NOTES

to the standalone financial statements as on 31st March 2018

1. Corporate Information

Ajanta Pharma Limited ("Company") is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchanges and National Stock Exchange. The Registered office of Company is located at Ajanta House, Charkop, Kandivali (West), Mumbai.

Company is primarily involved in development, manufacturing and marketing of speciality pharmaceutical finished dosages.

The financial statements for the Company were authorised for issue by Company's Board of Directors on 2nd May, 2018.

2. Basis of Preparation

These standalone financial statements of the Company have been prepared in all material aspects in accordance with Indian Accounting Standards (Ind AS) as per rule 4 of The Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013 ('the Act') and other relevant Provisions of the Act.

These standalone financial statements have been prepared on an accrual basis and under the historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount wherever applicable:

- Derivative financial instruments
- Certain financial assets measured at fair value
- Net defined benefit asset/liability at fair value of plan assets less present value of defined benefit obligations.

3. Functional and Presentation Currency:

The financial statements are presented in Indian Rupees ('INR' or 'Rupees' or 'Rs.' or '₹') which is the functional currency for the Company.

4. Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crore. Amount less than ₹ 50,000/- are shown as actual.

5. Current versus non-current classification:

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

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

All other liabilities are treated as non-current.

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

Operating Cycle

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

6. SIGNIFICANT ACCOUNTING POLICIES

6.1. Property, plant and equipment

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

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes Cenvat / value added tax / Goods and Service Tax (GST) eligible for credit / setoff.

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

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

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

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

Property, plant and equipment are eliminated from standalone financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

6.2. Intangible Assets

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

Intangible assets are stated at cost or acquisition less accumulated amortisation and impairment loss, if any.

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

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

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

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

Research and Development

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is

NOTES

to the standalone financial statements as on 31st March 2018

amortised over the period of expected future sales from the related project. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

6.3. Financial Instruments:

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

Financial Assets:

Classification:

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

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

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

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

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

Financial Assets measured at amortised cost (net of write down for impairment, if any):

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

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

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

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

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

Investment in Subsidiary:

Investment in equity instruments of Subsidiaries are measured at cost as per Ind AS 27. In the financial statements, investment in subsidiary Company's is carried at cost. The carrying amount is reduced to recognise any impairment in the value of investment.

Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

Investment in Debt Instruments:

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

Derecognition of Financial Assets:

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

Impairment of Financial Assets:

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

Financial Liabilities:

Classification:

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

Initial recognition and measurement:

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

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

Subsequent measurement:

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

Derecognition of Financial Liabilities:

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

Derivative Financial Instrument:

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

6.4. Inventories

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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

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

6.5. Cash And Cash Equivalent

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/ highly liquid investments with original maturity

NOTES

to the standalone financial statements as on 31st March 2018

period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6.6. Cash Flow Statement

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

6.7. Foreign Currency Transactions

Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are re-measured at the exchange rate prevailing on the balance sheet date. Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the Statement of Profit and Loss.

6.8. Revenue Recognition

Revenue from sale of goods is recognised, when all significant risks and rewards are transferred to the buyer, as per the terms of contracts and no significant uncertainty exists regarding amount of the consideration that will be derived from the sale of goods.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty, excluding Goods and Service tax (GST), sales tax or value added taxes or service taxes or duties collected on behalf of the government, and net of returns, trade discount/allowances, rebates, and amounts collected on behalf of third parties.

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

Dividend income is recognised when right to receive dividend is established. Interest income is recognised on time proportion basis. Insurance and other claims are recognised as a revenue on certainty of receipt on prudent basis. Export benefits available under prevalent schemes are accounted to the extent considered receivable.

6.9. Employee Benefits

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

(i) Defined benefit plans

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

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

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

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

(ii) Defined contribution plans

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

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

(iii) Compensated absences

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

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

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

(iv) Share-based compensation

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

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

6.10. Borrowing Costs

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

6.11. Lease

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

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating

NOTES

to the standalone financial statements as on 31st March 2018

leases. Leases rentals are charged to the statement of profit and loss on straight line basis.

6.12. Government Grants:

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

- In case of capital grants, they are then recognised in Standalone Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.
- In case of grants that compensate the Company for expenses incurred are recognised in Standalone Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

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

6.13. Earnings Per Share

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

6.14. Income Taxes

Income tax expense comprises current and deferred income tax.

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

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

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

6.15. Dividends to Shareholders:

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

6.16. Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

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

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

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

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

Contingent liability is disclosed in the case of:

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

Contingent liabilities are not recognised in the standalone financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

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

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

Asset Retirement Obligation

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

6.17. Fair value measurement

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

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

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

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

NOTES

to the standalone financial statements as on 31st March 2018

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

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

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

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

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

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

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

6.18. Recent accounting pronouncements

Standards issued but not yet effective

The Ministry of Corporate Affairs in March 2018 has re-notified Ind AS 115, Revenue from Contracts with Customers. Earlier, this Standard was omitted and two other standards, Ind AS 11, Construction Contracts and Ind AS 18, Revenue had been notified in its place.Now, after re-notification of Ind AS 115, Ind AS 11 and Ind AS 18 would be redundant. Ind AS 115 deals with recognition of revenue arising from sale of goods, rendering of services, interest, royalties and construction contracts. It is a converged form of IFRS 15, Revenue from Contracts with Customers. Ind AS 115 shall be applied from financial years beginning on or after 1st April, 2018.

These amendments are not expected to have any impact on the Company.

7. Critical accounting judgements, estimates and assumptions

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

(a) Arrangement containing lease

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

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

(b) Multiple element contracts with vendors

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

(c) Property, Plant and equipment

Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

(d) Intangible Assets

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

(e) Recognition and measurement of defined benefit obligations:

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

(f) Recognition of deferred tax assets and income tax:

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

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

(g) Recognition and measurement of other provisions:

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

(h) Contingencies

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

(i) Allowance for uncollected accounts receivable and advances

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

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past

NOTES

to the standalone financial statements as on 31st March 2018

history, existing market condition as well as forward looking estimates at the end of each reporting period.

(j) Insurance claims

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

(k) Impairment reviews

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

NOTES

to the standalone financial statements as on 31st March 2018

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

8.1 Current Year

₹ in cr.

Particulars	Gross Block (Cost Or Deemed Cost)				Accumulated Depreciation/Amortisation				Net Block
	As at 1.4.2017	Additions	Disposals	As at 31.03.2018	As at 1.4.2017	For the year	Disposals	As at 31.03.2018	As at 31.03.2018
(A) Property, Plant and Equipment									
Freehold Land **	142.00	-	-	142.00	-	-	-	-	142.00
Lease hold Land	31.21	-	-	31.21	2.93	0.55	-	3.48	27.73
Buildings	204.59	147.18	-	351.77	68.11	9.24	-	77.35	274.42
Plant & Equipments	271.07	305.66	-	576.73	115.82	26.74	-	142.56	434.17
Laboratory Equipment	86.33	45.52	-	131.85	15.01	10.15	-	25.16	106.69
Furniture & fixtures	54.32	10.00	-	64.32	32.63	3.44	-	36.07	28.25
Vehicles	4.68	0.43	0.92	4.19	3.64	0.22	0.80	3.06	1.13
Office Equipments	16.67	2.93	-	19.60	10.78	1.73	-	12.51	7.09
Computers	22.38	4.92	-	27.30	17.36	2.13	-	19.49	7.81
Total	**833.25**	**516.64**	**0.92**	**1,348.97**	**266.28**	**54.20**	**0.80**	**319.68**	**1,029.29**
(B) Other Intangible assets									
Computer Software	10.10	4.38	-	14.48	4.14	2.94	-	7.08	7.40
ANDA Development Cost	15.93	-	-	15.93	15.93	-	-	15.93	-
Total	**26.03**	**4.38**	**-**	**30.41**	**20.07**	**2.94**	**-**	**23.01**	**7.40**
Total (A) + (B)	**859.28**	***521.02**	**0.92**	**1,379.38**	**286.35**	**57.14**	**0.80**	**342.69**	**1,036.69**
(C) Capital Work in Progress									61.33
(D) Intangible assets under development									-
Total Property, Plant and Equipment, Capital Work-in-Progress, Other Intangible and Intangible Assets under development (A) +(B) + (C) + (D)*									**1,098.02**

* Addition includes ₹ 20.81 cr. used for Research and Development.

** Freehold land title deeds are in the name of the Company.

8.2 Previous Year

₹ in cr.

Particulars	Gross Block (Cost Or Deemed Cost)				Accumulated Depreciation/Amortisation				Net Block
	As at 1.4.2016	Additions	Disposals	As at 31.03.2017	As at 1.4.2016	For the year	Disposals	As at 31.03.2017	As at 31.03.2017
(A) Property, Plant and Equipment									
Freehold Land**	142.00	-	-	142.00	-	-	-	-	142.00
Lease hold Land	31.21	-	-	31.21	2.35	0.58	-	2.93	28.28
Buildings	137.00	67.59	-	204.59	60.37	7.74	-	68.11	136.48
Plant & Equipments	221.15	65.10	15.18	271.07	101.52	25.90	11.60	115.82	155.25
Laboratory Equipment	33.55	52.78	-	86.33	1.80	13.21	-	15.01	71.32
Furniture & fixtures	49.73	8.25	3.66	54.32	29.89	6.22	3.48	32.63	21.69
Vehicles	9.06	0.17	4.55	4.68	6.47	0.47	3.30	3.64	1.04
Office Equipments	15.37	4.34	3.04	16.67	10.76	2.91	2.89	10.78	5.89
Computers	18.23	4.32	0.17	22.38	15.07	2.46	0.17	17.36	5.02
Total	**657.30**	**202.55**	**26.60**	**833.25**	**228.22**	**59.49**	**21.43**	**266.28**	**566.97**
(B) Other Intangible assets									
Computer Software	5.97	4.13	-	10.10	2.22	1.92	-	4.14	5.96
ANDA Development Cost	15.93	-	-	15.93	15.93	-	-	15.93	-
Total	**21.90**	**4.13**	**-**	**26.03**	**18.15**	**1.92**	**-**	**20.07**	**5.96**
Total (A) + (B)	**679.20**	*** 206.68**	**26.60**	**859.28**	**246.37**	**# 61.41**	**21.43**	**286.35**	**572.93**
(C) Capital Work in Progress	(Including Pre Operative expenses of ₹ 85.04 cr. - Refer note 56)								338.03
(D) Intangible assets under development									1.23
Total Property, Plant and Equipment, Capital Work-in-Progress, Other Intangible and Intangible Assets under development (A) +(B) + (C) + (D)*									**912.19**

* Addition includes ₹ 45.77 cr. used for Research and Development.

** Freehold land title deeds are in the name of the Company.

Depreciation of ₹ 1.93 cr. considered as Pre-operative expenditure - Refer note 56.

NOTES

to the standalone financial statements as on 31st March 2018

9. Non-Current Investments

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Unquoted (At cost)		
Investment in Equity Instruments		
In Subsidiary Companies:		
Ajanta Pharma (Mauritius) Ltd.		
6,13,791 (Previous Year 6,13,791) Ordinary Shares of Mauritian Rupees 100 each fully paid up	9.44	9.44
Ajanta Pharma USA Inc		
10,000 (Previous Year 10,000) Common Stock of US $ 100 each fully paid up	6.07	6.07
Ajanta Pharma Philippines Inc.		
82,000 (Previous Year 82,000) Ordinary Shares of Philippines Peso 100 each fully paid up	1.38	1.38
Ajanta Pharma Nigeria Ltd		
6,00,00,000 (Previous Year 1,00,00,000) Ordinary Shares of Nigerian Naira 1 each fully paid up	1.37	0.36
In Joint Venture		
Turkmenderman Ajanta Pharma Ltd. (Refer Note 55)		
2,00,000 (Previous Year 2,00,000) Shares of US $ 10 each fully paid-up	-	-
In Others		
OPGS Power Gujarat Private Limited		
1,95,000 (Previous Year 1,95,000) Shares of ₹ 0.19 each	-	-
(Current Year ₹ 37,050, Previous Year ₹ 37,050)		
Total	**18.26**	**17.26**
Aggregate value of unquoted investments	18.26	17.26

10. Other Non-Current Financial Assets

	As at 31 March 2018	As at 31 March 2017
Security Deposits		
In Deposit Accounts with Banks	10.18	6.75
- Under Lien (with maturity of more than 12 months of the Balance Sheet date)	3.89	1.35
- Others (Current Year ₹ 10,000, Previous Year ₹20,000)	-	-
Interest Accrued on fixed deposits with Banks	0.11	0.99
	14.18	**9.09**

11. Non-Current Tax Assets (Net)

	As at 31 March 2018	As at 31 March 2017
Income Tax Paid (Net of Provision)	22.83	21.00
	22.83	**21.00**

12. Other Non-Current Assets

	As at 31 March 2018	As at 31 March 2017
Capital Advances	43.55	13.93
	43.55	**13.93**

NOTES

to the standalone financial statements as on 31st March 2018

13. Inventories

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Raw Materials	116.77	53.25
Packing Materials	44.50	19.08
Work-in-Progress	11.04	13.98
Finished Goods	99.30	49.96
Finished Goods in transit	21.62	26.29
Stock-in-trade	22.89	16.58
Stock-in-trade in transit	1.25	0.14
	317.37	**179.28**

14. Current Investments

	Face Value ₹	No. of Units *	As at 31 March 2018	As at 31 March 2017
Unquoted (Fair Value through Profit or Loss (FVTPL))				
In Mutual Funds				
Franklin India Low Duration Fund - Growth	10	1,52,08,668	30.38	78.97
		(4,27,73,165)		
Franklin India Short Term Income Plan - Retail Plan	10	-	-	20.25
		(59,811)		
Birla Sun Life Short Term Fund - Growth - Regular Plan	10	-	-	57.19
		(91,83,266)		
Reliance Regular Saving Fund-Debt Plan - Growth Plan Growth Option	10	1,74,91,199	42.34	15.15
		(66,85,326)		
ICICI Prudential Regular Savings Fund - Growth	10	3,26,06,841	60.53	-
		(-)		
DSP Black Rock Income Opportunities Fund Reg Growth	10	35,49,057	10.15	-
		(-)		
IDFC Credit Opportunities Fund Reg Plan Growth	10	1,42,18,953	15.24	-
		(-)		
ICICI Prudential Balanced Fund Direct Plan Growth	10	17,93,670	23.74	-
		(-)		
SBI Magnum Insta Cash Fund Direct Plan - Daily Dividend	10	-	-	10.00
		(59,711)		
			182.38	**181.56**
Aggregate value of unquoted investments			182.38	181.56

* Figures in Brackets are for previous year

15. Trade Receivables

	As at 31 March 2018	As at 31 March 2017
Unsecured		
- considered good	464.42	336.00
- considered doubtful	5.80	4.90
	470.22	**340.90**
Less: Allowance for Doubtful Debts	(5.80)	(4.90)
(Refer note 44 for information about credit risk and market risk of trade receivables)	**464.42**	**336.00**

Trade receivables include debts due from subsidiary companies ₹ 201.41 cr. (P.Y. ₹ 150.96 cr.) [Refer note 48]

NOTES

to the standalone financial statements as on 31st March 2018

16. Cash and cash equivalents

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Balance with Banks - In Current Accounts	36.17	18.65
Cash on Hand	0.05	0.07
	36.22	**18.72**

17. Other Bank balances

	As at 31 March 2018	As at 31 March 2017
Earmarked balances with banks		
- Unpaid Dividend	0.65	0.95
- Unpaid Sale Proceeds of Fractional Shares (Current Year ₹ Nil, Previous Year ₹ 5,926)	-	0.00
In Deposit Accounts (with original maturity of more than 3 months and upto 12 months)		
- Under Lien	1.80	0.02
In Deposit Accounts (With original maturity of more than 12 months)		
- Under Lien	-	3.15
- Others (Current Year ₹ 10,000, Previous Year ₹ Nil)	0.00	-
	2.45	**4.12**

18. Other Current Financial Assets

	As at 31 March 2018	As at 31 March 2017
Interest Receivable	0.12	0.47
Mark to Market Derivative Assets	-	0.77
	0.12	**1.24**

19. Other Current Assets

	As at 31 March 2018	As at 31 March 2017
Advances other than Capital Advances		
Prepaid Expenses	-	1.39
Advances to Suppliers	7.40	3.75
Advance to Employees	4.31	3.30
Other Advances Recoverable	0.85	0.50
Balance with Statutory / Govt. Authorities		
Excise Authorities	0.15	40.71
Vat Receivable	1.46	3.98
GST Receivable	77.36	-
Octroi Refund Receivable	0.52	0.52
	92.05	**54.15**

NOTES

to the standalone financial statements as on 31st March 2018

20. Equity Share Capital

	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	₹ in cr.	No. of Shares	₹ in cr.
Authorised :				
Equity Shares of ₹ 2 each	15,00,00,000	30.00	15,00,00,000	30.00
Issued :				
Equity Shares	8,87,81,000	17.76	8,87,71,500	17.75
Subscribed & Paid up:				
Equity Shares of ₹ 2 each fully paid up	8,80,14,500	17.60	8,80,05,000	17.60
Add :- Share Forfeited - Amount originally paid up	7,66,500	0.09	7,66,500	0.09
		17.69		**17.69**

20.1 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the reporting period :

	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	₹ in cr.	No. of Shares	₹ in cr.
Equity shares outstanding at the beginning of the year	8,80,05,000	17.60	8,80,01,250	17.60
Add: Equity shares allotted during the year against option's exercised under ESOP	9,500	-	2,500	-
Add: Equity shares allotted during the year as Bonus on ESOP (Current Year ₹ Nil, Previous Year: ₹ 2,500)	-	-	1,250	-
Equity Shares outstanding at the end of the year	**8,80,14,500**	**17.60**	**8,80,05,000**	**17.60**

20.2 Rights attached to equity shares

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

During the year ended 31st March 2018, the amount of dividend per equity share recognised as distribution to equity shareholders is ₹ Nil (Previous Year ₹ 13), which includes interim dividend of ₹ Nil(Previous Year ₹ 13) per equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by shareholders.

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

Name of Shareholders	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	% holding	No. of Shares	% holding
Yogesh M Agrawal, Trustee Yogesh Agrawal Trust	1,27,49,999	14.49	1,27,49,999	14.49
Rajesh M Agrawal, Trustee Rajesh Agrawal Trust	1,27,49,999	14.49	1,27,49,999	14.49
Ravi Purushottam Agrawal, trustee Ravi Agrawal Trust	1,26,59,999	14.39	1,26,59,999	14.39
Aayush Madhusudan Agrawal, trustee Aayush Agrawal Trust	1,26,60,000	14.39	1,26,60,000	14.39
Gabs Investments Private Limited	83,92,262	9.54	83,92,262	9.54
Ganga Exports being represented by Mr. Yogesh Agrawal, Mr. Rajesh Agrawal, Mr. Ravi Agrawal & Mr. Aayush Agrawal	24,37,500	2.77	51,37,500	5.84

NOTES

to the standalone financial statements as on 31st March 2018

20. Equity Share Capital (Contd.)

	As at 31 March 2018 No. of Shares	As at 31 March 2017 No. of Shares
20.4 Equity Shares reserved for issuance under Employees Stock Options Scheme 2011 of the Company		
Equity Shares	11,49,250	11,58,750
20.5 Aggregate number of Equity shares issued during last five years pursuant to Employees Stock Options		
Scheme 2011		
Equity Shares	1,76,000	1,66,500
20.6 Equity Shares allotted as fully paid up Bonus Shares during the period of five years immediately preceding the Balance Sheet date		
Bonus Shares issued in F.Y. 2013-2014	2,92,92,250	2,92,92,250
Bonus Shares on allotment of ESOP in F.Y. 2014-15	22,250	22,250
Bonus Shares on allotment of ESOP in F.Y. 2015-16	19,250	19,250
Bonus Shares on allotment of ESOP in F.Y. 2016-17	1,250	1,250
20.7 The Company is not a subsidiary company.		

21. Other Equity

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Capital Redemption Reserve		
Balance at the beginning of the year	2.10	2.10
Less: Utilised for allotment of Bonus Shares under ESOP (Current Year : ₹ Nil, Previous Year : ₹ 2,500)	-	-
	2.10	**2.10**
Securities Premium Account		
Balance at the beginning of the year	76.06	75.99
Add : Addition during the year	1.36	0.07
	77.42	**76.06**
General Reserve		
Balance at the beginning and at the end of the year	**901.00**	**901.00**
Employee Stock Option Outstanding		
Balance at the beginning of the year	1.65	0.27
Add: Share based Payment Expense	1.34	1.45
Less : Exercised during the year	(1.36)	(0.07)
Balance at the year end	**1.63**	**1.65**

NOTES

to the standalone financial statements as on 31st March 2018

21. Other Equity (Contd.)

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	505.44	134.65
Profit for the year	427.52	499.81
Less: Re-measurement of defined benefit plans	1.30	0.11
Less: Appropriations		
- Interim Dividend on Equity Shares	-	114.41
- Corporate Tax on Interim Dividend	-	14.50
Balance at the year end	**931.67**	**505.44**
Total Reserve & Surplus	**1,913.81**	**1,486.25**

Nature of Reserves

a) Capital Redemption Reserve

The Company has recognised Capital Redemption Reserve on buy-back of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

b) Securities Premium

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

c) General Reserve

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

22. Other Non-Current Financial Liabilities

	As at 31 March 2018	As at 31 March 2017
Trade / Security Deposits payable	-	0.09
	-	**0.09**

23. Non-Current Provisions

	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits (Net) (Refer Note 42)		
Gratuity	4.08	-
Compensated absences	9.08	3.15
	13.16	**3.15**

24. Deferred Tax Liabilities (Net)

		As at 31 March 2018	As at 31 March 2017
Deferred Tax Liabilities			
Difference in tax base of Property, Plant and Equipment	**(A)**	67.18	37.21
Unrealised gain/loss on securities carried at FVOCI/FVTPL	**(B)**	0.82	2.15
Deferred Tax Assets			
MAT Credit Entitlement	**(C)**	10.88	5.65
Disallowance under Income Tax	**(D)**	10.12	6.33
Deferred Tax Liabilities (Net)	**(A+B) - (C+D)**	**47.00**	**27.38**

25. Non-Current Tax Liabilities (Net)

	As at 31 March 2018	As at 31 March 2017
Provision for Tax (Net of Payment)	-	1.74
	-	**1.74**

NOTES

to the standalone financial statements as on 31st March 2018

26. Trade Payables

₹ in cr

	As at 31 March 2018	As at 31 March 2017
Trade payables to Related Parties	0.72	-
Other Trade Payables	210.75	145.31
	211.47	**145.31**

(Refer Note 53 for Micro, Small and Medium Enterprises disclosure)

27. Other Current Financial Liabilities

	As at 31 March 2018	As at 31 March 2017
Unpaid Dividend*	0.65	0.95
Capital Creditors	35.60	24.29
Book Overdraft	2.32	5.53
Employee Benefits Payable	14.45	7.38
Mark to Market Derivative Liability	1.50	-
Other payables	-	0.04
	54.52	**38.19**

* There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as at 31st March 2018.

28. Other Current Liabilities

	As at 31 March 2018	As at 31 March 2017
Advances from Customers	9.57	2.83
Statutory Dues payable	3.92	5.07
	13.49	**7.90**

29. Current Provisions

	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits (Net)		
Gratuity (Refer Note 42)	3.47	3.07
Compensated Absences	3.86	0.73
Other Provisions		
Sales Returns for Expired Goods (Refer Note 50)	9.66	9.00
	16.99	**12.80**

30. Current Tax Liabilities (Net)

	As at 31 March 2018	As at 31 March 2017
Provision for Tax (Net of Payment)	3.72	8.04
	3.72	**8.04**

31. Revenue from Operations

	As at 31 March 2018	As at 31 March 2017
Sale of Products		
Finished Goods	1,561.77	1,571.11
Stock-in-Trade	200.92	182.57
Other Operating Revenues		
Export Incentives	66.17	66.83
Others	1.59	2.20
	1,830.45	**1,822.71**

NOTES

to the standalone financial statements as on 31st March 2018

32. Other Income

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Dividend from Subsidiary Companies	49.65	43.18
Income on Financial Assets carried at FVTPL		
Dividend on Investments	0.12	0.67
Gain on Financial Instrument	11.41	16.83
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	0.45	0.54
Interest From Others	0.61	1.82
Exchange Difference (Net)	10.65	-
Miscellaneous Income	0.12	3.91
	73.01	**66.95**

33. Cost of Material Consumed

	As at 31 March 2018	As at 31 March 2017
Raw Material Consumed	287.40	282.47
Packing Material Consumed	88.03	90.84
	375.43	**373.31**

34. Purchases of Stock-in-trade

	As at 31 March 2018	As at 31 March 2017
Purchases of Stock-in-trade	**73.01**	**59.23**

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

		As at 31 March 2018	As at 31 March 2017
Inventories at the beginning of the year :			
Finished Goods		76.25	87.01
Work-in-Progress		13.98	10.96
Stock-in-trade		16.72	16.27
	(A)	**106.95**	**114.24**
Inventories at the end of the year :			
Finished Goods		120.92	76.25
Work-in-Progress		11.04	13.98
Stock-in-trade		24.14	16.72
	(B)	**156.10**	**106.95**
Changes in Inventories :			
Finished Goods		(44.67)	10.76
Work-in-Progress		2.94	(3.02)
Stock-in-trade		(7.42)	(0.45)
Total changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(A) - (B)	**(49.15)**	**7.29**

36. Empolyee Benefit Expenses

	As at 31 March 2018	As at 31 March 2017
Salaries, Wages and Bonus	313.76	248.72
Contribution to Provident and Other Funds	23.49	17.11
Share Based Payment Expense (Refer Note 43)	1.34	1.45
Staff Welfare Expenses	4.30	2.50
	342.89	**269.78**

NOTES

to the standalone financial statements as on 31st March 2018

37. Finance Cost

₹ in cr.

	As at 31 March 2018	As at 31 March 2017
Interest expenses	0.24	1.24
	0.24	**1.24**

38. Depreciation and Amortisation Expenses

	As at 31 March 2018	As at 31 March 2017
Depreciation of Property, Plant and Equipment (Refer note 8)	54.20	57.56
Depreciation of Intangible Assets (Refer note 8)	2.94	1.92
	57.14	**59.48**

39. Other Expenses

	As at 31 March 2018	As at 31 March 2017
Selling Expenses	118.37	118.68
Clearing and Forwarding	53.67	39.25
Travelling Expenses	34.91	32.02
Processing Charges	21.44	17.34
Power and Fuel	27.00	18.36
Advertisement and Publicity	1.71	3.58
Consumption of Stores & Spare Parts	63.59	53.37
Rent (Refer Note 46)	10.84	6.31
Rates & Taxes	0.96	0.54
Legal and Professional Fees	16.28	13.58
Postage and Telephone Expenses	4.40	6.40
Repairs & Maintenance		
Buildings	7.05	4.14
Plant and Machinery	23.58	17.73
Computers & Others	8.75	5.26
Insurance	6.05	5.47
Donation	0.34	0.06
Exchange Rate Difference (Net)	-	8.53
Impairment loss on Financial Assets	8.36	23.27
Excise Duty collected on Sales	5.10	18.38
Directors Sitting Fees	0.23	0.24
Clinical and Anaytical Charges	34.81	21.40
Loss on Sale/Discard of Property, Plant and Equipment (Net)	0.01	3.89
Corporate Social Responsibility Expenses (Refer Note 49)	11.99	8.72
Miscellaneous Expenses	82.02	52.17
	541.46	**478.68**

NOTES

to the standalone financial statements as on 31st March 2018

40. Capital Management:

Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. Company's target is to achieve a return on capital above 30%; in 2017-18 the return was 29% and in 2016-17 the return was 43%.

Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents and current investments. Adjusted equity comprises all components of equity.

Company's policy is to keep the ratio below 1.00 and its adjusted net debt to equity ratio at 31st March 2018 was as follows.

₹ in cr.

Particulars		31 March 2018	31 March 2017
Debt (Debt + Current Liabilities)		309.62	209.18
Less: Cash and Cash Equivalents and current investments		(218.60)	(200.28)
Net Debt	A	91.02	8.90
Equity	B	1,931.50	1,503.94
Net Debt to Equity Ratio	A/B	0.05	-

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

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

Particulars		31 March 2018	31 March 2017
Basic and Diluted Earnings Per Share:			
Profit attributable to Equity shareholders- for Basic EPS (₹ in cr.)	(A)	427.52	499.81
Add: Dilutive effect on profit (₹ in cr.)	(B)	Nil	Nil
Profit attributable to Equity shareholders for Diluted EPS (₹ in cr.)	(C=A+B)	427.52	499.81
Weighted Average Number of Equity Shares outstanding-for Basic EPS	(D)	8,80,02,778	8,80,04,688
Add: Dilutive effect of option outstanding-Number of Equity Shares *	(E)	16,962	24,466
Weighted Average Number of Equity Shares for Diluted EPS	(F=D+E)	8,80,19,740	8,80,29,154
Face Value per Equity Share (₹)		2	2
Basic Earnings Per Share (₹)	(A/D)	48.59	56.79
Diluted Earnings Per Share (₹)	(C/F)	48.58	56.78

* On account of Employee Stock Option Scheme (ESOS)-(Refer note 43).

42. Employee Benefits

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

42.1 Defined Contribution Plans

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

Particulars	31 March 2018	31 March 2017
Provident Fund and Employee's Pension Scheme	15.36	13.48
Employees State Insurance	2.55	1.63
	17.91	**15.11**

NOTES

to the standalone financial statements as on 31st March 2018

42.2 Defined Contribution Plans

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

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

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

42.2.2. On the death in service:

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

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31st March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

₹ in cr.

Particulars		31 March 2018	31 March 2017
i)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	16.60	14.31
	Current service cost	3.49	3.00
	Interest cost	1.11	1.05
	Actuarial loss / (gain)		
	- changes in financial assumptions	1.97	0.08
	- changes in demographic assumptions	0.25	-
	- experience adjustments	(0.48)	(0.06)
	Past service cost	2.20	-
	Benefit (paid)	(1.69)	(1.78)
	Closing defined benefit obligation	**23.45**	**16.60**
ii)	**Changes in Value of Plan Assets**		
	Opening value of plan assets	13.52	11.32
	Expenses deducted from the fund	-	-
	Adjustment to the opening fund	-	-
	Interest Income	0.76	0.78
	Contributions by employer	3.32	3.20
	Benefits (paid)	(1.69)	(1.78)
	Closing value of plan assets	**15.90**	**13.52**
iii)	**Amount recognised in the Balance Sheet**		
	Present value of funded obligations as at year end	23.45	16.60
	Fair value of the plan assets as at year end	15.90	13.52
	Net (asset) / liability recognised as at the year end	**7.55**	**3.08**

NOTES

to the standalone financial statements as on 31st March 2018

₹ in cr.

	Particulars	31 March 2018	31 March 2017
iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	3.49	3.00
	Net Interest cost	0.10	0.12
	Expenses deducted from the fund	-	-
	Adjustment to the opening fund	-	-
	Net expenses recognised in the Statement of Profit and Loss	**3.59**	**3.12**
	Expenses recognised in the Statement of Other Comprehensive Income		
	Net actuarial loss/(gain) recognized in the current year		
	- changes in financial assumptions	1.97	0.08
	- change in demographic assumption	0.25	-
	- experience adjustments	(0.48)	(0.06)
	Return on plan assets excluding amounts included in Interest Income	0.25	0.15
	Net expenses recognised in the Statement of Other Comprehensive Income	**1.99**	**0.17**
v)	**Asset information**		
	Insurer Managed Funds (100%)	100%	100%
	(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)		
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	7.35%	7.20%
	Salary growth rate (p.a.)	9.00% for next 3 years and 7.00% thereafter	5.30%
	Average Remaining Service (Years)	4.60	11.25
	Attrition rate: Management has estimated the level of attrition based on last 3 years pattern, broad economic outlook, sector in which company operates and long term view to retain/relieve the employees		
vii)	**Estimate of amount of contribution in immediate next year**	3.47	3.07

Sensitivity Analysis

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

Particulars	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	22.51	24.47	15.10	18.37
Salary growth rate (1% movement)	24.35	22.59	18.31	15.13

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

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2017-18.

42.3 Leave Encashment:

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

Accordingly ₹12.94 cr. (Pr. Yr. ₹ 3.87 cr.) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

NOTES

to the standalone financial statements as on 31st March 2018

43. Share based payments

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

During the year 2000 options have been granted by the Company under the aforesaid ESOS – 2011 to the employees of the Company.

Grant Date	No. of Option	Exercise price	Vesting Period
22nd August 2017	2000	2	22.08.2018 to 22.08.2021

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

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

₹ in cr.

Particulars	31 March 2018	31 March 2017
	Nos.	Nos.
Options outstanding as at the beginning of the Year	24,500	12,750
Add: Options granted during the Year	2,000	15,500
Less: Options Exercised during the Year	9,500	3,750
Less: Options lapsed during the Year	Nil	Nil
Options outstanding as at the Year End	17,000	24,500

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

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

Variables	Weighted Average Information			
Plan	ESOS 2011			
	2,000 options	6,000 options	7,000 options	2,000 options
Grant date	8th May 2015	26th July 2016	26th July 2016	22nd August 2017
Last date for acceptance	8th June 2015	26th August 2016	26th August 2016	22nd September 2017
Risk free rate (%)	8.00	7.30	7.30	7.50
Expected Life (years)	1 to 3	3 to 4	1 to 3	1 to 4
Volatility (%)	31.70	20.23	20.23	17.20
Dividend yield (%)	1.50	0.53	0.53	0.43
Price of the underlying share in the market at the time of option grant	1,264/-	1,478/-	1,703/-	1,153/-

Valuation of stock options

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

NOTES

to the standalone financial statements as on 31st March 2018

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

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

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

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

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

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

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period of each separately vesting portion of the award as if the award was, in-substance, multiple awards.

44. Financial Instrument- Fair values and risk management

A. Fair value measurements

₹ in cr.

Financial Instruments by category	31 March 2018		31 March 2017	
	FVPL	Amortised Cost	FVPL	Amortised Cost
Financial assets				
Mark to Market Derivative Asset	-	-	0.77	-
Investments in Mutual Funds	182.38	-	181.56	-
Investment in Unquoted Equity Shares (Current Year ₹ 37,050, Previous Year ₹ 37,050)	-	-	-	-
Trade Receivables	-	464.42	-	336.00
Other Non-Current Financial Assets	-	14.18	-	9.09
Cash and cash equivalents	-	36.22	-	18.72
Bank balances other than cash and cash equivalents	-	2.45	-	4.12
Interest Receivable	-	0.12	-	0.47
Total Financial Assets	**182.38**	**517.39**	**182.33**	**368.40**
Financial liabilities				
Book Overdrafts	-	2.32	-	5.53
Other Non-Current Financial Liabilities	-	-	-	0.09
Capital Creditors	-	35.60	-	24.29
Other Current Financial Liabilities	-	0.65	-	0.99
Employee Benefits Payable	-	14.45	-	7.38
Mark to Market Derivative Liablity	1.50	-	-	-
Trade payables	-	211.47	-	145.31
Total Financial Liabilities	**1.50**	**264.49**	**-**	**183.58**

NOTES

to the standalone financial statements as on 31st March 2018

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ in cr.

Financial assets and liabilities measured at fair value	31 March 2018			31 March 2017		
	Level			Level		
	I	II	III	I	II	III
Recurring fair value measurements						
Mark to Market Derivative Asset	-	-	-	-	0.77	-
Investments in Mutual Funds	182.38	-	-	181.56	-	-
Non Recurring fair value measurements						
Total Financial Assets	**182.38**	**-**	**-**	**181.56**	**0.77**	**-**
Financial liabilities						
Non Recurring fair value measurements						
Mark to Market Derivative Liability	-	1.50	-	-	-	-
Total Financial Liabilities	**-**	**1.50**	**-**	**-**	**-**	**-**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (like Mark to Market Derivative Asset) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

Type	Valuation Technique	Significant unobservable Inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

B. Financial risk management

Company has exposure to following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

NOTES

to the standalone financial statements as on 31st March 2018

Risk management framework

Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

Company's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Company, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Company's Audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

i. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and mutual funds, foreign exchange transactions and other financial instruments.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

₹ in cr.

Particulars	31 March 2018	31 March 2017
Not past due but impaired	-	-
Neither past due not impaired	243.87	208.32
Past due not impaired	220.55	127.68
- 1-180 days	176.08	109.64
- 181-365 days	35.13	9.58
- more than 365 days	9.34	8.46
Past due impaired	5.80	4.90
- 1-180 days	-	-
- 181-365 days	-	-
- more than 365 days	5.80	4.90

(a) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non-interest bearing, are mainly from stockists, distributors and customers and are generally on 14 days to 150 days credit term. Credit limits are established for all customers based on internal rating criteria and any deviation in credit limit require approval of Directors. More than 90% of customers have been transacting with company for over 4 years and all of them are being monitored by individual business managers located in those countries/places. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

As at 31st March 2018, Company had 36 customers, excluding wholly owned subsidiaries (31st March 2017: 42 customers) that owed the company more than ₹ 0.50 crore each and accounted for approximately 50% of the total outstanding as at 31st March 2018 and 31st March 2017.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying

NOTES

to the standalone financial statements as on 31st March 2018

value of each class of financial assets. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

43% of total receivables is from wholly owned subsidiaries. These subsidiaries also have credit policies that are in line with the holding company.

Sales to certain jurisdictions are either based on advance payments or restricted to certain limits to curtail exposures to credit risk.

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expets the historical trend of minimal credit losses to continue.

₹ in cr.

	31 March 2018	31 March 2017
Gross Carrying amount	470.22	340.90
Average Expected loss rate	1.23%	1.44%
Carrying amount of trade receivables (net of impairment)	464.42	336.00

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	31 March 2018	31 March 2017
Balance as at the beginning of the year	4.90	Nil
Impairment loss recognised (net)	5.80	4.90
Amounts written off	4.90	Nil
Balance as at the year end	5.80	4.90

The impairment loss at 31st March 2018 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

(b) Financial instruments

Company limits its exposure to credit risk by investing only in liquid debt securities issued by mutual funds having a credit ranking of at least 3 and above from CRISIL or equivalent rating agency. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties.

ii. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to outflows is 0.70 at 31st March 2018 (31st March 2017: 0.92).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

₹ in cr.

As at 31.03.2018	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables Current	211.47	211.47	211.47	-	-	-
Other Current Financial Liabilities	53.02	53.02	53.02	-	-	-
Mark to Market Derivative Liability						
- Outflow	1.50	1.50	1.50	-	-	-
Total	**266.00**	**266.00**	**266.00**	**-**	**-**	**-**

As at 31.03.2017	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Other Non-Current Financial Liabilities	0.09	0.09	0.09	-	-	-
Trade Payables Current	145.31	145.31	145.31	-	-	-
Other Current Financial Liabilities	38.19	38.19	38.19	-	-	-
Mark to Market Derivative Asset						
- Inflow	(0.77)	(0.77)	(0.77)	-	-	-
Total	**182.82**	**182.82**	**182.82**	**-**	**-**	**-**

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange contracts to manage its exposures to foreign exchange fluctuations. All such transactions are carried out within the guidelines set by the risk management committee.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis excludes the impact of movements in market variables on the carrying value of postemployment benefit obligations, provisions and on the non-financial assets and liabilities.

The sensitivity of the relevant income statement item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31st March 2018 and 31st March 2017.

NOTES

to the standalone financial statements as on 31st March 2018

(a) Currency risk

Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of Company. The currencies in which these transactions are primarily denominated are US dollars and Euro.

At any point in time, Company covers foreign currency risk by taking appropriate percentage of its foreign currency exposure, as approved by risk management committee in line with the laid down policy approved by the Board. Company uses forward exchange contracts to mitigate its currency risk, most with a maturity of less than one year from the reporting date. In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The following table analyses foreign currency risk as of 31st March 2018:

₹ in cr.

Particulars	US Dollars	Euro	Total
Bank balances	12.07	0.01	12.08
Trade receivables	376.42	5.99	382.41
Other Assets	2.28	8.60	10.88
Trade Payables	8.24	6.25	14.49
Other Financial Liabilities	1.75	6.72	8.47
Net assets / (liabilities)	**380.78**	**1.63**	**382.41**

The following table analyses foreign currency risk as of 31st March, 2017:

Particulars	US Dollars	Euro	Total
Bank balances	15.62	0.67	16.29
Trade receivables	276.52	9.72	286.24
Other Assets	1.25	5.46	6.71
Trade Payables	(8.04)	(2.57)	(10.61)
Other Financial Liabilities	(0.83)	(1.99)	(2.82)
Net assets / (liabilities)	**284.52**	**11.29**	**295.81**

For the year ended 31st March 2018 every percentage point depreciation / appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	3.81 / (3.81)
Euro	+1% / (-1%)	0.01 / (0.01)

For the year ended 31st March 2017 every percentage point depreciation/appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	2.85 / (2.85)
Euro	+1% / (-1%)	0.11 / (0.11)

NOTES

to the standalone financial statements as on 31st March 2018

45. Note on foreign currency exposures on assets and liabilities:

(a) Disclosure on foreign currency on assets and liabilities

During the year, the Company has entered into Forward Exchange Contract, being derivative instruments to mitigate foreign currency risk, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. The following are the outstanding foreign currency forward contracts entered into by the Company:

Particulars	31 March 2018 Foreign Currency Amt in cr.	31 March 2017 Foreign Currency Amt in cr.	Buy or Sell	Cross Currency
EURO	0.44	0.08	SELL	INR
USD	7.46	0.10	SELL	INR

The year-end foreign currency exposures that have not been mitigated by a derivative instrument or otherwise are as below:

Particulars	₹ in cr.	₹ in cr.	Foreign Currency Amt in cr.	Foreign Currency Amt in cr.	Foreign Currency
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	
Amount Receivable	390.65	364.07	6.07	5.61	USD
	14.65	10.70	0.19	0.15	EURO
	Nil	0.64	Nil	0.01	CHF
	Nil	0.01	Nil	*0.00	GBP
	Nil	0.23	Nil	0.01	AED
Amount Payable	10.11	8.90	0.16	0.14	USD
	13.02	4.58	0.16	0.07	EURO
	Nil	0.06	Nil	0.10	JPY

(Previous Year *GBP 1,030)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt interest obligations. Further, the Company engages in financing activities at market linked rates, any changes in the interest rates environment may impact future rates of borrowing.

(c) Price risk

Company does not have any exposure to price risk, as there is no equity investments by company except in its own subsidiaries.

46. Disclosure for operating leases under Ind AS 17 - " Leases":

Company has taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents. The lease payments of ₹ 10.84 cr. (Pr. Yr. ₹ 6.31 cr.) are recognised in the Statement of Profit and Loss under "Rent" under Note 39.

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

₹ in cr.

Particulars	31 March 2018	31 March 2017
Not later than one year	0.85	2.91
Later than one year but not later than five years	1.58	3.20
Later than five years	Nil	Nil

NOTES

to the standalone financial statements as on 31st March 2018

47. Contingent Liabilities and commitments:

Contingent Liabilities

₹ in cr.

	Particulars	31 March 2018	31 March 2017
i.	Claims against the Company not acknowledged as debt	0.61	0.90
ii.	Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation.	4.85	1.44
iii.	Disputed Octroi. Amount paid under protest and included under "Other Current Assets" ₹ 0.52 cr. (Previous Year ₹ 0.52 cr.)	0.52	0.52
iv.	Excise duty and Service Tax disputed by the Company	4.73	2.64
v.	Income Tax demand disputed by the Company pending in appeal Amount paid and included under "Current Tax Assets (Net)" ₹ 0.97 cr. (Previous Year ₹ 7.86 cr.)	0.97	8.33
vi.	Unpaid allotment money in respect of Shares of Ajanta Pharma UK Ltd, wholly owned subsidiary, equivalent to UK Pound 10,000 (Pr. Yr. UK Pound 10,000).	0.09	0.08

The Company does not except the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flow.

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

Commitments

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 161.88 cr. (Pr. Yr. ₹ 132.28 cr.).

b) Other Commitments – Non-cancellable operating leases (Refer note 46).

48. Related party disclosure as required by Ind AS 24 are given below: -

A) Relationships:

Category I- Subsidiaries:

Ajanta Pharma (Mauritius) Ltd	(APML)
Ajanta Pharma Mauritius International Ltd	(APMIL)
Ajanta Pharma Nigeria Limited	(APNL)
Ajanta Pharma USA Inc	(APUI)
Ajanta Pharma Philippines Inc.	(APPI)
Ajanta Pharma UK Ltd	(APUK)

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

Mr. Mannalal B. Agrawal	Chairman
Mr. Purushottam B. Agrawal	Non-Executive Director
Mr. Madhusudan B. Agrawal	Executive Vice-Chairman
Mr. Yogesh M. Agrawal	Managing Director
Mr. Rajesh M. Agrawal	Joint Managing Director
Mr. Arvind Agrawal	Chief Financial Officer
Mr. Gaurang Shah	Company Secretary

NOTES

to the standalone financial statements as on 31st March 2018

Mr. Chandrakant M. Khetan	Independent Director
Dr. Anil Kumar	Independent Director
Mr. K. H. Viswanathan	Independent Director
Mr. Prabhakar Dalal	Independent Director
Dr. Anjana Grewal	Independent Director

& Relatives of Key Management Personnel

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

Gabs Investments Private Limited

Seth Bhagwandas Agrawal Charitable Trust

Ganga Exports being represented by Mr. Yogesh Agrawal, Mr. Rajesh Agrawal, Mr. Ravi Agrawal & Mr. Aayush Agrawal

Mannalal Agrawal Trust, Trustee - Mannalal Agrawal

Yogesh Agrawal Trust, Trustee - Yogesh M Agrawal

Rajesh Agrawal Trust, Trustee - Rajesh M Agrawal

Ravi Agrawal Trust, Trustee - Ravi P Agrawal

Aayush Agrawal Trust, Trustee - Aayush Agrawal

Ajanta Pharma Limited Group Gratuity Trust

Samta Purushottam Agrawal Memorial Foundation

Ajanta Foundation (w.e.f 20th September 2017)

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

₹ in cr.

Sr No.	Particulars	Category	31 March 2018	31 March 2017
1.	**Sale of Goods:**			
	APML	I	64.52	35.03
	APPI	I	70.39	68.97
	APMIL	I	38.43	34.08
	APUI	I	148.43	183.40
	APNL	I	9.27	5.58
2.	**Dividend from Subsidiary Companies**			
	APML	I	43.45	36.54
	APPI	I	6.20	6.64
3.	**Expenses Reimbursement to:**			
	APUI	I	15.73	15.34
4.	**Key Management Compensation :**			
	Short Term Employee Benefits			
	Purushottam B Agrawal	II	1.66	2.07
	Madhusudan B Agrawal	II	1.91	2.07
	Yogesh M Agrawal	II	1.91	2.07
	Rajesh M Agrawal	II	1.91	2.07
	Arvind Agrawal	II	1.54	0.84
	Gaurang Shah	II	0.41	0.37
	Post-employment benefits	II	0.09	0.09
5.	**Commission and Sitting Fees to Non-Executive Director :**			
	Mannalal B. Agrawal	II	1.24	1.24
	Mr. Chandrakant M. Khetan	II	0.07	0.06

NOTES

to the standalone financial statements as on 31st March 2018

₹ in cr.

Sr No.	Particulars	Category	31 March 2018	31 March 2017
	Dr. Anil Kumar	II	0.07	0.06
	Mr. K. H. Viswanathan	II	0.05	0.05
	Mr. Prabhakar Dalal	II	0.05	0.05
	Dr. Anjana Grewal	II	0.05	0.05
	Yogesh M. Agrawal	II	2.50	Nil
	Rajesh M. Agrawal	II	2.50	Nil
6.	**Dividend Paid**			
	Key Management Personnel	II	Nil	46.82
	Others	III	Nil	37.62
7.	**Investment in subsidiary:**			
	APNL	I	1.01	Nil
8.	**Purchase of Property**			
	Yogesh M Agrawal	II	Nil	2.60
	Rajesh M Agrawal	II	Nil	2.60
	Ravi P Agrawal	II	Nil	2.60
	Aayush M Agrawal	II	Nil	2.60
9.	**Sale of Vehicle**			
	Mannalal B Agrawal	II	0.02	1.10
	Ravi P Agrawal	II	Nil	0.23
10.	**Corporate Social Responsibility Expense**			
	Seth Bhagwandas Agrawal Charitable Trust	III	2.40	6.19
	Samta Puroshattam Agrawal Memorial Foundation	III	7.54	Nil
	Ajanta Foundation	III	0.05	Nil
11.	**Contribution made to Group gratuity trust through premium paid to LIC :**			
	Premium paid:	III	3.42	3.31
12.	**Bad Debts:**			
	APNL	I	Nil	1.62

C) Amount Outstanding as on 31 March 2018

₹ in cr.

Sr No.	Particulars	Category	31 March 2018	31 March 2017
1.	**Trade Receivables :**			
	APPI	I	21.10	18.20
	APUI	I	174.18	129.13
	APNL	I	6.13	2.78
	APMIL	I	Nil	0.85
2.	**Investments in :**			
	APML	I	9.44	9.44
	APPI	I	1.38	1.38
	APUI	I	6.07	6.07
	APNL	I	1.37	0.36
3.	**Trade Payables :**			
	APUI	I	0.72	Nil

NOTES

to the standalone financial statements as on 31st March 2018

₹ in cr.

Sr No.	Particulars	Category	31 March 2018	31 March 2017
4.	**Advance Received :**			
	APML	I	0.19	2.45
	APMIL	I	3.94	Nil
5.	**Commission payable to Non-Executive Director:**			
	Mannalal B Agrawal	II	1.20	1.20
	Mr. Chandrakant M. Khetan	II	0.02	0.01
	Dr. Anil Kumar	II	0.02	0.01
	Mr. K. H. Viswanathan	II	0.02	0.01
	Mr. Prabhakar Dalal	II	0.02	0.01
	Dr. Anjana Grewal	II	0.02	0.01
	Yogesh M. Agrawal	II	2.50	Nil
	Rajesh M. Agrawal	II	2.50	Nil

The Company has completed an independent evaluation for all international and domestic transactions for the year ended 31st March 2018 and has reviewed the same for the year ended 31st March 2017 to determine whether the transactions with associated enterprises are undertaken at arm's length price. Based on the internal and external transfer pricing review and validation, the Company believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle.

49. Contribution towards Corporate Social Responsibility:

The particulars of CSR expenditure are as follows:

a) Gross amount required to be spent by the company during the year is ₹ 10.60 cr. (Previous year: ₹ 8.45)

b) Amount spend during the year on:

Sr No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of asset	Nil	Nil	Nil
(ii)	On purposes other than (i) above	11.99	Nil	11.99

*includes paid to related parties ₹ 9.99 cr. (Refer note 48)

c) Amount spend during the previous year on:

Sr No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of asset	Nil	Nil	Nil
(ii)	On purposes other than (i) above	8.72	Nil	8.72

*includes paid to related parties ₹ 6.19 cr. (Refer note 48)

NOTES

to the standalone financial statements as on 31st March 2018

50. Provision of anticipated Sales Return for Expired Goods

As per best estimate of management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37.

₹ in cr.

Particulars	31 March 2018	31 March 2017
Balance at the beginning of the year	9.00	7.67
Add: Provisions made during the year	9.66	5.71
Less: Amount written back/utilized during the year	9.00	4.38
Balance at the end of the year	**9.66**	**9.00**

51. The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclosures related to segments are presented in this standalone financial statements.

52. Remuneration to Auditors (excluding GST and Service Tax) :

Particulars	31 March 2018	31 March 2017
- Audit Fees	0.17	0.20
- For Certification and Other Matters	0.20	0.08

53. Details Of Dues To Micro And Small Enterprises As Defined Under The Micro, Small And Medium Enterprises Development Act, 2006:

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

	Particulars	31 March 2018	31 March 2017
a.	The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principle amount due to micro and small enterprises	8.91	0.51
	Interest due on above	Nil	Nil
b.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act 2006.	Nil	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act 2006.	Nil	Nil

NOTES

to the standalone financial statements as on 31st March 2018

54. Research and Development expenditure:

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

₹ in cr.

Particulars	31 March 2018	31 March 2017
Cost of Material/Consumables/Spares	46.63	48.45
Employee benefit expenses	54.43	46.56
Utilities	4.50	4.70
Other Expenses	80.68	50.62
Total	**186.24**	**150.33**

55. Company had entered into a Joint Venture with JV Turkmenderman Ajanta Pharma Ltd. (TDAPL) about two decade back, where it had management control. However in terms of JV agreement, Company subsequently surrendered management control in favour of local partner and since then do not have any control on the same. Further TDAPL operates under severe restriction that significantly impairs its ability to transfer the funds. Hence, company impaired entire investment in TDAPL and considered as unrelated party. The Company is also unable to obtain reliable & acculate financial information in respect of the said JV.

56. Pre-operative expenses capitalised during the year represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same were capitalised on completion of projects and commencement of commercial operations. The details of pre-operative expenses capitalised are:

Particulars	31 March 2018	31 March 2017
Opening Balance	85.04	40.89
Add: Incurred during the year		
Employee Benefit Expenses	1.27	18.21
Professional fees	-	0.81
Travelling expenses	0.02	1.37
Depreciation	-	1.93
Others	2.60	28.69
Total	**88.93**	**91.90**
Less: Other Income	-	1.11
Less: Capitalised to Tangible Assets	88.93	5.75
Closing Balance	**-**	**85.04**

NOTES

to the standalone financial statements as on 31st March 2018

57. Disclosure on Specified Bank Notes (SBNs):

The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made since the requirement does not pertain to financial year ended 31st March 2018. Corresponding amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31st March 2017 have been disclosed.

Particulars	SBNs	Other Denomination Notes	Total
	₹	₹	₹
Closing cash in hand as on November 8, 2016	8,27,500	5,81,490	14,08,990
(+) Permitted receipts	Nil	16,65,581	16,65,581
(-) Permitted payments	Nil	12,63,085	12,63,085
(-) Amount deposited in Banks	8,27,500	50,000	8,77,500
Closing cash in hand as on December 30, 2016	Nil	9,34,086	9,34,086

58. Income Tax

Income tax (expense)/benefit recognized in the income statement consists of the following:

₹ in cr.

		31 March 2018	31 March 2017
a.	**Current tax**		
	Current tax on profit for the year	117.49	136.89
	Adjustment for current tax of prior periods	(2.89)	0.09
	Total Current Tax expenses	**114.60**	**136.98**
	Deferred tax expense/(benefit)		
	Origination and reversal of timing difference	25.55	3.86
	MAT Credit Entitlement	(5.23)	-
	Total Deferred Tax expenses	**20.32**	**3.86**
	Total Income tax expense recognized in the income statement	**134.92**	**140.84**
b.	**Reconciliation of effective tax rate**		
	The following is a reconciliation of the company's effective tax rate		
	Accounting profit before income taxes	562.45	640.65
	Enacted tax rate in India (%)	34.61	34.61
	Computed expected tax (benefit)/expenses	194.65	221.72
	Effect of non-deductible expenses	2.48	13.15
	Effect of exempt non-operating income	(0.04)	(0.23)
	Reversal of temporary difference which is reversed in Tax Holiday	(13.72)	-
	Income taxed at different rate	(8.59)	(10.94)
	Additional deduction on R & D Expenses	(34.35)	(67.80)
	Investment allowance on plant & machinery	-	(13.57)
	Others deductible expenses	(2.62)	(1.58)
	Adjustment for current tax of prior periods	(2.89)	0.09
	Income tax (benefit)/expenses	134.92	140.84
	Effective tax rate	23.99%	21.98%

NOTES

to the standalone financial statements as on 31st March 2018

c. Deferred tax assets & (liabilities)

The tax effects of significant temporary difference that resulted in deferred tax asset & liabilities and a description of that created these difference in given below:

₹ in cr.

	31 March 2018	31 March 2017
Deferred Tax Liabilities		
Property, Plant and equipment	(67.19)	(37.21)
Gain on Financial Instrument at fair value through profit or loss	(0.82)	(2.15)
Total Deferred Tax Liabilities	**(68.00)**	**(39.36)**
Deferred Tax Asset		
Leave Encashment	4.77	1.34
Provision for Expired Goods	3.34	3.11
Re-measurement of defined benefit plans	-	0.18
MAT Credit Entitlement	10.88	5.65
Provision for Loss Allowance	2.01	1.70
Total Deferred Tax Asset	**15.77**	**11.98**
Deferred tax liabilities after set off	(47.00)	(27.38)
Movement in deferred tax liabilities, net		
Opening balance	**27.38**	**(23.58)**
Re-measurement of defined benefit plans	0.69	0.06
Tax benefit/(expense) during the period recognised in profit or loss	(20.32)	(3.86)
Closing balance	**(47.00)**	**(27.38)**

The charge relating to temporary differences during the year ended 31st March 2018 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences, MAT credit entitlement. The credit to temporary differences during the year ended 31st March 2017 are primarily on account of Property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, compensated absences, provision for loss allowance, forward contract receivable.

59. Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification. Previous year standalone financial statements have been audited by firm of Chartered Accountants other than B S R & Co. LLP.

In terms of our report attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, 2nd May 2018

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind K. Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696