

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Report on Corporate Governance

Ajanta Pharma believes that for sustained growth and for enhancing shareholder value, sound Corporate Governance is a must. We ensure fairness for every stakeholder – our customers, investors, vendors and communities where we operate, through transparency and accountability, the two basic tenets of Corporate Governance. We strive to ensure that our performance is driven by integrity, values and ethics. Company has guiding principles laid out through its Code of business conduct, duly adopted and adhered to by directors and senior management personnel which has been posted on website of company.

Company is in compliance with all mandatory requirements of corporate governance laid down under the new Listing Regulations and has also been complying with most non-mandatory requirements.

II. Board of Directors:

A. Composition and category of Directors

- a. The Board consist of 10 directors with 3 Executive Promoter Directors, 2 Non-Executive Promoter Directors and 5 Independent Directors, including 1 Woman Director. During the year, Mr. Purushottam B. Agrawal had relinquished his position of Vice-Chairman w.e.f. 14th December 2017. He continues to be Non-Executive Director on the Board of the Company.

Your directors have rich and diverse experience in fields of business management, medicine, banking & finance, forex management, project management, risk management, international operations, marketing, HR, Corporate Governance and bring in extensive knowledge

and expertise to the Board. Each Director brings to the Board, domain knowledge on different aspects/functions in accordance with the Company's policy on Board diversity. The Board provides strategic guidance to the Company management and ensures effective monitoring of the management and corporate governance practices.

B. Board Meetings and attendance

Board meeting dates are finalized well in advance in consultation with all directors. Agenda papers with detailed notes and background information are circulated at least 7 days prior to the meeting, thereby enabling the Board to effectively and reasonably perform their duties and take informed decisions. Arrangements are made for participation of Board members in the Board Meeting through video conferencing as and when requested. Detailed presentation is made by the management in each meeting to apprise the Board of important developments in industry, business segments, operations, marketing, products, HR, subsidiaries etc.

During the year, four Board Meetings were held on 3rd May 2017; 9th August 2017; 31st October 2017 and 25th January 2018.

Details of composition of Directors as on 31st March 2018, excluding their directorship / committee membership in private limited companies, companies under section 8 of Companies Act, 2013 & foreign companies, and their attendance in Board / Annual General meeting are given below. Committee membership of only audit committee and stakeholder relationship committee is reckoned.

Name of the Director	Category	Attendance		Other Directorships	Committee Membership	
		Board	AGM		Member	Chairman
Mr. Mannalal B. Agrawal	Promoter, Non-Executive	4	Yes	-	1	0
Mr. Purushottam B. Agrawal	Promoter, Non-Executive	2	No	1	0	0
Mr. Madhusudan B. Agrawal	Promoter, Executive	4	Yes	3	0	0
Mr. Yogesh M. Agrawal	Promoter, Executive	4	Yes	1	0	0
Mr. Rajesh M. Agrawal	Promoter, Executive	4	Yes	-	1	0
Mr. Chandrakant M. Khetan	Independent Director	4	Yes	4	0	1
Dr. Anil Kumar	Independent Director	4	Yes	-	0	1
Mr. K. H. Viswanathan	Independent Director	4	Yes	-	1	0
Mr. Prabhakar Dalal	Independent Director	4	Yes	3	1	2
Dr. Anjana Grewal	Independent Director	4	Yes	2	3	0

Notes:

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

- (b) Mr. Prabhakar Dalal holds 100 shares in the Company
(c) Mr. Chandrakant Khetan and Mr. Prabhakar Dalal are Independent directors in listed entities viz., The Swastik Safe Deposit And Investments Ltd. and Zicom Electronic Security Systems Ltd., respectively.

C. Re-appointment of Directors retiring by rotation:

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

D. Independent Director's Familiarisation programme

The details of the familiarisation programme imparted to Independent Directors have been put on the website of the Company. The link can be accessed at: <http://www.ajantapharma.com/AdminData/DirectorFamiliarizationProgram/Directorsfamiliarisationprogramme2018.pdf>

E. Performance Evaluation of Board, Committees and Directors

With a view to bring an external perspective in the evaluation of Board, Committee and Directors, based on the recommendations of the Nomination and Remuneration Committee, "Institute of Directors" (IOD) an independent agency having requisite expertise, was engaged to assist the Board and Directors in doing evaluation.

IOD had based on various parameters laid down in the Company's Policy on evaluation of Directors as well as their own expertise and assessment of company's corporate governance framework, prepared and distributed evaluation sheets to the Board, committees (by committee members and by non-committee members) and individual directors. Based on the same, the Board carried out annual performance evaluation of itself, Committees and Independent Directors for the year 2017. Nomination and Remuneration Committee evaluated individual directors' performance during the year and at a separate meeting, Independent Directors evaluated performance of Executive Directors, Board as a whole and Chairman. The performance was evaluated by the Directors on various parameters on laid down criterias like:

- (i) **Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.
- (ii) **Executive Directors:** Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.
- (iii) **Independent Directors:** Participation, managing relationship, ethics and integrity, Objectivity, bringing independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.
- (iv) **Chairman:** Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.
- (v) **Committees:** Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Performance evaluation was done on the scale of 1 to 5, 1 being very poor and 5 being outstanding. The outcome of performance evaluation is given below:

Categories	Rating (out of 5)
Board as a whole	4.60
Individual Directors	
Mr. Mannalal B. Agrawal	4.95
Mr. Madhusudan B. Agrawal	4.94
Mr. Purushottam B. Agrawal	4.90
Mr. Yogesh M. Agrawal	4.98
Mr. Rajesh M. Agrawal	4.98
Mr. C. M. Khetan	4.84
Dr. Anil Kumar	4.76
Mr. K. H. Vishwanathan	4.79
Mr. Prabhakar Dalal	4.86
Dr. Anjana Grewal	4.76

Categories	Rating (out of 5)
Audit Committee	5.00
Stakeholder Relationship Committee	4.93
Nomination & Remuneration Committee	4.92
Corporate Social Responsibility Committee	4.97

F. Independent Directors' Meeting

During the year under review, 1 meeting of independent Directors was held on 25th January 2018 and Independent Directors reviewed all the matters as per Schedule IV of the Companies Act, 2013 (the Act).

All the Independent Directors were present at the meeting.

G. Lead Independent Director

The Board at its meeting held on 9th August 2017, appointed Mr. Chandrakant Khetan as Lead Independent Director of the Company. The Lead Independent Director's role is as follows:

- (i) To preside over all the meetings of Independent Directors (IDs) and provide candid feedback to the Chairman, MD, CFO, CS post IDs meeting;
- (ii) To work closely with the Chairman and MD to finalize the information flow, meeting agendas and meeting schedules;
- (iii) To liaison between Chairman, MD and IDs;
- (iv) To take the lead role along with Chairman in the board evaluation process;
- (v) To identify the most critical issues for the board to deal with and assist the board in achieving consensus on important issues;
- (vi) To ensure that board conversations do not divert in the direction of certain unwanted topics / individual preferences;
- (vii) To co-ordinate periodic Board input and review of management's strategic plan for the Company.

H. Code of Conduct

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

senior management have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors and a declaration to this effect signed by the Managing Director has been annexed to this report. The code of conduct has been posted on the website of the Company www.ajantapharma.com.

I. Prevention of Insider Trading

The company has devised and adopted Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price sensitive information of the Company. Company Secretary, is the Compliance Officer for the purpose of this code. During the year, there has been due compliance with the code by the Company and all insiders and requisite disclosures were made to the Stock Exchanges from time to time.

III. Audit Committee

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

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

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

The Committee comprises of 4 Directors, out of which 3 are Independent Directors. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statement. In the financial year 2017-18, 4 meetings were held on 3rd May 2017; 9th August 2017; 31st October 2017 and 25th January 2018. Composition of committee as on 31st March 2018 and member's attendance at the meetings during the year are as under:

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

The Company Secretary acts as Secretary of the Committee.

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

IV. Nomination & Remuneration Committee

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

- Formulation of criteria for determining qualifications, positive attributes and independence of a director.
- Formulate and recommend to the board policy relating to, remuneration of directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
- Evaluate performance of individual directors;
- Devise policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal;
- Recommend to the Board all remuneration, in whatever form, payable to senior management

The Committee comprises of 4 Independent Directors. In the financial year 2017-18, 2 meetings of the Committee were held on 3rd May 2017 and 25th January 2018. Composition of committees and member's attendance at the meeting during the year are as under:

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

The Company Secretary acts as Secretary of the Committee.

Performance evaluation criteria for Independent Directors are laid down in the Policy on Board evaluation which include participation, managing relationship, ethics and integrity, Objectivity, bringing independent judgement, time devotion, domain knowledge contribution, etc. and more specifically the following:

- Help in bringing independent judgment on Board's deliberations.
- Arbitration in situations of conflict between management & shareholder's interest.
- Independent judgment on strategy, performance, risk management, etc.
- Objectivity & constructivity while exercising duties.
- Safeguarding particularly interests of minority shareholders.

V. Remuneration of Directors:

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

Remuneration of Executive Directors comprises of fixed components viz. Salary, perquisites and commission on net profits of the Company. Committee recommends to the Board, periodic revision in remuneration of Executive Directors and Board fixes their remuneration taking into consideration above factors as also ceiling limits prescribed under the Act. Independent Directors are paid sitting fees and commission during the year.

Remuneration paid to Executive and Non-executive Directors during the year ended 31st March 2018 was as under:

						(Amt. in ₹)
Remuneration to Directors	Salary	Perquisite	PF	Sitting Fees	Commission	Total
Mr. Purushottam B. Agrawal	1,02,66,664	51,33,336	12,32,000	-	-	1,66,32,000
Mr. Madhusudan B. Agrawal	1,32,82,895	42,38,270	15,93,949	-	-	1,91,15,114
Mr. Yogesh M. Agrawal	1,32,82,895	42,38,270	15,93,949	-	2,50,00,000	4,41,15,114
Mr. Rajesh M. Agrawal	1,32,82,895	42,38,270	15,93,949	-	2,50,00,000	4,41,15,114
Mr. Mannalal B. Agrawal	-	-	-	3,52,000	1,20,00,000	1,23,52,000
Mr. Chandrakant Khetan	-	-	-	4,89,500	2,00,000	6,89,500
Dr. Anil Kumar	-	-	-	4,89,500	2,00,000	6,89,500
Mr. Prabhakar Dalal	-	-	-	3,24,500	2,00,000	5,24,500
Mr. K. H. Viswanathan	-	-	-	3,24,500	2,00,000	5,24,500
Dr. Anjana Grewal	-	-	-	3,24,500	2,00,000	5,24,500

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

VI. Stakeholders' Relationship Committee:

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

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/KMPs, as may be required and identifying actionable points for implementation.
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee comprises of 3 Directors out of which 2 are independent. In the financial year 2017-18, 4 meetings of the Committee were held on 3rd May 2017; 9th August 2017; 31st October 2017 and 25th January 2018. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Meetings attended
Dr. Anil Kumar	Chairman	4
Dr. Anjana Grewal	Member	4
Mr. Rajesh M. Agrawal	Member	4

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

Company received 25 complaints during the year and all of them have been redressed/answered to the satisfaction of investors. No investor grievance remained unattended/pending.

VII. Corporate Social Responsibility Committee (CSR)

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

The Committee oversees implementation and execution of CSR Policy and provides guidance on various CSR activities to be undertaken by the Company.

The Committee comprises of 4 Directors. In the financial year 2017-18, 4 meetings of the Committee were held on 3rd May 2017; 9th August 2017; 31st October 2017 and 25th January 2018. Composition of committees and member's attendance at the meetings during the year are as under:

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

The Company Secretary acts as Secretary of the Committee.

VIII. Compensation Committee

The Committee is constituted for granting employee stock options to eligible employees under the ESOP scheme of the Company. During the financial year 2017-18, 2 meetings were held on 9th May 2017 and 22nd August 2017. The details of composition of the Committee and member's attendance at the meeting are as under:

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

The Company Secretary acts as Secretary of the Committee.

IX. Executive Committee

Board has constituted Executive Committee for dealing with various urgent operational matters viz. granting power of attorney to employees on need basis, opening & operating of bank accounts, availing various banking facilities and routine administrative matters. 8 meetings of Executive Committee were held during the year. The details of composition of the Committee and member's attendance at the meetings are as under:

Name	Designation	Meetings attended
Mr. Yogesh M. Agrawal	Chairman	8
Mr. Rajesh M. Agrawal	Member	8
Mr. Purushottam B. Agrawal	Member	2
Mr. Madhusudan B. Agrawal	Member	3

X. Risk Management Committee

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

- Identifying various risks associated with the Company and its business segments;
- Assessing the likelihood of materialisation of risks identified and its likely impact on the organisation/businesses/segments;

- Putting in place policies and procedures for the management of risks identified and mitigation plan in the event risks materialises;
- Periodic review of the risk management and mitigation plan in light of internal/external factors having bearing and taking timely steps to mitigate risks;
- Constituting core teams to effectively manage and supervise various risks and concerns and delegating authorities to deal with emergencies so as to minimise the impact;
- Periodically updating the Board on implementation of risk management plan/policy and matters related thereto;
- Review the risks related to cyber security and prepare risk management plan.

The Committee comprises of 2 Directors and a senior management personnel. In the financial year 2017-18, 2 meetings of the Committee were held on 25th November 2017 and 24th January 2018. Composition of committees and member's attendance at the meeting during the year are as under:

Name	Designation	Meetings attended
Mr. Yogesh M. Agrawal	Chairman	2
Mr. Rajesh M. Agrawal	Member	2
Mr. Arvind Agrawal	Member	2

The Company Secretary acts as Secretary of the Committee.

XI. General Body Meetings

Annual General Meetings during last 3 years were held on:

AGM	Date	Time	Venue	No. of special resolutions passed
36 th	4 th July 2015	11.00 a.m.	Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivali (West), Mumbai - 400092	2
37 th	5 th July 2016			-
38 th	5 th July 2017		Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad (West), Mumbai - 400064	-

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

Company had convened Extra-Ordinary General Meeting on 10th October 2017 as per the directions of National Company Law Tribunal for obtaining consent of shareholders for merger of "Gabs Investments Private Ltd." with the Company.

XII. Means of Communication

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

XIII. General Shareholders Information:

1. 39th Annual General Meeting to be held on:

Thursday, 5th July 2018 at 11.00 a.m. at Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad (West), Mumbai - 400064.

8. Stock Market Data :

	Bombay Stock Exchange(BSE)		National Stock Exchange(NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-17	1,818.00	1,630.00	1,820.20	1,630.25
May-17	1,700.35	1,432.00	1,696.95	1,401.65
Jun-17	1,626.00	1,506.05	1,629.60	1,499.00
Jul-17	1,584.75	1,392.05	1,599.00	1,393.00
Aug-17	1,412.40	1,106.00	1,415.15	1,135.00
Sep-17	1,313.85	1,123.10	1,297.65	1,120.05
Oct-17	1,281.80	1,128.35	1,245.00	1,126.00
Nov-17	1,406.05	1,172.00	1,408.00	1,169.00
Dec-17	1,524.00	1,253.65	1,518.80	1,256.00
Jan-18	1,592.00	1,408.40	1,595.00	1,410.00
Feb-18	1,468.00	1,230.00	1,465.00	1,236.10
Mar-18	1,459.70	1,308.35	1,457.75	1,300.00

2. Financial Calendar

Financial year: 1st April 2018 to 31st March 2019

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

3. Dates of Book Closure :

Thursday, 28th June 2018 to Thursday, 5th July 2018 (both days inclusive)

4. Dividend Payment Date : Not Applicable

5. Listing on Stock Exchanges:

a) BSE Ltd. (Code: AJANTAPHARM 532331)

b) National Stock Exchange of India Ltd. (Code: AJANTPHARMEQ)

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

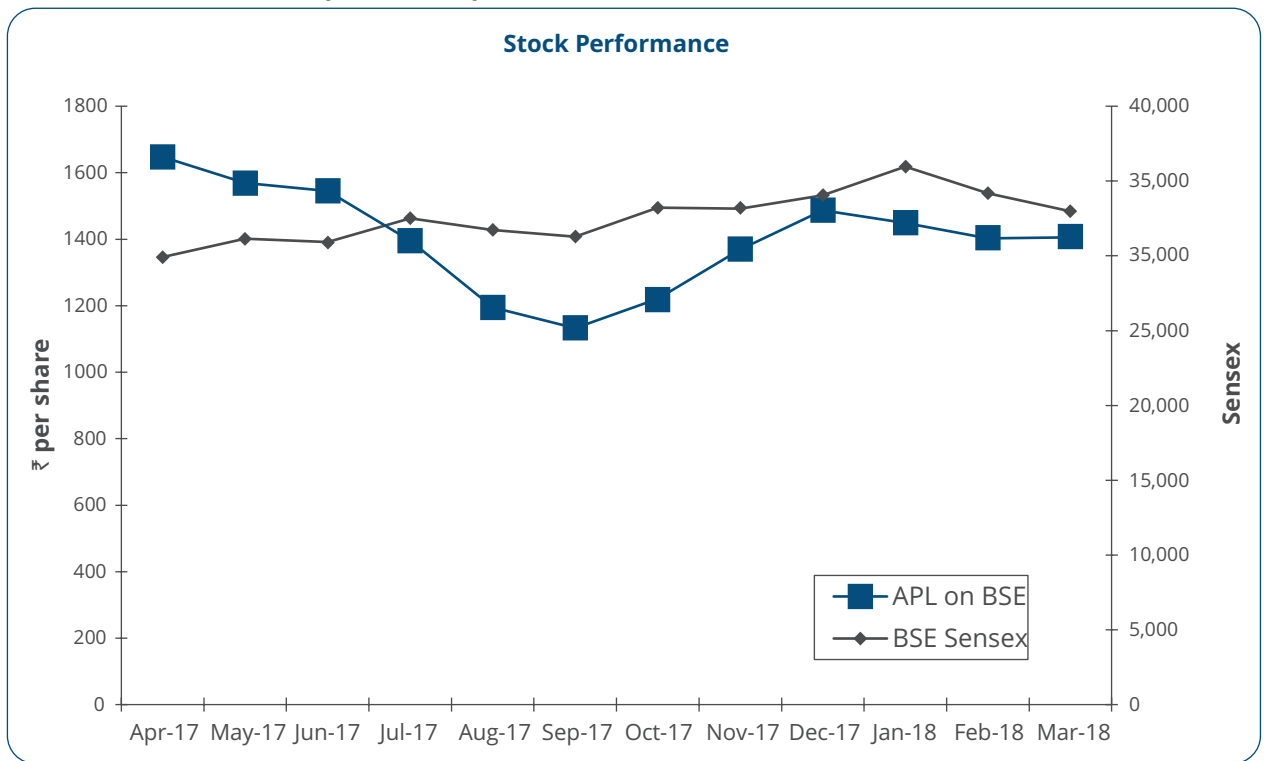
6. ISIN number for NSDL and CDSL :

INE031B01049

7. CIN number :

L24230MH1979PLC022059

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



10. Registrar and Transfer Agents:

Link Intime India Private Ltd.
Unit: Ajanta Pharma Limited
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai
400 083
Tel No: +91 22 49186000 Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

11. Share Transfer System:

Shares in physical form sent for registering transfer, to the Registrar and Shares Transfer Agents, M/s. Link Intime India Private Ltd. are registered and returned within statutory period of 30 days from the date of receipt, if the documents are in order in all respects. The Share Transfer Committee of the Company meets as often as required. During the year 2017-18 the total numbers of shares transferred in physical form were as follows:-

Transfer period (in days)	No. of requests (processed, effected & dispatched)	No. of shares	%
1-15	4	15,750	35.29
16-20	49	28,125	63.03
21-30	1	750	1.68
30 & above	Nil	Nil	Nil
TOTAL	54	44,625	100

12. Distribution of Equity Shareholding as on 31st March 2018:

No. of shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 500	33,066	91.30	17,22,160	1.96
501- 1000	1,684	4.65	12,52,583	1.42
1001-2000	782	2.16	10,94,879	1.24
2001-3000	237	0.65	5,98,021	0.68
3001-4000	109	0.30	3,94,119	0.45
4001-5000	53	0.15	2,44,579	0.28
5001-10000	117	0.32	8,13,295	0.92
10001 & above	170	0.47	8,18,94,864	93.05
TOTAL	36,218	100.00	8,80,14,500	100.00

13. Pattern of Shareholding:

Sr No.	Category	As on 31 st March 2018	
		No of shares	% of total no. of shares
1.	Promoters Holding • Promoters • Foreign Promoters	6,22,29,759 N.A.	70.70 N.A.
2.	Mutual Funds	54,07,265	6.14
3.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Government Institutions)	4,61,450	0.52
4.	Private Corporate Bodies	4,41,988	0.50
5.	Indian Public	83,22,003	9.46
6.	NRIs/OCBs/FII's/Foreign Nationals	1,09,87,724	12.49
7.	In Clearance	1,64,311	0.19
TOTAL		8,80,14,500	100.00

14. Dematerialisation of Shares and liquidity:

99.59% of the total equity capital is held in dematerialized form with NSDL and CDSL as on 31st March 2018. As per guidelines of SEBI, the trading in equity shares of the Company is permitted only in dematerialised form.

All shares of the Company are liquid and traded in normal volume on BSE and NSE. Relevant data for the average daily turnover for the financial year 2017-18 is given below: -

	Bombay Stock Exchange (BSE)	National Stock Exchange (NSE)	BSE + NSE
In no. of Shares	30,475	2,05,106	2,35,581
In value terms ₹	4,27,12,508	28,57,85,899	32,84,98,407

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

The Company has not issued these types of securities.

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

Commodity price risk for the Company arises from purchase of raw & packing materials, which mainly comprise Active Pharmaceutical Ingredient (API) and other materials. Company develops on an ongoing basis, alternate supply sources for key products subject to economic justification

so as to protect itself from any price risk due to overdependence on single supplier. The Company has Risk Management framework to pro-actively mitigate the impact through measures like cost based price increases, cost reduction measures, portfolio rationalization, renegotiate procurement contracts etc.

Most of these materials are sourced from the domestic market and therefore do not have significant foreign exchange fluctuation risks. Currency risks mainly arise out of overseas operations and financing activities. Exchange rate fluctuations could significantly impact earning and net equity because of invoicing in foreign currencies, expenditures in foreign currencies, and translation of financial statement of overseas subsidiaries into Indian Rupees. The Company has defined Exchange Risk Management framework to manage these risks excluding the translation risks. The Company hedges its foreign exchange risk exposure by way of forward exchange contracts as per the decision of Forex Risk Management Committee from time to time.

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

During the year 3,000 options were exercised by employees of a subsidiary company, while 6,500 options were exercised by employees of the Company. Thus, a total of 9,500 options were allotted and listed on the Stock Exchanges. During the year 4,000 options were granted to employees (including an employee of overseas subsidiary company) out of which 2,000 options lapsed due to resignation of concerned employee. As on 31st March 2018, no options are due for vesting.

18. Plant Locations:

The Company has 6 Manufacturing Plants which are as follows:

- B-4, B-5, B-6, MIDC Industrial Area, Paithan, Dist. Aurangabad.
- 31-O, MIDC Industrial Area, Chikalhana, Aurangabad.
- Gut No. 11/12/14/15, Chitegaon, Paithan Road, Dist. Aurangabad.
- Gut No. 378, Plot No. 8, Waluj, Aurangabad.
- Plot No Z-103 /A, Dahej SEZ - Part II, Dist. Bharuch.
- Mirza Palashbari Road, Mouza Chayani, Kamrup (R), Dist. Guwahati, Assam.

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

20. Investor Correspondence Address:**(i) For shares held in physical form**

Link Intime India Pvt Ltd.

Unit: Ajanta Pharma Limited

C 101, 247 Park, L B S Marg, Vikhroli
(West), Mumbai 400 083

Tel No: +91 22 49186000

Fax: +91 22 49186060

Email: rnt.helpdesk@linkintime.co.in

(ii) For shares held in demat form

To the concerned Depository participant

(iii) Details of Compliance Officer

Mr. Gaurang Shah

AVP- Legal & Company Secretary

Ajanta House, 98 Govt. Ind. Area,

Charkop, Kandivli (West),

Mumbai - 400067

Tel.: 022 - 66061000;

Fax: 022 - 66061200/1300

E-mail: investorgrievance@ajantapharma.com

XIV. Subsidiary Companies

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

XV. Disclosure with respect to demat suspense account/unclaimed suspense account

The details are provided in the Directors' report.

XVI. Other Disclosures:

- (i) There were no transactions of material nature with its related parties that may have the potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No. 48 of the Financial Statements.
- (ii) The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large.
- (iii) There were no instances of material non-compliance nor have any penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market, during last 3 financial years.

- (iv) The Board of Directors of the Company has adopted and put in place a Whistle Blower Policy and no personnel have been denied access to the audit committee. Details of vigil mechanism/whistle blower policy are provided in the Directors report.
- (v) Managing Director and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of the Listing Regulations [Part B of Schedule II] and the certificate forms part of Annual Report. The Managing Director and the Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.
- (vi) There are no non-compliances of any requirement of corporate governance report and all the required disclosures are made to stock exchanges and other regulatory bodies as and when required.
- (vii) The Company has complied and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and Regulation 46(2) under LODR.
- (viii) Disclosures have also been received from the senior management relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, there were no such transactions during the Financial Year 2017-18 having potential conflict with the interests of the Company at large.
- (ix) The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(C) to the Listing Regulations.
- (x) Company complies with following non mandatory requirements of Regulation 27(1) specified in Part E of Schedule II of the Listing Regulation:
 - a) Company has appointed separate persons to the post of Chairman and Managing Director.
 - b) Non-Executive Chairman is provided with an office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
 - c) Internal Auditor reports to the Audit Committee.
 - d) The financial statements are with unmodified audit opinion.

For and on Behalf of the Board of Directors,

Mannalal B. Agrawal

Chairman

Mumbai, 2nd May 2018