ajanta pharma limited

Clear **Strategy**
Consistent **Performance**

Annual Report 2021-22

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Or simply scan to browse

Consistent **Performance**

At Ajanta, we strongly believe that Clear Strategy leads to Consistent Performance which enables us to enhance value for all stakeholders. We did it again in FY 2022. Following pages of this report elaborate on the same.

Message from **Management**

L to R: Rajesh M. Agrawal (JMD) and Yogesh M. Agrawal (MD)

Dear Shareholder,

Compliments for the strong growth momentum achieved by your Company across the major markets during FY 2022.

At Ajanta, we have been successfully enhancing value for all our stakeholders for decades with the help of our focus on 'Clear Strategy'. The core of this strategy is based on three pillars: smart product selection, superior formulation development capabilities, and focused business segments.

Your Company has three focused business segments: Branded Generics in India and Emerging Markets, Generics in the USA, and Institutional business in Africa. During any business cycle, some business segments do better while others face headwinds. Our strategy has an inherent dynamism which enables us to provide 'Consistent Performance' year-on-year, despite these cycles. Like in FY 2022, accelerated growth of our Branded Generics segment helped in registering healthy growth despite the headwinds of double-digit price erosion in the US Generics and lower demand for Institutional business in Africa.

Segment Review

All our strategic initiatives resulted in enhancing the contribution of Branded Generics business to 73% of revenue in FY 2022, against 67% in FY 2021. The robust growth of 23% for Branded Generics business during FY 2022 was contributed by growth of 21% in India, 42% in Africa and 14% in Rest of Asia. This was the result of sharpening of strategy by penetrating deeper in the markets and expanding product basket.

Generics business in the US grew relatively slower at 9% in FY 2022, against 23% in FY 2021. This was due to higher price erosion and fewer approvals/ launches.

Institutional business in Africa registered de-growth of 24% due to lower demand from the sponsors.

Having different growth engines for your Company enables us to maintain consistent performance, despite turbulence in one or the other segment.

Financial Highlights

Revenue from operations grew by 16% to ₹ 3,341 cr. displaying robust performance. Our EBITDA margin normalised to 28% in FY 2022, as marketing and R&D activities returned to normalcy post Covid-19 disruptions. Our net profit for the year grew by 9% to ₹ 713 cr.

Your Company's balance sheet position remains pristine with ₹ 334 cr. as cash and liquid investments, even after paying back ₹ 436 cr. to the shareholders through Buyback (₹ 354 cr. including tax) and dividend (₹ 82 cr.). Our Pay-out ratio is 61% of PAT for FY 2022, up from 38% for FY 2021. This is also 74% higher than ₹ 251 cr. payback done in the previous financial year. We generated operating free cash flow of ₹ 453 cr. in the year, up from ₹ 202 cr. in the previous financial year. We remain prudent on our capital allocation with returning excess cash generated in the business to shareholders.

Further, the Board of Directors have already recommended issue of bonus shares for your approval in the ratio of 1 bonus share for every 2 shares held.

This consistent performance is also an outcome of sustainable business practices, that we've been following for several years now. As a responsible corporate, your Company has well-defined Environmental, Social and Governance (ESG) policies under which we continue to implement various sustainable initiatives. We've been enhancing our utilisation of solar energy, maintaining water neutrality and following zero-discharge policy at our facilities.

This remarkable performance of your Company is the result of dedicated and passionate efforts put in by Ajantaites across the world, who are aligned to our **'Clear Strategy'** for **'Consistent Performance'**. We congratulate all Ajantaites for the same. We have been putting sincere efforts to enable Ajantaites through adequate training and by providing them with digital interfaces, so that they can execute their tasks efficiently.

Your continued support always inspires us to perform better and we acknowledge the same. We do hope that you will continue to repose your faith in us.

Warm Regards,

Yogesh M. Agrawal
Managing Director

Rajesh M. Agrawal
Joint Managing Director

At a Glance

Products

500+

Countries

30+

Revenue

₹ 3,341 cr.

Ajantaites

7,000+

Growth Drivers

Smart
Product Portfolio

1st
to Market Products

Leadership
in Molecules/ Therapies

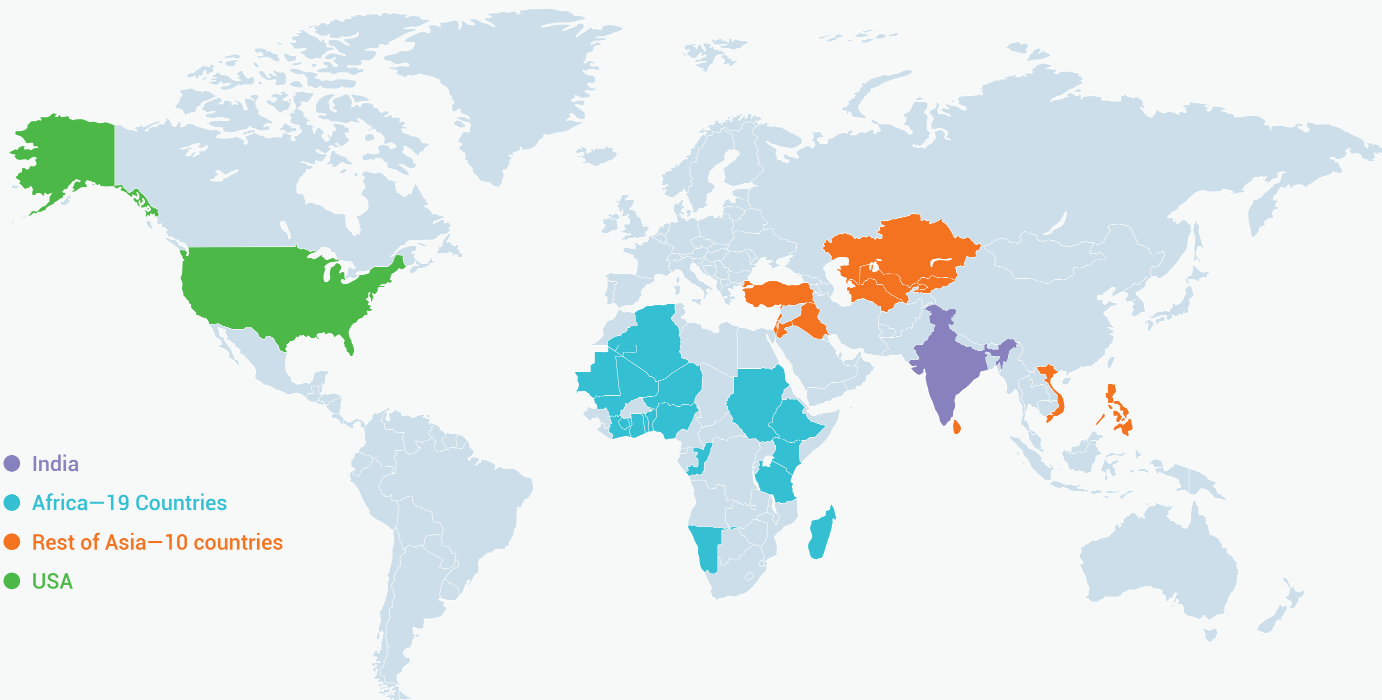
Robust
Execution

Vision

Be a Niche Player in Global Pharma Space and to Enhance Value for All Stakeholders

Diversified Revenue Streams

Global Presence



This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

Mission

Serving Global Healthcare Needs through Empathy, Innovation and Technology

Strategy at **Play**

Customers remain central to your Company's business endeavour, and all our strategies are built to serve them with empathy and compassion.

Ajanta Research Centre, Mumbai

Branded
Generics

Ajanta holds a unique position having 73% business contribution from Branded Generics, and especially getting it from diversified 30+ countries i.e., India, rest of Asia and Africa. While the Branded Generics business remains sticky by nature, our unique geographical diversification provides it further cushion from country specific market volatility.

This has been built diligently over the years with smart product selection, out of which many are 1st to market in respective countries. This has helped us create smart product portfolio and achieve leadership positions in various molecules/ sub-therapeutic segments. Our Robust supply chain ensures product availability every single day across all these markets.

India

Participation in Ophthalmology Conference

At ₹ 982 cr., India business contributed 30% of total revenue, and 41% of Branded Generics business.

Indian business is focused on 4 large specialty therapeutic segments. Your company has been able to grow faster than the industry in all segments. In Pain Management, the growth was the highest at 28% vs. 22% for industry segment, followed by Ophthalmology with growth of 25% vs. 21%, Dermatology with 17% vs 10% and Cardiology with 11% vs. 10%. On overall basis, Ajanta grew at 18% matching Indian Pharmaceutical Market's (IPM) growth rate, as per IQVIA.

Ajanta launched 16 new products in FY 2022, including four 1st to market products in the country. Three of your Company's brands appear in the top 500 in IPM now. Ajanta has 300+ products in India, with 50%+ being 1st to market products.

Emerging **Markets**

Emerging Markets business, Asia and Africa put together, contributed 43% of total revenue and 59% of Branded Generics. Exports to these markets were ₹ 1,400 cr. against ₹ 1,125 cr., a growth of 24% during the year.

In Asia, the sales was ₹ 813 cr. against previous year's ₹ 712 cr., posting a growth of 14%. In Africa, the sale was ₹ 587 cr. against ₹ 413 cr., posting a healthy growth of 42%.

The smart recovery in the growth was in line with our expectation and is the result of our continued effort to strengthen our brands, besides expanding product basket and ground presence.

Ajanta has a large range of specialty and general practitioner product portfolio of 200+ products for emerging markets. We continue to register more products in every market we are present in. This process is being accelerated with committing more resources for this segment.

We hold superior customer connect through continuous medical education programmes and regular patient awareness campaigns in these markets.

Customer connect in Africa

The US **Generics**

The US contributed 21% to revenue for FY 2022. The sales were ₹ 696 cr. against ₹ 637 cr., posting 9% growth. Lower growth in FY 2022 was due to increased competitive intensity leading to higher than anticipated price erosion on the base business. During the year, we launched 3 new products and filed 8 ANDAs. We received 2 final and 1 tentative approval. There are 20 ANDAs awaiting approval from US FDA.

We continue with our strategy, of a selective play in the market with the launch of limited competition products. We plan to file 10 to 12 ANDAs in FY 2023.

This year we were honoured 2nd time by the Distribution Industry Award for Notable Achievements (DIANA) award as the Best Overall Generic Manufacturer in the category of less than USD 100 million sales. This is the testimony to our resilient quality standards and robust supply chain towards customer delight.

This year we were **honoured** **2nd** time by the **DIANA award**

as the Best Overall Generic Manufacturer in the category of less than USD100 million sales

Institution

Our anti-malaria Institution business in Africa contributed 6% to revenue for FY 2022. We registered sales of ₹ 206 cr. against ₹ 271 cr., posting a de-growth of 24% for FY 2022.

We maintain our stance on the Institutional business being lumpy in nature, as it depends on funding bodies.

World Health Organization

1st Generic Company to obtain

WHO Pre-Qualification

for difficult anti-malarial product

ARTEMETHER + LUMEFANTRINE TABS

Treated 1billion+ Patients

Reliable **Infrastructure**

Our reliable infrastructure comprising strong R&D capabilities, quality manufacturing facilities and efficient distribution network are all geared up to help us deliver 'Consistent Performance.'

Company has 7 world class manufacturing facilities in India out of which 2 are US FDA approved.

Our strategy to have our own manufacturing capacities to ensure absolute high quality products and even more robust supply chain is playing out well. Now all plants are enhancing utilisation and reducing our dependency on outsourcing.

Production line for Ointments at Guwahati

Manufacturing

Emphasis on Quality

Outstanding Quality Systems

Skilled & Knowledgeable Team

Best-in-Class Equipment

R&D

Superior Formulation Development Capabilities

Ajanta has a state-of-the-art R&D facility in Mumbai. Our strategy for R&D remains intact to develop complex/ difficult-to-make products by using latest technologies. By combining complexity and technology, we aim to create convenience and compliance for patients.

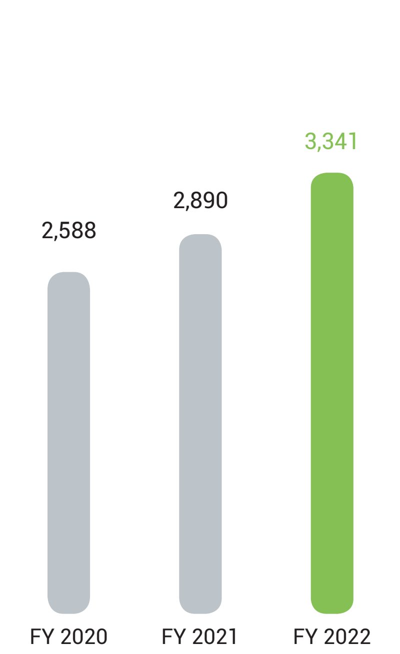
Scientists
750+

Revenue Spent on R&D
6%

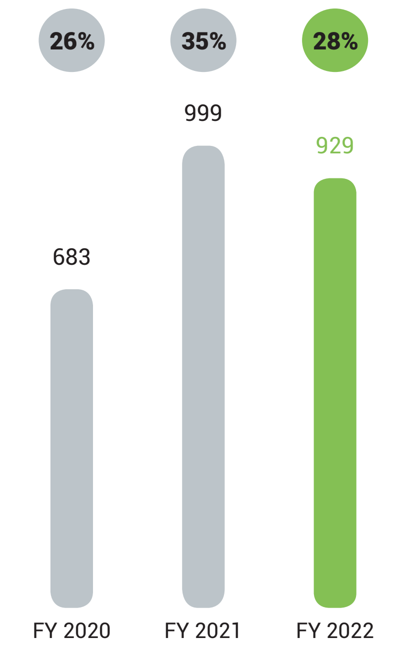
Ajanta Research Centre, Mumbai

What We **Delivered**

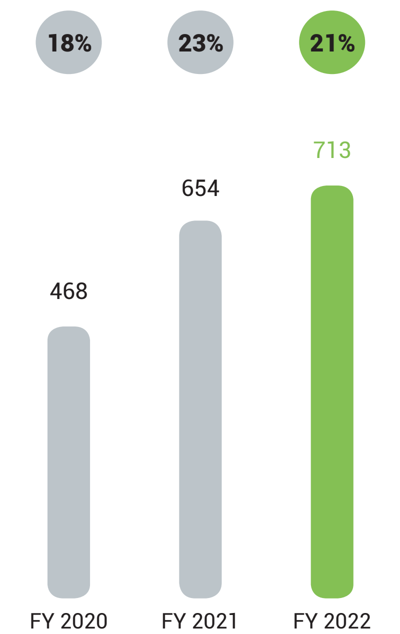
Revenue from Operations (₹ cr.)



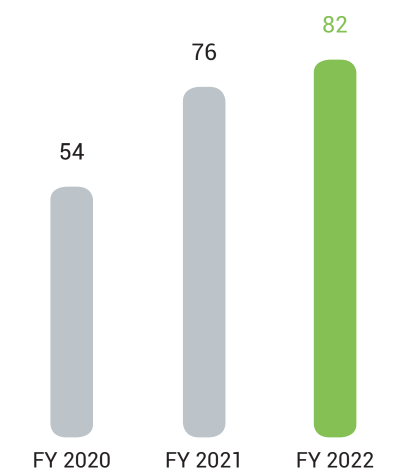
EBITDA/ Margin (₹ cr./%)



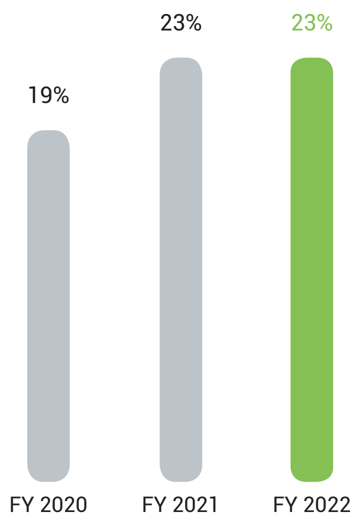
Net Profit/ Margin (₹ cr./%)



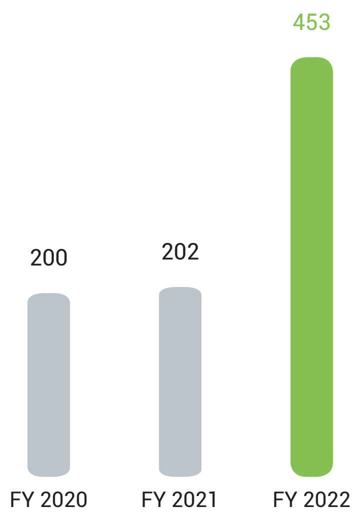
EPS (₹)



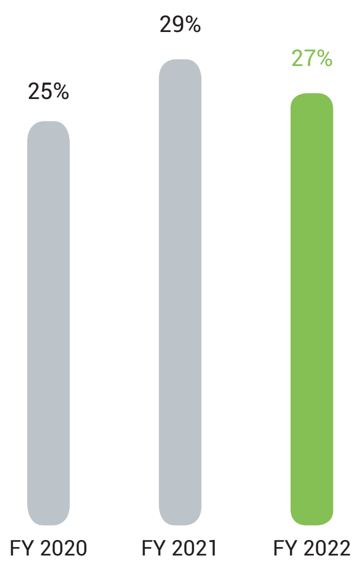
RoNW (%)



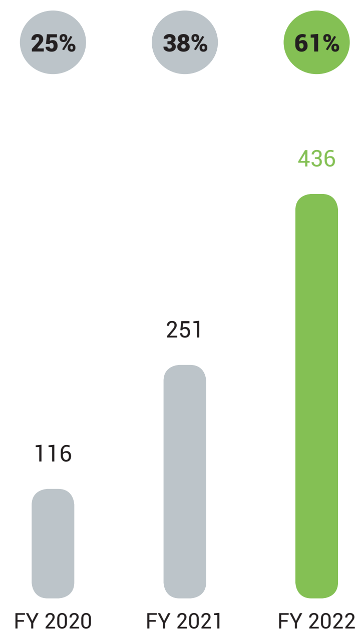
Free Cash Flow (₹ cr.)



RoCE (%)



Shareholder Payout (₹ cr./%)



Corporate **Information**

Board of Directors

Mannalal B. Agrawal
Chairman

Madhusudan B. Agrawal
Vice Chairman

Yogesh M. Agrawal
Managing Director

Rajesh M. Agrawal
Joint Managing Director

Chandrakant M. Khetan
Independent Director

K. H. Viswanathan
Independent Director

Prabhakar R. Dalal
Independent Director

Dr. Anjana Grewal
Independent Director

Chief Financial Officer

Arvind K. Agrawal

Company Secretary

Gaurang C. Shah

Auditors

M/s B S R & Co. LLP

Cost Auditors

M/s Sevekari, Khare & Associates

CIN No.

L24230MH1979PLC022059

Registered Office

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

Management Discussion and Analysis

ECONOMIC OVERVIEW AND OUTLOOK

Global economy is going through a tough phase as the outbreak of COVID-19 followed by the war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution.

Economic damage from the conflict is expected to contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. As per IMF, global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 respectively than projected in January.

Beyond 2023, global growth is estimated to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies. Multilateral efforts to respond to the humanitarian crisis, preventing further economic fragmentation, maintaining global liquidity, managing debt distress, tackling climate change, and end of the pandemic are essential.

PHARMACEUTICAL SECTOR OVERVIEW

The pharmaceutical industry has and will continue to have a significant impact on the global economy both in terms of contribution to GDP and employment. Its utmost importance for the well-being of the society is very much apparent. The COVID-19 pandemic has been the most impactful global public health crisis in decades, and yet it has illustrated the resilience of global health systems as they have readily adapted to peaks in demand.

INVOICE SPENDING AND GROWTH

In developed countries, the adoption of new treatments, offset by patent lifecycles and competition from generics and biosimilars, are expected to continue as the main factors influencing medicine spending and growth. In pharmerging countries, dramatic increases in healthcare access were the largest drivers of change in the use of medicines historically, but the trend is slowing and will result in volume declines across many markets.

As per the IQVIA report on Global medicine spending — the amount spent purchasing medicines from manufacturers before off-invoice discounts and rebates — is expected to reach USD 1.8 trillion by 2026, increasing at a rate of 3–6% per year. This outlook is excluding the separate impact of spending on COVID-19 vaccines. This estimate does not reflect the true spending level net of discounts and rebates; it is more helpful when focused on growth trends or volume metrics.

USD 1.8 trillion

Expected total market size of medicines purchased from manufacturers (excl. discounts and rebates) by 2026

5-8%

CAGR over 2022-26 of invoice spending and growth in pharmerging market

Exhibit 1: Global Invoice Spending and Growth

Invoice Spending and Growth	2021 Spending USD Bn	2017-2021 CAGR	2026 Spending USD Bn	2022-2026 CAGR
Developed	1,345	4.9%	1,635-1,665	2.5-5.5%
Pharmerging	354	7.8%	470-500	5-8%
Rest of the World	19	0.1%	21-25	2.5-5.5%
Global	1,424	5.1%	1,750-1,780	3-6%

Source: IQVIA January, 2022 Report "The Global Use of Medicines 2022"

Management Discussion and Analysis

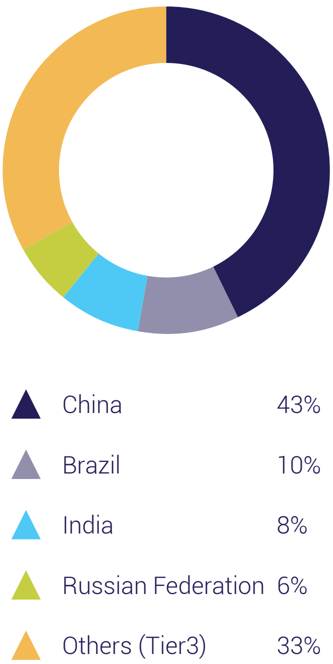
As per IQVIA, USA's share in global invoice spending is projected to increase to USD 685-715 billion in 2026 from USD 580.4 billion in 2021. This will be at a CAGR of 2.5 – 5.5% as compared with 4.9% CAGR in the previous 5 years.

Exhibit 2: Invoice Spending and Growth in Pharmerging Markets

Pharmerging Markets	2021 Spending USD Bn	2017-2021 CAGR	2026 Spending USD Bn	2022-2026 CAGR
China	170	6.1%	190-220	2.5-5.5%
Brazil	32	11.7%	47-51	7.5-10.5%
India	25	11.1%	37-41	8-11%
Russian Federation	19	11.4%	27-31	7.5-10.5%
Others (Tier3)	109	8.3%	151-171	6.5-9.5%
Total Pharmerging	354	7.8%	470-500	5-8%

Source: IQVIA January, 2022 Report "The Global Use of Medicines 2022"

Estimated share of invoice spending and growth by pharmerging countries by 2026 (in %)



USD 25.2 billion

Size of Indian Pharmaceutical Market (IPM) in 2020-21

Over the past 10 years, the relative spending of countries has shifted; generally, pharmerging countries have risen while slower-growing, developed markets have dropped. In the next five years, global spending will increase by nearly USD 350 billion, lifting spending to nearly USD 1.8 trillion in 2026, with most of the increase from developed countries, despite their lower rates of growth.

Strong growth in pharmerging markets and new brands in developed markets will lift global spending through 2026. Brazil, India and Russia are the next three largest pharmerging markets and all are expected to grow by more than 7.5% CAGR through 2026.

As per the IQVIA, in 2021, the Indian Pharmaceutical Market (IPM) stood at USD 25.2 billion, growing at a 11.1% CAGR in the 2017-21 period. The growth was achieved at the back of rise in volume, price-increase and new product launches.

COMPANY OVERVIEW

Ajanta Pharma is a specialty pharmaceutical formulation company engaged in the development, manufacture and marketing of quality finished dosages. The Company has a well-diversified business model in terms of markets, therapies and products. This also helps us de-risk the business to a large extent from possible uncertainties in the business environment in different geographies. The largest contribution of about 73% of business comes from a wide range of branded generic products in around 30 countries in Asia (including India) and Africa. Each geography has been carefully chosen for therapies and products to make our business valuable. Additional about 21% comes from generics business in the world's largest market the USA and remaining 6% comes from anti-malaria institutional business in Africa.

Management Discussion and Analysis

In addition to that our 'Clear Strategy' of focused marketing approach with ground presence in each of our markets provides us 'Consistent Performance.'

PERFORMANCE HIGHLIGHTS

Following analysis and discussion are based on the consolidated financials of the company for the financial year 2022. It covers different business verticals as well as the consolidated financial position as a whole.

INDIA BUSINESS

Though the COVID-19 led restrictions were largely eased out in the year, it still remained challenging as multiple waves of the pandemic kept affecting the normal life.

As the severity of the pandemic led restriction came down, Indian Pharmaceutical Market (IPM) bounced back with 18% annual growth against 4% in the previous year. This was achieved as the industry gradually resumed marketing activities to generate new prescriptions. IPM recorded ₹ 185,498 cr. annual sales as per IQVIA.

Ajanta matched industry with 18% growth, as we persisted with our product launches and outreach programmes for doctors through both physical and digital means. APL ranked 29th in IPM.

Exhibit 3: Market size and industry vs. Ajanta Pharma growth

IQVIA MAT March 2022

Particulars	Mar-22	Mar-21
Indian Pharma (₹ cr.)	185,498	156,797
Industry	18%	4%
APL	18%	8%
APL Rank	29	28
Ophthalmology (₹ cr.)	3,386	2,826
Industry	21%	-1%
APL	25%	1%
APL Rank	2	2
Cardiology (₹ cr.)	22,282	20,188
Industry	10%	13%
APL	11%	14%
APL Rank	18	18
Dermatology (₹ cr.)	13,055	11,884
Industry	10%	6%
APL	17%	8%
APL Rank	15	15
Pain Management (₹ cr.)	14,117	11,605
Industry	22%	-1%
APL	28%	18%
APL Rank	32	33

Source: IQVIA

We continue with our efforts to launch differentiated 1st to Market products, with 16 launches this year out of which 4 were first to market. Our existing brands also continue to gain market share giving us consistent growth.

16

Products launched in 2021-22

4

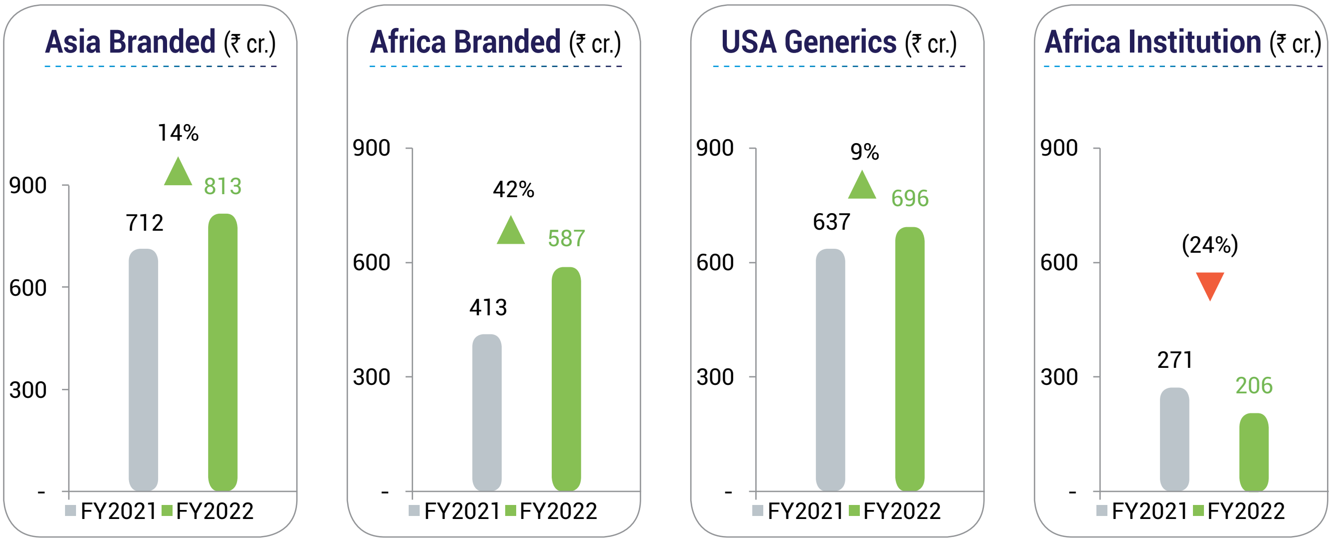
1st to market products launched in 2021-22

INTERNATIONAL BUSINESS

International business for FY 2022 grew by 13%. It was backed by robust growth of 25% in branded generics markets of Asia (excluding India) and Africa, 9% growth in the US generics and de-growth of 24% in anti-malaria institutional business. It is this diversified exposure of exports business that gives us the strength to perform consistently.

Management Discussion and Analysis

Exhibit 4: Export Sales



Source: Company

OPERATIONAL AND FINANCIAL PERFORMANCE

Our agile management of the business environment and focused approach helped us record strong growth. You will understand that FY2021 witnessed higher profitability due to Covid impact. Hence, FY2022 comparison with previous year will not be an apple-to-apple comparison.

(₹ Cr.)

	FY 2022	*%	FY 2021	*%	% of Change
Export	2,302	69%	2,032	70%	13%
Domestic	982	29%	813	28%	21%
Other Op. Income	57	2%	44	2%	28%
Revenue from Operations	**3,341**		2,890		16%
EBITDA	929	28%	999	35%	(7%)
PBT	909	27%	900	31%	1%
PAT	**713**	21%	654	23%	9%
Total Comprehensive Income	705	21%	647	23%	9%

* % to Revenue from Operations

Revenue from operations

Revenue from operations stood at ₹ 3,341 cr. in FY 2022 against ₹ 2,890 cr. in FY 2021, registering growth of 16%. While export grew at 13%, India business saw a robust growth of 21%.

Material costs

Material cost moved from 22% in FY 2021 to 25% in FY 2022, an increase of 300 basis points. This increase was due to API price increase, Price erosion in USA, product mix, etc.

Employee expenses

Personnel expenses were 19% of revenue from operations in both the years. Total cost stood at ₹ 646 cr. in FY 2022 against ₹ 548 cr. in FY 2021. The increase in absolute amount was on account of annual increments and few additions to the team.

Management Discussion and Analysis

Other expenses

Other expenses stood at ₹ 934 cr. in FY 2022 (28% of revenue from operations) against ₹ 698 cr. in FY 2021 (24% of revenue from operations), a 400 basis point increase over previous year. This was mainly because of marketing cost and R&D cost getting normalised post Covid led restrictions easing out and higher freight cost during FY 2022. With our continued focus on branded generic business, we will be allocating higher resources on product registrations, team, and launch of new products which will take marketing expenses further up going forward.

R&D cost increased to 6% of revenue from operations in FY 2022 against 5% in FY 2021. In absolute amount, it stood at ₹ 204 cr. in FY 2022 against ₹ 139 cr. in FY 2021, which were normalised.

Operating Profit Margin

EBITDA in FY 2022 stood at ₹ 929 cr. against ₹ 999 cr. in FY 2021, due to normalisation in other expenses post Covid led restrictions easing out. In terms of percentage to revenue to operations it stood at 28% in FY 2022 against 35% in FY 2021. However, it was higher than FY 2020 which was a normal year, when it was at 26%.

Other Income

Other Income stood at ₹ 116 cr. in FY22, mainly contributed by forex gain of ₹ 75 cr. Other Income for FY 2021 stood at ₹ 26 cr. as there was no major forex gain.

Net Profit Margin

Profit After Tax was at ₹ 713 cr. in FY 2022 against ₹ 654 cr. in FY 2021. PAT margins stood at 21% in FY 2022 against 23% in FY 2021 which was a Covid affected year. Compared to the normal year of FY 2020, when PAT margin was 18%, it is a 300 basis point increase over that year.

₹ 713 cr.

Profit After Tax

9%

Growth in Profit after Tax in FY 2022

21%

Net profit margin in FY 2022 compared to 23% in the previous year

Return on Net Worth

Return on Net Worth was same in both the years at 23%. However, compared to normal year of FY 2020, it is a 400 basis point jump in FY 2022.

Return on Capital Employed

Return on Capital Employed stood at 27% compared to 29% in FY 2021 and 25% in FY 2020. Hence, it is a growth of 200 basis points over the normal year, though it looks lower compared to FY 2021 as it was a Covid impacted year.

Balance Sheet

Non-current assets

The non-current assets have gone to ₹ 1,791 cr. in FY 2022 from ₹ 1,751 cr. in FY 2021 with normal capex and investment. Our CAPEX was ₹ 154 cr. for the year which was mostly the normal maintenance CAPEX. Our net fixed asset turnover has improved to 2x in FY22 compared to 1.8x in FY2021. CAPEX including maintenance CAPEX for FY2023 is estimated to be about ₹ 200 crores.

Current assets

Current Assets stood at ₹ 2,264 cr. in FY 2022 against ₹ 2,028 cr. in FY 2021 mainly because of increase in receivables. Receivables increased to 113 days in FY 2022 against 95 days in FY 2021 mainly contributed by the US. The absolute amount stood at ₹ 1,020 cr. in FY 2022 against ₹ 738 cr. in FY 2021 but they are routine in nature.

Inventory in terms of number of days to sales has improved to 88 days in FY 2022 from 98 days in FY 2021 due to supply chain returning to normalcy. In absolute amount, it has increased to ₹ 791 cr. in FY 2022 from ₹ 766 cr. in FY 2021.

Current Ratio for FY 2022 stood at 3.5 in FY 2022 against 3.1 against in FY 2021.

Management Discussion and Analysis

Shareholders' funds

Shareholders' funds increased to ₹ 3,264 cr. in FY 2022 from ₹ 2,996 cr. in FY 2021. Earnings per share stood at ₹ 82 in FY 2022 from ₹ 75 in FY 2021. During the year, Company returned ₹ 436 cr. of shareholders' fund against ₹ 251 cr. in FY 2021 to its shareholders through share buyback (including tax) and dividend.

Non-current liabilities

Non-current liabilities in FY 2022 stood at ₹ 144 cr. against ₹ 134 cr. in FY 2021, mainly consisting of deferred tax liabilities, which is of routine nature.

Current liabilities

Current liability stood at ₹ 647 cr. in FY 2022 against ₹ 649 cr. in FY 2021. We reduced trade payable days from 91 days in FY 2021 to 70 days in FY 2022 by taking advantage of discounts from the suppliers for early payments.

Our strong balance sheet combined with a focus on cash conservation provides us the confidence that we will continue with our consistent performance.

CONSOLIDATED CASH FLOW

Company had a healthy cash flow during FY 2022, the snapshot of this is in Exhibit 6.

(₹ cr.)

Particulars	FY 2022	FY 2021
Opening Cash and Cash Equivalents	178	202
Cash flows from:		
a) Operating Activities	562	576
b) Investing Activities	(74)	(282)
c) Financing Activities	(460)	(318)
Closing cash and Cash equivalents	**206**	**178**

Apart from the above cash balance, company has liquid investments of ₹ 122 cr.

EMPOWERED TEAM

The successful performance for the year is attributed to over 7,000 Ajantaites who consistently put their efforts to provide life-saving drugs to needy patients throughout the year. The discipline and dedication of Ajantaites is a proof of our purposeful work culture. The Company's culture is centred on the four core values of Excellence, Transparency, Integrity and Discipline.

Your Company's Human Resource Development efforts aim to make Ajanta a preferred place to work. This is being achieved through various initiatives including skill development, personality enhancement and employee engagement through internal communications to foster happiness at work.

Your Company is committed to provide safe, secure and healthy work environment to employees. We continuously strive to exceed our own internal as also the industry benchmarks in workforce productivity and performance.

The professional objectives for employees and teams across levels are directly linked with the organisation's objectives and philosophy. This conveys and provides a sense of purpose and direction to all employees. The key areas for driving HR initiatives include a strong emphasis on building a culture of inclusion and respect, ensuring a safe work environment, focusing on building capabilities & careers, and protecting human rights.

The Company continues to support capabilities of differently-abled employees. We ensure strict adherence to our internal codes, and has a clearly defined zero-tolerance policy towards discrimination of any kind. The Occupational Health and Safety (OHS) system at our manufacturing facilities has enabled workers and employees to operate in a safe, audited and certified working environment.

RISK MANAGEMENT

Risks are inherent to our business as our operating environment is complex, highly regulated, and dynamic. To attain our strategic growth objectives, protect the interests of all our stakeholders and meeting legal requirements we have an established process of identifying, analyzing, and responding appropriately to all business risks. We have a well-embedded Risk Management Framework to ensure that we are well-placed to manage any adverse effect posed by financial, operational, strategic or regulatory related risks. Our framework adopts appropriate risk mitigation measures for identified risks across functions. The process ensures that new risks, which might arise, or the impact of existing risks which might have increased, are identified and a strategy is put in place for mitigating such risks.

The major risks identified by the management are regulatory, competition, supply chain disruption, cyber and data security

Management Discussion and Analysis

along with economic and political risks. A review of the risk management policy is carried out annually by the Risk Management Committee and the Board of Directors. Our performance in the year is testimony of the strength of our risk management system.

Internal Controls and Adequacy

Your Company has a robust and reliable system of internal controls commensurate with the nature of the business, and the scale and complexity of operations. The Company has adopted policies and procedures covering all financial, operating and compliance functions. These controls have been designed to provide a reasonable assurance over:

1. Effectiveness and efficiency of operations
2. Safeguarding of assets from unauthorised use or losses
3. Compliance with applicable laws and regulations
4. Prevention and detection of frauds and errors
5. Accuracy and completeness of the accounting records
6. Timely preparation of reliable financial information

The current system of Internal Financial Controls (IFC) is aligned with the requirement of the Companies Act 2013, and is in line with globally accepted risk-based framework. The Internal Audit (IA) function of the Company functionally reports to the Chairperson of the Audit Committee, thereby maintaining its objectivity. The IA function is supported by a dedicated internal audit team and resources from external audit firms across the locations.

The annual internal audit plan is carved out from a comprehensively defined Audit Universe that encompasses all businesses, functions, risks, compliance requirements and maturity of controls. The internal audit plan is approved by the Audit Committee at the beginning of every year. Each quarter, the Audit Committee of the Board is presented with key control issues and the actions taken on issues highlighted in the previous reports. The Audit Committee deliberates with the management, considers the systems as laid down and meets the internal auditors and statutory auditor to ascertain their views on the internal control framework.

The Company recognises the fact that any internal control framework would have some inherent limitations and hence has inculcated a process of periodic audits and reviews to ensure that such systems and controls are updated at regular intervals.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, changes in government regulations and policies, tax regimes, economic conditions within India and the countries within which the Company conducts business and other such factors. The Company does not undertake to update these statements.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present their Forty-Third Annual Report and Audited Financial Statements for the Year ended 31 March 2022.

FINANCIAL PERFORMANCE

(₹ in cr. except EPS)

Particulars	Consolidated		Standalone	
Year ended 31 March	**2022**	**2021**	**2022**	**2021**
Revenue from operations	3,341	2,890	3,141	2,719
Other Income	116	26	140	104
Profit before Depreciation, Finance Costs and Tax expense	1,045	1,025	1,031	1,020
Profit after Tax	713	654	720	676
Total Comprehensive Income	705	647	720	674
Earning Per Share (EPS) (₹) (Basic)	82.45	75.09	83.28	77.59

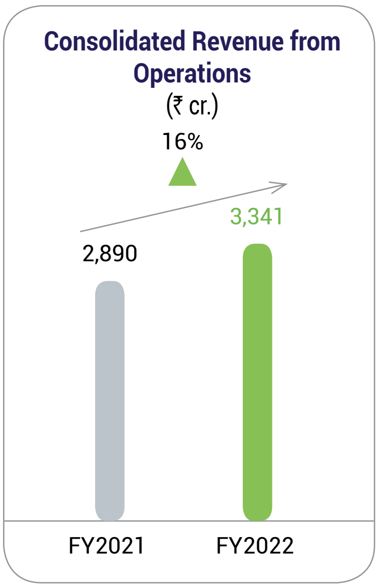
The Financial Statements for the year ended 31 March 2022 have been prepared in accordance with the Indian Accounting Standards (Ind AS) read with Section 133 and other applicable provisions of the Companies Act, 2013 ("Act").

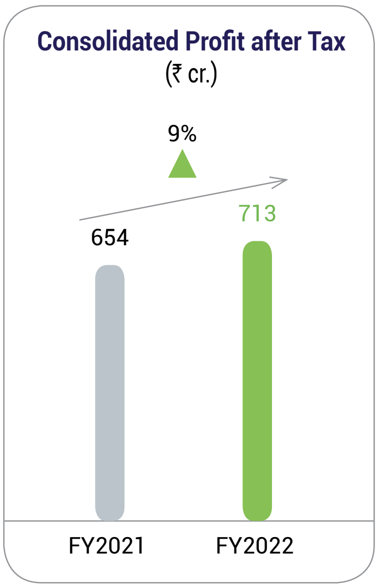
The Company discloses consolidated and standalone financial results on a quarterly basis, which are subjected to limited review, and publishes consolidated and standalone audited financial results annually.

PERFORMANCE REVIEW

The Company continues to be engaged in development, manufacture and sale of branded and generic pharmaceutical formulations.

During the year under review, Consolidated Revenue from Operations increased to ₹ 3,341 cr., around 16% higher than the previous year. Consolidated Profit After Tax grew at 9% from ₹ 654 cr. to ₹ 713 cr. Exports contributed around 70% of the business.





Directors' Report

DIVIDEND

At the meeting held on 29 October 2021, the Board had declared an interim dividend of ₹ 9.50/- (475%) per equity share in accordance with the Dividend Distribution Policy of the Company. Total dividend payout was ₹ 82.21 cr. In order to conserve resources for business operations, the Board recommends interim dividend to be considered as final dividend for FY 2022. The Dividend Distribution Policy is placed on the website of the Company and can be accessed at http://www.ajantapharma.com/AdminData/PolicyCodes/DividendPolicy.pdf

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company continues to have five overseas subsidiaries, including one step down subsidiary. The Company does not have any Associate company or Joint Venture.

During the year, Ajanta Pharma Mauritius Limited (APML) closed down its manufacturing unit after following due process and complying with regulatory requirements. The manufacturing facility was about 25-year-old and needed upgrade involving major capex, which was commercially unviable. The Company has sufficient manufacturing capacity in India and all the supplies of erstwhile Mauritius facility would be catered from India. APML will continue to operate with trading activities. APML's subsidiary Ajanta Pharma Mauritius (International) Limited located in the Free Trade Port is being wound up as it lost its relevance due to rationalisation of tax structure in Mauritius.

All the subsidiaries except Ajanta Pharma Nigeria Limited and Ajanta Pharma Mauritius (International) Ltd. have contributed positively in the growth and profitability of the Company. Financials of subsidiaries are included in the consolidated financial statements, which forms part of this Annual Report. Statement containing salient features of financials of subsidiaries pursuant to Section 129 of the Act read with Rule 5 and 8(1) of the Companies (Accounts) Rules, 2014, is annexed in the Form AOC-1 as **"Annexure A"** to this Report.

Audited Financial Statements of Company's subsidiaries are available on Company's website at www.ajantapharma.com and the same are available for inspection at the Registered Office of the Company. The same will also be made available to interested members upon getting request.

Company's "Policy on Material Subsidiaries" can be accessed at http://www.Ajantapharma.com/AdminData/PolicyCodes/PolicyonMaterialSubsidiaries2019.pdf

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Annual Audited Consolidated Financial Statements for the financial year ended 31 March 2022, together with Report of Auditors' thereon, forms part of this annual report.

CREDIT RATING

The Company's bank facilities are rated by Credit Analysis and Research Limited ("CARE"). They have assigned rating CARE AA / CARE A1+ for long term / short term bank facilities, which reaffirms the reputation and trust the Company has earned for its sound financial management and its ability to meet its financial obligations.

SHARE CAPITAL

The Company's bank facilities are rated by Credit Analysis and Research Limited ("CARE"). They have assigned rating CARE AA / CARE A1+ for long term / short term bank facilities, which reaffirms the reputation and trust the Company has earned for its sound financial management and its ability to meet its financial obligations.

Buy-back of shares

During the year, the Company bought back 11,20,000 (Eleven lakhs twenty thousand only) fully paid-up equity shares of the face value of ₹ 2/- each, representing 1.29% of the total number of equity shares in the subscribed and paid-up equity share capital of the Company, from the existing shareholders / beneficial owners of equity shares of the Company on a proportionate basis, through "Tender Offer" route, at a price of ₹ 2,550/- (Rupees Two thousand five hundred and fifty only) per equity share for an aggregate amount of ₹ 285.60 cr.

Post Buyback, the paid-up share capital stood reduced from 8,65,35,770 equity shares to 8,54,15,770 equity shares of ₹ 2/- each. Post buyback shareholding pattern is given in the Corporate Governance Report.

Directors' Report

Employee Stock Option Scheme

The Company has formulated and implemented Employee Stock Option Scheme, 2011 ("ESOS 2011") and Ajanta Pharma Share Based Incentive Plan 2019 ("SBIP 2019"). The Nomination and Remuneration Committee ("NRC") administers these schemes. There were no changes in the schemes during the year.

During the year, 4,000 shares were issued and allotted against the options exercised. Disclosures with regard to Employees' Stock Options Scheme are put up on the Company's website and can be accessed at http://www.ajantapharma.com/AnnualReports.aspx

M/s. Alwyn Dsouza & Co., Secretarial Auditor have issued certificate confirming that ESOS 2011 & SBIP 2019 have been implemented in accordance with SEBI regulations and the resolution passed by members in their general meeting. The certificate will be available for inspection by members at the ensuing Annual General Meeting ("AGM").

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors of the Company comprise of eminent persons of proven competence and integrity. They bring in diversified knowledge & experience, strong financial & business acumen, management & leadership qualities.

Retirement by rotation

Mr. Mannalal B. Agrawal retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

Independent Directors

All the Independent Directors have given declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Act and under the Listing Regulations. They have registered their names in the Independent Directors data-base and have passed the proficiency test, if applicable. They have also affirmed compliance to the Conduct for Independent Directors.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of manufacturing, operations, finance, people management, strategy, sales & marketing, auditing, banking, risk management and they hold high standards of integrity.

Based on disclosures provided by them, none of them are disqualified from being appointed as Director under Section 164 of the Act and are independent from the management.

Policies on appointment and remuneration of Directors

The Company has laid down "Policy for Determining Qualifications of Directors" and "Policy for Remuneration of Directors and Employees" as approved by the NRC.

The policies are available at:

- http://www.ajantapharma.com/AdminData/PolicyCodes/PolicyfordeterminingqualificationsofDirectors.pdf
- http://www.ajantapharma.com/AdminData/PolicyCodes/Policyforremuneration2018.pdf

  The Policy for Determining Qualifications of Directors sets out guiding principles for selection of persons who are qualified to become Directors/ Independent Directors.

  The objective of the Policy for Remuneration of Directors and Employees is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, Key Managerial Personnel ("KMP") and Senior Management employees. The same are briefly mentioned in the Corporate Governance Report.

Key Managerial Personnel

Mr. Yogesh M. Agrawal, Managing Director; Mr. Rajesh M. Agrawal, Joint Managing Director; Mr. Arvind K. Agrawal, Chief Financial Officer and Mr. Gaurang C. Shah, Company Secretary are the KMP of the Company as on the date of this report.

Board and Directors' evaluation

As per provisions of the Act and Regulation 17(10) of the Listing Regulations, the evaluation process for the performance of the Board, its committees and individual Directors was carried out by Board of Directors, in accordance with the framework and criteria laid down by the NRC.

Further, at a separate meeting, the Independent Directors evaluated performance of Non-Independent

Directors' Report

Directors, Board as a whole and of the Chairman of the Board.

A consolidated report on performance evaluation was shared with the Chairman of the Board for his review and discussion with Board and each Director.

The manner of evaluation of Board of Directors performance and matters incidental thereto, are detailed in the Report on Corporate Governance.

BOARD MEETINGS

During the year, 5 Board meetings were held through video-conferencing due to on-going threat of COVID-19. Details of meetings are given in the Report on Corporate Governance. Measures were taken to ensure security of information and confidentiality of process, at the same time, ensuring convenience of the Board members.

BOARD COMMITTEES

The Board currently has six committees, viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Risk Management Committee and Executive Committee. All the recommendations made by these Committees of Board including the Audit Committee were accepted by the Board.

A detailed update on the committees, its composition, number of Committee meetings held and attendance of the directors at each meeting is provided in the Report on Corporate Governance.

RELATED PARTY TRANSACTIONS AND POLICY

All the Related Party transactions ("RPTs") entered into during the financial year were in accordance with the Company's Policy on Related Party Transactions, on an arm's length basis and in the ordinary course of business.

Pursuant to Regulation 23(3) of the Listing Regulations and Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014, the Audit Committee granted omnibus approval to the transactions likely to be entered into by the Company with related parties during the year and are of repetitive nature. A statement of all the RPTs effected is presented before the Audit Committee on a quarterly basis. Members may refer to Note No. 53 to the Financial Statement which sets out related party disclosures pursuant to IND AS-24.

During the year, the Company had not entered into any transactions with related parties (save and except transactions with company's subsidiaries), which could be considered as material in accordance with the Company's Policy on materiality of RPT or which are required to be reported in Form AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The CSR Committee reviews and monitors the CSR projects and expenditure undertaken by the Company on a regular basis and apprises the Board of the same.

Company has spent over 2% of the average net profits during the three preceding financial years in accordance with the CSR Policy and Annual Action Plan of the Company. CSR activities were carried out in the field of healthcare and education for the under privileged people. Company also contributed significantly in collaboration with credible NGOs across various states for providing relief to the communities impacted by COVID-19 such as conducting of vaccination drive, distributing essential groceries to the needy, providing medical equipment and PPEs.

Further, in terms of the amended CSR Rules, the Chief Financial Officer has certified that the funds disbursed for CSR have been used for the purpose and in the manner approved by the Board for the financial year 2022.

CSR policy and report on CSR activities undertaken during the year in accordance with Section 134 & 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and Rule 9 of the Companies (Accounts) Rules, 2014, is annexed as **"Annexure B"** to this report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook, major events occurred during the year as well as state of company's affairs is given in the Management Discussion and Analysis, which forms part of this report.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors reaffirm their continued commitment to good Corporate Governance practices and elevating the same.

Directors' Report

Report on Corporate Governance together with certificate from the Practicing Company Secretaries confirming compliance of conditions of Corporate Governance, is annexed and forms an integral part of this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Company believes in creating value for all its stakeholders. It has been conducting business in a sustainable manner and in a way that delivers long-term shareholder value and create maximum value for the Society.

The Company is also committed to ensure that its actions positively impact the economic, societal and environmental dimensions of the triple bottom line.

The Company has on voluntary basis adopted Business Responsibility and Sustainability Report ("BRSR") for FY 2022 based on the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of business, to demonstrate sustainability objectives and company's performance on ESG parameters. The said report forms part of the Annual Report and the same have been hosted on the Company's website, which can be accessed at http://www.ajantapharma.com/AnnualReports.aspx.

Any Member interested in obtaining a copy of BRSR may write to the Company Secretary.

UNCLAIMED DIVIDEND / SHARES

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

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on 31 March 2022 is available on the Company's website at http://www.ajantapharma.com/AnnualReports.aspx.

AUDITORS AND AUDIT REPORTS

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on 31 March 2022 is available on the Company's website at

Statutory Auditors

The Auditors' Report on the financial statements of the Company for the financial year ended 31 March 2022 is unmodified i.e. it does not contain any qualification, reservation, adverse remark or disclaimer. The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditors' Report is enclosed with the financial statements forming part of the Annual Report.

M/s. B S R and Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022) ("M/s. BSR") are the Statutory Auditors of the Company. Their tenure expires at the conclusion of ensuing 43rd AGM of the Company.

M/s. BSR was established in the year 1990 and is a Limited Liability Partnership Firm registered with the Institute of Chartered Accountants of India ("ICAI"). Their registered office is in Mumbai and have 12 branch offices in various cities in India. It is primarily engaged in providing audit and assurance services to its clients. Based on the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 10 May 2022, have subject to approval of members, re-appointed M/s. BSR as the Statutory Auditor of the Company for a period of five years, i.e., to hold office from the conclusion of the 43rd AGM till the conclusion of the 48th AGM to be held in the year 2027. Proposal for their re-appointment is placed in the Notice convening the 43rd AGM, which forms part of this report.

M/s. BSR have confirmed their independent status and eligibility for the said appointment. The Company has received confirmation from them to the effect that their appointment, if made, will be in accordance with the limits specified under the Act and that the firm satisfies the criteria specified in Section 141 of the Act read with Rule 4 of Companies (Audit & Auditors) Rules, 2014. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

The Board is of the opinion that continuation of M/s. BSR, as Statutory Auditors will be in the best interests of the Company and recommends to the members to consider their re-appointment as Statutory Auditors of the Company, for another term of five years, from the conclusion of the ensuing AGM, till the AGM to be held in the calendar year 2027, at such remuneration mutually agreed and approved by the Board.

Internal Auditors

M/s. Ernst & Young LLP conducted internal audit of important centralised functions. For other locations, viz. factories, C&F agents and warehouses, other Chartered

Directors' Report

Accounting Firms having requisite expertise and resources are appointed as Internal Auditors. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Secretarial Auditors

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, Board had appointed M/s. Alwyn D'souza & Co., Practicing Company Secretaries to undertake the Secretarial Audit of the Company.

Secretarial Audit Report is annexed to this report as **"Annexure C"**. There are no qualifications or reservations or adverse remarks in the Secretarial Audit Report. The Secretarial Audit Report is self-explanatory and does not call for any further comments.

Cost Auditors

The Company maintains cost accounts and records as per the provisions of Section 148(1) of the Act and the same are audited by the Cost Auditors. Cost Audit Report for FY 2021 has been filed with the Ministry of Corporate Affairs.

Based on the recommendation of the Audit Committee, Board has appointed M/s. Sevekari, Khare & Associates, practicing Cost Accountants, to audit the cost records of the Company for FY 2023. They have confirmed that their appointment is in accordance with the applicable provisions of the Act and rules framed thereunder and that they are not disqualified to be appointed as the Cost Auditors of the Company for the year ending 31 March 2023.

Resolution for ratification of remuneration of the Cost Auditors by the Members has been set out in the Notice of the 43rd AGM.

During the year under review, the statutory auditors, internal auditors, secretarial auditors and cost auditors have not reported any instances of fraud committed in the Company.

ANNUAL SECRETARIAL COMPLIANCE REPORT

M/s. Alwyn D'Souza & Co., Practicing Company Secretaries, have issued Secretarial Compliance Report for the year ended 31 March 2022 confirming compliance of SEBI Regulations / guidelines / circulars issued thereunder and applicable to the Company. There are no observations or adverse remarks in their report.

SECRETARIAL STANDARDS

During FY 2022, the Company has complied with all applicable mandatory Secretarial Standards issued by The Institute of Company Secretaries of India.

INTERNAL CONTROL SYSTEM, RISK MANAGEMENT AND COMPLIANCE FRAMEWORK

The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. It helps to identify, assess and leverage business opportunities and manage risks effectively. The Internal Financial Controls ("IFCs") are commensurate with the scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. The current system of IFCs is aligned with the requirement of the Act and is in line with globally accepted risk-based framework.

The Company has put in place robust policies and procedures, which *inter-alia*, ensure integrity in conducting its business, safeguarding its assets, timely preparation of reliable financial information, accuracy & completeness in maintaining accounting records and prevention & detection of frauds & errors.

The Company also has Risk Management framework in place which defines roles and responsibilities at various levels of the risk management process.

Board has set up Risk Management Committee ("RMC") as per details set out in the Report on Corporate Governance. Audit Committee and RMC reviews key risk elements of the Company's business, finance, operations & compliance and its mitigation strategies. RMC reviews key strategic, business, compliance and operational risks; whereas issues around ethics and fraud, internal control over financial reporting, process risks and their mitigation, are reviewed by the Audit Committee. Risk Management system followed by the Company is detailed in the Management Discussion and Analysis report and in the Notes of Accounts.

SUPPLY CHAIN

Your Company developed a resilient supply chain that supported business growth despite adversities caused by the second wave of COVID-19. Staying agile, it continued sourcing raw materials from over approximately 2,550 suppliers, while ensuring the safety of its partners and customers.

Directors' Report

Further, quality, safety and compliance continued to remain the backbone of supply chain operations team.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Company has zero tolerance policy for any form of unethical behavior. The Company has formulated vigil mechanism viz., Whistle Blower Policy to encourage the company employees who have knowledge of actual or suspected violation, malpractices, corruption, fraud or unethical conduct, leak of unpublished price sensitive information, etc. The employees can come forward and express their legitimate concerns to the Audit Committee Chairman without any fear of reprimand, victimisation or unfair treatment.

It is posted on the intranet and website of your Company and the same is available at http://www.ajantapharma.com/AdminData/PolicyCodes/WhistleBlowerPolicy2019.pdf

The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported by employees / directors till date. It is affirmed that no person has been denied access to the Audit Committee.

POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

The Company is committed to creating a healthy working environment that enables employees to work without fear of prejudice and gender bias. The Company has formulated Policy on prevention, prohibition and redressal of sexual harassment of women at workplaces in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. Your Company has a robust mechanism in place to redress complaints reported under it if any. Company has been imparting training programmes on periodic basis to familiarise women employees about the policy. Policy is available on intranet of the Company. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the Internal Complaints Committees (ICC), whilst dealing with issues related to sexual harassment at the work place.

The Company has set up ICC at all the locations where there are more than 10 women employees, to address the complaints regarding sexual harassment. Company has not received any complaints during the year.

CODE OF CONDUCT

The Company has laid down a robust Code of Business Conduct and Ethics, which is based on the principles of ethics, integrity and transparency. More details about the Code are given in the Corporate Governance Report.

HUMAN RESOURCE, HEALTH & SAFETY

The Company takes pride in its human capital, which comprises people from diverse backgrounds and cultures. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront.

Ajantaites have unflinching commitment and ensure that despite the challenges, the highly efficacious medicines manufactured by the Company were made available across the world.

The Company gives paramount importance to safety, security and well-being of its human resources and maintains highest standards of health and safety in all its plants and facilities.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

There were 7,234 permanent employees of the Company as of 31 March 2022. The information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as "**Annexure D**".

Information pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 also forms part of this report pursuant to proviso to Section 136(1) of the Act. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at the registered office address of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments, pursuant to provisions of Section 186 of the Act and Schedule V of the Listing Regulations, are given in Notes to Financial Statements.

Directors' Report

OTHER DISCLOSURES

No disclosure or reporting is made with respect to the following items, as there were no such transactions during the year under review:

- Details relating to deposits accepted by the Company;
- The issue of equity shares with differential rights as to dividend, voting or otherwise;
- Provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees;
- Remuneration or commission received by Managing Director & CEO from subsidiaries;
- Revision in the financial statements;
- Change in the nature of company's business;
- Transfer of any amount to reserves during the year under review;
- Material changes and commitments affecting financial position of the Company between the end of the financial year and the date of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm:

a. that in the preparation of the annual accounts for the year ended 31 March 2022, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31 March 2022 and of the profit of the Company for the period;

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

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

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

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

GRATITUDE & ACKNOWLEDGEMENTS

Your Directors place on record, their sincere appreciation for the commitment, dedication, hard work and whole-hearted efforts put in by each and every Ajantaite during the challenging times. The Directors also wish to express their gratitude to the Investors for the confidence and faith that they continued to repose in the Company. They also acknowledge the guidance, encouragement and co-operation received by it from various departments of the Governments & other statutory bodies, financial institutions, banks, distributors, suppliers, business associates, analysts, medical professionals and customers.

For and on Behalf of the Board of Directors,

Mannalal B. Agrawal
Chairman

Mumbai, 10 May 2022

Annexure - "A" to the Directors' Report - AOC-1

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

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

Part "A": Subsidiaries

₹ cr.

1.	**Sl. No.**	1	2	3	4
2	Name of the Subsidiary	**Ajanta Pharma (Mauritius) Limited (Consolidated)**	**Ajanta Pharma Philippines Inc.**	**Ajanta Pharma USA Inc.**	**Ajanta Pharma Nigeria Ltd.**
3	**Reporting period for the subsidiary concerned, if different from the holding company's reporting period**	**31 March 2022**	**31 March 2022**	**31 March 2022**	**31 March 2022**
4	**Reporting currency for the subsidiary**	**Mauritian Rupee**	**Philippine Peso**	**US Dollars**	**Nigerian Naira**
5	Reporting exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries Rupee equivalent of 1 unit of foreign currency as at 31 March 2022 (₹)	1.67	1.46	75.78	0.18
6	Share Capital	9.44	1.38	6.07	1.37
7	Reserves & Surplus	95.95	98.09	76.91	(1.64)
8	Total Assets	161.82	153.10	898.46	0.24
9	Total Liabilities (excluding Share Capital and Reserves & Surplus)	56.43	53.63	815.48	0.51
10	Investments	-	-	-	-
11	Turnover	95.16	224.98	695.87	-
12	Profit before taxation	8.23	47.37	26.65	(0.20)
13	Provision for taxation	0.36	11.36	5.69	0.02
14	Profit after taxation	7.87	36.01	20.78	(0.22)
15	Proposed Dividend	-	-	-	-
16	% of shareholding	100%	100%	100%	100%

Note:

1) Ajanta Pharma (Mauritius) Limited consolidated figures includes its wholly owned subsidiary Ajanta Pharma (Mauritius) Int'l Ltd.

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Arvind K. Agrawal
Chief Financial Officer

Gaurang C. Shah
Company Secretary
FCS No. 6676

Mumbai, 10 May 2022

Annexure - "B" to the Directors' Report - Report on CSR

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

1. **Brief outline on CSR Policy of the Company:**

   Corporate Social Responsibility (CSR) at Ajanta Pharma Limited stems from the ideology of providing sustainable value to the society in which the company operates. It lays emphasis on contributing in the fields of healthcare, education, promotion of sports and other areas prescribed under schedule VII of the Companies Act, 2013, for development & upliftment of the underprivileged sections of the society.

2. **Composition of the CSR Committee:**

#	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Mannalal B. Agrawal	Chairman	4	4
2.	Mr. Chandrakant M. Khetan	Member	4	4
3.	Mr. Yogesh M. Agrawal	Member	4	4
4.	Mr. Madhusudan B. Agrawal	Member	4	N.A. #

 # appointed w.e.f. 31 January 2022

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

#	Particulars	Weblink
1.	CSR Committee	http://www.ajantapharma.com/board-composition.html
2.	CSR Policy	http://www.ajantapharma.com/AdminData/PolicyCodes/CSRPolicy2021.pdf
2.	CSR Projects	http://www.ajantapharma.com/Miscellaneous.aspx

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

   During the year, the Company gave CSR contributions to trusts and charitable organisations for their various programs and initiatives in the fields of healthcare, education, rural development and other areas permitted under Schedule VII of the Companies Act, 2013.

   Out of the CSR contributions made, contribution made to Samta Purushottam Agrawal Memorial Foundation, in the field on for COVID relief activities qualified for impact assessment in accordance with the amended CSR Rules. Accordingly, impact assessment of their activities was done and impact assessment report is available at http://www.ajantapharma.com/AnnualReports.aspx.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

   Not Applicable.

6. **Average net profit of the company as per Section 135(5):** ₹ 630.12 cr.

7. (a) **Two percent of average net profit of the Company as per section 135(5):** ₹ 12.60 cr.

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   (c) **Amount required to be set off for the financial year, if any:** None

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 12.60 cr.

Annexure - "B" to the Directors' Report - Report on CSR

8. (a) **CSR amount spent or unspent for the financial year.**

Total amount spent on CSR during the year was ₹ 13.13 cr. and was more than CSR obligation of the company. Hence there was no unspent amount for the year.

(b) **Details of CSR amount spent against ongoing projects for the financial year.**

There were no ongoing projects for the financial year, hence this is not applicable.

(c) **Details of CSR amount spent against other than ongoing projects for the financial year.**

1	2	3	4		5	6	
Sl no.	**Name of the Project / Activity**	**Item from the list of activities in Schedule VII to the Act**	**Local Area (Yes / No)**		**Amount spent for the project (in Lakhs)**	**Mode of Implementation - Through Implementing Agency**	
			State	**District**		**Name**	**CSR Registration No.**
1	COVID vaccination drive	(i)	Maharashtra		410	Samta Purushottam Agrawal Memorial Foundation	CSR00002029
2	Healthcare camps for eye and family planning	(i)	Maharshtra		87	Samta Purushottam Agrawal Memorial Foundation	CSR00002029
3	Construction of experience centre at Global Vipassana Pagoda	(ii)	Maharashtra	Mumbai	200	Mamta & Madhusudan Agrawal Memorial Foundation	CSR00002657
4	Sewing machine and cycle distribution to rural girls	(ii)	Maharashtra	Thane	11	Mamta & Madhusudan Agrawal Memorial Foundation	CSR00002657
5	Construction of cancer hospital	(i)	Haryana	Agroha	200	Maharaja Agrasen Medical Education & Scientific Research Society	CSR00001467
6	COVID vaccination drive	(i)	Maharashtra	Mumbai	100	Surana Charitable Trust	CSR00012793
7	Equipment for hospital	(i)	Maharashtra	Jalgaon	90	Prakashchand Jain Bahuddheshiya Sanstha	CSR00009230
8	Eradicating hunger, poverty & malnutrition for differently abled people	(i)	Maharshtra	Mumbai, Thane	75	Omkar Andh Apang Samajik Sanstha	CSR00003196
9	Contribution for education infrastructure	(ii)	Maharashtra	Aurangabad	75	Shree Goraksh Saikshanik Bahuuddeshiya Sanstha	CSR00007460
10	Education fees for three under priviledged students	(ii)	Andhra Pradesh	Sricity (District: Tirupati)	25	Krea University	CSR00012893
11	Olympic training and equipment	(iii)	Maharashtra	Mumbai	20	Foundation for Promotion of Sports and Games	CSR00001100
12	Equipment for hospital	(i)	Maharashtra	Mumbai	8	Ajanta Foundation	CSR00002155
13	Enhancing vocation skills	(ii)	Maharashtra	Pune	7	Ajanta Foundation	CSR00002155
14	School repair	(ii)	Maharashtra	Mumbai	5	Maharashtra State Womens Council	CSR00004977
	Total				**1313**		

Annexure - "B" to the Directors' Report - Report on CSR

Schedule VII activities:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

(ii) Promoting education, including special education and enhancing vocational skills and livelihood enhancement projects especially among children, women, elderly and the differently abled.

(iii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports

Notes:

1) *Activities were spread across different parts of the country.*

2) *Mode of implementation was through agencies and nothing was direct.*

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 13.13

(g) Excess amount for set off, if any:

Sl No.	Particulars	Amount (in crs.)
(i)	Two percent of average net profit of the company as per section 135(5)	12.60
(ii)	Total amount spent for the Financial Year	13.13
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.53
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.53

9. (a) Details of Unspent CSR amount for the preceding three financial years: None

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

No project qualifies as ongoing project in the preceding Financial Year.

Annexure - "B" to the Directors' Report - Report on CSR

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable
11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable

For Ajanta Pharma Limited

For and on behalf of the CSR Committee
of Ajanta Pharma Limited

Yogesh M. Agrawal
Managing Director

Mannalal B. Agrawal
Chairman of the CSR Committeee

Mumbai, 10 May 2022

Annexure - "C" to the Directors' Report - Secretarial Audit Report

For the financial year ended 31 March 2022,

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

To,

The Members,

Ajanta Pharma Limited

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

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

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31 March 2022** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31 March 2022**, according to the provisions of:

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

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

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as **amended from time to time**: -

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not Applicable to the Company**;

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company**;

(h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not applicable to the Company**;

(i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

The Company has complied with specific applicable laws, rules, regulations and guidelines viz., Drugs and Cosmetics Act, 1940 and related Rules; The Prevention of Food Adulteration Act, 1954; The Pharmacy Act,

Annexure - "C" to the Directors' Report - Secretarial Audit Report

1948; Food and Safety Standards Act, 2006; The Drugs (Control) Act, 1950; Food and Drug Administration licensing terms and conditions; Legal Metrology Act, 2009 and the applicable Rules and other applicable general laws, rules, regulations and guidelines.

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

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

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

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

The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board / Committee of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairman of the Meeting.

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

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

1. The Board of Directors of the Company, at its meeting held on 30 April 2021 had approved the investment of ₹ 25 Crores in ABCD Technologies LLP (to be renamed as Indo Health Services LLP).
2. The Board of Directors of the Company, at its meeting held on 28 December 2021 had approved the proposal for the buyback upto 11,20,000 fully paid-up Equity Shares of face value of ₹ 2/- each at a price of ₹ 2,550/- per share representing 1.29% of the total number of equity shares in the paid-up capital of the Company from the shareholders of the Company in terms of Sections 68,69,70 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018. Further, the Company has extinguished 11,20,000 Equity shares in dematerialised form and completed the process of buyback on 28 February 2022.
3. Allotment of 500 Equity Shares of ₹ 2/- each under Employees Stock Option Scheme – 2011 and 3,500 Equity Shares of ₹ 2/- each under Ajanta Pharma Share Based Incentive Plan, 2019.

For **Alwyn D'Souza & Co.**
Company Secretaries

Alwyn P D'Souza
FCS. 5559
C.P. No. 5317
UDIN: F005559D000296201

Place: Mumbai
Date: 10 May 2022

Note: This report is to be read with our letter of even date which is annexed and forms an integral part of this report.

Annexure - "C" to the Directors' Report - Secretarial Audit Report

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members,
Ajanta Pharma Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Ajanta Pharma Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 Pandemic restrictions and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Alwyn D'Souza & Co.**
Company Secretaries

Alwyn P D'Souza
FCS. 5559
C.P. No. 5317
UDIN: F005559D000296201

Place: Mumbai
Date: 10 May 2022

Annexure - "D" to the Directors' Report

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

1.	Name & Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2022	* % increase / (decrease) in remuneration in the FY 2022
(i)	Mr. Mannalal B. Agrawal, Chairman	1:1	21.77%
(ii)	Mr. Madhusudan B. Agrawal, Vice Chairman	83:1	67.90%
(iii)	Mr. Yogesh M. Agrawal, Managing Director	396:1	27.26% @
(iv)	Mr. Rajesh M. Agrawal, Joint Managing Director	396:1	27.26% @
(v)	Mr. Chandrakant M. Khetan, Independent Director	3:1	21.29%
(vi)	Mr. K H. Viswanathan, Independent Director	2:1	24.33%
(vii)	Mr. Prabhakar Dalal, Independent Director	2:1	12.39%
(viii)	Dr. Anjana Grewal, Independent Director	1:1	12.49%
(ix)	Mr. Arvind Agrawal, Chief Financial Officer	35:1	5.24%
(x)	Mr. Gaurang C. Shah, Company Secretary	18:1	19.39%
2.	The Percentage increase in the median remuneration of employees in the financial year	12.67%	
3.	The number of permanent employees on the rolls of company	7,234	
4.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration of employee for the FY 2022 was 12.67% against which the average increase in managerial remuneration was 41%. Increase in managerial remuneration was because of commission paid on profits of the Company as also for the strong growth momentum achieved by the Company.	
5.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

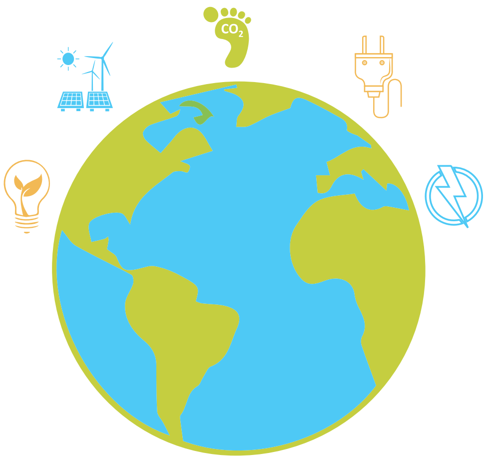
Notes:

** Includes sitting fees and commission paid to Non-Executive Directors.*

@ Includes Commission

Annexure - "E" to the Directors' Report

A. CONSERVATION OF THE ENERGY



1. Steps taken for conservation of energy & reducing CO2 emission:

- Ensured best possible automation to reduce electricity wastage viz. interlocking of dust collectors with HAVC; Occupancy sensors for low man movement area; Proximity sensors for Air curtains; Potable water pump operated from feedback and VSD; seasonal set point optimisation of chillers; Auto Water Level Sensors Fix to ETP, STP, Drinking Water RO Plant & Underground & Overhead Water Tanks etc;
- Enhanced renewable energy utilisation by installing solar plants at all manufacturing sites;
- All new purchases of energy related equipments, VSD incorporated during procurement stage only;
- Installation of energy monitoring system at all manufacturing sites;
- Installation of new energy efficient pumps for chiller and condenser water;
- Precise control in room temperature achieved through retrofitting of existing conventional electrical heating system with thyristor based electrical heating system for HVAC;
- Installation of LED and / or energy star monitors across all Ajanta sites;
- Replacement of existing air blower for aeration in ETP with energy efficient blower;
- Installation of statcom for power factor and power quality improvement;
- Close monitoring of HVAC operation across all sites;
- ETP aeration blower also utilised for STP aeration thus stopped additional blower at STP;
- Implemented well-structured utility leakages management program across all Ajanta sites for zero leakage.

Impact of the above measures:

- Reduction in energy consumption and Cost;
- Reduction in Carbon foot print & CO2 emission;
- Reduction in per unit production cost;
- Reduction in leakage and wastage of energy.

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

Solar plants installed at manufacturing sites and other locations and gradually increasing use of solar power. Thereby reducing conventional energy and enhancing use of green, clean and renewable energy for reduced environmental impact and increased sustainability.

3. Capital Investment on energy conservation equipment:

The Company has invested significantly on energy conservation equipments across all units.

B) TECHNOLOGY ABSORPTION

1. Research and Development (R&D):

- Development and launch of robust and cost-effective formulations for curing hypertension, BP, diabetes, heart ailments, post-operative inflammation;
- Development and launch of dermatological formulations for moisturisation, softening dry skin, healing cracked skin, skin protection, psoriasis, fungal infection;
- Development of products for US market for various ailments;

Annexure - "E" to the Directors' Report

- Development of Novel drug delivery systems for existing and newer active drug substances;
- Analytical method development and validation;
- Ensuring the quality of Research work by In-house Quality Assurance Team;
- Development of Extended-Release/Delayed-Release oral solid dosage form products using Matrix technology;
- Development of products based on solid dispersion technology similar to innovator products.

2. Benefits derived as a result of R&D:

6 Developed and stabilised new products for ROW market.

2 Received approvals for ANDAs.

2 New products launched and commercialised in US market

8 New ANDAs filed with USFDA

4 New products developed through DCG(I) route, Bio-equivalence study done and ready for commercialisation.

14 APIs are successfully developed

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

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

Particulars	**₹ cr.**
Capital Expenditure	12.19
Recurring Expenditure	204.34
Total	**216.53**
Total R&D expenditure as a percentage of total turnover	6.89%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to initiatives taken for increasing exports are discussed in Management Discussion & Analysis in this annual report.
2. Total foreign exchange earned in terms of actual inflow as well as outgo in terms of actual outflow during the year:
   - Earnings in foreign currency ₹ 1,867.82 cr. (previous year ₹ 1,809.65 cr.)
   - Outgo in foreign currency ₹ 366.23 cr. (previous year ₹ 231.45 cr.)

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has robust corporate governance framework and practices which are essential for sustained growth.

The Company continues to adopt and implement best Corporate Governance practices and lays great emphasis on:

Above fundamental pillars of Corporate Governance are integrated in Company's operations to achieve the set objectives and create value for all stakeholders.

II. BOARD OF DIRECTORS

A. Composition and category of Directors

The Board comprises of 8 Directors with mix of 50% Directors from Promoter group and 50% Independent Directors ("IDs") including one Woman Director.

The Board fulfils the criteria laid down under the Policy on Board's diversity. It has a dynamic mix of skill, experience, independence and knowledge to ensure its continued effectiveness. It has collective experience portfolio of business acumen & management, industry & sector knowledge, international operations, marketing, finance, forex management, risk management, HR, Corporate Governance and other attributes.

The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company's business. Board guides corporate strategy, major plans of action, risk policy, annual budgets & business plans and performance parameters. It monitors corporate performance, puts in place various plans, policies and practices for effectiveness of Company's governance practices and making changes as needed. The Board also reviews and approves strategic plan & business objectives.

“Executive Directors provide strategic management of the Company's businesses within the overall framework laid down by the Board and ensure business development and operational excellence in accordance with the set business objectives.”

“Non-Executive Directors play a critical role in setting up Board processes with their independent judgment on issues of strategy, performance, resources, standards of conduct, etc. They provide foresight, enhance transparency and add value in decision making.”

B. Board Meetings and attendance

The Board / Committee Meetings are held as per the annual calendar set out well in advance with concurrence of all the Directors, to ensure 100% participation in the meetings. Meetings were held through video conferencing as per the prescribed guidelines, after giving adequate notice to that effect to the Board Members.

All the meetings are conducted as per well designed and structured agenda and in accordance with the requirements under the Companies Act, 2013, ("Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards prescribed by ICSI. Agenda with detailed explanatory notes for the Board / Committee Meetings are set out by the Company Secretary in consultation with the Chairman and

Report on Corporate Governance

Managing Director ("MD"). The Board has complete access to any information within the Company. Agenda papers with minutes of previous meeting, committee meetings & meetings of subsidiary companies as also other information/proposals with detailed notes/background information with applicable regulatory provisions and requisite disclosures, are circulated at least 7 days prior to the meeting, thereby enabling the Board to take decisions on an informed basis.

Apart from the Board members, the Chief Financial Officer ("CFO") and the Company Secretary attend all the Board Meetings. Detailed presentation is made by the Management in each meeting to apprise the Board of important developments in the industry, business segments, operations, capex, sales & marketing, products, HR initiatives, important developments in subsidiaries, regulatory changes etc. Other senior management executives are invited as and when necessary or to familiarise the Board with critical aspects of respective functions.

During the year, five Board Meetings were held on 30 April 2021; 29 July 2021; 29 October 2021, 28 December 2021 and 31 January 2022. Composition of Directors, their other directorships & committee memberships and their attendance in Board / Annual General Meeting ("AGM") during the financial year, are given below:

Name of the Director	Category	Attendance		Other Directorships	Committee Membership		Other entities in which person acting as director	Category of other entities directorship
		Board	AGM		Member	Chairman		
Mr. Mannalal B. Agrawal	P, NE	5	Yes	-	1	1	-	-
Mr. Madhusudan B. Agrawal	P, E	5	Yes	3	0	0	• Samta Mines and Minerals Limited • Inspira Infra (Aurangabad) Limited • Inspira Projects Limited	Director Managing Director Director
Mr. Yogesh M. Agrawal	P, E	5	Yes	-	0	0	-	-
Mr. Rajesh M. Agrawal	P, E	5	Yes	-	1	0	-	-
Mr. Chandrakant M. Khetan	ID	5	Yes	2	0	1	• Entremonde Polycoaters Limited • DGP Securities Limited	Managing Director Director
Mr. K H. Viswanathan	ID	5	Yes	-	1	0	-	-
Mr. Prabhakar R. Dalal	ID	5	Yes	2	2	2	• Poonawalla Fincorp Limited • Poonawalla Housing Finance Limited	Director Director
Dr. Anjana Grewal	ID	5	Yes	0	1	0	-	-

Notes:

(a) P – Promoter, E- Executive, NE – Non Executive, ID – Independent

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

(c) Committee membership of only Audit Committee and Stakeholder's Relationship Committee are reckoned;

(d) None of the Directors (a) hold membership in more than 10 public limited companies and (b) is a member of more than 10 committees or chairperson of more than 5 committees across all the public companies in which he/she is a Director;

(e) For calculation of Other Directorship/Committee memberships/Chairmanships - private companies, Section 8 companies and foreign companies are excluded.

Report on Corporate Governance

C. Directors retiring by rotation

As per Regulation 36 of the Listing Regulations, brief profile of Director seeking re-appointment at the forthcoming AGM, is annexed to the Notice convening the AGM and forming part of this Annual Report.

D. Independent Directors

All the Independent Directors fulfill the independence criteria laid down under the Listing Regulations and as per opinion of the Board, they are independent of the management.

Independent Directors meeting

During the year under review, one meeting of IDs was held on 31 January 2022 and was chaired by lead Independent Director, Mr. Chandrakant M. Khetan and attended by all IDs. The IDs reviewed all the matters as per Schedule IV of the Act. The meeting was informal, enabling the IDs to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors.

The IDs expressed satisfaction at the robustness of the evaluation process, overall functioning of the Board, openness and transparency of the Board deliberations on business issues and the agenda items as also the information and disclosures made to IDs. They noted that the suggestions made by them were implemented satisfactorily.

Independent Directors Familiarisation programme

Familiarisation program for IDs enables them to understand the Company, its business, regulatory framework in which it operates, update them about newer challenges, risks and opportunities in the business, helps them in lending perspective to strategic direction of the company and equips them to discharge their role & contribute effectively as a Director of the Company.

The Company has an on-going familiarisation process for IDs. Departmental Heads and executives from different functions give presentation to the IDs to familiarise them with their areas of operations.

IDs are updated through presentations and discussions on overall economic trends, pharma industry developments, legal and regulatory amendments, R&D, operations, marketing, finance, HR, etc. and various initiatives taken/proposed to be taken to bring about an overall growth in the performance of the Company.

Familiarisation programs conducted for IDs, have been put on the website of the company. The link can be accessed at: http://www.ajantapharma.com/AdminData/DirectorFamiliarizationProgram/Directorsfamiliarisationprogramme.pdf

E. Performance evaluation of Board, Committees and Directors

Pursuant to the provisions of the Act and the Listing Regulations and as suggested by the Nomination and Remuneration Committee ("NRC"), the Board carried out annual performance evaluation of its own, various Committees and of all the Directors individually. Performance evaluation of the Non-Independent Directors, Chairman and the Board as a whole was also carried out by the IDs at a separate meeting.

Performance evaluation of Executive Directors, IDs, Chairman, Board as a whole and of the Board Committees was done based on the following parameters which were set out in accordance with the Policy on Board evaluation:

- **Chairman:** Knowledge & skill competence, leadership effectiveness, managing relationship, providing guidance & counselling, ensuring effectiveness of Corporate Governance practices, promoting continual training & development of Directors etc.
- **Board as a whole:** Composition & attributes, establishment of vision & mission, creating value for stakeholders, timeliness and appropriateness of ongoing development programmes to enhance skills, strategic perception and business acumen in critical matters, succession planning, corporate governance, stakeholder value and responsibility, providing leadership & directions etc.
- **Executive Directors:** Anticipating business trends, strategy formulation and execution, team-building, skillset & knowledge, brand

Report on Corporate Governance

building, statutory compliances, ethical standards, risk mitigation, sustainability, financial planning & performance, succession planning, interface with industry forums etc.

- **Independent Directors:** Effective participation, integrity and probity, objectivity, bringing independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, personal attributes etc.
- **Board committees:** Composition & terms of reference, cohesive relationship with management, adequate independency, risk management framework, periodicity of meetings, bringing objectivity, ensuring adherence to company policies, ensuring efficiency of external auditors etc.

Evaluation sheets containing parameters were circulated online to the Board members who responded the same and results were collated.

Performance evaluation done by the Board and IDs revealed an "Outstanding" rating for the Board as a whole, Individual Directors and Board Committees.

F. Matrix setting out the core skills / expertise / competencies available with the Board of Directors

The Board comprises of competent members who possess repertoire of skills, expertise and competencies that permits them to make effective contributions to the Board and its Committees. The Board has identified the following skills / expertise / competencies fundamental for its effective functioning and below table demonstrates skill & competencies possessed by Directors:

SKILL	Mannalal Agrawal	Madhusudan Agrawal	Yogesh Agrawal	Rajesh Agrawal	Chandrakant Khetan	Prabhakar Dalal	K H Viswanathan	Dr. Anjana Grewal
Strategic thinking	✓	✓	✓	✓	✓	✓	✓	✓
Industry knowledge	✓	✓	✓	✓				
Management & administration	✓	✓	✓	✓	✓	✓	✓	✓
Sales & marketing		✓	✓	✓	✓			✓
Accounting & Finance	✓		✓	✓	✓	✓	✓	
Forex & risk management			✓	✓	✓	✓	✓	✓
Sustainability	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓
Global business		✓	✓	✓	✓	✓		
Relationship & CSR	✓	✓	✓	✓	✓	✓	✓	✓

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G. Code of Conduct

Board of Directors have laid down Code of Conduct setting forth legal and ethical standards to be followed by Directors and Senior Management ("the Code"). The Code lays emphasis amongst other things, on the integrity at workplace and in business practices, honest and ethical personal conduct, diversity, fairness and respect etc which is expected to be followed by the Directors and Senior management. The Code has been posted on the website of the Company at http://www.ajantapharma.com/AdminData/PolicyCodes/CodeofConductforDirectorsandSeniorManagement.pdf

The Directors & Senior Management have made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company which could have potential conflict of interest with the Company.

A declaration to that effect signed by the Managing Director is annexed to this report.

H. Prevention of Insider Trading

Pursuant to the SEBI (Prevention of Insider Trading) Regulations, 2015 ("PIT") as amended, the Company has formulated, 'Ajanta's Code of Conduct for Insiders' ("ACCI") and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ("Code of Fair Disclosure"). These Codes are framed in keeping with the standards set out in the Regulations to monitor and facilitate reporting of trading by employees.

Company has identified Designated Persons who can be privy to the Unpublished Price Sensitive Information (UPSI), based on their grade, department and other factors. ACCI includes obligations and responsibilities of Designated Persons, maintenance of digital database, mechanism for preventing insider trading & handling of UPSI, disclosure of UPSI for legitimate purposes, prohibited and permitted transactions, consequence for violation etc.

ACCI has been disseminated through the Company's intranet and periodic mailers. Further, the Company has put in place adequate and effective system of internal controls as also a tool / software to monitor trading in securities by the Insiders in order to ensure compliance with the PIT. Structured digital database is being maintained by the Company as prescribed under the PIT. Policy for Disclosures for Legitimate Purposes as part of Code of Fair Disclosure is also in place. Company Secretary has been appointed as the Compliance Officer for ensuring implementation of Code of Fair Disclosure and ACCI.

"During the year, there has been due compliance with the code by the Company & all insiders and requisite disclosures were made to the Stock Exchanges."

III. AUDIT COMMITTEE

The Audit Committee acts as an interface between the statutory, internal & cost auditors, Management and the Board of Directors. Terms of reference of Audit Committee is as per the framework prescribed under the Act & Rules thereunder and the Listing Regulations. Audit Committee assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls & governance; and reviews the Company's statutory and internal audit processes.

The Committee comprises of 4 Directors, out of which 3 are IDs. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statements. In FY 2022 four meetings of the Committee were held on 30 April 2021 29 July 2021; 29 October 2021 and 31 January 2022. Structure of Committee as on 31 March 2022 and member's attendance at the meetings during the year was as under:

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

The Company Secretary acts as Secretary of the Committee.

Chief Financial Officer, Statutory Auditors and Internal Auditors are permanent invitees to all the meetings.

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IV. NOMINATION AND REMUNERATION COMMITTEE

Terms of reference of NRC is as per the framework prescribed under the Act & Rules thereunder and the Listing Regulations.

The Committee comprises of 4 IDs. In FY 2022, two meetings of the Committee were held on 30 April 2021 and 24 September 2021. Structure of Committee as on 31 March 2022 and member's attendance at the meeting during the year was as under:

Name	Designation	Meetings attended
Mr. Prabhakar Dalal	Chairman	2
Mr. K H. Viswanathan	Member	2
Mr. Chandrakant M. Khetan	Member	2
Dr. Anjana Grewal	Member	2

The Company Secretary acts as Secretary of the Committee.

V. REMUNERATION OF DIRECTORS

Based on the recommendations of the NRC, the Board has formulated Policy for Remuneration of Directors, Key Managerial Personnel (KMP) & other employees. The policy can be accessed on the following link:

http://www.ajantapharma.com/AdminData/PolicyCodes/Policyforremuneration2018.pdf

Executive Directors are appointed for a term of 5 years. Remuneration of Executive Directors comprises of fixed components viz., Salary & Perquisite and are also paid commission on net profits of the Company. Board fixes remuneration of Executive Directors and commission to be paid on net profits taking into consideration recommendations of NRC, ceiling limits prescribed under the Act and annual performance evaluation.

IDs are paid sitting fees and commission on net profits in accordance with the remuneration policy and based on their performance evaluation.

Remuneration paid to Executive and Non-Executive Directors during the year ended 31 March 2022 was as under:

(Amt. in Lakhs)

Remuneration to Directors	Salary	Perquisite	PF	Sitting Fees	Commission	Total
Mr. Madhusudan B. Agrawal	212.95	117.00	12.16	-	-	342.11
Mr. Yogesh M. Agrawal	936.08	117.00	53.10	-	525.00	1631.18
Mr. Rajesh M. Agrawal	936.08	117.00	53.10	-	525.00	1631.18
Mr. Mannalal B. Agrawal	-	-	-	5.70	-	5.70
Mr. Chandrakant M. Khetan	-	-	-	6.44	3.98	10.42
Mr. Prabhakar R. Dalal	-	-	-	4.92	2.42	7.34
Mr. K H. Viswanathan	-	-	-	5.70	2.42	8.12
Dr. Anjana Grewal	-	-	-	3.79	2.42	6.21

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

VI. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Terms of reference of Stakeholders' Relationship Committee are as per the framework prescribed under the Act & Rules thereunder and the Listing Regulations.

The Committee reviewed adherence to the Service Standards for investors adopted by Company's Registrar & Share Transfer Agent, M/s. Link Intime India Private Limited and various measures and initiatives taken for ensuring timely receipt of dividend warrants / annual reports /statutory notices by the shareholders of the Company.

The Committee comprises of 3 Directors out of which one is Independent. In the FY 2022, one meeting of the Committee was held on 29 October 2021. Composition of Committee as on 31 March 2022 and member's attendance at the meeting during the year was as under:

Name	Designation	Meetings attended
Mr. Mannalal B. Agrawal	Chairman	1
Dr. Anjana Grewal	Member	1
Mr. Rajesh M. Agrawal	Member	1

The Company Secretary acts as Secretary of the Committee. He has also been appointed as the Nodal Officer in accordance with the statutory requirements.

VII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Corporate Social Responsibility ("CSR") stems from the philosophy of providing sustainable value to the society in which the Company operates. While upholding the interest of stakeholders, we identify the importance of contributing towards development of the society in

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general and upliftment of deprived or underprivileged sections of the society, in particular.

Company's CSR policy is displayed on the website of the Company. It can be accessed at http://www.ajantapharma.com/AdminData/PolicyCodes/CSRPolicy2021.pdf

The CSR Committee comprises of 4 Directors out of which one is Independent. The Committee oversees implementation of the CSR Policy and CSR initiatives & contributions made in accordance with the Annual Action Plan of the Company.

In FY 2022, four meetings of the Committee were held on 30 April 2021; 29 July 2021; 29 October 2021 and 31 January 2022. Structure of Committee as on 31 March 2022 and member's attendance at the meetings during the year was as under:

Name	Designation	Meetings attended
Mr. Mannalal B. Agrawal	Chairman	4
Mr. Yogesh M. Agrawal	Member	4
Mr. Chandrakant M. Khetan	Member	4
Mr. Madhusudan B. Agrawal	Member	N.A. #

 # Mr. Madhusudan B. Agrawal was appointed as member of the Committee w.e.f. 31 January 2022

The Company Secretary acts as Secretary of the Committee.

VIII. RISK MANAGEMENT COMMITTEE

Business Risk evaluation and management is an ongoing process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimise risks. Board has constituted Risk Management Committee to oversee the risk management framework which encompass risk identification, its likely impact and mitigation plan for the same. More details on key risks and mitigation actions in respect thereto are provided in the Management Discussion and Analysis Report.

In FY 2022, two meetings of the Committee were held on 18 October 2021 and 29 March 2022. Structure of Committee as on 31 March 2022 and member's attendance at the meeting during the year was as under:

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

The Company Secretary acts as Secretary of the Committee.

IX. EXECUTIVE COMMITTEE

Board has constituted Executive Committee for dealing with various urgent operational matters viz., granting powers and authorities to employees on need basis, opening of bank accounts and change in authorities from time to time, availing various banking facilities and other routine administrative matters. Nine meetings of Executive Committee were held during the year. Details of structure of the Committee and member's attendance at the meetings was as under:

Name	Designation	Meetings attended
Mr. Yogesh M. Agrawal	Chairman	9
Mr. Rajesh M. Agrawal	Member	9
Mr. Madhusudan B. Agrawal	Member	9

X. GENERAL BODY MEETINGS

Annual General Meetings during last 3 years were held on:

AGM	Date	Time	Venue	No. of special resolutions passed
40th	18 July 2019	11.00 a.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra West, Mumbai – 400050	7
41st	30 July 2020	3.00 p.m.	Ajanta House, Charkop, Kandivli (West), Mumbai – 400 067 (through video-conference)	-
42nd	14 July 2021	11.00 a.m.	Ajanta House, Charkop, Kandivli (West), Mumbai – 400 067 (through video-conference)	1

During the FY 2022, the Company has not passed any resolution through Postal Ballot.

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XI. MEANS OF COMMUNICATION

The Company communicates with its stakeholders through multiple channels such as disclosures, press releases, meeting analysts, investor calls, as also through social media.

Financial results:

The Company's quarterly, half yearly and annual financial results are sent to the Stock Exchanges and published in Economic Times and Maharashtra Times newspapers within 48 hours. Simultaneously, they are also uploaded on the Company's website.

Press releases, presentations, etc.:

Official press and media releases are sent to Stock Exchanges and are displayed on Company's website.

Investor Calls

The presentations on performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the conclusion of Board Meeting.

The Company also conducts calls/meetings with investors after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director, Joint Managing Director & CFO. The Company uploads on its website transcript and audio recordings of such calls on a voluntary basis.

Website:

The Company's website (www. ajantapharma.com) contains a separate dedicated section 'Investors' wherein information appropriate for shareholders is available. It displays vital information relating to the Company and its performance, official press releases, presentation to analysts, investor call transcripts, policies & codes, shareholding patterns and other material information relevant to shareholders. The Company's Annual Reports are also available in downloadable form.

Annual Report:

The Annual Report containing, *inter-alia*, Audited Standalone Financial Statements, Audited Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled to. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. As a part of the green initiative, the Annual Reports are sent by e-mail to the Shareholders whose e-mail IDs are registered with the Depositories / Registrar & Transfer Agent ("RTA"). If any member wishes to get a duly printed copy of the Annual Report, the Company sends the same, free of cost, upon receipt of request from the member.

Reminders to Shareholders for unclaimed shares / dividend:

The Company sends reminders to all those shareholders whose unclaimed dividend / shares are liable to be transferred to the Investor Education and Protection Fund ("IEPF") account.

Filing with the Stock Exchanges:

All other submission to be made to the Stock Exchanges viz., shareholding pattern, corporate governance report, press releases, statement of investor complaints, are filed electronically with the BSE Limited and the National Stock Exchange of India Limited.

"Material developments related to the Company that are potentially price-sensitive in nature in accordance with Regulation 30 of the Listing Regulations, are also disclosed to the Stock Exchanges as per the Policy for Disclosure of Material Information. They are also made available on Company's website."

Investors:

To serve the investors better and as required under Regulation 46(2)(j) of the Listing Regulations, the Company's Grievance Redressal Division has a designated email address for investor complaints, investorgrievance@ajantapharma.com. The Company's Compliance Officer monitors this email regularly.

Report on Corporate Governance

XII. GENERAL SHAREHOLDERS INFORMATION:

a. 43rd Annual General Meeting to be held on:

Thursday, 4 August 2022 at 11.00 a.m. through video-conferencing or Other Audio-Visual Means.

b. Financial Calendar: Financial year: 1 April 2022 to 31 March 2023

Reporting calendar: Within 45 / 60 days from the end of the quarter / financial year respectively, as stipulated under the Listing Regulations

c. Dividend Payment Date: Interim Dividend paid on 22 November 2021 is proposed as final dividend and no further dividend is recommended.

d. Listing on Stock Exchanges:

a) BSE Limited (Code: 532331)

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

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

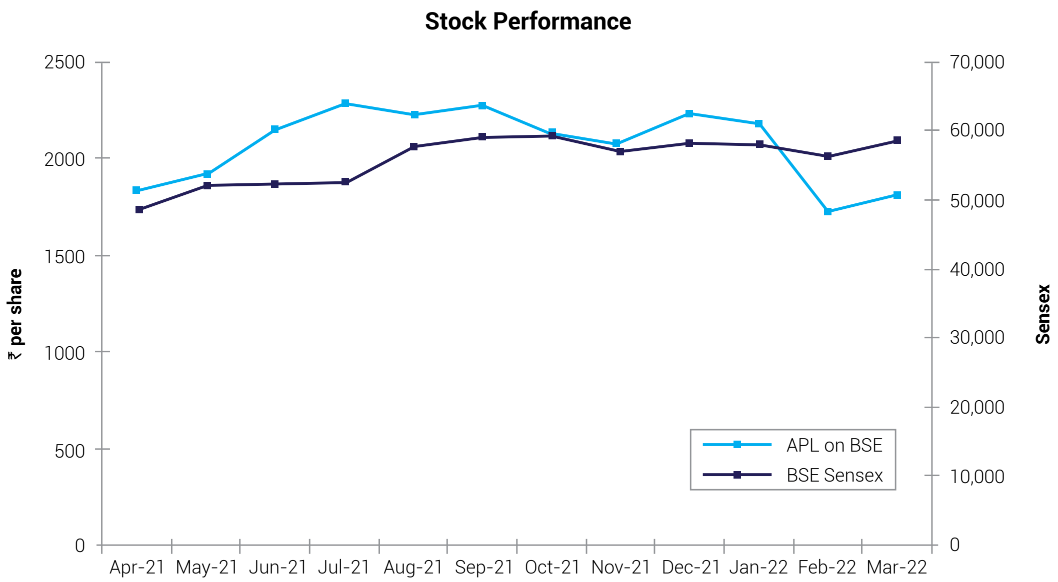
e. ISIN number for NSDL and CDSL : INE031B01049

f. CIN number : L24230MH1979PLC022059

g. Stock Market Data:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April - 2021	1,932.45	1,690.05	1,930.00	1,690.00
May - 2021	2,047.85	1,817.45	2,049.00	1,817.15
June - 2021	2,175.40	1,905.10	2,175.00	1,900.30
July - 2021	2,420.00	2,072.00	2,435.00	2,073.00
August -2021	2,348.45	2,182.60	2,348.50	2,191.45
September -2021	2,340.00	2,112.70	2,330.00	2,110.00
October -2021	2,366.30	2,053.65	2,365.80	2,053.65
November -2021	2,239.10	2,015.80	2,239.10	2,000.00
December -2021	2,338.10	2,032.90	2,340.00	2,030.10
January -2022	2,352.95	2,082.10	2,354.00	2,076.00
February -2022	2,242.00	1,696.00	2,177.10	1,694.15
March - 2022	2,066.55	1,632.10	2,010.00	1,631.15

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



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i. **Registrar and Transfer Agents:**

Link Intime India Private Limited

Unit: Ajanta Pharma Limited

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

Tel No: +91 022 49186000 Fax: +91 022 49186060

Email: rnt.helpdesk@linkintime.co.in

j. **Share Transfer System:**

Vide circular dated 24 January 2022, SEBI has notified that all the service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition, shall be processed in a demat mode only. Accordingly, shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the link at http://www.ajantapharma.com/KYC_forms.aspx.

In accordance with Regulation 40(9) of the Listing Regulations, audit of share transfer related activities is done by the Company Secretary in practice and compliance certificate is submitted to the Stock Exchanges.

k. **Updating KYC details**

Pursuant to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3 November 2021, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination.

Attention of the Members holding shares of the Company in physical form is invited:

a. To go through the said important communication under the web link at http://www.ajantapharma.com/KYC_forms.aspx

b. To get their equity shares converted into demat / electronic mode as transfer and issuance of equity shares in physical form have been disallowed by SEBI.

c. To make / change a nomination in respect of their shares and submit in the prescribed Forms SH-13 / SH-14 to the Registrar and Share Transfer Agent.

l. **Distribution of Equity Shareholding as on 31 March 2022:**

No. of shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 500	59,525	95.79	19,22,141	2.25
501- 1000	1,360	2.19	9,93,370	1.16
1001- 2000	616	0.99	8,59,084	1.01
2001- 3000	189	0.30	4,72,562	0.55
3001- 4000	91	0.15	3,19,406	0.37
4001-5000	52	0.08	2,34,186	0.27
5001-10000	107	0.17	7,53,575	0.88
10001 & above	199	0.32	7,98,61,446	93.49
TOTAL	**62,139**	**100**	**8,54,15,770**	**100**

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m. Pattern of Shareholding:

Sr. No.	Category	As on 31 March 2022	
		No. of shares	% of total no. of shares
1.	Promoters Holding		
	Promoters	6,02,00,656	70.48
	Foreign Promoters	N.A.	N.A.
2.	Mutual Funds	89,71,887	10.50
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	13,36,031	1.56
4.	Private Corporate Bodies	2,61,738	0.31
5.	Indian Public	70,29,590	8.23
6.	NRIs/OCBs/FII's/Foreign Nationals	75,99,306	8.90
7.	In Clearance	16,562	0.02
	TOTAL	**8,54,15,770**	**100.00**

n. Dematerialisation of Shares and liquidity:

99.76% of the total equity capital is held in dematerialised form with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as on 31 March 2022. All shares of the company are liquid and traded in normal volume on BSE and NSE. Relevant data for the average daily turnover for FY 2022 is given below:-

	Bombay Stock Exchange (BSE)	National Stock Exchange (NSE)	BSE + NSE
In no. of Shares	5,538	93,632	99,170
In value terms ₹	1,14,75,193	19,41,03,950	20,55,79,143

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

The Company has not issued these type of securities.

p. Reconciliation of Share Capital Audit:

As stipulated by SEBI, a Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued, listed and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

q. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not have any significant exposure in commodities directly. The Company also does not carry out any commodity hedging activities.

Currency risks mainly arise out of exports and overseas operations. Since about 70% of the Company's income is by way of exports with major currency exposure being in USD/EUR, the Company generally does currency hedging up to a maximum period of 6 to 18 months and up to the extent of 50% to 150% of its net foreign exchange earnings. Company hedges its foreign exchange risk exposure by forward exchange contracts as advised by the Risk Management Committee and forex consultants.

r. Employees Stock Option Scheme:

During the year 4,000 options were exercised by employees of subsidiary company. The same were allotted and listed on the Stock Exchanges. 3,000 options were granted under Ajanta Pharma Share Based Incentive Plan 2019. As on 31 March 2022, no options were due for vesting.

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s. **Plant Locations:**

The Company has 7 Manufacturing Plants as detailed below:

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

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

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

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

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

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

vii. Plot No.M-55,56,57 ISEZ Phase-II, Pithampur Dist. Dhar, Madhya Pradesh

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

u. **Contact Details for Investor Correspondence:**

(i) For shares held in physical form

Link Intime India Private Limited

Unit: Ajanta Pharma Limited

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

Tel No: +91 022 49186000; Fax: +91 022 49186060

Email: rnt.helpdesk@linkintime.co.in

(ii) For shares held in demat form

Concerned Depository participants of investors

(iii) Compliance & Nodal Officer

Mr. Gaurang C. Shah

VP - Legal & Company Secretary

Ajanta House, 98 Govt. Ind. Area,

Charkop, Kandivli (West),

Mumbai - 400067

Tel.: +91 022 - 66061000;

Fax: +91 022 - 66061200/1300

E-mail: investorgrievance@ajantapharma.com

Website: http://www.ajantapharma.com/

v. **Credit Ratings:**

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

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

x. There is no non-compliance of any of the requirements of the Corporate Governance report as required under the Listing Regulations.

XIII. SUBSIDIARY COMPANIES

As on 31 March 2022, the Company has five foreign subsidiaries. One of the subsidiaries, Ajanta Pharma USA Inc. is a material subsidiary. Mr. Chandrakant Khetan, lead Independent Director of the company is nominated on the Board of Ajanta Pharma USA Inc.

Audited annual financial statements of overseas subsidiaries are placed before the Audit Committee and Board Meetings. Minutes of the Board Meetings of subsidiary companies held during the previous quarter, are circulated with Agenda. Board also reviews compliances, the investments made by such subsidiaries and the statement of all significant transactions and arrangements entered into by subsidiaries on a periodic basis.

Web link of policy for determining material subsidiaries is http://www.ajantapharma.com/AdminData/PolicyCodes/PolicyonMaterialSubsidiaries2019.pdf

XIV. LEGAL COMPLIANCE MANAGEMENT TOOL

The Company has put in place legal compliance management tool to monitor and ensure compliance with all applicable laws and regulatory requirements. The tool generates system driven alerts to the respective task owners for complying with the applicable laws and regulations. The tool provides an assurance to the Board on various compliances ensured by the Company. The application of the tool has been extended to cover all plants, warehouses, R&D and all important functions.

XV. OTHER DISCLOSURES:

a. The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management or their relatives, subsidiaries etc.

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that may have a potential conflict with the interests of the Company.

Further relevant disclosures have been received from the senior management for FY 2022 to that effect.

b. Transactions with related parties are disclosed in Note no. 53 of the Financial Statements. Weblink of policy dealing with related party transactions is available at http://www.ajantapharma.com/AdminData/PolicyCodes/PolicyonRelatedPartyTransactions2019.pdf

c. There were no instances of material noncompliance by the Company nor have any penalties/strictures been imposed by Stock Exchanges or SEBI or any other statutory authorities on any matters related to capital market, during last 3 financial years.

d. Board of Directors of the Company have adopted and put in place a Whistle Blower Policy to enable employees to raise the concerns, wrongdoing and other irregularities noticed by them to the Audit Committee Chairman. No personnel have been denied access to the Audit Committee. Details of vigil mechanism/whistle blower policy are provided in the Directors report.

e. As required under Regulation 9 of the Listing Regulations, Board of Directors have approved the Policy for Preservation of Documents.

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

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

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

- Non-Executive Chairman is provided with an office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
- Financial performance highlights were sent to shareholders on a half-yearly basis.
- Internal Auditor reports to the Audit Committee.

i. Disclosure on Commodity price risk or foreign exchange risk and hedging activities has been made in earlier paragraphs in this report.

j. The Company had not raised any funds through preferential allotment or qualified institutional placement.

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

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

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

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

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

o. MD and CFO of the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of the Listing Regulations [Part B of Schedule II] and the certificate forms part of Annual Report. MD and the CFO also gives quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

p. Disclosures have also been received from the senior management that there were no such transactions during the FY 2022 having potential conflict with the interests of the Company at large either by them or their relatives.

Report on Corporate Governance

XVI. UNCLAIMED SHARES & DIVIDEND

(i) In pursuance of Regulation 39 read with Schedule VI of the Listing Regulations, 'Unclaimed Suspense Account' was opened by the Company. Further, in accordance with the requirements of Regulation 34 (3) and Part F of the Schedule V of the Listing Regulations 2015, the Company reports following details in respect of equity shares lying in the Suspense account:

Sr. No.	Particulars	Shareholders	No. of shares
1.	Outstanding shares at the beginning of the year	29	21,750
2.	Shareholders approached the company for transfer	1	1,125
3.	Shareholders whose shares were transferred from suspense account	1	1125
4.	Shares transferred to IEPF account	18	13,625
5.	Outstanding shares at the end of the year	10	7,000

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

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

Financial year	Amount of unclaimed dividend transferred (₹ lakh)	Number of shares transferred
2013-14	9.73	18,678

No claims shall lie against the Company in respect of the dividend / shares / monies so transferred. Members who have a claim on above dividends and shares may claim the same from IEPF authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in

(iii) **Guidelines for Investors to file claim in respect of the unclaimed dividend or shares transferred to the IEPF:**

Investors / depositors whose unpaid dividends, and underlying shares have been transferred to IEPF can claim the same as per the procedures / guidelines stated below:

- Login to website of MCA at https://www.mca.gov.in/content/mca/global/en/home.html and click on 'Investor Services' tab under 'MCA Services' section for filing the web-based form IEPF-5 for the refund of dividend/ shares. Read the instructions provided on the website / instruction kit carefully before filling the form.
- Submit the duly filled form by following the instructions given on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.
- Take a print out of the duly filled Form No. IEPF-5 and the acknowledgement issued after uploading the form.
- Submit an indemnity bond in original, copy of the acknowledgement and self-attested copy of the Form, along with other documents as mentioned in the Form No. IEPF-5, to the Nodal Officer (IEPF) of the Company at its Registered Office, in an envelope marked 'Claim for refund from IEPF Authority / Claim for shares from IEPF' as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.
- Form IEPF-5 completed in all respects will be verified by the Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhaar-linked bank account through electronic transfer and / or the shares shall be credited to the demat account of the claimant, as the case may be.

(iv) Information of dividend remaining unpaid/ unclaimed and the dates by which they would be transferred to IEPF is given below:

Report on Corporate Governance

Financial Year	Date of declaration	Tentative date for transfer to IEPF
2014-15	04.07.2015	09.08.2022
2015-16 (Interim)	09.03.2017	14.04.2023
2016-17 (1st Interim)	26.10.2016	01.12.2023
2016-17 (2nd Interim)	18.03.2017	23.04.2024
2018-19 (Interim)	31.10.2018	06.12.2025
2019-2020 (Interim)	05.11.2019	11.12.2026
2020-2021(Interim)	03.11.2020	09.12.2027
2021-2022 (Interim)	29.10.2021	04.12.2028

Members may also note that underlying Shares on which dividend has remained unclaimed for 7 years i.e. from 2014-15 onwards, will also be transferred to IEPF account during the year and individual notices to that effect are sent to concerned shareholders. Notices in this regard would also be published in the newspapers and the détails of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority would be uploaded on the Company's website. Shareholders who have not yet encashed their unclaimed/unpaid amounts are requested to correspond with the Company's RTA at the earliest to avoid transfer of dividend and underlying shares to IEPF.

For and behalf of the Board of Directors

Mannalal B. Agrawal
Chairman

Mumbai, 10 May 2022

Report on Corporate Governance

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of

Ajanta Pharma Limited

Ajanta House, 98 Govt Industrial Area

Charkop, Kandivli (West), Mumbai- 400067

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Ajanta Pharma Limited** having **CIN L24230MH1979PLC022059** and having registered office at Ajanta House, 98 Govt. Industrial Area, Charkop Kandivli (West) Mumbai- 400067 (hereinafter referred to as **'the Company'**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Sub-clause 10(i) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of appointment
1	Mannalal Bhagwandas Agrawal	00073828	Director	31/12/1979
2	Madhusudan Bhagwandas Agrawal	00073872	Whole time Director	31/12/1979
3	Yogesh Mannalal Agrawal	00073673	Managing Director	01/04/2008
4	Rajesh Mannalal Agrawal	00302467	Whole time Director	30/04/2013
5	Chandrakant Mohanlal Khetan	00234118	Director	20/10/2008
6	Prabhakar Ramchandra Dalal	00544948	Director	13/06/2014
7	Viswanathan Hariharan Kalpati	06563472	Director	30/04/2013
8	Dr. Anjana Grewal	06896404	Director	13/06/2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Alwyn D'Souza & Co.**
Company Secretaries

Alwyn D'Souza
FCS No. 5559
C. P. No. 5137
UDIN: F005559D000296234

Place: Mumbai
Date: 10 May 2022

Report on Corporate Governance

DECLARATION PURSUANT TO SCHEDULE V OF THE LISTING REGULATIONS

In accordance with Regulation 26 (3) and Schedule V of the Listing Regulations with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the year ended 31 March 2022.

For **Ajanta Pharma Limited**

Yogesh M. Agrawal
Managing Director

Mumbai, 10 May 2022

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

We, Mr. Yogesh M. Agrawal, Managing Director and Mr. Arvind Agrawal, Chief Financial Officer hereby certify for the financial year ended 31 March 2022 that:

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

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

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

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

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

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

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

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

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

For **Ajanta Pharma Limited**

Yogesh M. Agrawal
Managing Director

For **Ajanta Pharma Limited**

Arvind K. Agrawal
Chief Financial Officer

Mumbai, 10 May 2022

Report on Corporate Governance

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of **AJANTA PHARMA LIMITED**,

1. We have examined the compliances of the conditions of Corporate Governance by **AJANTA PHARMA LIMITED** ("the Company") for the financial year ended **31st March, 2022**, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of regulation 46 and paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 ("Listing Regulations").
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Alwyn D'Souza & Co.
Company Secretaries

Alwyn D'Souza
FCS. 5559
C.P. No. 5137
UDIN: F005559D000296289

Place: Mumbai
Date: 10 May 2022

Financial Statements

Independent Auditor's Report

To the Members of
Ajanta Pharma Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of **Ajanta Pharma Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Accruals for variable components in revenue recognition

The key audit matter	How the matter was addressed in our audit
Refer note 7.8 of accounting policies and note 37 to the consolidated financial statements The Group has numerous customers operating in multiple geographies and sales contracts with these customers have distinct terms and conditions relating to the recognition of revenue, the right of return and price adjustments. Contractual arrangements as well as regulatory requirements in various geographies result in adjustments to gross sales price. These adjustments arise from the Group's obligations to customers towards chargebacks, rebates, product recalls, Medicaid, allowances, supply penalties and right of return ("variable consideration").	Our audit procedures in respect of accruals for variable components of revenue recognition included the following: – Assessing the Group's accounting policies for revenue recognition including accounting for variable consideration by comparing with applicable accounting standards. – Testing the design, implementation and operating effectiveness of the Company's manual and automated controls designed to ensure recognition of valid revenue transactions in the correct period.

Independent Auditor's Report

The key audit matter	How the matter was addressed in our audit
As stated in Note 37 to the consolidated financial statements, revenue from the sale of goods is measured after adjusting the effects of variable consideration. Adjustments are made with respect to variable components which requires judgement and estimation by the Group. These are based on contractual arrangements, market conditions and accumulated experience. The estimation is based on various factors. These factors include, for example level of competition, market conditions, volume of sales to individual customers etc., some of which are beyond the control of the Group. Accordingly we identified recognition of revenue from sale of products during the year and at the period end and accruals for variable consideration in revenue recognition as a key audit matter.	– Testing key internal controls with respect to accrual for variable consideration. These accruals are made using accumulated experience, contractual arrangements, the expected level of chargebacks, rebates and returns for each product, level of Medicaid for sales made in United States and level of supply penalties-based contract fulfillment. – Performing substantive testing of selected samples of revenue transactions recorded during the year as well as at year-end. We used statistical sampling and verified contractual terms of sales invoices / contracts, shipping documents and acknowledged delivery receipts for those transactions. – Perform substantive procedures to verify period end accruals for adjustment on account of variable consideration. – Examining high risk manual journal entries to verify unusual or irregular items with respect to revenue.

Other Information

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

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for

Independent Auditor's Report

assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical

Independent Auditor's Report

requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

(a) We did not audit the financial statements / financial information of three subsidiaries whose financial statements/financial information reflect total assets (before consolidation adjustment) of Rs. 315.15 crores as at 31 March 2022, total revenues (before consolidation adjustment) of Rs. 320.13 crores and net cash flows (before consolidation adjustment) amounting to Rs. 11.09 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the order') issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement of the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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

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

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

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

Independent Auditor's Report

noted in the 'Other Matters' paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group Refer Note 54 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31 March 2022.

d) (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 63, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 63, no funds have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to us notice that has caused us to believe that the representation under sub clause (d) (i) and (d) (ii) contain any material misstatement.

e) The dividend declared or paid during the year by the Holding Company is in compliance with section 123 of the Act.

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

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

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

Sreeja Marar
Partner
Membership No: 111410
UDIN: 22111410AISYDQ3064

Mumbai
10 May 2022

Annexure A to the Independent Auditors' report

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

With reference to the Annexure referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2022, we report the following:

According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavorable answers or qualifications or adverse remarks.

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

Sreeja Marar
Partner
Membership No: 111410
UDIN: 22111410AISYDQ3064

Mumbai
10 May 2022

Annexure B to the Independent Auditors' report

on the consolidated financial statements of Ajanta Pharma Limited for the year ended 31 March 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Ajanta Pharma Limited (hereinafter referred to as "the Holding Company"), as of that date.

In our opinion, the Holding Company incorporated in India, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

Annexure B to the Independent Auditors' report

on the consolidated financial statements of Ajanta Pharma Limited for the year ended 31 March 2022

company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

Sreeja Marar
Partner
Membership No: 111410
UDIN: 22111410AISYDQ3064

Mumbai
10 May 2022

Consolidated Balance Sheet
as at 31 March 2022

₹ in Crore

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	8	1,424.31	1,429.20
(b) Capital work-in-progress	8	152.86	108.19
(c) Investment properties	8	8.41	8.90
(d) Right-of-use assets	8	70.25	92.22
(e) Other intangible assets	8	9.02	10.79
(f) Financial assets			
Investments	9	25.10	-
Other financial assets	10	12.04	16.37
(g) Deferred tax assets (net)	11	55.55	50.10
(h) Income tax assets (net)	12	27.04	21.44
(i) Other non-current assets	13	6.54	13.92
Total non-current assets		**1,791.12**	**1,751.13**
Current assets			
(a) Inventories	14	791.07	766.47
(b) Financial assets			
Investments	15	121.86	175.67
Trade receivables	16	1,019.81	738.43
Cash and cash equivalents	17	206.36	177.51
Bank balances other than cash and cash equivalents	18	5.43	32.10
Loans	19	6.37	8.03
Other financial assets	20	17.69	5.86
(c) Other current assets	21	95.87	123.52
Total current assets		**2,264.46**	**2,027.59**
Total assets		**4,055.58**	**3,778.72**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	22	17.17	17.39
(b) Other Equity	23	3,247.17	2,978.24
Total Equity		**3,264.34**	**2,995.63**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Borrowings	24	1.64	1.60
Lease liabilities	25	16.93	18.17
Other financial liabilities	26	1.09	1.25
(b) Other Liabilities	27	3.00	3.34
(c) Provisions	28	19.32	17.93
(c) Deferred tax liabilities (net)	29	101.87	92.17
Total non-current liabilities		**143.85**	**134.46**
Current liabilities			
(a) Financial liabilities			
Borrowings	30	0.27	0.09
Lease liabilities	31	6.19	11.50
Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	32	27.98	24.48
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	32	299.19	349.38
Other financial liabilities	33	230.59	172.13
(b) Other liabilities	34	64.42	30.42
(c) Provisions	35	10.81	11.71
(d) Income tax liabilities (net)	36	7.94	48.92
Total current liabilities		**647.39**	**648.63**
Total Equity and Liabilities		**4,055.58**	**3,778.72**
Significant accounting policies	1 to 7		
The notes referred to above form an integral part of the consolidated financial statements	8 to 71		

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No : 111410

Mumbai
10 May 2022

For and on behalf of Board of Directors of Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN : 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN : 00302467

Arvind K. Agrawal
Chief Financial Officer

Gaurang C. Shah
Company Secretary
FCS : 6696

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

₹ in Crore

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	37	3,340.99	2,889.69
Other income	38	115.68	25.98
Total income		**3,456.67**	**2,915.67**
Expenses			
Cost of materials consumed	39	779.34	706.41
Purchase of stock-in-trade	40	136.10	89.54
Changes in inventories of finished goods/work-in-progress/ stock-in-trade	41	(83.17)	(150.90)
Employee benefits expense	42	645.78	548.25
Finance costs	43	10.20	8.27
Depreciation and amortisation expense	44	125.30	116.09
Other expenses	45	933.64	697.83
Total expenses		**2,547.19**	**2,015.49**
Profit before tax		**909.48**	**900.18**
Tax expense	67		
- Current tax			
For current year		217.22	269.74
For prior years		(25.55)	(8.38)
- Deferred tax			
For current year		4.94	(15.05)
For prior years		0.19	-
Total tax expense		**196.79**	**246.31**
Profit for the year		**712.68**	**653.87**
Other comprehensive income / (loss)			
Items that will not to be reclassified subsequently to profit or loss			
Re-measurements of defined benefit plans		0.55	(2.04)
Income tax relating to items that will not be reclassified to profit or loss		(0.19)	0.71
Net other comprehensive income / (loss) that will not be reclassified subsequently to profit or loss		**0.36**	**(1.33)**
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(8.33)	(5.12)
Income tax relating to items that will be reclassified to profit or loss		-	-
Net other comprehensive (loss) / income to be reclassified subsequently to profit or loss		**(8.33)**	**(5.12)**
Other comprehensive income / (loss) for the year (net of income tax)		(7.97)	(6.45)
Total comprehensive income for the year		**704.71**	**647.42**
Earnings Per Equity Share (Face Value ₹ 2/-)	45		
Basic (₹)		82.45	75.09
Diluted (₹)		**82.45**	**75.09**
Significant accounting policies	1 to 7		
The notes referred to above form an integral part of the consolidated financial statements	8 to 71		

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No : 111410

Mumbai
10 May 2022

For and on behalf of Board of Directors of
Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN : 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN : 00302467

Arvind K. Agrawal
Chief Financial Officer

Gaurang C. Shah
Company Secretary
FCS : 6696

Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

A. EQUITY SHARE CAPITAL (REFER NOTE 22)

₹ in Crore

Particulars	As at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	As at 31 March 2022
Authorised	30.00	-	30.00	-	30.00
Issued Subscribed & Paid up	17.39	-	17.39	(0.22)	17.17

₹ in Crore

Particulars	As at 1 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	As at 31 March 2021
Authorised	30.00	-	30.00	-	30.00
Issued Subscribed & Paid up	17.54	-	17.54	(0.15)	17.39

B. OTHER EQUITY (REFER NOTE 23)

₹ in Crore

Particulars	Reserves & Surplus					Other Comprehensive Income		Total	Non-Controlling Interests	Total Equity
	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings	Foreign Currency Translation Reserve	Other items (Re-measurement gains (losses) on defined benefit plans)			
As at 1 April 2020	**2.25**	**1.06**	**951.18**	**0.47**	**1,617.18**	**14.32**	**(5.13)**	**2,581.33**	**-**	**2,581.33**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	**-**	-	**-**
Restated balance as at 1 April 2020	**2.25**	**1.06**	**951.18**	**0.47**	**1,617.18**	**14.32**	**(5.13)**	**2,581.33**	**-**	**2,581.33**
Profit for the period	-	-	-	-	653.87	-	-	**653.87**	-	**653.87**
Other comprehensive income	-	-	-	-	-	(5.12)	(1.33)	**(6.45)**	-	**(6.45)**
Total comprehensive income	**-**	**-**	**-**	**-**	**653.87**	**(5.12)**	**(1.33)**	**647.42**	**-**	**647.42**
Exercise of Stock Options	-	-	-	(0.39)	-	-	-	**(0.39)**	-	**(0.39)**
Uitilised for buy-back of Equity Shares	-	(1.64)	(134.35)	-	-	-	-	**(135.99)**	-	**(135.99)**
Uitilised for buy-back of Equity Shares	-	-	-	-	(32.42)	-	-	**(32.42)**	-	**(32.42)**
Transfer to Capital Redemption Reserve for buyback of Equity Shares	0.15	-	(0.00)	-	-	-	-	**0.15**	-	**0.15**
Exercised Stock Options	-	0.58	-	-	-	-	-	**0.58**	-	**0.58**
Share based payment expenses	-	-	-	0.46	-	-	-	**0.46**	-	**0.46**
Dividend Paid	-	-	-	-	(82.90)	-	-	**(82.90)**	-	**(82.90)**
Dividend Distribution Tax	-	-	-	-	-	-	-	**-**	-	**-**
As at 31 March 2021	**2.40**	**-**	**816.83**	**0.54**	**2,155.73**	**9.20**	**(6.46)**	**2,978.24**	**-**	**2,978.24**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	**-**	-	**-**
Restated balance as at 1 April 2021	**2.40**	**-**	**816.83**	**0.54**	**2,155.73**	**9.20**	**(6.46)**	**2,978.24**	**-**	**2,978.24**
Profit for the period	-	-	-	-	712.68	-	-	**712.68**	-	**712.68**
Other comprehensive income (net of tax)	-	-	-	-	-	(8.33)	0.36	**(7.97)**	-	**(7.97)**
Total comprehensive income	**-**	**-**	**-**	**-**	**712.68**	**(8.33)**	**0.36**	**704.71**	**-**	**704.71**
Exercise of Stock Options	-	-	-	0.30	-	-	-	**0.30**	-	**0.30**
Uitilised for buy-back of Equity Shares	-	(0.54)	(285.06)	-	-	-	-	**(285.60)**	-	**(285.60)**
Uitilised for buy-back of Equity Shares	-	-	-	-	(68.50)	-	-	**(68.50)**	-	**(68.50)**
Transfer to Capital Redemption Reserve for buyback of Equity Shares	0.23	-	-	-	-	-	-	**0.23**	-	**0.23**

Consolidated Statement of Changes in Equity
for the year ended 31 March 2022

₹ in Crore

Particulars	Reserves & Surplus					Other Comprehensive Income		Total	Non-Controlling Interests	Total Equity
	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings	Foreign Currency Translation Reserve	Other items (Re-measurement gains (losses) on defined benefit plans)			
Exercised Stock Options	-	0.54	-	-	-	-	-	**0.54**	-	**0.54**
Share based payment expenses	-	-	-	(0.54)	-	-	-	**(0.54)**	-	**(0.54)**
Dividend Paid	-	-	-	-	(82.21)	-	-	**(82.21)**	-	**(82.21)**
Dividend Distribution Tax	-	-	-	-	-	-	-	**-**	-	**-**
As at 31 March 2022	**2.63**	**-**	**531.77**	**0.30**	**2,717.70**	**0.88**	**(6.10)**	**3,247.17**	**-**	**3,247.17**

a) Capital Redemption Reserve

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

b) Securities Premium

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

c) General Reserve

The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

d) Employee Stock Option Outstanding

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

e) Retained Earnings

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

f) Foreign Currency Translation Reserve

This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No : 111410

Mumbai
10 May 2022

For and on behalf of Board of Directors of
Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN : 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN : 00302467

Arvind K. Agrawal
Chief Financial Officer

Gaurang C. Shah
Company Secretary
FCS : 6696

Consolidated Statement of Cash Flow
for the year ended 31 March 2022

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	909.48	900.18
Adjustment for		
Depreciation and amortisation expense	125.30	116.09
Loss on sale / retirement of property, plant and equipment (net)	3.87	2.21
Finance costs	10.20	8.27
(Gain) on fair value of investment	(9.21)	(2.37)
(Gain) on fair value of derivative	(17.09)	(4.09)
Income from investments and deposits	(4.08)	(7.87)
Equity settled share based payment	0.30	0.02
Unrealised Foreign exchange (Gain)	(21.19)	(4.55)
Impairment loss on financial assets	3.98	7.56
Operating cash flow before working capital changes	**1,001.57**	**1,015.45**
Changes in working capital		
Decrease / (increase) in trade receivables	(269.68)	31.13
(Increase) / decrease in other current assets	26.36	(38.04)
Decrease in other current financial assets	17.56	9.59
(Increase) in other non-current financial assets	4.33	(0.77)
Decrease in non-current financial assets	0.46	0.09
(Increase) in inventories	(25.66)	(271.45)
Decrease in current loans	1.66	0.98
Increase in other non-current financial liabilities	(0.16)	0.79
Increase in other current liabilities	35.32	10.67
Increase / (decrease) in other current financial liabilities	56.59	33.60
Increase in non-current provisions	1.39	2.28
Increase / (decrease) in current provisions	(0.54)	1.23
Increase in trade payables	(48.02)	11.15
Cash generated from operating activities	**801.17**	**806.70**
Net income tax paid	(239.13)	(230.39)
Net cash generated from operating activities	**562.04**	**576.31**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment including capital advances	(148.84)	(171.61)
Proceeds from sale of property, plant and equipment	18.38	1.71
Bank balances not considered as cash and cash equivalents	26.68	(29.19)
Insurance claim received against property, plant and equipment	-	11.00
Purchase of current investments	(1,037.87)	(742.41)
Proceeds from sale of current investments	1,091.65	633.88
Income on investments and deposits	0.90	1.97
Sale of non-current investments / Investment in LLP	(25.00)	12.27
Net cash used in investing activities	**(74.10)**	**(282.38)**

Consolidated Statement of Cash Flow

for the year ended 31 March 2022

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Proceeds of borrowings (net)	0.23	(44.02)
Interest paid	(7.35)	(4.96)
Repayment of lease liability (including interest thereon)	(16.60)	(18.58)
Payment for buyback of shares (Refer Note 22.8)	(285.59)	(135.41)
Payment for expenses for buyback of shares (Refer Note 22.8)	(68.52)	(32.42)
Dividend paid	(82.21)	(82.90)
Net cash used in financing activities	**(460.04)**	**(318.29)**
Net (decrease) / increase in cash and cash equivalents	**27.90**	**(24.36)**
Cash and cash equivalents as at the beginning of the year	177.51	202.35
Cash and cash equivalents as at the end of the year	**205.41**	**177.99**
Reconciliation of cash and cash equivalents with the Balance sheet		
Cash and cash equivalents as restated as at the end of the year	205.41	177.99
Unrealised (loss) / gain on foreign currency cash and cash equivalents	0.95	(0.48)
Cash and cash equivalents as per balance sheet (refer note 17)	**206.36**	**177.51**

Figures in brackets indicates outflow.

Note:

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

Particulars	Notes	As at 31 March 2021	Cash Flows	Non-cash changes			As at 31 March 2022
				Acquisition	Foreign exchange movement	Fair value change	
Borrowing	24 & 30	1.69	0.23	-	-	-	1.91

4. During the year the Group paid ₹ 13.13 (31 March 2021 ₹ 12.89) towards corporate social responsibility (CSR) expenditure included in corporate social responsibility expenditure Refer note 56).

Significant accounting policies

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No : 111410

Mumbai
10 May 2022

For and on behalf of Board of Directors of Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN : 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN : 00302467

Arvind K. Agrawal
Chief Financial Officer

Gaurang C. Shah
Company Secretary
FCS : 6696

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

Statement of Compliance

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

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

These Consolidated Financial Statements for the year ended 31 March 2022 have been reviewed by the Audit Committee and subsequently approved by Company's Board of Directors at it's meeting held on 10 May 2022.

Use of estimates and judgements:

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and under lying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

The areas involving estimates or judgements are as follows:

Property, plant and equipment:

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

Recognition and measurement of defined benefit obligations:

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

Intangible Assets

Intangible assets majorly consists software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made using expected credit loss model.

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

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. The review involves comparison of the carrying value of the aged inventory items. The purpose is to ascertain whether an allowance is required to be made in the financial statement for any obsolete and

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the group's financial statements.

Management also reviews net realisable value for all its inventory and is satisfied that adequate allowance has been made in the financial statements.

Contingencies

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

Impairment reviews

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

Determination of functional currency

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

3. PRINCIPLES OF CONSOLIDATION

These consolidated financial statements comprise the financial statement of the Company and its wholly owned subsidiaries. A subsidiary is an entity over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedure

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the

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entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in Statement of Profit and Loss.

(iv) Transaction's eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

4. FUNCTIONAL AND PRESENTATION CURRENCY

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

Initial recognition

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

Conversion

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

Group companies

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

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

5. ROUNDING OF AMOUNTS

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

6. CURRENT / NON-CURRENT CLASSIFICATION

An entity shall classify an asset as current when-

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when-

(a) it expects to settle the liability in its normal operating cycle;

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(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

Operating Cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

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

7. SIGNIFICANT ACCOUNTING POLICIES

7.1 Property, plant and equipment

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

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

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

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

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

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

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

Depreciation for Holding Company

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant and Equipment is provided on straight line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013 except few assets like Dies & Punches having useful life of 3 years as per technical evaluation and management estimate and Solar Plants having useful life of 25 years. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Building constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold land are amortised over the primary lease period of the land.

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

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

Notes to the Consolidated Financial Statements
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Depreciation for Subsidiaries

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

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

7.2 Intangible Assets

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

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Internally generated intangibles, excluding development costs as defined in Ind AS, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

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

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

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

Research and Development

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

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

Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The group depreciates investment property using the following useful lives from the date of original purchase.

Investment Property	Management estimate of useful life	Useful life as per Schedule II
Building	21 years	30 and 60 years

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair value of investment property is disclosed in the notes. Fair value is determined on the basis of valuation done by registered valuer.

Impairment on non-financial assets

The group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable

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amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

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

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

7.3 Financial Instruments

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

Financial Assets

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

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

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

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

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

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

Investment in Equity Instruments

Equity instruments which are held for trading are classified as at FVTPL. Fair value changes on the instrument, excluding dividends, are recognised in profit or loss.

Investment in Debt Instruments

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

Notes to the Consolidated Financial Statements
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Derecognition of Financial Assets

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

Impairment of Financial Assets

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition of Financial Liabilities

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

Derivative Financial Instrument

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

7.4 Inventories

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses necessary to make the sale.

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

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

Consumables and other materials procured for R&D purpose are charged off when acquired.

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7.5 Cash and Cash Equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the group's cash management.

7.6 Cash Flow Statement

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

including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date.

7.7 Foreign Currency Transactions

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

7.8 Revenue Recognition

Sale of Goods

The group applied Ind AS 115 using the modified retrospective approach.

Revenue is measured based on the transaction price adjusted for discounts and rebates, which is specified in a contract with customer. Revenue are net of estimated returns and taxes collected from customers.

Revenue from sale of goods is recognised at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer as per terms agreed.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer.

The consideration can be fixed or variable. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

Sales return is variable consideration that is recognised and recorded based on historical experience, market conditions and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with trade practices, historical trends, past experience and projected market conditions.

Interest income

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

Dividend income

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

Income from Export Benefits and Other Incentives

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

7.9 Employee Benefits

In case of Holding Company

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

Notes to the Consolidated Financial Statements
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(i) Defined Benefit Plans

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

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

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

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

(ii) Defined Contribution Plans

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

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

(iii) Compensated Absences

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

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

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

(iv) Share-Based Compensation

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

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

In case of Subsidiary at Mauritius

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

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In case of Subsidiary at Philippines

Short-term benefits

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

Post-employment benefits

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

Compensated Absences

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

In case of Subsidiary at USA

Short-term benefits

The Company recognises a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, Medicare contributions, and other non-monetary benefits. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

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

7.10 Borrowing Costs

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

7.11 Leases

The Group's lease asset class primarily consists of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the generally accepted interest rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets given on operating lease, lease rentals are accounted in the statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

7.12 Government Grants

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

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

7.13 Earnings Per Share

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

7.14 Income Taxes

Income tax expense comprises current and deferred income tax.

Current tax is recognised in statement of profit or loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current tax is also recognised in other comprehensive income or directly in equity respectively. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the respective Country's tax rates and tax laws that have been enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

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

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

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

7.15 Dividends to Shareholders

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

7.16 Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

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

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

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

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

Contingent liability is disclosed in the case of:

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

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

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

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

7.17 Fair value measurement

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

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

- Derivative financial instruments (mainly forward currency contracts) are measured at fair value received from Bank.
- Mutual Funds are measured at fair values as per Net Asset Value (NAV).

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- Employee Stock Option Plan (ESOP) at fair values as per Black Scholes option pricing model.

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

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

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

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

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

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

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

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

7.18 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10%' test of Ind AS 109 in assessing whether to derecognise a financial liability.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Group will evaluate these amendments to give effect as required by law.

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8. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN -PROGRESS, INVESTMENT PROPERTIES AND OTHER INTANGIBLE ASSETS

8.1 Current Year

₹ in Crore

Particulars	Gross Block (Cost or Deemed cost)					Accumulated Depreciation/amortisation					Net Block
	As at 1 April 2021	Exchange Difference	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Exchange Difference	For the Year	Disposals	As at 31 March 2022	As at 31 March 2022
(A) Property, plant and equipment											
Freehold land **	155.63	0.07	1.80	-	157.50	-	-	-	-	-	157.50
Leasehold improvement	1.17	(0.08)	-	-	1.09	0.80	(0.05)	0.00	-	0.75	0.34
Buildings	567.65	(0.07)	19.44	-	587.02	120.63	(0.03)	16.13	-	136.73	450.29
Plant and equipments	1,106.73	(1.08)	79.73	12.79	1,172.59	340.18	(0.74)	79.35	8.50	410.29	762.30
Furniture and fixtures	85.97	(0.05)	2.90	1.70	87.12	47.45	(0.04)	5.43	1.47	51.37	35.75
Vehicles	12.38	(0.29)	0.38	0.59	11.88	8.81	(0.30)	1.19	0.51	9.19	2.69
Office equipments	26.19	(0.26)	2.06	0.28	27.71	18.04	(0.24)	2.75	0.16	20.39	7.32
Computers	30.14	(0.01)	3.08	4.96	28.25	20.77	(0.00)	4.07	4.71	20.13	8.12
Total	**1,985.86**	**(1.77)**	**109.39**	**20.32**	**2,073.16**	**556.68**	**(1.40)**	**108.92**	**15.35**	**648.85**	**1,424.31**
(B) Other intangible assets											
Computer Software	26.68	0.14	2.06	-	28.88	15.89	0.03	3.94	-	19.86	9.02
Total	**26.68**	**0.14**	**2.06**	**-**	**28.88**	**15.89**	**0.03**	**3.94**	**-**	**19.86**	**9.02**
Total (A + B)	**2,012.54**	**(1.63)**	*** 111.45**	**20.32**	**2,102.04**	**572.57**	**(1.37)**	**112.86**	**15.35**	**668.71**	**1,433.33**
(C) Capital work in progress #											152.86
(D) Investment properties	10.93	-	-	-	10.93	2.03	-	0.49	-	2.52	8.41
Total (A) + (B) + (C) + (D)											**1,594.60**

* Addition includes ₹ 12.19 Crore used for Research and Development.

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

Capital-Work-in Progress ageing schedule

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (*)	91.75	30.66	4.06	26.39	152.86

* Project execution plans are assessed on an annual basis and all the projects are executed as per rolling annual plan.

8.2 Previous Year

₹ in Crore

Particulars	Gross Block (Cost or Deemed cost)					Accumulated Depreciation/amortisation					Net Block
	As at 01 April 2020	Exchange Difference	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	Exchange Difference	For the Year	Disposals	As at 31 March 2021	As at 31 March 2021
(A) Property, plant and equipment											
Freehold land **	155.63	-	-	-	155.63	-	-	-	-	-	**155.63**
Leasehold improvement	1.17	-	-	-	1.17	0.80	-	0.00	-	0.80	**0.37**
Buildings	543.69	-	24.81	0.84	567.65	103.42	-	17.46	0.26	120.62	**447.03**
Plant and equipments	979.04	-	128.37	0.68	1,106.73	273.52	-	67.24	0.58	340.18	**766.55**
Furniture and fixtures	82.93	-	7.65	4.60	85.97	46.56	-	5.29	4.41	47.44	**38.53**
Vehicles	13.32	-	0.38	1.31	12.38	8.15	-	1.46	0.81	8.81	**3.57**
Office equipments	28.51	-	2.51	4.84	26.19	19.66	-	2.65	4.27	18.04	**8.15**
Computers	34.39	-	4.30	8.56	30.14	24.86	-	3.99	8.08	20.77	**9.37**
Total (A)	**1,838.69**	**-**	**168.02**	**20.83**	**1,985.86**	**476.99**	**-**	**98.11**	**18.41**	**556.66**	**1,429.20**
(B) Other intangible assets											
Computer Software	25.26	-	3.83	2.40	26.68	13.57	-	4.69	2.37	15.89	**10.79**
Total (B)	**25.26**	**-**	**3.83**	**2.40**	**26.68**	**13.57**	**-**	**4.69**	**2.37**	**15.89**	**10.79**
Total (A + B)	**1,863.96**	**-**	*** 171.85**	**23.23**	**2,012.54**	**490.56**	**-**	**102.8**	**20.78**	**572.55**	**1,439.99**
(C) Capital work in progress #											**108.19**
(D) Investment properties	10.93	-	-	-	10.93	1.54	-	0.49	-	2.03	**8.90**
Total (A) + (B) + (C) + (D)											**1,557.08**

* Addition includes ₹ 2.91 Crore used for Research and Development.

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

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Capital-Work-in Progress ageing schedule

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	69.55	7.16	24.43	7.04	108.19

8. RIGHT-OF-USE ASSETS (REFER NOTE 55)

8.3 Current Year

₹ in Crore

Particulars	Gross Block (Cost or Deemed cost)					Accumulated Depreciation/Amortisation					Net Block
	As at 1 April 2021	Exchange Difference	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Exchange Difference	For the Year	Disposals	As at 31 March 2022	As at 31 March 2022
Leasehold land	79.55	-	1.56	18.52	62.59	2.13	-	0.98	1.24	1.87	60.72
Leasehold properties	37.76	0.10	5.65	1.28	42.23	22.96	0.03	10.98	1.27	32.70	9.53
Total	**117.31**	**0.10**	**7.21**	**19.80**	**104.82**	**25.09**	**0.03**	**11.96**	**2.51**	**34.57**	**70.25**

8.4 Previous Year

₹ in Crore

Particulars	Gross Block (Cost or Deemed cost)					Accumulated Depreciation/Amortisation					Net Block
	As at 1 April 2020	Exchange Difference	Additions	Disposals	As at 31 March 2021	As at 01 April 2020	Exchange Difference	For the Year	Disposals	As at 31 March 2021	As at 31 March 2021
Leasehold land	67.12	-	12.43	-	79.55	1.00	-	1.13	-	2.13	77.42
Leasehold properties	36.63	-	3.22	2.09	37.76	11.88	-	11.68	0.60	22.96	14.80
Total	**103.75**	**-**	**15.65**	**2.09**	**117.31**	**12.88**	**-**	**12.81**	**0.60**	**25.09**	**92.22**

9. INVESTMENTS (NON-CURRENT)

₹ in Crore

Particulars			As at 31 March 2022	As at 31 March 2021
A. Long term trade investments				
Unquoted investments				
in Joint Venture				
Turkmenderman Ajanta Pharma Limited (Refer Note below #)				
2,00,000 (31 March 2021 2,00,000) Shares of US $ 10 each fully paid-up			-	-
In Membership Share in LLP (at Fair Value through Profit or Loss)				
ABCD Technologies LLP, India (Percentage share 4.03%)			25.10	-
In others at fair value				
OPGS Power Gujarat Private Limited				
1,95,000 (31 March 2021 1,95,000) Shares of ₹ 0.19 each			-	-
(31 March 2022 ₹ 37,050, 31 March 2021 ₹ 37,050)				
Total			**25.10**	**-**
B. Other Investments				
In Mutual Funds (unquoted)	**Face Value ₹**	**No. of Units ***	**Face Value**	
Greenland Global Fund - Sub Fund A - Class B RPS - Series 8	-	-	-	-
		(450)		
Silverdale Fund SP-1	-	-	-	-
		(8,263)		
Total			**25.10**	**-**

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₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
# Note: The Company has made full provision for investment in Turkmenderman Ajanta Pharma Limited in Year 2014-15 and carrying value of investment is considered Nil.		
Aggregate value of unquoted investments	32.05	6.95
Aggregate value of unquoted investments (net of impairment)	25.10	-
Aggregate market value of quoted investments	-	-
Aggregate amount of impairment in value of non current investment	6.95	6.95

* Figures in Brackets are for Previous Years

10. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good unless otherwise stated		
Security deposits	6.16	6.47
Prepaid lease	-	-
Financial asset at amortised cost	4.32	3.95
In deposit accounts with banks with maturity of more than 12 months from the balance sheet date		
- Under lien	1.46	5.72
- Others (31 March 2022 ₹ 80,428, 31 March 2021 ₹ 29,084)	-	-
Interest accrued on fixed deposits with banks	0.10	0.23
	12.04	**16.37**

11. DEFERRED TAX ASSETS (NET)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Others	55.55	50.10
	55.55	**50.10**

12. NON CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax paid (net provision ₹ 190.34 Crore (31 March 2021 ₹ 190.19 Crore))	27.04	21.44
	27.04	**21.44**

13. OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured, considered good unless otherwise stated)		
Capital advances	5.72	12.64
Vat receivable	0.30	0.76
Octroi refund receivable	0.52	0.52
	6.54	**13.92**

Notes to the Consolidated Financial Statements
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14. INVENTORIES

(At lower of cost and net realisable value)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials	240.05	291.23
Packing materials	49.39	58.08
Work-in-progress	46.50	48.00
Finished goods (including in transit ₹ 82.79 Crore, 31 March 2021 ₹ 70.80 Crore)	262.82	216.63
Stock-in-trade (including in transit ₹ 1.69 Crore, 31 March 2021 ₹ 0.89 Crore)	192.29	152.53
	791.07	**766.47**

During the year, the group recorded inventory write downs of ₹ 11.96 Crore (31 March 2021 ₹ 3.46 Crore). These adjustments were included in cost of material consumed and changes in inventories.

15. CURRENT INVESTMENTS

Investment at fair value through statement of Profit or Loss

₹ in Crore

Particulars	Face Value ₹	No. of Units*	As at 31 March 2022	As at 31 March 2021
Investment in mutual funds (Unquoted)				
LC Beacon Fund	-	-	-	36.68
		(-)		
			-	36.68
Investment in mutual funds (quoted)				
ABSL Arbitrage Fund Direct Plan - Dividend	10	-	-	37.37
		(17,158,517)		
Shriram Transport Fin. Co Limited NCD 18NV23 FVRS10 lacs	1,000,000	150	16.54	-
		(-)		
Shriram Tranpsort Finance Company Limited SR PPML Y-01 BR NCD 02DC22 FVRS10 lacs	1,000,000	100	11.49	10.48
		(100)		
Shriram Tranpsort Finance Company Limited SR PPML Y 02 BR NCD 27AP23 FVRS10 lacs	1,000,000	150	16.72	15.11
		(150)		
Muthoot Fincorp Limited SR VI BR NCD 04AP23 FVRS10 lacs	1,000,000	300	33.08	30.62
		(300)		
L&T Arbitrage Opportunities Fund Direct Growth	10	-	-	20.18
		(12,948,527)		
Invesco India Arbitrage Fund - Direct Plan Growth	10	-	-	25.23
		(9,700,040)		
Muthoot Fincorp Limited SR VII BR NCD 16MR24 FVRS10 lacs	1,000,000	230	25.37	-
		(-)		
Muthoot Fincorp Limited SR VIII BR NCD 22MR23 FVRS10 lacs	1,000,000	50	5.51	-
		(-)		
Shriram City Union Finance Limited SR XXIII TR1 BR NCD 17MY23 FVRS10 lacs	1,000,000	120	13.15	-
		(-)		
			121.86	**138.99**
			121.86	**175.67**
Aggregate value of quoted investments and market value			121.86	138.99
Aggregate value of unquoted investments (net of impairment)			-	36.68
Aggregate amount of impairment in value of investments			-	-

* Figures in Brackets are for Previous Years

Notes to the Consolidated Financial Statements
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16. TRADE RECEIVABLES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured, considered good unless otherwise stated)		
Trade receivables considered good	1,019.81	738.43
Trade receivables which have significant increase in credit risk	3.12	3.62
Trade receivables credit impaired	11.62	9.95
	1,034.55	**752.00**
Less: Loss allowance	**(14.74)**	**(13.57)**
Total Receivables	**1,019.81**	**738.43**
Break-up of Security Details		
(i) Trade receivables considered good- Secured	-	-
(ii) Trade receivables considered good- Unsecured	1,019.81	738.43
(iii) Trade receivables which have significant increase in Credit Risk	3.12	3.62
(iv) Trade receivables - credit impaired	11.62	9.95
Total	**1,034.55**	**752.00**
Loss Allowance	(14.74)	(13.57)
Total Trade Receivables	**1,019.81**	**738.43**

Ageing Schedule for trade receivables as at 31 March 2022

₹ in Crore

Particulars	Outstanding for following period from due date of payment						
	Not Due	< 6 Months	6-12 Months	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	296.28	710.40	11.11	2.01	-	-	**1,019.81**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	7.24	0.64	3.01	0.05	0.68	**11.62**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	3.12	**3.12**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
Total	**296.28**	**717.64**	**11.75**	**5.02**	**0.05**	**3.80**	**1,034.55**
Less: Loss Allowance	**-**	**-**	**-**	**-**	**-**	**-**	**(14.74)**
Total Trade Receivable	**-**	**-**	**-**	**-**	**-**	**-**	**1,019.81**

Notes to the Consolidated Financial Statements
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Ageing Schedule for trade receivables as at 31 March 2021

₹ in Crore

Particulars	Outstanding for following period from due date of payment						
	Not Due	< 6 Months	6-12 Months	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	279.11	455.82	3.25	0.25	-	-	**738.43**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	6.73	0.79	0.39	0.72	1.32	**9.95**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	3.62	**3.62**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
Total	**279.11**	**462.55**	**4.04**	**0.64**	**0.72**	**4.94**	**752.00**
Less: Loss Allowance	**-**	**-**	**-**	**-**	**-**	**-**	**(13.57)**
Total Trade Receivable	**-**	**-**	**-**	**-**	**-**	**-**	**738.43**

There are no unbilled receivables, hence the same is not disclosed in teh ageing schedule.

(There are no other trade receivables which have significant increase in credit risk, Refer note 51 for information about credit risk and market risk of trade receivables).

The loss allowance on trade receivable has been computed on the basis of Ind AS 109, Financial Instruments which require such allowance to be made even for trade receivable considered good on the basis that credit risk exists even though it may be very low. The Company exposure to credit and currency risk and loss allowance related to trade receivable are disclosed in note 51.

17. CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents (as per Ind AS-7 - "Statement of cash flows")		
Bank balances		
- In current accounts	89.20	106.57
- In EEFC Accounts	117.13	70.91
Cash on Hand	0.03	0.03
	206.36	**177.51**

Notes to the Consolidated Financial Statements
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18. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked balances with banks		
- Unpaid dividend	0.91	0.88
In Deposit Accounts (original maturity of more than 3 months but expected to mature)		
- Under lien	4.51	6.22
- Others	-	25.00
	5.43	**32.10**

19. LOANS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured, considered good unless otherwise stated)		
Advances to employees	3.70	5.48
Loan to employees	2.67	2.55
	6.37	**8.03**

20. OTHER CURRENT FINANCIAL ASSETS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Interest receivable	0.58	1.76
Insurance receivable	0.01	0.01
Mark to market derivative asset	17.10	4.09
	17.69	**5.86**

21. OTHER CURRENT ASSETS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Advances other than capital advances		
Advances to vendors		
- considered good	24.51	22.08
- credit impaired	-	-
	24.51	**22.08**
Less: provision for credit impaired	-	-
	24.51	**22.08**
Prepaid expenses	15.58	13.84
Other advances recoverable	10.32	3.15
Balance with Statutory/Govt. Authorities		
GST receivable	43.94	52.10
Export benefits receivable	1.51	32.35
	95.87	**123.52**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

22. EQUITY SHARE CAPITAL

₹ in Crore

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Authorised				
Equity shares of ₹ 2 each	150,000,000	30.00	150,000,000	30.00
Issued, subscribed and paid-up:				
Issued, subscribed and fully paid up Equity shares of ₹ 2 each	85,415,770	17.08	86,531,770	17.30
Add: Share Forfeited	766,500	0.09	766,500	0.09
	86,182,270	**17.17**	**87,298,270**	**17.39**

22.1 Movements in equity share capital

₹ in Crore

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Equity shares outstanding as at the beginning of the year	86,531,770	17.30	87,261,270	17.45
Add: Equity shares allotted during the year against option's excercised under Employee Stock Option Plan / Scheme (ESOP)	4,000	0.00*	5,500	0.00#
Less: Equity shares extinguished on buy back	(1,120,000)	(0.22)	(735,000)	(0.15)
Equity shares outstanding as at the end of the year	85,415,770	17.08	86,531,770	17.30

* ₹ 8,000 # ₹ 11,000

22.2 Rights attached to Equity shares

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

The following dividends were declared and paid by the Company during the year ended:

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Interim and final equity dividend were declared and paid for financial year 2020-21 at ₹ 9.50 per equity share	-	82.90
Interim and final equity dividend were declared and paid for financial year 2021-22 at ₹ 9.50 per equity share	82.21	-
Total	**82.21**	**82.90**

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

Dividends and tax thereon have not been recognised as liabilities in the year to which they pertain to and is recorded in the year in which they have been approved in the Annual General Meeting.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

22.3 Details of shareholders holding more than 5% Equity shares

₹ in Crore

Name of Shareholders	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	% holding	Number of Shares	% holding
Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	12,380,262	14.49	12,533,346	14.48
Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	12,380,262	14.49	12,533,345	14.48
Ravi P. Agrawal, Trustee Ravi Agrawal Trust	12,276,207	14.37	12,433,113	14.37
Aayush M. Agrawal, Trustee Aayush Agrawal Trust	12,261,811	14.36	12,423,429	14.36
Gabs Investments Private Limited	8,392,262	9.83	8,392,262	9.70

22.4 Equity shares reserved for issuance under Employees Stock Options Scheme 2011 of the Company

Particulars	As at 31 March 2022	As at 31 March 2021
	Number of Shares	Number of Shares
Equity shares	**1,127,750**	**1,127,750**

22.5 Equity shares reserved for issuance under Share based Incentive Plan 2019 of the Company

Particulars	As at 31 March 2022	As at 31 March 2021
	Number of Shares	Number of Shares
Equity shares	**496,500**	**500,000**

22.6 Aggregate number of Equity shares issued during last five years pursuant to Employees Stock Options Scheme 2011

Particulars	As at 31 March 2022	As at 31 March 2021
	Number of Shares	Number of Shares
Equity shares	**201,500**	**197,500**

22.7 Equity shares allotted as fully paid up bonus Shares for the period of five years immediately preceding the balance sheet date

Particulars	As at 31 March 2022	As at 31 March 2021
	Number of Shares	Number of Shares
Bonus Shares on allotment of ESOP in FY 2016-17	**1,250**	**1,250**

22.8 Equity shares extinguished on buy-back

Current Year

The Board of Directors of the Company, at its meeting held on 28 December 2021 had approved a proposal to buyback upto 11,20,000 equity shares of the Company for an aggregate amount not exceeding ₹ 285.60 Crore being 1.29% of the total paid up equity share capital, at ₹ 2,550 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 11,20,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought back on 28 February 2022. The Company has utilised its Securities Premium (₹ 0.54 Crore) and General Reserve (₹ 285.06 Crore) for the buyback of its equity shares. Total transaction cost of ₹ 2.02 Crore incurred towards buyback and tax of ₹ 66.48 Crore was offset from retained earnings. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of ₹ 0.22 Crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

Previous Year

The Board of Directors of the Company, at its meeting held on 3 November 2020 had approved a proposal to buyback upto 7,35,000 equity shares of the Company for an aggregate amount not exceeding ₹ 135.98 Crore being 0.84% of the total paid up equity share capital, at ₹ 1,850 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 735,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought back on 30 December 2020. The Company has utilised its Securities Premium (₹ 1.63 Crore) and General Reserve (₹ 134.35 Crore) for the buyback of its equity shares. Total transaction cost of ₹ 0.78 Crore incurred towards buyback and tax of ₹ 31.64 Crore was offset from retained earnings. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of ₹ 0.15 Crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

22.9 Details of Equity Shares held by promoters at the end of the year

₹ in Crore

Name of Shareholders	As at 31 March 2022			As at 31 March 2021		
	Number of Shares	% holding	% Change during the year	Number of Shares	% holding	% Change during the year
Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	12,380,262	14.49	(1.22)	12,533,346	14.48	(0.85)
Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	12,380,262	14.49	(1.22)	12,533,345	14.48	(0.84)
Ravi P. Agrawal, trustee Ravi Agrawal Trust	12,276,207	14.37	(1.26)	12,433,113	14.37	(0.89)
Aayush M. Agrawal, trustee Aayush Agrawal Trust	12,261,811	14.36	(1.30)	12,423,429	14.36	(0.93)
Gabs Investments Private Limited	8,392,262	9.83	-	8,392,262	9.70	-
Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal & Mr. Ravi P. Agrawal	2,299,852	2.69	(1.90)	2,344,328	2.71	(1.95)
Ravi P. Agrawal	190,000	0.22	-	190,000	0.22	-
Aayush M. Agrawal	20,000	0.02	-	20,000	0.02	-

23. OTHER EQUITY

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Capital redemption reserve		
Balance at the beginning of the year	2.40	2.25
Add: amount transferred upon buyback of shares	0.23	0.15
Balance as at the year end	**2.63**	**2.40**
Securities premium account		
Balance at the beginning of the year	-	1.06
Add: addition during the year	0.54	0.58
Less: utilisation for buyback of shares	(0.54)	(1.64)
Balance as at the year end	**-**	**-**
Foreign Currency Translation Reserve		
Balance at the beginning of the year	9.20	14.32
Add: Addition during the year	(8.33)	(5.12)
Balance as at the year end	**0.87**	**9.20**
General reserve		
Balance at the beginning and at the end of the year	816.83	951.18

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Less: transferred to capital redemption reserve	-	-
Less: utilised for buyback of shares	(285.06)	(134.35)
Balance as at the year end	**531.77**	**816.83**
Employee stock option outstanding		
Balance at the beginning of the year	0.54	0.47
Add: share based payment expenses	(0.54)	0.46
Less: exercised during the year	(0.30)	0.39
Balance as at the year end	**0.30**	**0.54**
Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)		
Balance at the beginning of the year	(6.46)	(5.13)
Add: amount transferred	0.36	(1.33)
Balance as at the year end	**(6.10)**	**(6.46)**
Retained earnings		
Balance at the beginning of the year	2,155.73	1,617.18
Profit for the year	712.68	653.87
Less: Appropriations		
- Interim Dividend on Equity shares	82.21	82.90
- Corporate Tax on Interim Dividend	-	-
- Expense relating to buyback of Equity shares	68.50	32.42
Balance at the year end	**2,717.70**	**2,155.73**
Total Other equity	**3,247.17**	**2,978.24**

24. NON-CURRENT BORROWINGS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Vehicle loans (secured)		
From banks (foreign currency)	1.64	1.60
	1.64	**1.60**

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

25. LEASE LIABILITIES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Lease liabilities (refer note 53)	16.93	18.17
	16.93	**18.17**

26. OTHER FINANCIAL LIABILITIES (NON CURRENT)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposits payable	1.09	1.25
	1.09	**1.25**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

27. OTHER NON-CURRENT LIABILITIES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred Government Grant	3.00	3.34
	3.00	**3.34**

28. PROVISIONS (NON-CURRENT)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (Net)		
Gratuity (refer Note 49.2)	-	1.09
Compensated absences (refer Note 49.3)	19.32	16.84
	19.32	**17.93**

29. DEFERRED TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 20201
Tax effect of items constituting - Deferred tax liabilities		
Difference in tax base of property, plant and equipment (A)	126.89	100.90
Unrealised gain/loss on securities carried at FVOCI/FVTPL (B)	3.13	1.43
Tax effect of items constituting - Deferred tax assets		
MAT credit entitlement (C)	-	-
Disallowance under income tax (D)	28.15	10.16
Deferred tax liabilities (net) (A+B)-(C+D)	**101.87**	**92.17**

30. BORROWINGS (CURRENT)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Current Maturities of long-term borrowing		
Vehicle loans (secured)	0.27	0.09
	0.27	**0.09**

31. LEASE LIABILITIES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Lease liabilities (refer note 53)	6.19	11.50
	6.19	**11.50**

32. TRADE PAYABLES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises	27.98	24.48
Total outstanding dues of creditors other than micro enterprises and small enterprises	299.19	349.38
	327.17	**373.86**

(Refer Note 61 for disclosure relating to Micro & Small Enterprises)

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

33. OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Unpaid dividend*	0.85	0.81
Capital creditors	42.02	40.16
Book overdraft	9.49	6.39
Employee benefits payable	15.00	14.07
Sales Returns for expired goods (refer note 57)	163.13	110.55
Other payables	0.10	0.15
	230.59	**172.13**

*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31 March 2022.

34. OTHER CURRENT LIABILITIES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers	52.31	20.66
Statutory dues payable	11.78	9.43
Deferred government grant	0.33	0.33
	64.42	**30.42**

35. PROVISIONS (CURRENT)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (net)		
Gratuity (refer Note 49.2)	6.27	6.79
Compensated absences (refer Note 49.3)	4.54	4.92
	10.81	**11.71**

36. CURRENT TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for tax (net of advance tax ₹ 190.34 Crore (31 March 2021 ₹ 190.19 Crore))	7.94	48.92
	7.94	**48.92**

37. REVENUE FROM OPERATIONS

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products (Refer note 65)		
Finished goods	2,827.82	2,428.20
Stock-in-trade	456.31	417.00
Other operating revenues		
Export incentives	44.74	34.11
Others	12.12	10.38
	3,340.99	**2,889.69**

Notes to the Consolidated Financial Statements
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38. OTHER INCOME

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Income from financial assets carried at FVTPL		
Gain on sale/redemption of Current Investments	3.07	5.90
Gain on investment at FVTPL	9.21	2.37
Gain on financial instrument at FVTPL	17.09	4.09
Income on financial assets carried at amortised cost		
Interest on deposits with banks	1.01	1.97
Interest from others	13.64	1.54
Exchange difference (net)	56.37	4.51
Miscellaneous income	15.29	5.60
	115.68	**25.98**

39. COST OF MATERIAL CONSUMED

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Raw material consumed	624.80	576.35
Packing material consumed	154.54	130.06
	779.34	**706.41**

40. PURCHASE OF STOCK-IN-TRADE

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Purchase of stock-in-trade	**136.10**	**89.54**

41. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the beginning of the year:		
Work-in-progress	48.00	40.60
Finished goods	216.63	146.55
Stock-in-trade	152.52	85.05
(A)	**417.15**	**272.20**
Inventories at the end of the year:		
Work-in-progress	46.50	48.00
Finished goods	262.82	216.63
Stock-in-trade	192.30	152.53
(B)	**501.64**	**417.16**
Effect of foreign exchange translation (C)	**1.29**	**(5.94)**
Total changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Work-in-progress	1.49	(7.43)
Finished goods	(46.30)	(70.16)
Stock-in-trade	(38.37)	(73.31)
Total changes in inventories of finished goods, work-in-progress and stock-in-trade: (A) - (B) + (C)	**(83.17)**	**(150.90)**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

42. EMPLOYEE BENEFIT EXPENSES

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	596.96	499.66
Share based payment expense (refer note 50)	0.30	0.66
Contribution to provident and other funds	31.37	28.66
Gratuity expenses	7.07	6.13
Staff welfare expenses	10.08	13.14
	645.79	**548.25**

43. FINANCE COST

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses	10.20	8.27
	10.20	**8.27**

44. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 8)	108.90	98.10
Amortisation on intangible assets (refer note 8)	3.94	4.69
Depreciation on right-of-use assets (refer note 8)	11.96	12.81
Amortisation on investment property (refer note 8)	0.49	0.49
	125.30	**116.09**

45. OTHER EXPENSES

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Selling expenses	292.76	236.79
Clearing and forwarding	181.72	136.32
Travelling expenses	53.79	33.86
Processing charges	14.72	20.61
Power and fuel	54.38	43.70
Advertisement and publicity	4.78	1.62
Consumption of stores & spare parts	54.45	37.34
Product registration expenses	49.50	23.35
Rent (refer note 53)	6.54	2.43
Rates and taxes	1.67	1.55
Legal and professional fees	28.81	15.51
Postage and telephone expenses	10.63	7.79
Repairs & maintenance		
Buildings	5.29	3.27
Plant and machinery	35.90	26.60
Computers & others	10.52	8.32
Insurance	15.15	14.82
Donation	0.86	0.77
Impairment loss on financial assets	3.98	7.56
Loss on sale/discard of property, plant and equipment (net)	3.87	2.21

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Clinical and analytical charges	44.89	25.47
Director sitting fees	0.27	0.22
Corporate social responsibility expenses (refer note 56)	13.13	12.89
Commission to directors	10.61	6.64
Miscellaneous expenses	35.40	28.19
	933.64	**697.83**

46. CAPITAL MANAGEMENT

Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return (EBIT) on capital, as well as the level of dividends to equity shareholders. The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans.

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

Group's policy is to keep the Net Debt Equity ratio below 1.00 and its adjusted net debt to equity ratio at 31 March 2022 was as follows.

₹ in Crore

Particulars		As at 31 March 2022	As at 31 March 2021
Borrowings		1.91	1.69
Less: Cash and Cash Equivalents and current investments		(328.22)	(353.18)
Adjusted net debt	A	(326.30)	(351.49)
Equity	B	3,264.32	2,995.63
Adjusted net debt to equity ratio	A/B	(0.10)	(0.12)

47. BASIC AND DILUTED EARNINGS PER SHARE IS CALCULATED AS UNDER:

The numerator and denominator used to calculate Basic and diluted earnings per share:

₹ in Crore

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
Profit after non-controlling interest attributable to Equity shareholders- for Basic EPS (₹ in Crore)	A	712.68	653.87
Add: Dilutive effect on profit (₹ in Crore)*	B	Nil	Nil
Profit attributable to Equity shareholders for computing Diluted EPS (₹ in Crore)	C=A-B	712.68	653.87
Weighted Average Number of Equity Shares outstanding - for Basic EPS	D	8,64,38,707	8,70,78,285
Add: Dilutive effect of option outstanding- Number of Equity Shares *	E	2,997	3,994
Weighted Average Number of Equity Shares for Diluted EPS	F=D+E	8,64,41,704	8,70,82,279
Face Value per Equity Share (₹)		2	2
Basic Earnings Per Share (₹)	A/D	82.45	75.09
Diluted Earnings Per Shares (₹)	C/F	82.45	75.09

* On account of Employee Stock Option Scheme 2011 (ESOS) and Share based Incentive Plan 2019 - (Refer note 50).

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

48. CONSOLIDATED FINANCIAL STATEMENTS PRESENT THE CONSOLIDATED ACCOUNTS OF THE HOLDING COMPANY AND FOLLOWING SUBSIDIARY COMPANIES.

48.1 Details of subsidiaries of the Group are as under:

₹ in Crore

Name of the Company	Country of Incorporation	% voting power held as at 31 March 2022
Ajanta Pharma (Mauritius) Limited ("APML")	Mauritius	100%
Ajanta Pharma (Mauritius) Intl. Limited ("APMIL") (Wholly owned Subsidiary of APML)	Mauritius	100%
Ajanta Pharma USA Inc. ("APUI")	U.S.A.	100%
Ajanta Pharma Philippines Inc. ("APPI")	Philippines	100%
Ajanta Pharma Nigeria Limited ("APNL")	Nigeria	100%

48.2 The financial statements of the subsidiaries used for consolidation are for the period from 1 April 2021 to 31 March 2022.

49. EMPLOYEE BENEFITS IN RESPECT OF THE HOLDING COMPANY

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

49.1. Defined contribution plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The Company does not have any liability beyond depositing these amounts in to the government administered fund. During the year, the Company has made the following contributions:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Provident Fund and Employee's Pension Scheme	26.89	25.19
Employees State Insurance and others	4.32	3.32
	31.21	**28.51**

49.2. Defined benefit plans:

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

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

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

49.2.2. On the death in service:

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

₹ in Crore

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
i)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	43.51	36.57
	Current service cost	6.79	5.77
	Interest cost	2.47	2.11
	Actuarial loss / (gain)		
	- Changes in financial assumptions	(1.25)	0.54
	- Changes in demographic assumptions	Nil	Nil
	- Experience adjustments	1.23	1.48
	Past service cost	-	-
	Benefit (paid)	(4.56)	(2.96)
	Closing defined benefit obligation	**48.19**	**43.51**
ii)	**Changes in value of Plan Assets**		
	Opening value of plan assets	35.63	28.18
	Interest Income	2.19	1.75
	Return on plan assets excluding amount included in Interest Income	0.56	(0.02)
	Contributions by employer	8.13	8.68
	Benefits (paid)	(4.56)	(2.96)
	Closing value of plan assets	**41.92**	**35.63**
iii)	**Amount recognised in the Balance Sheet**		
	Present value of funded obligations as at year end	48.19	43.51
	Fair value of the plan assets as at year end	(41.92)	(35.63)
	Net liability recognised as at the year end	**6.27**	**7.88**
iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	6.79	5.77
	Net Interest cost	0.28	0.36
	Net expenses recognised in the Statement of Profit and Loss	**7.07**	**6.13**
	Expenses recognised in the Statement of Other comprehensive income		
	Net actuarial loss/(gain) recognised in the current year		
	- Changes in financial assumptions	(1.25)	0.54
	- Changes in demographic assumptions	-	-
	- Experience adjustments	1.23	1.48
	Return on plan assets excluding amounts included in interest income	(0.53)	0.02
	Net Expenses recognised in the Statement of Other comprehensive income	**(0.55)**	**2.04**
v)	**Asset information**		
	Insurer Managed Funds (100%)		
	(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	100%	100%
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	6.80%	6.25%
	Salary growth rate (p.a.)	9.00% for next 1 year and 7.00% thereafter	9.00% for next 1 year and 7.00% thereafter
	Weighted average duration of defined benefit obligation (Years)	6.36	6.32
	Withdrawal Rate (%):		
	Age Band		
	25 and below	40	40
	26 to 35	24	24
	36 to 45	12	12
	46 to 55	8	8
	56 and above	8	8
vii)	**Estimate of amount of contribution in immediate next year**	6.27	6.79

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Sensitivity Analysis

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

₹ in Crore

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	46.78	49.69	42.20	44.91
Salary growth rate (0.5% movement)	49.47	46.94	44.70	42.35

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

49.3 Leave Encashment:

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

Accordingly, ₹ 23.85 Crore (31 March 2021 ₹ 21.76 Crore) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

Employee retirement and other benefit obligations in respect of the subsidiary at Mauritius:

For employees who are not covered by a pension plan, the net present value of severance allowances payable is provided for aggregating ₹ Nil (31 March 2021 ₹ 0.56 Crore).

Employee retirement and other benefit obligations in respect of the subsidiary at Philippines:

Short term benefits include salaries and wages and other government contributions which are due within 12 months after the end of the period in which employee renders the related service. The Company's short-term employee benefits amounted to ₹ Nil (31 March 2021 ₹ 0.02 Crore). The Company did not yet set up a retirement plan since it does not have more than ten employees who had served at least five years.

Employee retirement and other benefit obligations in respect of the subsidiary at USA:

Short term benefits include salaries and wages and other government contributions which are due within 12 months after the end of the period in which employee renders the related service. The Company's short-term employee benefits amounted to ₹ 3.53 Crore (31 March 2021 ₹ 2.10 Crore).

50. SHARE BASED PAYMENTS

The Company has established "Employees Stock Option Scheme 2011" ('ESOS – 2011') and Share based Incentive Plan 2019 as approved in earlier year by the shareholders of the Company and Compensation committee of Board of Directors for the key employees of the Company. The options issued under the above scheme vest in a phased manner.

During the year 3,000 option have been granted by the Company under the aforesaid Share based Incentive Plan 2019 to the employees of the Company.

Grant Date	No. of option Granted	No. of Option Cancelled	Exercise Price	Vesting Period
30 April 2021	3,000	-	2	30 April 2022 to 30 April 2024

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The options are granted at an exercise price which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹2 /- each. The particulars of the options under ESOS 2011 and Share based Incentive Plan 2019 are as under:

Particulars	As at 31 March 2022 Nos.	As at 31 March 2021 Nos.
Option outstanding as at the beginning of the year	4,000	6,500
Add: Option granted during the year	3,000	3,000
Less: Option exercised during the year *	4,000	5,500
Less: Option lapsed/cancelled during the year	-	-
Option outstanding as at the year End	3,000	4,000

* The options are exercised by employees of subsidiaries.

Particulars	As at 31 March 2022 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Option outstanding as at the beginning of the year	4,000	2.0	2.0	0.39
Add: Option granted during the year	3,000	2.0	2.0	1.08
Less: Option exercised during the year	4,000	2.0	2.0	NA
Less: Option lapsed/cancelled during the year	-	-	-	-
Option outstanding as at the year end	3,000	2.0	2.0	1.08

Particulars	As at 31 March 2021 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Option outstanding as at the beginning of the Year	6,500	2.0	2.0	0.70
Add: Option granted during the Year	3,000	2.0	2.0	0.3
Less: Option Exercised during the Year	5,500	2.0	2.0	NA
Less: Option lapsed/cancelled during the Year	-	-	-	-
Option outstanding as at the Year End	4,000	2.0	2.0	0.39

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

Variables	Weighted Average Information							
Plan	ESOS 2011 / Share Based Incentive Plan 2019							
Particulars	1,000 option	3,000 option	3,000 option	1,500 option	5,000 option	500 option	3,000 option	3,000 option
Grant date	8 May 2015	26 July 2016	26 July 2016	22 August 2017	31 October 2018	27 September 2019	20 May 2020	30 April 2021
Last date for acceptance	8 June 2015	26 August 2016	26 August 2016	22 September 2017	30 November 2018	27 October 2019	19 June 2020	30 May 2020
Risk free rate (%)	8.00	7.30	7.30	7.50	7.40	5.20	5.2	4.53
Expected Life (years)	1 to 3	3 to 4	1 to 3	1 to 4	2	2	1	1 to 3
Volatility (%)	31.70	20.23	20.23	17.20	13.43	13.74	14.67	14.57
Dividend yield (%)	1.50	0.53	0.53	0.43	0.50	0.55	0.71	0.76
Price of the underlying share in the market at the time of option grant (₹)	1,264	1,478	1,703	1,153	1,058	1,055	1,439	1,842
Fair value of options (₹)	1,189	1,453	1,453	1,142	1,043	1,041	1,425	1,792
Exercise price (₹)	2	2	2	2	2	2	2	2

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The particulars of the options under ESOS 2011 and Share based Incentive Plan 2019 granted to Employees of Subsidiary are as below:

Variables	Weighted Average Information					
Plan	ESOS 2011 /Share Based Incentive Plan 2019					
Particulars	**3,000 option**	**3,000 option**	**1,500 option**	**4,000 option**	**500 option**	**3,000 option**
Grant date	26 July 2016	26 July 2016	22 August 2017	31 October 2018	27 September 2019	20 May 2020
Last date for acceptance	26 August 2016	26 August 2016	22 September 2017	30 November 2018	27 October 2019	19 June 2020
Risk free rate (%)	7.3	7.3	7.5	7.4	5.2	5.2
Expected Life (years)	3 to 4	1 to 3	1 to 4	2	2	1
Volatility (%)	20.23	20.23	17.2	13.43	13.74	14.67
Dividend yield (%)	0.53	0.53	0.43	0.5	0.55	0.71
Price of the underlying share in the market at the time of option grant (₹)	1,478	1,702	1,153	1,058	1,055	1,439
Fair value of options (₹)	1,453	1,453	1,142	1,043	1,041	1,425
Exercise price (₹)	2	2	2	2	2	2

Valuation of stock options

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

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

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

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

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

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

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

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock-based compensation expense could be materially impacted in future years. The Company has granted stock options to employees of a subsidiary, the estimated fair value of stock options issued are included in the carrying value of the investment in the said subsidiary on a straight-line basis over the requisite service period of each separately vesting portion of the award.

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51. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT

A. Fair value measurements

₹ in Crore

Financial instruments by category	As at 31 March 2022		As at 31 March 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investment in Limited Liability Partnership	25.10	-	-	-
Mark to market derivative asset	17.10	-	4.09	-
Investments in NCDs	121.86	-	56.21	-
Investments in mutual funds	-	-	119.46	-
Investment in unquoted equity shares (31 March 2022 ₹ 37,050, 31 March 2021 ₹ 37,050)	-	-	-	-
Trade receivables	-	1,019.81	-	738.43
Other non-current financial assets	-	12.04	-	16.37
Cash and cash equivalents	-	206.36	-	177.51
Bank balances other than cash and cash equivalents	-	5.43	-	32.10
Current loans	-	6.37	-	8.03
Export benefits receivable	-	1.51	-	32.35
Insurance receivable	-	0.01	-	0.01
Interest receivable	-	0.58	-	1.76
Total Financial assets	**164.06**	**1,252.11**	**179.76**	**1,006.56**
Financial Liabilities				
Borrowings and book overdraft	-	11.40	-	8.08
Other non-current financial liabilities	-	1.09	-	1.25
Non-current lease liabilities	-	16.93	-	18.17
Capital creditors	-	42.02	-	40.16
Other current financial liabilities	-	164.08	-	111.51
Employee benefits payable	-	15.00	-	14.07
Current lease liabilities	-	6.19	-	11.50
Trade payables	-	327.17	-	373.86
Total Financial liabilities	**-**	**583.88**	**-**	**578.60**

Fair value measurement of lease liabilities is not required.

Fair value hierarchy

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

₹ in Crore

Financial assets and liabilities measured at fair value	As at 31 March 2022			As at 31 March 2021		
	Level			Level		
	I	II	III	I	II	III
Financial assets						
Recurring fair value measurement						
Investment in Limited liability partnership	-	25.10	-	-	-	-
Mark to market derivative asset	-	17.10	-	-	4.09	-
Investments in NCDs	-	121.86	-	-	56.21	-
Investments in mutual funds	-	-	-	82.78	36.68	-
Total Financial assets	**-**	**164.06**	**-**	**82.78**	**96.98**	**-**

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Level 1 – Level 1 Hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have declared buyback NAV. The mutual funds are valued using the closing NAV.

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

Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Measurement of fair values

Valuation techniques and significant unobservable inputs:

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

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

B. Financial risk management

Group has exposure to following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk

Risk management framework

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

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

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

i. Credit risk

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

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Impairment:

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

Particulars	As at 31 March 2022		
	Carrying amount	Weighted average loss rate	Loss allowance
Not due	454.10	0.00%	-
Past due upto 180 days	559.83	1.29%	7.24
Past due 181 - 365 days	11.75	5.45%	0.64
Past dues 366 - 730 days	5.02	59.96%	3.01
Past dues 731 - 1096 days	0.05	100.00%	0.05
More than 1096 days	3.80	100.00%	3.80
	1,034.55		**14.74**

Particulars	As at 31 March 2021		
	Carrying amount	Weighted average loss rate	Loss allowance
Not due	438.63	0.00%	-
Past due upto 180 days	303.03	2.22%	6.73
Past due 181 - 365 days	4.04	19.55%	0.79
Past dues 366 - 730 days	0.64	60.94%	0.39
Past dues 731 - 1096 days	0.72	100.00%	0.72
More than 1096 days	4.94	100.00%	4.94
	752.00		**13.57**

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non-interest bearing, are mainly from stockists, distributors and customers and are generally on 14 days to 270 days credit term. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

As at 31 March 2022, Group had 75 customers (31 March 2021: 59 customers) that owed the Company more than ₹ 0.50 Crores each and accounted for approximately 93% and 93% of the total outstanding as at 31 March 2022 and 31 March 2021 of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

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

Expected credit loss assessment

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

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine

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incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. The trend of the bad debts is negligible.

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Gross Carrying amount	1,034.55	752.00
Average Expected loss rate	1.42%	1.80%
Carrying amount of trade receivables (net of impairment)	1,019.81	738.43

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

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at the beginning of the year	13.57	12.60
Impairment loss recognised (net)	3.69	7.56
Amounts written off	(2.52)	(6.59)
Balance as at the year end	14.74	13.57

The impairment loss at 31 March 2022 related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

b. Financial instruments

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

ii. Liquidity risk

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

Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to outflows is 0.52 at 31 March 2022 (0.59 at 31 March 2021).

Exposure to liquidity risk

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

₹ in Crore

As at 31 March 2022	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade payables current	327.17	327.17	327.17	-	-	-
Other financial liabilities	231.68	231.68	230.59	1.09	-	-
Lease liabilities	23.12	23.12	6.19	2.39	2.12	12.42
Borrowings	1.91	1.91	0.27	1.64	-	-
	583.88	**583.88**	**564.22**	**5.12**	**2.12**	**12.42**

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₹ in Crore

As at 31 March 2021	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade payables current	373.86	373.86	373.86	-	-	-
Other financial liabilities	173.47	173.47	172.22	1.25	-	-
Lease liabilities	29.67	29.67	11.50	4.93	0.82	12.42
Borrowings	1.60	1.60	-	1.60	-	-
	578.60	**578.60**	**557.58**	**7.78**	**0.82**	**12.42**

iii. Market risk

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

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

iv. Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group. The currencies in which these transactions are primarily denominated are US Dollars, Euro, Mauritian Rupee, Philippine Peso and Nigerian Naira.

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

The following table analyses foreign currency risk as of 31 March 2022:

₹ in Crore

Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Naira	Total
Bank balances	143.28	2.97	12.28	25.04	0.10	183.67
Trade receivables	837.70	0.67	49.68	62.20	-	950.25
Payables	(60.78)	(1.34)	(14.20)	(9.25)	(0.46)	(86.03)
Borrowings	-	-	-	(1.91)	-	(1.91)
Net assets / (liabilities)	**920.20**	**2.30**	**47.76**	**76.08**	**(0.36)**	**1,045.98**

The following table analyses foreign currency risk as of 31 March 2021:

₹ in Crore

Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Naira	Total
Bank balances	86.90	15.31	13.83	12.31	0.18	128.53
Trade receivables	611.52	3.82	9.92	56.80	-	682.06
Payables	(70.01)	(4.93)	(14.23)	(7.87)	(0.39)	(97.43)
Borrowings	-	-	-	(1.69)	-	(1.69)
Net assets / (liabilities)	**628.41**	**14.20**	**9.52**	**59.55**	**(0.21)**	**711.47**

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For the year ended 31 March 2022 every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Group's incremental profit before tax as per below:

₹ in Crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	9.20 / (9.20)
Euro	+1% / (-1%)	0.02 / (0.02)
Mauritian Rupee (MUR)	+1% / (-1%)	0.48 / (0.48)
Philippine Peso (PHP)	+1% / (-1%)	0.76 / (0.76)
Nigerian Naira (NN)	+1% / (-1%)	0.00 / (0.00)

For the year ended 31 March 2021 every percentage point depreciation / appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in Crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	6.28 / (6.28)
Euro	+1% / (-1%)	0.14 / (0.14)
Mauritian Rupee (MUR)	+1% / (-1%)	0.10 / (0.10)
Philippine Peso (PHP)	+1% / (-1%)	0.60 / (0.60)
Nigerian Naira (NN)	+1% / (-1%)	0.00 / (0.00)

52. NOTE ON FOREIGN CURRENCY EXPOSURES ON ASSETS AND LIABILITIES:

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

Particulars	As at 31 March 2022	As at 31 March 2021	Buy or Sell	Cross Currency
	Foreign Currency Amt in Crore	Foreign Currency Amt in Crore		
Euro	2.56	0.10	SELL	INR
USD	13.92	9.46	SELL	INR

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

Particulars	₹ in Crore	₹ in Crore	Foreign Currency Amt in Crore	Foreign Currency Amt in Crore	Foreign Currency
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	
Amount Receivable	-	37.11	-	0.51	USD
	-	27.33	-	0.32	EURO
	-	0.01	-	$	CHF
	-	0.09	-	*	GBP
Amount Payable	188.14	129.23	2.48	1.77	USD
	19.12	14.92	0.23	0.17	EURO
	^		#	-	AED

$ CHF 12,000 * GBP 744 # AED 1912 ^ ₹ 38,616

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

a) Interest rate risk

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

The interest rate profile of the Group's interest-bearing financial instruments as reported to management is as follows:

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Foreign Currency Term Loan	1.91	1.69

A reasonably possible change of 100 basis points in interest rates at the reporting date would have impacted profit before tax as per below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Increase in interest rate by 100 basis points	(0.02)	(0.02)
Decrease in interest rate by 100 basis points	0.02	0.02

53. DISCLOSURE FOR OPERATING LEASES UNDER IND AS 116 - "LEASES":

The Group have taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents. Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

Right-of-use assets

₹ in Crore

As at 31 March 2022	Buildings	Land	Total
Cost			
As at 1 April 2021	37.76	79.55	117.31
Additions	5.75	1.56	7.31
Disposals	(1.28)	(18.52)	(19.80)
Balance at 31 March 2022	**42.23**	**62.59**	**104.82**
Accumulated depreciation and impairment			
As at 1 April 2021	22.96	2.13	25.09
Depreciation	11.01	0.98	11.99
Eliminated on disposals of assets	(1.27)	(1.24)	(2.51)
Balance at 31 March 2022	**32.70**	**1.87**	**34.57**

As at 31 March 2021	Buildings	Land	Total
Cost			
As at 1 April 2020	36.66	67.12	103.78
Additions	3.19	12.43	15.62
Disposals	(2.09)	-	(2.09)
Balance at 31 March 2021	**37.76**	**79.55**	**117.31**
Accumulated depreciation and impairment			
As at 1 April 2020	11.93	1.00	12.93
Depreciation	11.63	1.13	12.76
Eliminated on disposals of assets	(0.60)	-	(0.60)
Balance at 31 March 2021	**22.96**	**2.13**	**25.09**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

Particulars	₹ in Crore
Carrying amounts	
As at 1 April 2021	**92.22**
Balance at 31 March 2022	**70.25**
As at 1 April 2020	90.85
Balance at 31 March 2021	92.22

Breakdown of lease expenses

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Short-term lease expense	6.54	2.43
Total lease expense	**6.54**	**2.43**

Cash outflow on leases

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Repayment of lease liabilities (including interest thereon)	(16.60)	(18.58)
Total cash outflow on leases	**(16.60)**	**(18.58)**

Maturity analysis

₹ in Crore

Particulars	Less than 1 year	Over 1 years
As at 31 March 2022		
Lease liabilities	6.19	16.93
As at 31 March 2021		
Lease liabilities	11.50	18.17

54. CONTINGENT LIABILITIES AND COMMITMENTS:

Contingent Liabilities

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
i. Claims against the Company not acknowledged as debt	0.61	0.61
ii. Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation	5.22	5.55
iii. Disputed Octroi Amount paid under protest and included under "Other Current Assets" ₹ 0.52 Crore (31 March 2021 ₹ 0.52 Crore)	0.52	0.52
iv. Excise duty, Service tax, VAT & GST disputed by the Company	0.93	3.11
v. Financial Guarantee (Guarantee was given to third party on behalf of subsidiaries for contractual obligation, now the guarantee period is over)	-	73.11

The Company has three ongoing patent litigations as on 31 March 2022. No liability is expected to arise from these litigations.

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

Future cash outflows in respect of liability under clause (i) is dependent on terms agreed upon with the parties, in respect of clauses (ii) to (iv) is dependent on decisions by relevant authorities of respective disputes, clause (v) financial guarantee.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

Code on social Security, 2020

The new Code on Social Security, 2020 (Code) has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

During the year, the Hon'ble ITAT has issued an order in favour of the Company with respect to disputed matters under the Income Tax Act, 1961 for certain prior years. The order giving effect and the consequent refund of taxes paid was accordingly received by the Company during the year and has been recorded as income tax credit for prior years. Considering that as on date, there are no pending litigations with respect to these matters for the said assessment years, no further liabilities have been ascertained in this respect.

Commitments:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances 69.16 Crore (31 March 2021 ₹ 86.08 Crore).

55. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW:

A) Relationships:

Category I - Directors, Key Management Personnel:

Mr. Mannalal B. Agrawal	Chairman
Mr. Madhusudan B. Agrawal	Executive Vice Chairman
Mr. Yogesh M. Agrawal	Managing Director
Mr. Rajesh M. Agrawal	Joint Managing Director
Mr. Chandrakant M. Khetan	Independent Director
Mr. K. H. Viswanathan	Independent Director
Mr. Prabhakar Dalal	Independent Director
Dr. Anjana Grewal	Independent Director
Mr. Arvind Agrawal	Chief Financial Officer
Mr. Gaurang C. Shah	Company Secretary

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

Gabs Investment Private Limited

Seth Bhagwandas Agrawal Charitable Trust

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

Mannalal Agrawal Trust, Trustee – Mr. Mannalal B. Agrawal

Yogesh Agrawal Trust, Trustee - Mr. Yogesh M. Agrawal

Rajesh Agrawal Trust, Trustee - Mr. Rajesh M. Agrawal

Ravi Agrawal Trust, Trustee - Mr. Ravi P. Agrawal

Aayush Agrawal Trust, Trustee - Mr. Aayush M. Agrawal

Ajanta Pharma Limited Group Gratuity Trust

Samta Purushottam Agrawal Memorial Foundation

Mamta and Madhusudan Agrawal Memorial Foundation

Manisha Yogesh Agrawal Foundation

Smriti Rajesh Agrawal Foundation

Ajanta Foundation

Category III - Others (Relatives of Key Management Personnel):

Ms. Tanya Agrawal – Daughter of Managing Director

Mr. Aayush M. Agrawal

Mr. Ravi P. Agrawal

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

A) Following transactions were carried out with related parties:

₹ in Crore

Sr. No.	Particulars	Category	Year ended 31 March 2022	Year ended 31 March 2021
1.	**Compensation to Key Management & Others:**			
	Short Term Employee Benefits			
	Mr. Madhusudan B. Agrawal	I	3.42	2.97
	Mr. Yogesh M. Agrawal	I	11.06	9.59
	Mr. Rajesh M. Agrawal	I	11.06	9.59
	Mr. Arvind Agrawal	I	1.43	1.31
	Mr. Gaurang C. Shah	I	0.76	0.64
	Ms. Tanya Agrawal	III	0.08	0.07
	Post-employment benefits	I & III	0.62	0.37
2.	**Commission and Sitting Fees to Non-Executive Director**			
	Mr. Mannalal B. Agrawal	I	0.06	0.05
	Mr. Chandrakant M. Khetan	I	0.10	0.09
	Mr. K. H. Viswanathan	I	0.08	0.07
	Mr. Prabhakar Dalal	I	0.07	0.07
	Dr. Anjana Grewal	I	0.06	0.06
3.	**Commission to Executive Director**			
	Mr. Yogesh M. Agrawal	I	5.25	3.27
	Mr. Rajesh M. Agrawal	I	5.25	3.27
4.	**Dividend Paid**			
	Key Management Personnel	I	0.03	0.03
	Others	II & III	57.83	58.45
5.	**Corporate Social Responsibility Expense**			
	Seth Bhagwandas Agrawal Charitable Trust	II	-	0.45
	Samta Purushottam Agrawal Memorial Foundation	II	7.04	6.06
	Ajanta Foundation	II	0.15	0.06
	Mamta and Madhusudan Agrawal Memorial Foundation	II	0.19	-
6.	**Contribution made to Group gratuity trust through premium paid to LIC:**			
	Premium paid	II	8.34	8.79
7.	**Donation**			
	Seth Bhagwandas Agrawal Charitable Trust	II	0.35	-
	Mamta and Madhusudan Agrawal Memorial Foundation	II	-	0.56
	Manisha Yogesh Agrawal Foundation	II	0.15	0.10
	Smriti Rajesh Agrawal Foundation	II	-	0.10
8.	**Buyback of Equity Share**			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	39.04	19.72
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	39.04	19.72
	Ravi P. Agrawal, Trustee Ravi Agrawal Trust	III	40.01	20.73
	Aayush M. Agrawal, Trustee Aayush Agrawal Trust	III	41.21	21.64
	Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal & Mr. Ravi P. Agrawal	III	11.34	8.62
	Mr. Arvind Agrawal	I	0.13	0.10
	Mr. Gaurang C. Shah (* ₹ 30,600)	I	0.00*	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

B) Amount outstanding as on 31 March 2022

₹ in Crore

Sr. No.	Particulars	Category	As at 31 March 2022	As at 31 March 2021
1.	**Commission Payable to Non-Executive Director**			
	Mr. Chandrakant M. Khetan	I	0.04	0.03
	Mr. K. H. Viswanathan	I	0.02	0.02
	Mr. Prabhakar Dalal	I	0.02	0.02
	Dr. Anjana Grewal	I	0.02	0.02
2.	**Commission Payable to Executive Director**			
	Yogesh M. Agrawal	I	5.25	3.27
	Rajesh M. Agrawal	I	5.25	3.27

Based on the internal and external transfer pricing review and validation, the Group believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. Details related to Corporate Guarantee and ESOP given to Employees of Subsidiary provided in note 54 and 50 respectively.

56. CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY ("CSR")

As per section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised during the year on the activities which are specified in schedule VII of the Act. The utilisation is done by way of direct and indirect contribution towards various activities.

The particulars of CSR expenditure are as follows:

a) Gross amount required to be spent by the Group during the year is ₹ 12.60 Crore (31 March 2021: ₹ 10.49 Crore).

b) Amount spend during the year on:

Sr. No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i)	Construction/ acquisition of asset	-	-
(ii)	On purposes other than (i) above	13.13	12.89
(iii)	Shortfall at the end of the year	-	-
(iv)	Total of previous year shortfall	-	-
(v)	Nature of CSR activities	Promoting education, Medical assistance & promoting of sports	

*including paid to related parties ₹ 7.38 Crores (31 March 2022: ₹ 6.57 Crores) (refer note 55)

57. PROVISION FOR ANTICIPATED RETURN OF EXPIRED GOODS SUBSEQUENT TO SALE

Provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 115 estimated by management based on past trends.

Particulars	31 March 2022 ₹ in Crore	31 March 2021 ₹ in Crore
Balance at the beginning of the year	110.55	67.61
Add: Provisions made during the year	163.13	110.55
Less: Amount written back/utilised during the year	110.55	67.61
Balance at the end of the year	**163.13**	**110.55**

58. OPERATING SEGMENTS

A. Basis for segmentation

The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprise of pharmaceutical products only.

The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments, etc.) on a periodic basis.

B. Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

a. Revenue from external customers

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	982.20	812.93
Emerging Market	1,399.96	1,124.21
Africa Institution	206.10	271.21
USA	695.87	636.85
	3,284.13	**2,845.20**

b. Non-current assets (other than financial instruments and deferred tax assets)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
India	1,705.57	1,677.95
Africa	6.43	7.70
Asia	4.42	5.12
USA	19.15	10.26
	1,735.57	**1,701.03**

59. REMUNERATION TO AUDITORS OF THE COMPANY AND ITS SUBSIDIARIES (EXCLUDING GST)

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
- Audit Fees	0.25	0.25
- Limited Review	0.28	0.28
- For Certification and other matters (including OPE)	0.32	0.19
Local Statutory of Subsidiaries		
- For audit	0.25	0.27

60. RESEARCH AND DEVELOPMENT EXPENDITURE:

A unit of the Company has been recognised by Department of Scientific and Industrial Research (DSIR) as in-house research and development unit. The amount of capital and revenue are as below.

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Amount in respect to Capital Expenditure	12.19	2.91
Revenue Expenditure	204.34	138.91
Total	**216.53**	**141.82**

61. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

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

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
i. The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principle amount due to micro and small enterprises	27.98	16.58
Interest due on above	-	0.01

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

₹ in Crore

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
ii.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act 2006.	-	-
iv.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act 2006.	-	-

The following is ageing schedule for Trade payables for the year ended 31 March 2022:

₹ in Crore

Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	27.98	-	-	-	-	27.98
(ii) Others	0.07	282.76	16.36	-	-	-	299.19
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**0.07**	**310.74**	**16.36**	**-**	**-**	**-**	**327.17**

The following is ageing schedule for Trade payables for the year ended 31 March 2021:

₹ in Crore

Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	24.48	-	-	-	-	24.48
(ii) Others	-	322.98	26.40	-	-	-	349.38
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**347.46**	**26.40**	**-**	**-**	**-**	**373.86**

62. ANALYTICAL RATIOS

₹ in Crore

Ratio	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021
Current Ratio (in times)	Total current assets	Total current liabilities	3.50	3.13
Debt - Equity Ratio (in times)	Total Debt (Lease liability)	Total equity	0.01	0.01
Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	83.54	94.33
Return on Equity (%)	Profit for the year less preference dividend (if any)	Average total equity	22.77%	23.38%
Inventory Turnover Ratio (in times)	Sale of products	Average Inventory	4.22	4.51
Trade receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivable	7.07	6.07

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

₹ in Crore

Ratio	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021
Trade payables turnover ratio (in times)	Net Credit Purchases (Raw material, packing material and purchase of traded goods)	Average Trade Payables	2.44	2.53
Net capital turnover ratio (in times)	Revenue from operations	Working Capital (Total current assets less Total current liabilities)	2.07	2.10
Net profit ratio (%)	Profit for the year	Revenue from operations	21.33%	22.63%
Return on capital employed (ROCE) (%)	Profit before tax and finance costs	Capital Employed (Net worth + Lease liability + Deferred tax liability)	27.17%	29.23%
Return on investment (%)*	Income generated from invested funds	Average invested funds	6.58%	8.93%

* The returns on current investments during the year in mutual fund and debentures are based on market conditions and volatility. The tendency of the returns are expected to vary over a short period of time and on redemption have delivered positive returns.

63. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

A. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

64. Expenses capitalised represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same were capitalised on completion of projects and commencement of commercial operations. The details of expenses capitalised are:

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	-	11.79
Add: Incurred during year		
Employee Benefit Expenses	-	0.68
Others	-	0.44
Total	**-**	**12.91**
Less: Capitalised to Tangible Assets	-	12.91
Closing Balance	**-**	**-**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

65. DISAGGREGATION OF REVENUE

The operations of the Group are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Group is not significant.

Primary Geographical Markets

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	982.20	812.93
Emerging Market	1,399.96	1,124.21
Africa Institution	206.10	271.21
USA	695.87	636.85
Total revenue from contract with customers	**3,284.13**	**2,845.20**
Timing of revenue recognition		
Goods transferred at a point in time	3,284.13	2,845.20

Variable components such as discounts, late delivery charges etc. continues to be recognised as revenue deductions in compliance with Ind AS 115. One customer who contributes more than 10% of the Group's revenue.

₹ in Crore

Revenue Break-up	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted price	6,145.22	5,174.13
Adjusted for:		
Sales Return (including provisions)	54.54	59.86
Chargeback, rebates and discounts	2,713.64	2,185.21
Others	92.91	83.86
Total	**2,861.09**	**2,328.93**
Net Sale	**3,284.13**	**2,845.20**

The Company normally sells goods on credit which varies from 14 to 21 days for domestic sales and 180 to 270 days in case of export sales. This does not involve any significant financing element.

66. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY

As at 31 March 2022

Name of Enterprise	Net assets i.e total assets minus total liabilities		Share in profit (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore
Holding Company								
Ajanta Pharma Limited	97.1%	3,169.15	101.0%	719.86	-4.5%	0.36	102.2%	720.22
Foreign Subsidiaries								
APML	3.2%	105.39	1.1%	7.87	98.4%	(7.84)	0.0%	0.04
APPI	3.0%	99.47	5.1%	36.01	38.3%	(3.05)	4.7%	32.97
APUI	2.5%	82.98	2.9%	20.78	-32.1%	2.56	3.3%	23.33
APNL	0.0%	(0.27)	0.0%	(0.22)	0.0%	0.00	0.0%	(0.21)
Total Eliminations / Adjustments	-5.9%	(191.50)	-10.0%	(71.63)	0.0%	-	-10.2%	(71.63)
Exchange difference on translation of foreign operations	0.0%	(0.90)	0.0%	-	0.0%	-	0.0%	-
Total		**3,264.32**		**712.68**		**(7.97)**		**704.71**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

As at 31 March 2021

Name of Enterprise	Net assets i.e total assets minus total liabilities		Share in profit (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore
Holding Company								
Ajanta Pharma Limited	96.3%	2,884.97	103.3%	675.67	20.6%	(1.33)	104.2%	674.34
Foreign Subsidiaries					0.0%			
APML	3.5%	105.35	10.2%	67.22	112.1%	(7.22)	9.3%	60.00
APPI	3.0%	88.83	3.8%	24.88	-44.8%	2.89	4.3%	27.77
APUI	2.0%	59.65	2.9%	18.98	12.2%	(0.78)	2.8%	18.19
APNL	0.0%	(0.06)	-0.1%	(0.58)	0.1%	(0.01)	-0.1%	(0.58)
Total Eliminations/ Adjustments	-4.5%	(133.89)	-20.1%	(132.30)	0.0%	-	-20.4%	(132.30)
Exchange difference on translation of foreign operations	-0.3%	(9.22)	0.0%	-	0.0%	-	0.0%	-
Total		**2,995.63**		**653.87**		**(6.45)**		**647.42**

Refer Annexure "A" of Director's Report for salient features of the financial statements of subsidiaries

67. INCOME TAX

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

a. Current tax

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax on profit for the year	217.22	269.74
Adjustment for current tax of prior periods*	(25.55)	(8.38)
Total Current Tax expenses	191.67	261.36
Deferred tax expense/(benefit)		
Origination and reversal of timing difference	4.94	(13.09)
Adjustment for prior periods	0.19	-
MAT Credit Entitlement	-	(1.96)
Total Deferred Tax expenses	5.13	(15.05)
Total income tax recognised in the income statement	**196.80**	**246.31**

* Tax credit for prior periods amounting to ₹ 25.55 Crore. Comprises Income Tax refund received against order giving effect of ITAT order.

b. Reconciliation of effective tax rate

The following is a reconciliation of the Group's effective tax rate:

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Accounting profit before income taxes	909.48	900.18
Enacted tax rate in India (%)	34.94%	34.94%
Computed expected tax (benefit) / expenses	317.81	314.55
Tax effect due to non-taxable income for India tax purpose	(3.13)	0.68
Overseas taxes	17.61	19.73
Effect of non-deductible expenses	14.92	5.71
Temporary difference which is reversed during the Tax Holiday period	(3.18)	(1.14)
Tax effect which is chargeable at different rate	(4.44)	(1.77)
Other deductible expenses	(15.50)	(38.74)

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Adjustment for current tax of prior periods	(25.55)	(10.34)
Deduction for Tax Holiday Unit	(101.74)	(42.37)
Income tax expenses	**196.80**	**246.31**
Effective tax rate	**21.64%**	**27.36%**

c. Recognised deferred tax asset and liability

₹ in Crore

Particulars	Deferred tax asset		Deferred tax liabilities		Net deferred tax asset/(liabilities)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Property, Plant and equipment	-	-	126.89	115.88	(126.89)	(115.88)
Gain on Investment at FVTPL	-	-	3.13	0.61	(3.13)	(0.61)
Leave Encashment	8.34	7.53	-	-	8.34	7.53
Provision for Expired Goods	14.19	11.57	-	-	14.19	11.57
Diminution in the value of investments	0.48	0.48	-	-	0.48	0.48
Provision for Loss Allowance	5.15	4.74	-	-	5.15	4.74
Temporary difference related to subsidiaries	26.29	24.79	-	-	26.29	24.79
Others	29.26	25.31	-	-	29.26	25.31
Net deferred tax asset/(liabilities)	**83.70**	**74.42**	**130.02**	**116.49**	**(46.32)**	**(42.07)**

d. Movement in deferred tax balances 31 March 2022

₹ in Crore

Particulars	Net balance as at 1 April 2021	Recognised in Profit and loss	Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and equipment	(115.88)	(11.01)	(126.89)	-	(126.89)
Gain on Investment at FVTPL	(0.61)	(2.52)	(3.13)	-	(3.13)
Leave Encashment	7.53	0.80	8.34	8.34	-
Provision for Expired Goods	11.57	2.62	14.19	14.19	-
Diminution in the value of investments	0.48	-	0.48	0.48	-
Provision for Loss Allowance	4.74	0.41	5.15	26.29	-
Temporary difference related to subsidiaries	24.79	1.50	26.29	29.26	-
Others	25.31	3.95	29.26	8.34	-
Net deferred tax asset/(liabilities)	**(42.70)**	**(4.25)**	**(46.32)**	**83.70**	**(130.02)**

e. Movement in deferred tax balances 31 March 2021

₹ in Crore

Particulars	Net balance as at 1 April 2020	Recognised in Profit and loss	Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and equipment	(98.96)	(16.92)	(115.88)	-	(115.88)
Gain on Investment at FVTPL	(1.43)	0.82	(0.61)	-	(0.61)
Leave Encashment	5.73	1.80	7.53	7.53	-
Provision for Expired Goods	9.10	2.47	11.57	11.57	-
Diminution in the value of investments	-	0.48	0.48	0.48	-
Provision for Loss Allowance	4.40	0.34	4.74	4.74	-
Temporary difference related to subsidiaries	24.93	(0.14)	24.79	24.79	-
Others	0.47	24.84	25.31	25.31	-
Net deferred tax asset/(liabilities)	**(55.76)**	**13.69**	**(42.07)**	**74.42**	**(116.49)**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

The charge relating to temporary differences during the year ended 31 March 2022 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences, MAT credit entitlement. The credit to temporary differences during the year ended 31 March 2021 are primarily on account of Property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, compensated absences, provision for loss allowance. Current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

68. INVESTMENT PROPERTIES

Rental income recognised in profit or loss for investment properties aggregates to ₹ 0.01 Crore (31 March 2021 ₹ 0.16 Crore). Maintenance and other expenses aggregating to ₹ 0.02 Crore (31 March 2021 ₹ 0.02 Crore). Fair value of Investment Properties aggregates to ₹ 12.48 Crore as per registered valuer.

69. IMPACT OF COVID – 19 (GLOBAL PANDEMIC)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

70. The Board of Directors have taken the decision to wind up its step-down subsidiary company, Ajanta Pharma (Mauritius) International Limited (wholly owned subsidiary of Ajanta Pharma (Mauritius) Limited). The Company has obtained the no objection clearance from the Mauritius Revenue Authority for its removal from the Register of the Corporate and Business Registration Department.

71. Previous year figures have been regrouped / re-classified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from 01 April 2021.

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No : 111410

Mumbai
10 May 2022

For and on behalf of Board of Directors of
Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN : 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN : 00302467

Arvind K. Agrawal
Chief Financial Officer

Gaurang C. Shah
Company Secretary
FCS : 6696

Independent Auditors' Report

To the Members of
Ajanta Pharma Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of **Ajanta Pharma Limited** ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period.

Description of Key Audit Matter

Revenue Recognition

The key audit matter	How the matter was addressed in our audit
Refer note 6.9 of accounting policies and note 34 to the standalone financial statements. As stated in Note 6.9 to the standalone financial statements, revenue from sale of products is recognized at a point in time when control of the products is transferred to the customer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable after adjusting variable components like sales returns. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered into with customers. The Company has a large number of customers operating in various geographies and sales contracts with these customers have distinct terms and conditions relating to the recognition of revenue and right of return.	Our procedures in respect of recognition of revenue included the following: – Verifying the accounting policies adopted by the Company with respect to recognition of revenue by comparing with the applicable accounting standards. – Testing the design, implementation and operating effectiveness of the Company's manual and automated controls designed to ensure recognition of valid revenue transactions in the correct period. – Performing substantive testing of selected samples of revenue transactions recorded during the year as well as at year-end. We used statistical sampling and verified contractual terms of sales invoices / contracts, shipping documents and acknowledged delivery receipts for those transactions.

Independent Auditors' Report

The key audit matter	How the matter was addressed in our audit
Revenue is a key performance indicator for the Company. Accordingly, there could be pressure to meet the expectations of investors / other stakeholders and / or to meet revenue targets stipulated in performance incentive schemes for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed to a valid customer. Accordingly, we identified recognition of revenue from sale of products during the year and at the period end as a key audit matter.	– Analysing and testing high risk manual journals posted to revenue to identify any unusual items.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon.

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

Independent Auditor's Report

e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 52 to the standalone financial statements.

b. The Company does not have any material foreseeable losses on long term contracts including derivative contracts during the year ended 31 March 2022.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 60, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 60, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

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

Sreeja Marar
Partner
Membership No: 111410
UDIN: 22111410AISXYQ8195

Mumbai
10 May 2022

Annexure A to the Independent Auditors' Report

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

With reference to the Annexure referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2022, we report the following:

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the company) disclosed in standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in- transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, limited liability partnership or any other parties during the year other than loans to employees. The Company has made an investment in a limited liability partnership during the year. The Company has not made any investments in firms, Companies or any other parties during the year.

(a) Based on the audit procedure carried on by us and as per the information and explanations given to us, the Company has provided loans to certain employees as below:

Particulars	Loans (₹ in Crore)
Aggregate amount during the year - Others	1.34
Balance outstanding as at balance sheet date - Others	2.67

Annexure A to the Independent Auditors' Report

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans and advances in the nature of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advance in the nature of loan to any party during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment. Further, the Company has not given any advance in the nature of loan to any party during the year.

iv According to information and explanations given to us and on the basis of our examination of records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013 ('the Act"). In respect of the investments made by the Company, in our opinion the provision of section 186 of the Act have been complied with.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out detailed examination of the records with a view to determine whether these are accurate or complete.

vii. (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues, including Goods and Service Tax (GST), Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess and other material statutory dues, as applicable has been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax (GST), Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of examination of the records of the Company, statutory dues relating to Goods and Service Tax, Sales Tax, Value Added Tax, and Duty of Excise as at 31 March 2022 which have not been deposited on account of a dispute, are as follows:

Annexure A to the Independent Auditors' Report

₹ in Crore

Name of the Statute	Nature of dues	Amount Demanded	Amount not deposited under dispute	Amount deposited under dispute	Period to which the amount relates	Forum where dispute is pending
Central Goods & Service Tax Act, 2017	GST	0.26	0.25	0.01	FY 2017-18	Joint Commissioner (Appeals), Hyderabad
Central Goods & Service Tax Act, 2017	GST	0.01	0.01	0.00	FY 2017-18	Assistant Commissioner, Palghar
Central Excise Act, 1944	Excise duty	0.20	0.20	-	FY 2010-11 to FY 2015-16	CESTAT, Bengaluru
Central Excise Act, 1944	Excise duty	0.05	0.05	-	FY 2006-07 to FY 2010-11	CESTAT, Mumbai
Central Goods & Service Tax Act, 2017	GST	0.06	0.03	0.03	F.Y. 2017-18	GST Officer, Cuttack (Orissa)
Central Goods & Service Tax Act, 2017	GST	0.15	0.00	0.15	F.Y. 2020-21	Additional Commissioner, Agra (UP)
Gujarat VAT Act	CST	0.02	0.02	-	FY 2015-16	Assistant Commissioner, Ahmedabad
Gujarat VAT Act	CST	0.16	0.16	-	FY 2016-17	Assistant Commissioner, Ahmedabad
Gujarat VAT Act	CST	0.02	0.02	-	FY 2017-18	Assistant Commissioner, Ahmedabad

viii. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix. (a) According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the order is not applicable to the Company.

(b) According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to information and explanations given to us and an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. (a) Based on the examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

Annexure A to the Independent Auditors' Report

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management there are no whistle blower complaints received by Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) Based on the information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Sreeja Marar
Partner
Membership No: 111410
UDIN: 22111410AISXYQ8195

Mumbai
10 May 2022

Annexure B to the Independent Auditors' report

on the standalone financial statements of Ajanta Pharma Limited for the period ended 31 March 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

(Referred to in paragraph 2(A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Ajanta Pharma Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

Annexure B to the Independent Auditors' report

on the standalone financial statements of Ajanta Pharma Limited for the period ended 31 March 2022

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

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

Sreeja Marar
Partner
Membership No: 111410
UDIN: 22111410AISXYQ8195

Mumbai
10 May 2022

Balance Sheet
as at 31 March 2022

₹ in Crore

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,410.21	1,413.53
Capital work-in-progress	8	152.86	108.19
Investment properties	8	8.41	8.90
Right-of-use assets	8	67.88	88.84
Other intangible assets	8	5.82	7.52
Financial assets			
(i) Investments	9	42.99	17.89
(ii) Other non-current financial assets	10	11.84	16.15
Non current tax assets (net)	11	17.01	21.44
Other non-current assets	12	6.46	13.39
Total non-current assets		**1,723.48**	**1,695.85**
Current assets			
Inventories	13	635.11	634.22
Financial assets			
(i) Investments	14	121.86	138.99
(ii) Trade receivables	15	1,043.62	782.30
(iii) Cash and cash equivalents	16	139.83	119.88
(iv) Bank balances other than cash and cash equivalents	17	5.42	32.10
(v) Loans	18	6.14	5.74
(vi) Other financial assets	19	17.68	5.86
Other current assets	20	87.35	117.12
Total current assets		**2,057.01**	**1,836.21**
Total assets		**3,780.49**	**3,532.06**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	17.17	17.39
Other equity	22	3,152.01	2,867.59
Total equity		**3,169.18**	**2,884.98**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	23	16.33	16.30
(ii) Other financial liabilities	24	1.09	1.25
Provisions	25	19.32	17.93
Deferred tax liabilities (net)	26	101.87	92.17
Other non-current liabilities	27	3.00	3.34
Total non-current liabilities		**141.61**	**130.99**
Current liabilities			
Financial liabilities			
(i) Lease liabilities	28	4.16	9.61
(ii) Trade payables	29		
(a) total outstanding dues of micro enterprises and small enterprises		27.98	16.58
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		246.39	300.62
(iii) Other financial liabilities	30	108.02	94.66
Other current liabilities	31	64.41	48.05
Provisions	32	10.80	11.71
Current tax liabilities (net)	33	7.94	34.86
Total current liabilities		**469.70**	**516.09**
Total equity and liabilities		**3,780.49**	**3,532.06**
Significant accounting policies	1 to 7		
The notes referred to above form an integral part of standalone financial statements	8 to 66		

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No : 111410

Mumbai
10 May 2022

For and on behalf of Board of Directors of Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN : 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN : 00302467

Arvind K. Agrawal
Chief Financial Officer

Gaurang C. Shah
Company Secretary
FCS : 6696

Statement of Profit and Loss
for the year ended 31 March 2022

₹ in Crore

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	34	3,140.64	2,718.59
Other income	35	139.73	103.57
Total income		**3,280.37**	**2,822.16**
Expenses			
Cost of materials consumed	36	773.04	704.09
Purchase of stock-in-trade	37	116.12	100.59
Changes in inventories of finished goods/work-in-progress/ stock-in-trade	38	(56.60)	(74.60)
Employee benefits expense	39	585.87	498.11
Finance costs	40	9.12	6.90
Depreciation and amortisation expense	41	120.96	111.49
Other expenses	42	831.32	573.49
Total expenses		**2,379.83**	**1,920.07**
Profit before tax		**900.54**	**902.09**
Tax expense :	64		
- Current tax			
For current year		196.72	225.06
For prior years		(25.55)	(8.38)
- Deferred tax (net)		9.51	9.77
Total tax expense		**180.68**	**226.45**
Profit for the year		**719.86**	**675.64**
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit plans		0.55	(2.04)
Income tax relating to items that will not be reclassified to profit or loss		(0.19)	0.71
Net other comprehensive income / (loss) that will not be reclassified subsequently to profit or loss		**0.36**	**(1.33)**
Other comprehensive income / (loss) for the year (net of income tax)		**0.36**	**(1.33)**
Total comprehensive income for the year		**720.22**	**674.31**
Earnings per equity share (Face Value ₹ 2/-)	44		
Basic (₹)		83.28	77.59
Diluted (₹)		83.28	77.59
Significant accounting policies	1 to 7		
The notes referred to above form an integral part of standalone financial statements	8 to 66		

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No : 111410

Mumbai
10 May 2022

For and on behalf of Board of Directors of
Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN : 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN : 00302467

Arvind K. Agrawal
Chief Financial Officer

Gaurang C. Shah
Company Secretary
FCS : 6696

Statement of Changes in Equity
for the year ended 31 March 2022

A. EQUITY SHARE CAPITAL (REFER NOTE 21)

₹ in Crore

Particulars	Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2022
Authorised	30.00	-	30.00	-	30.00
Issued, Subscribed & Paid up	17.39	-	17.39	(0.22)	17.17

₹ in Crore

Particulars	Balance as at 1 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2021
Authorised	30.00	-	30.00	-	30.00
Issued, Subscribed & Paid up	17.54	-	17.54	(0.15)	17.39

B. OTHER EQUITY (REFER NOTE 22)

₹ in Crore

Particulars	Reserves and Surplus					Items of other comprehensive income	Total Other Equity
	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings	(Re-measurement gains (losses) on defined benefit plans)	
As at 1 April 2020	**2.25**	**1.05**	**879.62**	**0.46**	**1,565.51**	**(5.13)**	**2,443.76**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	**-**
Restated balance as at 1 April 2020	**2.25**	**1.05**	**879.62**	**0.46**	**1,565.51**	**(5.13)**	**2,443.76**
Profit for the year	-	-	-	-	675.64	-	**675.64**
Other comprehensive income (net of tax)	-	-	-	-	-	(1.33)	**(1.33)**
Total comprehensive income	**-**	**-**	**-**	**-**	**675.64**	**(1.33)**	**674.31**
Utilised for buy-back of Equity Shares (Refer note 21.8)	-	(1.63)	(134.35)	-	-	-	**(135.98)**
Payment of expenses for buyback of shares (Refer note 21.8)	-	-	-	-	(0.78)	-	**(0.78)**
Transfer to Capital Redemption Reserve for buyback of Equity Shares (Refer note 21.8)	0.15	-	-	-	-	-	**0.15**
Exercised stock options	-	0.58	-	0.07	-	-	**0.65**
Share based payment expense	-	-	-	0.02	-	-	**0.02**
Dividend paid	-	-	-	-	(82.90)	-	**(82.90)**
Tax on buyback of equity shares (Refer note 21.8)	-	-	-	-	(31.64)	-	**(31.64)**
As at 31 March 2021	**2.40**	**-**	**745.27**	**0.55**	**2,125.83**	**(6.46)**	**2,867.59**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	**-**
Restated balance as at 1 April 2021	**2.40**	**-**	**745.27**	**0.55**	**2,125.83**	**(6.46)**	**2,867.59**
Profit for the year	-	-	-	-	719.86		**719.86**
Other comprehensive income (net of tax)	-	-	-	-	-	0.36	**0.36**
Total comprehensive income	**-**	**-**	**-**	**-**	**719.86**	**0.36**	**720.22**
Utilised for buy-back of Equity Shares (Refer note 21.8)	-	(0.54)	(285.06)	-	-	-	**(285.60)**
Payment of expenses for buyback of shares (Refer note 21.8)	-	-	-	-	(2.02)	-	**(2.02)**
Transfer to Capital Redemption Reserve for buyback of Equity Shares (Refer note 21.8)	0.22	-	-	-	-	-	**0.22**

Statement of Changes in Equity
for the year ended 31 March 2022

₹ in Crore

Particulars	Reserves and Surplus					Items of other comprehensive income	Total Other Equity
	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings	(Re-measurement gains (losses) on defined benefit plans)	
Exercised stock options	-	0.54	-	(0.55)	-	-	**(0.01)**
Share based payment expense	-	-	-	0.30	-	-	**0.30**
Dividend paid	-	-	-	-	(82.21)	-	**(82.21)**
Tax on buyback of equity shares (Refer note 21.8)	-	-	-	-	(66.48)	-	**(66.48)**
As at 31 March 2022	**2.62**	**-**	**460.21**	**0.30**	**2,694.98**	**(6.10)**	**3,152.01**

NATURE OF RESERVES

a) Capital Redemption Reserve

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

b) Securities Premium

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

c) General Reserve

The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

d) Employees stock options outstanding account

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

e) Retained Earnings

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

Significant accounting policies 1 to 7

See accompanying notes forming part of the standalone financial statements 8 to 66

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No : 111410

Mumbai
10 May 2022

For and on behalf of Board of Directors of
Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN : 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN : 00302467

Arvind K. Agrawal
Chief Financial Officer

Gaurang C. Shah
Company Secretary
FCS : 6696

Statement of Cash Flow

for the year ended 31 March 2022

₹ in Crore

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	900.54	902.09
	Adjustment for :		
	Depreciation and amortisation expense	120.96	111.49
	Loss on sale / retirement of property, plant and equipment (net)	3.87	1.96
	Finance cost	9.12	6.90
	Dividend from subsidiaries	(22.33)	(83.21)
	Gain on fair value of investment	(9.07)	(1.76)
	(Gain) / Loss on fair value of derivative	(17.09)	(4.09)
	Income from investments & deposits	(12.35)	(7.87)
	Equity settled share based payment	0.30	0.02
	Unrealised foreign exchange loss / (gain)	(21.19)	4.70
	Impairment of investment in subsidiary	-	1.37
	Impairment loss on financial assets	3.69	7.56
	Operating cash flow before working capital changes	**956.45**	**939.16**
	Changes in working capital :		
	Decrease / (Increase) in other non-current financial assets	4.31	(0.78)
	Decrease / (Increase) in non current assets	0.01	0.62
	Decrease / (Increase) in inventories	(0.89)	(198.03)
	Decrease / (Increase) in current loans	(0.40)	0.54
	Decrease / (Increase) in trade receivables	(244.17)	(59.48)
	Decrease / (Increase) in other current financial assets	5.27	1.32
	Decrease / (Increase) in other current assets	29.77	(36.86)
	Increase / (Decrease) in non current other financial liabilities	(0.16)	0.79
	Increase / (Decrease) in non current other liabilities	0.34	(0.33)
	Increase / (Decrease) in non current provisions	1.39	2.28
	Increase / (Decrease) in trade payables	(43.43)	11.90
	Increase / (Decrease) in other current finanical liabilities	4.00	(9.37)
	Increase / (Decrease) in other current liabilities	23.86	11.92
	Increase / (Decrease) in current provisions	(0.54)	1.22
	Cash generated from operating activities	**735.81**	**664.90**
	Net income tax paid	(193.47)	(197.91)
	Net cash from operating activities	**542.34**	**466.99**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Capital expenditure on property, plant and equipment including capital advances	(146.53)	(166.97)
	Insurance claim received against property, plant and equipment	-	11.00
	Proceeds from sale of property, plant and equipment	18.39	1.50
	Bank balances not considered as cash and cash equivalents	26.68	(29.20)
	Dividend from subsidiaries	22.33	83.21
	Purchase of current investments	(1,037.87)	(742.41)
	Proceeds from sale of current investments	1,064.04	672.32
	Income on investments and deposits	11.92	7.87
	Investment in Limited Liabilty Partneship	(25.00)	-
	Net cash used in investing activities	**(66.04)**	**(162.68)**

Statement of Cash Flow
for the year ended 31 March 2022

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(6.52)	(1.40)
Payment of lease liability (including interest thereon)	(14.47)	(16.20)
Payment for buyback of equity shares (Refer note 21.8)	(285.60)	(135.98)
Payment for tax on buyback of equity shares (Refer note 21.8)	(66.48)	(31.64)
Payment of expenses for buyback of equity shares (Refer note 21.8)	(2.02)	(0.78)
Dividend paid	(82.21)	(82.90)
Net cash used in financing activities	**(457.30)**	**(268.90)**
Net Increase in cash and cash equivalents	**19.00**	**35.41**
Cash and cash equivalents as at the beginning of the year	119.88	84.95
Cash and cash equivalents as at the end of the year	**138.88**	**120.36**
Reconciliation of cash and cash equivalents with the Balance Sheet		
Cash and cash equivalents as at the end of the year	138.88	120.36
Unrealised gain / (loss) on foreign currency cash and cash equivalents	0.95	(0.48)
Cash and cash equivalents restated balance as per Balance Sheet (Refer Note 16)	**139.83**	**119.88**

Figures in brackets indicates outflow.

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS 7) " Statement of Cash Flow " under Section 133 of the Companies Act 2013.
2. Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).
3. During the year the Company paid ₹ 13.13 Crore (31 March 2021 ₹ 12.78 Crore) towards corporate social responsibility (CSR) expenditure included in corporate social responsibility expenditure (Refer note 54)

Significant accounting policies	1 to 7
See accompanying notes forming part of the standalone financial statements	8 to 66

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No : 111410

Mumbai
10 May 2022

For and on behalf of Board of Directors of Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN : 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN : 00302467

Arvind K. Agrawal
Chief Financial Officer

Gaurang C. Shah
Company Secretary
FCS : 6696

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

- Statement of Compliance

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

The standalone financial statements for the year ended 31 March 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 10 May 2022.

- Use of estimates and judgements:

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and under lying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

The areas involving estimates or judgments are as follows:

Property, plant and equipment:

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Recognition and measurement of defined benefit obligations:

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

Intangible Assets

Intangible assets majorly consists software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made using expected credit loss model.

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

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. The review involves comparison of the carrying value of the aged inventory items. The purpose is to ascertain whether an allowance is required to be made in the standalone financial statement for any

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obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Management also reviews net realisable value for all its inventory and is satisfied that adequate allowance has been made in the financial statements.

Contingencies

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

Impairment reviews

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

3. FUNCTIONAL AND PRESENTATION CURRENCY

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

4. ROUNDING OF AMOUNTS

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

5. CURRENT / NON-CURRENT CLASSIFICATION

An entity shall classify an asset as current when-

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when-

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

Operating Cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

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

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Property, Plant and Equipment

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

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

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

Notes to the Standalone Financial Statements

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replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

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

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

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

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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is provided on straight line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013 except few assets like Dies & Punches having useful life of 3 years as per technical evaluation and management estimate and Solar Plants having useful life of 25 years. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Building constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold land are amortised over the primary lease period of the land.

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

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

Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non-current assets.

6.2 Intangible Assets

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

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Internally generated intangibles, excluding development costs as defined in Ind AS, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

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

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

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

Research and Development

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

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

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6.3 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment property using the following useful lives from the date of original purchase.

Investment Property	Management estimate of useful life	Useful life as per Schedule II
Building	21 years	30 and 60 years

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values are determined on the basis of valuation done by registered valuer.

Impairment on non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6.4. Financial Instruments

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

Financial Assets:

Classification:

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

Initial recognition and measurement:

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

Subsequent measurement:

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

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

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

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

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows

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and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of profit and loss.

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

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

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

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

Investment in Subsidiary:

Investment in equity instruments of Subsidiaries are measured at cost. In the financial statements, investment in subsidiaries is carried at cost. The carrying amount is reduced to recognise any impairment in the value of investment.

Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. Fair value changes on the instrument, excluding dividends, are recognised in profit or loss.

Investment in Debt Instruments:

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

Derecognition of Financial Assets:

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

Impairment of Financial Assets:

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

Financial Liabilities:

Classification:

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

Initial recognition and measurement:

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

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

Subsequent measurement:

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

Derecognition of Financial Liabilities:

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

Derivative Financial Instrument:

The Company uses derivative financial instruments, such as forward currency contracts to mitigate its

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foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any changes therein are generally recognised in the statement of profit and loss.

6.5. Inventories

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

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

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

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

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

Consumables and other materials procured for R&D purpose are charged off when acquired.

6.6. Cash and Cash Equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

6.7. Cash Flow Statement

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

6.8. Foreign Currency Transactions

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are not translated. Foreign currency exchange differences are generally recognised in the statement of profit and loss.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Financial Statements are recognised in the Standalone Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in Other Comprehensive Income, any exchange component of that gain or loss is recognised in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognised in Standalone Statement of Profit and Loss, any exchange component of that gain or loss is recognised in Standalone Statement of Profit and Loss.

6.9. Revenue Recognition

Sale of Goods

The Company applied Ind AS 115 using the modified retrospective approach.

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Revenue is measured based on the transaction price adjusted for discounts and rebates, which is specified in a contract with customer. Revenue are net of estimated returns and taxes collected from customers.

Revenue from sale of goods is recognised at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer as per terms agreed.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer.

The consideration can be fixed or variable. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

Sales return is variable consideration that is recognised and recorded based on historical experience, market conditions and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with trade practices, historical trends, past experience and projected market conditions.

Interest income

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

Dividend income

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

Income from Export Benefits and Other Incentives

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

6.10.Employee Benefits

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

(i) Defined benefit plans

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

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

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

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

(ii) Defined contribution plans

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

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

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(iii) Compensated absences

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

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

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

(iv) Share-based compensation

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

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

6.11.Borrowing Costs

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

6.12.Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell

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and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the generally accepted interest rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets given on operating lease, lease rentals are accounted in the statement of profit and loss, on accrual basis in accordance with the respective lease agreements.

6.13.Government Grants

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

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

6.14.Earnings Per Share

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

6.15.Income Taxes

Income tax expense comprises current and deferred income tax.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the balance sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Notes to the Standalone Financial Statements
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recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

6.16. Dividends to Shareholders

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

6.17. Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

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

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

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

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

Contingent liability is disclosed in the case of:

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

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

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

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

6.18. Fair value measurement

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

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

- Derivative financial instruments (mainly forward currency contracts) are measured at fair value received from Bank.
- Mutual Funds are measured at fair values as per Net Asset Value (NAV).
- Employee Stock Option Plan (ESOP) at fair values as per Black Scholes option pricing model.

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

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

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

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

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

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

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

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

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

7. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10%' test of Ind AS 109 in assessing whether to derecognise a financial liability.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company will evaluate these amendments to give effect as required by law.

Notes to the Standalone Financial Statements
as at 31 March 2022

8. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS, INVESTMENT PROPERTIES AND OTHER INTANGIBLE ASSETS

8.1 Current Year

₹ in Crore

Particulars		Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation				Net block
		As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	For the year	Disposals	As at 31 March 2022	As at 31 March 2022
(A)	**Property, plant and equipment**									
	Freehold land	153.75	1.80	-	155.55	-	-	-	-	155.55
	Buildings	559.89	19.44	-	579.33	118.07	15.78	-	133.85	445.48
	Plant and equipments	932.70	59.39	12.64	979.45	267.64	64.04	8.42	323.26	656.19
	Laboratory equipment	158.14	20.09	0.15	178.08	61.65	15.08	0.08	76.65	101.43
	Furniture and fixtures	82.78	2.80	1.70	83.88	44.89	5.30	1.47	48.72	35.16
	Vehicles	3.70	0.26	0.59	3.37	2.30	0.26	0.51	2.05	1.32
	Office equipments	21.93	1.94	0.28	23.59	14.12	2.62	0.16	16.58	7.01
	Computers	30.05	3.08	4.96	28.17	20.73	4.07	4.71	20.09	8.07
	Total	**1,942.94**	**108.80**	**20.32**	**2,031.42**	**529.41**	**107.15**	**15.35**	**621.20**	**1,410.21**
(B)	**Other Intangible assets**									
	Computer Software	22.39	1.50	-	23.89	14.87	3.20	-	18.07	5.82
	Total	**22.39**	**1.50**	**-**	**23.89**	**14.87**	**3.20**	**-**	**18.07**	**5.82**
	Total (A) + (B)	**1,965.33**	*** 110.30**	**20.32**	**2,055.31**	**544.28**	**110.35**	**15.35**	**639.27**	**1,416.03**
(C)	**Investment Properties**	10.93	-	-	10.93	2.03	0.49	-	2.52	8.41
(D)	**Capital work-in-progress #**									152.86
	Total (A) + (B) + (C) + (D)									**1,577.30**

* Addition includes ₹ 12.19 Crore used for Research and Development.

Capital work-in-progress ageing

₹ in Crore

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (*)	91.75	30.66	4.06	26.39	152.86

* Project execution plans are assessed on an annual basis and all the projects are executed as per rolling annual plan.

8.2 Previous Year

₹ in Crore

Particulars		Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation				Net block
		As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	For the year	Disposals	As at 31 March 2021	As at 31 March 2021
(A)	**Property, plant and equipment**									
	Freehold land	153.75	-	-	153.75	-	-	-	-	153.75
	Buildings	535.92	24.81	0.84	559.89	101.22	17.11	0.26	118.07	441.82
	Plant and equipments	812.72	120.66	0.68	932.70	214.74	53.48	0.58	267.64	665.06
	Laboratory equipment	150.53	7.61	-	158.14	48.09	13.56	-	61.65	96.50
	Furniture and fixtures	79.74	7.64	4.60	82.78	44.24	5.06	4.41	44.89	37.89
	Vehicles	3.84	0.38	0.52	3.70	2.57	0.22	0.49	2.30	1.40
	Office equipments	24.36	2.41	4.84	21.93	15.81	2.58	4.27	14.12	7.81
	Computers	34.39	4.22	8.56	30.05	24.83	3.98	8.08	20.73	9.32
	Total	**1,795.25**	**167.73**	**20.04**	**1,942.94**	**451.50**	**96.00**	**18.09**	**529.41**	**1,413.53**
(B)	**Other Intangible assets**									
	Computer Software	23.76	1.03	2.40	22.39	13.19	4.05	2.37	14.87	7.52
	Total	**23.76**	**1.03**	**2.40**	**22.39**	**13.19**	**4.05**	**2.37**	**14.87**	**7.52**
	Total (A) + (B)	**1,819.01**	*** 168.76**	**22.44**	**1,965.33**	**464.69**	**100.05**	**20.46**	**544.28**	**1,421.05**
(C)	**Investment Properties**	10.93	-	-	10.93	1.54	0.49	-	2.03	8.90
(D)	**Capital work-in-progress #**									108.19
	Total (A) + (B) + (C) + (D)									**1,538.14**

* Addition includes ₹ 2.91 Crore used for Research and Development.

Notes to the Standalone Financial Statements
as at 31 March 2022

Capital work-in-progress ageing

₹ in Crore

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	69.56	7.16	24.43	7.04	108.19

Right-of-use assets

8.3 Current year

₹ in Crore

Particulars	Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation				Net block
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	For the year	Disposals	As at 31 March 2022	As at 31 March 2022
Right-of-use assets									
Right-of-use (leasehold properties)	30.73	4.89	1.27	34.35	19.31	9.15	1.27	27.19	7.16
Right-of-use (leasehold land)	79.55	1.56	18.52	62.59	2.13	0.97	1.23	1.87	60.72
	110.28	**6.45**	**19.79**	**96.94**	**21.44**	**10.12**	**2.50**	**29.06**	**67.88**

8.4 Previous year

₹ in Crore

Particulars	Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation				Net block
	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	For the year	Disposals	As at 31 March 2021	As at 31 March 2021
Right-of-use assets									
Right-of-use (leasehold properties)	29.59	3.22	2.08	30.73	10.09	9.82	0.60	19.31	11.42
Right-of-use (leasehold land)	67.12	12.43	-	79.55	1.00	1.13	-	2.13	77.42
	96.71	**15.65**	**2.08**	**110.28**	**11.09**	**10.95**	**0.60**	**21.44**	**88.84**

Notes to the Standalone Financial Statements
as at 31 March 2022

9. INVESTMENTS (NON-CURRENT)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Unquoted (At cost)		
Investment in equity instruments at amortised cost		
In Subsidiary Companies		
Ajanta Pharma (Mauritius) Limited		
6,13,791 (31 March 2021 6,13,791) Ordinary Shares of Mauritian Rupees 100 each fully paid up	9.44	9.44
Ajanta Pharma USA Inc		
10,000 (31 March 2021 10,000) Common Stock of USD 100 each fully paid up	7.07	7.07
Ajanta Pharma Philippines Inc.		
20,00,000 (31 March 2021 20,00,000) Ordinary Shares of Philippines Peso 100 each fully paid up	1.38	1.38
Ajanta Pharma Nigeria Limited		
6,00,00,000 (31 March 2021 6,00,00,000) Ordinary Shares of Nigerian Naira 1 each fully paid up	1.37	1.37
Less: Impairment in the value of investments (Refer note 61)	(1.37)	(1.37)
In Joint Venture		
Turkmenderman Ajanta Pharma Limited		
2,00,000 (31 March 2021 2,00,000) Shares of USD 10 each fully paid-up	-	-
Less: Impairment in the value of investments *	-	-
In Others at fair value		
OPGS Power Gujarat Private Limited		
1,95,000 (31 March 2021 1,95,000) Shares of ₹ 0.19 each	-	-
(Current Year ₹ 37,050, 31 March 2021 ₹ 37,050)		
In Membership Share in LLP (at Fair Value through Profit or Loss)		
ABCD Technologies LLP (Percentage share 4.03%)	25.10	-
	42.99	**17.89**
Aggregate value of unquoted investments	51.31	26.21
Aggregate value of unquoted investments (net of impairment)	42.99	17.89
Aggregate market value of quoted investments	-	-
Aggregate amount of impairment in value of non current investment	8.32	8.32

* The Company has made full provision for investment in aggregate value of unquoted investments in Turkmenderman Ajanta Pharma Limited in year 2014-15 and the carrying value of investment is considered as Nil.

In the previous year the Company has made full provision for investment in aggregate value of unquoted investment in Ajanta Pharma Nigeria Limited and the carrying value of investment is considered as Nil.

10. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good unless otherwise stated		
Security Deposits	5.96	6.25
Financial asset at amortised cost	4.32	3.95
In deposit accounts with banks with maturity of more than 12 months from the balance sheet date		
- Under lien	1.46	5.72
- Others (Current Year ₹ Nil, 31 March 2021 ₹ 80,428)	-	-
Interest accrued on fixed deposits with Banks	0.10	0.23
	11.84	**16.15**

11. NON CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax paid (net provision ₹ 190.34 Crore, 31 March 2021 ₹ 190.19 Crore)	17.01	21.44
	17.01	**21.44**

Notes to the Standalone Financial Statements
as at 31 March 2022

12. OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured, considered good unless otherwise stated)		
Capital advances	5.72	12.64
Vat receivable	0.22	0.23
Octroi refund receivable	0.52	0.52
	6.46	**13.39**

13. INVENTORIES

(At lower of cost and net realisable value)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Inventories		
Raw materials	240.05	287.68
Packing materials	49.39	57.47
Work-in-progress	46.50	47.80
Finished goods (including in transit ₹ 82.79 Crore, 31 March 2021 ₹ 70.80 Crore)	260.65	215.55
Stock-in-trade (including in transit ₹ 1.69 Crore, 31 March 2021 ₹ 0.89 Crore)	38.52	25.72
	635.11	**634.22**

During the year, the Company recorded inventory write downs of ₹ 7.35 Crore (31 March 2021 ₹ 2.62 Crore). These adjustments were included in cost of material consumed and changes in inventories.

14. CURRENT INVESTMENTS

(Fair value through statement of profit or loss)

₹ in Crore

Particulars	Face Value ₹	No. of Units*	As at 31 March 2022	As at 31 March 2021
Investments in mutual funds				
Quoted				
Aditya Birla Sun Life Arbitrage Fund Growth-Direct	10	-	-	37.37
		(17,158,517)		
L&T Arbitrage Opportunities Fund Direct Growth	10	-	-	20.18
		(12,948,527)		
Invesco India Arbitrage Fund - Direct Plan Growth	10	-	-	25.23
		(9,700,040)		
Investments in Market Linked Non Convertible Debentures				
Quoted				
Shriram Tranpsort Finance Company Limited SR PPML Y-01 BR NCD 02DC22 FVRS10 lakhs	1,000,000	100	11.49	10.48
		(100)		
Muthoot Fincorp Limited SR VI BR NCD 04AP23 FVRS10 lakhs	1,000,000	300	33.08	30.62
		(300)		
Shriram Tranpsort Finance Company Limited SR PPML Y 02 BR NCD 27AP23 FVRS10 lakhs	1,000,000	150	16.72	15.11
		(150)		
Muthoot Fincorp Limited SR VIII BR NCD 22MR23 FVRS10 lakhs	1,000,000	50	5.51	-
		(-)		
Shriram City Union Finance Limited SR XXIII TR1 BR NCD 17MY23 FVRS10 lakhs	1,000,000	120	13.15	-
		(-)		
Shriram Transport Finance Co. Limited SR 03 BR NCD 18NV23 FVRS10 lakhs	1,000,000	150	16.54	-
		(-)		
Muthoot Fincorp Limited SR VII BR NCD 16MR24 FVRS10 lakhs	1,000,000	230	25.37	-
		(-)		
			121.86	**138.99**

Notes to the Standalone Financial Statements
as at 31 March 2022

₹ in Crore

Particulars	Face Value ₹	No. of Units*	As at 31 March 2022	As at 31 March 2021
Aggregate book value of quoted investments			121.86	138.99
Aggregate market value of quoted investments			121.86	138.99
Aggregate book value of unquoted investments (net of impairment)			-	-
Aggregate amount of impairment in value of investments			-	-

* Figures in Brackets are for 31 March 2021

15. TRADE RECEIVABLES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good unless otherwise stated		
Trade receivables considered good	1,043.62	782.30
Trade receivables which have significant increase in credit risk	3.12	3.62
Trade receivables credit impaired	11.62	9.95
	1,058.36	**795.87**
Less: Loss allowance	(14.74)	(13.57)
Total Trade receivables	**1,043.62**	**782.30**
Break-up of security details		
(i) Trade receivables considered good- Secured	-	-
(ii) Trade receivables considered good- Unsecured	1,043.62	782.30
(iii) Trade receivables which have significant increase in credit risk	3.12	3.62
(iv) Trade receivables - credit impaired	11.62	9.95
Total	**1,058.36**	**795.87**
Less: Loss allowance	(14.74)	(13.57)
Total Trade receivables	**1,043.62**	**782.30**

Ageing schedule for trade receivables as at 31 March 2022

₹ in Crore

Particulars	Outstanding for following period from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	613.38	388.47	39.76	2.01	-	-	**1,043.62**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	7.24	0.64	3.01	0.05	0.68	**11.62**

Notes to the Standalone Financial Statements
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₹ in Crore

Particulars	Outstanding for following period from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	3.12	**3.12**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
Total	**613.38**	**395.71**	**40.40**	**5.02**	**0.05**	**3.80**	**1,058.36**
Less - Loss Allowance	-	-	-	-	-	-	**(14.74)**
Total Trade Receivables	**-**	**-**	**-**	**-**	**-**	**-**	**1,043.62**

Ageing schedule for trade receivables as at 31 March 2021

₹ in Crore

Particulars	Outstanding for following period from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	633.37	145.43	3.25	0.25	-	-	**782.30**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	6.73	0.79	0.39	0.72	1.32	**9.95**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	3.62	**3.62**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
Total	**633.37**	**152.16**	**4.04**	**0.64**	**0.72**	**4.94**	**795.87**
Less - Loss Allowance	-	-	-	-	-	-	**(13.57)**
Total Trade Receivables	**-**	**-**	**-**	**-**	**-**	**-**	**782.30**

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

There are no other trade receivables which have significant increase in credit risk, refer note 47 B for information about credit risk and market risk of trade receivables.

Notes to the Standalone Financial Statements
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The loss allowance on trade receivable has been computed on the basis of Ind AS 109, Financial Instruments which require such allowance to be made even for trade receivable considered good on the basis that credit risk exists even though it may be very low. The Company exposure to credit and currency risk and loss allowance related to trade receivable are disclosed in note 47 B.

Trade receivables includes debts due from subsidiary companies ₹ 745.73 Crore (previous year ₹ 492.74 Crore) refer note 53.

16. CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents (as per Ind AS-7 - "Statement of cash flows")		
Bank Balances		
- In Current Accounts	22.69	48.95
- In EEFC Accounts	117.13	70.91
Cash on hand	0.01	0.02
	139.83	**119.88**

17. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked balances with banks		
- Unpaid dividend	0.91	0.88
In deposit accounts (with original maturity of more than 3 months but expected to mature within 12 months from balance sheet date)		
- Under lien	4.51	6.22
- Others	-	25.00
	5.42	**32.10**

18. LOANS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good unless otherwise stated		
Advance to employees	3.47	3.19
Loans to employees	2.67	2.55
	6.14	**5.74**

19. OTHER CURRENT FINANCIAL ASSETS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Interest receivable	0.58	1.76
Mark to market derivative asset	17.09	4.09
Insurance receivable	0.01	0.01
	17.68	**5.86**

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as at 31 March 2022

20. OTHER CURRENT ASSETS

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Advances other than capital advances		
Advance to vendors		
- Considered good	20.99	20.73
Prepaid expenses	10.59	8.85
Other advances recoverable	10.32	3.15
Balance with Statutory/Govt. Authorities		
- GST receivable	39.68	47.84
- Custom duty receivable	4.26	4.26
Export benefits receivable	1.51	32.29
	87.35	**117.12**

21. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Authorised				
Equity shares of ₹ 2 each	150,000,000	30.00	150,000,000	30.00
Issued, subscribed and paid up:				
Issued, subscribed and fully paid up Equity Shares of ₹ 2 each	85,415,770	17.08	86,531,770	17.30
Add :- Shares Forfeited	766,500	0.09	766,500	0.09
Total	**86,182,270**	**17.17**	**87,298,270**	**17.39**

21.1 Movement in equity share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Equity shares outstanding at the beginning of the year	86,531,770	17.30	87,261,270	17.45
Add: Equity shares allotted during the year against option's exercised under employee stock option plan	4,000	0.00*	5,500	0.00#
Less: Equity shares extinguished on buyback of shares (Refer note 21.8)	(1,120,000)	(0.22)	(735,000)	(0.15)
Equity Shares outstanding at the end of the year	**85,415,770**	**17.08**	**86,531,770**	**17.30**

* ₹ 8000 # ₹ 11,000

21.2 Rights attached to equity shares

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

The following dividends were declared and paid by the Company during the year ended:

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Interim and final equity dividend were declared and paid for FY 2021 at ₹ 9.50 per equity share		82.90
Interim and final equity dividend were declared and paid for FY 2022 at ₹ 9.50 per equity share	82.21	
Total	**82.21**	**82.90**

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

Dividends and tax thereon have not been recognised as liabilities in the year to which they pertain to and is recorded in the year in which they have been approved in the Annual General Meeting.

21.3 Details of shareholders holding more than 5% equity shares

Name of Shareholders	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	% holding	Number of Shares	% holding
Yogesh M Agrawal, trustee Yogesh Agrawal Trust	12,380,262	14.49	12,533,346	14.48
Rajesh M Agrawal, trustee Rajesh Agrawal Trust	12,380,262	14.49	12,533,345	14.48
Ravi Purushottam Agrawal, trustee Ravi Agrawal Trust	12,276,207	14.37	12,433,113	14.37
Aayush Madhusudan Agrawal, trustee Aayush Agrawal Trust	12,261,811	14.36	12,423,429	14.36
Gabs Investments Private Limited	8,392,262	9.83	8,392,262	9.70

21.4 Equity shares reserved for issuance under Employee Stock Options Scheme 2011 of the Company

Particulars	As at 31 March 2022	As at 31 March 2021
	Number of Shares	Number of Shares
Equity shares	1,127,250	1,127,750

21.5 Equity shares reserved for issuance under Share based Incentive Plan 2019 of the Company

Particulars	As at 31 March 2022	As at 31 March 2021
	Number of Shares	Number of Shares
Equity shares	496,500	500,000

21.6 Aggregate number of equity shares issued during last five years pursuant to Employee Stock Options Scheme 2011 & Share based Incentive Plan 2019

Particulars	As at 31 March 2022	As at 31 March 2021
	Number of Shares	Number of Shares
Equity shares	201,500	197,500

21.7 Equity shares allotted as fully paid up bonus Shares during the period of five years immediately preceding the balance sheet date

Particulars	As at 31 March 2022	As at 31 March 2021
	Number of Shares	Number of Shares
Bonus Shares on allotment of ESOP in FY 2016-17	1,250	1,250

Notes to the Standalone Financial Statements
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21.8 Equity shares extinguished on buy-back

Current year

The Board of Directors of the Company, at its meeting held on 28 December 2021 had approved a proposal to buyback upto 11,20,000 equity shares of the Company for an aggregate amount not exceeding ₹ 285.60 Crore being 1.29% of the total paid up equity share capital, at ₹ 2,550 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 11,20,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought back on 28 February 2022. The Company has utilised its Securities Premium (₹ 0.54 Crore) and General Reserve (₹ 285.06 Crore) for the buyback of its equity shares. Total transaction cost of ₹ 2.02 Crore incurred towards buyback and tax of ₹ 66.48 Crore was offset from retained earnings. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of ₹ 0.22 Crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

Previous year

The Board of Directors of the Company, at its meeting held on 3 November 2020 had approved a proposal to buyback upto 7,35,000 equity shares capital, of the Company for an aggregate amount not exceeding ₹ 135.98 Crore being 0.84% of the total paid up equity share capital at ₹ 1,850 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 7,35,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought back on 30 December 2020. The Company has utilised its Securities Premium (₹ 1.63 Crore) and General Reserve (₹ 134.35 Crore) for the buyback of its equity shares. Total transaction cost of ₹ 0.78 Crore incurred towards buyback and tax of ₹ 31.64 Crore was offset from retained earnings. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of ₹ 0.15 Crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

21.9 Details of equity shares held by promoters at the end of the year

Name of Promoter	As at 31 March 2022			As at 31 March 2021		
	Number of Shares	% of total shares	% Change during the year	Number of Shares	% of total shares	% Change during the year
Yogesh M Agrawal, trustee Yogesh Agrawal Trust	12,380,262	14.49	(1.22)	12,533,346	14.48	(0.84)
Rajesh M Agrawal, trustee Rajesh Agrawal Trust	12,380,262	14.49	(1.22)	12,533,345	14.48	(0.84)
Ravi Purushottam Agrawal, trustee Ravi Agrawal Trust	12,276,207	14.37	(1.26)	12,433,113	14.37	(0.89)
Aayush Madhusudan Agrawal, trustee Aayush Agrawal Trust	12,261,811	14.36	(1.30)	12,423,429	14.36	(0.93)
Gabs Investments Private Limited	8,392,262	9.83	-	8,392,262	9.70	-
Ganga Exports being represented by Mr. Yogesh Agrawal, Mr. Rajesh Agrawal & Mr. Ravi Agrawal	2,299,852	2.69	(1.90)	2,344,328	2.71	(1.95)
Ravi P. Agrawal	190,000	0.22	-	190,000	0.22	-
Aayush M. Agrawal	20,000	0.02	-	20,000	0.02	-

Notes to the Standalone Financial Statements
as at 31 March 2022

22. OTHER EQUITY

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Capital redemption reserve		
Balance at the beginning of the year	2.40	2.25
Add : amount transferred upon buyback of shares	0.22	0.15
Balance as at the year end	**2.62**	**2.40**
Securities premium		
Balance at the beginning of the year	-	1.05
Add : addition during the year	0.54	0.58
Less: utilisation for buyback of shares	(0.54)	(1.63)
Balance as at the year end	**-**	**-**
General reserve		
Balance at the beginning of the year	745.27	879.62
Less: utilised for buyback of shares	(285.06)	(134.35)
Balance as at the year end	**460.21**	**745.27**
Employee stock options outstanding account		
Balance at the beginning of the year	0.55	0.47
Add : share based payment expense	0.30	0.02
Less : exercised during the year	(0.55)	0.06
Balance as at the year end	**0.30**	**0.55**
Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)		
Balance at the beginning of the year	(6.46)	(5.13)
Add : amount transferred	0.36	(1.33)
Balance as at the year end	**(6.10)**	**(6.46)**
Retained earnings		
Balance at the beginning of the year	2,125.83	1,565.51
Profit for the year	719.86	675.64
Less: Appropriations		
- Interim dividend on equity shares	82.21	82.90
- Expense relating to buyback of shares	2.02	0.78
- Tax on buyback of shares	66.48	31.64
Balance at the year end	**2,694.98**	**2,125.83**
Total	**3,152.01**	**2,867.59**

23. LEASE LIABILITIES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Lease liabilities	16.33	16.30
	16.33	**16.30**

24. OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits payable	1.09	1.25
	1.09	**1.25**

Notes to the Standalone Financial Statements
as at 31 March 2022

25. PROVISIONS (NON-CURRENT)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (net)		
Gratuity (Refer note 45.2)	-	1.09
Compensated absences (Refer note 45.3)	19.32	16.84
	19.32	**17.93**

26. DEFERRED TAX LIABILITIES (NET)

₹ in Crore

Particulars		As at 31 March 2022	As at 31 March 2021
Tax effect of items constituting - Deferred tax liabilities			
Difference in tax base of property, plant and equipment	(A)	126.89	115.88
Unrealised gain/loss on securities carried at FVTOCI/FVTPL	(B)	3.13	0.61
Tax effect of items constituting - Deferred tax assets			
Disallowance under income tax	(C)	28.15	24.32
Deferred tax liabilities (net)	**(A+B-C)**	**101.87**	**92.17**

27. OTHER NON-CURRENT LIABILITIES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred government grant	3.00	3.34
	3.00	**3.34**

28. LEASE LIABILITIES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Lease liabilities	4.16	9.61
	4.16	**9.61**

29. TRADE PAYABLES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises	27.98	16.58
Total outstanding dues of creditors other than micro enterprises and small enterprises	246.39	300.62
	274.37	**317.20**

(Refer note 57 for disclosures relating to micro enterprises and small enterprises)

Notes to the Standalone Financial Statements
as at 31 March 2022

30. OTHER CURRENT FINANCIAL LIABILITIES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Unpaid dividend*	0.85	0.81
Capital creditors	42.02	40.16
Book overdraft	9.49	6.39
Employee benefits payable	15.00	14.07
Sales returns for expired goods (Refer note 50.2)	40.60	33.10
Other payables	0.06	0.13
	108.02	**94.66**

*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31 March 2022.

31. OTHER CURRENT LIABILITIES

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers	52.29	38.29
Deferred government grant	0.33	0.33
Statutory dues payable	11.79	9.43
	64.41	**48.05**

32. PROVISIONS (CURRENT)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (net)		
Gratuity (Refer note 45.2)	6.27	6.79
Compensated absences (Refer note 45.3)	4.53	4.92
	10.80	**11.71**

33. CURRENT TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for tax (net of advance tax ₹ 190.34 Crore (31 March 2021 ₹ 190.19 Crore))	7.94	34.86
	7.94	**34.86**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

34. REVENUE FROM OPERATIONS

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products (Refer note 50)		
Finished goods	2,793.01	2,415.31
Stock-in-trade	290.77	258.79
Other operating revenues		
Export incentives	44.74	34.11
Others	12.12	10.38
	3,140.64	**2,718.59**

35. OTHER INCOME

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Dividend from subsidiary companies	22.33	83.21
Income from financial assets carried at FVTPL		
Gain on sale/redemption of Current Investments	3.07	5.90
Gain on investment at FVTPL	9.07	1.76
Gain on financial instrument at FVTPL	17.09	4.09
Income on financial assets carried at amortised cost		
Interest on deposits with banks	1.01	1.97
Interest from others (includes interest on income tax refund)	13.62	1.48
Exchange difference (Net)	58.85	-
Miscellaneous income	14.69	5.16
	139.73	**103.57**

36. COST OF MATERIALS CONSUMED

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Raw material consumed	619.58	574.60
Packing material consumed	153.46	129.49
	773.04	**704.09**

37. PURCHASES OF STOCK-IN-TRADE

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade	**116.12**	**100.59**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

38. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crore

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the beginning of the year :			
Finished goods		215.55	145.53
Work-in-progress		47.80	39.95
Stock-in-trade		25.72	28.98
	(A)	**289.07**	**214.46**
Inventories at the end of the year :			
Finished goods		260.65	215.55
Work-in-progress		46.50	47.80
Stock-in-trade		38.52	25.72
	(B)	**345.67**	**289.07**
Changes in inventories :			
Finished goods		(45.10)	(70.02)
Work-in-progress		1.30	(7.85)
Stock-in-trade		(12.80)	3.26
	(A) - (B)	**(56.60)**	**(74.60)**

39. EMPLOYEE BENEFITS EXPENSE

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	542.74	455.16
Contribution to provident and other funds	27.67	26.41
Gratuity expense	7.07	6.13
Share based payment expense (Refer note 46)	0.30	0.02
Staff welfare expenses	8.09	10.39
	585.87	**498.11**

40. FINANCE COST

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses	9.12	6.90
	9.12	**6.90**

41. DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTE 8)

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment	107.15	96.00
Amortisation on intangible assets	3.20	4.05
Depreciation on right-of-use assets	10.12	10.95
Depreciation on investment property	0.49	0.49
	120.96	**111.49**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

42. OTHER EXPENSES

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Selling expenses	259.02	154.91
Clearing and forwarding	131.75	92.17
Travelling expenses	51.01	32.59
Processing charges	14.72	20.61
Power and fuel	54.09	43.42
Advertisement and publicity	4.78	1.62
Consumption of stores and spare parts	54.45	37.34
Rent (Refer note 51)	5.36	2.10
Rates and taxes	1.67	1.55
Legal and professional fees	27.12	14.20
Postage, telephone and stationery expenses	7.12	5.32
Repairs and maintenance		
- Buildings	5.25	3.26
- Plant and machinery	35.80	26.38
- Computers and others	10.23	8.31
Insurance	12.90	12.27
Donation	0.86	0.77
Exchange rate difference (Net)	-	13.66
Impairment loss on financial assets	3.69	7.56
Impairment of investment in subsidiary (Refer note 61)	-	1.37
Directors sitting fees	0.27	0.22
Clinical and analytical charges	44.89	25.47
Loss on sale/discard of property, plant and equipment (net)	3.87	1.96
Product registration expenses	49.50	23.35
Corporate social responsibility expenses (Refer note 54)	13.13	12.78
Commission to directors	10.61	6.64
Miscellaneous expenses	29.23	23.66
	831.32	**573.49**

Notes to the Standalone Financial Statements

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43. CAPITAL MANAGEMENT:

Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return (EBIT) on capital, as well as the level of dividends to equity shareholders. The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans.

44. BASIC AND DILUTED EARNINGS PER SHARE IS CALCULATED AS UNDER:

The numerator and denominator used to calculate basic and diluted earnings per share:

₹ in Crore

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
Profit attributable to equity shareholders for Basic EPS (₹ in Crore)	(A)	719.86	675.64
Add: Dilutive effect on profit (₹ in Crore)	(B)	-	-
Profit attributable to equity shareholders for Diluted EPS (₹ in Crore)	(C=A+B)	719.86	675.64
Weighted average number of equity shares outstanding for Basic EPS	(D)	86,438,707	87,078,285
Add: Dilutive effect of option outstanding number of equity shares *	(E)	2,997	3,994
Weighted average number of equity shares for Diluted EPS	(F=D+E)	86,441,704	87,082,279
Face value per equity share (₹)		2	2
Basic earnings per share (₹)	(A/D)	83.28	77.59
Diluted earnings per share (₹)	(C/F)	83.28	77.59

* On account of Employee Stock Option Scheme 2011 (ESOS) and Share based Incentive Plan 2019 -(Refer note 46).

45. EMPLOYEE BENEFITS

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

45.1 Defined contribution plans

The Company offers its employee's defined contribution plans in the form of provident fund (PF) and Employees' pension scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The Company does not have any liability beyond depositing these amounts in to the government administered fund. During the year, the Company has made the following contributions:

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Provident fund and employee's pension scheme	26.89	25.19
Employees state insurance and others	0.78	1.22
Total	**27.67**	**26.41**

45.2 Defined benefit plans

Gratuity:

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

On normal retirement / early retirement / withdrawal / resignation:

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

Notes to the Standalone Financial Statements
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On the death in service:

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

₹ in Crore

	Particulars	31 March 2022	31 March 2021
i)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	43.51	36.57
	Current service cost	6.79	5.77
	Interest cost	2.47	2.11
	Actuarial loss / (gain)		
	- changes in financial assumptions	(1.25)	0.54
	- changes in demographic assumptions	-	-
	- experience adjustments	1.23	1.48
	Past service cost	-	-
	Benefit (paid)	(4.56)	(2.96)
	Closing defined benefit obligation	**48.19**	**43.51**
ii)	**Changes in Value of Plan Assets**		
	Opening value of plan assets	35.63	28.18
	Interest Income	2.19	1.75
	Return on plan assets excluding amounts included in Interest Income	0.53	(0.02)
	Contributions by employer	8.13	8.68
	Benefits (paid)	(4.56)	(2.96)
	Closing value of plan assets	**41.92**	**35.63**
iii)	**Amount recognised in the Balance Sheet**		
	Present value of funded obligations as at year end	48.19	43.51
	Fair value of the plan assets as at year end	(41.92)	(35.63)
	Net liability recognised as at the year end	**6.27**	**7.88**
iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	6.79	5.77
	Net Interest cost	0.28	0.36
	Net expenses recognised in the Statement of Profit and Loss	**7.07**	**6.13**
	Expenses recognised in the Statement of Other Comprehensive Income		
	Net actuarial loss/(gain) recognised in the current year		
	- changes in financial assumptions	(1.25)	0.54
	- change in demographic assumption	-	-
	- experience adjustments	1.23	1.48
	Return on plan assets excluding amounts included in Interest Income	(0.53)	0.02
	Net Expenses recognised in the Statement of Other Comprehensive Income	**(0.55)**	**2.04**
v)	**Asset information**		
	Insurer Managed Funds (100%) (Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	100%	100%

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

Particulars	31 March 2022	31 March 2021
vi) Principal actuarial assumptions used		
Discount rate (p.a.)	6.80%	6.25%
Salary growth rate (p.a.)	9.00% for next 1 year and 7.00% thereafter	9.00% for next 1 year and 7.00% thereafter
Weighted average duration of defined benefit obligation (Years)	6.36	6.32
Withdrawal Rate (%)		
Age Band		
25 and below	40	40
26 to 35	24	24
36 to 45	12	12
46 to 55	8	8
56 and above	8	8
vii) Estimate of amount of contribution in immediate next year	6.27	6.79

Sensitivity Analysis

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

₹ in Crore

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	46.78	49.69	42.20	44.91
Salary growth rate (0.5% movement)	49.47	46.94	44.70	42.35

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

45.3 Leave Encashment

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

Accordingly, ₹ 23.85 Crore (Previous Year ₹ 21.76 Crore) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

Notes to the Standalone Financial Statements
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46. SHARE BASED PAYMENTS

Company has established "Employees Stock Option Scheme 2011" ('ESOS – 2011') and Share based Incentive Plan 2019 as approved in earlier year by the shareholders of the Company and Compensation committee of Board of Directors for key employees of the Group. The options issued under the above scheme vest in a phased manner.

During the year 3,000 option have been granted by the Company under the Share based Incentive Plan 2019 to the employees of the Company.

Grant Date	No. of Option Granted	No. of Option Cancelled	Exercise price	Vesting Period
30 April 2021	3,000	-	2	30 April 2022 to 30 April 2024

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

The particulars of the options under ESOS 2011 and Share based Incentive Plan 2019 are as below:

Particulars	As at 31 March 2022 Nos.	As at 31 March 2021 Nos.
Option outstanding as at the beginning of the year	4,000	6,500
Add: Option granted during the year	3,000	3,000
Less: Option exercised during the year *	4,000	5,500
Less: Option lapsed/cancelled during the year	-	-
Option outstanding as at the year end	3,000	4,000

* The options are exercised by employees of subsidiaries.

Particulars	As at 31 March 2022 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the year	4,000	2.0	2.0	0.39
Add: Options granted during the year	3,000	2.0	2.0	1.08
Less: Options exercised during the year	4,000	2.0	2.0	NA
Less: Options lapsed/cancelled during the year	-	-	-	-
Options outstanding as at the year end	3,000	2.0	2.0	1.08

Particulars	As at 31 March 2021 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the year	6,500	2.0	2.0	0.70
Add: Options granted during the year	3,000	2.0	2.0	0.30
Less: Options exercised during the year	5,500	2.0	2.0	NA
Less: Options lapsed/cancelled during the year	-	-	-	-
Options outstanding as at the year end	4,000	2.0	2.0	0.39

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

Variables	Weighted Average Information							
Plan	ESOS 2011 /Share Based Incentive Plan 2019							
Particulars	1,000 option	3,000 option	3,000 option	1,500 option	5,000 option	500 option	3,000 option	3,000 option
Grant date	8 May 2015	26 July 2016	26 July 2016	22 August 2017	31 October 2018	27 September 2019	20 May 2020	30 April 2021
Last date for acceptance	8 June 2015	26 August 2016	26 August 2016	22 September 2017	30 November 2018	27 October 2019	19 June 2020	30 May 2021
Risk free rate (%)	8	7.3	7.3	7.5	7.4	5.2	5.2	4.53
Expected Life (years)	1 to 3	3 to 4	1 to 3	1 to 4	2	2	1	1 to 3
Volatility (%)	31.7	20.23	20.23	17.2	13.43	13.74	14.67	14.57
Dividend yield (%)	1.5	0.53	0.53	0.43	0.5	0.55	0.71	0.76
Price of the underlying share in the market at the time of option grant	₹ 1,264	₹ 1,478	₹ 1,702	₹ 1,153	₹ 1,058	₹ 1,055	₹ 1,439	₹ 1,842
Fair value of options	₹ 1,189	₹ 1,453	₹ 1,453	₹ 1,142	₹ 1,043	₹ 1,041	₹ 1,425	₹ 1,792
Exercise price	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2

The particulars of the options under ESOS 2011 and Share based Incentive Plan 2019 granted to Employees of Subsidiary are as below:

Variables	Weighted Average Information					
Plan	ESOS 2011 /Share Based Incentive Plan 2019					
Particulars	3,000 option	3,000 option	1,500 option	4,000 option	500 option	3,000 option
Grant date	26 July 2016	26 July 2016	22 August 2017	31 October 2018	27 September 2019	20 May 2020
Last date for acceptance	26 August 2016	26 August 2016	22 September 2017	30 November 2018	27 October 2019	19 June 2020
Risk free rate (%)	7.3	7.3	7.5	7.4	5.2	5.2
Expected Life (years)	3 to 4	1 to 3	1 to 4	2	2	1
Volatility (%)	20.23	20.23	17.2	13.43	13.74	14.67
Dividend yield (%)	0.53	0.53	0.43	0.5	0.55	0.71
Price of the underlying share in the market at the time of option grant	₹ 1,478	₹ 1,702	₹ 1,153	₹ 1,058	₹ 1,055	₹ 1,439
Fair value of options	₹ 1,453	₹ 1,453	₹ 1,142	₹ 1,043	₹ 1,041	₹ 1,425
Exercise price	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2

Valuation of stock options

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

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

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

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

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

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

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

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock-based compensation expense could be materially impacted in future years. The Company has granted stock options to employees of a subsidiary, the estimated fair value of stock options issued are included in the carrying value of the investment in the said subsidiary on a straight-line basis over the requisite service period of each separately vesting portion of the award.

47. FINANCIAL INSTRUMENT- FAIR VALUES AND RISK MANAGEMENT

A. Fair value measurements

₹ in Crore

Financial instruments by category	As at 31 March 2022		As at 31 March 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Mark to market derivative asset	17.09	-	4.09	-
Investment in subsidiaries	-	17.89	-	17.89
Investment in Limited liability partnership	25.10	-	-	-
Investments in mutual funds/Bonds/NCDs	121.86	-	138.99	-
Investment in unquoted equity shares (current year ₹ 37,050, previous year ₹ 37,050)	-	-	-	-
Trade receivables	-	1,043.62	-	782.30
Other non-current financial assets	-	11.84	-	16.15
Cash and cash equivalents	-	139.83	-	119.88
Bank balances other than cash and cash equivalents	-	5.42	-	32.10
Current loans	-	6.14	-	5.74
Insurance receivable	-	0.01	-	0.01
Export benefit receivable	-	1.51	-	32.29
Interest receivable	-	0.58	-	1.76
Total financial assets	**164.05**	**1,226.84**	**143.08**	**1,008.12**
Financial Liabilities				
Book overdrafts	-	9.49	-	6.39
Other non-current financial liabilities	-	1.09	-	1.25
Non-current lease liabilities	-	16.33	-	16.30
Capital creditors	-	42.02	-	40.16
Unpaid dividend	-	0.85	-	0.81
Employee benefits payable	-	15.00	-	14.07
Current lease liabilities	-	4.16	-	9.61
Sales return for expired goods	-	40.60	-	33.10
Other payables	-	0.06	-	0.13
Trade payables	-	274.37	-	317.20
Total financial liabilities	**-**	**403.97**	**-**	**439.02**

Fair value measurement of lease liabilities is not required.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

Fair value hierarchy

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

₹ in Crore

Financial assets and liabilities measured at fair value	As at 31 March 2022			As at 31 March 2021		
	Level			Level		
	I	II	III	I	II	III
Financial assets						
Recurring fair value measurements						
Mark to Market Derivative Asset	-	17.09	-	-	4.09	-
Investment in Mutual Funds	-	-	-	82.78	-	-
Investment in NCDs	-	121.86	-	-	56.21	-
Investment in Limited liability partnership	-	25.10	-	-	-	-
Total Financial Assets	**-**	**164.05**	**-**	**82.78**	**60.30**	**-**

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

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

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Measurement of fair values:

Valuation techniques and significant unobservable inputs:

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

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

B. Financial risk management

Company has exposure to following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk
- currency risk

Risk management framework

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

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

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

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

i. Credit risk

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

Impairment:

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

₹ in Crore

Particulars	As at 31 March 2022		
	Carrying amount	Weighted average loss rate	Loss allowance
Group Debtors	745.73	0.87%	6.50
Past due upto 180 days	299.11	0.25%	0.74
Past due 181- 365 days	4.65	13.78%	0.64
Past due 366 - 730 days	5.02	59.85%	3.01
Past due 731 - 1096 days	0.05	100.00%	0.05
More than 1096 days	3.80	100.00%	3.80
	1058.36		**14.74**

₹ in Crore

Particulars	As at 31 March 2021		
	Carrying amount	Weighted average loss rate	Loss allowance
Group Debtors	492.74	0.29%	1.42
Past due upto 180 days	292.79	1.81%	5.31
Past due 181- 365 days	4.04	19.46%	0.79
Past due 366 - 730 days	0.64	61.38%	0.39
Past due 731 - 1096 days	0.72	100.00%	0.72
More than 1096 days	4.94	100.00%	4.94
	795.87		**13.57**

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non-interest bearing, are mainly from stockists, distributors and customers and are generally on 14 days to 270 days credit term excluding wholly owned subsidiaries. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

As at 31 March 2022, the Company had 32 customers, excluding wholly owned subsidiaries (31 March 2021: 26 customers) that owed the company more than ₹ 0.50 Crore each and accounted for approximately 22% and 29% respectively of the total outstanding as at 31 March 2022 and 31 March 2021.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

70% of total receivables is from wholly owned subsidiaries.

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

Expected credit loss assessment

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

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

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Gross carrying amount	1058.36	795.87
Average expected loss rate	1.39%	1.71%
Carrying amount of trade receivables (net of impairment)	1043.62	782.30

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

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at the beginning of the year	13.57	12.60
Impairment loss recognised (net)	3.69	7.56
Amounts written off	(2.52)	(6.59)
Balance as at the year end	14.74	13.57

The impairment loss at 31 March, 2022 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

(b) Financial instruments

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

ii. Liquidity risk

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

Notes to the Standalone Financial Statements
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Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to outflows is 0.56 at 31 March 2022 (0.51 at 31 March 2021).

Exposure to liquidity risk

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

₹ in Crore

As at 31 March 2022	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade payables current	274.37	274.37	274.37	-	-	-
Other financial liabilities	109.11	109.11	108.02	1.09	-	-
Lease liabilities	20.49	20.49	4.16	1.79	2.12	12.42
Total	**403.97**	**403.97**	**386.55**	**2.88**	**2.12**	**12.42**

₹ in Crore

As at 31 March 2021	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade payables current	317.20	317.20	317.20	-	-	-
Other financial liabilities	95.91	95.91	94.66	1.25	-	-
Lease liabilities	25.91	25.91	9.61	3.06	0.82	12.42
Total	**439.02**	**439.02**	**421.47**	**4.31**	**0.82**	**12.42**

iii. Market risk

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

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

iv. Currency risk

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

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

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

The following table analyses foreign currency risk as at 31 March 2022:

₹ in Crore

Particulars	US Dollars	Euro	Total
Bank balances	114.17	2.97	117.14
Trade and other receivables	973.39	0.67	974.06
Trade and other payables	31.89	1.50	33.39
Net assets / (liabilities)	**1055.67**	**2.14**	**1057.81**

The following table analyses foreign currency risk as at 31 March 2021:

₹ in Crore

Particulars	US Dollars	Euro	Total
Bank balances	55.60	15.31	70.91
Trade and other receivables	722.93	3.82	726.75
Trade and other payables	23.12	4.93	28.05
Net assets / (liabilities)	**755.41**	**14.20**	**769.61**

For the year ended 31 March 2022 every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Company's incremental profit before tax as per below:

₹ in Crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	10.55 / (10.55)
Euro	+1% / (-1%)	0.02 / (0.02)

For the year ended 31 March 2021 every percentage point depreciation/appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in Crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	7.55 / (7.55)
Euro	+1% / (-1%)	0.14 / (0.14)

48. NOTE ON FOREIGN CURRENCY EXPOSURES ON ASSETS AND LIABILITIES:

Disclosure on foreign currency forward contracts

During the year, the Company has entered into forward exchange contract, being derivative instruments to mitigate foreign currency risk, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables.

The following are the outstanding foreign currency forward contracts entered into by the Company:

Particulars	As at 31 March 2022	As at 31 March 2021	Buy or Sell	Cross Currency
	Foreign Currency Amount in Crore	Foreign Currency Amount in Crore		
EURO	2.56	0.10	SELL	INR
USD	13.92	9.46	SELL	INR

Notes to the Standalone Financial Statements
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49. NOTE ON FOREIGN CURRENCY EXPOSURES ON ASSETS AND LIABILITIES:

Disclosure on foreign currency exposures on assets and liabilities

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

Particulars	₹ in Crore	₹ in Crore	Foreign Currency Amount in Crore	Foreign Currency Amount in Crore	Foreign Currency
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	
Amount receivable	37.60	91.87	0.50	1.26	USD
	-	27.70	-	0.32	EURO
	-	0.09	-	$	CHF
	-	0.01	-	"	GBP
Amount payable	65.35	51.69	0.86	0.71	USD
	19.12	14.92	0.23	0.17	EURO
	@	-	#	-	AED

@ ₹ 38,616 # AED 1,912 $ CHF 12,000 "GBP 744

50. DISAGGREGATION OF REVENUE

The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

50.1 Revenue

Primary geographical markets

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	982.20	812.93
Emerging Market	1,315.41	975.55
Africa Institution	206.10	271.21
USA	580.07	614.41
Total revenue from contract with customers	**3,083.78**	**2,674.10**
Timing of revenue recognition		
Goods transferred at a point in time	3,083.78	2,674.10

Variable components such as discounts and rebates continue to be recognised as deduction from revenue in compliance with Ind AS 115.

₹ in Crore

Revenue Break-up	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted price	3,221.55	2,669.78
Adjusted for:		
Trade Discounts	46.55	37.80
Others	91.22	(42.12)
	137.77	**(4.32)**
Net Revenue	**3,083.78**	**2,674.10**

The company normally sells goods on credit which varies from 14 to 21 days for domestic sales and 180 to 270 days in case of export sales. This does not involve any significant financing element.

We have two customers having more than 10% of Company's Revenue which includes one subsidiary.

Notes to the Standalone Financial Statements
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50.2 Provision for anticipated Return of Expired Goods subsequent to Sale:

Provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS 115) estimated by management based on past trends.

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	33.10	26.04
Add: Provisions made during the year	40.60	33.10
Less: Amount written back/utilised during the year	33.10	26.04
Balance at the end of the year	**40.60**	**33.10**

51. DISCLOSURE FOR OPERATING LEASES UNDER IND AS 116 -"LEASES":

The Company has taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents. Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

Right-of-use assets

₹ in Crore

Particulars	Land and Buildings	Leasehold land	Total
Cost			
As at 1 April 2021	30.73	79.55	110.28
Additions	4.89	1.56	6.45
Disposals	(1.27)	(18.52)	(19.79)
Balance as at 31 March 2022	**34.35**	**62.59**	**96.94**
Accumulated depreciation and impairment			
As at 1 April 2021	19.31	2.13	21.44
Depreciation	9.15	0.97	10.12
Eliminated on disposals of assets	(1.27)	(1.23)	(2.50)
Balance as at 31 March 2022	**27.19**	**1.87**	**29.06**

₹ in Crore

Particulars	Land and Buildings	Leasehold land	Total
Cost			
As at 1 April 2020	29.59	67.12	96.71
Additions	3.22	12.43	15.65
Disposals	(2.08)	-	(2.08)
Balance as at 31 March 2021	**30.73**	**79.55**	**110.28**
Accumulated depreciation and impairment			
As at 1 April 2020	10.09	1.00	11.09
Depreciation	9.82	1.13	10.95
Eliminated on disposals of assets	(0.60)	-	(0.60)
Balance as at 31 March 2021	**19.31**	**2.13**	**21.44**

₹ in Crore

Carrying amounts	
As at 1 April 2021	88.84
Balance as at 31 March 2022	**67.88**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

₹ in Crore

Carrying amounts	
As at 1 April 2020	85.62
Balance as at 31 March 2021	**88.84**

Breakdown of lease expenses

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Short-term and low value lease expense	5.36	2.10
Total lease expense	**5.36**	**2.10**

Cash outflow on leases

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Repayment of lease liabilities (including interest thereon)	(14.47)	(16.20)
Total cash outflow on leases	**(14.47)**	**(16.20)**

Maturity analysis

₹ in Crore

Particulars	Less than 1 year	Over 1 years
As at 31 March 2022		
Lease liabilities	4.16	16.33
As as at 31 March 2021		
Lease liabilities	9.61	16.30

52. CONTINGENT LIABILITIES AND COMMITMENTS:

Contingent Liabilities

₹ in Crore

	Particulars	As at 31 March 2022	As at 31 March 2021
i.	Claims against the Company not acknowledged as debt	0.61	0.61
ii.	Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation	5.22	5.55
iii.	Disputed Octroi Amount paid under protest and included under "Other Current Assets" ₹ 0.52 Crore (Previous Year ₹ 0.52 Crore)	0.52	0.52
iv.	Excise duty, Service Tax, VAT and GST disputed by the Company	0.93	3.11
v.	Financial Guarantee (Guarantee was given to third party on behalf of subsidiaries for contractual obligation, now the guarantee period is over)	-	73.11

The Company has three ongoing patent litigations as on 31 March 2022. No liability is expected to arise from these litigations.

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

Future cash outflows in respect of liability under clause (i) is dependent on terms agreed upon with the parties, in respect of clauses (ii) to (iv) is dependent on decisions by relevant authorities of respective disputes, clause (v) is a financial guarantee.

Notes to the Standalone Financial Statements
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Code on social Security, 2020

The new Code on Social Security, 2020 (Code) has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

During the year, the Hon'ble ITAT has issued an order in favour of the Company with respect to disputed matters under the Income Tax Act, 1961 for certain prior years. The order giving effect and the consequent refund of taxes paid was accordingly received by the Company during the year and has been recorded as income tax credit for prior years. Considering that as on date, there are no pending litigations with respect to these matters for the said assessment years, no further liabilities have been ascertained in this respect.

Commitments:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 69.16 Crore (Previous Year ₹ 86.08 Crore).

53. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW:

A) Relationships:

Category I- Subsidiaries:

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

Category II- Directors and Key Management Personnel:

Mr. Mannalal B. Agrawal	Chairman
Mr. Madhusudan B. Agrawal	Executive Vice-Chairman
Mr. Yogesh M. Agrawal	Managing Director
Mr. Rajesh M. Agrawal	Joint Managing Director
Mr. Chandrakant M. Khetan	Independent Director
Mr. K. H. Viswanathan	Independent Director
Mr. Prabhakar Dalal	Independent Director
Dr. Anjana Grewal	Independent Director
Mr. Arvind Agrawal	Chief Financial Officer
Mr. Gaurang C. Shah	Company Secretary

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

Gabs Investments Private Limited

Seth Bhagwandas Agrawal Charitable Trust

Ganga Exports being represented by Mr. Yogesh M. Agrawal,
Mr. Rajesh M. Agrawal and Mr. Ravi P. Agrawal

Mannalal Agrawal Trust, Trustee – Mr. Mannalal B. Agrawal

Yogesh Agrawal Trust, Trustee – Mr. Yogesh M. Agrawal

Rajesh Agrawal Trust, Trustee – Mr. Rajesh M. Agrawal

Ravi Agrawal Trust, Trustee – Mr. Ravi P. Agrawal

Aayush Agrawal Trust, Trustee – Mr. Aayush M. Agrawal

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Ajanta Pharma Limited Group Gratuity Trust

Samta Purushottam Agrawal Memorial Foundation

Mamta and Madhusudan Agrawal Memorial Foundation

Manisha Yogesh Agrawal Foundation

Smriti Rajesh Agrawal Foundation

Ajanta Foundation

Category IV- Others (Relatives of Key Management Personnel):

Ms. Tanya Agrawal - Daughter of Managing Director

Mr. Aayush M. Agrawal

Mr. Ravi P. Agrawal

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

₹ in Crore

Sr. No	Particulars	Category	Year ended 31 March 2022	Year ended 31 March 2021
1.	**Sale of Goods**			
	APML	I	96.41	181.80
	APPI	I	139.34	142.52
	APMIL	I	-	0.45
	APUI	I	580.07	614.43
2.	**Purchase of Capital Goods**			
	APML	I	0.17	-
3.	**Dividend from Subsidiary Companies**			
	APML	I	-	53.03
	APPI	I	22.33	30.18
4.	**Expenses Reimbursement to**			
	APUI	I	-	3.23
	APNL	I	0.25	0.50
5.	**Compensation to Key Management and Others**			
	Short Term Employee Benefits			
	Mr. Madhusudan B. Agrawal	II	3.42	2.97
	Mr. Yogesh M. Agrawal	II	11.06	9.59
	Mr. Rajesh M. Agrawal	II	11.06	9.59
	Mr. Arvind Agrawal	II	1.43	1.31
	Mr. Gaurang C. Shah	II	0.76	0.64
	Ms. Tanya Agrawal	IV	0.08	0.07
	Post-employment benefits	II & IV	0.62	0.37
6.	**Commission to executive director**			
	Mr. Yogesh M. Agrawal	II	5.25	3.27
	Mr. Rajesh M. Agrawal	II	5.25	3.27
7.	**Commission and Sitting Fees to Non-Executive Director**			
	Mr. Mannalal B. Agrawal	II	0.06	0.05
	Mr. Chandrakant M. Khetan	II	0.10	0.09
	Mr. K. H. Viswanathan	II	0.08	0.07
	Mr. Prabhakar Dalal	II	0.07	0.07
	Dr. Anjana Grewal	II	0.06	0.06
8.	**Dividend Paid**			
	Key Management Personnel	II	0.03	0.03
	Others	III & IV	57.83	58.45
9.	**Commission from Subsidiary on Corporate Guarantee**			
	APUI	I	0.52	0.46

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

₹ in Crore

Sr. No	Particulars	Category	Year ended 31 March 2022	Year ended 31 March 2021
10.	**Corporate Social Responsibility Expense**			
	Seth Bhagwandas Agrawal Charitable Trust	III	-	0.45
	Samta Puroshattam Agrawal Memorial Foundation	III	7.04	6.06
	Ajanta Foundation	III	0.15	0.06
	Mamta and Madhusudan Agrawal Memorial Foundation	III	0.19	-
11.	**Contribution made to Group gratuity trust towards premium paid to LIC**			
	Premium paid	III	8.34	8.79
12.	**Investment in subsidiary**			
	APUI	I	-	0.63
13.	**Other Income from subsidiary**			
	APUI	I	0.81	0.17
14.	**Donation**			
	Seth Bhagwandas Agrawal Charitable Trust	III	0.35	-
	Mamta and Madhusudan Agrawal Memorial Foundation	III	-	0.56
	Manisha Yogesh Agrawal Foundation	III	0.15	0.10
	Smriti Rajesh Agrawal Foundation	III	-	0.10
15.	**Buyback of Equity Share**			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	39.04	19.72
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	39.04	19.72
	Ravi P. Agrawal, Trustee Ravi Agrawal Trust	III	40.01	20.73
	Aayush M. Agrawal, Trustee Aayush Agrawal Trust	III	41.21	21.64
	Ganga Exports being represented by Yogesh M. Agrawal, Rajesh M. Agrawal and Ravi P. Agrawal	III	11.34	8.62
	Mr. Arvind Agrawal	II	0.13	0.10
	Mr. Gaurang C. Shah	II	0.00*	-

* ₹ 30,600

C) Amount outstanding as at end of the year

₹ in Crore

Sr. No	Particulars	Category	As at 31 March 2022	As at 31 March 2021
1.	**Trade receivables**			
	APPI	I	41.75	29.32
	APUI	I	661.68	463.42
	APML	I	42.30	-
2.	**Investments in**			
	APML	I	9.44	9.44
	APPI	I	1.38	1.38
	APUI	I	7.07	7.07
	APNL	I	-	1.37
	Less: Impairment of Investment in Subsidiary		-	(1.37)
3.	**Trade payables**			
	APUI	I	-	1.28
	APNL	I	(0.07)	-
	APML	I	0.17	-
4.	**Advance received**			
	APML	I	-	16.29
5.	**Other receivables**			
	APUI	I	0.44	0.31

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

₹ in Crore

Sr. No	Particulars	Category	As at 31 March 2022	As at 31 March 2021
6.	**Commission payable to executive director**			
	Mr. Yogesh M. Agrawal	II	5.25	3.27
	Mr. Rajesh M. Agrawal	II	5.25	3.27
7.	**Commission payable to non-executive director**			
	Mr. Chandrakant M. Khetan	II	0.04	0.03
	Mr. K. H. Viswanathan	II	0.02	0.02
	Mr. Prabhakar Dalal	II	0.02	0.02
	Dr. Anjana Grewal	II	0.02	0.02

Based on the internal and external transfer pricing review and validation, the Company believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. Details related to Corporate Guarantee and ESOP given to Employees of Subsidiary provided in note 52 and 46 respectively.

The Board of Directors have taken the decision to wind up its step-down subsidiary company, Ajanta Pharma (Mauritius) International Limited (wholly owned subsidiary of Ajanta Pharma (Mauritius) Limited). The Company has obtained the no objection clearance from the Mauritius Revenue Authority for its removal from the Register of the Corporate and Business Registration Department.

54. CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY ("CSR"):

As per section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised during the year on the activities which are specified in schedule VII of the Act. The utilisation is done by way of direct and indirect contribution towards various activities.

The particulars of CSR expenditure are as follows:

a) Gross amount required to be spent by the Company during the year is ₹ 12.60 Crore (Previous year: ₹ 10.49 Crore)

b) Amount spent during the year on:

₹ in Crore

Sr. No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i)	Construction / acquisition of asset	-	-
(ii)	On purposes other than (i) above*	13.13	12.78
(iii)	Shortfall at the end of the year	-	-
(iv)	Total of previous year shortfall	-	-
(v)	Nature of CSR activities	Promoting education, Medical assistance & promoting of sports	

*includes paid to related parties ₹ 7.38 Crore (previous year ₹ 6.57 Crore) (Refer note 53)

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

56. REMUNERATION TO AUDITORS (EXCLUDING GST):

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
- Audit fees	0.25	0.25
- Limited review	0.28	0.28
- For certification and other matters (including OPE)	0.32	0.19

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

57. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

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

₹ in Crore

Particulars		As at 31 March 2022	As at 31 March 2021
a.	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	27.98	16.58
	Interest due on above	-	0.01
b.	The amount of interest paid by the buyer as per Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act 2006.	-	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act 2006.	-	-

The following is ageing schedule for Trade payables as at 31 March 2022:

₹ in Crore

Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	27.98	-	-	-	-	27.98
(ii) Others	0.07	229.96	16.36	-	-	-	246.39
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**0.07**	**257.94**	**16.36**	**-**	**-**	**-**	**274.37**

The following is ageing schedule for Trade payables as at 31 March 2021:

₹ in Crore

Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	16.58	-	-	-	-	16.58
(ii) Others	-	274.22	26.40	-	-	-	300.62
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**-**	**290.80**	**26.40**	**-**	**-**	**-**	**317.20**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

58. RATIOS – ADDITIONAL REGULATORY INFORMATION

Ratio	Numerator	Denominator	31 March 2022	31 March 2021
Current Ratio (in times)	Total current assets	Total current liabilities	4.38	3.56
Debt - Equity Ratio (in times)	Total Debt (Lease liability)	Total equity	0.01	0.01
Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	-	-
Return on Equity (%)	Profit for the year less preference dividend (if any)	Average total equity	23.78%	25.28%
Inventory Turnover Ratio (in times)	Sale of products	Average Inventory	4.86	5.00
Trade receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivable	3.44	3.59
Trade payables turnover ratio (in times)	Net Credit Purchases (Raw material, packing material and purchase of traded goods)	Average Trade Payables	2.82	2.99
Net capital turnover ratio (in times)	Revenue from operations	Working Capital (Total current assets less Total current liabilities)	1.98	2.06
Net profit ratio (%)	Profit for the year	Revenue from operations	22.92%	24.85%
Return on capital employed (ROCE) (%)	Profit before tax and finance costs	Capital Employed (Net worth + Lease liability + Deferred tax liability)	27.67%	30.37%
Return on investment (%) *	Income generated from invested funds	Average invested funds	6.58%	8.93%

* The returns on current investments during the year in mutual fund and debentures are based on market conditions and volatility. The tendency of the returns is expected to vary over a short period of time and on redemption have delivered positive returns.

59. RESEARCH AND DEVELOPMENT EXPENDITURE:

A unit of the Company has been recognised by Department of Scientific and Industrial Research (DSIR) as in-house research and development unit. The amount of capital and revenue expenditure are as below.

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Amount in respect to:		
Capital expenditure	12.19	2.91
Revenue expenditure	204.34	138.91
Total	**216.53**	**141.82**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

60. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

A. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

61. IMPAIRMENT OF INVESTMENT IN SUBSIDIARY

The Company has made full provision for investment in aggregate value of unquoted investment in Ajanta Pharma Nigeria Limited and the carrying value of investment is considered as Nil.

62. Expenses capitalised represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same were capitalised on completion of projects and commencement of commercial operations. The details of expenses capitalised are:

₹ in Crore

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	-	11.79
Add: Incurred during the year		
Employee Benefit Expenses	-	0.68
Others	-	0.44
Total	**-**	**12.91**
Less: Capitalised to Tangible Assets	-	12.91
Closing Balance	**-**	**-**

63. INVESTMENT PROPERTIES

Rental income recognised in profit or loss for investment properties aggregates to ₹ 0.01 Crore (previous year ₹ 0.16 Crore). Maintenance and other expenses aggregating to ₹ 0.02 Crore (previous year ₹ 0.02 Crore). Fair value of Investment Properties aggregates to ₹ 12.48 Crore as per registered valuer.

64. INCOME TAX

Amount recognised in statement of profit and loss

₹ in Crore

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a.	**Current income tax**		
	Current tax on profit for the year	196.72	225.06
	Adjustment for current tax of prior periods	*(25.55)	(8.38)
	Total Current tax expenses	**171.17**	**216.68**
	Deferred tax expense/(benefit)		
	Origination and reversal of timing difference	9.51	11.73
	MAT Credit Entitlement	-	(1.96)
	Total Deferred Tax expenses	**9.51**	**9.77**
	Total Income tax expense recognised in the income statement	**180.67**	**226.45**

* Tax credit for prior periods amounting to ₹ 25.55 Crore comprises Income Tax refund received against order giving effect of ITAT order.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

b. Reconciliation of effective tax rate

The following is a reconciliation of the company's effective tax rate:

₹ in Crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Accounting profit before income taxes	900.57	902.09
Enacted tax rate in India (%)	34.94	34.94
Computed expected tax expenses	314.70	315.23
Effect of non-deductible expenses	14.92	5.71
Temporary difference which is reversed during the Tax Holiday period	(3.18)	(1.14)
Tax effect which is chargeable at different rate	(4.44)	(1.77)
Others deductible expenses	(14.03)	(38.87)
Adjustment for current tax of prior periods	(25.55)	(10.34)
Deduction for Tax Holiday Unit	(101.74)	(42.37)
Income tax expenses	180.68	226.45
Effective tax rate	20.06%	25.10%

c. Recognised deferred tax asset and liability

₹ in Crore

Particulars	Deferred tax asset		Deferred tax liabilities		Net deferred tax asset/(liabilities)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Property, Plant and equipment	-	-	126.89	115.88	(126.89)	(115.88)
Gain on Investment at FVTPL	-	-	3.13	0.61	(3.13)	(0.61)
Leave Encashment	8.33	7.53	-	-	8.33	7.53
Provision for Expired Goods	14.19	11.57	-	-	14.19	11.57
Diminution in value of Investment	0.48	0.48	-	-	0.48	0.48
Provision for Loss Allowance	5.15	4.74	-	-	5.15	4.74
Net deferred tax asset/(liabilities)	**28.15**	**24.32**	**130.02**	**116.49**	**(101.87)**	**(92.17)**

d. Movement in deferred tax balances 31 March 2022

₹ in Crore

Particulars	Net balance as at 31 March 2021	Recognised in Profit and loss	Net balance as at 31 March 2022	Deferred tax asset	Deferred tax liabilities
Property, plant and equipment	(115.88)	(11.01)	(126.89)	-	126.89
Gain on Investment at FVTPL	(0.61)	(2.52)	(3.13)	-	3.13
Leave Encashment	7.53	0.80	8.33	8.33	-
Provision for Expired Goods	11.57	2.62	14.19	14.19	-
Diminution in value of Investment	0.48	-	0.48	0.48	-
Provision for Loss Allowance	4.74	0.41	5.15	5.15	-
Net deferred tax asset/(liabilities)	**(92.17)**	**(9.70)**	**(101.87)**	**28.15**	**130.02**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

e. Movement in deferred tax balances 31 March 2021

₹ in Crore

Particulars	Net balance as at 31 March 2020	Recognised in Profit and loss	Net balance as at 31 March 2021	Deferred tax asset	Deferred tax liabilities
Property, plant and equipment	(98.96)	(16.92)	(115.88)	-	115.88
Gain on Investment at FVTPL	(1.43)	0.82	(0.61)	-	0.61
Leave Encashment	5.73	1.80	7.53	7.53	-
Provision for Expired Goods	9.10	2.47	11.57	11.57	-
Diminution in value of Investment	-	0.48	0.48	0.48	-
Provision for Loss Allowance	4.40	0.34	4.74	4.74	-
Net deferred tax asset/(liabilities)	**(81.16)**	**(11.01)**	**(92.17)**	**24.32**	**116.49**

The charge relating to temporary differences during the year ended 31 March 2022 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences. The credit to temporary differences during the year ended 31 March 2021 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences. Current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

65. IMPACT OF COVID – 19 (GLOBAL PANDEMIC)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets.

The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

66. Previous year figures have been regrouped / re-classified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from 1 April 2021.

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No : 111410

Mumbai
10 May 2022

For and on behalf of Board of Directors of
Ajanta Pharma Limited
CIN - L24230MH1979PLC022059

Yogesh M. Agrawal
Managing Director
DIN : 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN : 00302467

Arvind K. Agrawal
Chief Financial Officer

Gaurang C. Shah
Company Secretary
FCS : 6696

ajanta pharma limited

(CIN No. L24230MH1979PLC022059)
Regd. Office: "Ajanta House", Charkop, Kandivli (West), Mumbai – 400 067
Tel No.: +91 022 6606 1000 Website: www.ajantapharma.com; email: investorgrievance@ajantapharma.com

Notice

NOTICE is hereby given that the Forty-Third Annual General Meeting of the Members of Ajanta Pharma Limited will be held on Thursday, 4 August 2022 at 11.00 a.m. IST through Video Conferencing ("VC") /or Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March 2022 together with the Reports of the Board of Directors and the Auditors thereon; and
   b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March 2022 together with the Report of the Auditors thereon.
2. To confirm the interim dividend of ₹ 9.50/- per share, as final dividend for the year ended 31 March 2022.
3. To appoint a Director in place of Mr. Mannalal B. Agrawal (DIN: 00073828), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider re-appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. B S R & Co. LLP, Chartered Accountants, having registration No. 101248W/W-100022, be and are hereby re-appointed as the Statutory Auditors of the Company for second term of five consecutive years, who shall hold office from the conclusion of 43rd Annual General Meeting till the conclusion of the 48th Annual General Meeting to be held in the year 2027 at such remuneration as may be decided by the Board of Directors of the Company;

   RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

SPECIAL BUSINESS:

5. To consider ratification of remuneration of Cost Auditors and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, remuneration of ₹ 6.25 lakhs plus GST and reimbursement of actual travel and out-of-pocket expenses, fixed by the Board for M/s. Sevekari, Khare & Associates, Cost Accountants, for audit of cost records maintained by the Company for the financial year ending 31 March 2023, be and is hereby ratified."

By order of the Board of Directors

Sd/-
Gaurang C. Shah
VP – Legal & Company Secretary

10 May 2022
Registered office:
"Ajanta House", Charkop,
Kandivli (West),
Mumbai – 400 067

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), which sets out details relating to item no. 4 and 5 of the Notice is annexed hereto.
2. Due to on-going threat of COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI"), have vide various circulars allowed companies to send the annual reports to shareholders only on email and to hold Annual General Meeting ("AGM") through VC or OAVM without the physical presence of members at a common venue.

Notice

Hence, in accordance with these Circulars, the 43rd AGM of the Members of the Company is being held through VC / OAVM. The venue of the Meeting shall be deemed to be the Registered Office of the Company.

3. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Director seeking re-appointment forms part of this notice and is appended to the notice.

4. To support the green initiative and as per relaxation given by the Government, only electronic copy of the Annual report for the year ended 31 March 2022 and Notice of the 43rd AGM are being sent to the members whose mail IDs are available with your Company/ DP(s). Annual Report and the notice of the 43rd Annual General Meeting are also posted on the website www.ajantapharma.com for download.

   The AGM Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

   The AGM Notice is also disseminated on the website of Central Depository Services (India) Limited ("CDSL") (agency for providing the remote e-voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

5. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, in pursuance of Section 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their votes through e-voting.

6. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.

7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF/ NRI, etc.) are required to send a scanned copy (PDF / JPG format) of its Board or governing body resolution / authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution / authorisation shall be sent to the Scrutiniser by email through its registered email address to scrutinizer@ajantapharma.com with a copy marked to helpdesk.evoting@cdslindia.com, at least 48 hours before the commencement of AGM.

8. Following documents will be available for inspection electronically to the members during the AGM:

   i. Register of Directors and Key Managerial Personnel;

   ii. Register of Directors and Key Managerial Personnel and their shareholding;

   iii. Register of Contracts or Arrangements in which the directors are interested;

   iv. Certificate from the Secretarial Auditors of the Company certifying that the Company's Employee Stock Option Scheme – 2011 & Ajanta Share Based Incentive Plan – 2019 are being implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

   All other documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. Thursday, 4 August 2022. Members seeking to inspect such documents can send an email to investorgrievance@ajantapharma.com

9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulation (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorised e-voting agency. Accordingly, the facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL

10. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors,

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Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

11. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

12. **Instructions for Shareholders for Remote e-voting are as under:**

   (i) The remote e-voting period begins on Monday, 1 August 2022 at 9.00 A.M. and ends on Wednesday, 3 August 2022 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 28 July 2022, can may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

   The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

   Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing User ID and password for casting the vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below:

   (ii) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

   (iii) Pursuant to Regulation 44 of the Listing Regulations and SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

   (iv) Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

"Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

Pursuant to above said SEBI Circular, Login method for e-voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Existing Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login of Easi / Easiest the user will be also able to see the e-voting Menu. The Menu will have link of ESP i.e. CDSL portal. Click on CDSL to cast your vote. 3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/Easi Registration. 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. CDSL where the e-voting is in progress.

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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or ESP i.e. CDSL and you will be re-directed to ESP website for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Then please follow steps given in point no 1 above. 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be re-directed to NSDL Depository site wherein you can see e-voting page. Click on company name or ESP name and you will be re-directed to ESP website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or ESP - CDSL and you will be redirected to e-voting website of CDSL for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on toll free no.- 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting **for shareholders other than individual shareholders & physical shareholders**.

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

Data	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).

(vi) After entering these details appropriately, click on "**SUBMIT**" tab.

(vii) Shareholders holding shares in physical form will then directly reach your Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN of the Company **220621010** on which you choose to vote.

(x) On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES / NO**" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.

(xiii) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Facility for Non – Individual Shareholders and Custodians – Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

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- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to scrutinizer@ajantapharma.com with a copy marked to helpdesk.evoting@cdslindia.com
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer and to the Company at the email address viz.; scrutinizer@ajantapharma.com & investorgrievance@ajantapharma.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact on toll free no.- 1800 22 55 33. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free no.- 1800 22 55 33.

13. Instructions for Shareholders attending the AGM through VC / OAVM & e-voting during Meeting are as under:

i. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

ii. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.

iii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

iv. Further shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

v. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

vi. Shareholders who would like to express their views ask questions during the meeting may register themselves as a speaker by sending their request in advance during Saturday, 30 July 2022 (9:00 a.m. IST) to Tuesday, 2 August 2022 (5:00 p.m. IST) to investorgrievance@ajantapharma.com mentioning their name, demat account number / folio number, email id, mobile number and PAN. Shareholders who do not wish to speak during the AGM but have queries may send their queries to investorgrievance@ajantapharma.com 5 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number, PAN and the query. These queries will be replied suitably by email.

vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting. Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM.

viii. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

ix. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Process for those Shareholders whose email addresses are not registered with the Company / RTA / Depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice - Please refer to serial no. 20 of the AGM Notice.

14. Mr. Alwyn D'Souza, a Practicing Company Secretary, Mumbai (Membership No. 5559 & Certificate of Practice No. 5137) has been appointed as the Scrutiniser to scrutinise the voting and ensuring that remote e-voting process is conducted in a fair and transparent manner. The Scrutiniser will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the Stock Exchanges, CDSL and RTA and will also be displayed on your Company's website, www.ajantapharma.com.

15. Members are requested to address all correspondence in connection with shares held by them, to the Company's Registrar & Transfer Agent ("RTA") viz., Link Intime India Private Limited, C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083 by quoting their Folio number or their DPID and Client ID number, as the case may be.

16. In accordance with the provisions of the Income Tax Act, 1961 as amended read with the provisions of the Finance Act, 2020, w.e.f. 1 April 2020, dividend declared and paid by the Company is taxable in the hands of its member and the company is required to deduct Tax at Source (TDS) from dividend paid to the members at the applicable rates. As such, whenever dividend is declared an email will be sent to the registered email ID of the members intimating about detailed process to be followed for submission of documents/ declarations.

17. Members are requested to do following, if not done yet:

    i. Provide / update details of their bank accounts indicating the name of the bank, branch, account number and the nine-digit MICR code and IFSC code (as appearing on the cheque) along with photocopy of the cheque / cancelled cheque, self- attested identity proof and address proof, for remittance of dividend through ECS / NEFT and prevent fraudulent encashment of dividend warrants.

    ii. Dematerialise the shares held by them in physical form.

    iii. Update Permanent Account Number (PAN) against folio / demat account as also for deletion of name of deceased holder, transmission / transposition of shares.

    iv. Members holding shares in dematerialised form are requested to intimate / update all particulars of bank mandates, PAN, nominations, power of attorney, change of address, e-mail address, contact numbers etc. to their Depository Participants (DPs). Members holding shares in physical form are requested to intimate such details to the RTA and file nomination form SH- 13.

18. NRI Members are requested to inform the RTA immediately:

    (i) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier and

    (ii) Change in their residential status and address in India on their return to India for permanent settlement.

19. Pursuant to provisions of section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all the underlying shares on which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to IEPF authority as notified by the Ministry of Corporate Affairs. In view thereof, after complying with the prescribed procedure, 18,678 shares on which dividend remained to be unclaimed for seven consecutive years, were transferred to IEPF account in 2021. Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF - 5 available on www.iepf.gov.in.

    Further, the unpaid dividend lying in dividend account of the year 2014-2015 and underlying shares thereon will be transferred to IEPF in August 2022 on due date. Shareholders can visit the Company's website www.ajantapharma.com to get the details of unclaimed dividend under the Investors' section and claim the same timely to avoid transfer of the same and underlying shares thereon to IEPF account.

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20. To disseminate all the communication including Annual Reports, Notices etc. electronically, members who have not registered their email IDs so far, are requested to register the same as under:

    i. **Members holding shares in demat mode** may update their e-mails ids with their Depository Participants. In case they want to register their e-mail addresses temporarily with Link Intime India Private Limited, they can do so by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their website www.linkintime.co.in at the Investor Services tab by choosing the email registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID / Client ID, PAN, mobile number and email ID. This email ID will be used for sending annual report, notices for general meetings and other corporate communications as permitted.

    ii. **Members holding physical shares** may get their email addresses registered with RTA, Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their website www.linkintime.co.in at the Investor Services tab by choosing the email / bank registration heading and follow the registration process as guided therein. Members are requested to provide details such as Name, folio number, certificate number, PAN, mobile number and email ID and also upload the image of share certificate in PDF or JPEG format (upto 1 MB). On submission of the shareholders details a OTP will be received by the shareholder which needs to be entered in the link for verification.

By order of the Board of Directors

Sd/-
Gaurang C. Shah
VP – Legal & Company Secretary

10 May 2022
Registered office:
"Ajanta House", Charkop,
Kandivli (West),
Mumbai – 400 067

Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item no. 4

M/s. B S R & Co. LLP Chartered Accountants (Firm Registration No. 101248W/W-100022) ("B S R"), were appointed as Statutory Auditors of the Company at the 38th AGM held on 5 July 2017, for a term of five years i.e. till the conclusion of the 43rd AGM of the Company. As per the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, the Company can appoint or re-appoint an audit firm as Statutory Auditors for not more than two (2) terms of five (5) consecutive years. As such, B S R is eligible for re-appointment for a further period of five years.

B S R was constituted on 27 March 1990 as a partnership firm and was converted into limited liability partnership i.e. B S R & Co. LLP on 14 October 2013 under registration no. 101248W/W-100022. B S R is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India.

The Registered Office of the firm is at Mumbai and having offices in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi. They have over 3,000 staff and 100+ Partners..

B S R audits various companies listed on stock exchanges in India including companies in the IT, pharma, FMCG sector. They had deployed team of senior audit professionals for Ajanta Pharma's audits during the last audit term. They have exhibited thorough professionalism in their audit approach and have added value.

Considering their expertise and competencies, based on the recommendations of the Audit Committee, Board of Directors at its meeting held on 10 May 2022, have, subject to the approval of Members the re-appointment of M/s. B S R & Co. LLP Chartered Accountants as Statutory Auditors of the Company to hold office for the second term of five consecutive years from conclusion of this AGM until conclusion of the 48th AGM of the Company.

B S R has given its consent for re-appointment as Statutory Auditors and confirmed that its re-appointment, if made, will be within the limits prescribed under the provisions of Section 141 of the Companies Act, 2013 and the rules made thereunder.

B S R has provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and holds a valid certificate issued by the 'Peer Review Board of ICAI'. They have also furnished a declaration confirming its independence in terms of Section 141 and that it has not taken up any prohibited non-audit assignments for the Company.

Based on the recommendations of Audit Committee, the Board of Directors will decide remuneration of Statutory Auditors for second term and the revision thereof.

The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

Considering the past performance, experience and expertise of B S R and based on the recommendation of the Audit Committee, it is proposed to appoint them as Statutory Auditors of the Company for a second term of five consecutive years till the conclusion of the 48th AGM of the Company in terms of the aforesaid provisions.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing of the proposed Resolution set out at Item No. 4.

The Board recommends the resolution at Item No. 4 of the accompanying Notice for approval of the Members of the Company.

Item no. 5

As per Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall, based on the recommendation of the Audit Committee appoint a cost accountant in practice, for auditing cost records of your Company and fix their remuneration. The remuneration of Cost Auditors approved by the Board shall be subject to ratification by the shareholders.

In pursuance thereof, on the recommendation of Audit Committee, the Board has at its meeting held on 10 May 2022 considered and approved appointment of M/s. Sevekari, Khare & Associates, Cost Accountants, for Cost Audit of the cost records maintained by the Company for the financial year ending 31 March 2023, at a remuneration of ₹ 6.25 lakhs plus GST as applicable and reimbursement of actual travel and out-of-pocket expenses, subject to ratification by the members.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are concerned or interested,

Notice

financially or otherwise, in passing of the proposed Resolution set out at Item No. 5.

The Board recommends the Resolution at Item No. 5 of the accompanying Notice for approval of the Members of the Company.

By order of the Board of Directors

Sd/-
Gaurang C. Shah
VP – Legal & Company Secretary

10 May 2022
Registered office:
"Ajanta House", Charkop,
Kandivli (West),
Mumbai – 400 067

Annexure to Notice of 43rd AGM

Details of the Director seeking appointment/re-appointment at Forty-Third Annual General Meeting (pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings).

Name of Director	**Mr. Mannalal B. Agrawal**
Date of Birth	26 March 1947
DIN No.	00073828
Date of Appointment	31 December 1979
Expertise in Specific Functional Area	Has been associated with the company since inception and has immensely contributed in growth of the Company. He has in-depth industry knowledge and expertise in business management, administration, taxation, finance and accounting.
Qualifications:	
(i) Educational	B.Com
(ii) Experience in years	40+
No. of shares held in the company	Nil
Relationship with other Directors and Key Managerial Personnel	Father of Mr. Yogesh M. Agrawal & Mr. Rajesh M. Agrawal and brother of Mr. Madhusudan B. Agrawal
No. of Board meetings attended during FY 2022	Five
Other Directorships in Companies	None
Membership of committees	Audit Committee (Member) Corporate Social Responsibility Committee (Chairman) Stakeholders' Relationship Committee (Chairman)
Terms and conditions of appointment	Non - Executive Director, liable to retire by rotation
Details of remuneration sought to be paid	Sitting fees and commission as may be approved by the Board of Directors in accordance with applicable provisions

ajanta pharma limited

(CIN No. L24230MH1979PLC022059)

Redg. Office: Ajanta House, Charkop,
Kandivli (West), Mumbai – 400 067

Tel No. 022 6606 1000
Website: www.ajantapharma.com
email: investorgrievance@ajantapharma.com