ajanta pharma limited

Brand Building Worldwide

Formulation Manufacturing

API Manufacturing

Process Chemistry & Formulation R&D

Mapping the Complete Pharma Value Chain

ANNUAL REPORT 2009-10

Board of Directors

Mannalal B. Agrawal
Chairman

Purushottam B. Agrawal
Vice Chairman

Madhusudan B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Dr. Anil Kumar
Director

Chandrakant M. Khetan
Director

Subal Chandra Saha
Nominee Director (IDBI Bank)

Manjiri Bhalerao
Nominee Director (Exim Bank)

Auditors

Kapoor & Parekh Associates

Company Secretary

Nikhil Bhatt

Content

Regd. Office:
Ajanta House, Charkop,
Kandivli (W), Mumbai - 400 067

Mapping the Complete Pharma Value Chain

World wide, consistent growth in Pharmaceutical business has been directly dependent on its integration of 'complete value chain of the industry'. More the integration in terms of components of value chain, more robust the organizational growth has been. All successful pharma players had mapped 'the complete value chain of the pharma industry', right from R&D, to producing critical active pharma ingredients (API), to manufacturing formulations, to building brands. Over the years, we at Ajanta Pharma have been working diligently to add every component of the pharma value chain in our fold, for maintaining consistent growth and make it a way of life.

We are proud to announce that with addition of state-of-the-art API facility this financial year, Ajanta Pharma has mapped 'the complete pharma value chain' and is poised for accelerated growth.

Research & Development

Innovation is the key to success in pharmaceutical business and it springs from focussed & committed Research & Development (R&D) initiatives. R&D is the first & foremost important component in the pharma value chain. Recognising this, we at Ajanta Pharma have been consistently investing in R&D, for blossoming lives, better patient compliance and patient convenience. Our constant initiatives are in the direction of targeting, both identified market opportunities and challenge of unmet medical needs which enables us to work on difficult to make products, in existing as well as high potential new therapy areas. We continue to focus on New Drug Delivery Systems (NDDS) and new combinations. With the help of our R&D capabilities, we now have 1380 product registrations in different markets of the world and over 1029 more are waiting in pipeline. Our R&D facility at 'Advent', Mumbai, which is approved by Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology, Government of India, is being expanded which will ensure consistent growth for the organisation in the coming years.

API Manufacturing

The next key component of pharma value chain is manufacturing of critical raw material, commonly known as Active Pharma Ingredient (API). Whenever a new formulation needs to be launched, it has to start from its basic compound, which during initial period, is not easily available in the market place. It is here that, in-house capability for producing such API becomes essential to reach the formulation to the needy patients at the earliest. Further, it also helps to reduce costs by process improvement, thereby improving profitability.

Mapping the Complete Pharma Value Chain

Realising its need and importance in the pharma value chain, we at Ajanta Pharma have recently set up a state-of-the-art API facility at Waluj, Aurangabad. This plant is equipped to produce different scale of volumes right from laboratory to pilot to commercial level. This enables us to carry out innovations in both product quality and cost. With this addition, we have mapped the complete pharma value chain and are able to create a class apart in healthcare. Addition of this component of pharma value chain will accelerate our growth in the coming years.

Formulation Manufacturing

We have identified our key strength as a niche pharmaceutical formulation provider, in diverse dosage forms, most suitable to the complex patient needs. Over the years, we have strengthened our formulation manufacturing capabilities, which is, yet another important component of the pharma value chain. During the year, we acquired a formulation manufacturing facility near Aurangabad to cater to rest of the world markets. With this acquisition, we now have independent facilities catering to specific markets/segments. We are proud to have best of the practices for highest quality standards in formulation manufacturing. This will ensure uninterrupted availability of manufacturing capacities required for consistent growth in the coming years.

Brands

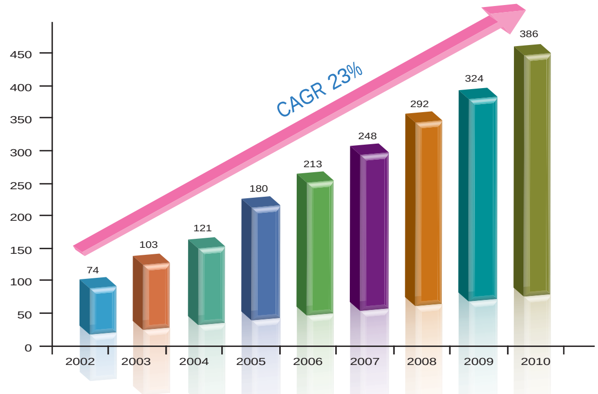
"Brands" in pharmaceutical industry conveys the quality and reliability of a product. It is the brand which differentiates and gives the confidence to the medical profession about the effectiveness of the product for providing timely relief to the patient. The pharma value chain reaches its peak with the "Brand". At Ajanta Pharma, we have always been conscious about this part of the value chain and today our "Brands" stand for highest quality in the markets. We have built brands across countries and across niche segments, with innovation at the core of our product, which enabled us to improve our rankings year after year. During the financial year we have launched 24 new products in different therapeutic segments, many of them being amongst the first to be launched in the market. Today many of our brands enjoy leadership position in their sub-therapeutic segments. Our brand building exercise worldwide will continue to fuel growth in the coming years.

Global Presence

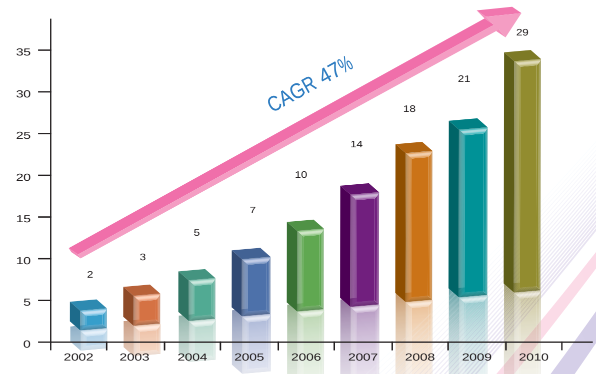
One of our early decisions to enter African market through our subsidiary in Mauritius has proved to be extremely beneficial. The performance of the Mauritian subsidiary, Ajanta Pharma (Mauritius) Limited (APML) has been excellent in the recent years and it has established its niche in the markets of Africa with strong brand equity. For the calendar year 2009, APML has registered a growth of 36% in sales. APML has its own manufacturing facility, which is having WHO GMP certification and approved by FDA's of various African countries. APML has now entered the Philippines market with a step down subsidiary and is planning to take a share in the growing local market there.

Consistent Growth

At Ajanta Pharma, the integration of pharma value chain has started showing the effects with all round growth in all its markets. We have strengthened our position in the markets we operate in and have built a strong foundation for growth in coming years. The 19% growth in sales and 33% growth in net profit (stand alone) is the confirmation of our belief in mapping the complete pharma value chain. This excellent growth was the result of dedicated efforts put in by a passionate and aligned team of 2000+ Ajantaites, who swear by Integrity, Respect for everyone and Entrepreneurship. At Ajanta Pharma, Human Resource is the vital link integrating different parts of complete pharma value chain.

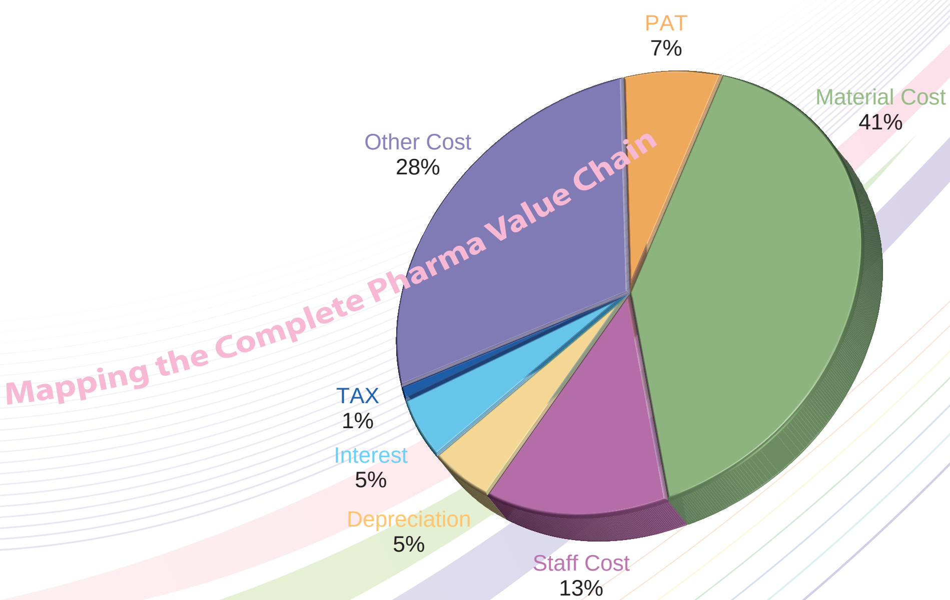


TOTAL INCOME (Rs.Crs.)



PROFIT AFTER TAX (Rs.Crs.)

REVENUE DISTRIBUTION



Overview

Pharmaceutical industry globally is bracing itself for some fundamental changes in the marketplace and is looking at newer ways to drive growth. Boosting drug discovery potential, reducing time to market and squeeze costs along the complete pharma value chain are some of the options being evaluated and tried world over. We, at Ajanta Pharma, see this as a big opportunity and have built strong brand equity with cost effective, best quality products for the export markets.

India's population is growing rapidly, as is its economy – creating a large middle class with the resources to afford quality medicines. Further, India's epidemiological profile is changing, so demand is likely to increase for drugs for cardio-vascular problems, disorders of the central nervous system and other chronic diseases. These factors mean that India represents a promising potential market for pharmaceutical manufacturers, which was reflected in relatively stable growth in domestic formulation market as compared to global turbulence. Government controls and volatility in the foreign exchange rate movements remains the threat to the industry. Our proactive approach and continuous thrust on innovation allows us to overcome these threats.

Excellent internal control systems, supported by internal audit, enabled us to improve our efficiency at all levels. We continue our efforts in meeting our corporate social responsibilities in the form of eye camps, corrective plastic surgery camps, blood donation camps, save the earth initiatives, etc.

Cautionary Note

Certain statements in the reports of the Board of Directors and Management's discussions and analysis may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since company's operations are influenced by many external and internal factors beyond the control of the company. The company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

AUDITORS' REPORT

To the Members of

AJANTA PHARMA LIMITED

1. We have audited the attached Balance Sheet of AJANTA PHARMA LIMITED (the Company) as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (together the 'Order'), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;

   e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give, a true and fair view in conformity with the accounting principles generally accepted in India;

      i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

      ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For KAPOOR & PAREKH ASSOCIATES
(ICAI FRN 104803W)
Chartered Accountants

S. S. KAPOOR
Partner
M. No. 5399

Mumbai, 6th May, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in the paragraph 3 of our report of even date to the Members of AJANTA PHARMA LIMITED on the accounts for the year ended 31st March, 2010.)

1. In respect of its fixed assets:
   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   b) The fixed assets have been physically verified by the management during the year as per the phased programme which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that there were no material discrepancies noticed on such verification.
   c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and going concern status of the Company is not affected.
2. In respect of inventories:
   a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year except for stocks with third parties for which most of the confirmation certificates have been obtained by the Company and stocks in transit.
   b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
   c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.
3. In our opinion and according to the information and explanations given to us, the Company has neither taken nor given any loan, secured or unsecured, from/ to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence, sub-clauses (b), (c), (d), (f) & (g) of Clause (iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there exist an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section and such transactions exceeding Rs. 5 Lacs in respect of each party have been made at prices which are prima facie, reasonable having regard to the prevailing market prices at the relevant time where such prices are available.
6. The Company has not accepted any deposit from public. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of formulations, bulk drugs and drug intermediates pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed records have generally been maintained and the prescribed accounts are in the process of being made up. We have however, not made a detailed examination of the records with a view to determining whether they are accurate and complete.
9. According to the information and explanations given to us in respect of statutory and other dues:
   a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory

dues with the appropriate authorities during the year. There were no dues on account of cess under Section 441A of the Companies Act, 1956, since the date from which aforesaid Section comes into effect has not yet been notified by the Central Government.

b) According to the information and explanation given to us, except Sales Tax amounting to Rs. 10 lacs, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.

c) On the basis of our examination of the documents and records of the Company and the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of a dispute, except as enumerated herein below which are pending before respective authorities as mentioned there against:

Name of the statute	Nature of the Dues	Amount* (Rs. in Lacs)	Period to which amounts relate (Financial Year)	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax/ Interest/ Penalty	110.97 35.54 37.05 15.30	2000-01 2001-02 2002-03 2003-04	Commissioner of Income Tax (Appeals)
		63.77 9.44 2.77	2001-02 2002-03 2003-04	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	5.44	2005-06 & 2006-07	CESTAT, Mumbai
		44.00	2005-06 & 2006-07	Joint Commissioner, Aurangabad

*Net of amounts paid under protest or otherwise.

10. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding financial year.

11. Based on our audit procedures, according to the information and explanations given to us and in our opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/mutual benefit fund/society.

14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

17. According to the cash flow statement and other records examined by us and on the basis of the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

19. According to the information and explanations given to us, the Company does not have outstanding debentures at the beginning of the year nor has issued any debentures during the year.

20. The Company has not raised any money by public issue during the year.

21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For KAPOOR & PAREKH ASSOCIATES
(ICAI FRN 104803W)
Chartered Accountants

S. S. KAPOOR
Partner
M. No. 5399

Mumbai, 6th May, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010 (STAND ALONE)

Rs. in Lacs

	Schedules	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,179.61	1,179.61
Reserves and Surplus	2	16,411.07	14,035.16
Loan Funds			
Secured Loans	3	18,152.44	20,085.58
Unsecured Loans	4	2,176.65	3,936.61
Deferred Tax Liability		580.09	75.02
TOTAL		38,499.86	39,311.98
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		22,175.73	17,160.50
Less: Depreciation & Amortisation		6,090.55	4,141.67
Net Block		16,085.18	13,018.83
Capital Work-in-Progress		4,699.11	5,516.79
		20,784.29	18,535.62
Investments	6	1,705.14	1,705.14
Current Assets, Loans and Advances			
Inventories	7	10,516.13	9,898.01
Sundry Debtors	8	8,550.41	9,691.85
Cash and Bank Balances	9	523.39	731.07
Loans and Advances	10	3,848.44	4,029.34
		23,438.37	24,350.27
Less: Current Liabilities and Provisions			
Current Liabilities	11	6,666.31	4,704.67
Provisions	12	761.63	574.38
		7,427.94	5,279.05
Net Current Assets		16,010.43	19,071.22
TOTAL		38,499.86	39,311.98
Notes to the Accounts	18		

As per our report of even date attached
For Kapoor & Parekh Associates
Chartered Accountants

S. S. Kapoor
Partner

Mumbai, 6th May, 2010

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 (STAND ALONE)

Rs. in Lacs

	Schedules	Year ended 31st March, 2010	Year ended 31st March, 2009
INCOME			
Gross Sales		38,477.03	32,242.51
Less : Excise Duty		310.18	294.84
Net Sales		38,166.85	31,947.67
Other Income	13	127.35	137.64
TOTAL INCOME		38,294.20	32,085.31
EXPENDITURE			
Materials	14	15,492.68	12,764.25
Personnel Expenses	15	5,090.96	4,045.71
Interest	16	1,908.08	2,203.05
Other Expenses	17	10,460.81	9,163.41
Depreciation & Amortisation		1,975.56	1,314.76
TOTAL EXPENDITURE		34,928.09	29,491.18
Profit Before Tax		3,366.11	2,594.13
Provision for Tax :			
-Current Tax		579.35	285.03
-MAT Credit Entitlement		(572.00)	(284.56)
-Fringe Benefit Tax		-	84.84
-Deferred Tax		505.08	367.59
Income Tax of Earlier Years Written Off (Back)		(0.09)	3.50
Profit After Tax		2,853.77	2,137.73
Balance Brought Forward from Previous Year		723.83	828.56
Amount available for Appropriation		3,577.60	2,966.29
Appropriations:			
Proposed Dividend on Equity Shares		409.80	292.71
Tax on Proposed Dividend		68.06	49.75
Transferred to General Reserve		2,100.00	1,900.00
Balance Carried Forward		999.74	723.83
TOTAL		3,577.60	2,966.29
Earning Per Share (Face Value Rs.10/-)			
Basic and Fully Diluted (Rs.)		24.37	18.26
Notes to the Accounts	18		

As per our report of even date attached
For Kapoor & Parekh Associates
Chartered Accountants

S. S. Kapoor
Partner

Mumbai, 6th May, 2010

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

SCHEDULES TO BALANCE SHEET (STAND ALONE)

Rs. in Lacs

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE : 1		
SHARE CAPITAL		
Authorised :		
1,50,00,000 Equity Shares of Rs. 10 each	1,500.00	1,500.00
1,50,00,000 Preference Shares of Rs. 10 each	1,500.00	1,500.00
	3,000.00	3,000.00
Issued :		
1,18,61,800 Equity Shares of Rs. 10 each	1,186.18	1,186.18
Subscribed & Paid up:		
1,17,08,500 Equity Shares of Rs. 10 each fully paid up	1,170.85	1,170.85
Add:1,53,300 Equity Shares Forfeited-Amount originally paid up	8.76	8.76
	1,179.61	1,179.61

Notes :

Of the above Equity Shares :

- 12,33,000 Equity Shares are allotted as Bonus Shares by way of capitalisation of reserves.
- 31,25,000 Equity Shares were allotted pursuant to Scheme of Amalgamation without payment being received in cash

SCHEDULE : 2		
RESERVES & SURPLUS		
Capital Reserve :		
As per last Balance Sheet	46.92	46.92
Capital Redemption Reserve :		
As per last Balance Sheet	750.00	750.00
Share Premium :		
As per last Balance Sheet	7,514.41	7,514.41
General Reserve :		
As per last Balance Sheet	5,000.00	3,100.00
Add: Transferred from Profit & Loss Account	2,100.00	1,900.00
	7,100.00	5,000.00
Profit and Loss Account	999.74	723.83
	16,411.07	14,035.16

Rs. in Lacs

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE : 3		
SECURED LOANS		
Term Loans from Banks/Institutions		
Rupee Loan	11,937.84	10,453.45
Foreign Currency Loan	47.70	269.40
Working Capital Loans from Banks/Institutions		
Rupee Loan	1,630.15	9,034.57
Foreign Currency Loan	4,462.95	252.77
Other Loans - Rupee Loan	73.80	75.39
	18,152.44	20,085.58

Notes :

(i) Term loans are secured by first charge on all fixed assets of the company and second charge on entire current assets of the company, present & future on pari passu basis in addition to personal guarantee of some of the directors.

(ii) Working capital loans are secured by first charge on all current assets of the company and second charge on fixed assets of the company on pari passu basis in additions to the personal guarantee of some of the directors.

(iii) Other loans are secured against vehicles acquired under the scheme.

SCHEDULE : 4		
UNSECURED LOANS	861.08	734.82
Deferred Sales Tax Liabilities	1,315.57	3,201.79
Other Loans	2,176.65	3,936.61

SCHEDULE : 5

FIXED ASSETS

Rs. in Lacs

	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
Particulars	As at 01.04.2009	Additions	Deductions / Adjustments	As at 31.03.2010	As at 01.04.2009	For the Year	Deductions / Adjustments	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Freehold Land	541.65	182.65	-	724.30	-	-	-	-	724.30	541.65
Leasehold Land	351.10	4.37	-	355.47	39.49	4.52	-	44.01	311.46	311.61
Buildings	5,497.81	1,600.19	-	7,098.00	1,661.10	346.13	-	2,007.23	5,090.77	3,836.71
Plants & Machineries	7,498.16	2,842.98	9.25	10,331.89	1,218.00	1,037.88	5.94	2,249.94	8,081.95	6,280.16
Furniture & Fixtures	1,302.45	141.55	-	1,444.00	305.27	189.99	-	495.26	948.74	997.18
Office Equipments	391.75	30.48	-	422.23	184.47	30.61	-	215.08	207.15	207.28
Vehicles	316.55	44.84	26.72	334.67	178.99	39.79	20.74	198.04	136.63	137.56
Computers	1,261.03	204.15	-	1,465.18	554.35	326.63	-	880.98	584.20	706.68
Total :	17,160.50	5,051.21	35.97	22,175.73	4,141.67	1,975.56	26.68	6,090.54	16,085.18	13,018.83
Previous Year	12,237.75	4,986.20	63.45	17,160.51	2,849.14	1,314.76	22.24	4,141.67		
Capital Work in Progress									4,699.11	5,516.79
									20,784.29	18,535.62

Notes:

1. Addition to Fixed Assets during the year includes Rs.109.60 Lacs (Previous Year Rs. 644.82 Lacs) used for Research & Development.
2. Capital Work in Progress includes ANDA Development Cost amounting to Rs.1592.53 Lacs (Previous Year Rs. 1532.17 Lacs), including current year addition of Rs.60.36 Lacs (Previous Year Rs. 907.41 Lacs).

Rs. in Lacs

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE : 6		
INVESTMENTS		
Long Term (Non Trade, Unquoted):		
Government Securities		
(Deposited with Government Authorities)		
National Saving Certificates	0.10	0.10
In Subsidiary Companies		
Ajanta Pharma (Mauritius) Ltd.		
6,13,791 Ordinary Shares of Mauritian Rupees 100 each fully paid up	943.81	943.81
Ajanta Pharma Inc.		
1,520 Common Stock of US$ 100 each fully paid up	66.10	66.10
In Equity Shares of		
Turkmenderman Ajanta Pharma Ltd.		
2,00,000 Shares of US $ 10 each fully paid-up	695.13	695.13
	1,705.14	1,705.14
SCHEDULE : 7		
INVENTORIES		
(As certified by the management)		
Raw Materials	4,314.49	2,167.84
Packing Materials	1,049.26	963.01
Work-in-Process	464.26	614.48
Finished/Traded Goods	4,591.88	6,072.19
Sales Promotion Materials	96.24	80.49
	10,516.13	9,898.01
SCHEDULE : 8		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Over Six Months	1,280.01	1,936.80
Others	7,270.40	7,755.05
	8,550.41	9,691.85
SCHEDULE : 9		
CASH AND BANK BALANCES		
Cash on Hand	6.08	4.56
Balance with Scheduled Banks		
- In Current Accounts	175.84	331.41
- In Deposit Accounts (Under Lien with Banks)	341.47	395.10
	523.39	731.07

Rs. in Lacs

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE : 10		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or Kind	572.99	1,309.13
Deposits	292.05	296.57
MAT Credit Entitlement	1,328.32	773.95
Income Tax Paid (Net of Provision)	29.06	73.22
Balance with Excise Authorities	851.02	801.47
Advance to Gencrest Ltd being Promoter's Contribution	775.00	775.00
	3,848.44	4,029.34
SCHEDULE : 11		
CURRENT LIABILITIES		
Sundry Creditors	6,659.01	4,699.38
Unpaid Dividend*	7.30	5.29
	6,666.31	4,704.67
* There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as on 31st March, 2010.		
SCHEDULE : 12		
PROVISIONS		
Provision for Gratuity	283.77	231.92
Proposed Dividend on Equity Shares	409.80	292.71
Tax on Proposed Dividend	68.06	49.75
	761.63	574.38

SCHEDULES TO PROFIT AND LOSS ACCOUNT (STAND ALONE)

Rs. in Lacs

	Year Ended 31st March, 2010	Year Ended 31st March, 2009
SCHEDULE : 13		
OTHER INCOME		
Profit on Sale of Assets	6.30	1.89
Interest on Bank Deposits	31.38	24.63
[TDS Rs.8.01 Lacs (Pr.Yr. 1.22 Lacs)]		
Interest From Others	18.13	1.05
[TDS Rs.1.05 Lacs (Pr.Yr. NIL)]		
Miscelleneous Income	71.54	110.07
[TDS Rs.4.23 Lacs (Pr.Yr.1.52 Lacs)]		
	127.35	137.64
SCHEDULE : 14		
MATERIALS		
Raw Material Consumed	9,410.49	7,369.46
Packing Material Consumed	2,393.32	2,240.45
Purchases of Traded Goods	2,058.34	3,721.24
(Increase)Decrease in Stock		
Opening Stock		
Work-in-Process	614.48	739.70
Finished/Traded Goods	6,072.19	5,380.07
	6,686.67	6,119.77
Closing Stock		
Work-in-Process	464.26	614.48
Finished/Traded Goods	4,591.88	6,072.19
	5,056.14	6,686.67
(Increase)Decrease in Stock	1,630.53	(566.90)
	15,492.68	12,764.25
SCHEDULE : 15		
PERSONNEL EXPENSES		
Salaries, Wages, Bonus and Allowances	4,683.90	3,663.78
Contribution to Provident and Other Funds	319.08	296.05
Staff Welfare Expenses	87.98	85.88
	5,090.96	4,045.71
SCHEDULE : 16		
INTEREST		
On Term Loans	1,021.66	1,176.59
Others	886.42	1,026.46
	1,908.08	2,203.05

Rs. in Lacs

	Year Ended 31st March, 2010	Year Ended 31st March, 2009
SCHEDULE : 17		
OTHER EXPENSES		
Power and Fuel	506.26	311.42
Clearing and Forwarding	1,519.67	1,044.05
Processing Charges	663.08	844.09
Rent, Rates and Taxes	213.09	213.05
Consumable Stores	211.22	208.71
Repairs and Maintenance		
- Buildings	28.15	17.54
- Plant and Machinery	147.93	58.33
- Others	87.10	60.70
Advertisement and Publicity	524.62	438.74
Legal and Professional Fees	236.76	211.01
Licence and Registration Fees	260.75	256.78
Travelling Expenses	999.60	955.81
Selling Expenses	2,468.54	2,226.92
Discount on Sales	5.25	5.08
Sales Commission	600.79	517.05
Vehicle Expenses	113.66	120.86
Donation	10.69	8.18
Telephone, Telex and Postage	235.92	244.83
Insurance	119.91	147.64
Sales Tax Expenses	3.72	2.96
Excise Duty	1.66	14.93
Exchange Rate Difference	179.75	202.24
Miscellaneous Expenses	1,322.69	1,052.49
	10,460.81	9,163.41

SCHEDULE 18:

NOTES TO ACCOUNTS (STAND ALONE)

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Accounting

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the generally accepted accounting principles in India and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 unless otherwise specified hereinafter.

b) Use of Estimates

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

c) Fixed Assets

Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses, less accumulated depreciation, and impairment losses, if any. Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

d) Expenditure during Construction Period

All identifiable revenue expenses including interest incurred in respect of various projects/expansions are allocated to capital cost of respective assets on their completion/installation.

e) Investments

Long term investments are stated at cost of acquisition. Provision for diminution in value, is made only if, in the opinion of management such a decline is other than temporary. Investments in foreign currency are stated at cost by converting at exchange rate prevailing at the time of acquisition / remittance.

f) Inventories

i) Raw materials, packing materials, finished/traded goods are valued at cost or net realisable value whichever is lower.

ii) Work in process are valued at estimated cost.

iii) Sales promotional items are valued at cost.

g) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as income or expenses of the period in which they arise. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported using the rate prevailing as on that date. The resultant exchange differences are recognised in the profit and loss account. In cases where forward contracts are entered, the relevant foreign currency assets / liabilities are translated at the forward rate. The resulting exchange difference, if any, is charged to the revenue.

h) Revenue Recognition

Revenue on sales is recognised when risk and rewards of ownership of products are passed on to customers, which are generally on dispatch of goods. Incomes from services are recognised when services are rendered. Sales are net of discounts, sales tax and returns; excise duty collected on sales is shown by way of deduction from sales. Dividend income is recognised when right to receive dividend is established and there is no uncertainty as to its realisability. Revenue in respect of other income is recognised when a reasonable certainty as to its realisation exists.

i) Export Benefits

Export benefits available under prevalent schemes are accounted to the extent considered receivable.

j) Depreciation / Amortization

Depreciation is provided on Written Down Value method at the rates specified in Schedule XIV of the Companies Act, 1956. Premium on leasehold land is being written off over the period of lease.

k) Employee Benefits

Short Term Employee Benefits:

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

Post Employment Benefits:

Company's contribution for the period paid / payable to defined contribution retirement benefit schemes are charged to Profit and Loss Account. Company's liability towards defined benefit plan viz. gratuity is determined using the Projected Unit Credit Method as per the actuarial valuation carried out at the balance sheet date.

l) Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project, not exceeding ten years. 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.

m) Excise and Custom Duty

Excise duty in respect of finished goods lying in factory premises and customs duty on goods lying in custom bonded warehouse are provided for and included in the valuation of inventory.

n) Cenvat, Service Tax and Vat Credit

Cenvat, Service Tax and Vat credit receivable/availed are treated as an asset with relevant expenses being accounted net of such credit, and the same is reduced to the extent of their utilisations.

o) Income Tax

Current tax is accounted on the basis of Income Tax Act, 1961. Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax, to the extent that the timing differences are expected to crystallise. MAT Credit Entitlement as per the provisions of Income Tax Act, 1961 is treated as an asset by credit to the Profit & Loss Account.

p) Impairment of Assets

The fixed assets and producing properties are reviewed for impairment at each balance sheet date. An asset is impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed, if there has been a change in the estimate or recoverable amount.

q) Operating Leases

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.

r) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

s) **Borrowing Cost**

Borrowing cost attributable to acquisition or construction of qualifying assets is capitalised as cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

2. **Contingent Liabilities**

i) Letter of Credit opened Rs. 671.46 Lacs (Rs. 811.68 Lacs).

ii) Excise demands disputed by Company pending in appeal Rs.49.44 Lacs (Rs.49.44 Lacs).

iii) Income tax demands disputed by Company pending in appeal Rs. 355.83 Lacs (Rs.342.31 Lacs). Amount paid under protest Rs.82.00 Lacs (Rs.80 Lacs).

iv) Custom duty on import under Advance License Scheme, pending fulfilment of export obligation is Rs.90.56 Lacs (Rs. 398.20 Lacs).

v) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances Rs.628.75 Lacs (Rs. 1,775.10 Lacs).

vi) Unpaid allotment money in respect of Common Stock of Ajanta Pharma Inc., wholly owned subsidiary, Rs.66.44 Lacs (Rs.75.05 Lacs) equivalent to USD 1.48 Lacs (USD 1.48 Lacs).

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

3. Sundry debtors include due from foreign subsidiary companies - Ajanta Pharma (Mauritius) Ltd. Rs. 2,084.76 Lacs (Rs 338.52 Lacs) and Ajanta Pharma Philippines Inc. Rs. 78.63 Lacs (Rs. Nil).

4. Loans taken, secured and unsecured, includes amount due within a year Rs. 2,727.09 Lacs (Rs.1,817.06 Lacs).

5. Deposit includes Rs. Nil (Rs. 55.00 Lacs) given to a director in earlier years against premises taken on lease.

6. Company has approved at it's Board Meeting held on 29th October 2009, buy back ("Scheme") of equity shares through stock exchanges involving aggregate amount upto Rs.1,136 Lacs. Pending approval from relevant authorities, Company has not purchased any share under the aforesaid Scheme during the year.

7. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (and relied upon by the auditors). Amount outstanding (not overdue) as on 31st March, 2010, to Micro, Small and Medium Enterprises on account of principal amount aggregate to Rs. 44.88 Lacs (Rs. 70.91 Lacs) and Interest Rs. Nil (Rs. Nil) and interest paid during the year Rs. Nil (Rs. Nil).

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

9. During the year, MAT liability has been provided which is eligible for set off in subsequent years. The same has been treated as recoverable and shown as MAT Credit Entitlement. Provision for current tax includes wealth tax Rs. 0.39 Lacs (Rs. 0.47 Lacs).

10. Revenue expenses on Research & Development incurred during the year and shown in respective heads of account, except depreciation, are:

Particulars	31.03.2010 Rs. in Lacs	31.03.2009 Rs. in Lacs
Personnel expenses	638.88	550.64
Cost of Material / Consumables /Spares	797.38	754.06
Cost of Utilities	48.90	84.35
Other Expenses	601.65	205.32
Total revenue expenditure on R&D	2,086.81	1,594.36
Less : Allocated to ANDA development cost shown under capital work in progress	60.36	907.41
Balance charged to P&L Account	2,026.45	686.95

11. Pre-operative expenses included in Capital work in Progress representing expenses incurred for projects yet to be commissioned are as under:

Particulars	31.03.2010 Rs. in Lacs	31.03.2009 Rs. in Lacs
Opening Balance	48.60	Nil
Add: Incurred during the year		
-Interest on Fixed Period Loans	538.08	355.88
-Other Expenses	5.00	18.33
Total	591.68	374.21
Less: Capitalised to Fixed Assets	302.75	325.61
Closing Balance	288.93	48.60

12. Earning Per Share (EPS) – The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars	31.03.2010	31.03.2009
Net Profit after Tax (Rs. in Lacs)	2,853.77	2,137.73
Average number of Equity Shares outstanding during the year	1,17,08,500	1,17,08,500
Nominal value of Equity Share (Rs.)	10	10
Earning Per Share Basic and Diluted (Rs.)	24.37	18.26

13. **Employee Benefits**

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

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 workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

During the year, the Company has recognised the following amounts in the Account:

Particulars	31.03.2010 Rs. in Lacs	31.03.2009 Rs. in Lacs
Provident Fund and Employee's Pension Scheme	257.54	230.45
Employees State Insurance	8.93	7.90
TOTAL	266.47	238.35

Defined Benefit Plans

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

a. 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.

b. On the death in service:
As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

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

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31st March, 2010 are as under :

	Particulars	31.03.2010 Rs. in Lacs	31.03.2009 Rs. in Lacs
i)	Changes in Defined Benefit Obligation		
	Opening defined benefit obligation	262.66	209.45
	Current service cost	54.79	41.82
	Interest cost	20.35	15.71
	Actuarial loss / (gain)	(21.13)	6.11
	Liabilities settled on sale of business	Nil	Nil
	Benefit (paid)	(28.42)	(10.43)
	Closing defined benefit obligation	288.25	262.66
ii)	Changes in Fair Value of Assets		
	Opening fair value of plan assets	30.74	41.17
	Expected return on plan assets	1.41	3.06
	Actuarial gain / (loss)	0.75	(3.06)
	Contributions of employer	Nil	Nil
	Assets distributed on sale of business	Nil	Nil
	Benefits (paid)	(28.42)	(10.43)
	Closing fair value of plan assets	4.48	30.74
iii)	Amount recognised in the Balance Sheet		
	Present value of the obligations as at year end	288.25	262.66
	Fair value of the plan assets as at year end	4.48	30.74
	Amount not recognised as an asset	Nil	Nil
	Net (asset) / liability recognised as on 31st March, 10	283.77	231.92
iv)	Expenses recognised in the Profit and Loss Account		
	Current service cost	54.79	41.82
	Interest on defined benefit obligation	20.36	15.71
	Expected return on plan assets	(1.41)	(3.06)
	Net actuarial loss/(gain) recognized in the current year	(21.88)	9.16
	Effect of the limit in Para 59(b) of the revised AS 15	Nil	Nil
	Total expense	51.86	63.63
v)	Asset information		
	Government of India Securities	Nil	Nil
	Corporate Bonds	Nil	Nil
	Special Deposit Scheme	Nil	Nil
	Others – Policy of Insurance	100%	100%
vi)	Principal actuarial assumptions used		
	Discount rate (p.a.)	7.75%	7.50%
	Expected rate of return on plan assets (p.a.)	8.50%	8.50%
	Annual increase in salary cost (p.a.)	6.00%	6.00%

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

14. Disclosure for operating leases under Accounting Standard 19-“ Leases”:

The Company has taken various residential /godowns / office premises (including furniture and fittings, therein as applicable) under operating lease or leave and licence agreements. These are generally not non-cancellable and range between 11 months and 5 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments of Rs. 205.93 Lacs (Rs. 204.80 Lacs) are recognised in the Profit and Loss Account under “ Rent, Rates & Taxes” under Schedule 17. No contingent rents are recognised in the Profit & Loss Account.

15. Deferred Tax (Liability) Asset comprises of:

Particulars	31.03.2010 Rs. in Lacs	31.03.2009 Rs. in Lacs
Depreciation	(1,232.24)	(1,311.83)
Unabsorbed Depreciation	92.12	1,118.12
Unabsorbed Losses	426.67	Nil
Others	133.36	118.69
Net Deferred Tax Assets (Liability)	(580.09)	(75.02)

16. Managerial Remuneration:

Particulars	31.03.2010 Rs. in Lacs	31.03.2009 Rs. in Lacs
Remuneration to Executive Vice Chairman & Managing Director		
- Salaries	201.60	201.60
- Provident and Other Funds	17.28	17.28
	218.88	218.88
Directors' Sitting Fees	2.25	2.25
Commission to Non-Executive Director/s	35.00	28.00

Note: Above excludes contribution to Gratuity, which is on a global basis.

Computation of Net Profit u/s 349 of the Companies Act, 1956 and commission payable to Non-Executive Director/s :

Particulars	31.03.2010 Rs. in Lacs	31.03.2009 Rs. in Lacs
Profit before tax	3,366.11	2,594.13
Add:		
Remuneration to Executive Vice Chairman & Managing Director	201.60	201.60
Director’ Sitting Fees	2.25	2.25
Commission to Non-Executive Director/s	35.00	28.00
Loss on Sale/Discard of Assets	Nil	Nil
	3,604.96	2,825.98
Less: Profit on sale of Fixed Assets	6.30	1.89
Net Profit as per Section 349	3,598.66	2,824.09
1 % of the above	35.99	28.24
Commission to Non-Executive Director/s (As approved by Board of Directors)	35.00	28.00

17. Excise duty related to differences between closing and opening stock and other adjustments are stated under operating and other expenses. Excise duty related to turnover is reduced from the gross turnover.

18. In terms of the requirements of the Accounting standards-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the amount recoverable against Fixed Assets has been estimated for the period by the management based on present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value thereof has been considered necessary, by the management.

19. As per the best estimate of the management, no provision is required to be made as per Accounting Standard (AS) 29 "Provision, Contingent Liabilities and Contingent Assets" as notified by the Companies (Accounting Standards) Rules 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources which would be required to settle the obligation.

20. a) C.I.F. Value of Imports:

Particulars	31.03.2010 Rs. in Lacs	31.03.2009 Rs. in Lacs
- Raw Materials	3,378.23	3,644.46
- Capital Goods	179.68	174.78
- Others	99.30	96.29

b) Expenditure in Foreign Currency:

Particulars	31.03.2010 Rs. in Lacs	31.03.2009 Rs. in Lacs
- Travelling	163.42	180.24
- Interest	17.78	109.07
- Legal & Professional Expenses	32.43	42.13
- Marketing & Other Expenses	2,419.03	1,267.85
- ANDA Development Cost	Nil	185.67

c) Remittance in foreign currency on account of dividend:

The Company has paid dividend in respect of shares held by Non-Resident Shareholders, on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External A/c. The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given below:

Particulars	31.03.2010	31.03.2009
- Number of non-resident shareholders	46	46
- Number of shares held by them	37,171	42,280
- Amount of dividend (Rs. in Lacs)	0.93	1.06
- Year to which the dividend relates	2008-09	2007-08

21. Earnings in Foreign Currency:

Particulars	31.03.2010 Rs. in Lacs	31.03.2009 Rs. in Lacs
- FOB value of Exports	21,236.82	16,932.90
- Freight & Insurance	481.33	467.32
- Technology Transfer Fees	35.41	7.61

22. Remuneration to Auditors (excluding service tax) :

Particulars	31.03.2010 Rs. in Lacs	31.03.2009 Rs. in Lacs
- Audit Fees	5.25	5.25
- Tax Audit Fees	1.00	1.00
- For Certification and Other Matters	7.46	5.37
- Out of Pocket Expenses	0.41	0.29

23. Related party disclosure with whom transactions have taken place during the year as required by Accounting Standards 18 are given below: -

Relationships:

Category I- Subsidiaries:

Ajanta Pharma (Mauritius) Ltd (APML)
Ajanta Pharma Inc. (AP Inc. USA)
Ajanta Pharma Philippines Inc. (APPh Inc.) (Subsidiary of APML)

Category II- Associate Companies:

Turkmenderman Ajanta Pharma Ltd. (TDAPL)
Gencrest Ltd

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

Mr. Mannalal B. Agrawal Chairman
Mr. Purushottam B. Agrawal Executive Vice Chairman
Mr. Madhusudan B. Agrawal Non Executive Vice-Chairman
Mr. Yogesh M. Agrawal Managing Director

& Relatives of Key Management Personnel

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

Gabs Investment Private Limited
Ganga Exports (Partnership Firm)

The following transactions were carried out with related parties: *Rs. in Lacs*

Particulars	Category I	Category II	Category III	Category IV	Total
Sale of Goods					
-APML	7,253.70	Nil	Nil	Nil	7,253.70
	(1,780.83)	(Nil)	(Nil)	(Nil)	(1,780.83)
- APPh Inc.	82.82	Nil	Nil	Nil	82.82
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Expenses Reimbursement to					
-AP Inc. USA	297.28	Nil	Nil	Nil	297.28
	(229.74)	(Nil)	(Nil)	(Nil)	(229.74)
Purchase of Assets					
-AP Inc. USA	Nil	Nil	Nil	Nil	Nil
	(381.06)	(Nil)	(Nil)	(Nil)	(381.06)
Remuneration, Commission &	Nil	Nil	254.48	Nil	254.48
Sitting fees to Directors	(Nil)	(Nil)	(247.58)	(Nil)	(247.48)

Particulars	Category I	Category II	Category III	Category IV	Total
Rent to					
- Mrs. Manisha Agrawal	Nil	Nil	48.00	Nil	48.00
	(Nil)	(Nil)	(48.00)	(Nil)	(48.00)
- Aayush Agrawal	Nil	Nil	48.00	(Nil)	48.00
	(Nil)	(Nil)	(48.00)	(Nil)	(48.00)
- Ganga Exports	Nil	Nil	Nil	3.20	3.20
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Salaries to					
- Rajesh Agrawal	Nil	Nil	64.61	Nil	64.61
	(Nil)	(Nil)	(53.32)	(Nil)	(53.32)
Dividend Paid	Nil	Nil	175.25	9.97	185.22
	(Nil)	(Nil)	(127.61)	(Nil)	(127.61)
Deposits Given Against Premises					
- Ganga Exports	Nil	Nil	Nil	10.00	10.00
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
- Manisha Agrawal	Nil	Nil	55.00	Nil	55.00
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Deposits Refunded From					
- Yogesh Agrawal	Nil	Nil	55.00	Nil	55.00
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
- Ravi Agrawal	Nil	Nil	55.00	Nil	55.00
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
- Rajesh Agrawal	Nil	Nil	55.00	Nil	55.00
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)

Amount outstanding as on 31.03.2010 *Rs. in Lacs*

Particulars	Category I	Category II	Category III	Category IV	Total
Debtors					
- APML	2,084.76	Nil	Nil	Nil	2,084.76
	(338.52)	(Nil)	(Nil)	(Nil)	(338.52)
- APPh Inc.	78.63	Nil	Nil	Nil	78.63
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Investment in					
- AP Inc. USA	66.10	Nil	Nil	Nil	66.10
	(66.10)	(Nil)	(Nil)	(Nil)	(66.10)
- APML	943.81	Nil	Nil	Nil	943.81
	(943.81)	(Nil)	(Nil)	(Nil)	(943.81)
- TDAPL	Nil	695.13	Nil	Nil	695.13
	(Nil)	(695.13)	(Nil)	(Nil)	(695.13)

Particulars	Category I	Category II	Category III	Category IV	Total
Deposit given against Premises					
- Aayush Agrawal	Nil (Nil)	Nil (Nil)	55.00 (55.00)	Nil (Nil)	55.00 (55.00)
- Manisha Agrawal	Nil (Nil)	Nil (Nil)	55.00 (Nil)	Nil (Nil)	55.00 (Nil)
- Ganga Exports	Nil (Nil)	Nil (Nil)	Nil (Nil)	10.00 (Nil)	10.00 (Nil)
- Yogesh Agrawal	Nil (Nil)	Nil (Nil)	Nil (55.00)	Nil (Nil)	Nil (55.00)
- Ravi Agrawal	Nil (Nil)	Nil (Nil)	Nil (55.00)	Nil (Nil)	Nil (55.00)
- Rajesh Agrawal	Nil (Nil)	Nil (Nil)	Nil (55.00)	Nil (Nil)	Nil (55.00)
Advances/Promoters' Contributions to - Gencrest Ltd.	Nil (Nil)	775.00 (775.00)	Nil (Nil)	Nil (Nil)	775.00 (775.00)
Creditors - AP Inc. USA	60.37 (49.46)	Nil (Nil)	Nil (Nil)	Nil (Nil)	60.37 (49.46)
Commission Payable to Non-Executive Director/s	Nil (Nil)	Nil (Nil)	35.00 (28.00)	Nil (Nil)	35.00 (28.00)

24. Note on hedge and unhedged foreign currency assets and liabilities:

The Company has entered into Forward Exchange Contract, being derivative instruments for hedge purpose and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. Forward Exchange Contract to buy/sell USD 105 Lacs (USD.16.55 Lacs) is outstanding as at the year end. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	Rs. in Lacs	Rs. in Lacs	Foreign Currency Amt in Lacs	Foreign Currency Amt in Lacs	Foreign Currency
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	
Amount Receivable:					
- Export Debtors	Nil 379.21	6,615.00 215.80	Nil 6.26	130.00 3.20	USD EURO
- Advances Recoverable	67.51 13.56 Nil	133.23 1.98 2.58	1.50 0.22 Nil	2.63 0.03 0.06	USD EURO AUD
Amount Payable:					
- Sundry Creditors	442.20 3.69	352.15 9.72	9.85 0.06	6.94 0.14	USD EURO
- Secured Loans Payable	5,822.22	522.17	129.70	10.30	USD
- Interest accrued and not due on term loans	19.58	3.53	0.44	0.069	USD

25. The Company has not granted any loan/advances in the nature of loans, as stipulated in the clause 32 of the Listing Agreement with the Stock Exchanges. For this purpose, the loans to employees as per the Company's policy, security deposits paid towards premises taken on leave and license basis have not been considered. Hence, there are no investments by loanees in the shares of the Parent Company and/or subsidiary companies.

26. Details of Raw & Packing Materials consumed:

Particulars		31.03.2010		31.03.2009
		Rs. in Lacs		Rs. in Lacs
Indigenous	77%	9,108.19	80%	7,727.21
Imported	23%	2,695.64	20%	1,882.69
Total	100%	11,803.83	100%	9,609.90

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

27. Particulars of Installed Capacity :

Particulars	Unit	Installed Capacity	
		31.03.2010	31.03.2009
Tablets	Million Nos	1,500	1,500
Capsules	Million Nos	425	425
Liquids	Million Nos	8	8
Powder	Million Nos	21	21
API	Tonnes	18	Nil

a) In terms of Press Note No. 4 (1994 Series) dated 25.10.1994 issued by the Department of Industrial Development, Ministry of Industry, Government of India, Industrial Licensing has been abolished in respect of certain formulations, bulk drugs and drug intermediates. Hence, there is no registered/ licensed capacity for formulations, bulk drugs and drug intermediates of the Company.

b) Installed capacities being technical matter, have not been verified by the Auditors.

28. Details of Production/Purchases and Turnover:

Classification	Units	Production / Purchases		Turnover			
		31.03.10	31.03.09	31.03.10		31.03.09	
		Qty.	Qty.	Qty.	Rs. In Lacs	Qty.	Rs. In Lacs
Tablets	Million Nos	1,036.43	970.09	1,023.03	18,073.94	951.76	14,035.54
Capsules	Million Nos	304.86	386.77	362.88	5,352.22	329.95	5,344.29
Liquids	Million Nos	34.56	25.56	32.16	7,133.49	50.18	5,623.20
Injectibles	Million Nos	16.37	7.09	15.82	1,864.76	6.31	1,032.77
Powder	Million Nos	10.18	23.16	7.69	520.71	22.89	680.40
Ointment	Million Nos	4.81	2.94	4.44	3,673.89	3.30	2,333.38
Others					1,858.03		3,192.93
Total					38,477.03		32,242.51

Notes:

1. Production figures include quantities manufactured by others on loan license basis and traded goods.
2. Production excludes bulk drug & intermediates of 0.18 ton (Nil) for captive consumption

29. Details of Closing Stocks:

Classification	Units	31.03.2010		31.03.2009		31.03.2008	
		Qty.	Rs. in Lacs	Qty.	Rs. in Lacs	Qty.	Rs. In Lacs
Tablets	Million Nos	159.86	2,309.56	146.46	2,757.51	128.13	2,706.21
Capsules	Million Nos	30.29	216.92	88.31	1,401.47	31.50	466.72
Liquids	Million Nos	7.39	1,082.15	4.99	1,056.89	29.61	1,292.62
Powder	Million Nos	3.54	174.75	1.05	74.41	0.78	15.99
Ointments	Million Nos	0.95	549.64	0.58	514.19	0.94	770.31
Injectable	Million Nos	1.45	141.57	0.90	162.89	0.12	128.22
Others			117.59		104.83		Nil
Total			4,592.18		6,072.19		5,380.07

30. Consumption of consumable stores is wholly indigenous in the current and previous year.

31. Previous year's figures are regrouped and recast wherever required. Figures in brackets are of previous year.

32. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

a) Registration Details

Registration / CIN No.	L24230MH1979PLC022059	State Code	11
Balance Sheet	Date 31.03.2010		

b) Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

c) Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	38,49,986	Total Assets	38,49,986
<u>Sources of Funds</u>			
Paid-Up Capital	1,17,961	Reserves & Surplus	16,41,107
Secured Loans	18,15,244	Unsecured Loans	2,17,665
Deferred Tax Liabilities	58,009		
<u>Application of Funds</u>			
Net Fixed Assets	20,78,429	Investments	1,70,514
Net Current Assets	16,01,043		

d) Performance of Company (Amount in Rs. Thousands)

Turnover	38,29,420	Total Expenditure	34,92,809
Profit before Tax	3,36,611	Profit after Tax	2,85,377
Earning per Share (in Rs.)	24.37	Dividend Rate	35 %

e) Generic Names of Three Principal Products of Company (As per monetary terms)

Product Description	Item Code No. (As per ITC Code)
i) Anti-Malarial Preparations (Artefan)	30049049
ii) Erectile Dysfunction Preparations (Kamagra)	30049099
iii) Dermatology Preparations (Melacare)	30043913

Signature to Schedule 1 to 18

For and on behalf of the Board

Mannalal B. Agrawal	Purushottam B. Agrawal	Yogesh M. Agrawal	Nikhil Bhatt
Chairman	Vice Chairman	Managing Director	Company Secretary

Mumbai, 6th May, 2010

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (STAND ALONE)

Rs. in Lacs

	Year Ended 31st March,2010	Year Ended 31st March,2009
A. Cash Flow from Operating Activities		
Net Profit before Tax	3,366.11	2,594.13
Adjustments for :		
Depreciation	1,975.56	1,314.76
Loss (Profit) on Sale / Discard of Assets	(6.30)	(1.89)
Interest Charge	1,908.08	2,203.05
Receivable Written Off	71.73	1.83
Operating Profit before Working Capital Changes	7,315.18	6,111.88
Adjustments for :		
Trade & Other Receivables	1,778.45	(1,785.76)
Inventories	(618.12)	(788.47)
Trade Payables	1,997.89	286.37
Cash Generated from Operations	10,473.40	3,824.02
Direct Taxes Paid	(535.10)	(444.42)
Net Cash Generated from (Used in) Operating Activities	9,938.30	3,379.60
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(4,233.53)	(8,114.97)
Sale of Fixed Assets	15.59	43.10
Purchase of Investments	-	(32.97)
Net Cash Generated from(Used in) Investing Activities	(4,217.94)	(8,104.84)
C. Cash Flow from Financing Activities		
Increase (Decrease) in Borrowings-Net	(3,693.10)	7,515.74
Interest Paid	(1,894.49)	(2,208.71)
Dividend Paid	(290.70)	(291.81)
Dividend Tax Paid	(49.75)	(49.75)
Net Cash Generated from(Used in) Financing Activities	(5,928.04)	4,965.47
Net Increase (Decrease) in Cash & Cash Equivalents	(207.68)	240.23
Cash and Cash Equivalents as at the Beginning of the Year	731.07	490.84
Cash and Cash Equivalents as at the End of the Year	523.39	731.07

Notes:

1) The above Cash Flow Statement has been prepared under the “indirect method” set out in the Accounting Standard - 3 issued by Institute of Chartered Accountants of India.
2) Previous year’s figures are regrouped & recasted wherever required.
3) Figures in brackets indicates outflow.

As per our report of even date attached
For Kapoor & Parekh Associates
Chartered Accountants

S. S. Kapoor
Partner

Mumbai, 6th May, 2010

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

AUDITORS' REPORT ON CONSOLIDATED ACCOUNTS

To,

The Board Of Directors

AJANTA PHARMA LIMITED

1. We have audited the attached Consolidated Balance Sheet of Ajanta Pharma Limited ("the Company") and its Subsidiaries (collectively referred as "the Group") as at 31ST March, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs.4,385.03 Lacs as at 31st March, 2010 and total revenues of Rs.10,244.83 Lacs for the year then ended. The unaudited financial statements of the subsidiaries are certified and converted by the management as per the requirement of Indian GAAP. Our opinion in so far as it relates to the amounts included in respect of the aforesaid subsidiaries, are based solely on these unaudited certified financial statements.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS-21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the Company and unaudited financial statements of the subsidiaries of the Company as certified by the management , included in consolidated financial statements.

5. Subject to the matters referred to in paragraph 4 above, based on our audit and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

   i. In the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2010;

   ii. In the case of Consolidated Profit and Loss Account, of the profit of the Group for the year then ended; and

   iii. In the case of the Consolidated Cash Flow Statement, of the cash flow of the Group for the year then ended.

For KAPOOR & PAREKH ASSOCIATES
(ICAI FRN 104803W)
Chartered Accountants

S.S. KAPOOR
Partner
M.No.5399

Mumbai, 6th May, 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Rs. in Lacs

	Schedule	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,179.61	1,179.61
Reserves and Surplus	2	17,312.63	14,530.80
		-	-
Loan Funds			
Secured Loans	3	20,619.68	21,084.84
Unsecured Loans	4	2,176.65	3,936.61
Deferred Tax Liability		526.90	56.95
TOTAL		41,815.47	40,788.81
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		24,257.60	19,248.83
Less: Depreciation & Amortisation		7,411.64	5,421.59
Net Block		16,845.96	13,827.24
Capital Work-in-Progress		4,699.11	5,516.79
		21,545.07	19,344.03
Investments	6	846.52	846.52
		-	-
Current Assets, Loans and Advances			
Inventories	7	11,962.47	10,389.21
Sundry Debtors	8	9,672.44	10,011.89
Cash and Bank Balances	9	1,483.86	806.82
Loans and Advances	10	3,998.79	4,517.85
		27,117.56	25,725.77
Less: Current Liabilities and Provisions			
Current Liabilities	11	6,932.05	4,553.13
Provisions	12	761.63	574.38
		7,693.68	5,127.51
Net Current Assets		19,423.88	20,598.26
TOTAL		41,815.47	40,788.81
Notes to the Accounts	18		

As per our report of even date attached
For Kapoor & Parekh Associates
Chartered Accountants

S. S. Kapoor
Partner

Mumbai, 6th May, 2010

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Rs. in Lacs

	Schedule	Year ended 31st March, 2010	Year ended 31st March, 2009
INCOME			
Gross Sales		41,081.64	35,229.29
Less : Excise Duty		310.18	294.84
Net Sales		40,771.46	34,934.45
Other Income	13	251.29	249.79
TOTAL INCOME		41,022.75	35,184.24
EXPENDITURE			
Materials	14	14,554.37	12,705.78
Personnel Expenses	15	5,417.81	4,267.30
Interest	16	2,015.99	2,355.15
Other Expenses	17	13,085.13	11,454.70
Depreciation & Amortisation		2,073.36	1,419.88
TOTAL EXPENDITURE		37,146.66	32,202.81
Profit Before Tax		3,876.09	2,981.43
Provision for Tax :			
- Current Tax		579.35	285.03
- MAT Credit Entitlement		(572.00)	(284.56)
- Fringe Benefit Tax		-	84.84
- Deferred Tax		468.46	349.51
- Income Tax of Earlier Years Written Off (Back)		(0.09)	3.50
Profit After Tax for the Group		3,400.37	2,543.11
Balance Brought Forward from Previous Year		1,930.41	1,629.76
Amount available for Appropriation		5,330.78	4,172.87
Appropriations :			
Proposed Dividend on Equity Shares		409.80	292.71
Tax on Proposed Dividend		68.06	49.75
Transferred to General Reserve		2,100.00	1,900.00
Balance Carried Forward		2,752.92	1,930.41
TOTAL		5,330.78	4,172.87
Earning Per Share (Face Value Rs.10/-)			
Basic and Fully diluted (Rs.)		29.04	21.72
Notes to the Accounts	18		

As per our report of even date attached
For Kapoor & Parekh Associates
Chartered Accountants

S. S. Kapoor
Partner

Mumbai, 6th May, 2010

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

SCHEDULES

Rs. in Lacs

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 1:		
SHARE CAPITAL		
Authorised :		
1,50,00,000 Equity Shares of Rs. 10 each	1,500.00	1,500.00
1,50,00,000 Preference Shares of Rs. 10 each	1,500.00	1,500.00
	3,000.00	3,000.00
Issued :		
1,18,61,800 Equity Shares of Rs.10 each	1,186.18	1,186.18
Subscribed & Paid-up :		
1,17,08,500 Equity Shares of Rs.10 each fully paid up	1,170.85	1,170.85
Add:1,53,300 Equity Shares Forfeited-Amount originally paid up	8.76	8.76
	1,179.61	1,179.61

Notes :

Of the above Equity Shares :

- 12,33,000 Equity Shares are allotted as Bonus Shares by way of capitalisation of reserves.
- 31,25,000 Equity Shares were allotted pursuant to Scheme of Amalgamation without payment being received in cash.

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 2:		
RESERVES & SURPLUS		
Capital Reserve	47.77	47.77
Capital Redemption Reserve :		
As per last Balance Sheet	750.00	750.00
Share Premium :		
As per last Balance Sheet	6,545.57	6,545.57
Exchange Fluctuation Reserve	116.37	257.05
General Reserve :		
As per last Balance Sheet	5,000.00	3,100.00
Add: Transferred from Profit & Loss Account	2,100.00	1,900.00
	7,100.00	5,000.00
Profit and Loss Account	2,752.92	1,930.41
	17,312.63	14,530.80

Rs. in Lacs

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 3:		
SECURED LOANS		
Term Loans from Banks/Institutions	12,021.27	10,806.65
Working Capital Loans from Banks/Instituitions	8,493.90	9,895.65
Other Loans	104.51	382.54
	20,619.68	21,084.84

Notes :

i) Term loans are secured by first charge on all fixed assets of the company & second charge on entire current assets of the company, present & future on pari passu basis in addition to personal guarantee of some of the directors.

ii) Working Capital loans are secured by first charge on all current assets of the company and second charge on fixed assets of the company on pari passu basis in addition to the personal guarantee of some of the directors.

iii) Other Loans are secured against vehicles acquired under the scheme.

SCHEDULE 4:		
UNSECURED LOANS		
Deferred Sales Tax Liabilities	861.08	734.82
Other Loans	1,315.57	3,201.79
	2,176.65	3,936.61

SCHEDULE 5:
FIXED ASSETS

Rs. in Lacs

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01.04.2009	Consoli-dation Adjust-ments	Additions	Deduc-tions	As at 31.03.2010	As at 01.04.2009	Consoli-dation Adjust-ments	For the Year	Deduc-tions	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	541.65	-	182.65	-	724.30	-	-	-	-	-	724.30	541.65
Leasehold Land	445.57	3.79	4.37	-	446.15	83.36	1.81	7.10	-	88.65	357.50	362.21
Buildings	5,497.83	-	1,600.19	-	7,098.02	1,661.07	-	346.13	-	2,007.20	5,090.82	3,836.76
Plant & Machinery	8,702.68	48.55	2,851.48	9.25	11,496.36	1,872.97	26.88	1,065.25	5.94	2,905.40	8,590.96	6,829.71
Furniture & Fixture	1,372.14	2.83	142.59	-	1,511.90	342.26	1.62	196.22	-	536.86	975.04	1,029.88
Office Equipments	575.33	7.65	43.21	-	610.89	322.19	5.87	46.49	-	362.81	248.08	253.14
Vehicles	376.81	3.38	83.19	34.28	422.34	201.51	1.34	50.99	23.99	227.17	195.17	175.30
Leasehold Vehicles	7.65	-	-	-	7.65	6.70	-	-	-	6.70	0.95	0.95
Computers	1,261.05	(0.02)	204.52	-	1,465.59	554.37	(0.02)	326.82	-	881.21	584.38	706.68
Intangible Assets:												
- Knowhow	468.12	19.34	25.62	-	474.40	377.16	15.88	34.36	-	395.64	78.76	90.96
Total :	19,248.83	85.52	5,137.82	43.53	24,257.60	5,421.59	53.38	2,073.36	29.93	7,411.64	16,845.96	13,827.24
Previous Year	14,161.25	(74.29)	5,076.74	63.45	19,248.83	3,981.84	(42.12)	1,419.88	22.24	5,421.59		
Capital Work in Progress											4,699.11	5,516.79
											21,545.07	19,344.03

Note:-

1) Addition to Fixed Assets during the year includes Rs.109.60 Lacs (Previous Year Rs. 644.82 Lacs) used for Research & Development.

2) Capital Work in Progress includes ANDA Development Cost amounting Rs.1,592.53 Lacs (Previous Year Rs. 1,532.17 Lacs) including current year addition of Rs.60.36 Lacs (Previous Year Rs. 907.41 Lacs).

Rs. in Lacs

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 6:		
INVESTMENTS		
Long Term (Non Trade, Unquoted) :		
Government Securities		
(Deposited with Government Authorities)		
National Savings Certificates	0.10	0.10
In Associate Company		
Turkmenderman Ajanta Pharma Ltd.		
2,00,000 Shares of US $ 10 each fully paid-up	846.42	846.42
	846.52	846.52
SCHEDULE 7:		
INVENTORIES		
(As certified by the management)		
Raw Materials	4,457.93	2,300.19
Packing Materials	1,158.03	1,091.27
Work-in-Process	475.94	630.07
Finished/Traded Goods	5,774.33	6,287.19
Sales Promotion Materials	96.24	80.49
	11,962.47	10,389.21
SCHEDULE 8:		
SUNDRY DEBTORS		
(Unsecured, Considered Good)	9,672.44	10,011.89
SCHEDULE 9:		
CASH AND BANK BALANCES		
Cash on Hand	6.98	5.41
Bank Balance		
- In Current Accounts	1,135.41	406.31
- In Deposit Accounts*	341.47	395.10
	1,483.86	806.82

*Under Lien with Banks.

Rs. in Lacs

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 10:		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or Kind	709.74	1,786.39
Deposits	305.65	307.83
MAT Credit Entitlement	1,328.32	773.94
Income Tax Paid	29.06	73.22
Balance with Excise Authorities	851.02	801.47
Advance to Gencrest Ltd.	775.00	775.00
	3,998.79	4,517.85
SCHEDULE 11:		
CURRENT LIABILITIES		
Sundry Creditors	6,924.75	4,547.84
Unpaid Dividend*	7.30	5.29
	6,932.05	4,553.13

* There are no amounts due & outstanding to be credited to Investor Education & Protection Fund as on 31st March, 2010

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 12:		
PROVISIONS		
Provision for Gratuity	283.77	231.92
Proposed Dividend on Equity Shares	409.80	292.71
Tax on Proposed Dividend	68.06	49.75
	761.63	574.38
SCHEDULE 13:		
OTHER INCOME		
Exchange Fluctuation Gain	119.88	110.07
Profit on Sale of Assets	6.30	1.89
Interest on Bank Deposits	31.38	24.63
Interest from Others	18.58	3.02
Miscellaneous Income	75.15	110.18
	251.29	249.79
SCHEDULE 14:		
MATERIALS		
a. Material Consumed	11,962.70	9,842.19
b. Purchase of Traded Goods	1,878.39	3,553.06
c. (Increase)/Decrease in Stock of WIP, FG & Traded Goods	713.28	(689.47)
	14,554.37	12,705.78

Rs. in Lacs

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 15:		
PERSONNEL EXPENSES		
Salaries, Wages, Bonus and Allowances	5,002.62	3,875.40
Contribution to Provident and Other Funds	323.79	301.85
Staff Welfare Expenses	91.40	90.05
	5,417.81	4,267.30
SCHEDULE 16:		
INTEREST		
On Term Loans	1,029.31	1,189.87
Others	986.68	1,165.28
	2,015.99	2,355.15
SCHEDULE 17:		
OTHER EXPENSES		
Power and Fuel	522.68	327.27
Clearing and Forwarding	1,693.10	1,134.73
Processing Charges	663.08	844.09
Rent, Rates and Taxes	240.72	240.54
Consumable Stores	211.22	208.71
Repairs and Maintenance		
- Plant and Machinery	152.74	66.15
- Buildings	28.15	17.54
- Others	87.10	60.70
Advertisement and Publicity	524.62	438.91
Legal and Professional Fees	236.76	211.01
Licence and Registration Fees	260.75	256.78
Travelling Expenses	1,092.72	1,020.91
Selling Expenses	4,875.63	4,421.99
Discount on Sales	5.25	5.08
Sales Commission	600.79	517.05
Vehicle Expenses	124.49	135.72
Donation	10.69	8.18
Telephone, Telex and Postage	246.74	255.32
Insurance	123.68	151.89
Sales Tax Expenses	3.72	2.96
Excise Expenses	1.66	14.93
Miscellaneous Expenses	1,378.84	1,114.24
	13,085.13	11,454.70

SCHEDULE 18:

NOTES TO CONSOLIDATED ACCOUNTS

1. Significant Accounting Policies:

a) Basis of Accounting:

(i) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, namely 31st March, 2010.

(ii) The accompanying financial statements have been prepared under historical cost convention and on accrual basis of accounting, in accordance with the generally accepted accounting principles in India and comply with the mandatory Accounting Standard issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956, unless otherwise stated.

b) Principles of Consolidation:

(i) Consolidated Financial Statements present the consolidated accounts of Ajanta Pharma Limited ("the Parent Company") and the following Subsidiary Companies (herein after referred as "Foreign Entities") (and collectively referred to as " the Ajanta Group") considered in the Consolidated Financial Statements are:

Name of the Company	Country of Incorporation	% voting power held as at 31st March, 2010
Ajanta Pharma (Mauritius) Ltd. (herein after referred as" APML")	Mauritius	100%
Ajanta Pharma Inc.	U.S.A.	100%
Ajanta Pharma Philippines Inc. *	Philippines	100%

* Wholly owned subsidiary of APML

(ii) In respect of Subsidiary Company, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and transactions as per Accounting Standard (AS) - 21 "Consolidated Financial Statements".

(iii) Investment in the Turkmenderman Ajanta Pharma Ltd, an associate company, is being considered for divestment and the Parent Company had ceased to have significant influence in the said associate company. Further, associate company operates under severe restriction that significantly impairs its ability to transfer the funds to the Parent Company. Considering the above, "Equity Method" of accounting has been discontinued from financial year 2007-08 and said investment is being accounted in accordance with AS 13 'Accounting for Investments'. Accordingly, carrying amount of investments of Rs.846.42 Lacs as on 31st March, 2007 has been regarded as cost in compliance with the AS 23 'Accounting for Investments in Associates'.

(iv) Accounts of the Subsidiaries are certified and converted by the Managements as per the requirement of Indian GAAP and are not audited.

c) Use of Estimates

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

d) Fixed Assets

Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses, less accumulated depreciation and impairment losses, if any. Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

e) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as income or expenses of the period in which they arise. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported using the rate prevailing as on that date. The resultant exchange differences are recognised in the profit and loss account. In cases where forward contracts are entered, the relevant foreign currency assets / liabilities are translated at the forward rate. The resulting exchange difference, if any, is charged to the revenue.

The financial statements of subsidiaries/Foreign entities, whose operations are non-integral foreign operations for the Parent Company, have been translated to Indian Rupees on the following basis:

i) All income and expenses are translated at the average rate of exchange prevailing during the period.
ii) Monetary and Non-monetary assets and liabilities are translated at the closing rate on the Balance Sheet date.
iii) The resulting exchange difference is accounted in 'Exchange Fluctuation Reserve'.

f) Expenditure During Construction Period

All identifiable revenue expenses including interest incurred in respect of various projects/expansions are allocated to capital cost of respective assets on their completion/installation.

g) Revenue Recognition

Revenue on sales is recognised when risk and rewards of ownership of products are passed on to customers, which are generally on dispatch of goods. Incomes from services are recognised when services are rendered. Sales are net of discounts, sales tax and returns, excise duty collected on sales is shown by way of deduction from sales. Dividend income is recognised when right to receive dividend is established and there is no uncertainty as to its realisability. Revenue in respect of other income is recognised when a reasonable certainty as to its realisation exists.

h) Depreciation/Amortization

i) In case of Parent Company:

Depreciation is provided on Written Down Value method at the rates specified in Schedule XIV of the Companies Act, 1956. Premium on leasehold land is being written off over the period of lease

ii) In case of Subsidiary Company at Mauritius :

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

Particulars	Annual rate
Leasehold Improvement	5%
Motor Vehicles	20%
Furniture, Fixture & Fittings	15% - 50%
Office Equipments	25% - 50%
Plant and Machinery	5% - 20%

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

In case of Intangible Assets

I. Registration costs

Costs incurred on product registration are deferred and released to the income statement over the period of registration which is normally 5 years.

II. Development costs

Development costs represent fees for acquisition of technical know-how and are amortised over a period of 10 years.

iii) In case of Subsidiary Company at Philippines :

Depreciation and amortization is calculated on the straight line basis over the estimated useful lives of the assets as follows:

Particulars	Useful Life
Transportation Equipment	5 years
Office Equipments	2 years
Office Furniture & Fixture	2 years
Communication Equipment	2 years

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

The residual values, estimated useful lives and depreciation & amortization method are reviewed periodically to ensure that the residual values of the assets, periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is credited or charged to current operations. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss is recognized in the statement of comprehensive income.

i) Investments

Long term investments are stated at cost of acquisition. Provision for diminution in value, is made only if, in the opinion of management such a decline is other than temporary. Investments in foreign currency are stated at cost by converting at exchange rate prevailing at the time of acquisition / remittance.

j) Inventories

i) Raw materials, packing materials, finished/traded goods are valued at cost or net realisable value whichever is lower

ii) Works in process are valued at estimated cost

iii) Sales promotional items are valued at cost

k) Export Benefits

Export benefits available under prevalent schemes are accounted to the extent considered receivable.

l) Employee Benefits

Short Term Employee Benefits:

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

Post Employment Benefits:

Company's contribution for the period paid / payable to defined contribution retirement benefit schemes are charged to Profit and Loss Account. Company's liability towards defined benefit plan viz. gratuity is determined using the Projected Unit Credit Method as per the actuarial valuation carried out at the balance sheet date.

m) Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project, not exceeding ten years. 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.

n) Excise and Custom Duty

Excise duty in respect of finished goods lying in factory premises and customs duty on goods lying in custom bonded warehouse are provided for and included in the valuation of inventory.

o) Cenvat, Service Tax and Vat Credit

Cenvat, Service Tax and Vat credit receivable/availed are treated as an asset with relevant expenses being accounted net of such credit and the same is reduced to the extent of their utilisations.

p) Prior period items

Prior period items are accounted under the respective head of account. Material items, if any, are disclosed separately by way of a note.

q) Income Tax

Current tax is accounted on the basis of Income Tax Act, 1961. Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax, to the extent that the timing differences are expected to crystallise. MAT Credit Entitlement as per the provisions of Income Tax Act, 1961 is treated as an asset by credit to the Profit & Loss Account.

r) Impairment of Assets

The fixed assets and producing properties are reviewed for impairment at each balance sheet date. An asset is impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed, if there has been a change in the estimate or recoverable amount.

s) Accounting for Leases

In case of the Parent Company, Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.

In case of the Subsidiary Company, Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are debited to the income statement unless they are attributable to qualifying assets in which case, they are capitalised in accordance with the policy on borrowing costs.

t) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

u) Borrowing Cost:

Borrowing cost attributable to acquisition or construction of qualifying assets is capitalised as cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

2. Contingent Liabilities
   (i) Letter of Credit opened Rs. 671.46 Lacs (Rs. 811.68 Lacs).
   (ii) Excise demands disputed by the Company pending in appeal Rs.49.44 Lacs (Rs.49.44 Lacs).
   (iii) Income tax demands disputed by the Company pending in appeal Rs.355.83 Lacs (Rs.342.31 Lacs). Amount paid under protest Rs.82.00 Lacs (Rs.80.00 Lacs).
   (iv) Custom duty on import under Advance License Scheme, pending fulfillment of export obligation is Rs.90.56 Lacs (Rs.398.20 Lacs).
   (v) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances Rs.628.75 Lacs (Rs.1,775.10 Lacs).
   (vi) Future cash outflows in respect of liability under clause (ii) to (iv) is dependant on decisions by relevant authorities of respective disputes, in respect of clause (v) liability is dependant on terms agreed upon with the parties and in respect of clause.
3. Loans taken, secured and unsecured, includes amount due within a year Rs.2,762.82 Lacs (Rs.1,861.56 Lacs).
4. Deposit includes Rs. Nil (Rs.55.00 Lacs) given to a director in earlier years against premises taken on lease.
5. The Parent Company has approved at it's Board Meeting held on 29th October, 2009, buy back ("Scheme") of equity shares through stock exchanges involving aggregate amount upto Rs.1,136 Lacs. Pending approval from relevant authorities, the Parent Company has not purchased any share under the aforesaid Scheme during the year.
6. The group has one segment of activity namely, "Pharmaceuticals".
7. During the year, in respect of the Parent Company, MAT liability has been provided which is eligible for set off in subsequent years. The same has been treated as recoverable and shown as MAT Credit Entitlement. Provision for current tax includes wealth tax Rs.0.39 Lacs (Rs.0.47 Lacs).
8. Revenue expenses on Research & Development incurred by the Parent Company during the year and shown in respective heads of account, except depreciation, are:

Rs. in Lacs

Particulars	31.03.2010	31.03.2009
Personnel Expenses	638.88	550.64
Cost of Material/Consumables/Spares	797.38	754.06
Cost of Utilities	48.90	84.35
Other Expenses	601.65	205.32
Total revenue expenditure on R&D	2,086.81	1,594.36
Less: Allocated to ANDA development cost shown under Capital work in progress	60.36	907.41
Balance charged to P&L Account	2,026.45	686.95

9. In case of the Parent Company, Pre-operative expenses included in Capital work in Progress representing expenses incurred for projects yet to be commissioned are as under:

Rs. in Lacs

Particulars	31.03.2010	31.03.2009
Opening Balance	48.60	Nil
Add: Incurred during the year		
-Interest on Fixed Period Loans	538.08	355.88
-Other Expenses	5.00	18.33
Total	591.68	374.21
Less: Capitalised to Fixed Assets	302.75	325.61
Closing Balance	288.93	48.60

10. Earning Per share (EPS) – The numerator and denominator used to calculate Basic and Diluted Earning Per Share:

Particulars	31.03.2010	31.03.2009
Net Profit After tax (Rs. in Lacs)	3,400.37	2,543.11
Average number of Equity Shares outstanding during the year	1,17,08,500	1,17,08,500
Nominal value of Equity Shares (Rs.)	10	10
Earning Per Share-Basic and Diluted (Rs.)	29.04	21.72

11. **Employee Benefits in respect of the Parent Company**

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

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 workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension Fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

During the year the Company has recognised the following amounts in the Account:

Rs. in Lacs

Particulars	31.03.2010	31.03.2009
Provident Fund and Employee's Pension Scheme	257.54	230.45
Employees State Insurance	8.93	7.90
TOTAL	266.47	238.35

Defined Benefit Plans:

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

a. 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.

b. On the death in service:

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

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

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on 31st March, 2010 are as under : .

Rs. in Lacs

	Particulars	31.03.2010	31.03.2009
i)	Changes in Defined Benefit Obligation		
	Opening defined benefit obligation	262.66	209.45
	Current Service Cost	54.79	41.82
	Interest Cost	20.35	15.71
	Actuarial loss / (gain)	(21.13)	6.11
	Liabilities settled on sale of business	Nil	Nil
	Benefit (paid)	(28.42)	(10.43)
	Closing defined benefit obligation	288.25	262.66
ii)	Changes in Fair Value of Assets		
	Opening fair value of plan assets	30.74	41.17
	Expected return on plan assets	1.41	3.06
	Actuarial gain / (loss)	0.75	(3.06)
	Contributions of employer	Nil	Nil
	Assets distributed on sale of business	Nil	Nil
	Benefit (paid)	(28.42)	(10.43)
	Closing fair value of plan assets	4.48	30.74
iii)	Amount recognized in the Balance Sheet		
	Present value of the obligations as at year end	288.25	262.66
	Fair value of the plan assets as at year end	4.48	30.74
	Amount not recognized as an asset	Nil	Nil
	Net (asset) / liability recognized as on 31st March, 2010	283.77	231.92
iv)	Expenses recognized in the Profit and Loss Account		
	Current Service Cost	54.79	41.82
	Interest on defined benefit obligation	20.36	15.71
	Expected return on plan assets	(1.41)	(3.06)
	Net actuarial loss / (gain) recognized in the current year	(21.88)	9.16
	Effect of the limit in Para 59(b) of the revised AS 15	Nil	Nil
	Total expense	51.86	63.63
v)	Asset information		
	Government of India Securities	Nil	Nil
	Corporate Bonds	Nil	Nil
	Special Deposit Scheme	Nil	Nil
	Others – Policy of Insurance	100%	100%
vi)	Principal actuarial assumptions used		
	Discount rate (p.a.)	7.75%	7.50%
	Expected rate of return on plan assets (p.a.)	8.50%	8.50%
	Annual increase in salary cost (p.a.)	6.00%	6.00%

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

Employee Retirement And Other Benefit Obligations in respect of the Subsidiary Company:

No provision has been made in respect of employee retirement and other benefit obligations. The company holds an Export Enterprise Certificate under the Consolidated Industrial Expansion Act, 1993 (amended). As provided in the Act, section VI of the Labour Act in respect of severance allowance (except in cases of unjustified dismissal) does not apply. Besides the company does not have any pension scheme or any contracted agreement binding itself to the employees.

12. Disclosure for operating leases under Accounting Standard 19-“ Leases”:

The Parent Company and Subsidiary Companies have taken various residential /godowns / office premises (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancelable and range between 11 months and 5 years under leave and license, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Parent Company has given refundable interest free security deposits in accordance with the agreed terms.

The lease payments of Rs. 240.72 Lacs (Rs. 240.54 Lacs) are recognised in the Profit and Loss Account under “ Rent, Rates & Taxes” under Schedule 17. No contingent rents are recognised in the Profit & Loss Account.

Future obligations towards lease rentals under the lease agreements as on 31st March, 2010 amounts to Rs.141.85 Lacs (Rs.26.80 Lacs)

Operating Lease

Rs. in Lacs

Particulars	2009-10	2008-09
Not later than one year	26.09	21.01
Later than one year but not later than five years	89.45	5.47

Finance Lease

Rs. in Lacs

Particulars	Total Minimum Lease Payments Outstanding	Future Interest on Outstanding	Present Value of Minimum Lease Payments
Within one year	8.67 (0.32)	Nil (Nil)	8.67 (0.32)
Later than one year and not later than five years	17.64 (Nil)	Nil (Nil)	17.64 (Nil)
Total	**26.31** **(0.32)**	**Nil** **(Nil)**	**26.31** **(0.32)**

13. The consolidated financial statements have been prepared in compliance of clause 32 of the listing agreement with the stock exchange.

14. Deferred Tax (Liability) Asset comprises of:

Rs. in Lacs

Particulars	31.03.2010	31.03.2009
Depreciation	(1,232.24)	(1,311.83)
Unabsorbed Depreciation	92.12	1,118.12
Unabsorbed Losses	426.67	Nil
Others	186.55	136.76
Net Deferred Tax Assets (Liability)	(526.90)	(56.95)

15. Remuneration to Auditors (excluding service tax) :

Rs. in Lacs

Particulars	31.03.2010	31.03.2009
- Audit Fees	9.26	8.23
- Tax Audit Fees	1.00	1.00
- For Certification and other matters	8.30	5.87
- Out of Pocket Expenses	0.41	0.29

16. In case of the Parent Company, excise duty related to differences between closing and opening stock and other adjustments are stated under operating and other expenses. Excise duty related to turnover is reduced from the gross turnover.

17. In terms of the requirements of the Accounting Standard-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the amount recoverable against Fixed Assets has been estimated for the period by the management based on present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value thereof has been considered necessary, by the management.

18. As per the best estimate of the management of the Parent Company, no provision is required to be made as per Accounting Standard (AS) 29 "Provision, Contingent Liabilities and Contingent Assets" as notified by the Companies (Accounting Standards) Rules 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources which would be required to settle the obligation.

19. Related party disclosure (with whom transactions have taken place), as required by Accounting Standards 18 are given below:

Relationships:

Category I - Associate Companies :

Gencrest Ltd.

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

Mr. Mannalal B. Agrawal	Chairman
Mr. Purushottam B. Agrawal	Executive Vice Chairman
Mr. Madhusudan B. Agrawal	Non Executive Vice Chairman
Mr. Yogesh M. Agrawal	Managing Director
Dr. Ramesh Jhawar	Director (API)

& Relatives of Key Management Personnel

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

Gabs Investment Private Limited

Ganga Exports (Partnership Firm)

Following transactions were carried out with related parties:

Rs. in Lacs

	Category I	Category II	Category III	Total
Remuneration, Commission & Sitting Fees to directors	Nil (Nil)	254.48 (247.48)	Nil (Nil)	254.48 (247.48)
Rent Paid	Nil (Nil)	96.00 (96.00)	3.20 (Nil)	99.20 (96.00)
Dividend Paid	Nil (Nil)	175.25 (127.61)	9.97 (Nil)	185.22 (127.61)
Salaries	Nil (Nil)	64.61 (53.32)	Nil (Nil)	64.61 (53.32)
Deposits Given against Premises	Nil (Nil)	55.00 (Nil)	10.00 (Nil)	65.00 (Nil)
Deposits Refunded From	Nil (Nil)	165.00 (Nil)	Nil (Nil)	165.00 (Nil)
Repayment of Loan Taken	Nil (Nil)	Nil (15.85)	Nil (Nil)	Nil (15.85)

Amount outstanding as at 31st March, 2010

Rs. in Lacs

-Deposit given against Premises	Nil (Nil)	110.00 (220.00)	10.00 (Nil)	120.00 (220.00)
-Advances / Promoters' Contributions to Gencrest Ltd	775.00 (775.00)	Nil (Nil)	Nil (Nil)	775.00 (775.00)
Commission Payable to Non-Executive Director/s	Nil (Nil)	35.00 (28.00)	Nil (Nil)	35.00 (28.00)

20. Note on hedge and unhedged foreign currency assets and liabilities:

The Parent Company has entered into Forward Exchange Contract, being derivative instruments for hedge purpose and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. Forward Exchange Contract to buy/sell USD 105 Lacs (USD 16.5 Lacs) is outstanding as at the year end. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Particulars	Rs. in Lacs 31.03.2010	Rs. in Lacs 31.03.2009	Amount Lacs in Foreign Currency 31.03.2010	Amount Lacs in Foreign Currency 31.03.2009	Foreign Currency
Amount Receivable / Recoverable	2,012.66 1,311.54 Nil	6,560.21 899.59 2.58	44.83 21.67 Nil	129.34 13.32 0.06	USD EURO AUD
Amount Payable	6,319.73 168.77	1,748.92 123.21	140.75 2.79	34.48 1.82	USD EURO

21. Previous year's figures are regrouped and recast wherever required. Figures in brackets are of previous year.

Signature to Schedule 1 to 18

As per our report of even date attached
For Kapoor & Parekh Associates
Chartered Accountants

S. S. Kapoor
Partner

Mumbai, 6th May, 2010

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Rs. in Lacs

		Year Ended 31st March, 2010	Year Ended 31st March, 2009
A	Cash Flow from Operating Activities		
	Net Profit before Tax	3,876.09	2,981.43
	Adjustments for :		
	Depreciation	2,073.36	1,419.88
	Loss (Profit) on Sale/Discard of Assets	(6.30)	(1.89)
	Receivables Written Off	71.73	1.83
	Interest Charge	2,015.99	2,355.15
	Exchange Fluctuation	(140.68)	(6.58)
	Operating Profit before Working Capital Changes	7,890.19	6,749.82
	Adjustments for :		
	Trade & Other Receivables	1,314.61	(2,045.03)
	Inventories	(1,573.26)	(1,111.97)
	Trade Payables	2,415.17	360.80
	Cash Generated from Operations	10,046.71	3,953.62
	Direct Taxes Paid	(535.10)	(494.41)
	Net Cash Generated from (Used in) Operating Activities	9,511.61	3,459.21
B	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(4,286.50)	(8,236.83)
	Sale of Fixed Assets	19.90	43.10
	Net Cash Generated from (Used in) Investing Activities	(4,266.60)	(8,193.73)
C	Cash Flow from Financing Activities		
	Increase (Decrease) in Borrowings - Net	(2,225.12)	7,667.22
	Interest Paid	(2,002.40)	(2,360.81)
	Dividend Paid	(290.70)	(291.81)
	Dividend Tax Paid	(49.75)	(49.75)
	Net Cash Generated from (Used in) Financing Activities	(4,567.97)	4,964.85
	Net Increase (Decrease) in Cash & Cash Equivalents	677.04	230.33
	Cash and Cash Equivalents as at the Beginning of the Year	806.82	576.49
	Cash and Cash Equivalents as at the End of the Year	1,483.86	806.82

Notes:

1) The above Cash Flow Statement has been prepared under the "indirect method" set out in the Accounting Standard - 3 issued by Institute of Chartered Accountants of India.
2) Previous year's figures are regrouped wherever required.
3) Figures in brackets indicates outflow.

As per our report of even date attached
For Kapoor & Parekh Associates
Chartered Accountants

S. S. Kapoor
Partner

Mumbai, 6th May, 2010

For and on behalf of Board of Directors

Mannalal B. Agrawal	Chairman
Purushottam B. Agrawal	Vice Chairman
Yogesh M. Agrawal	Managing Director
Nikhil Bhatt	Company Secretary

DIRECTORS' REPORT

It is with great pleasure and satisfaction that your Directors present the 31st Annual Report and audited accounts for the year ended March 31st, 2010.

Financial Results

Rs. in Lacs

Year ended 31st March	2010	2009
Total Income	38,477	32,380
EBITDA	7,250	6,112
Interest	1,908	2,203
Depreciation	1,976	1,315
Profit before Tax	3,366	2,594
Profit after Tax	2,854	2,138
Earning Per Share (EPS) Rs.	24.37	18.26
Dividend	35%	25%
Book Value per share (Rs.10 paid up) Rs.	150.24	129.95

Dividend

Your Directors are pleased to recommend a dividend of Rs. 3.50 per equity share on the face-value of Rs.10/- per share for the year ended 31st March 2010.

Operations

An excellent performance for the year, with 33% growth in net profit and 19% in sales reflects your company's robust business model. Exports constituted 61% of total sales with establishment of your company's brands in the global markets. Exchange rate movement, though remained the area of concern, was contained through a systematic hedging policy, to avoid adverse impact on profitability. Your company was able to contain the interest cost during the year, thanks to better cash flow and cooperation extended by its bankers. Various projects and capital expenditure plans have been completed during the year, which has resulted in higher depreciation cost. Overall, your company has improved on its profitability during the financial year ended March 31, 2010.

Management Discussion and Analysis

The Management Discussion and analysis of the operations of your company is provided in a separate section and forms part of this report.

Subsidiary Companies

The Central Government has granted exemption under Section 212(8) of the Companies Act, 1956, from attaching to the Balance Sheet of the company, the accounts and other documents of its subsidiaries. However, the Consolidated Financial Statements of the Company, which include results of the said subsidiaries, are included in this Annual Report. Further, a statement containing the particulars prescribed under the terms of the said exemption for each of the Company's subsidiaries and statement pursuant to Section 212 of the Companies Act, 1956, are annexed. Copies of the audited annual accounts of the subsidiaries can be sought by any investor of the Company on making a written request to Company Secretary at the registered office of the company in this regard. They are also available for inspection for any investor at the Company's registered office.

Once again your company's Mauritius subsidiary has shown an excellent performance with a growth of 32% in sales and 13% in profits. Its step down subsidiary in Philippines had just commenced its operations and will add to the performance during next financial year. Your company's subsidiary in US had been playing an important role in filing ANDA registration and USFDA approval.

Joint Venture

Joint Venture Turkmenderman Ajanta Pharma Limited, though continued its operations during last calendar year, its performance had been much below our expectations. Your Company continues to look for exit options from this Joint Venture.

Research & Development

R & D remains the prime focus of your company, with facility at Advent in Mumbai being further expanded to meet the growing needs of different markets. During the last financial year, R&D had filed 2 ANDA applications with USFDA and working on few more in the current year. It had also been instrumental in launching many new products in the markets, some of them being amongst first to be in launched.

Capital Expenditure

During the last financial year company acquired a formulation facility near Aurangabad to augment its manufacturing capabilities, specially for rest of the world markets. The API manufacturing facility also commenced its operation during the year, marking a major step in the direction of mapping the complete pharma value chain.

Consolidated Financial Statements

In accordance with the requirement of Accounting Standards AS21 prescribed by the Institute of the Chartered Accountants of India, the consolidated accounts of your company is annexed to this report.

Directors

Mr. Santosh Bhattacherjee, Nominee of IDBI Bank Limited ceased to be the Director of the Company during the year. The Board places on record their sincere appreciation and gratitude for all support and valuable contribution made by him during his association with the Company. Mr. S. C. Saha was appointed as the new Nominee Director by IDBI Bank.

Mr. Mannalal B. Agrawal, Mr. Purushottam B. Agrawal and Dr. Anil Kumar, the Directors of your Company, retire by rotation and being eligible, offer themselves for re-appointment.

Auditors

The Auditors, M/s. Kapoor & Parekh Associates, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment, holding peer review certificate. Members are requested to appoint them as Auditors and fix their remuneration.

Auditor's Report

The remarks as contained in the Auditor's Report read with Notes forming part of the accounts are self-explanatory.

Cost Audit

M/s. Sevekari Khare & Associates, Cost Auditor have been reappointed to conduct the cost audit of the company's cost records for FY 2010-11 as prescribed by the order received from Government of India, Ministry of Company Affairs, Cost Audit Branch, New Delhi.

Fixed Deposits

The Company has not accepted any fixed deposits from the public under Section 58A of the Companies Act, 1956.

Director's Responsibility Statement

Your Directors confirm:-

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed.
2. That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2010, and of the profit or loss account of the company for that year.
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the Annual Accounts have been prepared on going concern basis.

Social Responsibility

Your company is committed to its social responsibility and continues to be a responsible corporate citizen. As in the earlier years, your company had been working on free corrective plastic surgery and eye surgery camps, blood donation camps, etc. for the needy and rural population in different parts of the country.

Particulars of Employees

As required under Section 217(2A) of the Companies Act, 1956 and Rules framed thereunder, the names and other particulars of employees receiving remuneration above the prescribed threshold are set out in the Annexure appended to this Report.

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

The additional information relating to Conservation of energy, technology absorption, foreign exchange earnings and outgo, pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is given in annexure and forms part of this report.

Corporate Governance

Report on Corporate Governance and Certificate from the Auditors thereon regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges are enclosed.

Gratitude and Acknowledgments

Your Directors take this opportunity to express sincere thanks to the medical fraternity and patients for their continued co-operation, patronage and trust reposed in the Company and its products. The Directors place on record their gratitude to the government, other statutory bodies, our strategic partners, business associates, banks, financial institutions and shareholders for their assistance, co-operation and encouragement. Your Directors also place on record their sincere appreciation for significant contribution made by the employees at all levels through their dedication, hard work and commitment and look forward to their continued support and unstinting efforts in ensuring an excellent all round operational performance.

For and on behalf of the Board of Directors,

MANNALAL B. AGRAWAL
CHAIRMAN

Mumbai, 6th May, 2010

ANNEXURE TO DIRECTORS' REPORT

Statement Pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

1. Energy Conservation Measures

Your company is striving continuously to conserve every form of energy by adopting innovative measures to reduce wastage and optimize consumption. Notable measures for energy conservation were as follows:

- HVAC operation controlled
- Unwanted lighting kept off
- Optimised the efficiency of HVAC by PM
- Replaced high voltage motors with low voltage motors
- Zero load shedding
- Power consumption by using TEMP Controller

Adoption of above energy conservation measures have helped to curtail the proportionate increase in total energy usage. This has helped to optimize cost of production. Total energy consumption and energy consumption per unit of production as per form A is as follows:

Year Ended March 31st		2010	2009
(i)	POWER AND FUEL CONSUMPTION		
	Electricity		
	(a) Purchase		
	Unit	57,47,183	28,29,869
	Total Amount (Rs.)	2,84,12,333	1,33,65,839
	Rate/Unit (Rs.)	4.94	4.72
	(b) Own generation		
	Unit	4,34,430	1,43,634
	Unit per Ltr. of Diesel Oil	3.58	3.00
	Cost / Unit (Rs.)	12.52	13.67
(ii)	CONSUMPTION PER UNIT OF PRODUCTION		
	The Company manufactures several formulations of different pack sizes. It is therefore, impracticable to apportion the consumption and the cost of utilities to each product.		

B. RESEARCH AND DEVELOPMENT and TECHNOLOGY ABSORPTION:

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

Your company has a state-of-the-art R&D facility "*Advent*" recognized by DSIR, Govt. of India which houses a range of latest equipments for formulation development and synthesizes high value APIs. R&D is a vital component of business strategy which provides a long-term competitive advantage to your company. *A team of* more than 250 diligent and committed Ajantaites, including several PhDs, with research experience in drug discovery, drug delivery systems, process development and analytical research, work untiringly in the R&D centre. The team has been provided with conducive environment to nurture excellence and innovation that is most essential to develop complex and challenging first-time combination products and also first-to-launch generic products in our focused therapeutic segments.

The specific areas in which research was carried out are:

a) Development of new formulations in Ophthalmology, Dermatology, Cardiology, Cosmetology and other focused therapeutic segments

b) Development on different dosage forms ranging from topical creams, ophthalmological preparations, nasal sprays and dry powder inhalers

c) Development of new innovative technology for the manufacture of APIs

d) Development of new products, specifically for exports

e) Development of New Drug Delivery Systems

f) Development of analytical methods and conducting stability studies

g) Validation of analytical procedures to support development of new formulations

h) Process validation and technology transfer of newly developed products

i) Cost reduction and product improvisation trials

2. Benefits derived as a result of R&D

R&D has developed number of novel formulations to cater to the demands of domestic as well as international markets. It has brought latest combination molecules; often using complex delivery systems, many of them being introduced for first time in India and are enjoying leadership position in the market in their respective sub-therapeutic segments.

3. Future plan of action

Our proposed objectives for Research center are:

- To develop new products in the focused therapeutic segments
- To develop and transfer technology for Novel Drug Delivery Systems (NDDS)
- To work on novel combinations
- To chemically synthesize new pharmaceutical products
- To develop formulations for filing ANDAs
- To develop formulations for WHO/other Regulated Markets
- To develop innovative products for non-regulated markets
- To carry out Contract Research for multinational pharmaceutical companies
- To continue working on cost reduction of existing formulations.
- To continue developing and validating analytical procedures for new formulations

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

a) Innovation that works on totally new-to-the-world product ideas

b) Latest combination molecules, often using complex delivery systems, that help improve the quality of life

Expenditure on R&D:

Particulars	Rs. in Lacs
Capital & ANDA Development Cost	169.96
Recurring	2,026.45
Total	2,196.41
Total R&D expenditure as a percentage of total turnover	5.71%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

Exports constituted 61% of total sales for the financial year 2009-10. Your company continues to focus on export markets with innovative R&D products. With the objective of increasing the export, company had 1380 product registrations in hand and more than 1000 products under registrations in different countries. The company has also started providing contract research work to overseas companies, thereby earning foreign exchange.

2. Total foreign exchange used and earned

Rs. in Lacs

Year Ended March 31st		2010	2009
(i)	Earnings	21,753.56	17,407.83
(ii)	Outgo on import of Raw Materials, Capital Goods, Traveling, Marketing and other expenses.	6,289.82	5,700.49

INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2010									
Sr. No.	Name	Designation/ Nature of Duties	Age (Years)	Gross Remuneration (Rs.)	Qualification	Experience (Years)	Date of Appointment	Last Employment/ Designation Held	Last Employment Since
1	Agrawal Purushottam. B.	Vice Chairnan	61	10,944,000	B. Pharm	31	31.12.1979	-	-
2	Agrawal Yogesh M.	Managing Director	38	10,944,000	Business Management Graduate, USA	16	29.04.2000	Ajanta Pharma Mauritius Limited - Managing Director	17.10.1994
3	Agrawal Rajesh M.	President - Latin America & Asia	34	6,461,400	M.B.A	13	01.01.1997	-	-
4	Agrawal Nandkishore H.	Executive Vice President - West Asia, Anglo Africa & CIS	50	4,610,595	S.S.C	29	01.08.1980	-	-
5	Agrawal Arvind K.	Chief Financial Officer	46	3,907,694	B Com, L.L.B., F.C.A	23	23.04.1998	Mainframe Financials Private Limited - Director	November, 1989
6	Agrawal Satish H.	Vice President (Technical & Operations)	47	4,003,760	M Pharm	22	01.01.1998	-	-

NOTES:

1. All the above persons are in full time employment of the Company throughout the year.
2. There was no employee employed for part of the Financial year and was drawing Rs. 200,000/- per month.
3. The employment is subject to the rules and regulations of the Company in force from time to time.
4. Mr. Purushottam B. Agrawal is related to other two directors namely, Mr. Mannalal B. Agrawal and Mr. Madhusudan B. Agrawal. Mr. Yogesh M. Agrawal is related to Mr. Mannalal B. Agrawal and Mr. Rajesh M. Agrawal. Mr. Rajesh M. Agrawal is related to Mr. Mannalal B. Agrawal and Mr. Yogesh M. Agrawal.
5. Gross remuneration includes Salary, Perquisites, Contribution to Provident Fund, etc, but excludes Gratuity Fund.
6. The nature of employment is contractual.

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Code of Corporate Governance

At Ajanta Pharma Limited, Corporate Governance is being practiced since its inception over three decades. Your company is committed to manage its affairs with diligence, transparency, responsibility and accountability and delegation across all facets of its operations leading to sharply focused and operationally efficient growth. It is of the firm conviction that good governance is a pre-requisite to attainment of excellent performance in terms of all its stakeholders' value creation. Your company strongly believes in maintaining highest business ethics and complies with all the statutory and regulatory requirements. The Company's philosophy on Corporate Governance goes beyond good working results and financial propriety though they are undoubtedly essential.

II. Board of Directors

The Board of Directors of the company consists of eight Directors. It comprises of two Whole-time Director(s), two Non-Executive Director(s) and four Independent Director(s), which includes two Nominee Director(s).

Board Meetings:

During the financial year 2009-2010 total four Board Meetings were held on May 15, 2009; July 30, 2009; October 29, 2009 and January 29, 2010 respectively. The Board meets at least once every quarter *inter-alia* to review the performance of the Company. The gap between the two Board Meetings does not exceed the period of four months.

Attendance of Directors at the Board Meetings and last Annual General Meeting:

Name of the Director		Category of Directorship	No. of Board of Directors Meetings attended	Last AGM Attended	No. of other Director-ships #	No. of shares held *	All Committee Membership (including non-mandatory)	
							Member	Chairman
Mr. Mannalal B. Agrawal	@	P&NED	4	Yes	14	7,20,896	1	1
Mr. Purushottam B. Agrawal	@	P&ED	3	No	10	7,18,590	2	0
Mr. Madhusudan B. Agrawal	@	P&NED	4	Yes	8	7,18,500	3	0
Mr. Yogesh M. Agrawal	@	P&ED	4	Yes	0	3,84,861	2	1
Dr. Anil Kumar		I&NED	4	No	0	Nil	0	3
Mr. Chandrakant M. Khetan		I&NED	4	Yes	7	Nil	0	1
Mr. S. C. Saha $		I&NED	2	N.A.	0	Nil	3	0
Mr. Sanosh Bhattacherjee+		I&NED	1	No	0	Nil	3	0
Ms. Manjiri Bhalerao		I&NED	4	No	0	Nil	3	0

excludes Private Limited Companies & Foreign Companies

I - Independent; P - Promoter; ED - Executive Director; NED - Non-executive Director

* Details of shares held are as on 31.03.2010

@ Mannalal B. Agrawal, Mr. Purushottam B. Agrawal and Mr. Madhusudan B. Agrawal are brothers and hence they are related to each other. Mr. Mannalal B. Agrawal is related to Mr. Yogesh M. Agrawal as he is the father of the latter.

+ Mr. Santosh Bhattacherjee was withdrawn by IDBI Bank as nominee w.e.f. 30.07.2009.

$ Mr. S. C. Saha was appointed by IDBI Bank as nominee w.e.f. 30.07.2009.

Re-appointment of Directors liable to retire by rotation:

According to the Articles of Association of the company, at every Annual General Meeting one third of the Directors are liable to retire by rotation. Thus, Mr. Mannalal B. Agrawal, Mr. Purushottam B. Agrawal and Dr. Anil Kumar shall retire at ensuing Annual General Meeting of the company and being eligible, offer themselves for reappointment. Brief profile of the Directors seeking reappointment are as follows:

Mr. Mannalal B. Agrawal

Mr. Mannalal B. Agrawal, Non-Executive Chairman, aged 63 years, is an Industrialist with rich experience in business for over last 37 years. He is on the Board since the inception of the Company. He has been the guiding force for the enormous growth of the company since its inception. His vision and ability of critical analysis of the matters allows the Board to have more rationale decision-making.

Shares held in Ajanta Pharma Limited – 7,20,896

Other Directorships	Committee Membership/ Chairmanship
Ajanta Projects (India) Ltd *Ajanta Overseas Ltd* *Inspira Infrastructure Ltd* *Zytrex Mining And Explorations Ltd* *Louroux Bio Energies Ltd* *Sirien MIDC Infrastructure Ltd* *Inspira Living Concepts Ltd* *Inspira Leisure And Hospitality Ltd* *Lenexis Energy Ltd* *Vyata Space Concepts Ltd* *Illuma Opthalmaceuticals Pvt. Ltd* *Ansca Dermaceuticals Pvt. Ltd* *Ganga Builders Ltd* *Vetrium Health Pvt. Ltd* *Inspira Energy Ltd* *Almiron Pharma Pvt. Ltd* *Inspira Solar Energy Ltd* *Inspira Sun Systems Ltd* *Aureus Pharma Pvt. Ltd* *Verizon Pharma Pvt. Ltd* *Anvaxx Laboratories Pvt. Ltd* *Axera Pharma Pvt. Ltd.* *CDC Pharma Pvt. Ltd* *Zillion Labs Pvt. Ltd*	*Member – Audit Committee of Ajanta Pharma Ltd* *Chairman – Buyback Committee of Ajanta Pharma Ltd*

Mr. Purushottam B. Agrawal

Mr. Purushottam B. Agrawal, Vice- Chairman, aged 61 years, is also an Industrialist with rich experience in business for over 35 years. The continued efforts of Mr. Purushottam B. Agrawal helped the company to turn it into an organisation of excellence in pharma industry in domestic and global market. The Company has always benefited from his expertise in pharma industry and also from his foresight and vision.

Shares held in Ajanta Pharma Limited – 7,18,590

Other Directorships	Committee Membership/ Chairmanship
Ajanta Pharma (Mauritius) Ltd *Ajanta Overseas Ltd* *Gencrest Ltd* *Ganga Builders Limited* *Ajanta Projects (India) Limited* *Sirien MIDC Infrastructure Ltd* *Louroux Bio Energies Ltd* *Inspira Infrastructure Ltd* *Zytrex Mining and Explorations Ltd* *Technovent Energy Ltd* *Lenexis Energy Ltd*	*Member:* *Executive Committee of Ajanta Pharma Ltd* *Chairman* *Executive Committee of Gencrest Ltd*

Dr. Anil Kumar

Dr. Anil Kumar, aged 59 years, has several years' rich experience in Medical Profession. He is D.M. (Cardiology). He is a Consultant Interventional Cardiologist at Bombay Hospital & Medical Research Mumbai and Hon. Asstt. Professor of Cardiology at Grant Medical College & JJ Group of Hospital. He joined the Company's Board in the year 2001. His rich experience becomes useful to the company in launching new products, specially in its cardiology division. His feedback about the product behavior and general medicine knowledge adds to the decision making of the Board.

Shares held in Ajanta Pharma Limited – Nil

Other Directorships	Committee Membership/ Chairmanship
Nil	*Chairman:* *Investor's Grievance Committee of Ajanta Pharma Ltd* *Remuneration Committee of Ajanta Pharma Ltd* *Selection Committee of Ajanta Pharma Ltd*

III. Audit Committee

The Audit Committee constituted by the Board of Directors of the Company comprises two Independent Directors and one Non-Executive Director.

During the year, four meetings of the Audit Committee were held on May 15, 2009; July 30, 2009; October 29, 2009 and January 29, 2010 and all the members attended all the meetings. The Company Secretary is appointed as the Secretary to the Audit Committee. The terms of reference of the Audit committee are set out in accordance with the requirement of Clause 49 of the listing agreement and the provisions of the Companies Act, 1956. Auditors and Chief Financial Officer attend the meetings on invitation from the Chairman. The details are as follows:

Name	Designation	Meetings Attended
Mr. Chandrakant M. Khetan	Chairman	4
Mr. Mannalal B. Agrawal	Member	4
Ms. Manjiri Bhalerao	Member	4

IV. Remuneration Committee

Terms of reference of the remuneration committee includes considering the matters relating to the Company's policies on remuneration payable and determining the package to the Executive Directors, sitting fees payable and commission to be paid to the Directors. One meeting was held during the year on 15th May, 2009 and all the members attended the meeting. The Company Secretary is the Secretary to the Remuneration Committee. The Remuneration Committee consists of three Independent Directors, which includes two Nominee Directors as follows:-

Name	Designation
Dr. Anil Kumar	Chairman
Mr. S. C. Saha (appointed w.e.f. 30.07.2009)	Member
Mr. Santosh Bhattacherjee (resigned w.e.f. 30.07.2009)	Member
Ms. Manjiri Bhalerao	Member

Details of remuneration to Directors:

Payment of remuneration to Vice-Chairman and Managing Director are governed by the agreement executed between them and the company in the past. These agreements were approved by the Remuneration Committee and Board in the past.

The aggregate value of salary and perquisites paid to the Vice-Chairman and Managing Director subject to the provisions of Schedule XIII of the Act, for the financial year ended 31st March, 2010 was as under:

PARTICULARS	Rs.
Remuneration to Executive Directors :	
Mr. Purushottam B. Agrawal, Vice-Chairman	1,09,44,000/-
Mr. Yogesh M. Agrawal, Managing Director	1,09,44,000/-
Remuneration to Non-Executive Directors:	
a) Sitting Fees paid:	
Mr. Mannalal B. Agrawal	40,000/-
Mr. Madhusudan B. Agrawal	20,000/-
Dr. Anil Kumar	45,000/-
Mr. Santosh Bhattacherjee/Mr. S. C. Saha, Nominee Director, IDBI Bank Ltd	45,000/-
Ms. Manjiri Bhalerao, Nominee Director, EXIM Bank	45,000/-
Mr. Chandrakant M. Khetan	40,000/-
b) Commission payable:	
Mr. Mannalal B. Agrawal	35,00,000/-

V. Investors' Grievance Committee

The Investors Grievance Committee deals with matters relating to various complaints of investors and its redressal.

During the year, four meetings of the Investors Grievance Committee were held on May 15, 2009; July 30, 2009; October 29, 2009 and January 29, 2010 and the attendance was as follows:

Name	Status	Meetings Attended
Dr. Anil Kumar	Chairman	4
Mr. Yogesh M. Agrawal	Member	4
Mr. S. C. Saha (appointed w.e.f. 30.07.2009)	Member	2
Mr. Santosh Bhattacherjee (resigned w.e.f. 30.07.2009)	Member	1

The Company Secretary acts as a Secretary to the Committee and also as the Compliance Officer. The Company has received 21 complaints during the year and all of them have been redressed/answered to the satisfaction of the Shareholders. No investor grievance remained unattended/pending for more than 30 days.

The classification of complaints based on their nature was as follows:

Nature of Complaints	No. of Complaints
i) Non-receipt of Dividend	12
ii) Non-receipt of Annual Report	3
iii) Demat & Remat	2
iv) Fully paid Stickers	1
v) Non-receipt of share certificate	1
vi) Others	2
Total	21

VI Executive Committee Meeting

10 Executive Committee Meetings were held during the year under report for dealing with operational matters delegated by the Board of Directors.

Name	Meetings Attended
Mr. Yogesh M. Agrawal	10
Mr. Purushottam B. Agrawal	0
Mr. Madhusudan B. Agrawal	10

VII. General Body Meetings

Details of the locations of the last three Annual General Meetings:

Financial Year	Date	Time	Location
March 31, 2007	September 28, 2007	11.00 a.m.	PrabodhankarThackeray Natyagrah, Sodawala Lane, Borivali (West), Mumbai - 400 092.
March 31, 2008	July 8, 2008	--do--	Shri Bhaidas Maganlal Sabhagriha, U-1, Juhu Development Scheme, Vile Parle (West), (Near Mithibai College), Mumbai - 400 056.
March 31, 2009	July 9, 2009	--do--	Shree Vile Parle Gujarati Mandal, Shraddhanand Road, Vile Parle (East), Mumbai - 400 057.

All the resolutions, including special resolutions set out in the respective Notices were passed by the shareholders.

POSTAL BALLOT

In the current financial year the company had amended its Articles of Association through Postal Ballot. The result of the same was as under:

Sr. No	Particulars	No. of Postal Ballot Forms	Aggregate in value (Rs.)	Per-centage of Valid votes cast
(a)	Total Postal Ballot Forms received	335	7,98,76,060	
(b)	Less : Invalid Postal Ballot Forms	15	33,000	
(c)	Net Valid Postal Ballot Forms	320	7,98,43,060	
(d)	Postal Ballot Forms with assent for the Resolution	310	7,98,32,840	99.99%
(e)	Postal Ballot Forms with dissent for the Resolution	10	10,220	0.01%

VIII. Disclosures

a. Disclosures on materially significant Related Party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their Subsidiaries or relatives etc. that may have the potential conflict with the interest of the company at large:

None of the transactions with any of the related parties was in conflict with the interest of the Company. The transactions with the Related party are disclosed in Note No. 23 of Schedule 18 containing Notes to Accounts.

b. During the last 3 financial years, there were no instances of non-compliance by the Company on any matters related to the capital markets or penalties/ strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority.

IX. Means of Communication

The Board of Directors of the Company approves and takes on record the Unaduited Quarterly Results and Audited Annual Results and announces forthwith the results to both the Stock Exchanges where the shares of the Company are listed. The same are published within 48 hours in one English daily newspaper and one Marathi newspaper (Mumbai edition).

As per requirements of Clause 51 of the Listing Agreement, all the data related to Unaudited Quarterly Results, Audited Annual Results and shareholding pattern, etc, are provided to the special website www.sebiedifar.nic.in.

The Management Discussion and Analysis Report forms part of the Annual Report.

X. General Shareholders Information:

1. *Annual General Meeting*

Date and time : 9th July, 2010 at 11.00 a.m.

Venue : Prabodhankar Thackrey Natyagrah, Sodawala Lane, Borivli (West), Mumbai- 400 092

2. *Financial Calendar (Tentative)*

Results for the Quarter ending :

June 30, 2010 : last week of July, 2010
September 30, 2010 : last week of October, 2010
December 31, 2010 : last week of January, 2011
March 31, 2011 : last week of April / May, 2011

3. *Dates of Book Closure :*

1st July, 2010 to 9th July, 2010

4. *Dividend Payment Date :*

On or after 9th July, 2010, subject to approval of shareholders

5. *Listing on Stock Exchanges :*

a) Bombay Stock Exchange Limited (Code: AJANTAPH 532331)
b) National Stock Exchange of India Ltd. (Code: AJANTPHARM EQ)

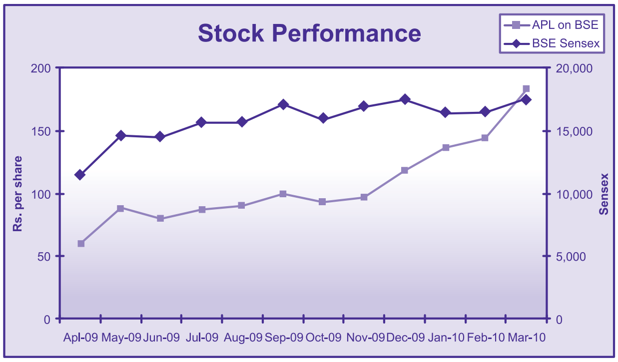
The Annual Listing fees were paid in time to both these Stock Exchanges.

6. ISIN number for NSDL and CDSL : INE031B01015

7. *Stock Market Data* :

	Bombay Stock Exchange(BSE)		National Stock Exchange(NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apl-09	69.50	51.00	69.75	45.30
May-09	100.00	59.05	100.00	59.15
Jun-09	102.50	76.25	102.80	77.05
Jul-09	92.30	73.00	92.25	73.00
Aug-09	94.90	81.55	94.20	81.70
Sep-09	106.70	87.00	106.10	85.05
Oct-09	106.70	88.30	106.00	87.10
Nov-09	100.00	87.35	100.85	86.00
Dec-09	125.60	96.05	125.60	95.05
Jan-10	149.70	113.00	149.50	110.95
Feb-10	172.50	134.25	172.50	133.00
Mar-10	205.35	144.85	205.80	146.00

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



9. *Equity Share Buy back proposal :*

Company has approved at it's Board Meeting held on 29.10.2009, buy back ("Scheme") of equity shares through stock exchanges involving aggregate amount up to Rs.1,136 Lacs. Pending approval from relevant authorities, Company has not purchased any share under the aforesaid Scheme during the year.

10. *Registrar and Transfer Agents :*

Link Intime India Private Ltd.
Unit : Ajanta Pharma Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078
Tel.: 022- 2596 3838/2594 6970/2596 4970
Fax.: 022- 2594 6969;
Email: rnt.helpdesk@linkintime.co.in

11. *Share Transfer System :*

Shares sent for transfer in physical form are registered by the Registrar and Shares Transfer Agents, M/s. Link Intime India Private Ltd., and returned within a period of 30 days from the date of receipt, if the documents are in order in all respects. The Share Transfer Committee of the Company meets as often as required. The total number of shares transferred in physical form during the year 2009-10 were: -

Transfer period (in days)	No. of requests (processed, effected & despatched)	No. of shares	%
1-15	22	2,950	93.66
16-20	1	100	3.17
21-30	1	100	3.17
30 & Above	0	0	0
TOTAL	24	3,150	100

12. *Distribution of Equity Shareholding as on 31st March, 2010 :*

No. of shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 2500	7,642	82.85	7,29,695	6.23
2501- 5000	896	9.71	3,53,661	3.02
5001-10000	365	3.96	2,90,491	2.48
10001-20000	135	1.46	2,01,309	1.72
20001-30000	50	0.54	1,26,124	1.08
30001-40000	25	0.27	90,301	0.77
40001-50000	19	0.21	88,876	0.76
50001-100000	35	0.38	259,268	2.21
100001 & above	57	0.62	95,68,775	81.73
TOTAL	9,224	100.00	1,17,08,500	100.00

13. *Pattern of Shareholding :*

Sr. No.	CATEGORY	AS ON 31ST MARCH 2010	
		NO OF SHARES	% OF TOTAL NO.OF SHARES
1.	Promoters Holding ã Promoters ã Foreign Promoters	 78,23,621 Nil	 66.82 Nil
2.	Mutual Funds	1,500	0.01
3.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Government Institutions)	2,51,265	2.15
4.	Private Corporate Bodies	7,24,731	6.19
5.	Indian Public	28,26,665	24.14
6.	NRIs/OCBs/FII's	31,787	0.27
7.	In Clearance	48,931	0.42
	TOTAL	1,17,08,500	100.00

14. *Dematerialisation of Shares and liquidity :*

98.61% of the total equity capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2010. As per guidelines of SEBI the trading in equity shares of the company is permitted only in dematerialised form.

All shares of the company are liquid and traded in normal volume on BSE and NSE. Relevant data for the average daily turnover for the financial year 2009-10 is given below: -

	Bombay Stock Exchange (BSE)	National Stock Exchange (NSE)	BSE + NSE
In no. of Shares	53,699	71,838	1,25,537
In value terms	57,05,526	76,26,835	1,33,32,361

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

As of date, the Company has not issued these type of securities.

16. *Plant Locations and R & D Centre :*

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

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

iii. Gut No. 11/12/14/15, Chitegaon, Paithan Road, Aurangabad-431 105.

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

v. 43 AB & 44BCD, ADVENT, Charkop, Kandivli (W), Mumbai – 400 067 Maharashtra

17. *Investor Correspondence Address*:

i. Link Intime India Private Ltd.
Unit : Ajanta Pharma Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai - 400 078
Tel.: 022- 2596 3838/2594 6970/2596 4970
Fax.: 022- 2594 6969
Email: rnt.helpdesk@linkintime.co.in

ii. MR. NIKHIL BHATT –
GENERAL MANAGER LEGAL
& COMPANY SECRETARY
Ajanta Pharma Limited
Ajanta House, Charkop, Kandivli (W),
Mumbai 400 067
Tel.:022- 6606 1000/1204/1203
Fax : 022-6606 1200/1300
E-mail: nikhilb@ajantapharma.com

For and behalf of the Board of Directors

MANNALAL B. AGRAWAL
CHAIRMAN

Mumbai, 6th May, 2010

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management have affirmed compliance with the code of conduct.

(Purushottam B. Agrawal)
Vice Chairman

(Yogesh M. Agrawal)
Managing Director

Mumbai, 6th May, 2010

CERTIFICATE BY
MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

The Board of Directors
Ajanta Pharma Ltd.
Mumbai

We hereby certify for the financial year, ending 31st March, 2010 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that: -

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2009-10 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:-
   (a) there have been no significant changes in internal control during this year.
   (b) there have been no significant changes in accounting policies during this year.
   (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

(Yogesh M. Agrawal)
Managing Director

(Arvind K. Agrawal)
Chief Financial Officer

Mumbai, 6th May, 2010

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

To The Members,
Ajanta Pharma Limited

We have examined the compliance of conditions of corporate governance by Ajanta Pharma Limited ("the Company"), for the year ended on March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreements.

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

For Kapoor & Parekh Associates
Chartered Accountants

S. S. Kapoor
Partner
M. No. 5399

Mumbai, May 6, 2010

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

	Ajanta Pharma (Mauritius) Limited (Amt. in MUR)	Ajanta Pharma Inc (Amt. in USD)	Ajanta Pharma Philippines Inc * (Amt. in PHP)
Section 212 (3)			
Financial year of the Subsidiary Company ended on	31.12.09	31.12.09	31.12.09
Number of shares in the subsidiary Company held by Ajanta Pharma Ltd. at the above date	613,791	1,520	82,000
Extent of Holding	100%	100%	100%
The net aggregate of profits (losses) of the Subsidiary company so far as it concern the Members of Ajanta Pharma Ltd.			
(I) Dealt within the accounts of Ajanta Pharma Ltd. amounted to:			
(a) for the subsidiary's financial year ended 31st December, 2009	NIL	NIL	NIL
(b) for previous financial years of the subsidiary since it became subsidiary of Ajanta Pharma Ltd.	NIL	NIL	NIL
(II) Not dealt within the accounts of Ajanta Pharma Ltd. amounted to			
(a) for the subsidiary's financial year ended 31st December, 2009	42,397,310	(NIL)	(7,798,616)
(b) for previous financial years of the subsidiary since it became subsidiary of Ajanta Pharma Ltd.	23,969,704	(NIL)	(3,383,860)

	Ajanta Pharma (Mauritius) Limited (Amt. in MUR)	Ajanta Pharma Inc (Amt. in USD)	Ajanta Pharma Philippines Inc * (Amt. in PHP)
Section 212(5) (a) Changes in the interest of Ajanta Pharma Ltd. between the end of the subsidiary's Financial year and 31st March, 2009 Number of shares acquired/(disposed off)	NIL	NIL	NIL
(b) Details of material changes which have occurred between the end of the financial year of the subsidiary and the end of the holding company's financial year are as under: i) Subsidiary's Fixed Assets ii) Its investments iii) The money lent by it iv) The money borrowed by it for any purpose other than that of meeting current liabilities	 No change No change No change No change	 No change No change No change No change	 No change No change No change No change

* Wholly owned subsidiary of Ajanta Pharma (Mauritius) Ltd.

Mannalal B. Agrawal Chairman	Purushottam B. Agrawal Vice Chairman	Yogesh M. Agrawal Managing Director	Nikhil Bhatt Company Secretary

Mumbai, 6th May, 2010

STATEMENT PURSUANT TO APPROVAL U/S 212 (8) OF THE COMPANIES ACT, 1956

Rs. in Lacs

Name of the Subsidiary Company	Ajanta Pharma (Mauritius) Ltd.	Ajanta Pharma Inc., USA	Ajanta Pharma Philippines Inc. *
The Financial Year ended on	Year ended Dec 31, 2009	Year ended Dec 31, 2009	Year ended Dec 31, 2009
Capital	1,021.42	66.10	87.17
Reserves	927.47	4.63	(116.10)
Total Liabilities	3,032.54	0.46	267.70
Total Assets	4,981.43	71.19	238.77
Investment (other than in subsidiaries)	-	-	-
Turnover (Net)	7,816.93	-	38.63
Profit/(Loss) before Tax	674.99	-	(112.05)
Provision for Tax	-	-	(30.30)
Profit/(Loss) after Tax	674.99	-	(81.75)
Proposed Dividend	-	-	
Foreign Currency of Subsidiary	Mauritian Rupee	US Dollar	Philippine Peso
Rupee Equivalent of 1 Unit of Foreign Currency as at 31st March, 2010	1.43	44.90	0.99
*Subsidiary of Ajanta Pharma (Mauritius) Ltd.			

NOTES


LIQUID ORALS


IPQC

ajanta pharma limited

Registered Office " Ajanta House ", Charkop, Kandivli (West), Mumbai - 400 067
Tel.: 91-22-66061000, Fax.: +91-22-66061200/300, www.ajantapharma.com

Designed & Printed at Magna Graphics (India) Ltd.