharma companies has significantly improved over the years with complex molecules, non-orals (i.e. inhalers, injectable, oral contraceptive, ophthalmic among others) and Para IV / FTFs forming an increased share of the pipeline.

Globally, generics players however, continue to face competitive environment with increasingly crowded space for filing ANDAs and Para IV challenges and aggressive product life cycle management strategies of large innovator companies. Price erosion, especially through regulatory interventions, remains a foremost challenge in the European markets, while presence in limited competition product segments and over-the-counter (OTCs) segment offers some protection for margins.

Most developed markets continue to move away from branded generics to commoditised un-branded generics



and lower margin tender-based businesses. Amongst new frontiers, the Japanese generic market offers large untapped potential, though there are significant challenges.

In the US, companies with a robust and selective product pipeline, presence in niche/complex segments and diversified therapies would continue to exhibit a relatively strong earnings profile. There would also be significant one-time upsides for companies, stemming largely from Para IV/FTF opportunities in the US.

In the European markets, while companies may face pressure on profitability, volume growth would continue as healthcare reforms initiated by governments push growth among generics.

Emerging markets, with growing spend on healthcare and strong branded generic markets offer profitable growth opportunities for the formulations business. Besides emerging markets, the gradually evolving generics opportunity in Japan, the second largest market in the world (after United States) also offers the generic players an opportunity. On the CRAMS front, Indian players are focusing on providing services across the value chain spanning from development stage to commercial scale production. Relatively lower exposure to small

biotech companies has been a key risk mitigating measure during the downturn for these entities. With several drugs going off-patent and big pharma increasing their exposure to cost-efficient sourcing locations, opportunities remain favourable for CRAMS players to provide developmental services and subsequently graduate to commercial scale production.

Key challenges facing the industry are potential implementation of the new pricing policy in India, increasing competitive pressure in the chronic segments, American innovators introducing authorised generics and healthcare reforms in European markets are some of the factors that could impede profitability for pharma companies.

Patent expirations, weak pipeline quality and increasing focus by governments to reduce healthcare costs continue to exert pressure on innovator companies which supports outsourcing to low-cost nations. Despite challenges, leading Indian players continue to exhibit strong profitability indicators (excluding onetime instances like exclusivity-related aberrations or impact of foreign exchange fluctuations) and credit metrics. These strengths are also reflected in their strong credit profile.

Overall, outlook on the Indian pharmaceutical companies remains favourable as earnings growth will continue with companies benefiting from an expanding domestic market, strong growth potential in developed markets on the back of patent expiries and potential outsourcing opportunities. Investments including capital expenditure are likely to remain buoyant over the medium term. Balance sheets of major pharmaceutical companies continue to remain strong providing adequate room for fund raising. *(Source: ICRA's Indian Pharmaceutical Sector Industry update, March 2012)*

The Company's perspective

Dr. Datsons has a strong presence across the pharmaceutical chain, manufacturing and marketing active pharma ingredients (also known as APIs/bulk actives/bulk drugs) and generics (also known as formulations). Both these market segments demonstrate growth trends every year with rising volume and value.

Dr. Datsons has a robust product portfolio spread over major product areas encompassing CVS, CNS, anti-retroviral, antibiotics, gastroenterologicals, anti-diabetics and anti-allergic drugs with manufacturing facilities approved by WHO GMP and having ISO certifications for both APIs and

formulations with a global presence, robust infrastructure, strategic alliances, and competent subsidiaries.

Among the emerging vertically-integrated pharmaceutical companies in India, the product portfolio includes over 300 finished dosage formulations and 50 APIs with diversified product portfolio in lifestyle diseases, anti-retroviral, anti-infectives and analgesics, paediatric products and related technologies.

After creating a name for itself in the manufacture of bulk actives and ensuring a firm foundation via cost-effective production capabilities, the Company entered the high margin specialty generic formulations segment with a global marketing network. The business is systematically organised with an identified accountability structure, and a focused team for each key international market. Dr. Datsons business strategy includes gaining volume and market share in every business/segment it enters.

Dr. Datsons has invested significant resources in building a mega infrastructure for APIs and formulation manufacture to emerge as a vertically-integrated pharmaceutical company. Dr. Datsons units (APIs and formulations) are being designed to address the regulated markets.

Over the years, the Dr. Datsons has evolved into a knowledge-driven

company. It is R&D-focused, has a multi-product portfolio with multi-country manufacturing facilities, and is becoming a marketing conglomerate across semi-regulated markets.

Dr. Datsons' R&D strengths lie in developing efficacious intellectual properties via non-infringing processes and resolving complex chemistry challenges. In the process, Dr. Datsons develops new drug delivery systems, dosage formulations and updates its technological platform.

The medium-term strategy of the Company is to globalise its intellectual property assets. The Company continues to enhance cost-efficient quality leadership in chosen segments (newer anti-infectives and lifestyle-disease drugs). It is the endeavour of the Company to achieve this by resolving complex chemistry challenges, improving process efficiencies, adopting global scale manufacturing and using cost-effective market networks.

Dr. Datsons aims to repeat its success and emerge as a major player in regulated markets. In line with this stated objective, the long-term growth strategies include:

- Develop a broad portfolio of DMFs through non-infringing processes and intellectual properties and become a significant player in the generics market (especially semi-regulated);

- Manage cost-efficiently in a mega-manufacturing environment approved by WHO and other regulatory authorities; establish its identity as a partner of repute;

- Resolve complex chemical challenges and offer advanced drugs to the global markets;

- Globalise and penetrate through joint ventures/subsidiaries/organic means into China, Brazil and other Latin American countries; and,

- Emerge as a leading player in global high-quality specialty generic formulations and domestic brand segments.

The Company's competitive advantage lies in capturing a large portfolio of approvals, backed up by cutting edge R&D efforts offering several patented non-infringing processes, intellectual properties and a cost-efficient mega manufacturing environment complying with various regulatory norms.

Threats and challenges

Dr. Datsons is present in a competitive market with challenges from manufacturers (India, Chinese and European) with similar production facilities. Indian manufacturers in general and Dr. Datsons in particular, have made a global impact.

Price sensitivities get tested in a crowded market where prices sag for volume-based businesses. Competing

pharmaceutical companies possess several similar bio-equivalent products in the same market manufactured at facilities approved by the highest regulatory authorities. All of them stay focused on the same markets with the result that price elasticity is tested and margins eroded.

This threat, however, does not affect Dr. Datsons because of its control over raw material sourcing. The Company is a dominant player in the active ingredients business that has been able to control quality, save timelines, manage costs and deliver at a short notice. Dr. Datsons enjoys a pricing power (ability to price lower and yet manage to get higher returns on sales than competitors).

The key strengths of the Company include its manufacturing infrastructure, the knowledge base at research centres and the ability to deal successfully with complex process chemistries strengths. All strengths have been tested from the perspective plan to manufacturing plant to market place. There is a powerful marketing infrastructure backed by state-of-the-art manufacturing systems driving the business.

Dr. Datsons has been timing launches to take advantage of products going off-patent and opportunities available in a first-mover market.

This strategy is built around the in-house R&D capabilities, technology strength in manufacturing facilities and the marketing infrastructure. The Company has worked on its speed-to-market abilities and is quick to convert product approvals into invoices.

Besides, the Company possesses unmatched strengths like its experienced competencies with the ability to anticipate market needs, plan for product launches with supportive documentation, create products that meet regulatory norms, and execute plans within tight cost and time budgets.

Internal controls

The Company is in the process of implementing ERP which not only adds to the controls, but has led to faster information, analysis and improved decision-making.

Dr. Datsons has a well-defined internal control system which is adequately monitored. Checks and balances and control systems have been established to ensure that assets are safeguarded, utilised with proper authorisation and recorded in the books of account.

There is a proper definition of roles and responsibilities across the organisation to ensure information flow and monitoring.

These are supplemented by internal audit carried out by a

firm of chartered accountants. The Company has an Audit Committee consisting of four Directors, all of whom are Independent Directors. This Committee reviews the internal audit reports, statutory audit reports, the quarterly and annual financial statements and discusses all significant audit observations and undertakes follow-up actions arising from them.

Outlook

Dr. Datsons has set ambitious goals for the years through to 2015 in expectation of a moderate upward trend in the global economy.

The Company has world-class manufacturing facilities and an enviable basket of approved products and strong relationships built with some of the best names in the pharma industry. The management team has set in motion a set of strategic initiatives to enhance revenues and profitability.

The focus will be on expanding markets; portfolio profitability will be analysed on a continuous basis. By implementing these strategies, Dr. Datsons aims to increase revenues and margins higher than the industry average. The Company is targeting to emerge as cash flow-positive, eliminate leverage and enhance shareholder returns.



RISKS AND MITIGATION

RISK IS AN EXPRESSION OF THE UNCERTAINTY ABOUT EVENTS AND THEIR POSSIBLE OUTCOMES THAT COULD HAVE A MATERIAL IMPACT ON A COMPANY'S PERFORMANCE AND PROSPECTS. AS A RESPONSIBLE CORPORATE, THE MANAGEMENT ENDEAVOURS TO MINIMISE RISKS AND MAXIMISE RETURNS.

At the core of Dr. Datsons risk mitigation strategy is a comprehensive risk management framework which comprises a clear strategy, policy and initiatives, norms, structured reporting and control. The management assures that the risk management is decentralised across the organisation, enabling the organisation to mitigate risks across various corporate levels. The effective implementation is regularly reviewed. Consequently, only those business decisions are taken, that balance risk and reward.

1. Competition risk

The Company's attractive margins may attract competition, denting the Company's profitability.

Risk mitigation

The Company is present in the highly controlled narcotics and malarial

segment with a high level of expertise, creating a natural entry barrier for competition. One of the Company's key segments is cytotoxic in nature and requires special handling expertise. The Company undertakes various cost optimising initiatives in the plant; it rigorously trains employees to optimise operating costs, enhancing profitability. Result: the Company's revenues septupled in five years.

2. Operations and material risk

Inadequate supply and improper pricing of raw materials and inefficient operations could affect the Company's growth.

Risk mitigation

The Company created a strong vendor network to ensure timely raw material

supply. The Company follows CGMP practices across all its manufacturing units. The Company trains employees in plant efficiency at its manufacturing units.

3. Quality risk

Inconsistent product quality may affect the Company's growth.

Risk mitigation

The Company has a dedicated quality control and quality assurance cell to look after the quality conformance. The quality check and analytical lab conducts vigorous analytical tests at all stages, from raw materials and ingredients to in-process and finished products. The Company carries out both internal and external audits regarding quality policy implementation. To ensure conformance to the quality

management systems and release specifications, adequate systems have been developed for monitoring. These include self-inspections, vendor development and audits, process validation, in-process testing, stability studies, handling of investigations, failures and deviations, handling of market complaints and training.

4. Marketing risk

Improper marketing activities could result in offtake of the Company's products.

Risk mitigation

The Company created a strong 35-member marketing team to manage marketing operations. The Company divided the marketing activities for the international and domestic markets for enhanced concentration. The Company created a footprint across 60 countries worldwide. The Company created a strong domestic marketing network of 350 distributors, over 11,200 stockists. The Company is largely focused on high-value segments like lozenges, anti-infectives and cardiovascular, among others. The Company specialises in the highly lucrative controlled products segment.

5. Geographic risk

Concentration of revenues from a particular geography could affect the Company's growth owing to a probable slowdown in that area.

Risk mitigation

The Company's revenue is split

in a ratio of 2.66:1 between the domestic and international markets. The Company derives international revenues from over 60 countries. The Company created a nation wide presence to strengthen revenues from across the country.

6. Research and development risk

A large investment in R&D could dent the bottomline especially when it does not create fresh revenues.

Risk mitigation

The Company created a strong 15-member R&D team dedicated to creating new products. The Company filed for more than 20 patents across different countries. Through R&D, the Company pioneered various oral lozenges in India. The Company's R&D centre has been recognised by DSIR.

7. People risk

Inability to attract and retain intellectual capital could affect the Company's growth.

Risk mitigation

The Company has a sound intellectual capital management policy including recruitment, retention and nurturing that helps reduce attrition. The Company primarily recruits beginners and trains them about the Company's procedures. Besides, it also recruits through employee referrals. The Company provides regular and extensive internal and external training to hone employee skills. The Company offers various benefits like

loans for marriage, medical treatment and education, among others to employees.

8. SHE risk

Non-compliance with environment management norms and inadequate safety measures for employees could attract reprimand from concerned authorities.

Risk mitigation

The Company installed a state-of-the-art pollution control system and attained zero discharge at some units.

The quality assurance team works to ensure proper environment protection. The Company created lawns and gardens at its manufacturing units with adequate trees protecting the environment. The Company created a dedicated team to take care of the safety and health aspect of employees.

9. Funding and liquidity risk

The Company may not be able to procure funds for its capex program and to meet the requirement for regular operations.

Risk mitigation

The Company's strong 1.07 debt-equity ratio enables it to raise further funds whenever required. The Company completed the required expansion for the coming three years and expects no major capex. The Company enjoys a working capital loan facility from a consortium of banks.



ENVIRONMENTAL POLICY

DR. DATSONS LABS LIMITED IS AN ENVIRONMENTALLY RESPONSIBLE ORGANISATION WITH A RESPECT FOR THE HEALTH OF THE WORLD'S ECOLOGY, ITS EMPLOYEES AND THE COMMUNITY. THE COMPANY'S ENVIRONMENTAL POLICY STEMS FROM A SUPERIOR UNDERSTANDING OF ITS ENVIRONMENTAL FOOTPRINT. THE COMPANY'S 'GREEN JOURNEY' FOCUSES ON THREE AREAS: HELPING MITIGATE CLIMATE CHANGE AND IMPACT, MINIMISING ENVIRONMENTAL IMPACT BY ADVANCING STEWARDSHIP ACROSS THE SUPPLY CHAIN AND PRODUCT LIFE CYCLES, AND MANAGING WATER RESOURCES IN A SUSTAINABLE WAY.

The Company addresses these areas through the environmental sustainability programme, setting priorities for its environmental activities. The Company relies on guidance from business partners, engages with employees and communicates with stakeholders.

Environment

The principles of the Company's environmental agenda comprise the following:

- **For waste elimination:** The Company minimises waste through

the use superior technology and the maximised utilisation of byproducts.

- **Equipment purchase:** The Company purchases cutting-edge equipment (replacing legacy equipment wherever possible) with the lowest material consumption norms.
- **Complete utilisation:** The Company maximises the effective use of equipment with the objective to reduce consumption.

The key initiatives of the Company's environmental agenda comprise the following:

Energy and climate change: The Company continues to actively reduce greenhouse gas emissions by increasing the energy efficiency and implementing clean energy projects, which make good business and environmental sense. The Company is committed to procure and use energy in an efficient, cost-effective and environmentally responsible way. The Company's aim is to improve energy efficiencies across each business by at least 10 percent, use renewable energy technology where it makes business and environmental sense

and focus on reducing emissions by 'greening our fleet'.

Greener processes: The Company intends to minimise the impact of its products from discovery through to use and disposal. As part of this, the Company finds innovative ways to reduce the waste generated and capitalise on recycling opportunities. The Company explores innovative ways to minimise its impact on the environment during the manufacturing of pharmaceuticals. The Company leverages the 'Green Chemistry' programme to advance scientific innovation – our core strength – to develop processes more sustainable, environmentally sound and cost-effective. Through our 'Green Chemistry' initiative based around the tenets of Paul Anastas and John Warner's '12 Principles of Green Chemistry', we promote the use of environmentally safe chemicals, eliminating waste and conserving energy. The Company's aim is to proactively integrate 'Green Chemistry' into research and development, retroactively integrate 'Green Chemistry' into products wherever feasible, reduce the use of undesirable solvents in research,

development and manufacturing phases, develop new drugs with improved parameters (kilo of waste per kilo of product) and educate scientists and engineers about 'Green Chemistry' so that it becomes intrinsic to the way they work.

Greener workplace: Dr. Datsons commercial office, manufacturing site and R&D facility minimise impact on the environment. Through 'Greener Workplace' platform, the Company strives for continuous improvement to maximise efficiency of operations and improve environmental performance. The Company is committed to designing and constructing 'greener' buildings that conserve energy and natural resources and help occupants engage in 'greener' lifestyle. The Company's aim is to minimise any adverse environmental impact across all facilities, apply engineering and sustainability innovations towards building management and construction, promote the best alternatives to standard building materials and office interiors that support healthier, more eco-friendly business and conserve natural resources and reduce energy use. The Company continues to assess

the global water footprint, decrease water use and reuse water following recycling, wherever possible.

Climate change: The Company has long recognised the risks posed by global climate change, such as catastrophic weather events and potential adverse impacts on human health. We believe the corporates, government and the public all have a responsibility to address this evolving challenge. As a precautionary step, the Company has taken voluntary actions to reduce its own greenhouse gas (GHG) emissions and is transparent regarding its efforts towards mitigating climate change and its impacts. The Company's aim is to fulfill the responsibilities under the UN Global Compact 'Caring for Climate: Business Leadership Platform' and reduce our GHG emissions by setting public goals and internal targets.

Consumption: The Company is dedicated to collaborating across the supply chain to reduce the environmental footprint of its packaging throughout its lifecycle. For this, the Company leverages innovative and functional packaging materials, designs and systems that minimise the impact on the



environment, provide benefits to the patients, and reduce costs. The Company's aim comprises the following:

- Create cost-effective packaging that provides sufficient protection for the distribution, storage, sale and use for the product, while using the optimum packaging to mitigate our environmental footprint.
- Seek innovative ways to minimise materials used, maximise the use of recycled or renewable materials, avoid dangerous levels of toxic and other harmful materials
- Source materials from certified responsibly managed forests
- Optimise the number of products per package

Preserving and restoring natural resources: At many of the Company's sites and in the communities where they work, the Company supports and undertakes environmental projects that restore land, preserve wildlife, and help conserve natural resources. With the Company's acquisitions, Dr. Datsons is subject to requirements under Central, State, or local laws to address contamination resulting from the operations. When soil and groundwater contamination is found, we mitigate any immediate risk, assess the potential impact, and begin remediation activities.

The Company's aim is to reduce overall waste footprint, prevent soil and groundwater contamination, implement rigorous waste management practices and perform due diligence on sites undergoing transaction.

Safety

The Company's safety ethos comprises a responsibility to safeguard those in the workplace from potential hazards, protecting drivers and those who share the roads with them while improving, maintaining and managing our colleagues' health and wellness. At Dr. Datsons, ergonomic injuries continue to be the leading cause of injury. To improve lost-time and total injury and illness rates, the Company focused on improving and prioritising education efforts. The Company's aim is to maintain the effective management of inherently high-risk operations, ensure the health and wellness of colleagues by carefully managing workplace exposure and have rigorous procedures and controls to protect employees from chemicals exposure.

The Company has implemented programmes to ensure employee safety and wellbeing, reducing the likelihood of any injury. The guiding principles comprise the following:

- Leaders actively engage and visibly

demonstrate their commitment to an incident and injury-free culture at Dr. Datsons.

- The Company is accountable for the safety of the employees around us and has the right and duty to stop unsafe situations.
- The Company provides a safe workplace through effective risk management to identify and control all hazards to an acceptable level.
- The Company takes necessary steps to prevent the reoccurrence of injuries or incidents through thorough investigation, action plan completion and sharing information.
- There are lots of different routes which can be taken along the journey and our facilities implement various different local initiatives to reach our goal of 'injury-free'.

The result is that no injuries were reported in 2012-13 and situational awareness techniques were deployed at two of our manufacturing sites.

Health

The Company has always been committed to applying innovative scientific measures to improve health. As a part of the corporate wellness programme, the Company provides tools and resources for colleagues to stay healthy or make measurable health improvements. The Company's

aim covers the following:

- Live the principles which are promoted as a company, and to set a new standard of employer-sponsored health improvement in today's work environment.
- Improve the health of our employees and their families – reducing health risks, identifying

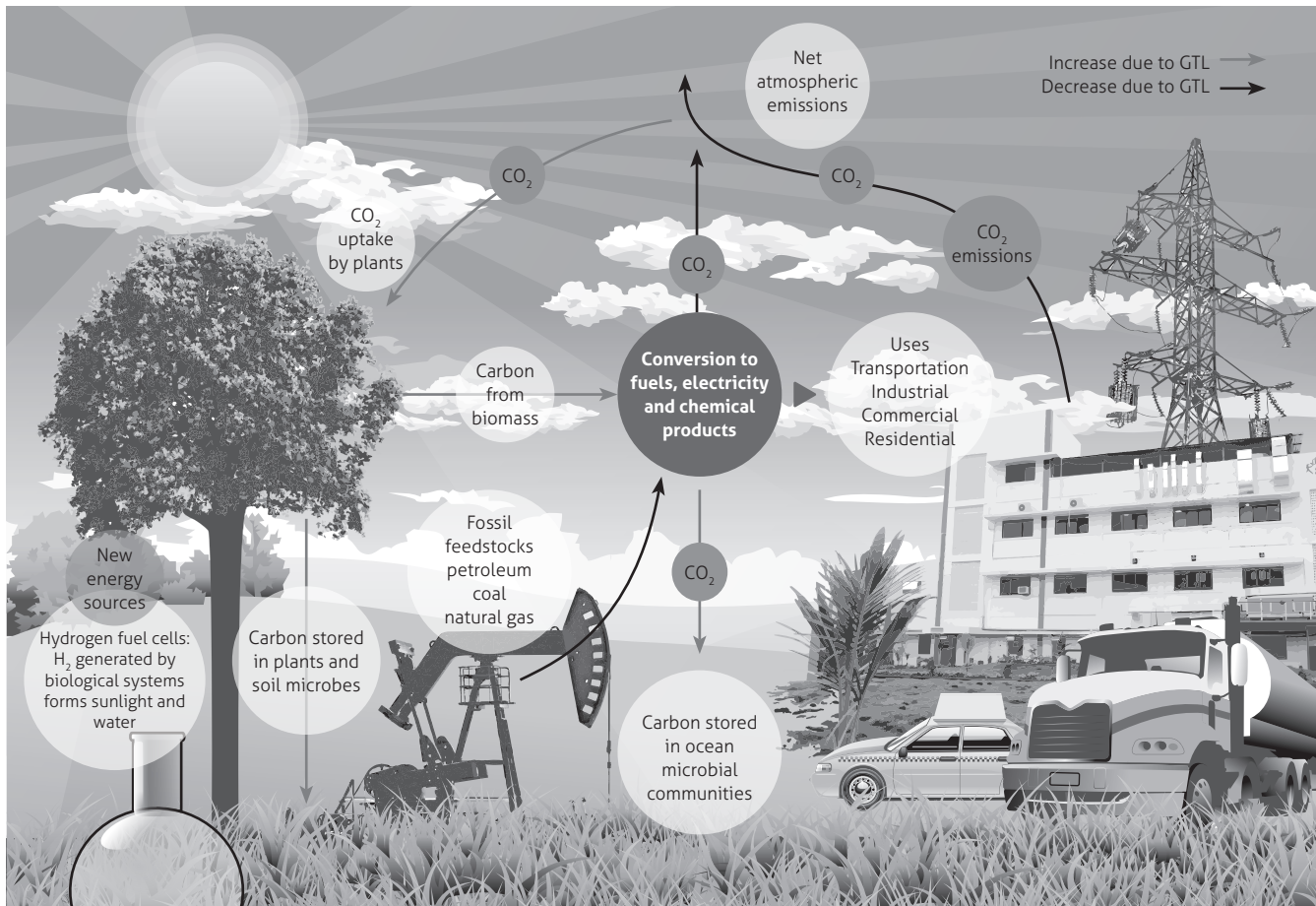
chronic conditions in early stages when treatment is more effective, and encouraging healthy behaviours (such as physical activity and good nutrition).

- Make wellness and prevention a part of our overall culture at Dr. Datsons – a 'culture of health' – that is adopted company-wide as a core value for our

organisation and affects our ability to attract and retain the employees who are so important to our success.

- Support the business – directly, by reducing healthcare costs, and indirectly, by decreasing sick employees coming to work and improving productivity.

The Company aims to use its presence and scale to make a difference to local communities.



LIST OF PATENTS FILED BY US

SR. No.	Patent No.	Application	Product/ Process	Description of property
1.	212673	Hormone therapy	Process	Invention entitled a novel hydro alcoholic gel and/or cream formulation of Methandieone and Boldenone for safe drug delivery
2.	212674	Hormone therapy	Process	Invention entitled a novel hydro alcoholic gel and/or cream formulation of topical steroid of Trenbolone Acetate and Oxymetholone derivatives
3.	212676	Hormone therapy	Product/ Process	Invention entitled a novel transdermal gel and/or cream formulation
4.	212692	Hormone therapy	Process	Invention entitled a novel hydro alcoholic gel and/or cream formulation of Nandrolone derivatives
5.	212752	Hormone therapy	Process	Invention entitled a novel hydro-alcoholic gel and/or cream formulation of Androsten-17-01-3-one derivatives for safe drug delivery system

SR. No.	Patent Application No.	Application	Product/ Process	Description of property
1.	1744/ MUM/2008	Anti-cancer	Process	Invention entitled: Docetaxel, an anti-cancer API
2.	1748/ MUM/2008	Anti-cancer	Process	Invention entitled: Gemcitabine, an anti-cancer API
3.	2418/ MUM/2010	Memory enhancer	Product/ Process	Invention entitled: a herbal formulation for enhancement of memory
4.	2419/ MUM/2010	Insomnia	Product/ Process	Invention entitled: a valerian formulation for treatment of insomnia
5.	2483/ MUM/2008	Anti-cancer	Process	Invention entitled: Capecitabine, an anti-cancer API
6.	1952/ MUM/2010	Constipation	Product/ Process	Invention entitled: a herbal laxative formulation and method of making, for treating constipation
7.	1849/ MUM/2010	Anti-malaria	Process	Invention entitled: a direct method for preparing Quinine HCL from cinchona bark
8.	612/ MUM/2011	Quit smoking	Product/ Process	Invention entitled: a sugar-free nicotine polacrilex lozenges, for anti-smoking
9.	-----	Erectile dysfunction	Product/ Process	Invention entitled: Sildenafil lozenges, for erectile dysfunction
10.	611/ MUM/2013	Anti-malarial	Process	Improved process for the preparation of Lumefantrine

BOARD OF DIRECTORS



Mr. Chandulal Shah
(Chairman Emeritus)

Mr. Chandulal Shah is Chairman Emeritus of the Company. He holds a bachelor's degree in science with chemistry and physics as principal subjects from the University of Mumbai. He is an industry veteran, with over four decades of international experience in the business in the African and the Middle Eastern markets. He was awarded the Dalit Mitra Award by the Government of Maharashtra, for rendering service to the poor and downtrodden people of Maharashtra. He also holds a Special Executive Officer's post for lifetime.



Dr. Kannan Vishwanath
(Vice Chairman and Managing Director)

Dr. Kannan K. Vishwanath, 38 years, is the Founder and the Vice Chairman and Managing Director of our Company. He holds a doctorate in business management (Ph.D). He has an experience of 14 years in the pharmaceutical industry. As the Vice Chairman and Managing Director, Dr. Vishwanath, has been the backbone of our Company's operations and is involved in formulating the Company's strategy. Under his guidance, our Company, ventured into new geographies with a wide product range in various therapeutic segments. His vision and value system have guided the organisation towards profitable sustainability. Believing in delegation of responsibility, Dr. Vishwanath created a professional team and expects Dr. Datsons to emerge as a global player across multiple therapeutic segments.



Mr. Prabhat K. Goyal
(Executive Director)

Mr. Prabhat K. Goyal, 59 years, is the Wholetime Director of our Company. Mr. Goyal is a postgraduate in organic chemistry from Vikram University, Ujjain. Earlier, he worked with Elder Pharmaceuticals Limited, IPCA Laboratories Limited, Ranbaxy Laboratories Limited and Jayant Vitamins Limited. He has an experience of 37 years in the pharmaceutical basic drug industry. He also enjoys almost two decades of experience in pharma manufacturing and research, reflected in a proficiency related to GMP and USFDA manufacture. He has designed and commissioned the Company's world-class manufacturing facility at Mahad. He has helped broaden the product portfolio, created a team of proficient scientists and enriched the Company's intellectual property. He is in charge of developing a world-class research centre at Mahad.



Mr. Shashikant B. Shinde

(Executive Director)

Mr. Shashikant B. Shinde, 61 years, is the Wholetime Director of our Company. Mr. Shinde holds a masters degree in management from Marathwada University, Aurangabad, and is a gold medalist in the bachelors of science examination at Marathwada University, Aurangabad. He possesses more than 35 years of experience in the pharmaceutical industry. He is also the Secretary of All India Small Drug Manufacturers Association. Mr. Shinde has earlier worked with companies like Aristo Pharmaceuticals Private Limited, Geno Pharmaceuticals Limited, Rathi Brothers Limited and Lyka Labs Private Limited. He has handled many responsibilities in areas as varied as marketing and sales, restructuring and revitalising businesses, business development, formulation sourcing and alliance management, acquisition and divestment projects and in setting up and managing operations in many overseas markets. Presently, he is responsible for overseeing the operations of our unit in Pirangut, Taluka-Mulshi, Pune.



Dr. Mrs. Ulloopee S. Badade

(Non-Executive Director)

Dr. Ulloopee S. Badade, 44 years, is an Independent Director of our Company. Ms. Badade completed her M.B.B.S. from Amravati University and also holds a masters degree in business administration (hospital administration) from University of Pune. She has an experience of 17 years in hospital administration and was previously associated with Manipal Cure & Care Private Limited, Lokmanya Hospital, Supertech Neurosurgical Centre and Nirmay Hospital. She is presently associated with Manipal Cure & Care Private Limited as a Centre Head (Operations and Administration) and is also an in-house physician. In her current role, she provides leadership and management of Dr. Datsons research activities in generic segments.



Mr. Giridhar G. Pulleti

(Non-Executive Director)

Mr. Giridhar G. Pulleti, 45 years, is an Independent Director of our Company. Mr. Pulleti holds a masters degree in science. He has an experience of 22 years in the pharmaceutical industry including R&D, product analytical, marketing and manufacturing areas. He is well versed with the current GLP and GMP requirements. He is currently on the Board of Directors as a Technical Director of Nutra Specialities Private Limited, a pharma company located near Vinjamur Mandal, Nellore district, Andhra Pradesh and Sanova Pharma Chem Private Limited located at Bibi Nagar, Nalgonda district near Hyderabad, Andhra Pradesh. He was inducted to the Board of our Company on March 20, 2010. He advises the Board on strategic planning and pilots the successful implementation of joint ventures. He also has a good understanding of emerging technologies in the API segment like asymmetric synthesis, biocatalysis and peptides. He is well versed with global regulatory, intellectual property, clinical pharmacology and pharmacokinetics units, compliance and quality requirements.



Mr. Balkrishna R. Parab

(Non-Executive Director)

Mr. Balkrishna R. Parab, 42, is an Independent Director of our Company. Mr. Parab holds a bachelor's degree in commerce from the University of Mumbai and has an experience of 16 years in creative arts and design. Mr. Parab has a comprehensive corporate affairs experience and he was involved in the turnaround at Prophyla Biologicals prior to our acquisition, as well as in the early stages of our growth. Mr. Parab has built and led strong teams across various segments and possesses considerable knowledge in human resource strategy, leadership development, talent management and HR operations.



Mr. Minhaj Khan (CA)

(Non-Executive Director)

Mr. Minhaj Khan, 33 years old, is an Independent Director of our Company. Mr. Khan is a chartered accountant with broad experience in all aspects of accounting, auditing and financial management. Direct experience with taxation, ROC matters, tax assessments, financial consulting. He has headed teams for various audit, inspections and process review engagements, involving interaction with the client on various aspects concerning the execution of the engagement on regular basis. He has also handled various statutory, tax audit, inspection and accounting assignments covering a range of industries including manufacturing corporate, construction companies, software developers in STP's, educational institutions, SME's.

CORPORATE INFORMATION

Board of Directors

Mr. Chandulal Shah	- Chairman Emeritus
Dr. Kannan Vishwanath	- Vice Chairman & Managing Director
Mr. Shashikant Shinde	- Executive - Wholetime Director
Mr. Prabhat Kumar Goyal	- Executive - Wholetime Director
Dr. Ulloopee Badade	- Non-Executive - Independent Director
Mr. Balkrishna Parab	- Non-Executive - Independent Director
Mr. Giridhar Gopal Pulleti	- Non-Executive - Independent Director
Mr. Minhaj Khan	- Non-Executive - Independent Director

Chief Financial Officer

Narendra Agarwal

Company Secretary & Compliance Officer

Mr. Yogesh Patel

Bankers

Bank of Baroda
Oriental Bank of Commerce
Canara Bank
Punjab National Bank
UCO Bank
Corporation Bank
Jammu & Kashmir Bank
Bank of India
State Bank of Hyderabad
Allahabad Bank

Statutory Auditors

M/s. Agarwal, Desai & Shah, Chartered Accountants

Internal Auditors

M/s. Milind Mehta & Co , Chartered Accountants

Cost Auditors

M/s. Aatish Dhattrak & Associates

Corporate Advisors

M/s Athos Capital Advisors Private Limited

Solicitors

M/s Crawford Bayley & Co.

Registered office

K-4/1 Additional MIDC, Mahad, Raigad Dist,- 403209.
Maharashtra, India.

Corporate office

Plot No 34, Postal Colony, Chembur, Mumbai 400071 India
Tel: +91-22-25264500, Fax: +91-22-25223251
Website: www.drdatsons.com
Email: info@drdatsons.com

Manufacturing facility-1 (API & R&D centre)

K-4/1 Additional MIDC, Mahad,
Raigad Dist,- 403209. Maharashtra, India.

Manufacturing facility-2 (Formulations)

Gat no 123, Pirungut , Mulshi Taluka,
Pune Dist -412108 Maharashtra, India.

Wholly-owned subsidiaries

Eros Pharmachem Pte Limited-Singapore
Aanj Pharmed Labs Limited FZE-Dubai
Dr. Datsons Labs Limited-United Kingdom
Fair Success (Hk) Limited-Hong Kong

Registrar & Transfer Agents

M/s Link Intime India Private Limited

STATUTORY SECTION

DIRECTORS' REPORT

To the Members

The Directors of your Company have pleasure in presenting their Seventh Annual Report together with the Audited Balance Sheet as on 31st March, 2013, the related Statement of Profit and Loss for the year ended on that date and the Auditors Report thereon.

Financial Results

This fiscal has been an exciting year in terms of growth and profitability. To build further on the success achieved by the Company we have embarked on increased investments in all aspects. We are confident that these spends will enable us to maintain our growth trajectory into the future.

The Financial Highlights are given below:-

	(₹ in Millions)	
	2012-2013	2011-2012
Sales and Other Income	5,254.64	4,823.21
Earnings Before Interest, Taxes, Depreciation and Amortisation	1,105.45	1,077.62
Less: Depreciation	202.22	156.65
Earnings Before Interest and Tax	903.23	920.97
Less: Finance Charges	426.45	290.50
Profit Before Tax	476.78	630.47
Prior Period Expenses	0.44	0.01
Exceptional item	448.62	Nil
Less: Provision for Taxation		
Current Tax	5.56	126.14
Deferred Tax	22.22	94.03
Add: MAT U/S 115JB	5.56	Nil
Net Profit after Tax as carried to Balance Sheet	5.50	410.29
Basic & Diluted Earnings Per Share	0.40	34.42

Year in Retrospect

- The Company's Sales increased by 8.50% from ₹4,799.64 Millions in the previous year to ₹5,207.57 Millions in the current year.
- EBITDA increased by 2.58% from ₹1,077.62 Millions in the previous year to ₹1,105.45 Millions in the current year.
- Net Profit After Tax from ₹410.29 Millions in the previous year to ₹5.50 Millions in the current year.
- Debt equity ratio from 0.85 in the previous year to 1.07 in the current year.
- Current Ratio from 1.43 in the previous year to 1.27 in the current year.

Business Outlook

Dr. Datsons has set ambitious goals for the years through to 2015 in expectation of a moderate upward trend in the global economy.

The Company has world-class manufacturing facilities and an enviable basket of approved markets and strong relationship built with some of the best names in the pharma industry. The management team has set in motion a set of strategic initiatives to improve the revenues and profitability of the Company.

The focus will be on expanding the markets and the profitability of the portfolio will be analyzed on a continual basis. By implementing these strategies, Dr. Datsons aims to increase its revenues, EBITDA margin and Return on Investment higher than the industry average. The Company is targeting to be cash flow positive, which would lower the leverage as well as reduce interest outgo, all of which are expected to translate in to growing earnings per share

Excellence Awards:-

In recognition of excellence in Corporate Governance, the following awards have been conferred on the Company:

- The Company wins the prestigious Corporate Governance and Sustainability Vision Awards 2013"
- "Global Recognition For Aanjaneya Lifecare, Enters The Elite List of Golden Peacock Awards, Receives"Golden

Peacock National Quality Award".

- The Company received Award begins the Fiscal on a Strong Note, bags coveted "Asia's Emerging Pharmaceutical Company on Innovation Award 2013" at ASSOCHAM's 10th knowledge Millennium Summit. The Department of Science & Technology, Ministry of Science & Technology Government of India. Organised by the Associated Chambers of Commerce and Industry of India (ASSOCHAM).
- The Company ranked No. 2 industry wise & 9th Position in the Asia-Pacific region at The Global Investor Relations Summit".
- The Company received the Prestigious "BSE Award For Best Return to Investors 2012 from His Excellency Shri K. Shankaranarayanan, Governor of Maharashtra to Mr. Shashikant Shinde (Executive Director) at 5th Annual Pharmaceutical Leadership Summit & Business Leadership Awards 2012, at presented by Pharmexcil, Pharmaleaders, IBEF in Partnership with BSE with Theme as Brand India Beyond Generics, Growth, Challenges & Developments.
- India's Most Valuable Company in Corporate Governance, Ethical Practice & Sustainability Vision at 3rd Annual India Leadership Conclave & Indian Affairs Leadership Awards 2012.
 - The European Award for Best Corporate Governance Practices 2012 in Gold Category by European Society for Quality Research at Amsterdam.

Research & Development:-

A large investment in R&D could dent the bottom line especially when it does not create fresh revenues.

Risk mitigation

The Company created a strong 15-member R&D team dedicated to creating new products. The Company filed for more than 20 patents across different countries. Through R&D, the Company pioneered various oral lozenges in India. The Company's R&D centre has been recognised by DSIR, Government of India

Environment & Safety Outlook:-

Dr. Datsons aggressively pursues safety, health and environment protection as an integral part of its business.

The Company strives to minimise the adverse impact of its activities and products on the environment and maintain a safe work place for its team members.

The Company maintains a lawn and garden (shrubs and decorative plants) at its manufacturing units. More than 800 trees were planted over the five years leading to 2012-13.

- **Safety and health:** Dr. Datsons strives to maintain the highest safety and health standards. The Company received the ISO 14001 (for environment management) and OHSAS 18001:1999 (for safety and health) certifications, vindicating its endeavour of maintaining operating practices in line with international benchmarks; each team member is adequately trained in maintaining these standards. The Company completed all its expansion projects without a single accident. The Company constituted a six-member SHE committee.
- **Training on safety:** The Company ensures that every team member is capable of handling emergency situations. It organises regular classroom and practical training from government approved agencies.
- **Evacuation plan:** The Company's safety programs are based on emergency evacuation plans. The team is kept informed about the updated documents and displays and the facilities are well indicated with assembly points.
- **Fire equipment:** The Company's facilities are equipped with sophisticated fire fighting infrastructure. It conducts three mock drills at its facilities annually. Critical areas like general warehouses and finished goods warehouses have smoke sensors with multiple alarms systems.
- **Environment:** The Company is committed to comply with all applicable legal requirements through continual improvement in operational process for improving its environment measures. The Company does not generate any harmful/chemical wastes; it has a full-fledged effluent treatment plant for processing plant waste. The waste water is recycled for gardening purposes within the complex. All operating practices are based on the principle of efficient utilisation of material and energy. The Company practices a policy of substituting hazardous materials and recycling of resources to the maximum extent possible.

Dividend:-

Your Directors are pleased to recommend dividend @1% [i.e. ₹0.10 per share] on the paid up equity capital of the Company for the year ended 31st March, 2013.

The dividend will be paid to members whose names appear in the Register of Members as on September 23, 2013; in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

Capital and Finance:-

The Company is enjoying working capital limit to the tune of ₹1250 Millions from Bank of Baroda, Canara Bank, Corporation Bank, Oriental Bank of Commerce, Punjab National Bank & UCO Bank, ₹700 Millions as working capital demand loan from State Bank of Hyderabad, J&K Bank, Bank of India and Allahabad bank. And Letter of Credit of ₹150 Millions from J&K Bank.

Capex:-

The Company is in process of completing the capex & refurbishment of Mahad and Pune facilities with funds raised from IPO Proceeds.

Fixed Deposit:-

The Company has not accepted any fixed deposits during the year under review.

Management's Discussion and Analysis Report:-

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

Subsidiary Companies:-

The Company have incorporated Wholly owned Subsidiary named "AANJ Pharamalabs Limited FZE" in Dubai AirPort Free Zone a Company incorporated in UAE, during the financial year 2012-13 by way of subscribing 100% ordinary share capital of the said Subsidiary Company.

The Company has made investment in "Fair Success (H.K)

Limited”, a Hong Kong based Company to the extent of 100% by acquiring its ordinary share capital, thus making it the Wholly Owned Subsidiary of our Company during the financial year 2013-14.

The Company have incorporated wholly owned Subsidiary named “Dr. Datsons Labs Limited”, a Company incorporated in United Kingdom, by way of subscribing 100% ordinary share capital of the said Subsidiary Company during the financial year 2013-14.

Further Statement under Section 212 of the Companies Act, 1956 with respect to Eros Pharmachem Pte. Limited and Aanj Pharmalabs Limited FZE is annexed herewith.

Directors:-

During the year under review, Mr. Balkrishna Parab and Dr. Ullooppee Badade retire by rotation and being eligible offer themselves for reappointment at the forthcoming Annual General Meeting.

Further, Mr. Kashi Vishwanathan, Chairman Emeritus of the Company, has tendered his resignation from the Chairman Emeritus of the Company with effect from April 15, 2013 and Mr. Paul Chakkapan Naythatil Resigned as the Director of the Company w.e.f. 15th May, 2013.

Further, Mr. Chandulal Shah was nominated as Chairman-Emeritus of the Company. He holds a Bachelor’s degree in Science with chemistry and physics as principal subjects from the University of Mumbai. He is an industry veteran, with over 4 decades of international experience in the Business in Africa & Middle East Markets. He was awarded Dalit Mitra Award from Government of Maharashtra, for rendering service to poor and downtrodden people of Maharashtra. He is also holding Special Executive Officers post for lifetime.

Compliance Officer:-

Mr. Yogesh Patel, an Associate Member of the Institute of Company Secretaries of India is the Company Secretary and Compliance Officer of the Company.

Auditors and Auditors Report:-

M/s. Agarwal, Desai & Shah, Chartered Accountants, Auditors of the Company retires at the conclusion of this Annual

General Meeting and being eligible offers themselves for reappointment.

Auditors Report:

Auditors Report as issued by M/s. Agarwal Desai & Shah, Chartered Accountants is self explanatory and do not call for further clarification by the Board.

Cost Auditors:-

Your Board has proposed the appointment of M/s. Aatish Dhatrak & Associates as Cost Auditors of the Company for conducting Cost Audit for the financial year 2013-14.

Personnel:-

The Company considers human resources as its greatest asset and strength in the process of development and progress. In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Particulars of Employees) Rules, 2011, the names and other particulars of the employees are set out in the Annexure-A to the Directors’ Report.

Disclosure of Particulars:-

Information as per the Companies (Disclosure of Particulars on the report of the Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption, Forex Earnings & Outgo is provided in Annexure B forming part of this report.

Directors Responsibility Statement: -

Pursuant to the requirement under section 217(2AA) of the Companies Act with respect to Directors Responsibility Statement, it is hereby confirmed.

- a. That in preparation of the accounts for the financial year ended 31st March, 2013 the applicable accounting standards have been followed along with proper explanation relating to material departure.
- b. That the Directors have selected such accounting policies and adopted them consistently and made judgment and estimates that were reasonable and prudent so As to give a true and fair view of the state of affairs of the Company for the year under the review.

- c. That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provision of the companies Act, 1956 for safeguarding the assets and for preventing, detecting fraud and other irregularities.
- d. That the Directors have prepared the accounts for the financial year ended 31st March, 2013 on a going concern basis.

Corporate Governance:-

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as generally prevalent.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

Listing:-

The shares of the Company are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Company has paid the annual listing fees to the NSE and BSE for the year 2013-14 and listing of FCCBs on SGX.

Board Committees:-

In Compliance with both the mandatory and non-mandatory requirements under the Listing Agreement and the applicable laws, the Board has maintained/constituted the following committees:

- (i) Audit Committee
- (ii) Shareholders/ Investor Grievance Committee
- (iii) Remuneration Committee
- (iv) Investment Committee
- (v) Corporate Governance Committee
- (vi) Nomination Committee
- (vii) Human Resource Management Committee

- (viii) Project Appraisal Committee
- (ix) Risk Management Committee
- (x) Financial Management Committee
- (xi) Business Development Committee
- (xii) Health, Safety, Environment & Social Responsibility Committee
- (xiii) Nomination Committee

Foreign Currency Convertible Bonds:

The Company came out with the issue of Foreign Currency Convertible Bonds [FCCBs] aggregating to USD 40 million on 21st March, 2013. However, the said amount net of expenses is lying in an account with overseas bank pending utilisation as per the object mentioned in Offering Circular.

Share Warrants:

Your Directors would like to inform the Members that your Company is in the process of issue of share warrants on preferential basis to Promoters and Promoters Group, as per the Applicable provisions of the Companies Act, 1956 and SEBI Regulations and subject to approval of the Members of the Company.

Acknowledgment:-

Your Directors would like to express their appreciation for the assistance and co-operation received from Bankers, Govt authorities, customers, and vendors during the year. Your Directors also wish to place on record their deep sense of appreciation for the committed services of Executives, Staff and workers of the Company.

We are on the verge of storming both the domestic and international markets with our innovative and specialty products and make a mark globally for the Company. We seek your active cooperation for all our future endeavors to make your Company a leading pharmaceutical Company.

For and on behalf of the Board

Dr. Kannan Vishwanath
Managing Director

Shashikant Shinde
Whole Time Director

Place: Mumbai

Date: 30/08/2013

Annexure – A to the Directors Report

Statement of particulars of employees pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of the Directors Report for the year ended March 31, 2013.

Sl. No.	Name of the Employee	Designation	Remuneration (in ₹)	Qualification and Experience	Date of Commencement of Employment	Age	Last Employment held
1.	Dr. Kannan Vishwanath	Managing Director	1,00,00,000/-	Bachelor's degree in chemical engineering, Masters in Business Administration and having 14 yrs experience in pharmaceutical industry	04/05/2010	38	–

Annexure – B to the Directors Report

Information as per the The Companies (Disclosure of Particulars on the report of the Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption, Forex Earnings & Outgo

A. Conservation of Energy:

- i) Energy conservation measures taken-
 - Monitoring closely high energy consuming equipments
 - Optimum use of compressor thru shut down during low demand period
 - Use of energy saving lighting arrangements.
- ii) Additional investment/ proposals being implemented for reduction of consumption of Energy – Exploring use of Solar AC.
- iii) Impact of measures at (i) & (ii) for reduction of energy consumption and on cost of production of goods. – Energy conserved and cost of production reduced.

- iv) Total Energy consumption and Energy consumption per unit of production as per Form A.

a) Total Fuel & oil consumed	252.64 Thousand Ltrs.
Expense	₹15.24 Millions
Average rate per Ltr.	₹60.33
Coal used	1,762.83 MT
Expense	₹16.33 Millions
Average Rate per Kg.	₹9.26/Kg
b) Total power consumed	918.02 thousand
	units in kwh
Expense	₹7.95 Millions
Average rate per unit	₹8.66/ Kwh

B. Technology Absorption:-

Efforts made in technology absorption as per Form B

Research and Development:

1. Specific areas in which R&D carried out are in Anti-Cancer; Anti-Malarial and Niche APIs. Other Areas include process monitoring and development work to improve operating efficiencies.
2. The benefits derived are
 - Opening up avenues for more business in future including export potential.
 - Broadening of product range and opening new product lines for future growth of business
 - Technology upgradation
 - Generation of know-why as well as know-how
 - Winning International awards
 - Saving of Forex and development of ability to compete Globally.
3. Future Plan of Action
 - Development of New products and Process
 - Creation of Intellectual Property and leveraging to increase the value of business
 - Upgradation and new variants of existing products

Technology Absorption, Adaptation and Innovation:

1. Efforts in brief made towards technology, absorption, adoption and innovation
 - Using state of the art equipment, instrumentation and software.
 - Deputation of Personnel for Training.
 - Participation in symposium and exhibitions.
 - Review of technical literature and patents in relevant technology areas

- Analysing feed back from users to improve process and services

- Use of alternate materials

2. Benefits derived are-

- Product quality performance in view of new business opportunities.
- Expansion of product range and export opportunity
- Product improvement
- Cost reduction and reduced delivery time
- Exposure to international developments and opportunity to show case products developed
- Improvement in job knowledge and capability development for global acceptance

3. Information regarding Technology imported-Nil.

C. Forex:-

Activities relating to exports

The Company endeavours to have a diversified range of products and there is a dedicated cell for giving impetus to exports. The Company regularly participates in prestigious international exhibitions and conducts market surveys. Company has agents in over 60 countries to boost exports. Company is intensifying efforts in selected countries and exploring new markets.

Foreign exchange Earnings & Outgo:

Earning * : ₹895.06 Millions

Expenditure* : ₹376.95 Millions

* Earnings in respect of Exports & Expenditure in respect of Travel, Product development, Licence/Registration Fees and Lodging & Boarding Charges, FCCB expenses and professional charges.

SECTION 212

Statement pursuant to Section 212 of the Companies Act, 1956

Sr. No.	Name of the Subsidiary	Eros Pharmachem Pte. Limited	Aanj Pharmed Labs Limited Fze.
1	Financial Year Ended	31/03/2013	31/03/2013
2.	Date from which it became subsidiary company	28/02/2012	21/01/2013
3	Shares of Subsidiary held as on 31st March, 2013	200000	1
a.	Total Number of Shares and face value	200000 (Face Value- 1 Singapore Dollars)	1 (Face Value- 1 Arab Emirates Dirham)
b.	Extent of holding	100%	100%
4	Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of Aanjaneya Lifecare Limited for current financial year		
A	Dealt with in the accounts of Aanjaneya Lifecare Ltd.	NIL	NIL
B	Not dealt with in the accounts of Aanjaneya Lifecare Ltd.	₹0.36 Millions	₹0.88 Millions
5	Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of Aanjaneya Lifecare Ltd. for the previous financial year		
a	Dealt with in the accounts of Aanjaneya Lifecare Ltd.	NOT APPLICABLE	NOT APPLICABLE
b	Not dealt with in the accounts of Aanjaneya Lifecare Ltd.	NOT APPLICABLE	NOT APPLICABLE

For and on behalf of the Board

Place: Mumbai
Date: 30/08/2013

Kannan Vishwanath
Managing Director

Shashikant Shinde
Whole Time Director



CORPORATE GOVERNANCE REPORT

1. Company's Philosophy

The Management of your Company continues to strive for excellence in good governance and responsible management practices, benchmarking with best of global companies.

Your Company has been practicing corporate governance principles much before it became mandatory. Your Company believes that for a company to be successful it must maintain global standards of corporate conduct towards its stakeholders. The Company believes that it is rewarding to be better managed and governed and to identify its activities with national interest. To that end, your Company has always focused on good corporate governance which is the key driver of sustainable corporate growth and long term value creation.

Your company views corporate governance in its widest sense almost like a trusteeship, a philosophy to be progressed, a value to be imbibed and an ideology to be ingrained into the corporate culture.

It is not merely compliance and simply a matter of creating

checks and balances; it is an ongoing measure of superior delivery of company's objectives with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to national need, shareholders benefit and employee growth, thereby delighting all its stakeholders, while minimising the risks. The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, fairness, accountability, propriety, equity, sustainable value creation, ethical practices and to develop capabilities and identify opportunities that best serve the goal of value creation, thereby creating an outperforming organisation

2. Board of Directors

Your Company has an optimum combination of Executive & Non-Executive Directors on Board. The Board comprises of three (3) Executive Directors & four (4) Non- Executive Directors. The Board of Directors has nominated Mr. Chandulal Shah as Chairman- Emeritus of the Company. The necessary disclosures regarding committee position have been made by all the Directors.

Board Procedure:

(A) Institutionalised decision making process:

With a view to institutionalise all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussion/ decisions by the Board, the Company has defined guidelines for the meetings of the Board of Directors and Committees thereof. These Guidelines seek to systematise the decision making process at the meetings of Board/Committees, in an informed and efficient manner.

(B) Scheduling and selection of Agenda items for Board / Committee Meetings:

- i) The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board/ Committee. Detailed agenda, management reports and other explanatory statements are circulated in advance in the defined agenda format amongst the members for facilitating meaningful, informed and focused decisions at the meetings. To address specific urgent need, meetings are also being called at a shorter notice. In case of exigencies or urgency Resolutions are passed by circulation.
- ii) Where it is not practicable to attach any document or the agenda is of confidential nature, the same is tabled with the approval of CMD. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted. Sensitive subject matters are discussed at the meeting without written material being circulated.
- iii) The agenda papers are prepared by the concerned officials, sponsored by the concerned functional Directors and submitted for obtaining approval of the Chairman and Managing Director, well in advance. Duly approved agenda papers are circulated amongst the Board members by the Company Secretary and by the respective convener of the Committee.
- iv) The meetings of the Board/Committees are generally held at the Company's Registered Office in Mumbai.
- v) The Board/Committee is given presentations covering Finance, Production, Operations, major Business Segments, Human Resources, Marketing, Joint Venture

operations etc. of the Company and for taking on record quarterly / annual financial statements at the pre-scheduled Board/Committee meetings.

- vi) The members of the Board/Committee have complete access to all information of the Company. The Board is also free to recommend inclusion of any matter in agenda for discussion. Senior management officials are called to provide additional inputs to the items being discussed by the Board/Committee, as and when necessary.

(C) Recording minutes of proceedings at the Board Meeting:

Minutes of the proceedings of each Board/Committee meeting are recorded. Draft minutes are circulated amongst all members of the Board/ Committee for their critical appreciations and comments. The comments are incorporated in the minutes, which are finally approved by the Chairman of the Board/Committee. These minutes are confirmed in the next Board/Committee Meeting. The finalised minutes of the proceedings of the meetings are entered in the Minutes Book.

(D) Follow-up mechanism:

The guidelines for the Board/Committee Meetings facilitate an effective post meeting follow-up, review and reporting process for the action taken on decisions of the Board and Committee. Functional Directors submit follow-up Action Taken Report (ATR) on the areas of their responsibilities, at least once in a quarter, on the decisions/ instructions/directions of the Board.

(E) Compliance:

Every functional Director while preparing the agenda notes is responsible for and is required to ensure adherence to all the applicable provisions of law, rules, guidelines etc. The Company Secretary has to ensure compliance to all the applicable provisions of the Companies Act, 1956, Secretarial Standards issued by ICSI, SEBI Guidelines, Listing Agreement, and other statutory requirements pertaining to capital market. A Quarterly Compliance Report (collected from all work centers) confirming adherence to all the applicable laws, rules, guidelines and internal instructions/manuals including on Corporate Governance is reviewed by the Audit & Ethics Committee and the Board.

The composition of the Board of Directors is as follows:

The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting, as also the number of directorships and committee positions held by them in other Companies are given below:

Directors	Category	No. of Board Meetings attended during 2012-13	Attendance at AGM held on 10th Sept. 2012	Directorship in other Companies (Public and Private Co.)	All Mandatory Board Committees in which he /she is a Chairman/ Member@		
					Chairman	Member	Total
Dr. Kannan Vishwanath	Managing Director	15	Yes	3	NIL	NIL	NIL
Mr. Prabhat Kumar Goyal	Whole time Director	12	Yes	0	NIL	NIL	NIL
Mr. Shashikant Shinde	Whole time Director	15	Yes	1	NIL	NIL	NIL
Mr. Giridhar Pulleti	Non Executive & Independent Director	10	Yes	5	NIL	NIL	NIL
Mr. Balkrishna Parab	Non Executive & Independent Director	15	Yes	2	3	NIL	3
Dr. Ullooppee Badade	Non Executive & Independent Director	10	No	1	NIL	3	3
*Mr. Minhaj Majid Khan	Non Executive & Independent Director	7	Yes	0	NIL	NIL	NIL
**Mr. Paul Naythatil	Non Executive & Independent Additional Director	5	No	1	NIL	NIL	NIL

*Appointed as Director w.e.f. 11th June, 2012.

** Resigned as Director w.e.f. 15th May, 2013.

@ In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees in all public limited companies (excluding Aanjaneya Lifecare Limited) have been considered.

The Board of Directors of the Company met 15 times during the financial year 2012-2013, the details of the same are as follows: 2nd April, 2012, 13th April, 2012, 30th May, 2012, 13th August, 2012; 08th October, 2012, 16th October, 2012; 8th November, 2012; 3rd December 2012, 28th December, 2012, 9th January 2013, 31st

January 2013, 8th February, 2013; 5th March, 2013; 18th March, 2013 and 21st March, 2013.

None of the Non-Executive Directors of the Company have any pecuniary relationship or transactions with the Company other than sitting fees paid to them. The

Shareholding of Non-Executive Directors 31st March, 2013 is as follows:

Sr. No.	Directors	No. of Shares held
1	Mr. Giridhar Pulleti	NIL
2	Mr. Balkrishna Parab	NIL
3	Dr. Ullooppee Badade	NIL
4	*Mr. Minhaj Majid Khan	NIL
5	**Mr. Paul Naythatil	NIL

**Appointed as Director w.e.f. 11th June, 2012.*

*** Resigned as Director w.e.f. 15th May, 2013.*

Role of the Company Secretary in overall governance process:

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

Board Committees:

In Compliance with both the mandatory and non-mandatory requirements under the Listing Agreement and the applicable laws, the Board has constituted the following committees:

- i) Audit and Ethics Committee
- ii) Shareholders/ Investor Grievance Committee
- iii) Remuneration Committee
- iv) Investment Committee
- v) Corporate Governance Committee
- vi) Nomination Committee
- vii) Human Resource Management Committee
- viii) Project Appraisal Committee
- ix) Risk Management Committee
- x) Financial Management Committee
- xi) Business Development Committee

xii) Health, Safety, Environment & Social Responsibility Committee

xiii) Corporate Social Responsibility Committee

i) Audit and Ethics Committee

The Audit and Ethics Committee consists of:

Sr. No.	Name of the Director	Designation in the Committee	Nature of Directorship
1	*Mr. Balkrishna Parab	Chairman	Non-Executive and Independent Director
2	**Mr. Minhaj Khan	Chairman	Non-Executive and Independent Director
3	Dr. Ullooppee Badade	Member	Non-Executive and Independent Director
4	Mr. Giridhar Pulleti	Member	Non-Executive and Independent Director

**Resigned as Chairman of the Committee w.e.f. 11th June, 2012.*

***Appointed as Chairman of the Committee w.e.f. 11th June, 2012 as a result of re-constitution.*

The Audit Committee Meetings were held 5(Five) times during the financial year 2012-2013 on 30th May, 2012; 13th August, 2012; 16th October 2012, 08th November, 2012 and 8th February, 2013.

Details of Audit and Ethics Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meetings held	No. of Meetings Attended
1	*Mr. Balkrishna Parab	5	1
2	**Mr. Minhaj Khan	5	4
3	Dr. Ullooppee Badade	5	5
4	Mr. Giridhar Pulleti	5	5

**Resigned as Chairman of the Committee w.e.f. 11th June, 2012.*

***Appointed as Chairman of the Committee w.e.f. 11th June, 2012 as a result of re-constitution.*

The terms of reference of the Audit Committee is in accordance with Section 292A of the Companies Act, 1956 and the guidelines set out in Clause 49 of the Listing Agreement.

The Audit and Financial Management Committee is headed under the stewardship of Mr. Minhaj Khan, an Independent non-executive Director. The ED-Chief-Corporate Finance and Head-Corporate Internal Audit are the permanent invitees. Representatives of Statutory Auditors were invited to attend and participate in the meetings. Functional Directors, Executives of Finance and other departments are invited on need basis.

The Chairman of the Audit & Ethics Committee was present at the last AGM of the Company.

The Company Secretary of the Company acts as the Secretary to the Audit & Financial Management Committee.

The role of the Audit & Ethics Committee includes the following:

- a) Overseeing financial reporting processes and the disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible;
- b) Recommending to the Board, audit fees payable to Statutory Auditors appointed by C&AG and approving payments for any other services;
- c) Reviewing with management the periodic financial statements/results before submission to the Board, focusing primarily on:
 - matters required to be included in the Directors' Responsibility Statement ;
 - any changes in accounting policies and practices;
 - major accounting entries based on exercise of judgement by the management;
 - qualifications in draft audit report;
 - significant adjustments arising out of the audit;
 - the going concern assumption;
 - compliance with accounting standards;
 - compliance with listing agreement and legal requirements concerning financial statements;
- any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large;
- d) Reviewing with the management, Statutory Auditors, Govt. Audit and Internal audit reports, adequacy of internal control systems and recommending improvements to the management;
- e) Reviewing the adequacy of internal audit function, approving internal audit plans and efficacy of the functions including the structure of the internal audit department, staffing, reporting structure, coverage and frequency of internal audits;
- f) Discussion with internal auditors any significant findings and follow-up thereon;
- g) Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- h) Discussion with the Statutory Auditors before the audit commences, the nature and scope of audit, as well as post-audit discussion including their observations to ascertain any area of concern;
- i) Reviewing the Company's financial and risk management policies;
- j) Reviewing Quarterly Compliance Report confirming adherence to all the applicable laws, rules, guidelines, instructions and internal instructions/manuals including on Corporate Governance principles;
- k) Reviewing the management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, management letters/letter of internal control weaknesses issued by the statutory auditors, internal audit reports; and
- l) Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

m) Matters relating to Corporate Governance including Ethics in business.

Minutes of the meetings of the Audit & Ethics Committee are approved by the Chairman of the Committee and are noted and confirmed by the Board in its next meeting.

The terms of reference of the Audit and Ethics Committee are as follows:

1. Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Appointment, removal and terms of remuneration of internal auditors.
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to the financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Monitoring the use of the proceeds of the proposed initial public offering of our Company.
9. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
11. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
12. Discussion with internal and statutory auditors on any significant findings and follow up there on;
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
14. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
16. To review the functioning of the Whistle Blower mechanism, when the same is adopted by our Company and is existing;

17. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee;

18. The Audit Committee shall mandatory review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Financial statements, in particular, the investments made by the unlisted subsidiary company.

Minutes of the meetings of the Audit & Ethics Committee are approved by the Chairman of the Committee and are noted and confirmed by the Board in its next meeting.

The said Committee during the year under review, approved issue of Foreign Currency Convertible Bonds [FCCB] upto the limit of USD 100 million subject to the approval of the Board of Directors and further subject to the approval of the Members of the Company.

Further, the Committee during the year under review suggested the Board for appointment of M/s. Avista Advisors for handling and monitoring the issue and allotment of FCCB and for determination of conversion price.

However subsequently M/s. Arkios Limited which had better experience of raising FCCB was appointed as lead Manager for the purpose of issues of Foreign Currency Convertible Bonds.

Further, the Committee during the year under review studied the Internal Auditors Report with the concurrence with Quality Assurance Team that there were errors in calculation of Inventory pertaining to FY 2011-12. This error has been rectified in the current year by revaluing Opening Stock as on April 2013 was downgraded to ₹476.80 Million.

The Committee also deliberated with internal auditor

& statutory auditor and recommended writing off the Debtors of the Company to the tune of ₹448.6 Million.

ii) *Shareholders/ Investor Grievance Committee*

The Shareholders/Investor Grievance Committee consists of:

Sr. No.	Name of the Director	Designation in the Committee	Nature of Directorship
1	Dr. Ullooppee Badade	Chairperson	Non-Executive and Independent Director
2	Mr. Giridhar Pulleti	Member	Non-Executive and Independent Director
3	Mr. Balkrishna Parab	Member	Non-Executive and Independent Director

The Company Secretary of the Company acts as the Secretary to the Shareholders/Investor Grievance Committee.

Details of Shareholders/Investor Grievance Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meetings held	No. of Meetings Attended
1	Dr. Ullooppee Badade	6	6
2	Mr. Giridhar Pulleti	6	6
3	Mr. Balkrishna Parab	6	6

The terms of reference of the Shareholders/Investor Grievance Committee are as follows:

The Shareholders / Investors Grievance Committee is responsible for the redressal of shareholders and investors' grievances and oversees performance of the registrars and transfer agents of the Company and recommends measures for overall improvement in the quality of investor services. This committee also monitors the implementation and compliance of our Code of Conduct for Prohibition of Insider Trading pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. In compliance of the provisions of Clause 49 of the listing agreements with the Stock Exchanges, its terms of

reference include the following:

1. Efficient transfer of Equity Shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
3. Monitoring transfers, transmissions, dematerialisation, re-materialisation, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Allotment and listing of shares in future;
5. Review of cases for refusal of transfer / transmission of shares and debentures;
6. Reference to statutory and regulatory authorities regarding investor grievances;
7. Ensure proper and timely attendance and redressal of investor queries and grievances;
8. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers;
9. To review from time to time the secretarial department;
10. Investor relations and redressal of shareholders grievances in general and relating to non receipt of declared dividends, interest, non- receipt of balance sheet etc.;
11. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Details/Status of shareholders complaints during the year ended 31st March, 2013:

Complaints Received: 1

Complaints Satisfied: 1

Complaints Pending: NIL

Investor Relations Cell

In line with global practices, the Company is committed to maintain, the highest standards of Corporate Governance, reinforcing the relationship between the Company and its

Shareholders. 'Investor Service Center' with information frequently required by investors and analysis, launched from 9th May, 2005 on the Company's corporate website: www.drdatsons.com. This website provides updates on financial statements, investor-related events and presentations, annual reports, dividend information and shareholding pattern along with media releases, company overview and report on Corporate Governance etc.

The in place reserve information will help tremendously in arriving at investment decision by FIIs, OCBs, NRIs, Institutional Investors and the small shareholders. Also existing and potential investors will be able to interact with the Company through this link for their queries and seeking information.

A Core Team comprising of senior, seasoned and experienced officials, headed by Director (Finance) had been assigned the responsibilities for up-keeping the said link and also to serve as a platform for the shareholders to express their opinions, views, suggestions, etc. to understand the influencing factors in their investment decision-making process. Besides, the said team is also instrumental to maintain close liaison and to share information through periodic meets including tele-conferencing in India and abroad, regular press meets with investment bankers, research analysts, the media, institutional investors etc. The Company is committed to take such other steps as may be necessary to fulfill the expectations of the stakeholders.

iii) Remuneration Committee

The Remuneration Committee consists of:

Sr. No.	Name of the Director	Designation in the Committee	Nature of Directorship
1	Mr. Balkrishna Parab	Chairman	Non-Executive and Independent Director
2	Mr. Giridhar Pulleti	Member	Non-Executive and Independent Director
3	Dr. Ullooppee Badade	Member	Non-Executive and Independent Director

The Company Secretary of the Company acts as the Secretary to the Remuneration Committee.

Details of Remuneration Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meetings held	No. of Meetings Attended
1	Mr. Balkrishna Parab	2	2
2	Mr. Giridhar Pulleti	2	2
3	Dr. Ulloopee Badade	2	2

The terms of reference of the Remuneration Committee are as follows:

The Committee has powers of recommending remuneration package to for Executive Directors and other Board Members as per the requirements of the Clause 49 of the Listing Agreement for corporate governance.

1. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India, including:
 - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
2. To recommend to the Board, the remuneration packages of our Company's Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
3. To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole Time/ Executive Directors, including pension rights and any compensation payment;
4. Perform such functions as are required to be performed by the Remuneration Committee under the ESOP Guidelines, in particular, those stated in Clause 5 of the ESOP Guidelines; and

5. To implement, supervise and administer any share or stock option scheme of our Company
6. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.
7. Such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Details of remuneration to all the directors:

The details of the remuneration paid to the Managing Director, Chairman and the whole- time Directors as approved by the Board & Remuneration Committee are as follows:

Sr. No.	Name of the Director	Designation	Amount (in ₹)
1	Dr. Kannan Vishwanath	Managing Director	₹10.00 Million
2	Mr. Prabhat Kumar Goyal	Whole time Director	₹2.04 Million
3	Mr. Shashikant Shinde	Whole time Director	₹2.17 Million

The Non-Executive Directors of the Company are paid sitting fees ₹2,50,000 p.a. Financial year ended March 31, 2013, only for the Board Meetings of the Company attended by them as approved by the Board.

iv) Investment Committee:-

Investment and Business Development committee consists of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Balkrishna R. Parab	Chairman	Non-Executive and Independent Director
Mr. Shashikant Shinde	Member	Executive and Non Independent Director
*Mr. Paul C. Naythatil	Member	Non-Executive and Independent Director
**Mr. Minhaj Khan	Member	Non-Executive and Independent Director

**Resigned as Director of the Company w.e.f. 15th May, 2013.*

***Appointed as Member of the Committee w.e.f. 15th May, 2013 as a result of re-constitution.*

Details of Investment committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meetings held	No. of Meetings Attended
1	Mr. Balkrishna R. Parab	2	2
2	Mr. Shashikant Shinde	2	2
3	*Mr. Paul C. Naythatil	2	2
4	**Mr. Minhaj Khan	Nil	Nil

**Resigned as Director of the Company w.e.f. 15th May, 2013.*

***Appointed as Member of the Committee w.e.f. 15th May, 2013 as a result of re-constitution.*

The Terms of Reference of Investment and Business Development committee:

Subject to the powers and duties of the Board and to the requirements of the Companies Act, 1956, the Investment and Business Development committee will perform the following duties:

- 1. Investment Statements and Risk Policy:**
Review and recommend to the Board at least annually:
(a) the Investment Statements; and
(b) the Risk Policy.
- 2. Implementation of Investment Policies:**
Receive reports on the implementation of the Investment Statements and the Risk Policy.
- 3. Compliance with Investment Statements and Risk Policy:**
Review, evaluate and approve procedures that Management has implemented to monitor compliance with the Investment Statements and the Risk Policy by receiving Management's annual report on specified internal controls audited by the external auditor.
- 4. External Managers – Criteria and Process for Selection:**
Oversee the criteria and process for the selection of external investment managers with discretionary authority to invest the assets of the CPP Investment Board.
- 5. Engagements of External Managers:**
Approve the engagement of investment managers with discretionary authority to invest the assets of the CPP Investment Board.

6. External Managers – Monitoring:

Oversee the process for monitoring external investment managers with discretionary authority to invest the assets of the CPP Investment Board.

7. Custodian:

Approve the selection of custodians.

8. Investment Transactions:

Approve Investment Transactions (as defined in the Authorities Policy) specifically outlined in the Authorities Policy.

9. Other:

Carry out other duties as may be determined from time to time by the Board.

10. Accountability:

The Investment Committee shall report its discussions to the Board by distributing the minutes of its meetings and, where appropriate, by oral reports at Board meetings.

11. To assess the Plan recommended by the GEC and make appropriate recommendation to the Group Board.

12. To review on an ongoing basis the appropriateness of the Plan in the light of economic and business conditions affecting the Company, and make recommendations for Board approval as may be appropriate.

13. To ensure that investments are made in accordance with the Plan.

14. To provide the Board quarterly reports on investment performance.

15. To meet at least quarterly.

16. To monitor performance, including the performance of outside investments managers, to ensure that investment returns fall within acceptable limits.

17. To provide independent input to the Board on overall investment strategy and portfolio positioning matters, as required.

18. To review the governance process and policies in place on an annual basis and provide appropriate assurance to the Board.

19. To consider and if appropriate approve any specific investments in excess of Plan limits.

20. To consider and if appropriate recommend to the Board for approval any changes in limit thresholds above which the Board refers to the Investment Committee.

vi) *Human Resource Management Committee:*

The Board of Directors has constituted Human Resource Management Committee during the year under review.

Human Resource Management Committee consists of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Prabhat K. Goyal	Chairman	Non-Executive and Independent Director
Mr. Giridhar Pulleti	Member	Non-Executive and Independent Director
Dr. Ulloopee Badade	Member	Non-Executive and Independent Director

Details of Human Resource Management Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meetings held	No. of Meetings Attended
1	Mr. Prabhat K. Goyal	3	3
2	Mr. Giridhar Pulleti	3	3
3	Dr. Ulloopee Badade	3	3

Minutes of the meetings of the Human Resource Management Committee are approved by the Chairman of the Committee and are noted and confirmed by the Board in the ensuing Board Meeting.

The Terms of Reference of Human Resource Management Committee:

1. The Human Resources Committee will be a means by which the Board can provide guidance on the human resources management of the Dr. Datsons Labs Limited. Its primary responsibility will include reviewing, monitoring and making recommendations to the Board of Directors on ALL on human resources strategy and policies.

A. Composition

2. The committee will consist of not more than three members of the Board of Directors. If a member of

the committee ceases to be a member of the Board, a replacement will be appointed for the remaining term of the committee.

B. Responsibilities

3. The committee will be expected to satisfy itself that ALL's human resources management activities are adequate and effective. In this regard, the specific responsibilities that the committee will carry out on behalf of the Board are as follows:

- i) Review, monitor and make recommendations to the Board of Directors on the Company's human resources strategy and policies that pertain to staffing, compensation, benefits, and related issues of strategic importance that directly affect ALL's ability to recruit, develop and retain the highly-qualified staff needed for it to achieve its mandate.
- ii) Review any external evaluations of ALL's human resources strategy and policies pertaining to the issues set out in (i) above, and report to the Board its findings and recommendations on such issues.
- iii) Consider with other Board committees and Management the repercussions of recommendations of other Board committees on ALL's human resources strategy and policies.

4. The purpose of the committee is not to influence the recruitment and career prospects of individual staff members or groups of staff members. It would be a serious violation of ethics for any committee member to use his or her position for such a purpose.

5. The committee will make reports and submit recommendations to the Board of Directors through the Chairman of the Committee to the Board of the Company.

6. The committee will make reports as it considers necessary, but at least once a year.

C. Meetings

7. The committee will meet as often as it considers necessary. Committee meetings will be held at ALL's registered office in Mumbai.

8. The quorum for a meeting will be two members of the committee. If the chair is not present, the committee will select one of the members present to preside over that meeting.

9. All other Board members may attend meetings of the committee. Directors' advisors may attend the meetings of the committee except as otherwise advised by the chair of the committee.

D. Information and Communication

10. The committee may request such information as is considered necessary by the committee to discharge its responsibilities. The committee may, with the concurrence of the Chairman, seek briefings from staff members concerned on relevant matters and request their participation at meetings.

11. If a document or information requested by the committee is not provided, the request may be referred by the Chair of the committee to the Board of Directors, for a final decision.

12. All communication between the committee and ALL staff will be conducted through the Secretary of ALL.

E. Administrative Arrangements

13. Secretarial support will be provided by the Office of the Secretary.

vii) Project Appraisal Committee:

The Project Appraisal Committee examines and makes recommendations to the Board on projects/capital investment exceeding ₹5 Crores.

Minutes of the meetings of the Project Appraisal Committee are approved by the Chairman of the Committee and are noted and confirmed by the Board in the ensuing Board Meeting.

Project Appraisal Committee consists of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Balkrishna R. Parab	Chairman	Non-Executive and Independent Director
Mr. Shashikant Shinde	Member	Executive and Non Independent Director
*Mr. Paul C. Naythatil	Member	Non-Executive and Independent Director
**Mr. Minhaj Khan	Member	Non-Executive and Independent Director

**Resigned as Director of the Company w.e.f. 15th May, 2013.*

***Appointed as Member of the Committee w.e.f. 15th May, 2013 as a result of re-constitution.*

Details of Project Appraisal Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meetings held	No. of Meetings Attended
1	Mr. Balkrishna R. Parab	2	2
2	Mr. Shashikant Shinde	2	2
3	*Mr. Paul C. Naythatil	2	2
4	**Mr. Minhaj Khan	2	2

**Resigned as Director of the Company w.e.f. 15th May, 2013.*

***Appointed as Member of the Committee w.e.f. 15th May, 2013 as a result of re-constitution.*

The Terms of Reference of Project Appraisal Committee:

1. Statement of proposal:

- This Committee will appraise Schemes/ Projects proposals which have been recommended for sanction by the Board of Directors.
- The Committee will make recommendations on such schemes/ projects in consonance with standing guidelines for appraisal and approval.
- Reasons and justification for proposal indicating historical background, circumstances in which the need have arisen, whether other alternatives have been considered and what detailed studies have been made in regard to the proposal for establishing its need, its economics and other relevant aspects.
- The Committee shall go through the basis for the selection of location for any project.
- The Committee shall estimate the yield from the Project and its economic implications.
- In case of ongoing scheme/ project, present status and benefits already accrued to the beneficiaries may also be furnished.

2. Programme Schedule:

- The Committee shall go into the question of whether the project/ scheme been worked out and scrutinised in all its details.
- The Committee shall enquire into the schedule for

construction, indicating the position separately relating to plant and machinery and civil works, raw material manpower etc., together with year-wise phasing.

- c) The Committee shall verify whether physical and financial targets match with each other.
- d) The Committee shall infer the target date for completion and the expected benefits to commence.

3. Expenditure involved:

- a) The Committee shall calculate the estimated total expenditure (both non-recurring and recurring) and indicate the position year-wise and also whether any budget provision has been made.
- b) Details of the scheme of financing clearly bringing out the financial obligations undertaken by the Company. Note along with the requirement and availability of funds for the project under consideration.

5. Reliability of Cost Estimates and Other parameters:

- a) Has pre-project investigation been arrived at in detail and details of area where changes in project parameters could be anticipated will be done by the Committee.

6. Add statements showing:

Expenditure on buildings and other works and its basis and expenditure on stores and equipment will be worked out by the Committee.

7. Viability:

Information is to be given if benefits accruable from the projects/ schemes are quantifiable and can be translated in monetary terms.

viii) Financial Management Committee:

The Board of Directors has constituted Financial Management Committee during the year under review.

The mandate includes to look into the matters pertaining to Budget, Delegation of powers (Empowerment) Commercial Issues, Forex and Treasury Management, Investments, Risk Management, Capital Structure, Issue of Securities, Short & Long Term Loans, periodical Performance Review of subsidiaries.

Financial Management Committee consists of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Balkrishna R. Parab	Chairman	Non-Executive and Independent Director
Mr. Shashikant Shinde	Member	Executive and Non Independent Director
*Mr. Paul C. Naythatil	Member	Non-Executive and Independent Director
**Mr. Minhaj Khan	Member	Non-Executive and Independent Director

**Resigned as Director of the Company w.e.f. 15th May, 2013.*

***Appointed as Member of the Committee w.e.f. 15th May, 2013 as a result of re-constitution.*

Details of Financial Management Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meetings held	No. of Meetings Attended
1	Mr. Balkrishna R. Parab	2	2
2	Mr. Shashikant Shinde	2	2
3	*Mr. Paul C. Naythatil	2	2
4	**Mr. Minhaj Khan	2	2

The Terms of Reference of the Financial Management Committee, inter-alia, include the following:

1. Review the Company's financial policies, risk assessment and minimisation procedures, strategies and capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable.
2. Review banking arrangements and cash management.
3. Exercise all powers to borrow moneys (otherwise than by issue of debentures) within the limits approved by the Board and taking necessary actions connected therewith including refinancing for optimisation of borrowing costs.
4. Giving of guarantees/issuing letters of comfort/

providing securities within the limits approved by the Board.

5. Borrow monies by way of loan and/or issuing and allotting bonds/notes denominated in one or more foreign currencies in international markets, for the purpose of refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments within the limits approved by the Board.
6. Provide corporate guarantee/performance guarantee by the Company within the limits approved by the Board.
7. Approve opening and operation of Investment Management Accounts with foreign banks and appoint them as agents, establishment of representative/ sales offices in or outside India etc.
8. Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.
9. Other transactions or financial issues that the Board may desire to have them reviewed by the Finance Committee.
10. Delegate authorities from time to time to the executives/authorised persons to implement the decisions of the Committee.
11. Regularly review and make recommendations about changes to the charter of the Committee.

ix) Business Development Committee:-

In order to oversee new areas of business, proposals for collaborations, Joint Ventures, amalgamation, mergers and acquisitions; commercial matters including marketing etc. a Committee under the Stewardship of Mr. Shashikant Shinde has been constituted during the year under review.

The registrations of Dossiers in Emerging Markets in about 40 countries in Africa, Central & South America & Parts of South East Asia were discussed.

Further, Technology Transfer & Dossier development services from the R & D centre to Emerging countries were discussed & approved.

The committee further recommended the change in name of the Company from AANJANEYA LIFECARE LIMITED to DR. DATSONS LABS LIMITED. The said recommendation is based on research based pharmaceutical activities which the Company stands to undertake. Further, the Company has 6 world patents and is headed by Dr. Kannan Vishwanath, with a very rich panel of Research & Development Centre consisting of eminent persons and experts. Going forward, the Company will have world class products for export market and the proposed name of the Company represent the research based culture of the Company and strong intellectual capabilities of team headed by Dr. Kannan Vishwanath.

Business Development Committee consists of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Shashikant Shinde	Chairman	Executive and Non Independent Director
Mr. Balkrishna Parab	Member	Non-Executive and Independent Director
Mr. Prabhat K. Goyal	Member	Executive and Non Independent Director

Details of Business Development Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meetings held	No. of Meetings Attended
1	Mr. Balkrishna R. Parab	3	3
2	Mr. Shashikant Shinde	3	3
3	Mr. Prabhat Goyal	3	3

The Terms of Reference of the Business Development Committee include the following:

- Review and report to the Board on investment and business development strategies.
- Review tactical plans developed to achieve investment and business development goals set out in the Corporation's Strategic Plan.

- Review, monitor and report to the Board on investment and business development opportunities.
- Review the economic evaluations of potential investments and business development opportunities.
- Review and recommend for the approval of the Board, the appropriate operating structure for potential investments and business developments.
- Monitor compliance with the External Investment Policy, Processes and Guidelines for Subsidiary Companies, if any and the Significant Transactions Reporting Policy, as well as any other guidelines established by the Company relating to investments and business development.
- Review and monitor Management reports regarding the proper due diligence for any investment or business development to be undertaken.
- Review and recommend for the approval of the Board investments or business development projects and initiatives.
- Review and recommend to the Board for approval the business development aspects of the Company's annual business plan.
- Review and monitor the monetisation of external investments.
- When requested by the Board, review and report on the status and future outlook of existing investments and business developments held by the Company from time to time. Such review should include using approved corporate business plan.
- Review and report to the Board on the effectiveness and timeliness of Management's execution of specific investments that were approved by the Board.

x) *Health, Safety, Environment & Social Responsibility Committee:-*

The Board of Directors has constituted Health, Safety, Environment & Social Responsibility Committee during the year under review.

Health, Safety, Environment & Social Responsibility Committee consists of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Prabhat K. Goyal	Chairman	Executive and Non Independent Director
Mr. Giridhar Pulleti	Member	Non-Executive and Independent Director
Dr. Ulloopee Badade	Member	Non Executive and Independent Director

Details of Health, Safety, Environment & Social Responsibility Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meetings held	No. of Meetings Attended
1	Mr. Prabhat K. Goyal	3	3
2	Mr. Giridhar Pulleti	3	3
3	Dr. Ulloopee Badade	3	3

The Designing & the use of eco friendly construction material for construction of Building in Mahad & Pune were discussed.

The new development of eco friendly process for manufacturing Quinine Sulphate was discussed and filing of patent for this eco friendly green chemistry process was approved.

The completion of underground rain harvesting water tanks at Mahad & Pune manufacturing facilities were discussed & approved.

The successful implementation of ISO 9001:2008, for Quality ISO 14001:2008, for Environment ISO 18000 for Health & Safety & ISO 22000:2008 for Food Quality standards at Mahad Facility were discussed & approved at the committee.

Terms of Reference of Health, Safety, Environment & Social Responsibility Committee:

The Health, Safety and Environment Committee has been constituted, inter alia, to monitor and ensure maintaining the highest standards of environmental, health and

safety norms and compliance with applicable pollution and environmental laws at all works / factories / locations of the Company and to recommend measures, if any, for improvement in this regard.

The Committee reviews, inter alia, the Health, Safety and Environment Policy of the Company, performance on health, safety and environment matters and the procedures and controls being followed at various manufacturing facilities of the Company and compliance with the relevant statutory provisions.

Environment, Health and Safety (EHS)

Dr. Datsons Labs Limited remains committed to excellence through the discipline of process and continual improvement in EHS performance aimed at minimising risks. While there is a great emphasis and considerable investment being made in improving our EHS performance, we firmly believe that the nucleus of our excellence lies in the responsible behaviour of our employees. The involvement of management and staff in the collaborative development of solutions to improve EHS performance is a key strategy for excellence.

Environment

All equipment and infrastructure for environmental management was in conformity with regulatory standards throughout the year.

Occupational Health and Safety

Our inherent belief that all workplace illnesses and injuries are preventable has been the driving force in keeping our manufacturing sites, R&D and Corporate Office safe. Numerous positive initiatives were undertaken during the year to enhance workplace safety. Emergency preparedness at Dr. Datsons Labs Limited was ensured at all manufacturing sites as well as at R&D. Extensive safety training programs, both by internal as well as external specialists, were also conducted at all manufacturing sites. ALL's abiding concern for society extends beyond its business. We remain committed to the communities we serve and amongst whom, we operate, with the desire to bring about long term well being.

xi) Corporate Governance Committee:

Corporate Governance Committee consists of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Balkrishna Parab	Chairman	Non-Executive and Independent Director
Mr. Giridhar Pulleti	Member	Non-Executive and Independent Director
Mr. Shashikant Shinde	Member	Executive and Non Independent Director

Details of Corporate Governance Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meetings held	No. of Meetings Attended
1	Mr. Balkrishna Parab	4	4
2	Mr. Giridhar Pulleti	4	4
3	Mr. Shashikant Shinde	4	4

Terms of Reference of Corporate Governance Committee:

1. Observance of practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.
2. Provision of correct inputs to the media so as to preserve and protect the Company's image and standing.
3. Dissemination of factually correct information to the investors, institutions and public at large.
4. Interaction with the existing and prospective FII's and rating agencies, etc.
5. Establishing oversight on important corporate communication on behalf of the Company with the assistance of consultants/advisors, if necessary.
6. Ensuring institution of standardised channels of internal communications across the Company to facilitate a high level of disciplined participation.
7. Recommendation for nomination of Directors on the Board.

Selection of Independent Directors:

Considering the requirement of the skill-sets on the Board, eminent persons having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Corporate Governance and Stakeholders' Interface Committee, which also acts as Nomination Committee, for appointment inter alia of independent directors on the Board. The number of directorships and memberships held in various committees of other companies by such persons is also considered.

The Board considers the recommendations of the Committee and takes appropriate decision.

xii) Risk Management Committee:

The Board of Directors has constituted Risk Management Committee during the year under review.

Detail of Risk Management Committee:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Balkrishna Parab	Chairman	Non-Executive and Independent Director
Mr. Giridhar Pulleti	Member	Non-Executive and Independent Director
Mr. Shashikant Shinde	Member	Executive and Non Independent Director

Details of Risk Management Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meetings held	No. of Meetings Attended
1	Mr. Balkrishna Parab	2	2
2	Mr. Giridhar Pulleti	2	2
3	Mr. Shashikant Shinde	2	2

Terms of Reference of Risk Management Committee:

- To devise policies and guidelines for identification, measurement, monitoring and control for all major risk categories.
- To ensure that resources allocated for risk management are adequate given the size nature and volume of the business.

- To ensure that the managers and staff, who implement, monitor and control, risk, possess sufficient knowledge and expertise.
- To review and approve market risk limits.
- To ensure robustness of financial models and the effectiveness of all systems used to calculate market risk.
- To ensure robust Management information system relating to risk reporting.

xiii) Nomination Committee:

The Board of Directors has constituted Nomination Committee during the year under review.

Details of Nomination Committee consists of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Balkrishna Parab	Chairman	Non-Executive and Independent Director
Mr. Giridhar Pulleti	Member	Non-Executive and Independent Director
Mr. Shashikant Shinde	Member	Executive and Non Independent Director

Details of Risk Management Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meetings held	No. of Meetings Attended
1	Mr. Balkrishna Parab	2	2
2	Mr. Giridhar Pulleti	2	2
3	Mr. Shashikant Shinde	2	2

Terms of Reference of Nomination Committee:

- To undertake a process of due diligence to determine the suitability of any person for appointment/ continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria.
- To examine the vacancies that will come up at the Board on account of retirement or otherwise.
- To evaluate the skills that exist, and those that are absent but needed at the Board level, and search

for appropriate candidates who have the profile to provide such skill sets.

- iv. To create a recommendatory list of Directors for deliberation and decision-making at the Board-level.
- v. To review the composition of Committees of the Board, and identify and recommend to the Board, the Directors who can best serve as members of each Board Committee Meetings and Attendance during the year:

General Body Meetings

The details of the last three Annual General Meetings of your Company are presented in the following table:

Nature of the Meeting	Date and Time	Venue	Number of Special Resolutions passed, if any
Sixth Annual General Meeting	10th September, 2012 at 11.00 a.m.	Acres Club, 411-B, Hemu Kalani Marg, Sindhi Society, Chembur, Mumbai 400 071	0
Fifth Annual General Meeting	30th September, 2011 at 11.00 a.m.	Acres Club, 411-B, Hemu Kalani Marg, Sindhi Society, Chembur, Mumbai 400 071	2
Fourth Annual General Meeting	4th May, 2010 at 11.00 a.m	Aanjaneya House, Plot No. 34, Postal Colony, Chembur, Mumbai – 400 071.	2

Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the year ended 31st March, 2013.

Postal Ballot

Nature of the Meeting	Date and Time	Venue	Type of resolutions
Postal Ballot	19th November, 2012 at 4.00 p.m.	Aanjaneya House, Plot No. 34, Postal Colony, Chembur, Mumbai – 400 071.	Special Resolution

Disclosures

- The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have any potential conflict with the interest of the Company.
- The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authority on all matters related to capital markets during the last three years. There were no penalties imposed nor any strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.
- Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and the non-mandatory requirements relating to the constitution of the Remuneration Committee.

- The Management Discussion and Analysis Report is annexed and forms a part of the Directors' Report.

CEO/CFO Certification

The CEO/CFO of the Company have certified to the Board as required under Clause 49 (V) of the Listing Agreement.

Means of Communication

- The quarterly and annual financial Results are published in English and Marathi daily newspaper viz.:
 - The Financial Express
 - Ratnagiri Times

The results are also available on the website of your Company i.e. www.drdatsons.com

- The website of the Company consists of "Investor" section, which provides detailed information to the shareholders.

- The Press Releases issued are also displayed on the website of the Company.
- There are no presentations made to the institutional investors or to the analysts.

Auditors' Certificate on Corporate Governance

The Certificate as received from Practicing Company Secretary with respect to compliance with Clause 49 of the Listing Agreement relating to Corporate Governance has

been annexed to the Corporate Governance Report and will be sent to the Stock Exchanges at the time of filing of the Annual Report.

Reconciliation of Share Capital Audit

As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by Practicing Company Secretary on a quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialised and physical mode, and the status of the Register of Members.

Market Price Data / Performance Comparison

- Performance Comparison:

	Aanjaneya Lifecare	Dr Reddys Lab	Morepen Lab	SMS Pharma
LTP	48.10	2,193.40	2.54	265.00
Change %	-4.94	0.37	-4.15	2.04
52 W H/L	850.70 / 48.10	2,207.80 / 1,528.00	4.69 / 2.46	266.00 / 131.05
Results (in Cr.) View in (Million)	Mar - 13	Mar - 13	Mar - 13	Mar - 13
Sales	520.76	8,434.01	303.35	242.33
PAT	0.55	1,265.47	-22.67	25.33
Equity	13.89	84.92	89.96	10.02
Ratios				
OPM %	12.60	25.22	10.42	-14.89
NPM %	0.11	15.00	-7.47	10.45
EPS	0.40	74.54	-0.49	-
CEPS	14.96	92.93	0.51	38.99
Ownership	Mar - 13	Mar - 13	Mar - 13	Mar - 13
Promoter & Promoter Grp	57,24,426	4,34,17,812	15,53,71,588	54,10,443
Indian	57,24,426	4,34,17,812	15,53,71,588	54,10,443
Foreign	-	-	-	-
Public	81,62,725	12,64,18,663	29,44,54,615	46,04,760
Institution	67,685	6,91,09,814	8,73,82,510	1,12,114
FII	67,258	5,03,67,192	5,85,30,000	70,000
DII	427	1,87,42,622	2,88,52,510	42,114
Non Institution	80,95,040	5,73,08,849	20,70,72,105	44,92,646
Bodies Corporate	72,27,278	1,23,38,325	2,06,27,816	7,29,317

- **Stock Price Data:**

The monthly high and low quotations and volume of shares traded on Bombay Stock Exchange Limited during the financial year 2012-2013 are as follows:

Years	Month	High (₹)	Low (₹)	No. of Shares
2012	April	672.00	505.00	12,49,475
	May	585.70	360.85	18,95,770
	June	569.00	450.10	10,76,479
	July	538.95	478.00	5,84,846
	August	665.00	498.00	8,60,711
	September	732.00	573.00	4,52,279
	October	709.00	616.00	9,31,353
	November	810.00	626.00	8,79,918
	December	809.00	702.00	6,79,894
2013	January	850.70	675.45	13,62,182
	February	808.15	369.00	6,79,019
	March	332.15	132.15	13,253

The monthly high and low quotations on National Stock Exchange of India Limited during the financial year 2012-2013 are as follows:

Years	Month	High (₹)	Low (₹)	No. of Shares	
2012	April	671.45	503.65	2189293	
	May	588	380.10	3292385	
	June	568	457	2072114	
	July	539.9	478.65	1402035	
	August	665.75	497.05	1848801	
	September	733	590.25	987935	
	October	705.10	616	1109437	
	November	804	625	1353883	
	December	811.50	700	1234686	
	2013	January	854	669.95	2328268
		February	807	372.60	1110094
		March	335.35	133.55	52310

Distribution of Shareholding as on 31st March, 2013

Sr. No.	Range	No. of Shareholders	Percentage of total	Shares	Percentage of total
1	1-5000	1795	91.0705	85796	0.6178
2	5001-10000	28	1.4206	20342	0.1465
3	10001-20000	20	1.0147	32140	0.2314
4	20001-30000	7	0.3551	17963	0.1293
5	30001-40000	8	0.4059	28722	0.2068
6	40001-50000	10	0.5074	46120	0.3321
7	50001-100000	28	1.4206	201195	1.4488
8	100001 and above	75	3.8052	13454873	96.8872
	TOTAL	1971	100.0000	13887151	100.0000

Shareholding Pattern as on 31st March, 2013

The Shareholding Pattern of the Company as on 31st March, 2013 is as mentioned below:

Category Code	Category of Shareholder	No. of Shareholders	Total no. of shares	No. of shares held in de materialised form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A + B)	As a % of (A+B+C)	No. of Shares	As a %
(A)	Shareholding of promoter and promoter group							
(1)	Indian							
(a)	Individuals/Hindu undivided Family	4	2272661	2272661	16.37	16.37	1947500	85.69
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate#	2	3451765	3451765	24.86	24.86	3444600	99.79
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-
	Sub-Total (A) (1)	6	5724426	5724426	41.23	41.23	5392100	94.19
(2)	Foreign							
(a)	Individuals (Non Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other	-	-	-	-	-	-	-
	Sub-Total (A) (2)	NIL	NIL	NIL	NIL	NIL	-	-
	Total Shareholding of Promoter and promoter group (A)=(A)(1)+ (A)(2)	6	5724426	5724426	41.23	41.23	5392100	94.19
(B)	Public Shareholding							
(1)	Institutions							
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-
(b)	Financial Institutions/Banks	1	427	427	0.00	0.00	0	0.00
(c)	Central Government/State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investor	5	67258	67258	0.48	0.48	0	0.00
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Any Other	-	-	-	-	-	-	-
	Sub Total (B)(1)	6	67685	67685	0.49	0.49	0	0.00
(2)	Non Institutions							
(a)	Bodies Corporate	221	7227278	7227278	52.04	52.04	0	0.00

Category Code	Category of Shareholder	No. of Shareholders	Total no. of shares	No. of shares held in de materialised form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A + B)	As a % of (A+B+C)	No. of Shares	As a %
(B)	Public Shareholding							
(b)	Individuals-							
	i) Individual shareholders holding nominal share capital up to ₹1 lac	1629	234597	234597	1.69	1.69	0	0.00
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lac	8	320715	320715	2.31	2.31	0	0.00
(c)	Any other [specify]	101	312450	312450	2.25	2.25	0	0.00
	Non Resident Indians	39	2573	2573	0.02	0.02	0	0.00
	Clearing Members	62	309877	309877	2.23	2.23	0	0.00
	Sub Total (B)(2)	1959	8095040	8095040	58.29	58.29	0	0.00
	Total Public shareholding (B)= (B)(1) + (B)(2)	1965	8162725	8162725	58.78	58.78	0	0.00
	Total (A) + (B)	1971	13887151	13887151	100.00	100.00	5392100	38.83
(C)	Shares held by Custodians and against which Depository Receipts have been issued	NIL	NIL	NIL	NIL	NIL	-	-
	(1) Promoter and Promoter Group	-	-	-	-	-	-	-
	(2) Public	-	-	-	-	-	-	-
	Grand Total (A)+(B)+(C)	1971	13887151	13887151	0.00	100.00	5392100	38.83

Shareholders' Information

1	Annual General Meeting	
	Day:	Monday
	Date:	September 30, 2013
	Time:	3.00 P.M.
	Venue:	K-4/1, Additional MIDC, Dist- Raigad, Mahad-402 309, Maharashtra
2.	Financial year	April 01, 2013 to March 31, 2014
	Quarterly results will be declared as per the following tentative schedule:	
	Financial Reporting for the quarter ending June 30, 2013	First fortnight of August 2013
	Financial Reporting for the half year ending September 30, 2013	First fortnight of November 2013
	Financial reporting for the quarter ending December 31, 2013	First fortnight of February 2014
	Audited Financial reporting for the year ending March 31, 2014	On or before May 2014

3	Dates of Book Closure	September 24, 2013 to September 30, 2013 (both days inclusive)
4	Listing on Stock Exchanges	The shares of the Company are listed on: 1. The Bombay Stock Exchange Limited ("BSE") Stock Code : 533412 2. The National Stock Exchange of India Limited ("NSE") Stock Code: AANJANEYA The FCCBs Bonds of the Company are listed on:- 1. Singapore Exchange Securities Trading Limited (SGX) Abbreviated Name:- AANJCB18 ISIN CODE: XS0907573850
5	ISIN Number for NSDL & CDSL	INE928K01013
6	Outstanding ADR/GDR/Warrant or any Convertible instruments	NIL
7	Registrar & Share Transfer Agent	Link Intime India Private Limited Add: C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400078. Phone: +91 - 22 - 2596 3838 Fax: +91 - 22 - 2596 0329
8	Share Transfer System	The Board of Directors has delegated the power of share transfer to the Registrar and Share Transfer Agent, Link Intime India Private Limited (address mentioned above)
9	Compliance Officer	Mr. Yogesh Nanjibhai Patel Aanjaneya House, No. 34, Postal Colony, Chembur, Mumbai - 400 071. Tel : +91 22 2526 4500 Fax : +91 22 2526 2890 Email – ID: cs@drdatsons.com
10	Dematerialisation of shares and Liquidity	100% shares of your Company are held in demat/electronic mode.
11	Registered Address	K-4/1 Additional MIDC, Mahad - 403209, Dist. - Raigad, Maharashtra Tel : + 91 - 2145 - 250115 Fax: + 91 - 2145 – 250116 Email – ID: info@drdatsons.com
12	Corporate Address	Aanjaneya House, No. 34, Postal Colony, Chembur, Mumbai - 400 071. Tel : +91 22 2526 4500 Fax: +91 22 2526 2890 Email – ID: cs@drdatsons.com
13	Plant Locations	1. K-4/1 Additional MIDC, Mahad - 403209, Dist. - Raigad, Maharashtra Ph.: + 91 - 2145 - 250115 Fax: + 91 - 2145 - 250116 2. Gat. No. 123, Pirangut, Taluka- Mulshi, Dist. Pune – 41104, Maharashtra Ph.: + 91 - 20 - 66750552 Fax: + 91 - 20 - 66750600

Code of conduct for members of the Board and Senior Management:

The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. A code of conduct, evolved in line with the industry practices was adopted by the Board on the recommendations of Audit and Ethics Committee and all Members of the Board and Senior Management i.e. 'Key Executives' have confirmed compliance with the Code of Conduct for the year under review. A copy of the Code has been placed on the Company's website www.drdatsons.com

A declaration signed by Vice Chairman & Managing Director is given below:

"I hereby confirm that:

The Company has obtained from the Members of the Board and Key Executives, (Senior Management Personnel) affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2012-2013.

Place: Mumbai
Date: 30/08/2013

Dr. Kannan Vishwanath
Managing Director

Shashikant Shinde
Executive Director

CERTIFICATION BY MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER

We, Kannan Vishwanath, Managing Director and Narendra Agarwal, CFO of Dr. Datsons Labs Limited (Formerly Known as AANJANEYA LIFECARE LIMITED), to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account and all the schedules and notes on accounts, as well as the cash flow statements, and the directors' report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c) evaluated the effectiveness of the Company's disclosure, controls and procedures; and
 - d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. I have disclosed based on my most recent evaluation,

wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions):

- a) all deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies;
- b) significant changes in internal controls during the year covered by this report;
- c) all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
- d) instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal controls system.

7. In the event of any materially significant misstatements or omissions, we will return to the Company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors, as decided by the audit committee;
8. I affirm that I have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and I have provided protection to 'whistleblowers' from unfair termination and other unfair or prejudicial employment practices; and
9. I further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Dr. Kannan Vishwanath
Managing Director

Place: Mumbai
Date: 30/08/2013

Narendra Agarwal
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders of

Dr. Datsons Labs Limited

(Formerly Known as AANJANEYA LIFECARE LIMITED)

We have examined the compliance of conditions of corporate governance by Aanjaneya Lifecare Limited, for the year ended on March 31, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our 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 statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in majority of all material conditions

of corporate governance as stipulated in the above-mentioned Listing Agreement.

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: M/s. Deep Shukla & Associates
Company Secretaries

Deep Shukla
(Proprietor)
Place: Mumbai
Date: 30/08/2013

Deep Shukla
(Proprietor)
FCS No. 5652, CP No. 5364

Independent Auditors Report

To The Members of

AANJANEYA LIFECARE LIMITED

Mumbai for the year ended 31st March 2013.

1. We have audited the attached Balance Sheet of **AANJANEYA LIFECARE LIMITED** (together 'the Company') as at 31st March, 2013 and the related Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the "Order") issued by the Central Government of India in terms of Section 227 (4A) of The Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of the books;
 - c. The Balance Sheet and the Profit and Loss account dealt
- with by this report are in agreement with the books of account;
- d. In our opinion, the Profit and Loss account and Balance Sheet dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. In our opinion and to the best of our information and according to the explanations given to us, the accounts subject to and read together with the notes including Note 2.10 relating to opening stock, provision for taxation and bad debts written off give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
 - (ii) in the case of the Profit and Loss account, of the profit of the Company for the year ended on that date ; and
 - (iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms Section 274 (1)(g) of the Companies Act, 1956.

For Agarwal Desai & Shah
Chartered Accountants
Firm Regn No. 124850W

-SD-

Rishi A. Sekhri
Partner

M. No. 126656

Place: Mumbai
Date: 30/05/2013

Annexure to Auditors Report

Annexure to Auditors Report referred to in paragraph 3 of our report of even date to the members of Aanjaneya Lifecare Limited on the financial statements for the year ended 31st March, 2013.

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets were physically verified during the year by the management in accordance with a regular program of verification which in our opinion provides for physical verification of all fixed assets at reasonable intervals having regard to the size of the Company and nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
(c) The Company has not disposed off substantial part of fixed assets during the year.
 - ii. (a) The inventory of raw material, finished/semi finished and other traded materials have been physically verified by management at reasonable interval during the year.
(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company & the nature of its business.
(c) The Company has been maintaining proper records of inventory and no discrepancies were noticed on verification between the physical stocks and book records.
 - iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) The Company has not taken any secured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The Company has taken unsecured loans from three parties covered in the register maintained under section 301 of the Act. The maximum amounts involved during the year was ₹454.88 Millions and the year end outstanding of loans taken from such parties was ₹373.69 Millions.
(c) In our opinion and according to the information and explanations given to us, such unsecured loans taken by the Company are interest free in nature and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (d) In our opinion and according to the information and explanations given to us, the unsecured loans taken by the Company are repayable on demand. There has been no default in the repayment of such loans taken by the Company. Such loans are interest free.
 - (e) There is no overdue amount in respect of loans taken by the Company from parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to information & explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to sale of goods and services. Further on the basis of our examination of the books and records of the Company we have not come across any major weakness or continuing failure to correct any major weaknesses in the aforesaid internal control system.
 - v. In respect of transactions covered under section 301 of the Companies Act, 1956.
 - (a) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements that needed to be entered into the register maintained u/s. 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, these transaction made in pursuance of such contracts or arrangements and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at relevant time.
 - vi. The Company has not accepted any deposits from public during the year, hence provision of section 58-A & 58-AA of the Companies Act, 1956 are not applicable
 - vii. The Company has an Internal Audit Systems Commensurate with the size and the nature of its business

- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under section 209 (1) (d) of Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and record have been made and maintained.
- ix. According to the information and explanations given to us in respect of statutory dues :
- (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues applicable to it with the appropriate authorities during the year. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act. 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) There were no arrears of undisputed statutory dues in respect of the aforesaid items as at 31st March 2013 outstanding for a period of more than six months from the date they became payable .
- (c) There are no statutory dues which have not been deposited on account of any dispute.
- x. This is the Seventh year of the Companies existence. The Company has no accumulated losses as at 31st March 2013 and has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanations given to us, there are no major defaults in repayments of dues to any bank or financial institution. There are no debenture holders.
- xii. The Company has not granted any loans and advances on the basis of any security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or Nidhi / Mutual benefit fund /society. Therefore the provisions of any special statute as specified under clause 4(xiii) of the said Order are not applicable to the Company.
- xiv. In our opinion the Company is not a dealer or trader in shares, securities, debenture and other investments.
- Therefore the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi. In our opinion and according to information and explanation given to us, term loans taken from banks were applied for the purpose for which such loans were obtained during the year.
- xvii. According to the information and explanations given to us and on the basis of an overall examination of the Balance Sheet of the Company , there are no funds raised on short-term basis that have been used for long-term investment.
- xviii. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
- xix. The Company has not issued debentures since inception.
- xx. During the year the Company has not raised any money by issuing shares to the Public Via OFS or IPP route. However the Company has increased its Authorised Capital from ₹300 Millions to ₹500 Millions. However the Company has issued Foreign Currency Convertible Bonds aggregating to USD 40 million on 21st March, 2013. However the said amount is lying in an Escrow Account with an overseas Bank.
- xxi. According to the information & explanation given to us and based on our examination of the books and records of the Company, we have not come across any instance of significant fraud on or by the Company noticed or reported during the course of our audit.

For Agarwal Desai & Shah
Chartered Accountants
Firm Regn No. 124850W

-SD-

Rishi A. Sekhri

Partner

M. No. 126656

Place: Mumbai
Date: 30/05/2013

Balance Sheet as at March 31, 2013

Particulars	Note No.	(₹ in Millions)	
		March 31, 2013	March 31, 2012
I. EQUITY AND LIABILITIES:			
1 Shareholders' Funds			
(a) Share capital	A	138.87	138.87
(b) Reserve & Surplus	B	2,955.81	3,359.14
2 Non-current liabilities			
(a) Long-term borrowings	C	3,588.13	1,016.79
(b) Deferred tax liability (Net)		166.07	143.85
(c) Other Long term liabilities		-	-
(d) Long-term provisions	D	1.82	1.47
3 Current Liabilities			
(a) Short-term borrowings	E	1,912.16	1,969.09
(b) Trade Payables	F	1,588.63	400.68
(c) Other Current Liabilities	G	43.20	23.23
(d) Short-term provision	H	55.52	126.35
TOTAL		10,450.21	7,179.48
II. ASSETS:			
1 Non Current assets			
(a) Fixed Assets			
(i) Tangible Assets	I	2,084.60	2,138.54
(ii) Intangible assets		-	-
(iii) Capital Work In Progress		1,640.91	1,442.38
(b) Non-Current Investments	J	23.98	7.77
(c) Long-term loans and advances		-	-
(d) Other non-current assets	K	2.53	2.53
2 Current Assets			
(a) Current investments		-	-
(b) Inventories	L	1,664.94	1,375.17
(c) Trade Receivables	M	2,723.71	2,005.75
(d) Cash and Bank Balances	N	2,123.31	41.46
(e) Short-term loans and advances	O	40.70	9.37
(f) Other Current Assets	P	145.53	156.51
TOTAL		10,450.21	7,179.48
Notes on Accounts	Z		

The above mentioned notes attached form part of Balance Sheet

As per our Report of even Date

For AANJANEYA LIFECARE LIMITED

For Agarwal Desai & Shah

Chartered Accountants

Firm Regn No. 124850W

-SD-

Rishi A. Sekhri

Partner

M. No. 126656

Place: Mumbai

Date: 30/05/2013

-SD-

Dr. Kannan Vishwanath

Vice Chairman & Managing Director

-SD-

Prabhat Goyal

Executive Director

-SD-

Shashikant B Shinde

Executive Director

-SD-

Yogesh N Patel

Company Secretary

Profit and Loss Account for the year ended March 31, 2013

		(₹ in Millions)	
Particulars	Note No.	2012-13	2011-12
I. Revenue from operations	Q	5,207.57	4,799.64
II. Other Income	R	47.08	23.57
III. Total Revenue (I+II)		5,254.64	4,823.21
IV. EXPENSES:			
Cost of materials consumed	S	3,978.90	3,696.87
Purchases of Stock-in-Trade		9.76	2.60
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	T	(119.91)	(167.45)
Manufacturing Expenses	U	96.85	94.14
Employee benefits expense	V	67.26	56.42
Finance Charges	W	426.45	290.50
Depreciation & Amortisation	I	202.22	156.65
Other Expenses:			
Administration Expenses	X	101.20	46.87
Selling Expenses	Y	15.14	16.14
Total expenses		4,777.86	4,192.74
V. Profit before Prior Period, Exceptional and Extraordinary items and tax (III-IV)		476.78	630.47
VI. Prior Period Expenses		0.44	0.01
VII. Exceptional Items		448.62	-
VIII. Profit before extraordinary items and tax (V-VI)		27.72	630.46
IX. Extraordinary Items		-	-
X. Profit before tax (VII-VIII)		27.72	630.46
XI Tax expense:			
(1) Less: Current tax		5.56	126.14
(2) Less: Deferred tax		22.22	94.03
(3) Add: MAT U/s 115JB		5.56	-
XII Profit (Loss) for the period (IX-X)		5.50	410.29
XIII Earnings per equity share:			
Basic & Diluted Earnings Per Share		0.40	29.54
(Face value of ₹10/- each)			
Notes on Accounts	Z		

As per our Report of even Date

For AANJANEYA LIFECARE LIMITED

For Agarwal Desai & Shah

Chartered Accountants

Firm Regn No. 124850W

-SD-

Rishi A. Sekhri

Partner

M. No. 126656

Place: Mumbai

Date: 30/05/2013

-SD-

Dr. Kannan Vishwanath

Vice Chairman & Managing Director

-SD-

Prabhat Goyal

Executive Director

-SD-

Shashikant B Shinde

Executive Director

-SD-

Yogesh N Patel

Company Secretary

Cash Flow Statement for the year ended March 31, 2013

Particulars	(₹ in Millions)	
	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax as per P&L A/c	27.72	630.46
Adjusted for:-		
Depreciation	202.22	156.65
Bad Debts Written Off	448.62	-
Finance Charges	426.45	290.50
Less: (Interest Income)	(2.83)	(16.80)
Less: (Dividend Income)	-	(0.06)
Operating Profit before Working capital changes	1,102.17	1,060.75
Movements in working capital :		
Increase/(Decrease) in Trade payables	1,187.95	460.99
Increase/(Decrease) in long- term provisions	0.35	0.47
Increase/(Decrease) in short- term provisions	39.71	0.01
Increase/(Decrease) in other current liabilities	19.97	1.78
Increase/(Decrease) in other long- term liabilities	-	-
(Increase)/Decrease in other Non Current Assets	-	(2.53)
Decrease/ (Increase) in short- term loans and advances	(31.33)	(9.34)
Decrease/ (Increase) in other current assets	27.64	(113.49)
Decrease/ (Increase) in inventories	(766.54)	(551.44)
Decrease/ (Increase) in trade receivables	(1,166.58)	(1,101.16)
Cash (used in) / Generated from Operations	413.33	(253.95)
Taxes Paid	(16.66)	(204.37)
Net Cash (used in) /From Operating Activities	396.67	(458.32)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) /Decrease in Fixed Assets	(346.81)	(2,567.27)
(Increase)/Decrease in non- current Investments	(16.21)	(7.27)
Interest Income Recd from current Investments	2.84	16.80
Dividend Income Recd from non- current Investments	-	0.06
(Increase) / Decrease in Misc. exps	-	-
Net Cash (used in) /From Investing Activities	(360.17)	(2,557.68)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	-	63.11
Increase in Share Premium	(8.72)	1,680.76
Increase/(Decrease) in Long term borrowings	2,571.34	445.30
Increase/(Decrease) in short term borrowings	(56.93)	1,152.13
Finance charges paid	(426.45)	(290.50)
Dividend paid (incl distribution tax)	(33.89)	-
Net Cash (used in) /From Financing Activities	2,045.35	3,050.79
Net Increase /(Decrease) in Cash & Cash equivalents A+B+C	2,081.85	34.80
Opening Balance of Cash & Cash Equivalents	41.46	6.66
Closing Balance of Cash & cash Equivalents	2,123.31	41.46

Note: The cash flow statement has been prepared under the indirect method as per AS 3.

As per our Report of even Date

For Agarwal Desai & Shah
Chartered Accountants
Firm Regn No. 124850W

For AANJANEYA LIFECARE LIMITED

-SD-
Rishi A. Sekhri
Partner
M. No. 126656

-SD-
Dr. Kannan Vishwanath
Vice Chairman & Managing Director

-SD-
Shashikant B Shinde
Executive Director

Place: Mumbai
Date: 30/05/2013

-SD-
Prabhat Goyal
Executive Director

-SD-
Yogesh N Patel
Company Secretary

Notes Forming Part of Balance Sheet as at March 31, 2013

Note - A | SHARE CAPITAL

	March 31, 2013		March 31, 2012	
	No. of shares	Amount	No. of shares	Amount
Authorised Capital				
Equity Shares of ₹10 each	50.00	500.00	30.00	300.00
Issued, Subscribed & Paid up Equity Shares of ₹10 each				
At the beginning of the year	13.89	138.87	7.58	75.77
Add: Issued during the year	-	-	6.31	63.10
At the end of the year	13.89	138.87	13.89	138.87

(₹ in Millions)

List of Shareholders holding more than 5% Shares

	March 31, 2013		March 31, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Finaventure Capital Ltd	3451765	24.86%	5956172	42.89%
Kannan Vishwanath	2272641	16.37%	2030948	14.62%
Religare Securities Limited	1865641	13.43%	802870	5.78%
Apex Drugs and Intermediates Limited	1310484	9.44%	1310484	9.44%
Prime Broking Company (India) Limited	1125183	8.10%	0	0

Note - B | RESERVE & SURPLUS

	March 31, 2013		March 31, 2012	
	Amount	Amount	Amount	Amount
Opening Balance Profit & Loss	995.45	585.16		
Add: Surplus for the Current Year	5.50	410.29		
Less: Dividend For FY 2011-12	27.77	-		
Less: Proposed Dividend	1.39	-		
Less: Corporate Dividend Tax	4.73	-		
Less: Transferred to General reserves	100.09	-		
Less: Reduction in Valuation of Opening Stock	476.77	-		
Add: Excess Provision for Taxation of Earlier Year	110.55	-		
Sub-Total Profit & Loss	500.74	995.45		
General Reserves				
Opening Balance	-	-		
Add: Transfer From Profit & Loss	100.09	-		
Sub-Total General Reserves	100.09	-		
Share Premium				
Opening Balance	2,363.69	2,363.69		
Less: IPO Expenses Written Off	8.72	-		
Sub-Total Share Premium	2,354.98	2,363.69		
Total Reserves & Surplus	2,955.81	3,359.14		

(₹ in Millions)

Notes Forming Part of Balance Sheet as at March 31, 2013

Note - C | LONG-TERM BORROWINGS

	(₹ in Millions)	
	March 31, 2013	March 31, 2012
Secured Loan		
Term Loan		
Term loan from banks	502.36	571.40
Interest accrued but not due on Term Loan	–	6.02
(All Secured against first charge on immovable assets and second charge on movable assets of the Company)		
Sub-Total Term loan	502.36	577.42
Unsecured Loan		
Loans & Trade Advances Recd:		
Loans from directors / shareholders	373.68	272.85
Loans & Advances from company /others	536.48	166.51
Foreign Currency Convertible Bonds	2,175.60	–
Total Unsecured Loans	3,085.77	439.37
Total Long-term borrowings	3,588.13	1,016.79
Deferred tax liability :		
On Account of Depreciation	166.07	143.85

Note - D | LONG-TERM PROVISIONS

	(₹ in Millions)	
	March 31, 2013	March 31, 2012
For Gratuity	1.82	1.47

Note - E | SHORT-TERM BORROWINGS

	(₹ in Millions)	
	March 31, 2013	March 31, 2012
Secured Loan		
Bank CC /EPC		
Working capital loan from banks	1,295.25	1,362.03
(All Secured against first charge on the current assets)		
Sub-Total Working capital Secured loan	1,295.25	1,362.03
Unsecured Loan		
WCDL from Other Banks	600.43	607.06
Director's Current A/c	16.48	–
Sub-Total Working capital Unsecured loan	616.91	607.06
Total Short - term borrowings	1,912.16	1,969.09

Note - F | TRADE PAYABLES

	(₹ in Millions)	
	March 31, 2013	March 31, 2012
Creditors	1,588.63	400.68

Note - G | OTHER CURRENT LIABILITIES

	(₹ in Millions)	
	March 31, 2013	March 31, 2012
Other Liabilities	43.20	23.23

Notes Forming Part of Balance Sheet as at March 31, 2013

Note - H | SHORT- TERM PROVISION

(₹ in Millions)

	March 31, 2013	March 31, 2012
Provisions		
Income Tax	131.71	126.14
Less: Excess Provision for the Earlier Year	110.55	-
Unpaid Dividend	27.67	-
Proposed Dividend	1.39	-
Corporate Dividend Tax Payable	4.73	-
FBT	0.19	0.19
Gratuity	0.38	0.02
	55.52	126.35

Note - I | FIXED ASSETS

(₹ in Millions)

ASSETS	GROSS BLOCK				Dep. Rate %	DEPRECIATION AS PER SLM			NET BLOCK	
	As at April 01, 2012	Additions	Deductions	As at March 31, 2013		Up To April 01, 2012	For F.Y. 2012-13	Up To March 31, 2013	As at March 31, 2013	As at March 31, 2012
Land	5.54	-	-	5.54	0.00%	-	-	-	5.54	5.54
Factory Building	716.24	12.69	-	728.92	3.34%	30.16	24.14	54.30	674.62	686.07
Plant & Machinery	1,348.17	132.13	-	1,480.30	10.34%	143.28	151.25	294.54	1,185.77	1,204.89
Lab Equipments	133.19	2.66	-	135.85	10.34%	10.84	13.94	24.78	111.07	122.36
Air Conditioners	89.61	0.02	-	89.63	10.34%	8.97	9.27	18.24	71.39	80.63
Furniture & Fixtures	24.48	0.19	-	24.67	6.33%	2.58	1.56	4.14	20.53	21.90
Computers	5.00	0.19	-	5.20	16.21%	1.27	0.83	2.09	3.11	3.74
Office Equipment	10.27	0.25	-	10.51	6.33%	0.83	0.66	1.49	9.02	9.43
Motor Car	3.19	-	-	3.19	9.50%	0.56	0.30	0.87	2.33	2.63
Software	1.56	0.14	-	1.70	16.21%	0.21	0.27	0.48	1.22	1.35
Sub - Total	2,337.25	148.28	-	2,485.53		198.71	202.22	400.93	2,084.60	2,138.54
Capital - WIP	1,442.38	340.91	142.38	1,640.91		-			1,640.91	1,442.38
Grand Total	3,779.63	489.19	142.38	4,126.44		198.71	202.22	400.93	3,725.51	3,580.92

Note - J | NON - CURRENT INVESTMENTS

(₹ in Millions)

	March 31, 2013	March 31, 2012
Unquoted :		
20,000 Shares of Shamrao Vithal Co-Op bank Ltd @ ₹25 per share fully paid up valued at cost	0.50	0.50
Other	23.48	7.27
Total ...	23.98	7.77

Note - K | OTHER NON CURRENT ASSETS

(₹ in Millions)

	March 31, 2013	March 31, 2012
Deposits	2.53	2.53
Total ...	2.53	2.53

Notes Forming Part of Balance Sheet as at March 31, 2013

Note - L INVENTORIES (As taken, valued & certified by the Directors)		(₹ in Millions)	
	March 31, 2013	March 31, 2012	
Raw Materials	1,219.86	965.35	
Packing Materials	3.87	12.30	
Work in Progress	234.99	190.71	
Finished Goods -Mfg	206.23	206.80	
Total ...	1,664.94	1,375.17	

Note - M TRADE RECEIVABLES		(₹ in Millions)	
	March 31, 2013	March 31, 2012	
Unsecured, considered good	2,723.71	2,005.75	
Considered Bad	448.62	–	
Total Receivables	3,172.33	–	
Less: Bad Debts Written Off	448.62	–	
Total ...	2,723.71	2,005.75	

Note - N CASH AND BANK BALANCE		(₹ in Millions)	
	March 31, 2013	March 31, 2012	
1) Cash & Cash Equivalent			
i) Cash	3.21	1.53	
ii) Bank Balance			
a) With Scheduled bank	2,111.48	1.82	
b) Others	2.73	0.11	
c) Term Deposits	2.18	–	
Sub Total ...	2,119.60	3.47	
2) Others			
Other Term Deposits With maturity Less than 12 Months	3.71	37.99	
Total ...	2,123.31	41.46	

Note - O SHORT- TERM LOANS AND ADVANCES (Unsecured Considered Good)		(₹ in Millions)	
	March 31, 2013	March 31, 2012	
Loan/Advance to Companies	35.09	9.33	
Loan/Advance to Staff	0.03	0.04	
MAT Credit	5.56	–	
Total ...	40.70	9.37	

Note - P OTHER CURRENT ASSETS		(₹ in Millions)	
	March 31, 2013	March 31, 2012	
Deposits	1.15	15.70	
Balance with Revenue Authorities	142.73	126.00	
Prepaid Expenses	1.65	1.39	
Interest Receivables	–	13.43	
Total ...	145.53	156.51	

Notes Forming Part of Profit and Loss Account for the year ended March 31, 2013

Note - Q REVENUE FROM OPERATIONS	(₹ in Millions)	
	2012-13	2011-12
Manufacturing Sales	5,193.81	4,796.38
Trading Sales	13.76	3.25
Grand Total Sales ...	5,207.57	4,799.64

Note - R OTHER INCOME	(₹ in Millions)	
	2012-13	2011-12
Dividend Received	-	0.06
Duty Drawback	0.85	0.02
Exchange Rate Difference	43.38	6.31
Interest Received	2.83	16.80
Others	0.01	0.38
Total ...	47.08	23.57

Note - S COST OF MATERIALS CONSUMED	(₹ in Millions)	
	2012-13	2011-12
Opening Stock of R.M. and Pkg. Material	577.09	593.67
Add :- Purchases	4,625.53	4,080.86
Less : Purchase Returns and Rounding Off	-	-
Opening Stock + Net Purchases	5,202.62	4,674.52
Less : Closing Stock of R.M. and Pkg. Materials	1,223.72	977.65
Raw Material Consumed in Mfg	3,978.90	3,696.87
Total Consumption of Materials	3,978.90	3,696.87
Purchases of Stock-in-Trade:		
Purchase trading	9.76	2.60

Note - T CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS & STOCK-IN-TRADE	(₹ in Millions)	
	2012-13	2011-12
Closing Stock :		
Finished Goods -Mfg	206.23	206.81
Work in Progress	234.99	190.71
Trading	-	-
Closing Stock - Total	441.22	397.52
Opening Stock :		
Finished Goods -Mfg	206.80	98.37
Work in Progress	114.50	131.66
Trading	-	0.03
Opening Stock -Total	321.30	230.06
Increase / (Decrease) in Stock of FG & WIP	119.91	167.45

Notes Forming Part of Profit and Loss Account for the year ended March 31, 2013

Note - U | MANUFACTURING EXPENSES

	(₹ in Millions)	
	2012-13	2011-12
Coal, Fuel & Oil	31.57	38.53
Consumable	9.11	5.75
Electricity Expenses	7.95	7.30
Factory Expenses	5.68	3.82
Freight, Transport, Coolie and Cartage	2.56	2.06
Import Clearing & Forwarding Expenses	1.49	6.09
Labour & Hamali Expenses	15.34	12.60
Loading & Unloading Expenses	0.27	0.21
M.P.C.B. Expenses	0.01	0.01
Packing & Forwarding Expenses	0.06	0.05
Product Development Expenses	4.22	3.53
Repairs & Maintenance Expenses - Factory & Plant	7.09	5.27
Research & Development Expenses	3.57	2.98
Security Expenses	2.22	1.80
Stores, Spares & Hardware	4.99	3.26
Water Expenses	0.73	0.88
Total ...	96.85	94.14

Note - V | EMPLOYEE BENEFITS EXPENSE

	(₹ in Millions)	
	2012-13	2011-12
Insurance Expenses	-	0.14
Employers Contribution & Administration Expenses to PF	1.42	1.18
Gratuity Provision	0.71	0.48
Leave Encashment	0.14	0.08
Salaries, Wages & Bonus	63.39	51.59
Staff Welfare Expenses	1.60	2.95
Total ...	67.26	56.42

Note - W | FINANCE CHARGES

	(₹ in Millions)	
	2012-13	2011-12
Interest - on Term Loan & Cash Credit	242.67	196.15
Interest - Others	171.42	74.98
Processing & Other Charges	12.36	19.37
Total	426.45	290.50

Notes Forming Part of Profit and Loss Account for the year ended March 31, 2013

Note - X ADMINISTRATION EXPENSES	(₹ in Millions)	
	2012-13	2011-12
Audit Fees	0.45	0.49
Books & Periodicals	0.06	0.04
Commission & Brokerage Expenses	2.95	0.92
Computer Expenses	0.10	0.10
Conference & Meeting	0.64	0.32
Conveyance Expenses	0.31	0.27
Courier Expenses	0.36	0.33
FCCB Exp	66.31	-
Donations	0.01	0.04
Electricity Expenses	0.59	0.49
Gardening Expenses	0.00	0.02
Insurance Expenses	4.45	2.86
Licence Fees	0.46	2.29
Membership & Subscription Fees	0.27	0.21
Mobile Expenses	0.84	0.90
Office Expenses	1.31	0.82
Printing & Stationary Expenses	1.79	4.73
Profession Tax Company	0.00	0.00
Professional Fees / Charges	10.43	24.11
Rates & Taxes	0.31	0.27
Rent	1.42	1.65
ROC Expenses and Franking Charges	1.69	1.42
Security Expenses	0.48	0.47
Software Expenses	0.09	0.10
Tax Expenses	0.27	0.06
Telecommunication & Internet	1.01	1.58
Vehicle Expenses & Repairs	1.21	1.15
Vehicle Hire Expenses	1.00	0.92
Website Development Expenses	0.24	0.08
Repairs & Maintenance - Office Equipment	0.63	-
Directors Sitting Fees	0.25	0.25
Other Expenses	1.29	-
Total ...	101.20	46.87

Note - Y SELLING EXPENSES	(₹ in Millions)	
	2012-13	2011-12
Advertisement Expenses	1.81	1.21
Bank Charges-International trade	0.36	0.37
Business Promotion & Marketing Expenses	4.39	1.45
Exhibition Expenses	0.47	2.60
Export Clearing & Forwarding Expenses	3.23	2.20
Travelling, Boarding & Lodging Expenses	4.13	8.30
Discount Allowed & ECGC Premium	0.75	-
Total ...	15.14	16.14

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. Significant Accounting Policies:

a. Basis of Accounting:-

The Financial Statements of the Company are prepared under historical cost convention and on accrual basis and in accordance with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. Accounting policies, not specifically referred to hereunder is otherwise consistent with generally accepted accounting polices ["GAAP"].

b. Fixed Assets:-

Fixed Assets are stated at cost of acquisition inclusive of non refundable duties and taxes, freight and incidental expenses, if any. Advances paid towards acquisition/construction of fixed assets outstanding at each balance sheet date and cost of fixed assets not ready for their intended use before such date are disclosed under capital work in progress.

c. Depreciation:-

Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in schedule XIV of the Companies Act, 1956. Depreciation on additions made to fixed assets during the year is provided on pro-rata basis.

d. Valuation of Inventories:-

i. Raw Materials are valued at cost or net, realisable value whichever is lower. Cost is determined by using the First in First out (FIFO) method.

ii. Semi Finished Goods (Work in progress) are valued at cost.

iii. Finished Goods:

Manufactured goods are valued at cost or net realisable value whichever is lower. Cost is determined by using the First In First out (FIFO) method. Cost includes cost of raw materials used and all the related overhead expenses.

Traded Goods are valued at cost or net realisable value whichever is lower. Cost is determined by using the First in First out (FIFO) method.

e. Revenue Recognition:-

The Company follows the mercantile system of accounting and hence Revenue is recognised by the Company on accrual basis.

f. Pre-Operative Expenditure :-

Pre-Operative expenses of the Company have been fully written off in the year of commencement of commercial operations. The Company was incorporated on 3rd January, 2006 and commenced Commercial operations on 25th September, 2007.

g. Accounting for Foreign Exchange Transaction:-

In accordance with Companies (Accounting Standards) Rules, 2006 the transaction in foreign exchange are accounted for at the exchange rates prevailing at the date of the transaction. In respect of the Assets and Liabilities remaining unsettled at the Balance sheet date are translated at the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date are recognised as income or expense in the period in which they arise.

Where the Company uses derivative financial instruments such as forward contracts to hedge its risk associated against foreign currency fluctuations, the Gain or loss on restatement of such contracts outstanding at the balance sheet date are recognised in the profit and loss account for the year in which it occurs. The premium or discount arising at the inception of forward contracts is amortised through the profit and loss account over the period of the contract.

h. Taxation:-

Tax expenses is the aggregate of current tax and deferred tax charged, as the case may be to the Profit and Loss Account for

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd...)

the year in accordance with Companies (Accounting Standards) Rules, 2006 and measured at the tax rate that have been enacted or substantively enacted by the Balance Sheet date.

I. Current Tax:

Tax on income for the current period is determined on the basis of assessable income computed in accordance with the provisions of the Income Tax Act, 1961.

II. Deferred Tax:

Deferred income taxes are recognised for the future tax consequences attributable to timing difference between the financial statements and determination of income for their recognition for tax purposes. The effect on deferred tax liabilities of a change in tax rates is recognised in income using the rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realised.

i. Contingent Liability:-

Contingent liabilities, if any, are disclosed in the Notes to Accounts. Provisions have been made in the accounts in respect of those contingencies which are likely to materialise into liabilities after the year end till the finalisation of accounts and have a material effect on the position stated in the Balance Sheet.

j. Borrowing Cost:-

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use. All other borrowing costs are expensed in the period in which they are incurred.

2. Notes on Accounts:

2.1 Fixed assets / Capital Work-in-progress:-

The Company is undertaking capital expenditure program at its Mahad and Pune Plants. An advance payment of ₹340.91 Millions towards capital assets have been made in current year. The same is included in capital WIP. The Capital WIP stands at ₹1,640.90 Millions as on 31st March 2013.

2.2 Investments:-

Long Term Investments are stated at cost less provision, if any, for diminution which is other than temporary in nature. Current investments are valued at lower of cost and net realisable value.

2.3 Subsidiary and Associate Company:-

The Company is an associate of Finaventure Capital Limited (formerly known as Aasda Lifecare Limited) during the year under report. Finaventure Capital Limited holds 24.86 % shares of the Company as at 31st March, 2013.

The Company had made investments in Eros Pharmachem Pte. Ltd, Singapore in last financial year 2011-12 to the extent of 90% and has increased its stake to 100% during the Current Financial Year. The Company has also made Fresh Investment of AED 1.00 Million in AANJ Pharamalabs FZE, Dubai during the current financial year thereby making the Company wholly owned Subsidiary. Additionally the Company has opened a Branch in Singapore and expended ₹0.79 Million towards Registration and other expenses.

2.4 Research & Development:-

The costs are expensed when incurred. Capital expenditure when incurred for acquisition or construction of equipment and facilities for R&D and having alternate future uses will be capitalised under Plants and Machinery. The addition to Assets in current year pertaining to R&D and included in Fixed Assets are Lab Equipments and Pilot Plant of ₹15.77 million, Civil Works & others of ₹17.73 Million. The Revenue expenditure on R&D is as follows: - R&D Expense ₹3.58 million; Product development ₹4.22 million; Salary of R&D personnel ₹3.24 million.

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd..)

2.5 Share Capital:-

The paid up share capital of the Company is ₹138.87 millions. The Company has not made any fresh issue during the current financial year. Authorised capital of the Company has been increased from ₹300.00 million to ₹500.00 million.

2.6 No commission on profits is paid at any time during the year to any of the directors of the Company.

2.7 Derivative Instruments:-

Company has not entered into any Forex Derivative Contracts at any time during the year.

During the year ended 31st March 2013 foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

- Amount receivable in foreign currency on account of export of goods- USD 15 Million (Previous Year USD 4.92 Million) INR 815.57 Million (Previous Year INR 251.55 Millions, GBP 0.01 Million (Previous Year GBP 0.01 Million) INR 0.82 Million (Previous Year INR 0.82 Million).
- Amount paid in foreign currency on account of import of goods-USD 0.13 Million (Previous Year USD 1.1 Million) INR 7.23 Million (Previous Year INR 51.83 Million).
- Amount payable in foreign currency on account of import of goods- USD 0.20 Millions (Previous Year USD 0.06 Million) INR 11 Million (Previous Year INR 3.30 Million).

2.8 Auditor's Remuneration:-

	(₹ in Millions)	
	2012-13	2011-12
Audit Fees - Statutory Audit & Income Tax Audit	0.30	0.30
VAT Audit	0.10	0.10
Cost Audit	0.05	0.05

2.9 Cenvat:-

No Cenvat credit is availed in respect of finished goods manufactured and sold by the Company which are exempt or free of Central Excise .Consequently duty paid on these inputs is expensed during the year. Where finished goods manufactured and sold by the Company are excisable, Cenvat credit is availed on inputs used in the manufacture of such excisable goods.

2.10 Exceptional Items

During the audit conducted by the internal auditors, it was discovered with the concurrence with Quality Assurance Team that there were errors in calculation of Inventory pertaining to FY 2011-12. This error has been rectified in the current year by revaluing Opening Stock & Opening balance of Profit & Loss of Current Year as per the recommendations of the Audit Committee and Management of the Company. Details of reduction in Opening Stock are as follows: (₹ in Millions)

Raw Materials	400.60
Work in Progress	76.20
Total	476.80

The resultant excess provision for taxation for earlier FY 2011-12 amounting to ₹110.6 Million has been reversed accordingly in the opening balance of Profit & Loss account of current year.

Further by the recommendation of Audit committee the Management has decided to write off ₹448.60 Millions as bad debts during the current financial year despite strenuous efforts made by Company to recover the same. As a result the outstanding receivables had to be characterised as bad debts written off and classified under Exceptional Items due to its non- recurring nature in the Statement of Profit & Loss thereby reducing the profitability for the current Financial Year. The Company is initiating legal action to recover the dues.

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd...)

2.11 Related Party Disclosures:-

Name of the Key Managerial Personnel	Relationship
Kannan K. Vishwanath	Managing Director
Relatives of the Key Managerial Personnel	Relationship
Divya K. Vishwanath	Wife of Kannan K. Vishwanath
Kashi Vishwanathan	Father of Kannan K . Vishwanath
Companies / Firms in which the Key Managerial Personnel & their relatives are interested	
Eros Pharmaceuticals Pte. Ltd.	Subsidiary Company
AANJ Pharmalabs Limited FZE	Subsidiary Company
Finventure Capital Ltd *	

* Holding Company till May 2011

The Company has entered into the following related party transactions. As on March 31, 2013 such parties and transactions are identified as per Accounting Standard 18 issued by the 'The Institute of Chartered Accountants of India.'

Name of Related Party		Nature of transaction		(₹ in Millions)	
		2012-13	2011-12	2012-13	2011-12
Kashi Vishwanathan	Loan from Director	0.50	5.30		
	Repayment of Loans	-	-		
	Remuneration to Director	0.15	3.60		
Kannan K. Vishwanath	Loan from Director	317.60	486.99		
	Repayment of Loans	354.15	270.77		
	Equity Shares allotted	-	-		
	Remuneration to Director	10.00	3.60		
	Rent for Premises	1.32	1.32		
Finaventure Capital Limited	Loan from the Company	136.88	-		
	Repayment of Loans	-	-		
	Conversion of Loan to Equity	-	-		
Divya K Vishwanath	Remuneration to Director	-	-		
	Remuneration as an Employee	0.61	0.61		

Amount due to / from Related Parties:

Nature of transaction		(₹ in Millions)	
		2012-13	2011-12
Mr. Kashi Vishwanathan			
Loan taken from Director		30.81	30.31
Rent & Remuneration Payable		5.68	5.67
Mr. Kannan K. Vishwanath			
Loan taken from Director		205.99	242.54
Rent & Remuneration Payable		10.81	3.85
Aasda Life Care Limited			
Loan taken from Company		136.88	Nil

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd..)

2.12 Disclosures pursuant to Accounting Standard – 15 "Employee Benefits":-

Defined Contribution Plan

The Company has made payments to the Government Provident Fund amounting to ₹1.42 Million and the same is expensed during the year ended 31st March, 2013.

Defined Benefit Plan

The following disclosures are made in accordance with AS 15 (Revised) pertaining to defined benefit plans regarding Gratuity.

Amount to be recognised in Balance Sheet		<i>(Amount in ₹)</i>	
Period ended	March 31, 2013	March 31, 2012	
Present Value of Funded Obligations	0	0	
Fair Value of Plan Assets	0	0	
Present Value of Unfunded Obligations	1,490,613	2,200,108	
Unrecognised Past Service Cost	0	0	
Amount not Recognised as an Asset (limit in Para 59(b))	0	0	
Net Liability	1,490,613	2,200,108	
Amounts in Balance Sheet			
Liability	1,490,613	2,200,108	
Assets	0	0	
Net Liability is bifurcated as follows:			
Current	19,036	377,810	
Non Current	1,471,577	1,822,298	
Net Liability	1,490,613	2,200,108	

Expense to be recognised in Statement of Profit & Loss Account		<i>(Amount in ₹)</i>	
Period ended	March 31, 2013	March 31, 2012	
Current Service Cost	574,487	537,110	
Interest on Defined Benefit Obligation	127,690	172,557	
Expected Return on Plan Assets	0	0	
Net Actuarial Losses / (Gains) Recognised in Year	(218,773)	(172)	
Past Service Cost	0	0	
Losses / (Gains) on "Curtailments & Settlements"	0	0	
Losses / (Gains) on "Acquisition / Divestiture"	0	0	
Effect of the limit in Para 59(b)	0	0	
Total, Included in "Employee Benefit Expense"	483,404	709,495	
Actual Return on Plan Assets	0	0	

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd...)

2.12 Disclosures pursuant to Accounting Standard – 15 "Employee Benefits":- (contd...)

Reconciliation of benefit obligation & plan assets for the period		(Amount in ₹)	
Period ended	March 31, 2013	March 31, 2012	
Change in Defined Benefit Obligation			
Opening Defined Benefit Obligation	1,007,209	1,490,613	
Current Service Cost	574,487	574,487	
Interest Cost	127,690	172,557	
Actuarial Losses / (Gain)	(218,773)	(172)	
Past Service Cost	0	0	
Actuarial Losses / (Gain) due to Curtailment	0	0	
Liabilities Extinguished on Settlements	0	0	
Liabilities Assumed on Acquisition / (Settled on Divestiture)	0	0	
Exchange Difference on Foreign Plans	0	0	
Benefit Paid	0	0	
Closing Defined Benefit Obligation	1,490,613	2,200,108	
Change in Fair Value of Assets			
Opening Fair Value of Plan Assets	0	0	
Expected Return on Plan Assets	0	0	
Actuarial Gain / (Losses)	0	0	
Assets Distributed on Settlements	0	0	
Contributions by Employer	0	0	
Assets Acquired on Acquisition / (Distributed on Divestiture)	0	0	
Exchange Difference on Foreign Plans	0	0	
Benefits Paid	0	0	
Closing Fair Value of Plan Assets	0	0	
Expected Employer's Contribution Next Year	19,036	377,810	

Assets information

Period ended	March 31, 2012 %	March 31, 2013 %	March 31, 2013 (in ₹)
Category of Assets (% Allocation)			
Government of India Securities	0%	0%	0
Corporate Bonds	0%	0%	0
Special Deposit Scheme	0%	0%	0
Equity Shares of Listed Companies	0%	0%	0
Property	0%	0%	0
Insurer Managed Funds	0%	0%	0
Others	0%	0%	0
Grand Total	0%	0%	0

Experience adjustments

Period ended	(Amount in ₹)				
	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013
Defined Benefit Obligation	362,043	595,323	1,007,209	1,490,613	2,200,108
Plan Assets	0	0	0	0	0
Surplus / (Deficit)	(362,043)	(595,323)	(1,007,209)	(1,490,613)	(2,200,108)
Exp. Adj. on Plan Liabilities	0	23,253	77,281	(138,066)	(111,182)
Exp. Adj. on Plan Assets	0	0	0	0	0

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd..)

2.12 Disclosures pursuant to Accounting Standard – 15 "Employee Benefits":- (contd...)

Summary of Principal Actuarial Assumptions

Financial Assumptions at the valuation date:

Period ended	March 31, 2013	March 31, 2012
Discount Rate (p.a.)	8.55%	8.10%
Expected Rate of Return on Assets (p.a.)	0.00%	0.00%
Salary Escalation Rate (p.a.)	7.00%	7.00%

2.13 C.I.F. Value of Imports:-

	2012-13	2011-12
Raw Material	29.95	67.69
Capital Goods	2.61	NIL

(₹ in Millions)

2.14 Expenditure in Foreign Currency:-

	2012-13	2011-12
Travel	0.38	0.96
Exhibition	–	26.01
Product Development	1.79	1.00
Research and Development	–	3.07
Licence/Registration Fees	0.33	–
Lodging & Boarding	0.08	0.66
FCCB Expenses	1.17	–
Professional Charges	1.38	–

(₹ in Millions)

2.15 Earnings in Foreign exchange:-

	2012-13	2011-12
FOB Value of goods exported	895.06	402.01

(₹ in Millions)

2.16 FCCB-Foreign Currency Convertible Bonds:-

The Company had issued Foreign Currency Convertible Bond (FCCB) aggregating to US \$ 40 Million on 21st March,2013. However, the said amount net of expenses is lying in an account with overseas bank pending utilisation as per the object mentioned in Offering Circular.

Consequently, the funds have not been infused into the Company on the date of this Report and cannot be utilised by the Company. The Principal value of the FCCB bonds is included in Unsecured Loan under non current liabilities whilst the amount lying in an account with overseas bank is shown in Cash & bank balances under current assets in the Balance sheet as on 31.03.2013.

2.17 Micro Small & Medium Enterprises Development Act 2006. {MSMED Act 2006}:-

The Company is outside the purview of MSMED Act 2006 as the investment in Plant & Machinery is greater than 100 Millions as at the end of the year.

2.18 The previous year figures have been recast / regrouped whenever necessary in order to confirm to current year's presentation.

2.19 Prior Period expenses of ₹0.4 millions pertains to Input service tax paid for FY 2011-12 supposed to be Cenvatable against Central Excise. But the amount could not be utilised for the payment of Excise as a result of which it had to be reversed to the respective Expense accounts during the current financial year as prior period Expenses. It also includes 0.04 Millions as professional charges in relation to Factoring.

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd...)

2.19 Earnings per Share:-

	2012-13	2011-12
Profit Attributable to Equity Shareholders (₹ in Millions)	5.50	410.29
Weighted No. of Equity Shares	1,38,87,151	1,19,21,590
Nominal Value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	0.40	29.54

2.20 Remuneration to Directors:-

	2012-13	2011-12
Salary including P.F. Contribution	14.18	11.44
Sitting Fees	0.25	0.25

(₹ in Millions)

2.21 Segment Information:-

The Company has only one reportable segment and that is the business segment and there are no geographical segments. Segment information disclosure is made in accordance with Accounting standard (AS) -17 "Segment Reporting". It is identified based on products, organisation structure, risk return profile and the reporting systems of the Company. The business segment is organised into API manufacturing and Formulation manufacturing. Formulation manufacturing business has commenced only from 1st April 2010 and onwards.

Information about Business Segments

For the year ended 31/03/2013

(₹ in Millions)

	Particulars	Business Segments			Unallocable	Total
		API	Formulation	Trading		
A	Revenue :					
	Total External Sales	3,115.73	2,078.08	13.76	-	5,207.57
	Inter Segment Sales	-	-	-	-	-
	Total Revenue	3,115.73	2,078.08	13.76	-	5,207.57
B	Segment result before interest, exceptional items and tax	467.58	387.40	2.16	(0.98)	856.15
	Less :- Interest Expenses					426.45
	Less :- Prior Period Expenses					0.44
	Less :- Exceptional Expenses					448.62
	Add :- Exceptional Income					47.08
	Unallocable Corporates items					-
	Profit before Taxes					27.71
	Taxes :-					
	Less :- Income Tax					5.56
	Less :- Deferred Tax					22.22
	Add :- Mat Credit U/S 115 JAA					5.56
	Profit after Taxes					5.50
C	Segment Assets	5,475.41	2,624.35	7.19	2,343.25	10,450.20
D	Segment Liabilities	1,062.49	653.65	3.62	5,635.40	7355.16
E	Capital Expenditure	11.18	465.43	-	0.29	476.90
F	Segment Depreciation	143.54	57.69	-	0.98	202.22
G	Non - Cash Expenses other than depreciation	NIL	NIL	NIL	NIL	NIL

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd..)

2.22 Consumption of Materials:-

Particulars	2012-13		2011-12	
	%	Amount (₹ Million)	%	Amount (₹ Million)
Consumption of Materials –Mfg				
Indigenous	99%	3,948.95	92%	3,414.32
Imported	1%	29.95	8%	282.56
Raw Materials consumed in Mfg	100%	39,978.90	100%	3,696.87
Purchases- Trading		9.76		2.60
Total Consumption of Materials		3,988.66		3,699.47

2.23. Installed Capacity and Capacity Utilisation for APIs and Formulation:-

Active pharmaceutical ingredients (API's/Bulk Drugs)

Particulars	Unit	2012-13	2011-12
		Bulk Drugs	Bulk Drugs
Installed capacity	MT	650.00	650.00
Actual Production	MT	203.70	497.40

Note: For API's, the reactors installed are to be of larger capacity so as to accommodate herbal based raw material inputs whose yield can vary from crop to crop. The reactors are also multipurpose in nature. Hence there is no direct correlation between installed capacity and actual production. During FY 12-13 the value of manufacturing API is high although quantity less.

Formulations

Particulars	Unit	₹ in Millions	
		2012-13	2011-12
Installed capacity	Units in Thousands	15,71,650.00	15,71,650.00
Actual Production	Units in Thousands	7,84,579.24	7,64,679.97

Note:

- (i) The Formulations business commenced only from 1st April 2010.
- (ii) In terms of press Note no. 4 (1994 series) dated October 25, 1994 issued by the department of Industrial Development, Ministry of Industry, Government of India and Notification no. S.O. 137 (E) dated March 01, 1999 issued by the Department of Industrial Policy and Promotion, Ministry of Industry, Government of India, Industrial licensing has been abolished in respect of bulk drugs and formulations. Hence there are no registered / licensed capacities for these bulk drugs and formulations.

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd...)

2.24. Particulars of Production, Trading Purchase, Sales and Stock:-

2012-13

Particular	Units	Opening Stock		Trading Purchase	Production	Sales		Closing stock	
		Qty	₹ Mn	₹ Mn	Qty	Qty	₹ Mn	Qty	₹ Mn
Formulation	Units in Thousands	47530.44	82.72	-	7,84,579.24	8,31,634.22	2065.76	475.45	97.68
Bulk Drugs	Kg in Thousands	26.44	124.08	-	203.70	223.56	3115.73	6.58	108.55
Trading	-	-	-	9.76	-	-	13.76	-	-
Job Work	-	-	-	-	-	-	12.32	-	-
Total		47556.88	206.81	9.76	2,29,379.07	2,76,453.92	5207.57	482.03	206.23

2011-12

Particular	Units	Opening Stock		Trading Purchase	Production	Sales		Closing stock	
		Qty	₹ Mn	₹ Mn	Qty	Qty	₹ Mn	Qty	₹ Mn
Formulation	Units in Thousands	18718.24	39.35	-	7,64,679.97	7,35,867.77	1915.23	47,530.44	82.72
Bulk Drugs	Kg in Thousands	12.58	59.02	-	497.40	483.54	2875.30	26.44	124.08
Trading	-	-	-	2.60	-	-	3.25	-	-
Job Work	-	-	-	-	-	-	5.86	-	-
Total			98.37	2.60			4799.64		206.81

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors Report

To The Board of Directors

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AANJANEYA LIFE CARE LIMITED FOR THE YEAR ENDED 31ST MARCH 2013.

- 1) We have audited the attached consolidated balance sheet of **Aanjaneya Lifecare Limited** (the "Company") and its subsidiary, hereinafter referred to as the "Group" as at 31st March 2013, the related consolidated Statement of Profit and Loss and the related consolidated Cash flow statement annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We did not audit the financial statements of the subsidiary. These financial statements have been audited /reviewed by other auditors whose report have been furnished to us and our opinion is so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditors. The total assets and revenue in respect of the subsidiary are:- Total assets ₹24.43 Millions as at 31st March 2013; Total Revenue NIL; Total Loss ₹1.23 Millions.
- 4) We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements notified under sub-section 3C of Section 211 of the Companies Act, 1956.
- 5) Based on our audit and on consideration of reports of other auditor(s) on separate financial statements and to the best of our information and according to the explanations given to us and subject to Note 3.8 on accounts relating to Opening stock, provision for taxation and bad debts written off ,in our opinion the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the consolidated Balance sheet, of the state of affairs of the Group as at 31st March 2013;
 - b. In the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date.
 - e. In the case of the consolidated Cash Flow statement of the cash flows of the group for the year ended on that date.

For Agarwal Desai & Shah
Chartered Accountants
Firm Regn No. 124850W

-SD-

Rishi A. Sekhri

Partner

M. No. 126656

Place: Mumbai

Date: 30/05/2013

Consolidated Balance Sheet as at March 31, 2013

Particulars	Note No.	(₹ in Millions)	
		March 31, 2013	March 31, 2012
I. EQUITY AND LIABILITIES:			
1 Shareholders' Funds			
(a) Share capital	A	138.87	138.87
(b) Reserve & Surplus	B	2,954.26	3,359.00
2 Minority Interest		-	0.79
3 Non-current liabilities			
(a) Long-term borrowings	C	3,588.13	1,016.79
(b) Deferred tax liability (Net)		166.07	143.85
(c) Other Long term liabilities		-	-
(d) Long-term provisions	D	1.82	1.47
4 Current Liabilities			
(a) Short-term borrowings	E	1,912.16	1,969.09
(b) Trade Payables	F	1,588.66	400.71
(c) Other Current Liabilities	G	44.10	24.08
(d) Short-term provision	H	55.51	126.35
TOTAL		10,449.58	7,181.01
II. ASSETS:			
1 Non Current assets			
(a) Fixed Assets			
(i) Tangible Assets	I	2,084.60	2,138.54
(ii) Intangible assets		-	-
(iii) Capital Work In Progress		1,640.91	1,442.38
(b) Non - Current Investments	J	0.51	0.51
(c) Long-term loans and advances		-	-
(d) Other non-current assets	K	2.53	2.53
2 Current Assets			
(a) Current investments		-	-
(b) Inventories	L	1,664.94	1,375.17
(c) Trade Receivables	M	2,723.71	2,005.75
(d) Cash and Cash Equivalents	N	2,125.47	44.84
(e) Short- term loans and advances	O	60.53	17.04
(f) Other Current Assets	P	146.37	156.78
TOTAL		10,449.58	7,181.01
Notes on Accounts	Z		

The above mentioned notes attached form part of Balance Sheet

As per our Report of even Date

For AANJANEYA LIFECARE LIMITED

For Agarwal Desai & Shah

Chartered Accountants

Firm Regn No. 124850W

-SD-

Rishi A. Sekhri

Partner

M.No. 126656

-SD-

Dr. Kannan Vishwanath

Vice Chairman & Managing Director

-SD-

Prabhat Goyal

Executive Director

-SD-

Shashikant B Shinde

Executive Director

-SD-

Yogesh N Patel

Company Secretary

Place: Mumbai

Date: 30/05/2013

Consolidated Profit and Loss Account for the year ended March 31, 2013

		(₹ in Millions)	
Particulars	Note No.	2012-13	2011-12
I. Revenue from operations	Q	5,207.57	4,799.64
II. Other Income	R	47.08	23.57
III. Total Revenue (I + II)		5,254.64	4,823.21
IV. EXPENSES:			
Cost of materials consumed	S	3,978.90	3,696.87
Purchases of Stock-in-Trade		9.76	2.60
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	T	(119.91)	(167.45)
Manufacturing Expenses	U	96.85	94.14
Employee benefits expense	V	67.26	56.42
Finance Charges	W	426.46	290.52
Depreciation & Amortisation	I	202.22	156.65
Other Expenses:			
Administration Expenses	X	102.43	47.25
Selling Expenses	Y	15.14	16.14
Total expenses		4,779.11	4,193.14
V. Profit before Prior Period and Extraordinary items and tax (III-IV)		475.53	630.07
VI. Prior Period Expenses		0.43	0.01
VII. Exceptional Items		448.62	-
VIII Profit before extraordinary items and tax (V - VI)		26.48	630.06
IX. Extraordinary Items			-
X Profit before tax (VII- VIII)		26.48	630.06
XI Tax expense:			
(1) Less: Current tax		5.56	126.14
(2) Less: Deferred tax		22.22	94.03
(3) Add: MAT U/s 115JAA		5.56	-
XII Profit (Loss) for the period (IX - X)		4.26	409.88
XIII Earnings per equity share:			
Basic & Diluted Earnings Per Share		0.31	29.52
(Face value of ₹10/- each)			
Notes on Accounts	Z		

As per our Report of even Date

For AANJANEYA LIFECARE LIMITED

For Agarwal Desai & Shah

Chartered Accountants

Firm Regn No. 124850W

-SD-

Rishi A. Sekhri

Partner

M.No. 126656

Place: Mumbai

Date: 30/05/2013

-SD-

Dr. Kannan Vishwanath

Vice Chairman & Managing Director

-SD-

Prabhat Goyal

Executive Director

-SD-

Shashikant B Shinde

Executive Director

-SD-

Yogesh N Patel

Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2013

(₹ in Millions)

Particulars	April 12 to March 13	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax as per P&L A/c		26.48
Adjusted for:-		
Depreciation		202.22
Bad Debts Written Off		448.62
Finance Charges		426.46
Less:(Interest Income)		(2.83)
Less:(Dividend Income)		-
Operating Profit before Working capital changes		1,100.95
Movements in working capital :		
Increase/(Decrease) in Trade payables	1,187.95	
Increase/(Decrease) in long- term provisions	0.35	
Increase/(Decrease) in short- term provisions	39.71	
Increase/(Decrease) in other current liabilities	19.06	
Increase/(Decrease) in other long- term liabilities	-	
(Increase)/Decrease in other Non Current Assets	(2.53)	
Decrease/ (Increase) in short- term loans and advances	(43.49)	
Decrease/ (Increase) in other current assets	27.07	
Decrease/ (Increase) in inventories	(766.54)	
Decrease/ (Increase) in trade receivables	(1,166.58)	(705.02)
Cash (used in)/ Generated from Operations		395.93
Taxes Paid		(16.66)
Net Cash (used in)/From Operating Activities		379.27
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) /Decrease in Fixed Assets		(346.81)
(Increase)/Decrease in non- current Investments		-
Interest Income Recd from current Investments		2.83
Dividend Income Recd from non- current Investments		-
(Increase) / Decrease in Misc. exps		-
Net Cash (used in)/From Investing Activities		(343.97)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital		-
Increase in Share Premium		(8.72)
Increase/(Decrease) in Long term borrowings		2,571.34
Increase/(Decrease) in short term borrowings		(56.93)
Finance charges paid		(426.46)
Dividend paid (incl distribution tax)		(33.89)
Net Cash (used in)/From Financing Activities		2,045.34
Net Increase /(Decrease) in Cash & Cash equivalents A+B+C		2,080.63
Opening Balance of Cash & Cash Equivalents		44.84
Closing Balance of Cash & cash Equivalents		2,125.47

Note: The cash flow statement has been prepared under the indirect method as per AS 3.

As per our Report of even Date

For Agarwal Desai & Shah

Chartered Accountants

Firm Regn No. 124850W

-SD-

Rishi A. Sekhri

Partner

M.No. 126656

Place: Mumbai

Date: 30/05/2013

-SD-

Dr. Kannan Vishwanath

Vice Chairman & Managing Director

-SD-

Prabhat Goyal

Executive Director

-SD-

Shashikant B Shinde

Executive Director

-SD-

Yogesh N Patel

Company Secretary

For AANJANEYA LIFECARE LIMITED

Notes Forming Part of Consolidated Balance Sheet as at March 31, 2013

Note - A | SHARE CAPITAL

	March 31, 2013		March 31, 2012	
	No. of shares	Amount	No. of shares	Amount
Authorised Capital				
Equity Shares of ₹10 each	50.00	500.00	30.00	300.00
Issued,Subscribed & Paid up Equity Shares of ₹10 each				
At the beginning of the year	13.89	138.87	7.58	75.77
Add: Issued during the year	-	-	6.31	63.10
At the end of the year	13.89	138.87	13.89	138.87

List of Shareholders holding more than 5% Shares

	March 31, 2013		March 31, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Finaventure Capital Ltd	3451765	24.86%	5956172	42.89%
Kannan Vishwanath	2272641	16.37%	2030948	14.62%
Religare Securities Limited	1865641	13.43%	802870	5.78%
Apex Drugs and Intermediates Limited	1310484	9.44%	1310484	9.44%
Prime Broking Company (India) Limited	1125183	8.10%	0	0

Note - B | RESERVE & SURPLUS

	March 31, 2013	March 31, 2012
Opening Balance Profit & Loss	994.75	584.97
Add : Surplus for the Current Year	4.26	409.88
Less: Dividend For FY 2011-12	27.77	-
Less: Proposed Dividend	1.39	-
Less: Corporate Dividend Tax	4.73	-
Less: Transferred to General reserves	100.09	-
Less: Reduction in Valuation of Opening Stock	476.77	-
Add: Excess Provision for Taxation of Earlier Year	110.55	-
.....Sub Total	498.80	994.85
General Reserves		
Opening Balance	-	-
Transfer From Profit & Loss	100.09	-
.....Sub-Total General Reserves	100.09	-
Share Premium		
Opening Balance	2,363.69	2,363.69
IPO Expenses Written Off	8.72	-
.....Sub-Total Share Premium	2,354.98	-
Capital Reserve (On Consolidation)	0.35	0.45
Foreign Currency Translation Reserve	0.03	-
Total Reserves & Surplus ...	2,954.26	3,359.00

Notes Forming Part of Consolidated Balance Sheet as at March 31, 2013

Note - C LONG-TERM BORROWINGS	(₹ in Millions)	
	March 31, 2013	March 31, 2012
Secured Loan		
Term Loan		
Term loan from banks	502.36	571.40
Interest accrued but not due on Term Loan	–	6.02
(All Secured against first charge on immovable assets and second charge on movable assets of the Company)		
.....Sub-Total Term loan	502.36	577.42
Unsecured Loan		
Loans & Trade Advances Recd :		
Loans from directors / shareholders	373.68	272.85
Loans & Advances from company /others	536.48	166.51
Foreign Currency Convertible Bonds	2,175.60	–
Total Unsecured Loans ...	3,085.77	439.37
Total Long-term borrowings	3,588.13	1,016.79
Deferred tax liability :		
On Account of Depreciation	166.07	143.85

Note - D LONG-TERM PROVISIONS	(₹ in Millions)	
	March 31, 2013	March 31, 2012
For Gratuity	1.82	1.47

Note - E SHORT-TERM BORROWINGS	(₹ in Millions)	
	March 31, 2013	March 31, 2012
Secured Loan		
Bank CC /EPC		
Working capital loan from banks	1,295.25	1,362.03
(All Secured against first charge on the current assets)		
Sub-Total Working capital Secured loan	1,295.25	1,362.03
Unsecured Loan		
WCDL from Other Banks	600.43	607.06
Director's Current A/c	16.48	–
Sub-Total Working capital Unsecured loan	616.91	607.06
Total Short - term borrowings	1,912.16	1,969.09

Note - F TRADE PAYABLES	(₹ in Millions)	
	March 31, 2013	March 31, 2012
Creditors	1,588.66	400.71

Note - G OTHER CURRENT LIABILITIES	(₹ in Millions)	
	March 31, 2013	March 31, 2012
Other Liabilities	44.10	24.08

Notes Forming Part of Consolidated Balance Sheet as at March 31, 2013

Note - H | SHORT- TERM PROVISION

(₹ in Millions)

	March 31, 2013	March 31, 2012
Provisions		
Income Tax	131.70	126.14
Less: Excess Provision for the Earlier Year	110.55	-
Unpaid Dividend	27.67	-
Proposed Dividend	1.39	-
Corporate Dividend Tax Payable	4.73	-
FBT	0.19	0.19
Gratuity	0.38	0.02
	55.51	126.35

Note - I | FIXED ASSETS

(₹ in Millions)

ASSETS	GROSS BLOCK				Dep. Rate %	DEPRECIATION AS PER SLM			NET BLOCK	
	As at April 01, 2012	Additions	Deductions	As at March 31, 2013		Up To April 01, 2012	For F.Y. 2012-13	Up To March 31, 2013	As at March 31, 2013	As at March 31, 2012
Land	5.54	-	-	5.54	0.00%	-	-	-	5.54	5.54
Factory Building	716.24	12.69	-	728.92	3.34%	30.16	24.14	54.30	674.62	686.07
Plant & Machinery	1,348.17	132.13	-	1,480.30	10.34%	143.28	151.25	294.54	1,185.77	1,204.89
Lab Equipments	133.19	2.66	-	135.85	10.34%	10.84	13.94	24.78	111.07	122.36
Air Conditioners	89.61	0.02	-	89.63	10.34%	8.97	9.27	18.24	71.39	80.63
Furniture & Fixtures	24.48	0.19	-	24.67	6.33%	2.58	1.56	4.14	20.53	21.90
Computers	5.00	0.19	-	5.20	16.21%	1.27	0.83	2.09	3.11	3.74
Office Equipment	10.27	0.25	-	10.51	6.33%	0.83	0.66	1.49	9.02	9.43
Motor Car	3.19	-	-	3.19	9.50%	0.56	0.30	0.87	2.33	2.63
Software	1.56	0.14	-	1.70	16.21%	0.21	0.27	0.48	1.22	1.35
Sub - Total	2,337.25	148.28	-	2,485.53		198.71	202.22	400.93	2,084.60	2,138.54
Capital - WIP	1,442.38	340.91	142.38	1,640.91		-			1,640.91	1,442.38
Grand Total	3,779.63	489.19	142.38	4,126.44		198.71	202.22	400.93	3,725.51	3,580.92

Note - J | NON - CURRENT INVESTMENTS

(₹ in Millions)

	March 31, 2013	March 31, 2012
Unquoted :		
20,000 Shares Of Shamrao Vithal Co-Op bank Ltd @ ₹25 per share fully paid up valued at cost	0.50	0.50
Other	0.01	0.01
Total ...	0.51	0.51

Note - K | OTHER NON CURRENT ASSETS

(₹ in Millions)

	March 31, 2013	March 31, 2012
Deposits	2.53	2.53
Total ...	2.53	2.53

Notes Forming Part of Consolidated Balance Sheet as at March 31, 2013

Note - L INVENTORIES (As taken, valued & certified by the Directors)	(₹ in Millions)	
	March 31, 2013	March 31, 2012
Raw Materials	1,219.86	965.35
Packing Materials	3.87	12.30
Work in Progress	234.99	190.71
Finished Goods -Mfg	206.23	206.80
Total ...	1,664.94	1,375.17

Note - M TRADE RECEIVABLES	(₹ in Millions)	
	March 31, 2013	March 31, 2012
Unsecured, considered good	2,723.71	2,005.75
Considered Bad	448.62	–
Total Receivables	3,172.33	–
Less: Bad Debts Written Off	448.62	–
Total ...	2,723.71	2,005.75

Note - N CASH AND BANK BALANCE	(₹ in Millions)	
	March 31, 2013	March 31, 2012
1) Cash & Cash Equivalent		
i) Cash	3.21	1.53
ii) Bank Balance		
a) With Scheduled bank	2,113.64	43.31
b) Others	2.73	–
c) Term Deposits	2.18	–
Sub Total ...	2,121.76	44.84
2) Others		
Other Term Deposits With maturity Less than 12 Months	3.71	–
Total ...	2,125.47	44.84

Note - O SHORT- TERM LOANS AND ADVANCES (Unsecured Considered Good)	(₹ in Millions)	
	March 31, 2013	March 31, 2012
Loan/Advance to Companies	46.78	9.33
Loan/Advance to Staff	8.19	7.71
MAT Credit	5.56	–
Total ...	60.53	17.04

Note - P OTHER CURRENT ASSETS	(₹ in Millions)	
	March 31, 2013	March 31, 2012
Deposits	1.29	15.96
Balance with Revenue Authorities	142.73	126.00
Prepaid Expenses	2.36	1.39
Interest Receivables	–	13.43
Total ...	146.37	156.78

Notes Forming Part of Consolidated Profit and Loss Account for the year ended March 31, 2013

Note - Q REVENUE FROM OPERATIONS	(₹ in Millions)	
	2012-13	2011-12
Manufacturing Sales	5,193.81	4,796.38
Trading Sales	13.76	3.25
Grand Total Sales ...	5,207.57	4,799.64

Note - R OTHER INCOME	(₹ in Millions)	
	2012-13	2011-12
Dividend Received	-	0.06
Duty Drawback	0.85	0.02
Exchange Rate Difference	43.38	6.31
Interest Received	2.83	16.80
Others	0.01	0.38
Total ...	47.08	23.57

Note - S COST OF MATERIALS CONSUMED	(₹ in Millions)	
	2012-13	2011-12
Opening Stock of R.M. and Pkg. Material	577.09	593.67
Add :- Purchases	-	4,080.86
Less : Purchase Returns and Rounding Off	-	-
Opening Stock + Net Purchases	5,202.62	4,674.52
Less :Closing Stock of R.M. and Pkg. Materials	1,223.72	977.65
Raw Material Consumed in Mfg	3,978.90	3,696.87
Total Consumption of Materials	3,978.90	3,696.87
Purchases of Stock-in-Trade:		
Purchase trading	9.76	2.60

Note - T CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS & STOCK-IN-TRADE	(₹ in Millions)	
	2012-13	2011-12
Closing Stock :		
Finished Goods -Mfg	206.23	206.80
Work in Progress	234.99	190.71
Trading	-	-
Closing Stock - Total	441.22	397.51
Opening Stock :		
Finished Goods -Mfg	206.80	98.37
Work in Progress	114.50	131.66
Trading	-	0.03
Opening Stock -Total	321.31	230.06
Increase / (Decrease) in Stock of FG & WIP	119.91	167.45

Notes Forming Part of Consolidated Profit and Loss Account for the year ended March 31, 2013

Note - U | MANUFACTURING EXPENSES

(₹ in Millions)

	2012-13	2011-12
Coal, Fuel & Oil	31.57	38.53
Consumable	9.11	5.75
Electricity Expenses	7.95	7.30
Factory Expenses	5.68	3.82
Freight, Transport, Coolie and Cartage	2.56	2.06
Import Clearing & Forwarding Expenses	1.49	6.09
Labour & Hamali Expenses	15.34	12.60
Loading & Unloading Expenses	0.27	0.21
M.P.C.B. Expenses	0.01	0.01
Packing & Forwarding Expenses	0.06	0.05
Product Development Expenses	4.22	3.53
Repairs & Maintenance Expenses - Factory & Plant	7.09	5.27
Research & Development Expenses	3.57	2.98
Security Expenses	2.22	1.80
Stores, Spares & Hardware	4.99	3.26
Water Expenses	0.73	0.88
Total ...	96.85	94.14

Note - V | EMPLOYEE BENEFITS EXPENSE

(₹ in Millions)

	2012-13	2011-12
Insurance Expenses	–	0.14
Employers Contribution & Administration Expenses to PF	1.42	1.18
Gratuity Provision	0.71	0.48
Leave Encashment	0.14	0.08
Salaries, Wages & Bonus	63.39	51.59
Staff Welfare Expenses	1.60	2.95
Total ...	67.26	56.42

Note - W | FINANCE CHARGES

(₹ in Millions)

	2012-13	2011-12
Interest - on Term Loan & Cash Credit	242.67	196.15
Interest - Others	171.42	75.00
Processing & Other Charges	12.37	19.37
Total	426.46	290.52

Notes Forming Part of Consolidated Profit and Loss Account for the year ended March 31, 2013

Note - X | ADMINISTRATION EXPENSES

	(₹ in Millions)	
	2012-13	2011-12
Audit Fees	0.45	0.52
Books & Periodicals	0.06	0.04
Commission & Brokerage Expenses	2.95	0.92
Computer Expenses	0.10	0.10
Conference & Meeting	0.64	0.32
Conveyance Expenses	0.31	0.27
Courier Expenses	0.37	0.33
FCCB Exp	66.31	-
Donations	0.01	0.04
Electricity Expenses	0.59	0.49
Gardening Expenses	0.00	0.02
Insurance Expenses	4.45	2.86
Licence Fees	0.76	2.29
Membership & Subscription Fees	0.27	0.21
Mobile Expenses	0.84	0.90
Office Expenses	1.31	0.82
Printing & Stationary Expenses	1.79	4.73
Profession Tax Company	0.00	0.00
Professional Fees / Charges	10.48	24.28
Rates & Taxes	0.31	0.27
Rent	2.27	1.79
ROC Expenses and Franking Charges	1.69	1.42
Security Expenses	0.48	0.49
Software Expenses	0.09	0.10
Tax Expenses	0.27	0.06
Telecommunication & Internet	1.01	1.58
Vehicle Expenses & Repairs	1.21	1.15
Vehicle Hire Expenses	1.00	0.92
Website Development Expenses	0.24	0.08
Repairs & Maintenance - Office Equipment	0.64	-
Directors Sitting Fees	0.25	0.25
Exchange Rate Difference	-	0.01
Other Expenses	1.29	-
Total ...	102.43	47.25

Note - Y | SELLING EXPENSES

	(₹ in Millions)	
	2012-13	2011-12
Advertisement Expenses	1.81	1.21
Bank Charges-International trade	0.36	0.37
Business Promotion & Marketing Expenses	4.39	1.45
Exhibition Expenses	0.47	2.60
Export Clearing & Forwarding Expenses	3.23	2.20
Travelling, Boarding & Lodging Expenses	4.13	8.30
Discount Allowed & ECGC Premium	0.75	-
Total ...	15.14	16.14

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. Principles of consolidation:

Investments in Consolidated Financial Statements are accounted in accordance with accounting principles as defined in AS 21 "Consolidated Financial Statements" notified by the companies (Accounting Standard) Rules, 2006. The Consolidated Financial Statements are prepared on the following basis:

- i. Subsidiary companies are consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses, except where cost cannot be recovered.
- ii. The excess of cost to the Company of its investment in the subsidiary over its share of equity of the subsidiary as on the dates of investment in the subsidiary are made is recognised as "Goodwill" being an asset in the consolidated statements. Alternatively where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investment of the Company, it is recognised as "Capital Reserve" and shown under the head "Reserves and Surplus" in the consolidated financial statements.
- iii. Minorities interest in net profits of the consolidated subsidiary for the year is identified and adjusted against the income in order to arrive at the net income attributable to the Shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity in the absence of contractual obligation on the minorities, the same is accounted for by the Company.
- iv. As far as possible the consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand alone financial statements.
- v. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting dated as that of the Company i.e. year ended March 31, 2013.
- vi. As per Accounting Standard Interpretation (ASI – 15) on Notes to the Consolidated Financial Statements, only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or parent having no bearing on the true and fair view of the Consolidated Financial Statements need not be disclosed in the Consolidated Financial Statements.

The Consolidated Financial Statements as at and for the year ended on March 31, 2013 include the financial statements of the following entity:

Name of Consolidated Entity	Country of incorporation	Nature of interest	Percentage of interest
Eros Pharmachem Pte. Ltd.	Singapore	Subsidiary	100%
AANJ Pharmalabs FZE Ltd	Dubai, UAE	Subsidiary	100%

2. Significant Accounting Policies:

a. Basis of Accounting:-

The Financial Statements of the Company are prepared under historical cost convention and on accrual basis and in accordance with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. Accounting policies, not specifically referred to hereunder is otherwise consistent with generally accepted accounting polices ["GAAP"].

b. Fixed Assets:-

Fixed Assets are stated at cost of acquisition inclusive of non refundable duties and taxes, freight and incidental expenses, if any. Advances paid towards acquisition/construction of fixed assets outstanding at each balance sheet date and cost of fixed assets not ready for their intended use before such date are disclosed under capital work in progress.

c. Depreciation:-

Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in schedule XIV of the Companies Act, 1956. Depreciation on additions made to fixed assets during the year is provided on pro-rata basis.

d. Valuation of Inventories:-

- i. Raw Materials are valued at cost or net, realisable value whichever is lower. Cost is determined by using the First in First out (FIFO) method.

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd...)

- ii. Semi Finished Goods (Work in progress) are valued at cost.
 - iii. *Finished Goods:*
 Manufactured goods are valued at cost or net realisable value whichever is lower. Cost is determined by using the First In First out (FIFO) method. Cost includes cost of raw materials used and all the related overhead expenses.
 Traded Goods are valued at cost or net realisable value whichever is lower. Cost is determined by using the First in First out (FIFO) method.
 - e. **Revenue Recognition:-**
 The Company follows the mercantile system of accounting and hence Revenue is recognised by the Company on accrual basis.
 - f. **Pre-Operative Expenditure :-**
 Pre-Operative expenses of the Company have been fully written off in the year of commencement of commercial operations. The Company was incorporated on 3rd January, 2006 and commenced Commercial operations on 25th September, 2007.
 - g. **Accounting for Foreign Exchange Transaction:-**
 In accordance with Companies (Accounting Standards) Rules, 2006 the transaction in foreign exchange are accounted for at the exchange rates prevailing at the date of the transaction. In respect of the Assets and Liabilities remaining unsettled at the Balance sheet date are translated at the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date are recognised as income or expense in the period in which they arise
 Where the Company uses derivative financial instruments such as forward contracts to hedge its risk associated against foreign currency fluctuations, the Gain or loss on restatement of such contracts outstanding at the balance sheet date are recognised in the profit and loss account for the year in which it occurs. The premium or discount arising at the inception of forward contracts is amortised through the profit and loss account over the period of the contract.
 - h. **Taxation:-**
 Tax expenses is the aggregate of current tax and deferred tax charged, as the case may be to the Profit and Loss Account for the year in accordance with Companies (Accounting Standards) Rules, 2006 and measured at the tax rate that have been enacted or substantively enacted by the Balance Sheet date.
 - i. *Current Tax:*
 Tax on income for the current period is determined on the basis of assessable income computed in accordance with the provisions of the Income Tax Act, 1961.
 - ii. *Deferred Tax:*
 Deferred income taxes are recognised for the future tax consequences attributable to timing difference between the financial statements and determination of income for their recognition for tax purposes. The effect on deferred tax liabilities of a change in tax rates is recognised in income using the rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realised.
 - i. **Contingent Liability:-**
 Contingent liabilities, if any, are disclosed in the Notes to Accounts. Provisions have been made in the accounts in respect of those contingencies which are likely to materialise into liabilities after the year end till the finalisation of accounts and have a material effect on the position stated in the Balance Sheet.
 - j. **Borrowing Cost:-**
 Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use. All other borrowing costs are expensed in the period in which they are incurred.
3. **Notes on Accounts:**
- 3.1 **Fixed assets / Capital Work- in- progress:-**
 The Company is undertaking capital expenditure program at its Mahad and Pune Plants. An advance payment of ₹340.91 Million towards capital assets have been made in current year. The same is included in capital WIP. The Capital WIP stands at ₹1640.90 Million as on 31st March 2013.

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd..)

3.2 Investments:-

Long Term Investments are stated at cost less provision, if any, for diminution which is other than temporary in nature. Current investments are valued at lower of cost and net realisable value.

3.3 Research & Development:-

The costs are expensed when incurred. Capital expenditure when incurred for acquisition or construction of equipment and facilities for R&D and having alternate future uses will be capitalised under Plants and Machinery. The addition to Assets in current year pertaining to R&D and included in Fixed Assets are Lab Equipments and Pilot Plant of ₹15.77 Million, Civil Works & others of ₹17.73 Million. The Revenue expenditure on R&D is as follows: - R&D Expense ₹3.58 Million; Product development ₹4.22 Million; Salary of R&D personnel ₹3.24 Million.

3.4 Share Capital:-

The paid up share capital of the Company is ₹138.87 Million. The Company has not made any fresh issue during the current financial year. Authorised capital of the Company has been increased from ₹300.00 Million to ₹500.00 Million.

3.5 No commission on profits is paid at any time during the year to any of the directors of the Company.

3.6 Auditor's Remuneration:-

	(₹ in Millions)	
	2012-13	2011-12
Audit Fees - Statutory Audit & Income Tax Audit	0.30	0.30
VAT Audit	0.10	0.10
Cost Audit	0.05	0.05

3.7 Cenvat:-

No Cenvat credit is availed in respect of finished goods manufactured and sold by the Company which are exempt or free of Central Excise. Consequently duty paid on these inputs is expensed during the year. Where finished goods manufactured and sold by the Company are excisable, Cenvat credit is availed on inputs used in the manufacture of such excisable goods.

3.8 Exceptional Items

During the audit conducted by the internal auditors, it was discovered with the concurrence with Quality Assurance Team that there were errors in calculation of Inventory pertaining to FY 2011-12. This error has been rectified in the current year by revaluing Opening Stock & Opening balance of Profit & Loss of Current Year as per the recommendations of the Audit Committee and Management of the Company. Details of reduction in Opening Stock are as follows: (₹ in Millions)

Raw Materials	400.60
Work in Progress	76.20
Total	476.80

The resultant excess provision for taxation for earlier FY 2011-12 amounting to ₹110.60 Million has been reversed accordingly in the opening balance of Profit & Loss account of current year.

Further by the recommendation of Audit committee the Management has decided to write off ₹448.60 Million as bad debts during the current financial year despite strenuous efforts made by Company to recover the same. As a result the outstanding receivables had to be characterised as bad debts written off and classified under Exceptional Items due to its non-recurring nature in the Statement of Profit & Loss thereby reducing the profitability for the current Financial Year. The Company is initiating legal action to recover the dues.

3.9 C.I.F. Value of Imports:-

	(₹ in Millions)	
	2012-13	2011-12
Raw Material	29.95	67.69
Capital Goods	2.61	NIL

Notes Forming Part of the Accounts

Note - Z | SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd...)

3.10 Expenditure in Foreign Currency:-

	(₹ in Millions)	
	2012-13	2011-12
Travel	0.38	0.96
Exhibition	-	2.60
Product Development	1.79	1.00
Research and Development	-	0.31
Licence/Registration Fees	0.33	-
Lodging & Boarding	0.08	0.66
FCCB Expenses	1.17	-
Professional Charges	1.38	-

3.11 Earnings in Foreign exchange:-

	(₹ in Millions)	
	2012-13	2011-12
FOB Value of goods exported	895.06	402.01

3.12 FCCB-Foreign Currency Convertible Bonds:-

The Company had issued Foreign Currency Convertible Bond (FCCB) aggregating to US \$ 40 Million on 21st March, 2013. However, the said amount net of expenses is lying in an account with overseas bank pending utilisation as per the object mentioned in Offering Circular.

Consequently, the funds have not been infused into the Company on the date of this Report and cannot be utilised by the Company. The Principal value of the FCCB bonds is included in Unsecured Loan under non current liabilities whilst the amount lying in an account with overseas bank is shown in Cash & bank balances under current assets in the Balance sheet as on 31.03.2013.

3.13 Micro Small & Medium Enterprises Development Act 2006. {MSMED Act 2006}:-

The Company is outside the purview of MSMED Act 2006 as the investment in Plant & Machinery is greater than 100 Millions as at the end of the year.

3.14 The previous year figures have been recast / regrouped whenever necessary in order to confirm to current year's presentation.

3.15 Earnings per Share:-

	2012-13	2011-12
Profit Attributable to Equity Shareholders (₹ in Millions)	4.27	410.29
Weighted No. of Equity Shares	1,38,87,151	1,19,21,590
Nominal Value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	0.31	29.54

3.16 Remuneration to Directors:-

	(₹ in Millions)	
	2012-13	2011-12
Salary including P.F. Contribution	14.18	11.44
Sitting Fees	0.25	0.25

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the Members of Dr. Datsons Labs Limited (Formerly Known as Aanjaneya Lifecare Limited) will be held on Monday, September 30, 2013 at 3.00 P.M. at its Registered Office at K-4/1 Additional MIDC, Mahad: 403209, Dist. Raigad, Maharashtra to consider and approve the following business:

ORDINARY BUSINESS:

1. To receive, consider, adopt and approve the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year ended as on that date along with Reports of the Directors' and Auditor's thereon.
2. To consider declaration of dividend on equity shares.
3. To appoint a Director in place of Mr. Balkrishna Parab, who retires by rotation, and being eligible, offers him self for re-appointment.
4. To appoint a Director in place of Dr. Ullooppee Sharad Badade, who retires by rotation, and being eligible, offers her self for re-appointment.
5. To appoint M/s. Agarwal Desai & Shah, Chartered Accountants, Mumbai as Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto, statutory modifications or re-enactment thereof) ("Act") and the applicable provisions of the Foreign Exchange Management Act, 1999 ("FEMA") including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and in accordance with all other applicable laws, rules, regulations, guidelines, policies, notifications, circulars and clarifications issued/ to be issued thereon from time to time by the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), Secretariat for Industrial Assistance ("SIA"), Foreign Investment Promotion Board ("FIPB"), Ministry of Finance (Department of Economic Affairs)

and/or any other ministry/department of the Government of India ("GOI") and/ or any other regulatory and statutory authorities (hereinafter singly or collectively referred to as the "Appropriate Authorities") and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges where the shares of the Company are listed and subject to required approvals, consents, permissions and/ or sanctions of the Appropriate Authorities and subject to such conditions and modifications, as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board") (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this Resolution), the consent of the members of the Company be and is hereby accorded to offer, issue and allot (including any provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons/bodies corporate as may be permitted), in the course of one or more offering(s) with or without green shoe option, whether by way of a qualified institutional placement or not, to eligible investors (whether or not such investors are the members of the Company, or whether or not such investors are Indian or foreign nationals, including Qualified Institutional Buyers such as public financial institutions, scheduled commercial banks, mutual funds, foreign institutional investors, multilateral and bilateral development financial institutions, venture capital funds, foreign venture capital investors, state industrial development corporations, insurance companies, pension funds and provident funds), whether by way of a public offering or by way of a private placement of securities (including equity shares, or any convertible instruments such as warrants, convertible debentures, Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs), Secured Premium Notes (SPNs) and/or other financial instruments (OFIs) convertible into Equity Shares to raise an aggregate sum not exceeding USD 100 million (inclusive of such premium as may be determined by the Board) or its equivalent in any other currency (hereinafter referred to as "Securities") whether denominated in any foreign currency or Indian rupees, in the course of international and/ or domestic offering(s) in one or more foreign markets/ domestic market,

secured or unsecured or any combination thereof, in registered or bearer form, as the case may be, and such issue and allotment may be made in one or more tranches, on such terms and conditions and at such time that the Board may in its absolute discretion deem fit and appropriate at the time of such issue or allotment of Securities and where necessary, in consultation with lead manager/s and/ or other advisors or otherwise, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors, wherever necessary ("Issue").

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds and things as it may, in its absolute discretion deem necessary or desirable including, but not limited to, finalisation and approval of the preliminary and final offer documents, determining the form, manner and terms of the Issue in accordance with applicable regulations and prevalent market practices, class of Investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium payable on issue/conversion of Securities/ exercise of warrants/ redemption of Securities, rate of interest, redemption period, number of equity shares to be issued upon conversion/ redemption/ cancellation of the Securities, listings on one or more stock exchanges in India/ or abroad and any other terms and conditions of the issue including any alterations or modifications to the terms of the Securities and any agreement or document (including any alteration or modification, after issue of Securities) and to settle any questions, difficulties or doubts that may arise in regard to the issue, offer and allotment of the Securities and utilisation of the Issue proceeds, accept any modifications in the proposal as may be required by the Appropriate Authorities as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters and things expressly by the authority of this resolution."

RESOLVED FURTHER THAT pursuant to the applicable provisions of the Foreign Exchange Management Act

("FEMA"), 1999, the Companies Act, 1956, all other applicable laws, rules, regulations, guidelines, such approvals, consents and permissions of the Government of India, RBI and any other appropriate authorities, institutions or bodies as may be necessary and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board, consent of the Company be and is hereby accorded for investment in the equity shares of the Company by Foreign Institutional Investors ("FIIs") including their sub-accounts registered with the Securities and Exchange Board of India ("SEBI") up to the sectoral cap as applicable or upto such other limit as may be permitted by law and approved by the Board of Directors of the Company.

"RESOLVED FURTHER THAT the Board is also entitled to enter into and execute all such arrangements/ agreements with the Lead Managers/ Underwriters/ Guarantors/ Depository (ies)/ Custodians/ Advisors/ Registrars and all such agencies as may be involved including by way of payment of commission, brokerage, fees, expenses incurred in cash or otherwise in relation to the issue of securities and other expenses, if any, or the like."

RESOLVED FURTHER THAT in relation to the Issue, the Board be and is hereby authorised to issue and allot such number of Securities as may be required to be issued and allotted, including redemption or cancellation of any such securities in accordance with the terms of the Issue in respect of the Securities or any subsequent amendment to the terms of the Issue as the Board may decide subsequent to the Issue and to exercise all powers relating to the Issue and all such equity shares shall rank pari passu with the then existing Equity Shares in all respects including dividend except as provided otherwise under the terms of Issue and in the offer document / offer letter / offering circular and / or listing particulars.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms to provide for the tradability on stock exchanges whether in India/ abroad and free transferability thereof as per the prevailing practices and regulations in the capital markets and the Board be and is hereby authorised to do all such acts, deeds, matters and things and to enter into and execute all such arrangements/ agreements as the case may be with any lead manager,

manager, underwriters, advisors, guarantors, depositories, custodians, trustees and all such agencies as may be involved or concerned in such offerings of securities and to remunerate all such agencies including the payment of commission, brokerage, fees or payment of their remuneration for their services or the like.

“RESOLVED FURTHER THAT such of these securities as are not subscribed, may be disposed of by the Board in its absolute discretion in such manner as the Board may deem fit.”

“RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilisation of proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred in such manner as they deem fit.”

“RESOLVED FURTHER THAT Mr. Kannan Vishwanath, Vice Chairman & Managing Director and/or the Company Secretary be and is hereby authorised to execute, sign, amend and deliver such documents as may be deemed necessary and approve any circulars, prospectuses/admission documents, supplementary prospectuses, advertisements, press announcements and verification notes, all in an approved form, written resolutions, letters required to be delivered to the relevant Stock Exchanges or other documents to be issued by or on behalf of, or requiring approval of, the Principal in connection with or incidental to the Offering, the Publication or the Admission and all deeds, documents and other instruments whatsoever which are necessary, desirable or expedient in connection with the Offering, the Publication or the Admission and to do all other acts and things whatsoever which may be necessary, desirable or expedient to be done by the Principal in connection with the Offering, the Publication or the Admission.”

7. To consider and if thought fit, to pass, with or without modification(s), if any, as a Special Resolution.

“RESOLVED THAT pursuant to Section 81 (1A) and all other

applicable provisions, if any, of the Companies Act, 1956 (“the Act”) (as amended or re-enacted from time to time), in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”) as may be applicable on Preferential Issue as amended and other applicable regulations/ guidelines of SEBI, if any and in accordance with the provisions of the Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with Stock Exchanges where the Company’s shares are listed and subject to the permission(s), sanction(s) and approval(s) of the Securities and Exchange Board of India (“SEBI”), Reserve Bank of India (“RBI”), National Stock Exchange of India Limited (“NSE”), BSE Limited (“BSE”), Government of India and such other authorities as may be required by the law and as may be necessary and subject to such conditions, modifications and alterations as may be prescribed by any one of them while granting such permission(s), sanction(s) and approval(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) at its sole discretion, consent of the members be and is hereby accorded to the Board:

- to offer, issue and allot 25,00,00,000 (Twenty Five Lacs) Optionally Convertible Warrants (“Warrants”) into equity shares of the Company to the following promoter on preferential basis convertible into 1 (One) equity share of the Company of nominal value of ₹ 10/- (Rupees Ten Only) each fully paid up at a price of ₹ 92/- (Rupees Ninety Two Only) per share, including a premium of ₹ 82/- (Rupees Eighty Two Only) per share determined in accordance with ICDR Regulations, as mentioned below:

Sr. No.	Name of Allottee	Against Unsecured loan (Amount in ₹)	Number of warrants proposed to be allotted
1	Dr. Kannan Vishwanath (Promoter)	23,00,00,000	25,00,000
Total		23,00,00,000	25,00,000

RESOLVED FURTHER THAT exercise of offer for conversion of warrants shall be at the sole option of the warrant holder thereof, at any time within 18 months from the date of allotment of warrants in accordance with ICDR Regulations.

RESOLVED FURTHER THAT the Board of Directors shall finalise and determine the rights and entitlements attached to the Warrants and the terms and conditions subject to which the same shall be issued, allotted and converted into Equity Shares, in accordance with the applicable ICDR Regulations and other laws and amendments thereto.

RESOLVED FURTHER THAT the "Relevant Date" in relation to the issue of warrants in accordance with ICDR Regulations would be 31st August, 2013 being 30 days prior to the date of the passing of this resolution.

RESOLVED FURTHER THAT the allotment of the convertible warrants shall be completed within a period of fifteen (15) days from the date of passing of this special resolution by the shareholders provided, that where the allotment of warrants is pending on account of pendency of any approvals for such allotment by any regulatory authority or the Central Government or RBI, the allotment shall be completed within a period of fifteen (15) days from the date of such approvals.

RESOLVED FURTHER THAT the Equity shares so issued on conversion of warrants shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari passu with the existing equity shares of the Company and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any declared including other corporate benefits, if any, for the financial year in which the allotment has been made and subsequent years.

RESOLVED FURTHER THAT the warrants allotted on preferential basis and the shares allotted pursuant to exercise of option attached to warrants issued on preferential basis shall not be sold or transferred by the holder thereof in any manner during the period of lock-in as provided under the ICDR Regulations except to the extent and in the manner

permitted there under.

RESOLVED FURTHER THAT allotment of new Equity shares on conversion of the Warrants shall be made at such time or times as the Board of Directors may in their absolute discretion decide, subject to the ICDR Regulations and other applicable laws, and the terms agreed between the Board of Directors and the proposed allottee of the Warrants.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director or Directors or to any Committee of Directors and/or authorised personnel of the Company to give effect to the aforesaid resolution and matters connected thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do all deeds, acts and things and take action on matters, give such directions or instructions in connection therewith and incidental thereto without being required to seek any further consent and approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Company do apply for listing of the new equity shares as may be issued on the conversion of warrants with Stock Exchanges and make an application to the National Securities Depository Limited and Central Depository Services Limited for admission of the new equity shares to be issued on conversion of warrants on preferential basis.

For and on behalf of the Board of Directors

Place: Mumbai

Kannan Vishwanath

Yogesh Patel

Date: 30/08/2013

Managing Director

Company Secretary

NOTES:

- i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.

- ii. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 24th September 2013 to Monday, 30th September 2013 (both days inclusive.)
- iii. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
- iv. All documents referred to in the Notice are open for inspection

at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.

- v. For convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.
- vi. IF THE MEMBERS HAVE ANY QUERIES ON THE AUDITED ACCOUNTS, DIRECTORS' REPORT & AUDITOR'S REPORT, THE SAME SHOULD BE FORWARDED TO THE COMPANY IN WRITING AT ITS REGISTERED OFFICE AT LEAST 10 DAYS BEFORE THE MEETING SO THAT THE SAME CAN BE REPLIED AT THE TIME OF ANNUAL GENERAL MEETING TO THE MEMBERS' SATISFACTION.
- vii. 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.
- viii. Members are requested to bring their copies of the reports to Annual General Meeting.
- ix. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed herewith.
- x. Members holding shares in physical form in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with share certificates to the Company.
- xi. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for

payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.

- xii. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/Registrars and Transfer Agents, M/s. Link Intime India Private Limited .
- xiii. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to:

Link Intime India Private Limited

Registrar & Share Transfer Agent

Unit: Dr. Datsons Labs Limited

(Formerly Known as Aanjaneya Lifecare Limited)

C-13, Pannanlal Silk Mills Compound,

L.B.S. Marg, Bhandup (W), Mumbai-400078

Tel: 022- 25963838 ; Fax: 022-25946969

Important Communication to Members:

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No.6:

The Company has significant growth plans for expanding its presence in the pharmaceuticals sector not only in India but also in the semi-regulated markets. With a view to garner long term resources for meeting the fund requirements of

the Company for capital expenditure relating to expansion of existing manufacturing and research facilities in India and/ or setting up of new facilities in India and/or abroad, overseas direct investment in joint ventures / wholly owned subsidiaries, subject to the existing guidelines on Indian direct investment

in joint ventures / wholly owned subsidiaries abroad, general corporate expenditure, investments as the Company may deem appropriate and for other purposes as permitted under the prevailing guidelines in this regard, the Company is proposing to raise funds by issue of Securities whether denominated in any foreign currency or Indian Rupees, in the course of international and/ or domestic offering(s) in one or more foreign markets/ domestic market, secured or unsecured or any combination thereof, in registered or bearer form, as the case may be, and such issue and allotment may be made in one or more tranches, on such terms and conditions and at such time that the Board may, in its absolute discretion, deem fit and appropriate at the time of such issue or allotment of Securities.

The Company for the purpose of this issue/offering may have to seek approval from relevant regulatory authorities being; the SEBI, the RBI, FIPB, Ministry of Finance (Department of Economic Affairs) and/ or any other ministry/ department of the GOI.

The conversion of Securities held by the foreign investors into equity shares of the Company shall be subject to applicable sectoral foreign investment cap, if any.

Securities, as per the applicable laws, may be listed on stock exchanges outside India and/ or stock exchanges in India where equity shares of the Company are listed. The equity shares issued and allotted upon exercise of the option of conversion of the Securities shall be listed on NSE and BSE where the Company's equity shares are listed.

The said resolution is also an enabling resolution conferring authority on the Board to do all acts and deeds, which may be required to issue/offer Securities of appropriate nature at such appropriate time, including the size, structure, price and timing of the issue(s)/offer(s) at the appropriate time(s). The detailed terms and conditions of the domestic/international offering will be determined in consultation with the lead managers, merchant bankers, global business coordinators, book runners, guarantors, consultants, advisors, underwriters and/or such other intermediaries as may be appointed for the Issue/offer.

Since issue of Securities representing underlying equity shares involves issue of equity shares to persons other than existing members, consent of the members is being sought pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 and the Listing Agreements executed by the Company with the stock exchanges where the Company's equity shares are listed.

None of the Directors of the Company is concerned or interested in the resolution.

The Board of Directors of the Company accordingly recommends the resolution for approval of members.

Item No.: 7:

The resolution is recommended to the shareholders of the Company for their approval pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and in accordance with Chapter VII of ICDR Regulations relating to preferential issue as amended up to date. The Company plans to make Preferential Issue of 25,00,000 (Twenty Five Lacs) Optionally Convertible Warrants of the Company, convertible at the sole option of the warrant holders thereof at any time, in one or more tranches, within a period of 18 months from the date of allotment thereof, into resultant fully paid-up Equity Shares of the Company of nominal value of ₹10/- at a price of ₹92/- (Rupees Ninety Two Only) per share, including a premium of ₹82/- (Rupees Eighty Two Only) per share in accordance with the ICDR Regulations.

The proposed allottee has given unsecured loans amounting to ₹23,00,00,000 (Rupees Twenty Three Crores Only) to the Company as detailed below, to enable the Company to complete various projects. As on the date, the Company owes ₹23,00,00,000 (Rupees Twenty Three Crores Only) to the said proposed allottee in respect of the unsecured loan extended by them to the Company.

Sr. No.	Name	Category	Unsecured Loan
1	Dr. Kannan Vishwanath	(Promoter)	23,00,00,000

To part finance the capital expenditures of the Company, to strengthen the financial position of the Company and to improve the working capital and Net Worth of the Company, it is proposed to issue upto 25,00,000 Warrants to the proposed allottee, with an option to convert into Equity Shares, in one or more tranches, in one or more financial year. The amount of consideration payable towards subscription of warrants shall be appropriated partly out of the amount already brought-in by the proposed allottee by way of unsecured loan as shown above and the balance amount shall be brought in by the proposed allottee in cash. The proposed allottee has agreed to subscribe for the same. And balance amount if any may be brought in by the promoters in cash.

Disclosure under Regulation 73(1) of SEBI (ICDR) Regulations, 2009 regarding proposed issue on preferential basis:

1	Objects of the Issue	The proposed preferential issue is being made to 1. improve the 'Net worth', of the Company, 2. improve the Debt-Equity ratio of the Company, 3. comfort the lending institutions, 4. increasing promoters holding and 5. finance the ongoing expansion plans as well as the working capital of the Company.
2	The proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer	Dr. Kannan Vishwanath belonging to Promoter group is proposing to subscribe to the entire proposed issue of 25,00,000 warrants. Other Directors/Key management personnel are not proposing to subscribe in the proposed issue of Optionally Fully Convertible Warrants on preferential basis.
3	Proposed time within which the allotment shall be completed	The allotment of warrants shall be completed within 15 days from the date of the passing of the Special Resolution by the shareholders provided that where the allotment is pending on account of the pendency of any approval from any regulatory authority or the central government, the allotment shall be completed by the Company within a period of 15 days from the date of such approval. If the allotment of the instrument and dispatch of the warrant certificate is not completed within a period of 15 days from the date if these resolution, a fresh consent of the shareholders shall be obtained. As per ICDR Regulations, the warrant holder has the option to exercise to convert warrant into equity shares within a period of 18 months from the date of allotment of the warrants.
4	Relevant date and pricing of the issue	The relevant date for the purpose shall be the date which is thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue. Relevant date in accordance with the ICDR Regulations for the proposed issue of Warrants on preferential basis is 31st August, 2013. The issue price of the warrants convertible into the Equity Shares shall be ₹92 (Rupees Ninety Two) each. The price of the Equity Shares of ₹10 each together with premium of ₹82 has been fixed for ₹92 per share to be issued on conversion of warrants based on the relevant date August 31, 2013 calculated in the manner specified for pricing of shares to be allotted in lieu of warrants as per ICDR Regulations.
5	Lock-in period	The Equity Shares, allotted on exercise of the right of conversion by the holder of the Warrants, shall be locked-in as per the ICDR Regulations for Preferential Issues.
6	Consequential changes, if any, in the Board of Directors	The proposed preferential allotment of Warrants shall not result into any changes in the Board of Directors.
7	Auditors' Certificate	A copy of the certificate received from M/s. Agarwal, Desai & Shah, Chartered Accountants, Chartered Accountants, the Statutory Auditors of the Company confirming that the proposed preferential issue of warrants convertible into equity shares are in accordance with ICDR Regulations shall be available for inspection during business hours on all working days at the Registered Office of the Company till the date of the ensuing Annual General Meeting ("AGM") and the same will also be placed at the AGM.

8. The identity of the proposed allottees, the percentage of the post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential allotment

Details of Allottees

Sr. No.	Name of the Allottee/ Category	Number of Shares held prior to preferential allotment	% Share Capital prior to Preferential allotment	Number of Shares proposed to be allotted on conversion of Warrants	Total number of shares held after preferential allotment	% Share Capital after Preferential allotment
		(I)	(II)	(III)	(I+III)	
1	Dr. Kannan Vishwanath (Promoter)	22,72,641	16.37%	25,00,000	47,72,641	29.12%
	Total	22,72,641	16.37%	25,00,000	47,72,641	29.12%

Consequential changes in the shareholding pattern/voting rights on conversion of warrants (considering full exercise of entitlement by all the warrant holders):

The proposed preferential allotment shall not result in change in Management control.

Voting rights shall change in accordance with the shareholding pattern as mentioned herein.

9. The Shareholding pattern of the issuer before and after the preferential issue

Sr. No.	Category	Pre-issue equity shareholding		Post-issue equity shareholding	
		Number	%	Number	%
A	Promoters and Promoter Group				
	(a) Allottee under preferential issue	22,72,641	16.37	47,72,641	29.13
	(b) Other promoters	12,47,365	8.98	12,47,365	7.61
	Total (A)	35,20,006	25.35	60,20,006	36.74
B	Mutual Funds/Foreign Institutional Investors	2,16,170	1.55	2,16,170	1.32
	Total (B)	2,16,170	1.55	2,16,170	1.32
C.	Public	1,01,50,975	73.10	1,01,50,975	61.94
	Total (C)	1,01,50,975	73.10	1,01,50,975	61.94
	Grand Total (A+B+C)	1,38,87,151	100.00	1,63,87,151	100.00

Note: 1. It is assumed that all the 25,00,000 convertible warrants will be fully converted into Equity Shares.

10. The Company hereby undertakes that:

- it shall re-compute the price of Convertible warrants in terms of the provisions of ICDR Regulations, if required to do so;
- if amount payable on account of re-computation of price is not paid within the time stipulated in the ICDR Regulations, the Equity Shares issued upon conversion of warrants, shall continue to be further locked in till the time the amount is paid by the allottees.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 81 and all other applicable provisions of the Companies Act, 1956 and SEBI Regulations and the provisions of the Listing Agreement with the Stock Exchanges for authorising the Board to offer, issue and allot convertible warrants as stated in the resolution, which would result in a further issuance of securities of the Company to the promoter on a preferential allotment basis, in such form, manner and

upon such terms and conditions as the Board may in its absolute discretion deem fit.

The Board recommends the above resolution for your approval.

Mr. Kannan Vishwanath shall be deemed to be concerned/ interested in the resolution to the extent of the Warrants offered, applied for and allotted to him and the equity shares as may be allotted on conversion of such warrants.

Other than the said Director, none of the Directors of the Company shall be deemed to be concerned or interested in the said resolution.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 30/08/2013

Kannan Vishwanath
Managing Director

Yogesh Patel
Company Secretary

Details of Directors seeking appointment / re-appointment at the Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Names of Directors	Age	Nature of expertise	Qualifications	Other Directorships	Membership in the committees of other Public Companies	Share Holding
Mr. Balkrishna Parab	42	16 years experience in the field of creative arts. He is presently a creative content designer and owns a private studio.	Bachelor's degree in Commerce from the University of Mumbai	2	3	NIL
Dr. Ulloopee Badade	44	General administrative activities, personnel managements, inventory management and Gen Medicine	M.B.B.S. and M.B.A. in Hospital Administration	1	3	NIL



Dr. Datsons Labs Limited

Regd. Office: K-4/1 Additional MIDC, Mahad, Raigad Dist,- 403209. Maharashtra, India.

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

Dear Shareholder,

Sub: Green Initiative In corporate Governance

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. Your Company supports this environment friendly initiative of the Government of India and proposes to send Notices for General Meetings/Annual Reports/intimations of credit of dividend through N-ECS (if opted)/other shareholder communication through electronic mode to the registered e-mail addresses of shareholders.

Please note that as a shareholder of the Company, you will be entitled to receive physical copies of all notices and documents free of cost upon specific request made to the Company. All such notices and documents including the Annual Report, Notice for General Meetings and other shareholder communication will also be made available on the Company's website www.drdatsons.com

Shareholders who wish to receive the Annual Report and other documents in the electronic mode, are requested to fill the form below and send the same to our Registrar and Transfer Agents viz. M/s. Link Intime India Private Limited and also register their e-mail ID with their Depository Participants (DP) if the shares are held in Demat mode.

Yours Truly,



For: Dr. Datsons Labs Limited
M/s. Link Intime India Private Limited
UNIT: Dr. Datsons Labs Limited
C 13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai - 400078, India.

Yogesh Patel
Company Secretary



Dr. Datsons Labs Limited

Regd. Office: K-4/1 Additional MIDC, Mahad, Raigad Dist,- 403209. Maharashtra, India.

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to Circular No. 17/2011 dated 21.04.2011 and No. 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)

For: Dr. Datsons Labs Limited
M/s. Link Intime India Private Limited
UNIT: Dr. Datsons Labs Limited
C 13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai - 400078, India.

Dear Sir,

With reference to your Circular dated May 14, 2013, I/We shareholder(s) of Dr. Datsons Labs Limited, agree to receive all notices and documents including the Annual Report, Notice for General Meetings, intimations of credit of dividend through N-ECS (if opted) and other shareholder communication in electronic mode.

I/We request you to kindly register my/our e-mail ID in the Company's records for sending such communication through e-mail.

Folio No./DP ID & Client ID No. :

Name of the sole/First Shareholder :

Name of the Joint Shareholder :

No of Shares :

E-mail ID for receipt of documents in electronic mode :

Date:

Signature:

Place:

(sole/first Shareholder)

Notes:

1. Shareholders are requested to inform the Company as and when there is change in their registered e-mail ID.
2. For shares held in demat mode, shareholders are requested to inform M/s. Link Intime India Private Limited and their respective Depository Participants.



Dr. Datsons Labs Limited

Regd. Office: K-4/1 Additional MIDC, Mahad, Raigad Dist,- 403209. Maharashtra, India.

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 7th ANNUAL GENERAL MEETING of the Company at K-4/1 Additional MIDC , Mahad, Raigad Dist,- 403209. Maharashtra, India on Monday, September 30, 2013 at 3.00 P.M or any adjournment thereof.

Full name of the Shareholder (In block Capital)

Signature

Folio No.:..... / DP ID No*: & Client ID No.*

*Applicable of members holding shares in electronic form.

Full name of Proxy (In block Capitals)

Signature

Note:

Shareholders/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting



Dr. Datsons Labs Limited

Regd. Office: K-4/1 Additional MIDC, Mahad, Raigad Dist,- 403209. Maharashtra, India.

PROXY FORM

I/We of

in the city / district of being a Member/Members of the above named Company,

hereby appoint of

in the city/district of or failing him

of in the city/district of

as my/our Proxy to attend and vote for me/us and on my our behalf at the 7th ANNUAL GENERAL MEETING of the Company K-4/1 Additional MIDC, Mahad, Raigad Dist,- 403209. Maharashtra, India on Monday, 30th September, 2013 at 3.00 P.M. and at any adjourned thereof.

Signed this day of 2013

Folio No.:..... / DP ID No*: & Client ID No.*

*Applicable of members holding shares in electronic form.

No. of Shares

This form is to be used @ in favour of the resolution. Unless otherwise instructed, the @ against

Proxy will act as he thinks fit

@ Strike out whichever is not desired

Note:

- (i) The Proxy must be returned so as to reach the Registered Office of the Company at K-4/1 Additional MIDC, Mahad, Raigad Dist,- 403209. Maharashtra, India., not less than FORTY – EIGHT HOURS before the time for holding the aforesaid meeting.
- (ii) Those members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.

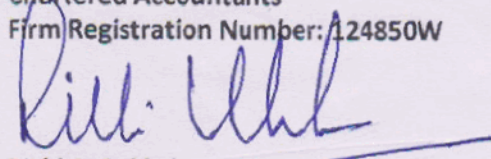




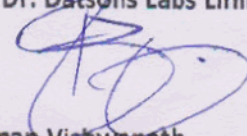
FORM A

1.	Name of the Company	Dr. Datsons Labs Limited (Formerly known as Aanjaneya Lifecare Limited)
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit observation Un-qualified / Matter of Emphasis	Un-qualified
4.	Frequency of observation	Not Applicable

For Agarwal Desai & Shah
Chartered Accountants
Firm Registration Number: 124850W


Rishi A. Sekhri
Partner
Membership no. 126656

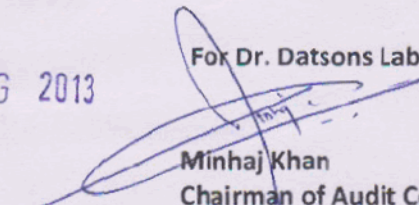
For: Dr. Datsons Labs Limited


Kannan Vishwanath
Vice Chairman & Managing Director

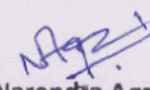
Place: Mumbai
Date: 30 AUG 2013



For Dr. Datsons Labs Limited


Minhaj Khan
Chairman of Audit Committee

For Dr. Datsons Labs Limited


Narendra Agarwal
Chief Financial officer