

# SOLID FOUNDATION.

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# CRAFTING THE FUTURE.

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SOLID  
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FUTURE.



₹ 4,209 cr.  
Revenue

₹ 1,172 cr.  
EBITDA

₹ 816 cr.  
PAT

We take great pride and satisfaction in the solid foundation we have established for our pharmaceutical formulation business during the year. This robust foundation has been the cornerstone of Ajanta's success, allowing us to achieve outstanding results again in FY 2024. Our performance highlights our resilience and ability to execute our strategies and deliver results in an environment of ever-growing competition. During the year, we enhanced efficiencies across functions with our strategic approach and focused execution. While achieving growth in our Branded Generics business, we solidified our presence across markets by seamlessly executing our strategic intent of growing this business beyond normal industry growth. We are ready to craft an even better future in the coming years.



# Ajanta at a Glance

**30+**  
Countries

**500+**  
Products

**4,800+**  
MRs

**7,900+**  
Ajantaites



Ajanta Research Centre, Mumbai

## Growth Levers

### New product launches across markets

Strong product portfolio under registration and development in R&D

### Increased market share in existing products

Focus on field force productivity enhancement

### Increasing the field presence as needed

Adding field selectively in existing countries

### Add new countries

Initiated work to enter selective new countries

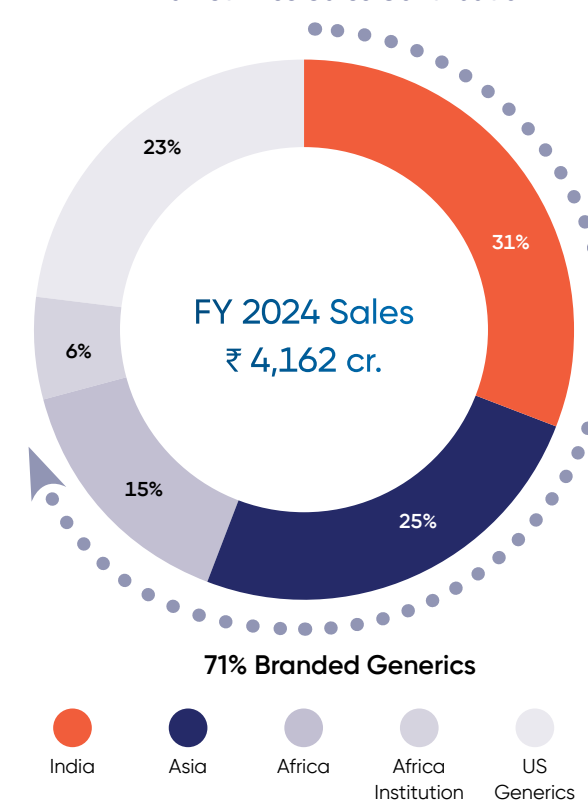
### Focus on digitalisation & data analytics

Across all functions of the organisation

## Our Business is Well-diversified and Gives Us an Edge

Branded Generics - India	Branded Generics - Asia	Branded Generics - Africa	Africa Institution	US Generics
4 Therapy Segments	8 Therapy Segments	8 Therapy Segments	Antimalarial Therapy	55 Approved ANDAs (includes 2 tentative)
~50% First-to-market	Leadership in sub-therapeutic segments	Leading Brands in segments	1 <sup>st</sup> Generic prequalified by WHO	22 Under Approval ANDAs
300+ Products	200+ Products	200+ Products	1 Bn+ Patients treated	44 Products on shelf

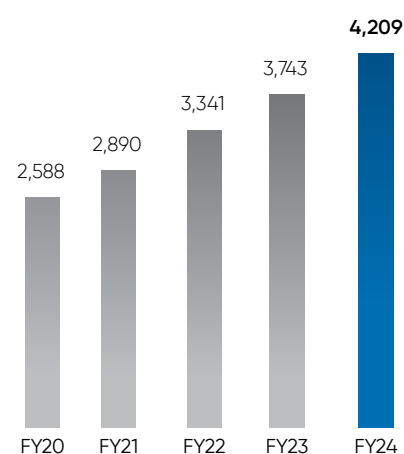
## Market-wise Sales Contribution



# Financial Highlights

## Revenue

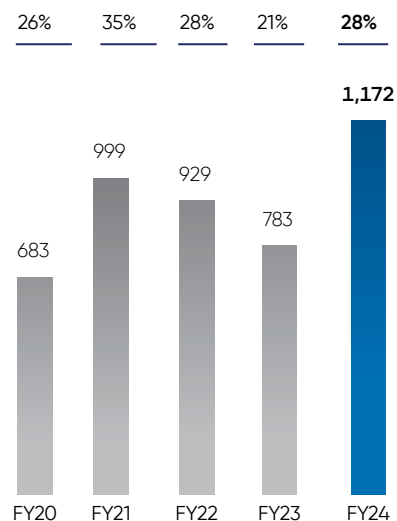
(₹ cr.)



↑ CAGR of **13%**

## EBITDA/Margin (%)

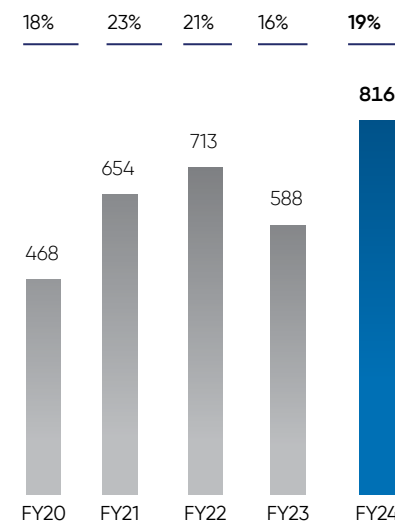
(₹ cr.)



↑ CAGR of **14%**

## PAT and Margin (%)

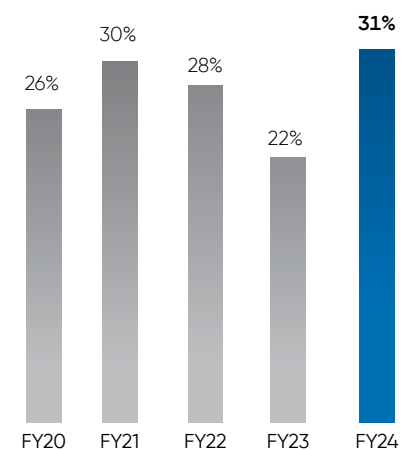
(₹ cr.)



↑ CAGR of **15%**

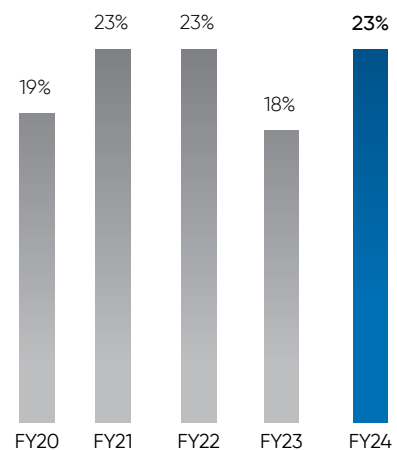
## RoCE<sup>1</sup>

(%)



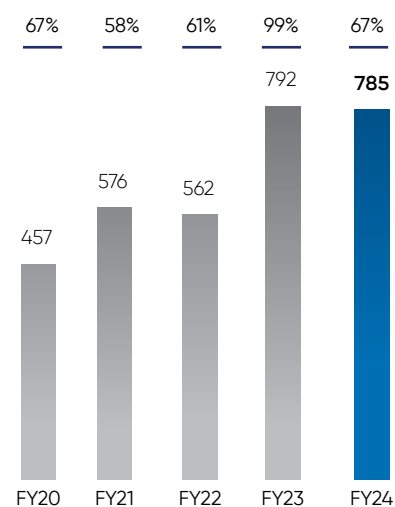
## ROE<sup>2</sup>

(%)



## CFO and Cash Conversion

(₹ cr.)

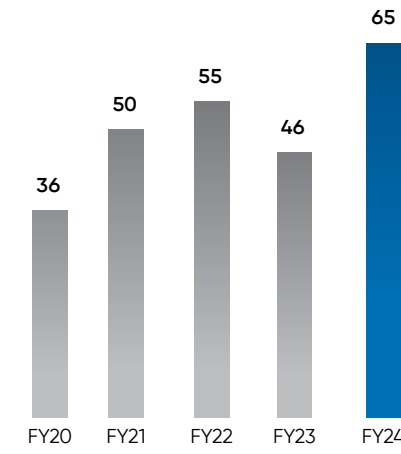


Note:

1. RoCE calculated as EBIT/(Net worth + Lease liability + Deferred tax liability)
2. ROE calculated as Net profit/Average net worth
3. Cash Conversion Ratio calculated as CFO (Cash Flow from Operations)/EBITDA

## EPS

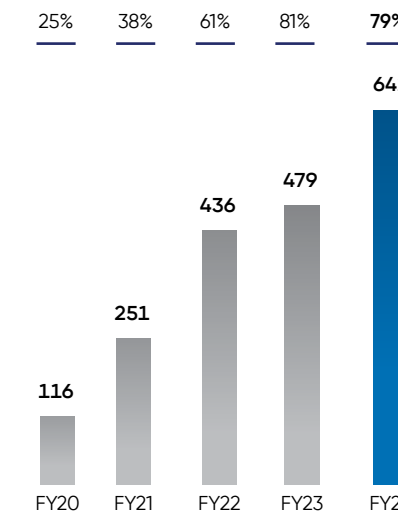
(₹)



Bonus issue in April 2022 adjusted in all years for calculation of EPS and Book Value

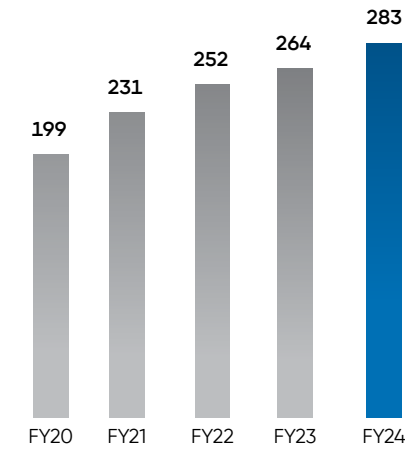
## Payout (Dividend & Buyback)

% to PAT (₹ cr.)



## Book Value Per Share

(₹)





## LETTER TO STAKEHOLDERS

# Solid Foundation for Better Future



**Yogesh M. Agrawal**  
Managing Director

### Dear Stakeholders,

We are happy to present you the outstanding performance your Company achieved during this year. This performance can be attributed to our well diversified business model which provides the solid foundation and surety for our growth.

This diversity comes from our business being spread across 3 distinct segments: Branded Generics in emerging markets, Generics in the USA and Institution Business in Africa.

### Segment Review

Our Branded Generics business stood at 71% of the total sales in FY 2024. This attributed to 31% in India, 25% in Asia, and 15% in Africa, posting a 10% annual growth

during the year. During the financial year, we further strengthened our foundation in these markets, launching 42 new products, adding 300+ people and enhancing our promotional efforts. We have a strong product portfolio under registration and development in R&D, which will enable us to grow faster.

Generics business in the US contributed 23% of the total sales in FY 2024 with a growth of 16%. This growth was on the back of new product launches, some opportunities amidst shortages and softening of price erosions. Our execution in this market has been flawless and excellent, and we continue to be a preferred partner for the distributors. In FY 2025, we expect this business to grow at

a much slower pace in the wake of fewer launches, that too towards the end of the financial year. We are glad to inform you that during the year our manufacturing facilities at Paithan and Dahej have cleared the US FDA inspections with zero observations, and we are proud to be among just a few to achieve this milestone.

Our Institution business in Africa, which consists of antimalarial products being distributed through multilateral aid agencies, saw growth of 31% in the year. This business contributed to 6% of total sales. As this business is dependent on the availability of funds with agencies, there is a high level of uncertainty, so we remain neutral on this vertical.

### Financial Highlights

**FY 2024 marked a significant milestone for Ajanta Pharma with notable achievements in sales, PAT, and EBITDA. These commendable results position us as a leading player in the pharmaceutical industry.**

Revenue from operations grew by 12% to ₹ 4,209 cr. Our EBITDA grew by 50% to ₹ 1,172 cr. EBITDA margin grew to 28% in FY 2024 from 21% in the previous year.

During the year, we took a collaborative approach, partnering with our vendors and industry experts to mitigate the volatility in API prices and international logistics cost.

With focused execution of this strategic approach, we were able to improve efficiency which helped in savings of about 300 basis points



**Rajesh M. Agrawal**  
Joint Managing Director

in API procurements and about ₹ 100+ cr. in logistics costs during the year. A favourable market condition also contributed to this. All this will enable us to Craft the Future with accelerated growth.

With all these efforts, our Profit After Tax grew by 39% to ₹ 816 cr. PAT margin expanded to 19% in FY 2024 from 16% in the previous year. By building operational efficiencies and following financial discipline of profitable growth, we established a solid foundation for crafting future growth.

During the financial year, your Company distributed a total of ₹ 642 cr. to shareholders in the form of dividend. This translates to a remarkable dividend yield of 2.28%, based on the closing price as of 31 March 2024.

Our balance sheet position remains pristine with ₹ 460 cr. as cash and liquid investments. We generated free cash flow of ₹ 637 cr. in the year, which is 78% of PAT. We remain prudent in our capital allocation by returning excess cash generated in the business to shareholders. Given this strong financial position, the Board of Directors has approved the distribution of ₹ 351 cr. to shareholders in the form of a buyback, including tax, constituting 0.82% of the total paid-up equity share capital.

Our successful efforts in building a Solid Foundation gives us the confidence for Crafting the Future with better performance and lesser impact on environment in coming years.

At Ajanta, sustainability is our core value and we continue to work towards it, year after year.

**You would be pleased to know that this year, we achieved a crucial milestone with the commissioning of a new 6.4 MW solar power plant at Partur in Maharashtra, taking our renewable energy portfolio to 30%+ of our total energy consumption.**

This plant leads to a remarkable reduction of CO<sub>2</sub> emissions by 4,200 tonnes annually which is equivalent to planting 300,000 trees or saving 15,000 kilolitres of water every year. We aim to fulfill over 50% of our energy requirements from green energy in the next two years. We are already maintaining water neutrality and follow a zero-discharge policy at our facilities.

We take this opportunity to express our deepest appreciation to all our employees and their families for their consistent contribution in our journey. We continue to improve our people practices, benchmarking against the best in the world, which is confirmed by our recognition of 'Great Place to Work', second year in a row. We also thank you for your continuing trust, support, and commitment to Ajanta.

Warm regards,

**Yogesh M. Agrawal** **Rajesh M. Agrawal**  
Managing Director Jt. Managing Director

## OUR BUSINESSES

### Branded Generics



Ajanta has a well-diversified Branded Generics business with sales coming from India and 30+ emerging market countries across Asia and Africa. It is this geographical diversification that provides business surety, scalability and sustainability. It also gives us the confidence to keep growing faster than the market in each of the countries we are present in.

We have strengthened this core business by penetrating deeper into select countries of our existing markets and also expanding into new promising countries. Our focused execution of this strategy involved identifying treatment gaps to add new products and therapies. It also involved expanding our field force to widen our reach with medical professionals through segment-focused marketing.

This has helped us establish the Solid Foundation which is helping

us in Crafting the Future growth at an accelerated pace in this vertical. Our expanded field force is now helping us reach out to a larger number of doctors through our continuous medical education programmes to keep them abreast with the latest developments in their therapeutic fields. Our efforts to enhance the understanding of our customers, enable us to add more value to them. It also helps us build strong brand recall and faster scale-up of our business. Our success record in building formidable brands in different parts of the world reaffirms the effectiveness of our strategy.

In India, we have 300+ strong product portfolio across specialty segments of Cardiology, Antidiabetic, Ophthalmology, Dermatology and Pain Management. It is built through the introduction of first-to-market products, which contributes over 50% of the product portfolio. Our focused execution involves 3,000 strong field force promoting these products and provide us a very strong position in the market.

Branded Generics business in Asia and Africa consists of eight major therapeutic segments where we hold leading positions in our sub-therapeutic segments. We have a basket of more than 200 products for these markets. Our strategic intent in these markets is to grow the chronic portfolio of Cardiology, Antidiabetic, Ophthalmology, Dermatology and Pain Management. We are one of the pioneers to introduce field force in some of these markets.

We added 27 new products in these markets in FY 2024 and further enhanced the field force, taking total strength to 1,800+. We plan to add 200 more next year to support the deeper penetration in these markets through new product launches.

**500+**  
Strong product  
portfolio across  
Specialty segments

## Market Diversification in Branded Generics Enables Continued Growth



Ajanta made it to the Asia Book of Records for creating the largest photo collage of CPR workshops conducted across India

**Leadership**  
in molecules and sub-therapeutic segments

**3 regions**  
India, Africa, and Asia

**Chronic therapies in focus**  
Cardiac, Antidiabetic, Ophthal, Derma, and Pain



## Branded Generics – India



Ajanta stall @ Association of Physicians of India Conference

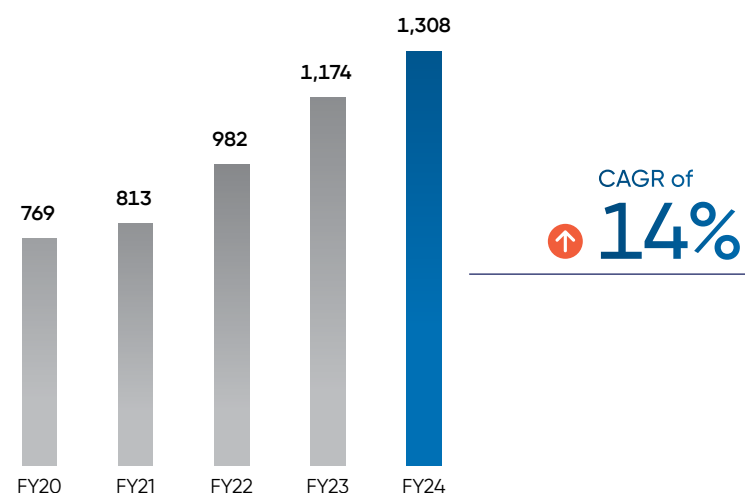
Our India business contributed 31% to the total revenue, with sales of ₹ 1,308 cr. as against ₹ 1,174 cr., posting a growth of 11%. About 65% of sales in India is from chronic therapies which is a very sticky business.

In our sales, cardiology contributed 38%; ophthalmology contributed 31%; and dermatology contributed 22% of our India business, with remaining 9% coming from pain management. In FY 2024, we launched 15 new products, including 4 first-to-market. We also added about 200 medical representatives in the financial year.

We continue to outpace the IPM by 180 basis points, with Ajanta growing at 9.4%, surpassing the IPM growth of 7.6%, as per IQVIA MAT March 2024. This trend extends to most of the therapeutic segments we are in, where our growth has consistently outpaced the segment growth. However, in cardiology our growth was lower to IPM due to the government-led price revision for one of our major products MET XL, in Dec 2022. Our overall ranking in IPM jumped 1 position to 26<sup>th</sup> rank.

In the covered market, we continue to be the fourth largest in IPM and amongst the top 10 in all our therapeutic segments. As per IQVIA MAT March 2024, our faster growth is contributed mainly by volumes and new launches. Volume was about 2x to IPM, and new launches were about 1.4x to IPM. We have 3 brands in the top 500 list of brands.

### Revenue (₹ cr.)



## Branded Generics – Asia

In Asia, our presence spans across the Middle East, South East and Central Asia, encompassing around 10 countries. In FY 2024, our sales were ₹ 1,057 cr. against ₹ 957 cr., growth of 10%.

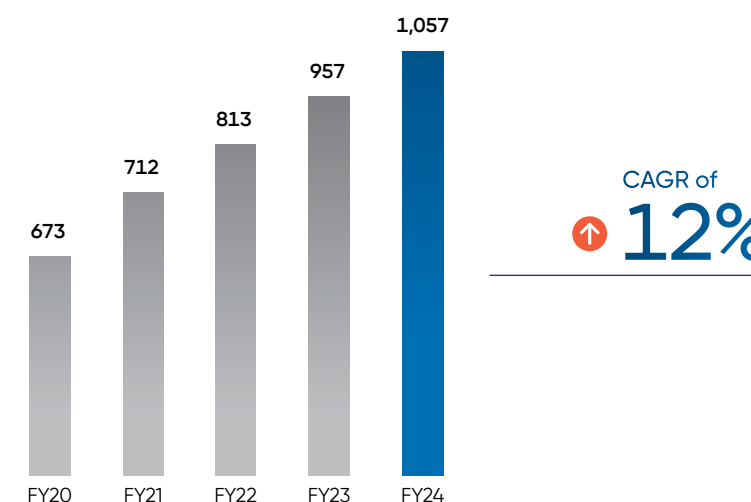
We hold the leadership position in many molecules and sub-therapeutic segments in many of these markets. About 75% of our product portfolio in Asia is of chronic therapies, which is again a very sticky business.

During the year, we launched 18 new products in the region solidifying the Branded Generics foundation.



Ajanta's participation @ Annual Gynaecology Conference, Uzbekistan

### Revenue (₹ cr.)



**New focus**  
Strengthening countries of small presence

**Optimistic**  
of consistent growth

## Branded Generics – Africa

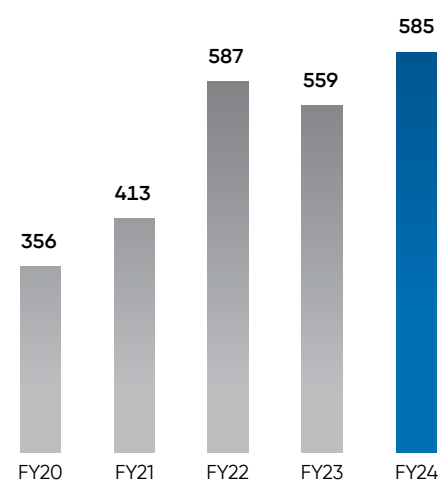


Ajanta's first-ever Pedia Conclave in Africa

Our Africa business is spread across 20 countries. In FY 2024, sales were ₹ 585 cr. against ₹ 559 cr., growth of 5%. We launched 9 new products during the year in the region.

Due to rationalisation of the inventory by the distributor and the tepid growth in the market, our primary sales growth has been low in FY 2024. As the rationalisation has completed, we are optimistic of accelerating growth in this market.

Revenue  
(₹ cr.)



**Leadership**  
in many molecules  
and sub-therapeutic  
segments

**Top 10**  
Players in many  
markets

## The US Generics

The US Generics contributed 23% to the total revenue on the back of softening of price erosion and some shortages in the market. For FY 2024, sales were ₹ 964 cr. against ₹ 828 cr., posting a very healthy growth of 16%.

Our execution in this market has been flawless and excellent, and we continue to be a preferred partner for the distributors.

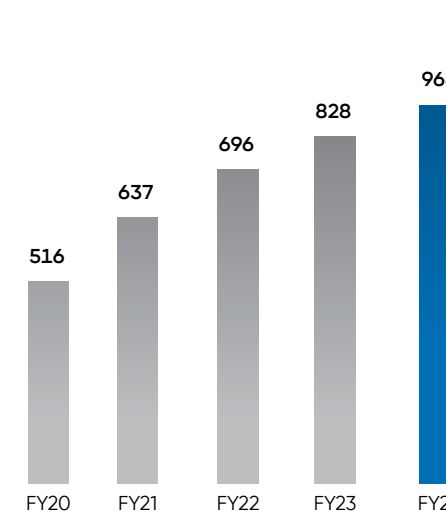
During the year, both our manufacturing facilities, Paithan and Dahej, catering to the US market, have cleared the US FDA inspection

with zero observations, which is a testimony to sound quality systems built by us. In FY 2024, we filed 7 ANDAs, received 6 final approvals and launched 4 products. We have 44 products available on shelf and 22 ANDAs are awaiting approval with the US FDA.



Honoured for the **3<sup>rd</sup>** time  
with the **DIANA Award**  
as 'Best Overall Generic  
Manufacturer' in less than  
USD 100 million sales.

Revenue  
(₹ cr.)



**Selective**  
product portfolio; strong  
supply chain

**Robust**  
quality compliance



## Africa Institution

Our Institution business in Africa consists of antimalarial products, which contributed 6% of total sales.

In FY 2024, sales were ₹ 249 cr. against ₹ 190 cr., posting a 31% growth.

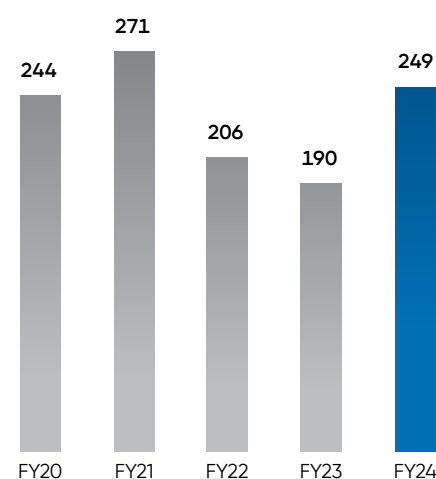
Higher growth during the year was the result of preponement of a few supplies of next year and remains unpredictable due to reliance on the procurement agencies' schedule.



Ajanta's participation @ Annual World Malaria Scientific Conference, Africa

### Revenue

(₹ cr.)



1<sup>st</sup>

Generic company to obtain WHO Pre-Qualification

1 Billion+

Patients treated till date

Stagnates

Due to lower procurement by aid agencies

## OUR ENABLERS

### Our Enablers – R&D



Ajanta Research Centre, Mumbai

During the year, we strengthened our R&D, building efficiencies across operations of formulation development, analytical development and regulatory affairs.

Our highly skilled team of 800+ scientists, well-equipped with state-of-the-art infrastructure supported the continued development of complex/difficult-to-make products.

This enabled us to bring differentiated products to the market and build the pipeline for future growth.

Our R&D spend during FY 2024 was ₹ 208 cr., 5% of revenue, against ₹ 237 cr. in the previous year, confirming our efforts of efficiency building by filing more products for approval across our markets.

### Strong Capabilities

800+ Scientists

Formulation Development

Analytical Development

API Development

Bio-Analytical Lab

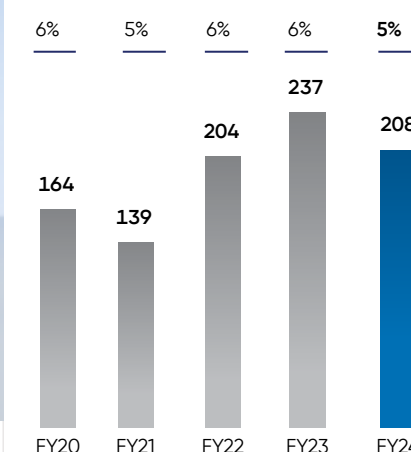
Drug Regulatory Affairs

IPR



FT-NIR Spectrometers

### R&D Spend (₹ cr./% of Revenue)





## Our Enablers – Best-in-Class Manufacturing and Supply Chain

Our supply chain is one of the best in the industry as we make sure that there is no stock-out of our products in any of our markets even for a day. Ajanta has now become synonymous with high-quality products and near perfect scorecard for supply assurance.

Our seven state-of-the-art manufacturing facilities are another key stone of our solid foundation, producing world-class quality products. Two of our facilities are US FDA-approved and others are WHO cGMP compliant. We have been able to achieve digitalisation by continuously enhancing our quality systems to ensure highest quality

product for our patients. One of the key additions to our capability during the year was the first-ever 'Form Fill Seal' machine for drinkable ampoules at one of our facilities. A drinkable ampoule is an airtight container that holds a single dose of liquid medication for patient use and we are, probably, the first in India to use this technology.



Dahej manufacturing facility

**Dahej and Paithan received US FDA Approvals with zero observation. Among 4% in the world.**



## Digitisation

**At Ajanta, we have built a strong foundation and a digital backbone by integrating most of our operations for better customer service.**

Be it R&D, manufacturing, quality-control, marketing, human resource or finance, we are able to collate and analyse data to provide our customers a seamless experience in terms of quality product and service. This enables us to carry out predictive analytics across our operational supply chain, helping us build efficiencies.

Higher R&D output through lead time management, reduced production downtime, responding to customers online, are few benefits of our digitisation efforts which will enable us to craft a future with more certainty.



## SUSTAINABILITY

# Committed to a Sustainable Future



Solar power plant @ Partur, Maharashtra

At Ajanta, operating business in an environmentally and socially responsible way is a core value.

With commissioning of a new 6.4 MW solar power plant at Partur in Maharashtra in FY 2024, our solar energy capacity has increased to 12.69 MW, which fulfills 30%+ of our energy requirements. Further, we aim to fulfill over 50% of our energy requirements from green energy in the next two years.

At Ajanta, we not just meet environmental regulations, but go beyond compliance to ensure a sustainable future. Our air emission

levels and waste generated quantity are much below the permissible limit approved by regulatory authorities. We conserve water by recycling every drop in our manufacturing facilities and ensuring zero discharge from our units.

We are committed to addressing climate change and global warming by operating our business in a socially, ecologically, and economically responsible manner to minimise the impact. We have well-defined safety, health, and environmental policy. The policy covers the Company, all our subsidiaries, and the contractors working within our premises.

Our actual output can be compared with any of the below, based on the renewable energy and energy-saving measures during FY 2024:

**10,436**  
Tonnes of CO<sub>2</sub>  
emission reduced

**740,036**  
Trees saved from  
cutting

## Recognitions



SKOCH ESG Award 2024 for Clean & Green Energy Utilisation



Apex India Green Leaf Platinum Award for Sustainability 2023



Apex India Safe Workplace Gold Award 2023 in Pharmaceutical sector, Paithan facility



ISO Certifications for Dahej and Paithan facilities

## CORPORATE INFORMATION (as on 31 March 2024)

### 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. Vishwanathan

Independent Director

### Prabhakar R. Dalal

Independent Director

### Dr. Anjana Grewal

Independent Director

### Arvind K. Agrawal

Chief Financial Officer

### CIN No.

L24230MH1979PLC022059

### Gaurang C. Shah

Company Secretary

### Registered Office

Ajanta House, Charkop, Kandivali (West),  
Mumbai – 400 067  
Tel: +91 22 6606 1000  
Website: www.ajantapharma.com  
E-mail: corpcom@ajantapharma.com

### M/s B S R & Co. LLP

Auditors

### M/s Sevekari, Khare & Associates

Cost Auditors

# Management Discussion and Analysis

## Economic Overview and Outlook

The global economy is set for another year of slow but steady growth, the International Monetary Fund said in April. The strength in the U.S. economy is pushing world output through headwinds from lingering high inflation, weak demand in China and Europe, and spillovers from two regional wars. The IMF forecasts global real GDP growth of 3.2% for 2024 and 2025 – the same rate as in 2023. The IMF forecast that global median headline inflation will fall to 2.8% by the end of 2024 from 4% last year, to 2.4% in 2025.

A potential escalation of the Middle East conflict would raise oil prices and inflation, triggering tighter monetary policy from central banks. The IMF said that

in an "adverse scenario" in which a Middle East escalation would lead to a 15% increase in oil prices and higher shipping costs would hike global inflation by about 0.7 percentage points.

## Pharmaceutical Sector Overview

Global health systems have demonstrated remarkable resilience in the face of the pandemic, global inflation, and regional conflicts and have moved forward to adopt novel therapies and increase usage. Overall, the global use and spending on medicines is exceeding pre-pandemic growth rates and is expected to continue significantly above those trends through 2028. The pharmaceutical industry has and will continue to have a significant impact on the global economy in terms of contribution to GDP.

## Invoice Spending and Growth

The volume use of medicines globally plateaued in 2023 but is expected to grow at an average 2.3% rate through 2028, as per the IQVIA report, "Global use of Medicines 2024". It will be driven by China, India, and other Asian markets all growing faster than 3%. Countries in Latin America have grown more rapidly than other regions in the last five years and are expected to grow further at 1.9% annually through the forecast. North America, Western Europe, and Japan are expected to grow medicine usage more slowly, partly due to their already higher per capita use. In 2024, Eastern Europe's volume growth is expected to return to trends prevailing prior to the start of the Ukraine conflict.



## Exhibit 1: Global Invoice Spending and Growth

Invoice Spending and Growth	2023 Spending USD Bn	2019-2023 CAGR	2028 Spending USD Bn	2024-2028 CAGR
Developed	1,276	7.2%	1,775-1,805	5-8%
Pharmerging	304	7.8%	400-430	10-13%
Lower-income countries	28	5.6%	33-37	3-6%
Global	1,607	7.3%	2,225-2,255	6-9%

Source: Global use of Medicines 2024 by IQVIA

Spending globally is expected to grow by more than USD 600 billion, reaching USD 2.3 trillion driven by existing branded medicines in the leading ten developed markets, which will grow by USD 385 billion. New products will add USD 193 billion but will be offset by the impact of patent expiries, removing USD 192 billion. Other developed markets and fast-growing Pharmerging markets will together add another USD 184 billion. In each of these cases, growth drivers are an acceleration over the past five

years, reflecting a rebound from the disrupted 2019-2023 period.

The types of medicines driving spending and growth vary considerably across countries broadly correlated with a degree of economic development. Generally, wealthier countries have higher levels of spending on original branded products, especially earlier in the patented periods of these products. Lower-income countries have a greater reliance on generic drugs and sometimes prefer

non-original branded versions, called branded generics.

The relative amount of medicine spending has been shifting over time, with some fast-growing countries becoming more important to the total level of global spending. Volume growth, often of older generic medicines, has been the primary driver of growth in many Pharmerging markets, although the more recent rising rankings ahead of leading developed markets are also driven by shifts in the mix of spending.

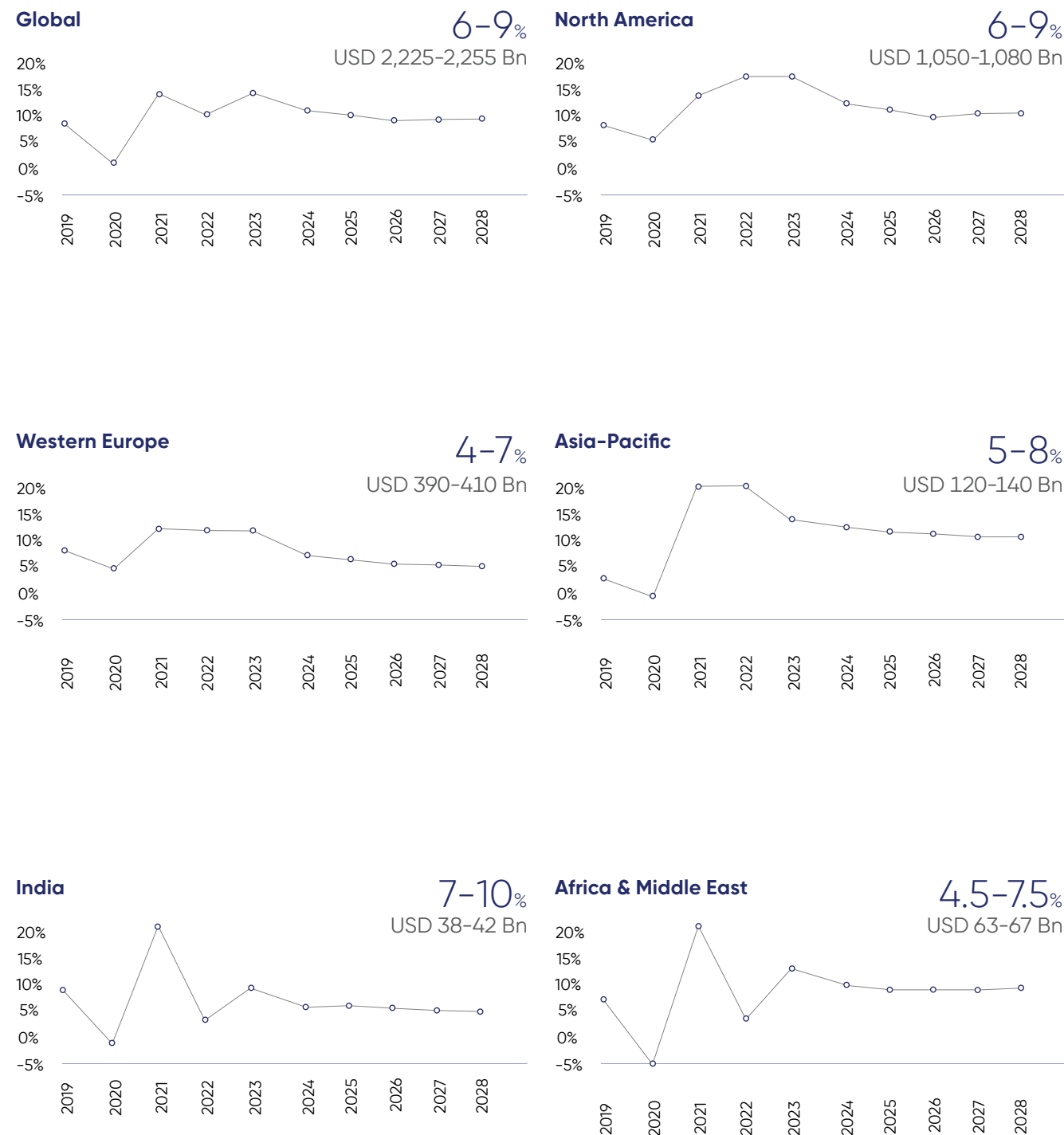


## Management Discussion and Analysis

### Spending and Growth by Regions and Key Countries

**Higher global spending growth occurred in key regions after the pandemic, particularly in 2023 in North America**

**Exhibit 2: Spending growth globally and in 5 regions, total market excluding COVID-19 vaccines and therapeutics, const USD 2019-2028**



Source: Global use of Medicines 2024 by IQVIA

■ 2024-28 CAGR Const USD

■ 2028 Spending

### Company Overview

Ajanta Pharma is a specialty pharmaceuticals formulation company with a well-diversified Branded Generics business spread across India, Asia, and Africa as also US Generics and Institutional business in Africa. In Branded Generics business, the Company has a strong chronic-focused product portfolio led by a first-to-market strategy and front-end presence which helps it outgrow the market. The Company is committed to investing in R&D for product innovations to fill identified gaps.

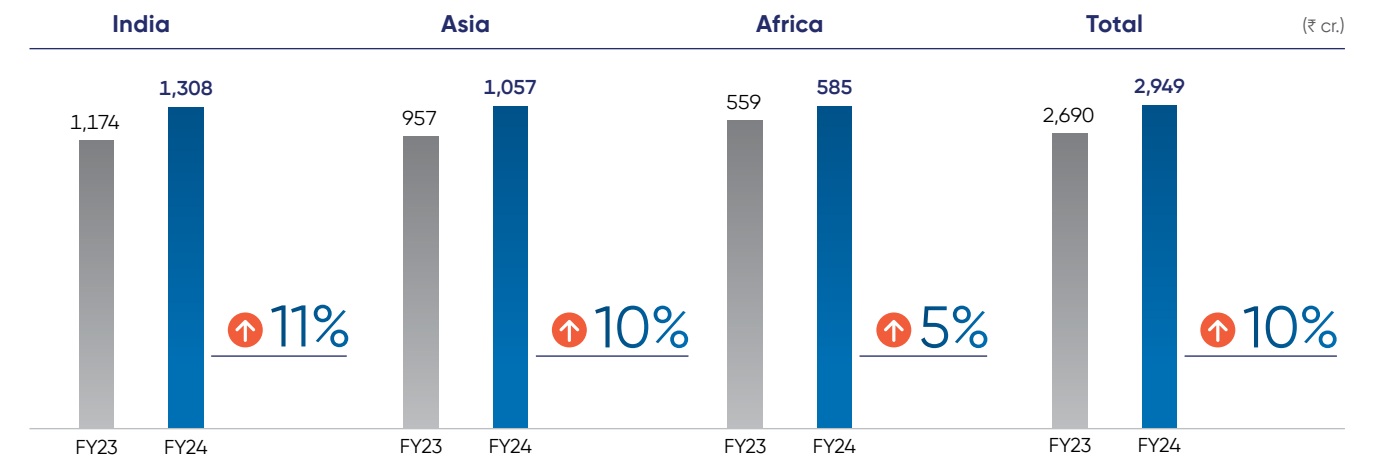
### Performance Highlights

The following analysis and discussion are based on the consolidated financials of the Company for the financial year 2024. It covers different business verticals as well as the consolidated financial position as a whole.

### Branded Generics

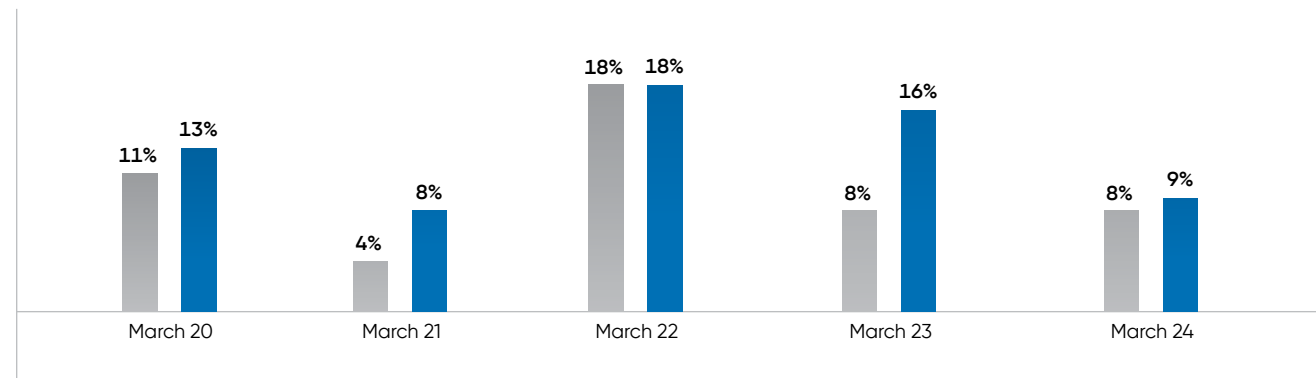
During the year, Branded Generics business in India, Asia, and Africa contributed 71% to the total sale of ₹ 4,162 cr.

In India, Ajanta's sales grew by 9.4% surpassing IPM growth rate of 7.6% as per IQVIA MAT March 2024. The 180 basis points outperformance of the IPM came on the back of 15 new product launches, including 4 first-to-market, and consistent growth in the existing products. This also helped the Company jump to 26<sup>th</sup> rank in IPM from 27<sup>th</sup> in the last financial year.

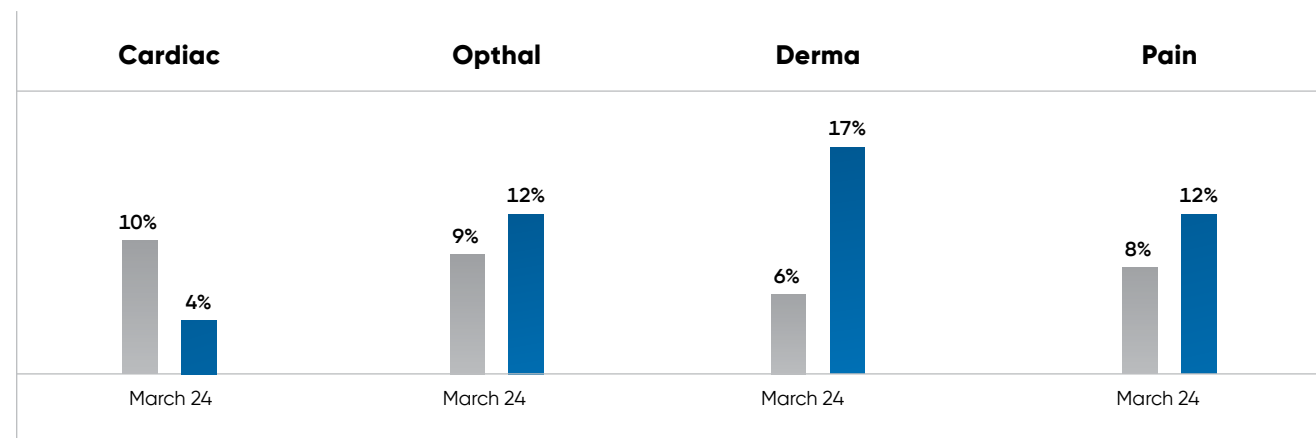


## Management Discussion and Analysis

### Exhibit 3: IPM vs Ajanta Pharma Growth



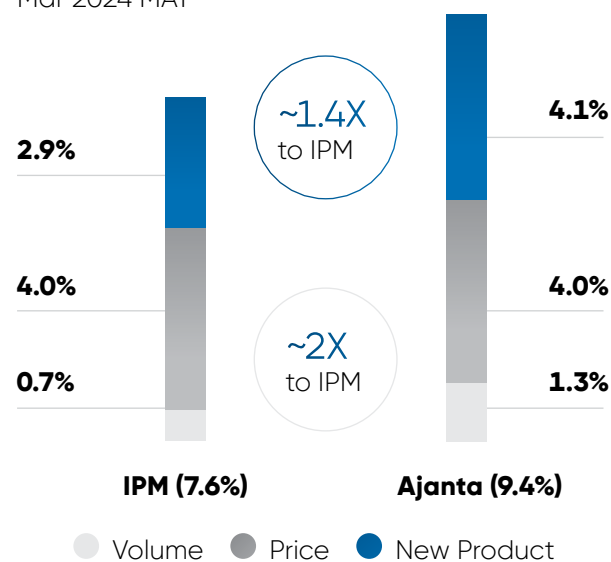
● IPM ● Ajanta Pharma



● IPM ● Ajanta Pharma

### Growth Structure

Mar 2024 MAT



IPM = Indian Pharmaceutical Market, Source: IQVIA, MAT



The Branded Generics business in Asia and Africa consists of eight major therapeutic segments and we hold the leading position in all our sub-therapeutic segments.

### Basket of More than 200 Products

Our Asia business is spread across the Middle East, South East Asia, and Central Asia regions with a presence in 10 countries. This business saw a growth of 10% in the year and contributed 26% to total sales.

We launched 18 new products in these markets in the financial year. The growth was well-diversified in terms of new product launches, besides volume growth of existing products.

Our Africa business grew by 5% in the year. Here also our product basket is spread across various therapeutic segments and enjoys leadership position in some of them.

We launched 9 new products in these markets in the financial year. Due to rationalisation of the inventory by our distributor, our

primary sales growth for the year has been lower. As the rationalisation is completed now, we are confident of accelerating growth in Africa.

### The US Generics

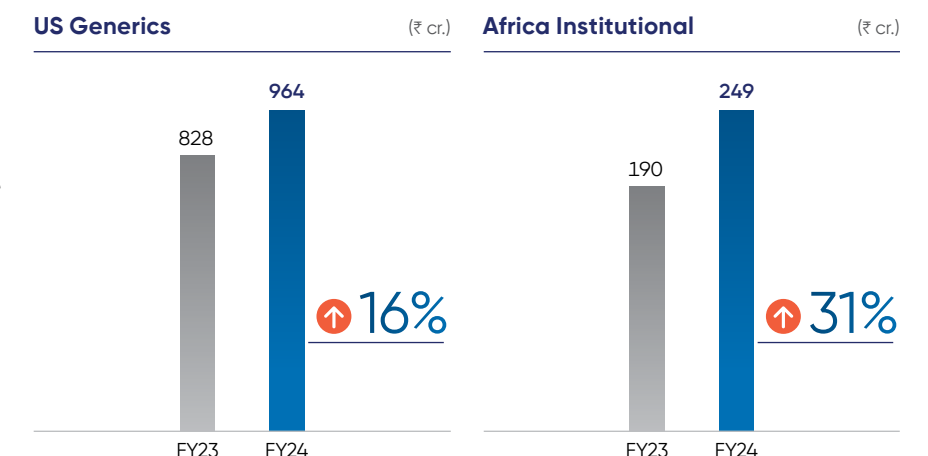
The US Generics recorded 16% growth for the year and contributed 23% to total sales. This growth was on the back of softening of price erosions, shortages and ease in API price. We have 44 products on the shelf and 22 ANDAs are awaiting approvals. During the year, we filed

7 ANDAs, received 6 final approvals and launched 4 products.

### Africa Institutional

This business consists of antimalarial products being distributed through multilateral aid agencies, which saw growth of 31% and contributed 6% to total sales. As this business is dependent on the availability of funds with agencies, there is a high level of uncertainty and we remain neutral on this vertical.

### Exhibit 4: US and Africa Institutional Sales Bar Graph



### Operational and Financial Performance

During FY 2024, we significantly enhanced capital allocation to the Branded Generics business with accelerated product filing and enhanced ground presence.

We have scaled up our margins on the back of the enhanced contribution of Branded Generics business and normalisation of freight costs. This has added surety, scalability, and sustainability to the business.

### Exhibit 5

Particulars	FY 2024	% to RO	FY 2023	% to RO	% Growth
Revenue from Operations	4,209	-	3,743	-	12%
EBITDA	1,172	28%	783	21%	50%
Profit Before Tax	1,114	26%	745	20%	49%
Net Profit	816	19%	588	16%	39%
<b>Total Comprehensive Income</b>	<b>817</b>	<b>19%</b>	<b>603</b>	<b>16%</b>	<b>36%</b>



## Management Discussion and Analysis



### Revenue from Operations

Revenue from operations stood at ₹ 4,209 cr. in FY 2024 against ₹ 3,743 cr. in FY 2023, registering a growth of 12%.

### Material Costs

Material cost moved to 25% in FY 2024 from 28% in FY 2023, an improvement of 300 basis points on the back of ease in API prices.

### Employee Expenses

Personnel expenses accounted for 21% of the revenue from operations in FY 2024 and previous year. Total cost stood at ₹ 900 cr. in FY 2024 against ₹ 785 cr. in FY 2023.

### Other Expenses

Other expenses stood at ₹ 1,070 cr. in FY 2024 (25% of revenue from operations) against ₹ 1,124 cr. in FY 2023 (31% of revenue from operations), a 600 basis point decrease over the previous year. We have been able to build excellent operational efficiencies across functions during the year, with clear focus on getting more from the existing base. Our efforts

in this direction bore good fruits with international logistics cost going down by about ₹ 103 cr., in spite of improving on deliveries. Similarly, R&D cost came down to ₹ 208 cr. in FY 2024 against ₹ 237 cr. in FY 2023, though the output from R&D saw a good increase in terms of product filings.

With our continued focus on Branded Generics business, we have allocated higher resources on product registrations, promotions, and the launch of new products, resulting in higher marketing expenses.

### Operating Profit Margin

EBITDA in FY 2024 stood at ₹ 1,172 cr. against ₹ 783 cr. in FY 2023, a growth of 50% over the previous year. This positive performance was attributed to the combined benefits of reduction in API prices, reduced logistics cost and stabilisation in US price erosion. EBITDA as % to revenue stood at 28%, which is among the best in the industry. We expect this to now remain at this level or see small improvement in coming years.

### Other Income

Other Income stood at ₹ 85 cr. in FY 2024 against ₹ 99 cr. in FY 2023. Major component in both the years was the forex gain.

### Net Profit Margin

Profit After Tax was at ₹ 816 cr. in FY 2024 against ₹ 588 cr. in FY 2023. PAT margins stood at 19% in FY 2024 against 16% in FY 2023.

### Return on Net Worth

Return on Net Worth improved to 23% in FY 2024 against 18% in the previous year.

### Return on Capital Employed

Return on Capital Employed stood at 31% in FY 2024 compared to 22% in FY 2023.

### Balance Sheet

#### Non-current Assets

The non-current assets have gone up to ₹ 1,907 cr. in FY 2024 from ₹ 1,845 cr. in FY 2023. Our CAPEX was ₹ 160 cr. for the year which was mostly the maintenance CAPEX. The CAPEX including maintenance CAPEX for FY 2025 is estimated to be about ₹ 250 cr.

#### Current Assets

Current Assets stood at ₹ 2,731 cr. in FY 2024 against ₹ 2,834 cr. in FY 2023. Receivables days slightly increased to 109 days from 104 in FY 2023 due to increase in businesses across verticals. The absolute amount stood at ₹ 1,247 cr. against ₹ 1,057 cr. in FY 2023.

Inventory in terms of the number of days to sales has improved to 73 days in FY 2024 from 80 days in FY 2023 due to the easing of the supply chain. In absolute amounts, it has marginally increased to ₹ 828 cr. in FY 2024 from ₹ 816 cr. in FY 2023. Current Ratio for FY 2024 stood at 3.05 against 2.49 in FY 2023.

### Shareholders' Funds

Shareholders' funds increased to ₹ 3,567 cr. in FY 2024 from ₹ 3,388 cr. in FY 2023. Earnings per share stood at ₹ 65 in FY 2024 against ₹ 46 in FY 2023. During the year, the Company paid ₹ 642 cr. as dividend against ₹ 479 cr. in FY 2023 through a combination of dividend and share buyback (including tax).

### Non-current Liabilities

Non-current liabilities in FY 2024

stood at ₹ 175 cr. against ₹ 152 cr. in FY 2023, mainly consisting of deferred tax and lease liabilities.

### Current Liabilities

Current liability stood at ₹ 896 cr. in FY 2024 against ₹ 1,139 cr. in FY 2023. Trade payable days increased from 79 in FY 2023 to 85 in FY 2024. 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

The Company had a healthy cash flow during FY 2024; the snapshot of this is in Exhibit 6.

### Exhibit 6

(₹ cr.)		
Particulars	FY 2024	FY 2023
Opening Cash and Cash Equivalents	330	206
Cash flows from:		
a) Operating Activities	785	792
b) Investing Activities	65	(560)
a) Financing Activities	(1,051)	(108)
Closing Cash and Cash Equivalents	129	330

### Empowered Team

We are proud to mention that your Company's Human Resource Development efforts to make Ajanta a preferred place to work got the prestigious 'Great Place to Work' recognition for the second year in a row. Our people practices which are now benchmarked globally, including skill development, personality enhancement, and employee engagement through internal communications foster happiness at work.

Ajantaites are truly empowered. The Company's culture is centred on the four core values of Excellence, Transparency, Integrity, and Discipline. These values drive over 7,900 Ajantaites on the mission to provide life-saving drugs to needy patients.

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





## Management Discussion and Analysis

The Occupational Health and Safety (OHS) system at our manufacturing facilities has enabled workers and employees to operate in a safe and healthy working environment.

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 and careers and protecting human rights.

The Company continues to support the capabilities of differently-abled employees. We ensure strict adherence to our internal codes and have a clearly defined zero-tolerance policy towards discrimination of any kind.

### Risk Management

We operate in over 30 highly regulated countries with their own specific complex operating environments. In addition, this business landscape is dynamic and constantly evolving. This brings to the fore a multitude of risks which are closely monitored, mapped, and mitigated through our robust Enterprise Risk Management (ERM) framework. By effectively identifying, assessing, and mitigating risks we strive to enhance our resilience, drive sustainable growth, and maximise value creation.

The ERM involves engaging with all functional heads to identify internal and external events that may have an adverse impact on the achievement of the Company's objectives. It also entails periodic monitoring of changes in both the internal and external environment leading to the emergence of a new

threat/risk. The major risks identified are regulatory, competition, supply chain disruption, cyber & data security, economic & political, and Environmental, Social, and Governance (ESG). A review of the risk management policy is carried out annually by the Risk Management Committee. Our ERM framework plays a significant role in safeguarding the interests of our Company, our shareholders, and our stakeholders.

### Internal Controls and Adequacy

Your Company has a robust and reliable system of internal controls as we believe that it is the prerequisite of good governance. The control framework is designed to continuously assess the adequacy, effectiveness, and efficiency of internal controls. The management is committed and ensures an effective internal controls environment, commensurate with the size and complexity of the business. This assures compliance with internal policies, applicable laws, regulations, the accuracy of records, operational efficiency, protection of resources &

assets, and overall risk minimisation. These controls have been designed to provide reasonable assurance over time.

The current system of Internal Financial Controls (IFC) is aligned with the requirement of the Companies Act, 2013 and is in line with the globally accepted risk-based framework. The Internal Audit (IA) function of the Company reports to the Chairperson of the Audit Committee, thereby maintaining its objectivity. Our dedicated internal audit team supported by external audit firms help to enhance and protect organisational value by providing risk-based objective assurance, advice and insight. 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 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 auditors 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 objectives, projections, estimates, and 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 have pleasure in presenting Forty-Fifth Annual Report and Audited Financial Statements of the Company for the Year ended 31 March 2024.

## Summarised Position of the Financials Statements is Given Below:

Particulars	Consolidated		Standalone	
	2024	2023	2024	2023
Year ended 31 March				
Revenue from operations	4,209	3,743	3,971	3411
Other Income	85	99	116	133
Profit before Depreciation, Finance Costs and Tax expense	1,257	882	1236	832
Profit after Tax	816	588	807	559
Total Comprehensive Income	817	603	805	556
Earnings Per Share (EPS) (₹) (Basic)	64.82	45.89	64.11	43.61

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



## Performance Review

Company continues to be engaged in the development, manufacturing and sale of specialty pharmaceutical formulations with specific emphasis on branded generics in various therapeutic segments in India and more than 30 countries across Asia & Africa.

During the year under review, Consolidated Revenue from operations augmented at ₹ 4,208.71 cr., an increase of 12% over the previous year.

Consolidated Profit After Tax stood at ₹ 816.17 cr. higher by 39% compared to previous year. Exports contributed 68% of the revenue.



## Dividend

### Two Interim Dividends of ₹ 25 and ₹ 26

During the year under review, the Board declared following interim dividend(s):

Particulars	Interim Dividend – FY 2024	
	1 <sup>st</sup>	2 <sup>nd</sup>
Date of Declaration	27 July 2023	31 January 2024
Record Date	04 August 2023	08 February 2024
Date of Payment	17 August 2023	20 February 2024
Rate of Dividend per share (Face Value of ₹ 2 per share)	25	26
%	1250	1300
Total Pay-out (₹ in crore)	315 cr.	327 cr.

Dividend pay-out is in accordance with the Company's Dividend Distribution Policy which is available on the website of the Company and can be accessed at <https://ajantapharma.com/images/DividendPolicy.pdf>



## Subsidiaries, Associates and Joint Ventures

The Company continues to have four overseas subsidiaries and it does not have any Associate company or Joint Venture. There is no change in Subsidiaries.

Salient features of the Financial Statements of subsidiaries are provided in the AOC-1 statement annexed herewith as "Annexure A".

Audited Financial Statements of subsidiaries are available on Company's website at [www.ajantapharma.com](http://www.ajantapharma.com) and the same are also available for inspection at the Registered Office of the Company during business hours as stipulated under Section 136 of The Companies Act, 2013 (the "Act"). The same will be made available to interested members upon getting request.

Ajanta Pharma USA Inc. is a material subsidiary in accordance with the provisions of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations") read with the Company's "Policy on Material Subsidiaries". The policy can be accessed at <https://ajantapharma.com/images/PolicyonMaterialSubsidiaries.pdf>



## Share Capital

There was no change in authorised share capital of the Company during the year under review.

Buyback of 22,10,500 equity shares representing 2.59% of the subscribed and paid-up share capital of the Company, through "Tender Offer" route, at a price of ₹ 1,425/- (Rupees One Thousand Four Hundred and Twenty-Five only) per equity share for an aggregate amount of ₹ 315.00 cr., was started in March 2023, and successfully completed in April 2023.

## 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 Schemes are administered by the Nomination and Remuneration Committee ("NRC").

During the year under review, the Committee conducted a comprehensive evaluation of the Company's compensation and benefits structure to optimise operational efficiency and sustained long-term growth. After careful consideration, the Board on the recommendation of NRC decided to suspend/withdraw ESOS 2011 as the scheme had become dormant.

During FY 2024, 1,000 shares were issued against the options exercised and 87,600 new options were granted under the SBIP 2019.

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>



## Credit Rating

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 connotes stability. This reaffirms the reputation and trust the Company has earned for its sound financial management and its ability to meet its financial obligations.



## Listing at Stock Exchanges

The Equity shares of the Company continue to be listed on BSE Limited and The National Stock Exchange of India Limited.



## Directors and Key Managerial Personnel

Board of the Company comprise of eminent professionals having diverse skillset, domain expertise and business acumen. The Executive Directors possess the required expertise & acumen to manage and grow the business and the Non-Executive & Independent Directors bring in the expertise in the fields of finance, accounting, corporate governance, forex management, risk management, people management etc. Independent Directors also contribute in bringing independent judgement on Board's decisions. This Board mix facilitates sustained growth of the Company.

During the year under review, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

## 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

Mr. Chandrakant Khetan, Mr. K.H. Viswanathan, Mr. Prabhakar Dalal and Dr. Anjana Grewal, have been Independent Directors for 2 terms of 5 years each and hold office up to 17 July 2024. The Board places on record its deepest appreciation for the invaluable services, inspirational guidance, thoughtful contribution & expertise rendered by them.

## Directors' Report

### Appointment of new Independent Directors

At the Board meeting held on 02 May 2024, the Board, based on recommendations of the Nomination and Remuneration Committee, has appointed Mr. Rajesh Dalal, Mr. David Rasquinha, Ms. Medha Joshi and Ms. Simi Thapar as additional Independent Directors. They have been appointed in accordance with the guidelines set out under the "Policy for Determining Qualifications of Directors". Their appointment is subject to approval of members at the ensuing Annual General Meeting and proposal to that effect are included in the Notice convening the Annual General Meeting.

All the Independent Directors meet the independence criteria prescribed under Section 149(6) of the Act as also under the Listing Regulations and are also in compliance with the other statutory requirements. They have also affirmed compliance to the Code of Conduct for Independent Directors.

Based on disclosures provided by them, none of them are disqualified/debarred from being appointed as Director under Section 164 of the Act/Listing Regulations or any other authority and are independent from the management.

The Board is of the opinion that the Independent Directors possess the required skillset, competences and expertise in the fields of strategic thinking, general management & administration, corporate governance, finance, forex management, people management, global business & economics, CSR, Stakeholder management, sales & marketing, risk management etc. and they hold highest standards of integrity & probity, Skill set, expertise & competencies matrix of all the Directors is provided in the Report on Corporate Governance forming part of this Annual Report.

#### ■ Policies on Appointment and Remuneration of Directors

Company's "Policy for Determining Qualifications of Directors" sets out guiding principles for selection of persons

who are qualified to become Directors/Independent Directors.

The "Policy for Remuneration of Directors and Employees" sets out guidelines to ensure that 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 policies are available at:

<https://ajantapharma.com/images/PolicyfordeterminingqualificationsofDirector.pdf>

<https://ajantapharma.com/images/PolicyforRemunerationofDirectorsandEmployees.pdf>

The same are briefly mentioned in the Report on Corporate Governance.

#### ■ 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 KMPs of the Company as on the date of this report.

#### ■ Board and Directors' Evaluation

Performance evaluation of the Board, Board committees and individual Directors was carried out by the Board, in accordance with the criteria laid down in the "Policy on Board Evaluation", which are in alignment with the best corporate governance practices.

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

Board of Directors of the Company met 5 times during the year under review. Details of meetings are given in the Report on Corporate Governance.



#### Board Committees

The Board has constituted Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Risk Management Committee, Executive Committee and ESG Committee. All the recommendations made by these Committees to the Board were accepted by the Board.

At the Board meeting held on 02 May 2024 the CSR Committee has been renamed as the "CSR & Sustainability Committee".

Details of committees, its composition, committee meetings held etc. are provided in the Report on Corporate Governance.



#### Related Party Transactions (RPTs) and Policy

All RPTs for the year under review were on arm's length basis and in the ordinary course of business. Further, all RPTs entered into by the Company during the financial year were in accordance with the Company's Policy on RPTs and in pursuance of approval granted by the Audit Committee. 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 which are of repetitive nature. Members may refer to Note No. 54 to the Financial Statement which sets out RPT disclosures pursuant to IND AS-24.

All the RPTs effected in accordance with the approval are placed before the Audit Committee on a quarterly basis for review and noting.

Apart from remuneration and sitting fees, there is no pecuniary transaction with any director, which had potential conflict of interest with the Company.

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 Company's CSR initiatives go beyond charity. Company believes before that as a responsible corporate citizen, it should consider its impact on society as much as creating business impact.

The Board had at its meeting held on 05 May 2023, approved the Annual Action Plan of CSR activities to be undertaken during the year in accordance with the CSR policy. The CSR activities were carried out through the eligible charitable trusts and NGOs. CSR Committee reviewed and monitored the CSR projects and expenditure undertaken by the Company as per the plan and apprised the Board of the same.

Company has spent more than 2% of the average net profits during three preceding financial years. Thrust areas for CSR continued to be healthcare, education, rural development, community welfare, upliftment of socio-economic backward society, women empowerment & promoting sports.

### CSR spend more than obligation

Chief Financial Officer has certified that the funds disbursed for CSR during the financial year 2024, have been used for the purpose and in the manner approved by the Board.

CSR policy and CSR activities undertaken during the year are annexed as "Annexure B" to this report, in accordance with Sections 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.



#### Management Discussion and Analysis

Pursuant to Regulation 34 read with Part B of Schedule V of the Listing Regulations, a detailed review of the business operations, performance, future outlook, major events occurred during the



## Directors' Report

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 & ethical practices. The Company is committed to maintain highest standard of Corporate Governance and elevating the same to the best global practices.

Report on Corporate Governance for the year under review, forms part of this report. A certificate from M/s. Alwyn D'Souza & Co., Practicing Company Secretaries confirming compliance with Corporate Governance norms as stipulated under the Listing Regulations, is also annexed and forms part of this report.



### Business Responsibility and Sustainability Report

Company has been conducting business in a sustainable manner so as to create maximum value for all its stakeholders. It is also committed to ensure that its actions positively impact the economic, societal and environmental dimensions.

### Sustainable business practices to maximise stakeholders value

Business Responsibility and Sustainability Report ("BRSR") for FY 2024 in accordance with Regulation 34(2) (f) of the Listing Regulations, forms part of this report. It enumerated various initiatives taken by the Company in environment, social and governance fields.



### Annual Return

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on 31 March 2024 in Form MGT-7 is placed on the Company's website at <https://ajantapharma.com/images/DraftAnnualReturn-FY2023-24.pdf>.



### 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.



### Auditors and Audit Reports

#### Statutory Auditors

M/s. B S R and Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022) ("BSR") are the Statutory Auditors of the Company. At the 43<sup>rd</sup> AGM held on 04 August 2022, Members re-appointed BSR for a further period of five years, i.e. from the conclusion of the 43<sup>rd</sup> AGM till the conclusion of the 48<sup>th</sup> AGM of the Company to be held in the year 2027.

Auditors' Report on the financial statements of the Company for the financial year ended 31 March 2024 is enclosed with the financial statements, which forms part of this Annual Report. The report is unmodified i.e. it does not contain any qualification, reservation, adverse remark or disclaimer. Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

#### Internal Auditors

M/s. Aneja Assurance Private Limited conducted internal audit of important centralised functions. For other locations, viz. factories, C&F agents and warehouses, other Chartered Accountant Firms having requisite expertise and resources are appointed as Internal Auditors. Important audit observations and corrective actions, improvements are presented to the Audit Committee in each meeting. No instances of fraud, suspected fraud, irregularity or failure of internal control systems of material nature were reported by the internal auditors during the year.

#### Secretarial Auditors, Audit Report, Secretarial Compliance Certificate

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 & Regulation 24A of the Listing Regulations, Board has appointed M/s. Alwyn D'Souza & Co., Practicing Company Secretaries to undertake the Secretarial Audit of the Company for year ended 31 March 2024.

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 report is self-explanatory and does not call for any further comments.

M/s. Alwyn D'Souza & Co., Practicing Company Secretaries, have also issued Secretarial Compliance Report for the year ended 31 March 2024 confirming that the Company has maintained proper records as stipulated under various Rules and Regulations applicable to the Company and that no action has been taken against the Company or its material subsidiaries or promoters/directors by SEBI/ Stock Exchanges. The Company disseminates the Report on the websites of BSE and NSE within the prescribed time.

On the recommendations of the Audit Committee, Board of Directors have re-appointed M/s. Alwyn D'Souza & Co., Practicing Company Secretaries, to conduct the secretarial audit of the Company for FY 2025. They have consented and confirmed their eligibility for the said re-appointment.

#### 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. In accordance with Section 148(6) of the Act read with Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014, cost audit report, in Form No. CRA-4 (in XBRL mode), for the year ended 31 March 2023, was filed with the Ministry of Corporate Affairs, within the prescribed time.

M/s. Sevekari Khare & Associates, practicing Cost Accountants have expressed their inability to continue as cost auditors due to personal reasons. Based on the recommendation of the Audit Committee, Board has appointed M/s. RA & Co., practicing Cost Accountants, to audit the cost records of the Company for FY 2025. 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 2025.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration to be paid to the Cost Auditor for FY 2024 is required to be ratified by the members. Accordingly, the Board of Directors recommends the same for approval by members at the ensuing AGM. The proposal forms a part of the notice of the AGM.

During the year under review, the Statutory, Internal, Secretarial and Cost Auditors have not reported to the Audit Committee, any instances of fraud committed against the Company by its officers or employees, the details of which need to be mentioned in the Directors' report.



### Secretarial Standards

During FY 2024, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India as amended.



### Internal Control System, Risk Management and Compliance Framework

The Company has a well-established internal controls framework comprising a set of policies, procedures and systems, instrumental in enhancing the efficiency and effectiveness of business operations, reducing risks and costs, and improving decision-making and accountability.

The Internal control framework ensures the following:

- Establishment of policies and procedures, assignment of responsibility, delegation of authority, segregation of duties to provide a basis for accountability and controls;
- Physical existence and ownership of assets at a specified date;
- Proactive anti-fraud controls and a risk management framework to mitigate fraud risks to the Company;
- Recording of all transactions occurred during a specific period;

## Directors' Report

Accounting of assets, liability, and revenue and expense components at appropriate amounts;

- Preparation of financial information as per the timelines defined by the relevant authorities.

The internal financial controls are adequate and operating effectively. Effectiveness of internal financial controls is ensured through management reviews, controlled self-assessment and independent testing by the internal audit team Risk Management.

The Company also has Risk Management Policy and framework in place which defines roles and responsibilities at various levels of the risk management process. Risk Management Committee ("RMC") oversees the implementation of Risk Management Policy as well as risk management and mitigation framework. The Company has also laid down procedures to inform Board members about the risk assessment and its minimisation, which is periodically reviewed to ensure that risk control is exercised by the management effectively.

Risks are categorised into Regulatory, Competition, Supply Chain Disruption, Cyber Security including Data Security, Economic & Political Environment, Environmental, Social & Governance Risks and other critical risks. The in-house Internal audit team acts as Risk co-ordinator and engages with all functional heads to identify internal and external events that may have an adverse impact on the achievement of Company's objectives and periodically monitors changes in both internal and external environment leading to emergence of a new threat/risk.

Risk Management system followed by the Company is detailed in the Management Discussion and Analysis report and in the Notes to Accounts.

### ■ Statutory Compliances

The Company has a comprehensive framework for monitoring statutory compliances and internal policies. Business and corporate functions ensure implementation of laws at the primary

level through checks and controls in their operational processes. Compliances are further mapped into the compliance monitoring tool and affirmed at regular frequency by the compliance owners and compliance reports are submitted to the Board on a quarterly basis.



### Supply Chain

A sustainable and seamless supply chain is critical for the timely availability of our medicines to our patients across the globe. Your Company also works with our suppliers to promote Responsible sourcing practices, uphold ethical standards and drive sustainability in supply chain. Company continuously supports supply chain and distribution partners to maintain an uninterrupted supply and distribution of medicines.

Company has requisite processes in place for sustainable sourcing and sustainability parameters are integrated into overall supply chain.

**Thrust on responsible sourcing, ethical practices and sustainability in supply chain**



### Vigil Mechanism/Whistle-Blower Policy

The Board of Directors adopted the Whistle-Blower Policy in accordance with Section 177(9) of the Act, and Regulation 22 of the Listing Regulations. The Whistle-Blower Policy aims to conduct the affairs of the Company in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity, and ethical behaviour. All permanent employees and Whole-time Directors of the Company are covered under the Whistle-Blower Policy.

A mechanism has been established for employees and other stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct and Ethics, and leak of price-sensitive information. It also provides for adequate safeguards against the victimisation of whistle blowers and allows direct access to the Chairperson of the Audit

Committee and also Managing Director of the Company in exceptional cases.

It is posted on the intranet and website of the Company and the same is available at <https://ajantapharma.com/images/Whistle-Blower-Policy-Feb-2023.pdf>.

The same is reviewed by the Audit Committee from time to time. It is affirmed that no person has been denied access to the Audit Committee.



### Policy on Sexual Harassment of Women at Work Place

Company is dedicated in providing a safe, conducive and healthy working environment that enables its employees to work without fear of prejudice and gender bias. It is the continuous endeavour of the management to create and provide an environment that is free from discrimination and sexual harassment.

The Company has laid down policy on prevention and prohibition of sexual harassment at the workplace. The policy provides for protection against sexual harassment of women at the workplace and for the prevention and redressal of such complaints. Company conducts awareness sessions to sensitise employees about the policy.

It has a vigorous mechanism in place to redress complaints reported under it and has constituted an Internal Complaints Committee ("ICC") at all the locations where there are more than 10 women employees, to address the complaints for sexual harassment.

During the year under review, no complaint of sexual harassment has been received.



### Code of Conduct

The Board of Directors has laid down a 'Code of Conduct' (the "Code") for all the Board members and the senior management of the Company and this Code is posted on the website of the Company. An annual declaration is obtained from every person covered by the Code.

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 in order to regulate, monitor and report trading by insiders as also for ensuring fair disclosure of un-published price sensitive information, the Company has put in place a comprehensive "Code of Conduct for

prevention of insider trading" and "Ajanta's Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information".

The data management and monitoring of insider trading is done through ESSCOM portal. The Company has also put in place a Structured Digital Database for monitoring the sharing of unpublished price sensitive information.

Details of these Codes are given in the Corporate Governance Report.



### Human Resource, Health & Safety

Human Resources are invaluable assets and the topmost priority for the Human Resource function is to provide a work environment which is safe, diverse, inclusive and full of growth opportunities. It invests in their training and professional development to equip them with the necessary skills, domain expertise and latest technology in line with the business strategy.

Your Directors would like to take this opportunity to express their gratitude and appreciation for the passion, dedication and commitment of the Ajantaites and look forward to their continued contribution.

**Company once again recognised as a "Great Place to Work"**



### Managerial Remuneration and Particulars of Employees

There were 7,844 permanent employees of the Company as of 31 March 2024. The information pursuant to Rule (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 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.



## Directors' Report



### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & 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 disclosed in "Annexure E".



### Loans, Guarantees & Investments

Pursuant to Section 134(3)(g) of the Act, details of loans, guarantees and investments are disclosed in Notes to Financial Statements.



### Other Disclosures

During the year under review:

- ❑ There was no amount proposed to be transferred to the Reserves;
- ❑ There were no changes in the nature of business of the Company;
- ❑ There were no agreements entered into during the year which comes within the purview of Regulation 30A of the Listing Regulations;
- ❑ Company issued and allotted equity shares as per its Stock Option Scheme and there was no instance wherein it failed to implement any corporate action within the statutory time limit;
- ❑ The Company did not accept any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and accordingly no amount on account of principal or interest on public deposits was outstanding as on 31 March 2024;
- ❑ No provision of money has been made for the purchase of its own shares by employees or by trustee for the benefit of employees;
- ❑ There were no Suspension of Company's securities;
- ❑ There were no remuneration or commission received by Managing Director/Whole-Time Director from subsidiaries;
- ❑ The Company has not issued shares with differential voting rights and sweat equity shares;

- ❑ The Company does not have any defaults in loan payments and as such question of one time settlement does not arise;
- ❑ There were no significant or material orders passed by the regulators or courts or tribunals which could impact the going concern status of the Company and its future operations;
- ❑ There were no material changes and commitments which occurred after the close of the year till the date of this report, which may affect the financial position of the Company;
- ❑ There was no application or proceedings made under the Indian Bankruptcy Code, 2016.



### Directors' Responsibility Statement

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI.

To the best of their knowledge and belief and according to the information and explanations obtained by them and pursuant to Section 134 of the Act (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), your Directors confirm:

- a) that in the preparation of the annual accounts for the year ended 31 March 2024, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b) that they had selected accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31 March 2024 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 they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



### Green Initiative

The MCA had undertaken the Green Initiative in Corporate Governance by allowing paperless compliances by companies through electronic mode. We request all the shareholders to support the 'Green Initiative' of the Ministry of Corporate Affairs and the Company's continuance towards greener environment by enabling the service of the Annual Report, AGM Notice and other documents electronically to your e-mail address registered with your Depository Participant/ Registrar and Share Transfer Agent. The Company appeals to you, its Shareholders, who are yet to register the



### Gratitude & Acknowledgements

Your Directors place on record earnest appreciation for the contribution made by each and every Ajantaite during the year under review. Company's consistent growth was made possible by their hard work, solidarity, cooperation and dedication. The Directors also wish to express their gratitude to the Investors for the confidence and faith that they continued to repose in the Company. Board takes this opportunity to thank all shareholders, analysts, business partners, government and regulatory authorities, financial institutions, banks, distributors, suppliers, business associates, medical professionals and customers for their continued guidance, encouragement and splendid support.

For and on Behalf of the Board of Directors

**Mannalal B. Agrawal**

Chairman

DIN: 00073828

Mumbai, 02 May 2024

## Annexure "A" – 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

1	Sr. 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 2024	31 March 2024	31 March 2024	31 March 2024
4	Reporting currency for the subsidiary	MUR	PHP	USD	NN
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 2024 (₹)	1.80	1.48	83.40	0.06
6	Share Capital	9.44	1.38	6.07	1.37
7	Reserves & Surplus	78.87	80.28	122.95	(1.49)
8	Total Assets	89.30	156.30	1,091.20	0.12
9	Total Liabilities (excluding Share Capital and Reserves & Surplus)	0.99	74.63	962.18	0.24
10	Investments	-	-	-	-
11	Turnover	60.77	264.13	944.27	-
12	Profit before taxation	(17.73)	25.23	32.62	(0.00)
13	Provision for taxation	0.03	6.25	7.73	-
14	Profit after taxation	(17.76)	18.99	24.89	(0.00)
15	Proposed Dividend	-	-	-	-
16	% of shareholding	100%	100%	100%	100%

### Part "B": Associates and Joint Ventures: None

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. 6696

Mumbai, 02 May 2024

## Annexure "B" – 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, reducing inequalities, promotion of sports and other areas prescribed under schedule VII of the Companies Act, 2013, for development & upliftment of the underprivileged and economically backward groups.

### 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
a)	Mr. Mannalal B. Agrawal	Chairman	4	4
b)	Mr. Chandrakant M. Khetan	Member	4	4
c)	Mr. Yogesh M. Agrawal	Member	4	4
d)	Mr. Madhusudan B. Agrawal	Member	4	3

### 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
a)	CSR Committee	<a href="https://ajantapharma.com/ajanta/Investors/board_committees">https://ajantapharma.com/ajanta/Investors/board_committees</a>
b)	CSR Policy	<a href="https://ajantapharma.com//images/CSRPoly2021.pdf">https://ajantapharma.com//images/CSRPoly2021.pdf</a>
c)	CSR Projects	<a href="https://ajantapharma.com//images/Annual-Action-Plan-2025.pdf">https://ajantapharma.com//images/Annual-Action-Plan-2025.pdf</a>

### 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:

Impact assessment of the qualifying projects will be done in FY 2025.

### 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:

Company has been consistently spending more than the CSR budget. However, it is not claiming any set off of excess amount spent.

### 6. Average Net Profit of the Company as per Section 135(5): ₹ 818.76 cr.

### 7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 16.38 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): ₹ 16.38 cr.

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

Total amount spent on CSR during the year was ₹ 17.34 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: N.A.



## Annexure "B" – Report on CSR

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

1	2	3	4	5	6
Sr. No.	Name of the Project/Activity	Item from Schedule VII to the Act	Local Area (Yes/No) State/District	Amount spent for the project (₹ in cr.)	Mode of Implementation – Through Implementing Agency name
a)	Eradicating hunger, poverty, malnutrition, promoting healthcare	(i)	1. Maharashtra (*35 districts) 2. Tamil Nadu (Chennai) 3. Gujarat (Valsad)	7.27	Ajanta Foundation (CSR00002155), Samta Foundation (CSR00002029), Mamta Foundation (CSR00002657), Manisha Y Agrawal Foundation (CSR00021696), Anvi Medical and Education (CSR00004174)
b)	Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled and livelihood enhancement projects	(ii)	4. West Bengal (Birbhum) 5. New Delhi	8.50	Ajanta Foundation (CSR00002155), Samta Foundation (CSR00002029), Prakashchand Jain Bahuuddeshiya Sanstha (CSR00009230), Mamta Foundation (CSR00002657), Manisha Y Agrawal Foundation (CSR00021696), Sai Disha Samajik Vikas Sanstha (CSR00032944), Shirpur Education Society (CSR00013815), Shiva Trust Aurangabad (CSR00012532), R.C. Patel Educational Trust, Shirpur (CSR00013817), Shree Gajanan Maharaj Bahuuddeshiya Sanstha (CSR00047405), Krea University (CSR00012893), Resourceful Education Foundation (CSR00004174)
c)	Promoting gender equality, empowering women, setting up homes & hostels for women and orphans; setting up old age homes; reducing inequalities faced by backward groups	(iii)		1.25	Mamta Foundation (CSR00002657), Kalawati Devi Memorial Charitable (CSR00035323), Manisha Y Agrawal Foundation (CSR00021696), Birbhum Welfare Society (CSR00023346), Lokhit Media Sangh (CSR00051836), Republican Pratisthan (CSR00062240), Shrimad Rajchandra Educational Trust (CSR00003298)
d)	Ensuring environment sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	(iv)		0.12	Bharuch Citizen Council Trust
e)	Training to promote sports & Olympic sports	(v)		0.20	Foundation for Promotion of Sports & Games (CSR00001100)

\* Aurangabad, Ahmednagar, Akola, Amravati, Beed, Bhandara, Buldhana, Chandrapur, Dhule, Gadchiroli, Gondia, Hingoli, Jalgaon, Jalna, Kolhapur, Latur, Mumbai, Nagpur, Nanded, Nandurbar, Nashik, Osmanabad, Palghar, Parbhani, Pune, Raigad, Ratnagiri, Sangli, Satara, Sindhudurg, Solapur, Thane, Wardha, Washim & Yavatmal

(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): ₹ 17.34 cr.

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

Sr. No.	Particular	Amount (₹ in Crore)
A.	Two percent of average net profit of the Company as per Section 135(5)	16.38
B.	Total amount spent for the Financial Year	17.34
C.	Excess amount spent for the financial year [(ii)-(i)]	0.96
D.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
E.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.96

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.

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

Ajanta Pharma Limited

For and on behalf of the Corporate Social Responsibility Committee of  
Ajanta Pharma Limited

Yogesh M. Agrawal

Managing Director  
DIN 00073673

Mannalal B. Agrawal

Chairman of the Corporate Social Responsibility Committee  
DIN 00073828

Mumbai, 02 May 2024



## Annexure "C" – Secretarial Audit Report

### Form No. MR-3

#### For The Financial Year Ended 31 March 2024

[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/statutory compliances and expressing 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 2024** 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 2024** 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, 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. No changes in the composition of the Board of Directors took place during the period under review.

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. Approval of the Shareholders of the Company was obtained at the Annual General Meeting held on 18 July 2023 for the amendment of the Object Clause of the Memorandum of Association of the Company.
2. The Company has extinguished 22,10,500 fully paid-up Equity Shares of ₹ 2 each on 19 April 2023 in compliance with the provisions of the Companies Act, 2013 and the Rules made thereunder and Regulations 11 of The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
3. Allotment of 1,000 Equity Shares of ₹ 2/- each under Ajanta Pharma Share-Based Incentive Plan, 2019.
4. During the financial year, the Board of Directors of the Company has withdrawn/suspended the Employees Stock Option Scheme, 2011 as all the options granted under the said scheme had been exercised and no options were outstanding.

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

**Alwyn D'Souza**  
FCS 5559  
Proprietor

Place: Mumbai  
Date: 02 May 2024

Certificate of Practice No. 5137  
UDIN: F005559F000318366

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



Annexure “C” – Secretarial Audit Report

Annexure A

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 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 Account 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.

**Alwyn D’Souza & Co.**  
Company Secretaries

**Alwyn D’Souza**  
FCS.5559  
Proprietor  
Certificate of Practice No. 5137  
UDIN: F005559F000318366

Place: Mumbai  
Date: 02 May 2024

Annexure “D” – Median Remuneration

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 2024	% increase/(decrease) in remuneration in the FY 2024
(i)	Mr. Mannalal B. Agrawal	2:1	10.29%
(ii)	Mr. Madhusudan B. Agrawal	86:1	16.10%
(iii)	Mr. Yogesh M. Agrawal	444:1	38.16% <sup>@</sup>
(iv)	Mr. Rajesh M. Agrawal	444:1	38.16% <sup>@</sup>
(v)	Mr. Chandrakant M. Khetan	3:1	15.12%
(vi)	Mr. K H. Viswanathan	2:1	16.62%
(vii)	Mr. Prabhakar Dalal	2:1	17.46%
(viii)	Dr. Anjana Grewal	2:1	18.08%
(ix)	Mr. Arvind K. Agrawal, Chief Financial Officer	38:1	12.85%
(x)	Mr. Gaurang C. Shah, Company Secretary	20:1	10.27%
2	The Percentage increase in the median remuneration of employees in the financial year		14.09%
3	The number of permanent employees on the rolls of company		7,844
4	Average percentile increase already made in the salaries of employees other than the managerial personnel 14.09%. As against that, managerial remuneration has increased in the last financial year and its comparison with the 17.09%. Increase in median remuneration is little higher than overall 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 2024 was 17.09%. Increase in median remuneration is little higher than overall increase in the remuneration, as it includes commission of MD & JMD which is linked to profitability.		
6	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.

<sup>@</sup> Includes Commission

## Annexure "E" – Conservation of Energy, Technology Absorption etc.



### A) Conservation of the Energy

#### 1. Steps taken for conservation of energy & reducing CO<sub>2</sub>:

- Increased Renewable Energy consumption by installing 8.8 MW solar plant
- Implemented project to collect & recycle solvent waste generated from QC
- All hazardous waste generated from Guwahati & Dahej plants now goes for pre-processing/Co-processing in cement industry,
- Energy recycling project completed for WFI water stream at Guwahati plant
- Retrofitting with EC fan in place of conventional Fan Motor in HVAC at Dahej
- Implementation of new technologies, harmonisation of best energy conservation practices at all sites
- All new procurement and modification of any project, energy saving considered as a prime objective
- Installation of energy monitoring system at all locations
- AFD panel installation for Chillers
- Installation of chiller for Auto tube cleaning systems
- Installation of boiler for Steam recovery systems
- Installation of high-capacity Dehumidifiers for Steam coil and thyristor panel
- Installation of heavy capacity for AHU Steam coil
- Purifier system waste water recovery and use for change room

#### Impact of the above measures:

Reduction in energy consumption and cost	Reduction of CO <sub>2</sub> emission by 7,066 Mt per annum	Reduction of Scope 1 & Scope 2 emission	Reduction in boiler fuel consumption
Reduction in per unit production cost	Reduction in water use per unit of production	Recycle of 40 KLD condensate	Ensuring zero discharge of hazardous waste from two units

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

Reduced conventional energy and enhanced use of green, clean and renewable energy for reduced environmental impact and increased sustainability. Solar plants added at manufacturing sites and other locations for captive use of green power.

### 3. Capital Investment on energy conservation equipment:

Company has invested significantly on energy conservation projects across all units.

### B) Technology Absorption

#### 1. Research and Development (R&D) initiates

- Development of Preservative free Ophthalmic products in novel preservative free bottles.
- Development and launch of non-comedogenic dermatological formulations.
- Utilisation of Novel Tangential drug layering technology for development of new products.
- Development of Oral Solid Dosage (OSD) form products by utilisation combination of two processing steps, which offer advantage of less processing time with improved uniform quality.
- Continued previous year's efforts of development of tablets for conversion from non-aqueous to aqueous coating procedure.
- Development of complex generic products for ANDA filings (US market).
- Development of robust and cost-effective formulations for various therapeutic category.
- Development & launch of product for treatment of pain caused due to nerve damage (neuropathic pain).
- In-house Synthesis of Process impurities, Pharmacopeia impurities, chiral impurities and Degradation impurities to fulfil internal requirement of FD & ADL Department.
- Development of cost effective & efficient FTNIR analytical methodology for existing commercialised product of ANDA, ROW & Domestic market.

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

- 7 New ANDAs filed with USFDA
- Received approvals for 6 ANDAs from USFDA
- Developed and stabilised 26 new products for Branded Generics for Domestic & ROW market

- Total 15 APIs successfully developed for Domestic, ROW & ANDA market
- 6 APIs charged for stability study, 5 scaled up for commercial production.
- 10 Dossier filed to DCG(I) for Domestic Market
- DCG(I) Approval for 6 products received including 3 products approvals for 1<sup>st</sup> time in country as detailed below:
  - 2 approvals for 1<sup>st</sup> time in country for products having novel triple drug combination of antihypertensive therapeutic category.
  - 1 approval for 1<sup>st</sup> time in country for new dosage form (Jelly) for drug of 1 therapeutic category.
- Total 516 product Dossier filed for export registration in ROW market
- Total 469 product registration for ROW market received
- 1 patent applications made for novel compositions for treatment of hypertension
- 58 no. of FTNIR method developed & 30 no. of method implemented at mfg. site for commercial utilisation
- Under Life Cycle Management (LCM) activity, 18 FTNIR method developed & 17 method implemented at mfg. site

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

#### 4. Expenditure on R&D

Particulars	(₹ in Crore)
Capital Expenditure	4.83
Recurring Expenditure	207.73
Total	212.56
Total R&D expenditure as a percentage of total consolidated turnover	5.05%

### C) Foreign Exchange Earnings and Outgo

- Activities relating to initiatives taken for increasing exports are discussed in Management Discussion & Analysis in this annual report.
- 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 ₹ 2,386.47 cr. (previous year ₹ 2,242.02 cr.)
  - Outgo in foreign currency ₹ 398.83 cr. (previous year ₹ 429.31 cr.).



# Report on Corporate Governance



## Company's Philosophy on Corporate Governance

Corporate Governance is key for creating and maximising the stakeholder value and the Company is committed to sound corporate practices founded on integrity, fairness, transparency, accountability and responsibility. The Company believes in sustainable growth that emanates from the top leadership and percolates down through the organisation to the various stakeholders, which is reflected in its sound corporate governance structure, business practices and operational efficiency.

Over the years, we have strengthened our governance practices, and it is our endeavour to have the best-in-class governance standards and go beyond the regulatory requirements.



## Board of Directors

### A. Composition and Category of Directors

- As on 31 March 2024, the Board comprised of 8 Directors, out of which 4 are from Promoter group and 4 are Independent Directors ("IDs") including one Woman Director. No director is having permanent Board seat.
- No charter document gives additional rights such as board nomination rights or transaction related rights or control-based rights to the non-controlling shareholders or give disproportionate voting power (in any form) to the controlling shareholders.

### The Key elements of Corporate Governance:

Ensure adherence to regulatory framework

Board & KMP possessing repertoire of skills & expertise

Implementing best-in-class policies and processes

Appropriate risk assessment and mitigation practices

Detailed disclosures to Board for informed decisions

Contribute to the society through CSR & ESG initiatives

- 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	4	Yes	3	0	0	Inspira Infra (Aurangabad) Limited	Managing Director
							Inspira Projects Limited	Director
							Samta Mines and Minerals Limited	Director
Mr. Yogesh M. Agrawal	P, E	5	Yes	-	0	0	-	-
Mr. Rajesh M. Agrawal	P, E	5	Yes	1	1	0	SBFC Finance Limited	Director
Mr. Chandrakant M. Khetan	ID	5	Yes	2	0	1	Entremonde Polycoaters Limited	Managing Director
							DGP Securities Limited	Director
Mr. K. H. Viswanathan	ID	5	Yes	-	1	0	-	-
Mr. Prabhakar R. Dalal	ID	5	Yes	1	2	1	Poonawalla Fincorp Limited	Director
Dr. Anjana Grewal	ID	5	Yes	0	1	0	-	-

#### Notes:

- P – Promoter, E – Executive, NE – Non-Executive, ID – Independent;
  - 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 B. Agrawal;
  - For calculation of Committee memberships/Chairmanships, only Audit Committee and Stakeholders' Relationship Committee are reckoned;
  - None of the Directors (a) hold membership in more than 10 public limited companies; (b) is 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;
  - For calculation of other Directorship/ Committee memberships/ Chairmanships – private companies, Section 8 companies and foreign companies are excluded.
- The Board fulfils the criteria laid down under the Board's "Policy for determining qualifications of Directors" and "Policy on diversity". The Board has the repertoire of skills, attributes, experience, independence and knowledge to ensure its continued effectiveness. All the Directors have distinguished personality and have proven expertise in various fields. Executive Directors have the deep understanding, expertise and exemplary competencies of strategic thinking, business acumen, global business & economics, Stakeholder relationship, Technology & business transformation. The Non-Executive Director and Independent Directors are professionals with rich experience in management, corporate governance, finance, sales & marketing, accounts & finance, forex & risk management, sustainability, general administration and other required attributes.
  - Executive Directors provide strategic management of the Company's businesses within the overall framework laid down by the Board and ensures business development and operational excellence in accordance with the set business objectives.
  - Non-Executive Directors & Independent Directors (IDs) play critical role in setting up Board processes, issues of strategy, reviewing performance, standards of conduct etc. IDs also bring independent judgement on Board decisions.
  - There are no Board cross linkages or any association with any business competitors, key suppliers or vendors.
  - All the Committees have a balanced and non-conflict mix of Directors.

## Report on Corporate Governance

### B. Board Meetings and Attendance

- Board & Committee meetings are pre-scheduled and annual calendar of meetings is decided well in advance, to facilitate full attendance and active participation of Board members.
- During the year, meetings were held physically and video conferencing arrangements for joining the meetings were made in accordance with the prescribed guidelines, for Directors who opted for it.
- Company Secretary prepares agenda for the meetings in consultation with the Chairman and the Managing Director ("MD"). Detailed agenda papers of Board and Committee Meetings are sent to all the Directors/Members at least one week in advance. At the Board Meeting, the MD & Joint MD apprises the Board on the overall performance of the Company, segment and geography wise performance and other important developments in the pharma industry and the Company. Agenda items which are unpublished and price sensitive, are circulated at a shorter notice.
- Minutes of Board meetings of subsidiaries, Board Committees and other critical information & papers are made available to the Board for effective decision-making.
- The Board also, *inter-alia*, reviews the strategy, business performance, regulatory changes, annual business plan & capital expenditure budgets, compliance reports, foreign exchange exposure, internal financial controls & financial reporting systems, HR & employment initiatives, quarterly/ half-yearly/ annual results, audit reports, important developments in subsidiaries etc.
- There was no dissent from any Directors on any of the decisions of the Board or Committees.
- Draft minutes of the Board & Committees are circulated to Directors within 15 days from the date of the meeting and suggestions, if any, are incorporated in the final document.
- During the year, 5 Board Meetings were held on 05 May 2023, 27 July 2023, 31 October 2023, 31 January 2024 and 5 March 2024.

### C. Directors Retiring by Rotation

Pursuant to Regulation 36(3) of Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India, details of the Director retiring by rotation and seeking re-appointment is mentioned in the Annual General Meeting Notice, which forms part of the Annual Report.

### D. Independent Directors & their Familiarisation

- All the IDs have confirmed that they are independent of the management. Maximum tenure of IDs is in accordance with the Act.
- During the year under review, one separate meeting of IDs was held without management being present, on 31 January 2024 which was attended by all the IDs. Mr. Chandrakant M. Khetan, lead Independent Director chaired the meeting.
- The IDs *inter-alia* reviewed performance of Non-Independent Directors, Chairman and Board as whole as also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.
- IDs also met the Statutory Auditors and Internal Auditor and discussed on key audit findings, controls, access to the information, management support, etc.
- In order to enable the IDs take informed decision on various proposals placed in the meeting and for their effective involvement in board processes, in-house orientation/ familiarisation programmes are done for the IDs at each Board meeting. They are apprised of company's businesses & segments, operating plans & budgets, important policies, risk management plan, regulatory updates etc.
- Details of such orientation programmes conducted for IDs are put on the website of the Company. The link can be accessed at: <https://ajantapharma.com/images/DFP-14-04-2023.Pdf>.

### E. Performance evaluation of Board, Committees and Directors

- The Company believes that the process of performance evaluation at the Board level is pivotal to its Board engagement and effectiveness. Nomination and Remuneration Committee of the Company empowers the Board to formulate a process for effective evaluation of the performance of individual directors, Committees of the Board and the Board as a whole pursuant to the provisions of the Act and Regulation 17 and Part D of Schedule II to the Listing Regulations. Board has set out criteria for performance evaluation of all the Directors, Board as a whole and Board committees, in accordance with the "Policy for Evaluation of Directors".
- Performance of Chairman was evaluated on parameters such as effective leadership, seeking participation from board members, maintaining critical balance of different views, monitoring effectiveness of Corporate Governance practices, guidance & counsel in critical matters, moderatorship, conduct of impartial discussions etc.

**"Outstanding" rating to Board, Individual Directors & Committees**

- Performance of individual Directors was evaluated on the parameters such as devoting time, participation & contribution, upholding ethical standard of integrity & probity, safeguarding interest of all Stakeholders & managing conflict of interest, keeping abreast of Company affairs & external environment, domain knowledge, bringing individual judgement of Board decisions.
- Performance evaluation of Board and Board Committees was done on the basis of parameters such as its composition, discharge of functions, effectiveness & contribution, review of executive management performance, business acumen in strategic matters, setting tone of Corporate culture & values, providing leadership & direction, suggestion & recommendations to the Board, effectiveness in ensuring statutory compliances, risk management.
- Board also assessed the fulfilment of the independence criteria as specified in Listing Regulations, by the IDs and their independence from the management.
- Performance evaluation done by the Board and IDs revealed "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 Directors possessing repertoire of skills, expertise and competencies in various fields. Specific skills and attributes possessed by Board members are as under:

Skills	Mannalal Agrawal	Madhusudan Agrawal	Yogesh Agrawal	Rajesh Agrawal	Chandrakant Khetan	Prabhakar Dalal	K. H. Viswanathan	Dr. Anjana Grewal
Strategic thinking & business planning	✓	✓	✓	✓	✓	✓	✓	✓
Industry knowledge & expertise	✓	✓	✓	✓				
General Management & administration	✓	✓	✓	✓	✓	✓	✓	✓
Sales & Marketing	✓	✓	✓	✓				
Accounting & finance	✓	✓	✓	✓	✓	✓	✓	✓
Forex & Risk management	✓	✓	✓	✓	✓	✓	✓	✓
Sustainability	✓	✓	✓	✓	✓	✓	✓	✓
Corporate governance & regulation	✓	✓	✓	✓	✓	✓	✓	✓
Global business & economics	✓	✓	✓	✓	✓	✓	✓	✓
Stakeholder relationship & CSR	✓	✓	✓	✓	✓	✓	✓	✓
Technology & business transformation			✓	✓				



## Report on Corporate Governance

### G. Code of Conduct

- Company recognises that integrity at workplace and in business practices is critical and expects honest and ethical personal conduct, from the Directors and Senior management. It has laid down Code of Conduct for all Board Members & Senior Management Personnel ("the Code") which is posted on the website of the Company (<https://ajantapharma.com/images/CodeofConductforDirectorsandSeniorManagement.pdf>). The Code sets out guidelines for ethical conduct & avoiding conflict of interest.
- All Board Members & Senior Management personnel affirm compliance with the Code on an annual basis and the declaration to that effect by the MD is attached to this report.

### H. Prevention of Insider Trading

- 'Ajanta's Code of Conduct for Insiders' ("ACCI") and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ("CFD") have been formulated and implemented in accordance with the SEBI (Prevention of Insider Trading) Regulations, 2015 ("PIT"). Company Secretary has been appointed as Compliance Officer

for ensuring implementation of ACCI and CFD.

- ACCI lays down obligations and responsibilities of designated persons, mechanism for preventing insider trading, handling of UPSI, disclosure of UPSI for legitimate purpose, prohibited and permitted transactions, consequences for violation etc. Company periodically educates designated persons about ACCI.
- During the year, there has been due compliance with ACCI & CFD by all insiders and requisite disclosures were made to the Stock Exchanges. Company also maintains Structured Digital Database to ensure compliance with statutory requirements.

**Fully Compliant with Insider Trading norms & disclosures**

- Company maintains adequate and effective system of internal controls and tool/software to monitor trading in securities by the Insiders. The Audit Committee reviewed the systems for internal controls on ACCI and found to be adequate and operating effectively.
- Pledge/de-pledge of shares by Promoters is disclosed to the Stock Exchange(s) timely.



### Composition of Board Committees (as on 31 March 2024)

Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee
Mr. Chandrakant M. Khetan (C)	Mr. Prabhakar R. Dalal (C)	Mr. Mannalal B. Agrawal (C)
Mr. Mannalal B. Agrawal (M)	Mr. Chandrakant M. Khetan (M)	Mr. Rajesh M. Agrawal (M)
Mr. K. H. Viswanathan (M)	Mr. K. H. Viswanathan (M)	Dr. Anjana Grewal (M)
Mr. Prabhakar R. Dalal (M)	Dr. Anjana Grewal (M)	-

Corporate Social Responsibility Committee	Risk Management Committee	Executive Committee
Mr. Mannalal B. Agrawal (C)	Mr. Yogesh M. Agrawal (C)	Mr. Yogesh M. Agrawal (C)
Mr. Madhusudan B. Agrawal (M)	Mr. Rajesh M. Agrawal (M)	Mr. Madhusudan B. Agrawal (M)
Mr. Chandrakant M. Khetan (M)	Mr. K. H. Viswanathan (M)	Mr. Rajesh M. Agrawal (M)
Mr. Yogesh M. Agrawal (M)	Mr. Arvind Agrawal (M)	-



### Audit Committee

- The Company has a qualified and independent Audit Committee which has been formed in pursuance of Regulation 18 of the Listing Regulations and Section 177 of the Act.
- The primary objective of the Committee is to monitor and provide effective supervision of the management's financial reporting process to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. It oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditors. All possible measures have been taken by the Committee to ensure the objectivity and independence of the independent auditor.
- Committee comprises of 4 Directors, out of which 3 are IDs. All the members of the Committee are financially literate and have the ability to read and understand the financial statements.
- During the year under review, the Committee met 4 times on 05 May 2023, 27 July 2023, 31 October 2023 and 31 January 2024. All the Committee members were present at all the meetings conducted during the year.
- The Company Secretary acts as Secretary of the Committee. Chief Financial Officer ("CFO"), Statutory Auditors and Internal Auditors are permanent invitees to the Committee meetings.
- Chandrakant M. Khetan, Chairman of the Committee had attended the Annual General Meeting of the Company held on 18 July 2023.
- Items placed before the Audit Committee and its frequency of review during the year:

Items placed before the Audit Committee	Frequency of review
Review quarterly/annual financial statements and auditor's report thereon before submission to the Board	Q
Review internal audit reports relating to internal control weaknesses & discussion with internal auditors of any significant findings and follow up thereon	Q

Items placed before the Audit Committee	Frequency of review
Review action taken report on audit observations in earlier internal Audit reports	Q
Review adequacy of internal audit function and frequency of internal audit	Y
Review report on Foreign Exchange Management	Q
Approve payment to statutory auditors for other services rendered, if any during the year	Y
Review Company's investments in subsidiaries vis-à-vis subsidiary assets	Q
Recommend revision in Policy on Related Party Transactions and Policy on Material Subsidiary	Y
Review Annual Operating Plan, Financial Budget & Capex plan	Y
Recommend appointment of Cost & Tax Auditors	Y
Review adequacy of internal controls for prevention of insider trading	Y
Review Cost & other statements annexed to the Report as well as Cost Audit report	Y
Approve nature & scope of statutory audit and areas of concern, if any	Y
Approve remuneration of Statutory Auditors & non-audit services and progressive billing of Statutory Auditors	Y
Recommend Risk Management policy and amendment in Risk Management plan	Y
Scrutiny of inter-corporate loans and investments	Q
Recommendation for appointment of Statutory Auditors, Internal Auditors & CFO	E
Approval or any subsequent modification of transactions with related parties	HY
Review the functioning of the whistle-blower mechanism	Y
Review Management Discussion & Analysis and results of operations	Y
Review and monitor the auditor's independence, performance and effectiveness of audit process	Y
Evaluation of internal financial controls and risk management systems	Y

HY – Half Yearly; Y – Yearly; Q – Quarterly; E – Event based



### Nomination and Remuneration Committee

- The Nomination and Remuneration Committee functions in accordance with Section 178 of the Act, and Regulation 19 of the Listing Regulations. It discharges the Board's responsibilities of Nomination and Remuneration of the Company's Executive/Non-Executive Directors,

## Report on Corporate Governance

Senior Management and Key Managerial Personnel. It also has the overall responsibility of approving and evaluating the performance of individual directors, Board as a whole and Board Committees. It also administers Stock Option Schemes of the Company.

- b) Committee comprises of 4 Directors, all IDs. During the year under review the Committee met 3 times, on 05 May 2023, 27 July 2023 and 31 January 2024. All the Committee members were present at all the meetings conducted during the year.
- c) The Company Secretary acts as Secretary of the Committee.
- d) Items placed before the NRC and its frequency of review during the year:

Items placed before the Nomination & Remuneration Committee	Frequency of review
Consider recommending to the Board, re-appointment of Managing Director and Joint Managing Director	E
Recommend to the Board, remuneration to Whole-time Directors and Senior Management & KMP	Y
Formulate criteria for determining qualifications, positive attributes and independence of a Director	E
Recommend to the Board, Policy for remuneration of directors and employees	E
Formulate criteria for evaluation of performance of directors, Board & Board Committees	E
Determine eligible employees for granting options under Ajanta Pharma Share-Based Incentive Plan 2019	E
Allot shares exercised under ESOP	E
Decide mechanism for effective performance evaluation of Directors, Board and Committees	Y
Review following policies and recommend to Board: Policy for Determining Qualifications, Positive Attributes and Independence of a Director;	E

Items placed before the Nomination & Remuneration Committee	Frequency of review
Policy for Remuneration of Directors and Employees;	E
Policy for Board & Independent Directors Evaluation Criteria;	
Policy on Board Diversity.	

Y – Yearly; E – Event based

### Board Evaluation Criteria for Independent Directors:

NRC has adopted the performance evaluation criteria for Independent Directors which is in-line with the Guidance Note of SEBI on Board Evaluation. The details of the performance evaluation carried out for FY 2024 is provided in the performance evaluation section of this report.

### Remuneration of Directors

- a) Based on the recommendations of the NRC, the Board has formulated Policy for Remuneration of Directors and Employees. The policy can be accessed on the following link <https://ajantapharma.com/images/PolicyforRemunerationofDirectorsandEmployees.pdf>.
- b) There were no pecuniary relationships or transactions between the Non-Executive Directors and the Company during the FY 2024, save and except remuneration drawn as mentioned below.
- c) Executive Directors are paid remuneration in the form of salary, perquisites and commission in accordance with the Remuneration Policy and limits prescribed under the Act. No royalty has been paid to the Promoter or Promoter Group during the year.
- d) IDs are paid sitting fees and commission on net profits in accordance with the remuneration policy and based on their performance evaluation.
- e) Except Mr. Chandrakant M. Khetan no other non-executive directors hold shares of the Company and no stock options were granted to any Directors during the year.

- f) Remuneration paid to Executive and Non-Executive Directors during the year ended 31 March 2024:

Remuneration to Directors	Salary	Perquisite	PF	Sitting Fees	Commission	Total
Mr. Mannalal B. Agrawal	-	-	-	7.77	-	7.77
Mr. Madhusudan B. Agrawal	382.2	38.22	#	-	-	420.64
Mr. Yogesh M. Agrawal	1236.00	123.6	#	-	800.00	2159.82
Mr. Rajesh M. Agrawal	1236.00	123.6	#	-	800.00	2159.82
Mr. Chandrakant M. Khetan	-	-	-	8.71	4.96	13.67
Mr. Prabhakar R. Dalal	-	-	-	6.79	3.00	9.79
Mr. K. H. Viswanathan	-	-	-	7.77	3.00	10.77
Dr. Anjana Grewal	-	-	-	5.85	3.00	7.49
₹ 21,600						

### Stakeholders' Relationship Committee

- a) The Stakeholders Relationship Committee looks into various aspects of interests of shareholders. It ensures protecting investor interests and oversees the mechanism for redressal of investors' grievances.
- b) Committee comprises of 3 Directors out of which 1 is ID. During the year under review, the Committee met 2 times, on 27 July 2023 and 31 January 2024. All the Committee members were present at all the meetings conducted during the year.
- c) Company Secretary acts as Secretary of the Committee. He has also been appointed as the Nodal Officer in accordance with the statutory requirements.
- d) The Committee reviewed adherence to the service standards for investors adopted by the Company's Registrar & Share Transfer Agent and various measures & initiatives taken for ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company and resolution of grievance as also for facilitating e-voting by shareholders.
- e) Items placed before the Stakeholders' Relationship Committee and its frequency of review during the year:

Items placed before Stakeholders' Relationship Committee	Frequency of review
Review transfer of unclaimed dividend & shares to Investor Education & Protection Fund (IEPF) account	Y
Review effectiveness of resolving grievances of security holders	HY
Review of measures taken for effective exercise of voting rights by shareholders	Y
Review measures taken for reducing quantum of unclaimed dividend	Y

Items placed before Stakeholders' Relationship Committee	Frequency of review
Review status of dematerialisation of shares	HY
Review shareholding pattern & pledge of promoters holding	HY
Review internal audit report of Internal Auditors of Registrar & Transfer Agents	Y
Review of service standards in respect of various services rendered by the Registrar & Share Transfer Agent	Y

HY – Half Yearly; Y – Yearly;

- f) During the year 3 complaints were received which were resolved satisfactorily and 1 complaint was pending as on 31 March 2024.

### Corporate Social Responsibility Committee

- a) Composition, terms of reference and powers of the Corporate Social Responsibility ("CSR") Committee are in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014.
- b) CSR policy is placed on the website and it can be accessed at <https://ajantapharma.com/images/CSRPoly2021.pdf>.
- c) Committee draws annual action plan for the CSR and periodically reviews all the CSR activities undertaken as per the plan and the CSR policy.
- d) Committee comprises of 4 Directors out of which 1 is ID. During the year under review the Committee met 4 times, on 05 May 2023, 27 July 2023, 31 October 2023 and 31 January 2024. All the Committee members were present at the meetings conducted during the year except in meeting held on 31 January 2024 in which Mr. Madhusudan Agrawal was granted leave of absence.



## Report on Corporate Governance

- e) The Company Secretary acts as Secretary of the Committee.
- f) Items placed before the CSR Committee and its frequency of review during the year.

Items placed before the CSR Committee	Frequency of review
Review/recommend CSR budget & annual action plan for the Financial Year	Y
Review CSR contributions & CSR activities undertaken	Q
Approve CSR report to be annexed to the Directors' Report	Y
Review impact assessment reports of CSR contributions made	E
Note amendments made in CSR regulatory framework	E

Y – Yearly; Q – Quarterly; E – Event based

- g) The Committee has been renamed as CSR and Sustainability Committee at the Board meeting held on 02 May 2024.



### Risk Management Committee

- a) The Risk Management Committee functions in accordance with Listing Regulations and Risk Management Policy adopted by the Company. Business Risk Evaluation and Management is an ongoing process within the Organisation. The Company has a robust risk management framework to identify, monitor, mitigate and minimise risks and also identify business opportunities.
- b) During the year under review the Committee met 2 times, on 01 September 2023 and 12 February 2024. All the Committee members were present at the meetings conducted during the year.
- c) The Company Secretary acts as Secretary of the Committee.
- d) Items placed before the Risk Management Committee and its frequency of review during the year:

Items placed before Risk Management Committee	Frequency of review
To formulate Risk Management policy	E
To review Forex management policy and its implementation	Y
To consider/approve the revised Risk Management Plan including ESG risks	E
To review Internal control system	Y

To monitor and oversee implementation of the Risk Management policy and evaluate adequacy of Risk Management systems	Y
Appointment, removal and terms of remuneration of the Chief Risk Officer	E

Y – Yearly; E – Event based



### Executive Committee

- a) Executive Committee deals with urgent operational matters viz., granting powers & authorities to employees, opening of bank accounts and change in authorities from time to time, availing various banking facilities and other routine administrative matters.
- b) 9 meetings of Executive Committee were held during the year.
- c) All the Committee members were present at all the meetings conducted during the year.



### Environmental, Social, and Governance (ESG) Committee

Board has constituted ESG Committee comprising of senior officials of the Company as under:

Mr. Satish Agrawal (C)	President Tech & Operations
Mr. Arvind Agrawal (M)	CFO
Mr. Jagdish Joshi (M)	EVP
Mr. Thampy Jacob (M)	Sr. VP – HR
Mr. Gaurang Shah (M)	Company Secretary & VP – Corp. Affairs
Mr. Pankaj Barbind (M)	DGM – Sustainability

- a) The ESG Committee oversees and reviews the Company's ESG programme, strategy, initiatives, policies, reporting & disclosures; reviews the implementation of targets, standards and metrics established to assess and track the Company's ESG performance as also to ensure that the Company's performance is consistent with the Company's long-term strategic objectives, good corporate citizenship and the ESG strategy;
- b) The Committee meets once every month to review the progress of various ESG initiatives of the Company and decide on new initiatives.



### General Body Meetings

- a) AGMs are generally held within 4 months from the end of financial year except for the previous year. AGMs during last 3 years were held on:

AGM	Date	Time	Venue	No. of special resolutions passed
42 <sup>nd</sup>	14 July 2021	11.00 a.m.	Ajanta House, Charkop, Kandivali (West), Mumbai – 400 067 (through video-conference)	1
43 <sup>rd</sup>	04 August 2022	11.00 a.m.	Ajanta House, Charkop, Kandivali (West), Mumbai – 400 067 (through video-conference)	-
44 <sup>th</sup>	18 July 2023	11.00 a.m.	Ajanta House, Charkop, Kandivali (West), Mumbai – 400 067 (through video-conference)	1

- b) No extra-ordinary general meeting was held during the three preceding financial years.
- c) Notice of AGM is sent to Shareholders at least 25 days prior to the meeting date and the same is also made available on the Company and Stock Exchange(s) websites.
- d) There were no instances where minority shareholders had proposed any agenda item at the AGM.
- e) Company usually proposes single/separate resolutions for the items requiring members' approval.
- f) E-voting facility is provided at general meetings to enable the Shareholders vote electronically. Proper instructions w.r.t. the e-voting are circulated to all the Shareholders and they are assisted to vote electronically in case of any difficulty.
- g) All the Board Members, Statutory Auditors, Secretarial Auditor attend the AGMs.
- h) All resolutions proposed by the Board were passed by shareholders and voting results of resolutions passed through Postal Ballots are available on the Stock Exchange(s) & Company's website.



### Postal Ballot

During the year under review, no postal ballot was conducted.



### Means of Communication

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

### a) Financial Results

The annual, half-yearly and quarterly results are posted on website [https://ajantapharma.com/ajanta/Investors/quarterly\\_results/?year=2023-24](https://ajantapharma.com/ajanta/Investors/quarterly_results/?year=2023-24) submitted to the Stock Exchanges and published in Economic Times and Maharashtra Times newspapers within 48 hours.

### b) Press releases, Presentations, etc.

Press and media releases, presentations etc. are also posted by website and submitted to the Stock Exchanges. Presentations on performance of the Company are also placed on the website for the benefit of the institutional investors, analysts and other shareholders.

### c) Investor Calls

Company also conducts calls/meetings with investors after declaration of quarterly financial results, to brief them on the performance of the Company. These calls are attended by the MD, Joint MD & CFO. Transcript & audio recordings of such calls is uploaded on website as well as filed with the Stock Exchanges.

### d) Website

Company's website contains a dedicated section 'Investors' wherein information appropriate/useful for shareholders is available. Investor information on website is accessible, accurate and comprehensive.

Contact of Investor Relation person is also placed on website.

## Report on Corporate Governance

### e) Annual Report

As a part of green initiative, the Company has been sending Annual Report, Notices and other communications only via e-mail to those shareholders whose e-mail IDs are registered with the Depositories/Registrar & Share Transfer Agent ("RTA"). Notice and Annual Report are also available on the website.

### f) Unclaimed shares/dividend

Reminders for unpaid dividend are sent to shareholders regularly and all the efforts are taken to ensure that the claims, if any are attended swiftly. All the requests for claiming of unclaimed shares and dividend by the shareholders are attended quickly and necessary support/guidance is extended for processing the claims.

### g) Filing with the Stock Exchanges

Quarterly Results, Shareholding Pattern, material developments related to the Company that are potentially price-sensitive in nature or that could impact continuity of publicly available information regarding the Company, are disclosed to the stock exchanges in accordance with the Policy for determination of Material Events/Information. They are also available on website.

### h) Investor Servicing

For enabling the investors to escalate their unresolved grievances, the Company has put up designated e-mail address, [investorgrievance@qjantapharma.com](mailto:investorgrievance@qjantapharma.com). This e-mail id is checked on daily basis and immediate actions are taken for resolving Investor Complaints, if any. Company also keeps watch on the grievances lodged on SCORES (centralised web-based system provided by SEBI) and NEAPs (NSE platform) for resolving investor complaints and they are resolved promptly. Company has received very few complaints during the year and they are resolved promptly.

Company is also registered on SEBI's common Online Dispute Resolution Portal ("ODR") which combines online conciliation and online arbitration for resolution of

disputes arising in the Indian Securities Market. The same can be accessed through <https://smartodr.in/login>

### i) Launch of 'Swayam'

Our Registrar and Share Transfer Agents Link Intime India Pvt Ltd. has developed "SWAYAM" is a secure, user-friendly web-based application, that empowers shareholders to effortlessly access various services. The shareholders need to get themselves registered and have first-hand experience of the portal. This application can be accessed at <https://swayam.linkintime.co.in>. It would be very effective resolution of Service Request -Generate and Track Service Requests/Complaints through SWAYAM.

**"SWAYAM" web-based application for investor services**



### General Shareholders Information

#### A. 45<sup>th</sup> Annual General Meeting to be held on:

18 July 2024 at 11.00 a.m. through video-conferencing or Other Audio-Visual Means.

#### B. Financial Calendar:

1 April 2024 to 31 March 2025

#### C. Reporting Calendar:

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

#### D. Dividend Payment Date:

First and Second Interim Dividend(s) paid on 27 July 2023 and on 31 January 2024 respectively, are proposed as final dividend.

#### E. Listing on Stock Exchanges:

BSE Limited (Code: 532331), National Stock Exchange of India Limited (Code: AJANTPHARM).

Annual Listing Fees have been paid for both the stock exchanges within stipulated time.

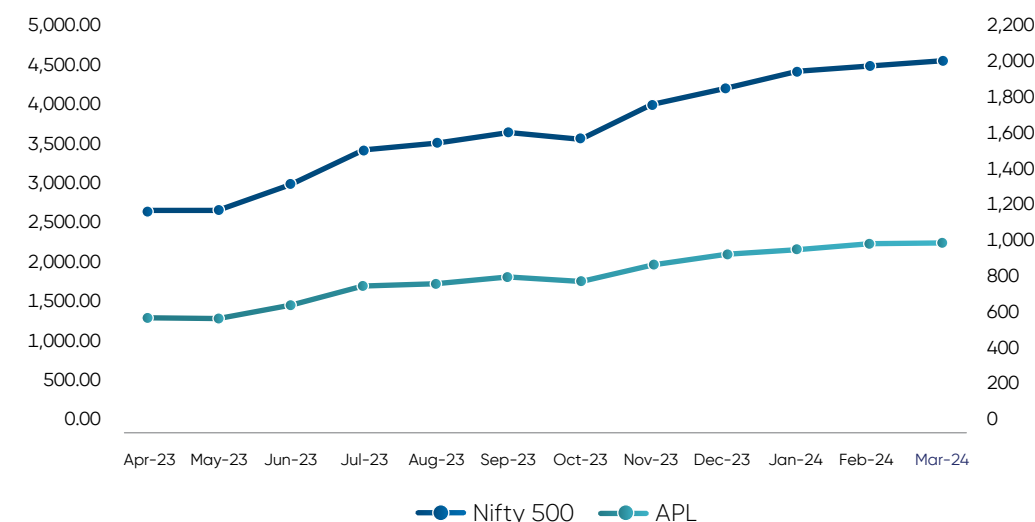
#### F. ISIN number for CDSL and NSDL:

INE031B01049

### G. Stock Market Data:

	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-23	1,325.50	1,207.80	1,325.60	1,207.90
May-23	1,345.30	1,240.55	1,339.00	1,246.75
Jun-23	1,550.00	1,292.90	1,550.00	1,292.85
Jul-23	1,735.10	1,378.50	1,735.00	1,386.60
Aug-23	1,804.70	1,666.30	1,805.00	1,666.55
Sep-23	1,903.85	1,650.55	1,904.45	1,665.50
Oct-23	1,814.35	1,665.00	1,815.00	1,650.05
Nov-23	1,994.75	1,746.00	1,995.95	1,750.00
Dec-23	2,100.00	1,852.55	2,100.00	1,850.25
Jan-24	2,355.05	2,058.45	2,353.95	2,053.65
Feb-24	2,315.70	2,015.30	2,319.75	2,015.05
Mar-24	2,307.05	2,003.55	2,317.65	1,998.35

### H. Performance of APL Share price in Comparison to Nifty 500:



### I. Registrar and Transfer Agents ("RTA")

Link Intime India Private Limited Unit: Ajanta Pharma Limited 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083 Tel No.: +91 022 49186000 Fax: +91 022 49186060 E-mail: [nt.helpdesk@linkintime.co.in](mailto:nt.helpdesk@linkintime.co.in)

### J. Share Transfer System

a) Transmission, dematerialisation of shares, dividend payment and all other investor related matters are attended to and processed by the Company's RTA as per the prescribed timeline upon receipt of complete documents.

b) Stakeholders' Relationship Committee periodically reviews and takes note of transfer, transmission, remat, split & consolidation of share certificates etc.

c) Audit of share transfer related activities is done by the Company Secretary in practice and compliance certificate is submitted to the Stock Exchanges on quarterly basis.

d) Vide circular dated 24 January 2022, SEBI has notified that all requests for duplicate, split and consolidation shall be processed in only demat mode. In view thereof, shareholders holding equity shares in physical form are urged to have their shares dematerialised at the earliest.

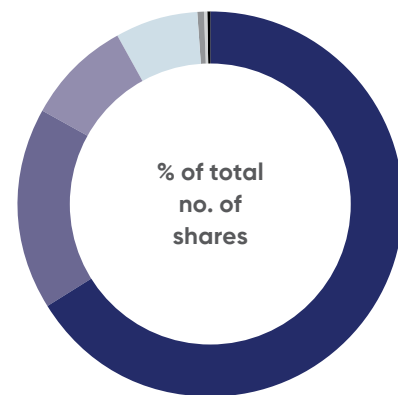


## Report on Corporate Governance

### K. Distribution of Equity Shareholding as on 31 March 2024

No. of shares held	Shareholders		Shares	
	No.	%	No.	%
Up to 500	53,690	94.04	22,72,101	1.80
501-1000	1,158	2.03	8,12,418	0.65
1001-2000	1,201	2.10	15,67,013	1.24
2001-3000	313	0.55	7,55,888	0.60
3001-4000	146	0.26	5,07,147	0.40
4001-5000	97	0.17	4,39,467	0.35
5001-10000	173	0.30	12,12,988	0.96
10001 & above	317	0.56	11,83,48,633	93.99
<b>TOTAL</b>	<b>57,095</b>	<b>100.00</b>	<b>12,59,15,655</b>	<b>100.00</b>

### L. Pattern of Shareholding



Promoters Holding	66.21%
Banks/ FIs/ Mutual Funds	16.92%
FIs/ OCBs/ NRIs	8.86%
Indian Public	7.11%
Sovereign Wealth Funds	0.00%
Alternate Investment Funds	0.56%
Private Corporate Bodies	0.24%
IEPF	0.09%
In Clearance	0.00%

### M. Dematerialisation of Shares and Liquidity

Relevant data for the average daily turnover for FY 2024 is given below:

	Bombay Stock Exchange (BSE)	National Stock Exchange (NSE)	BSE + NSE
In No. of Shares	10,828	1,62,208	1,73,035
In value terms ₹	2,01,28,837	27,55,08,408	29,56,37,245

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

Company has not issued these types of securities.

### O. Commodity price risk or foreign exchange risk and hedging activities

- a) The Company does not have any significant exposure in commodities directly and does not carry out any commodity hedging activities.

- b) Currency risks mainly arise out of exports and overseas operations. Since about 68% of the Company's income is by way of exports with major currency exposure being in USD/EUR, the Company generally does currency hedging for 6 to 18 months and up to the extent of 50% to 75% of its net foreign exchange earnings. It uses forward exchange contracts and/or options to hedge against its net foreign currency exposures as advised by the Risk Management Committee and forex consultants. All material foreign exchange transactions are fully covered.

### P. Plant Locations

Company has 7 Manufacturing Plants as detailed below:

- B-4, B-5, B-6, MIDC Industrial Area, Paithan, Dist. Aurangabad, Maharashtra
- 31-O, MIDC Industrial Area, Chikalthana, Aurangabad, Maharashtra
- Gut No. 11/12/14/15, Chitegaon, Paithan Road, Dist. Aurangabad, Maharashtra
- Gut No. 378, Plot No. 8, Waluj, Aurangabad, Maharashtra
- Plot No. Z-103 /A, Dahej SEZ - Part II, Dist. Bharuch, Gujarat
- Mirza Palashbari Road, Mouza Chayani Kamrup (R), Dist. Guwahati, Assam
- Plot No. M-55, 56, 57 ISEZ Phase-II, Pithampur, Dist. Dhar, Madhya Pradesh

### Q. Contact Details for Correspondence:

Particulars	Name & contact details	Address
For Corporate Governance, IEPF and other secretarial matters	Compliance & Nodal Officer Mr. Gaurang C. Shah VP – Legal & Company Secretary E-mail: <a href="mailto:investorgrievance@ajantapharma.com">investorgrievance@ajantapharma.com</a>	Ajanta House, 98 Govt. Ind. Area, Charkop, Kandivali (West), Mumbai – 400 067 Tel.: +91 022 – 66061000; Fax: +91 022 – 66061200/1300 Website: <a href="http://www.ajantapharma.com/">http://www.ajantapharma.com/</a>
For Financial Statements related matters and institutional investors	Mr. Rajeev Agarwal AVP – Finance E-mail: <a href="mailto:rajeev.agarwal@ajantapharma.com">rajeev.agarwal@ajantapharma.com</a>	
For Corporate Communication related matters	Mr. Abhineet Kumar DGM – Corporate Communication E-mail: <a href="mailto:abhineet.kumar@ajantapharma.com">abhineet.kumar@ajantapharma.com</a>	
For shares held in physical form	Link Intime India Private Limited E-mail: <a href="mailto:link.intime@linkintime.co.in">link.intime@linkintime.co.in</a>	Link Intime India Private Limited Unit: Ajanta Pharma Limited C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083 Tel.: +91 022 49186000; Fax: +91 022 49186060
For shares held in demat form	Concerned Depository participants of investors	

### R. Credit Ratings

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.

### S. Updating KYC & Nomination

- Updation of Permanent Account Number (PAN) and bank account details of all shareholder(s) is being done in accordance with the regulatory requirements.
- Members holding shares in electronic form are requested to register/change their nomination and bank details with their Depository Participants.
- Members holding shares in physical form are advised to register their nomination by submitting Form SH-13.
- If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14, as the case may be to the RTA. The said forms can also be downloaded from the Company's website [https://ajantapharma.com/ajanta/investors/investor\\_information\\_KYC\\_forms](https://ajantapharma.com/ajanta/investors/investor_information_KYC_forms).
- SEBI has mandated holders of physical securities to furnish PAN, nomination/ declaration to opt-out of Nomination, Contact details, Bank Account details and Specimen Signature details to RTA.
- Further SEBI has extended the last date for submission of 'choice of nomination' for

## Report on Corporate Governance

demat accounts and mutual fund folios to 30 June 2024.

- g) Vide Circular dated 25 January 2022, SEBI has clarified that listed entities/RTAs shall now issue a Letter of Confirmation in lieu of the share certificate, while processing any investor service requests in physical form for transfer, transmission, remat, split & consolidation of share certificates etc.

### T. Reconciliation of Share Capital Audit

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

### U. Employees Stock Option Scheme

During the year 87600 new options were granted under Ajanta Pharma Share-Based Incentive Plan 2019. 1000 options granted earlier were exercised during the year and the same were allotted and listed on the Stock Exchanges.

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

### W. Subsidiary Companies

- a) Financial statements including investments made by the subsidiaries were reviewed by the Audit Committee. The Board periodically reviewed, material developments, financial & operating performance and strategies as well as all the significant transactions and arrangements entered into by the subsidiaries.
- b) Minutes of the Board Meetings of the subsidiary Companies were placed at the Board Meetings held during the year.



### Other Disclosures

- a) Transactions with related parties are disclosed in Note no. 54 of the Financial Statements. There were no transactions with related party which are not at arm's length or amounts to more than 10% of revenues. No royalty has been paid to the Promoter

or Promoter Group in the previous year. Comprehensive Related Party Transaction policy has been formulated which is available at: <https://ajantapharma.com//images/PolicyonRelatedPartyTransactions.pdf>.

- b) Company has put in place compliance management tool to monitor and ensure compliance with all applicable laws and regulatory requirements. The tool provides system driven alerts to the respective task owners for timely complying with the statutory requirements. There were no instances of material non-compliance nor has 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.
- c) Company has put in place vigil mechanism/ Whistle-Blower Policy and details of the same are provided in the Directors' report. Policy is available on the website (<https://ajantapharma.com//images/Whistle-Blower-Policy-Feb-2023.pdf>). No personnel have been denied access to the Audit Committee.
- d) Company has complied with and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and 46(2) of the Listing Regulations.
- e) There was no non-compliance of any requirement of corporate governance report. Further, all the disclosures are made to the Stock Exchanges and other regulatory bodies timely. Company has also adopted following non-mandatory requirements 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.
- The auditors have issued an unmodified opinion to the financial statements of the Company.
- M/s. Aneja Assurance Private Limited, Internal Auditors submits their

internal audit reports directly to the Audit Committee.

- f) Disclosures on Commodity price risk or foreign exchange risk and hedging activities have been made in earlier paragraphs in this report.
- g) Company had not raised any funds through preferential allotment or qualified institutional placement.
- h) Practicing Company Secretary has certified 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. The same is annexed to this report.
- i) There were no instances where the Board had not accepted any recommendation of any committees during the financial year.
- j) Total fees for all services paid by the Company 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.
- k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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.

l) Details of material subsidiary of the Company:

Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name of Statutory Auditor	Date of appointment of Statutory Auditor
Ajanta Pharma USA INC	07 December 2012	New Jersey, USA	KNAV PA 14	November 2019

Mr. Chandrakant Khetan, lead Independent Director of the Company is nominated on the Board of Ajanta Pharma USA Inc. Web-link of policy for determining material subsidiaries is <https://ajantapharma.com//images/PolicyonMaterialSubsidiaries.pdf>

- m) Certificate from MD and CFO pursuant to Regulation 17(8) of the Listing Regulations [Part B of Schedule II], is attached to this Report. MD and the CFO also gives quarterly certification on financial results to the Board in terms of Regulation 33(2) of the Listing Regulations.
- n) Disclosures have also been received from the senior management that there were no transactions with the Company either by them or their relatives during the FY 2024, having potential conflict with the interests of the Company.
- o) No loans and advances were provided by the Company or its subsidiaries, to firms/ companies in which directors are interested.



### Unclaimed Shares & Dividend

- a) As per Regulation 39(4) and Schedule VI of the Listing Regulations, shares which remained unclaimed in the custody of the Company for seven years are required to be transferred to the Unclaimed Suspense Account opened by the Company.

Accordingly, unclaimed shares lying in the Company's Unclaimed Suspense Account are as follows:

#	Particulars	Shareholders	No. of shares
1	Outstanding shares at the beginning of the year	6	6,750
2	Shareholders approached the Company for transfer	0	-
3	Shareholders whose shares were transferred from suspense account	0	-
4	Shares transferred to IEPF account	3	3,375
5	Outstanding shares at the end of the year	3	3,375

- b) These shares including all benefits accrued thereon shall be transferred by the Company to the IEPF Authority in accordance with provisions of Section 124(5) and (6) of the



## Report on Corporate Governance

Act and Rules framed thereunder. The voting rights in respect of such shares shall remain frozen till the rightful owner claims such Equity Shares.

- c) As per Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all the dividends which have not been paid or claimed for 7 (seven) consecutive years or more and underlying shares, shall be transferred to the Investor Education and Protection Fund Authority ("IEPF Authority"), after complying with the procedure. Accordingly, undermentioned dividend and underlying shares have been transferred to the IEPF Authority during the year.

Financial year	Amount of unclaimed dividend transferred (₹ Lakh)	Number of shares transferred
2015-16	11.96	3,719
2016-17 (1 <sup>st</sup> Interim)	9.98	3,046

- d) Members whose shares/unclaimed dividends, etc. have been transferred to IEPF may claim the shares by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by the Authority from time to time. The Member can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto.

### i. Guidelines for Investors to file claim in respect of the unclaimed dividend or shares transferred to the IEPF:

- Login to website of MCA at <https://www.mca.gov.in/content/mca/global/en/home.html> and click on 'Investor Relations' 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 e-Verification Report, refund will be released by the IEPF Authority in favour of claimant's 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.

### ii. Dividends remaining unpaid/unclaimed and the dates by which dividend and underlying shares will be transferred to IEPF:

Financial Year	Date of declaration	Tentative date for transfer to IEPF
2016-2017 (2 <sup>nd</sup> Interim)	18.03.2017	23.04.2024
2018-2019 (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
2022-2023 (Interim)	03.11.2022	09.12.2029
2023-2024 (1 <sup>st</sup> Interim)	27.07.2023	01.09.2030
2023-2024 (2 <sup>nd</sup> Interim)	31.01.2024	01.03.2031

Details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority are also put 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 claim the same and avoid transfer of dividend and underlying shares to IEPF.



### Shareholders' Right

- To receive copies of the Annual Report, balance sheet and profit & loss account and auditor's report.
- To participate and vote in general meetings.
- To receive corporate benefits such as dividend, rights and bonus, once approved.



### Policies

Company has framed following policies and codes for setting up best corporate governance practices and for achieving the ultimate objective of maximising stakeholder value.

Name of the Policy/Code	Intranet/Internet (with weblink)
Code of Conduct for Directors & Senior Management	<a href="https://ajantapharma.com//images/CodeofConductforDirectorsandSeniorManagement.pdf">https://ajantapharma.com//images/CodeofConductforDirectorsandSeniorManagement.pdf</a>
Business Responsibility and Sustainability policies	<a href="https://ajantapharma.com//images/BusinessResponsibilityPolicies.pdf">https://ajantapharma.com//images/BusinessResponsibilityPolicies.pdf</a>
Ajanta Third-Party Code	<a href="https://ajantapharma.com//images/Third-Party-Code-of-Conduct.pdf">https://ajantapharma.com//images/Third-Party-Code-of-Conduct.pdf</a>
Code of Practices & Procedure for Fair Disclosure of UPSI	<a href="https://ajantapharma.com//images/CodeofPracticesnProceduresforFairDisclosure2019.pdf">https://ajantapharma.com//images/CodeofPracticesnProceduresforFairDisclosure2019.pdf</a>
Dividend distribution policy	<a href="https://ajantapharma.com//images/DividendPolicy.pdf">https://ajantapharma.com//images/DividendPolicy.pdf</a>
CSR Policy	<a href="https://ajantapharma.com//images/CSRPoly2021.pdf">https://ajantapharma.com//images/CSRPoly2021.pdf</a>
Policy for determination of materiality	<a href="https://ajantapharma.com//images/Policyfordeterminationofmateriality.pdf">https://ajantapharma.com//images/Policyfordeterminationofmateriality.pdf</a>
Policy for determining qualifications of Director	<a href="https://ajantapharma.com//images/PolicyfordeterminingqualificationsofDirector.pdf">https://ajantapharma.com//images/PolicyfordeterminingqualificationsofDirector.pdf</a>
Policy for remuneration of Directors & Employees	<a href="https://ajantapharma.com//images/PolicyforRemunerationofDirectorsandEmployees.pdf">https://ajantapharma.com//images/PolicyforRemunerationofDirectorsandEmployees.pdf</a>
Policy on Archival of Documents	<a href="https://ajantapharma.com//images/ed3a5c00-25bd-4cd8-a933-06d0be554702ArchivalPolicy.pdf">https://ajantapharma.com//images/ed3a5c00-25bd-4cd8-a933-06d0be554702ArchivalPolicy.pdf</a>
Policy on Material Subsidiaries	<a href="https://ajantapharma.com//images/PolicyonMaterialSubsidiaries.pdf">https://ajantapharma.com//images/PolicyonMaterialSubsidiaries.pdf</a>
Policy on Related Party Transactions	<a href="https://ajantapharma.com//images/PolicyonRelatedPartyTransactions.pdf">https://ajantapharma.com//images/PolicyonRelatedPartyTransactions.pdf</a>
Risk Management Policy	<a href="https://ajantapharma.com//images/RiskManagementPolicy.pdf">https://ajantapharma.com//images/RiskManagementPolicy.pdf</a>
Whistle-Blower Policy	<a href="https://ajantapharma.com//images/Whistle-Blower-Policy-Feb-2023.pdf">https://ajantapharma.com//images/Whistle-Blower-Policy-Feb-2023.pdf</a>
Ajanta's Code of Conduct for Insiders	On Intranet
Policy on Board Diversity	On Intranet
Policy on Board evaluation	On Intranet
Policy on preservation of documents	On Intranet
Policy on Procedure for inquiry in case of leak of UPSI	On Intranet
Risk Management Plan	<a href="https://ajantapharma.com//images/Risk-Management-Policy-And-Plan.pdf">https://ajantapharma.com//images/Risk-Management-Policy-And-Plan.pdf</a>
Policy on Succession Plan	-
IP policy	-
Investment Policy	-
Policy on Internal Financial Controls	-

For and behalf of the Board of Directors

**Mannalal B. Agrawal**  
Chairman  
DIN: 00073828

Mumbai, 02 May 2024

# 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, Kandivali (West), Mumbai - 400 067

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, Kandivali (West), Mumbai - 400 067 (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](http://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 ended on **31 March 2024** 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	29.04.2000
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

Place: Mumbai  
Date: 02 May 2024

**Alwyn D'Souza**  
FCS No. 5559  
C. P. No. 5137  
UDIN: F005559F000318399

## 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 2024.

For **Ajanta Pharma Limited**

**Yogesh M. Agrawal**  
Managing Director  
DIN: 00073673

Mumbai, 02 May 2024



## Report on Corporate Governance

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

We, Mr. Yogesh M. Agrawal, Managing Director and Mr. Arvind K. Agrawal, Chief Financial Officer hereby certify for the financial year ended 31 March 2024 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  
DIN: 00073673

Mumbai, 02 May 2024

For **Ajanta Pharma Limited**

**Arvind K. Agrawal**  
Chief Financial Officer

### 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 **31 March 2024**, 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 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.

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

**Alwyn D'Souza**  
FCS No. 5559  
C. P. No. 5137  
UDIN: F005559F000318401

Place: Mumbai  
Date: 02 May 2024

## Business Responsibility and Sustainability Report



### Statement by Managing Director

Dear Valued Partners,

I am delighted to share with you our progress and achievements in the long-term Sustainability, including Environmental, Social, and Governance (ESG) initiatives and business responsibility practices.

In the evolving ESG landscape, we are committed to continuous improvement and innovation across all aspects of our operations. Through our initiatives such as waste reduction, energy efficiency improvements, renewable energy projects and water conservation, we aim to minimise our environmental footprint and mitigate climate change. The ESG Committee, comprising key functional heads, meets regularly to review progress and make informed decisions on sustainability initiatives.



During the year, we have made significant strides in this direction toward achieving our targets and upholding our responsibilities. You will be happy to know that we have taken a major step in renewable energy generation by installing additional 8.8 MW solar unit this year. This addition contributed significantly to reduce CO<sub>2</sub> emission by approximately 7,066 Mt per annum, furthering our commitment to sustainable energy practices.



We have implemented projects to collect and recycle solvent waste generated from Quality Control (QC) at our Paithan and Chitegaon sites. Moreover, hazardous waste generated from our Guwahati & Dahej plants now undergoes processing in the cement industry, thereby significantly reducing exposure of these sites from landfills.



At Dahej and Guwahati locations, we upgraded Effluent Treatment Plants (ETPs) with advanced UF and RO systems to recycle RO permeate for cooling tower usage. Proactive measures led to a commendable 30% reduction in wastewater generation at Dahej plant.

Projects like condensate recovery systems have enabled to recycle around 40 KLD of condensate, thereby reducing boiler fuel consumption and consequent CO<sub>2</sub> emission.

The health and safety of our employees are of paramount concern. We have comprehensive OH&S management systems in place, including regular risk assessments, safety training, and emergency preparedness measures, to ensure a safe work environment for all. We have got ISO 14001 and ISO 45001 certifications for two of our major sites and two more sites have been recommended for the same, awaiting certification.

Our robust Code of Conduct for Directors and Senior Management underscores our commitment to fostering ethical business conduct. We recognise the importance of our suppliers in our journey towards sustainability. Through our Value Chain Assessment and engagement initiatives, we ensure that our suppliers adhere to ESG principles and promote sustainable practices.

We actively engage with our Stakeholders to identify and address their needs and concerns, prioritising sustainability issues based on their impact on both our strategic objectives and stakeholder interests. Through our community welfare programmes, we contribute to the well-being of local communities and promote inclusive growth.



Our CSR initiatives include providing healthcare services, supporting education and rural & tribal area development. Our support for sports persons, including Olympic and Paralympic athletes, highlights our dedication to promoting talent and excellence.

Ajanta remains steadfast in its commitment to ESG principles and responsible business practices. We are deeply grateful for your continued support and partnership as we strive to build a sustainable future for all stakeholders.

Thank you for being a part of this journey.

Warm regards,

**Yogesh Agrawal**  
Managing Director



## Section A – General Disclosure

### I. Details of the Listed Entity

1. **Corporate Identity Number (CIN) of the Listed Entity -**  
L24230MH1979PLC022059

2. **Name of the Listed Entity -**  
Ajanta Pharma Limited

3. **Year of incorporation -**  
31/12/1979

4. **Registered office address -**  
Ajanta House 98, Govt Industrial Area, Charkop, Kandivali (West), Mumbai- 400067, Maharashtra, India.

5. **Corporate address -**  
Ajanta House 98, Govt Industrial Area, Charkop, Kandivali (West), Mumbai- 400067, Maharashtra, India.

6. **E-mail -**  
[legal.info@ajantapharma.com](mailto:legal.info@ajantapharma.com)

7. **Telephone -**  
022 66061000

8. **Website -**  
[www.ajantapharma.com](http://www.ajantapharma.com)

9. **Financial year for which reporting is being done -**  
1 April 2023 – 31 March 2024

10. **Name of the Stock Exchange(s) where shares are listed -**  
Bombay Stock Exchange Limited

National Stock Exchange of India Limited

11. **Paid-up Capital -**  
₹ 251,831,310/-

12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**

Mr. Arvind K. Agrawal - CFO  
022 66061000  
[arvind.agrawal@ajantapharma.com](mailto:arvind.agrawal@ajantapharma.com)

13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**  
Consolidated\*

14. **Name of assurance provider**  
None

15. **Type of assurance obtained**  
None

\* Note -

- All the quantitative disclosures are on consolidated basis unless otherwise specified.
- The qualitative information is primarily presented for Indian operations.
- The previous year's figures are restated from standalone to consolidated basis where specified.

### II. Products/services

#### 16 Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Manufacture and sale of pharmaceutical products	Pharmaceutical	100

#### 17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Products/Services	NIC Code	% of total Turnover contributed
1	Pharmaceutical products	24232	100

### III. Operations

#### 18 Number of locations where plants and/or operations/offices of the entity are situated:

Locations	Number of plants	Number of offices	Total
National	7	9	16
International	0	7*	7

\* Apart from these we have presence in 22 countries through our promotional agents, distributors and supervisors but we don't have physical offices there.

## Business Responsibility and Sustainability Report

### 19 Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States)	28 states and 8 Union Territories
International (No. of Countries)	30

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**  
68%

#### c. A brief on types of customers

Patients who use our medicines are our ultimate customers. We reach them through wholesalers and distributors who are our primary customers.

### IV. Employees

#### 20 Details as at the end of Financial Year:

#### a. Employees and workers (including differently abled)\*:

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	7962	7258	91.16%	704	8.84%
2.	Other than Permanent (E)	123	120	97.56%	3	2.44%
3.	Total employees (D+E)	8085	7378	91.26%	707	8.74%
WORKERS						
4.	Permanent (F)	111	111	100%	-	-
5.	Other than Permanent (G)	2172	2063	94.98%	109	5.02%
6.	Total workers (F+G)	2283	2174	95.23%	109	4.77%

#### b. Differently abled Employees and workers\*:

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY-ABLED EMPLOYEES						
1.	Permanent (D)	3	3	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D+E)	3	3	100%	-	-
DIFFERENTLY-ABLED WORKERS						
4.	Permanent (F)	1	1	100%	-	-
5.	Other than Permanent (G)	-	-	0	-	-
6.	Total differently abled workers (F+G)	1	1	100%	-	-

\* Disclosure is on standalone basis.

#### 21 Participation/Inclusion/Representation of women

	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel	4	-	-

## Business Responsibility and Sustainability Report

### 22 Turnover rate for permanent employees and workers

	FY 2024			FY 2023			FY 2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23%	18%	23%	27%	21%	27%	22%	20%	22%
Permanent Workers	1%	-	1%	2%	-	2%	5%	-	5%

\* Previous year's Turnover rates are on standalone basis

### V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

#### 23 (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1.	Ajanta Pharma USA Inc	Subsidiary	100%	Yes
2.	Ajanta Pharma Philippines Inc	Subsidiary	100%	Yes
3.	Ajanta Pharma Mauritius Limited	Subsidiary	100%	Yes
4.	Ajanta Pharma Nigeria Limited	Subsidiary	100%	Yes

### VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes
- (ii) Turnover (₹ in crore) 4,208.71
- (iii) Net worth (₹ in crore) 3,567.36



### VII. Transparency and Disclosures Compliances

#### 25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Complainant group of Stakeholder	Grievance Redressal Mechanism in Place	Grievance Redressal Mechanism in Place	FY 2024		FY 2023	
			No. of complaints		No. of complaints	
	(Yes/No)*	(If Yes, then provide web-link for grievance redressal policy)	Filed during the year	Pending resolution at close of the year	Filed during the year	Pending resolution at close of the year
Communities	Yes	Yes. Communities can raise their grievance through the concerned Plant head or CSR head.	-	-	-	-
Investors (other than shareholders)	Yes	There is dedicated email address of Company viz. <a href="mailto:investorgrievance@ajantapharma.com">investorgrievance@ajantapharma.com</a>	Nil	Nil	Nil	Nil
Shareholders	Yes	Company's Registrar & Transfer Agent, M/s. Link Intime India Pvt. Ltd., look after all the grievances/enquiries/queries of Shareholders. Shareholders can also raise / escalate their grievances to the dedicated email address viz. <a href="mailto:investorgrievance@ajantapharma.com">investorgrievance@ajantapharma.com</a>	3	1	4	-
Employees & workers	Yes	Employees can put their grievances in the complaint/suggestion boxes placed at each office/plant. They can also raise their grievance to <a href="mailto:whistleblower@ajantapharma.com">whistleblower@ajantapharma.com</a> for any wrong doing observed in the Company.	-	-	-	-
Customers	Yes	Yes. Customers address their grievances through email on <a href="mailto:product.complaint@ajantapharma.com">product.complaint@ajantapharma.com</a> or enquiry form placed on Company's website <a href="http://www.ajantapharma.com/ajanta/Contact">www.ajantapharma.com/ajanta/Contact</a>	188	12	168	4
Value Chain Partners	Yes	Yes. Value chain partners can raise their grievance to the concerned functional heads or location head. The same is attended promptly by the concerned functional head or location head.	-	-	-	-




### 26 Overview of the entity's material responsible business conduct issues



Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Material issue identified	Whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
 Product Quality and Safety	Risk	Any deficiency in product quality & safety has very high adverse impact, both on the well-being of patients and business operations like decreased sales, reputational damage and regulatory actions.  Reduced revenue and actions from regulators in the form of penalties etc.	<ul style="list-style-type: none"> <li>Company has in place, stringent Pharmacovigilance processes and adheres to Global Quality Standards to ensure best quality products.</li> <li>Active monitoring of product safety throughout their lifespan, employing rigorous quality control and quality assurance to ensure highest quality standards, cGMP compliance, and adherence to all regulatory requirements.</li> <li>Technological advancements, cGMP training, automation, and digitalisation to enhance efficiency and product quality.</li> <li>Periodic quality review of third-party locations is done to ensure quality and safety of products emanating from these locations.</li> </ul>	Negative
 Occupational Health and Safety	Risk	Employees are the most important assets of the company and ensuring their health and safety is our prime objective. Poor OHS practices can lead to a cascade of negative consequences like absenteeism, reduced productivity, increased healthcare costs, etc.  Poor OHS will result in frequent safety incidents, lower employee morale and productivity.	<ul style="list-style-type: none"> <li>Targeted EHS Training and Competency Building by both internal and external experts.</li> <li>Periodic emergency drills</li> <li>Robust Occupational Health -and Safety management system (ISO 45001:2018) at two major sites, with additional locations in India under process.</li> <li>Each site conducts annual Occupational Safety and Health (OSH) Hazard Identification and Risk Assessments for all routine and non-routine activities, utilising multiple risk assessment techniques, such as Hazard Identification (HAZID), Hazard and Operability studies (HAZOP), and HIRA, to proactively identify and mitigate potential hazards associated with our processes.</li> </ul>	Negative
 Product development, innovation & pricing	Opportunity	Innovative and first-to-market products developed after extensive R&D help us stay relevant in our market and grow consistently. It is essential for a wider consumer base and long-term sustainability.  The development of complex and novel drug delivery systems enables the Company to stay ahead of the competition and contribute towards product accessibility.	<ul style="list-style-type: none"> <li>Operational excellence and cost-effectiveness, supporting the development of life-saving medications at affordable price.</li> </ul>	Positive




## Business Responsibility and Sustainability Report

Material issue identified	Whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
 Corporate Governance	Risk	<p>Compliance with laws and regulations is essential to have a good corporate image, smooth operations and create long term stakeholder value.</p> <p>Ethical breach or non-compliances can erode stakeholder trust, impact employee morale, regulatory actions and adverse impact on financial performance.</p> <p>Upholding strong corporate governance facilitates responsible decision-making and financial transparency, vital for investor attraction.</p>	<ul style="list-style-type: none"> <li>Strong corporate governance ensuring ethical conduct, regulatory compliance, and transparency.</li> <li>Maintain zero-tolerance for any ethical lapses or breaches of business integrity.</li> <li>Code of Conduct for Directors and Senior Management outlines clear expectations regarding ethical behaviour, prohibiting illegal or harmful practices, bribery, and corruption, and ensuring proper management of conflicts of interest.</li> <li>Senior Management and the Board actively monitor legal and regulatory compliance. This ensures minimising the risk of non-compliance and potential financial or reputational penalties.</li> <li>Regular internal communication and training programmes on ethics standards and compliance systems.</li> </ul>	Negative
 Talent Acquisition and Management	Opportunity	Building a sustainable workforce involves attracting, developing, and retaining top talent, which cultivates a highly skilled and motivated workforce, essential for driving innovation and productivity.	<ul style="list-style-type: none"> <li>By prioritising employee welfare and conducting various engagement and development programmes, Ajanta enhances employee motivation, satisfaction and retention. The company invests in training and professional development to equip them with the necessary skills, domain expertise, and latest technology in alignment with the business strategy.</li> <li>This skilled workforce drives long-term business growth and creates value for all stakeholders.</li> </ul>	Positive
 Data Integrity Risk and Cyber Security		<p>Integrity of data is paramount for conducting safe and effective clinical trials, developing reliable medications, and maintaining patient safety.</p> <p>Breaches in data integrity could erode trust in products and compromise patient well-being.</p> <p>Cybersecurity breaches can disrupt critical processes, leading to delays, lost productivity, and increased costs.</p>	<ul style="list-style-type: none"> <li>Data integrity and security are central to our Information Security Management System (ISMS).</li> <li>Implemented comprehensive policies and guidelines that govern data-handling practices across the organisation. Strong IT management &amp; monitoring system, anti-virus, fire walls to prevent any data integrity and cyber security breaches.</li> <li>Training and awareness sessions are conducted for the employees to make them conversant with the latest trends in data integrity and cyber security.</li> <li>Meet all data privacy compliance requirements and our Disaster Recovery Plan safeguards data security, availability, and integrity in the event of disruptions or natural disasters.</li> </ul>	Negative

Material issue identified	Whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
 Energy Management	Opportunity	Ajanta aims at prioritising operational efficiency through continuous energy transition and efficiency improvement and expecting long-term cost savings.	<ul style="list-style-type: none"> <li>Our commitment to decarbonisation involves leveraging energy efficiency to reduce dependency on fossil fuels</li> <li>Investment in an 8.8 MW captive solar power plant demonstrates our dedication to renewable energy, fostering sustainability and minimising environmental impact.</li> <li>This transition is expected to annually cut CO<sub>2</sub> emissions by approximately 7,066 Mt per annum, showcasing tangible environmental benefits.</li> <li>Further initiatives for solar power generation are underway, the impact of which will be seen in the coming years.</li> </ul>	Positive
 Water and Wastewater	Risk	Climate change and increasing water scarcity pose a significant risk to our operations. Similarly, the discharge of untreated or poorly treated wastewater can contaminate nearby water sources, harming aquatic ecosystems, affecting biodiversity, and endangering human health in communities relying on these water sources. These can lead to regulatory non-compliances and consequential actions.	<ul style="list-style-type: none"> <li>Ajanta is committed to become water positive by 2025 by minimising wastewater generation, deployment of Advanced treatment systems to recover and reuse wastewater and deployment of Rainwater Harvesting system</li> <li>Zero Liquid Discharge systems are implemented at Guwahati and Dahej facilities. For other locations, treated water discharge is in compliance with the regulatory norms.</li> </ul>	Negative
 Waste	Risk	Improper management of hazardous waste carries significant environmental and health hazards. Non-compliance with waste management regulations can lead to substantial fines, operational disruptions, and damage to reputation. Additionally, ineffective waste management drives up costs due to inefficiencies and increased disposal expenses.	<ul style="list-style-type: none"> <li>Aiming for a 10% annual decrease in waste generation.</li> <li>Solvent Waste Recycling Initiative such as project to collect and recycle solvent waste generated from quality control (QC) activities at our sites.</li> <li>Zero Landfill for Hazardous Waste at two of our major facilities,</li> <li>Our Extended Producer Responsibility programme collects and sends pre-consumer and post-consumer plastic waste for recycling.</li> </ul>	Negative

# Business Responsibility and Sustainability Report

Material issue identified	Whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
 Human Rights	Risk	Violations of human rights in our operations or supply chain can lead to non-compliance of laws and consequential regulatory actions, unrest & instability in the communities where we operate and reputational damage. This can disrupt our supply chains, hinder our ability to recruit and retain talent, and adversely impact our business operations.	<ul style="list-style-type: none"> <li>Comprehensive Human Rights Policy outlining our commitment to upholding human rights across all our stakeholder interactions.</li> <li>Conduct thorough due diligence assessments to ensure there are no human rights violations within our operations.</li> <li>Promote a workplace culture that celebrates diversity and prohibits all forms of discrimination and harassment and there is dedicated grievance channel.</li> <li>Committed to working with Third Party (TP)/ Value Chain Partners who operate consistent with Ajanta values and ethical principles, including respect for human rights.</li> <li>Conduct human rights training for employees and value chain partners.</li> </ul>	Negative



## Section B – Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1. a	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)					Yes				
b	Has the policy been approved by the Board? (Yes/No/NA)									
c	Web Link of the Policies, if available	<a href="https://ajantapharma.com//images/BusinessResponsibilityPolicies.pdf">https://ajantapharma.com//images/BusinessResponsibilityPolicies.pdf</a>								
2	Whether the entity has translated the policy into procedures. (Yes / No/ NA)					Yes				
3	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)					Yes				
4	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	cGMP standards, CDSCO: India, USFDA, ISO 9001:2015, WHO	ISO 45001:2018*				ISO 14001:2015*			CDSCO : India, ISO 9001:2015
5	Specific commitments, goals and targets set by the entity with defined timelines, if any									
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	As provided below								

\* We've successfully implemented Occupational Health and Safety (ISO 45001:2018) and Environmental Management (ISO 14001:2015) systems at two of our major sites & awaiting certification at other two sites.

<b>P1</b>	<b>Business Ethics</b>	<ul style="list-style-type: none"> <li>Conduct two awareness programmes every year on BRSR Principles for various stakeholders including value chain partners.</li> <li>Initiated a drive to create awareness among stakeholders through different initiatives, including circulating ESG questionnaires; conducting online training sessions and facilitating one-to-one interactions.</li> </ul>
<b>P2</b>	<b>Product Sustainability &amp; Safety</b>	<ul style="list-style-type: none"> <li>Invest H 10 Cr in R&amp;D by FY 2026 to develop specific technologies that improve the environmental and social impact of our products and processes.</li> <li>Undertake Life Cycle Assessment of 4 key products by FY 2026.</li> <li>Invested around 10% of our targeted expenses in R&amp;D to minimise environmental impact and actively pursuing sustainable product development. Achieving this by optimising batch cycles, reducing solvent use through improved energy efficiency, and minimising the packaging of some products.</li> <li>Completed life cycle assessments of our two major products.</li> </ul>



## Business Responsibility and Sustainability Report

### P3 Employee well-being

Create a workplace culture that supports employee health, happiness and personal growth through a variety of initiatives, including:

- Offering health and life insurance coverage for employees and family.
- Providing opportunities for professional development and career advancement.
- Encouraging work-life balance by offering flexible work arrangements.
- Extending subsidised canteen facility.
- Conducting town hall meetings to get employee feedback/suggestions.
- Promoting diversity, equity and inclusion by creating an environment where all employees feel valued and respected.
- Providing a supportive work environment that encourages open communication, collaboration and teamwork.

- Settled all hospitalisation and other claims expeditiously
- Revised HR policy to increase local and outstation travel allowances.
- Increased the number of Privileged Leave and Privileged Leave accumulation limit to promote the work life balance.
- Reduced company loan interest rate to help employees in contingencies.
- Conducted various training and employee engagement programmes.

### P4 Stakeholder engagement

- Provide necessary mechanism to the Stakeholders for raising their grievances and address the same swiftly.
- Conduct stakeholder survey every three years to understand their concerns and expectations.
- Requisite mechanism in place to enable shareholders, employees, vendors, communities and other stakeholders to raise their grievances and give suggestions.
- Conducted training & orientation programmes for vendors and contract manufacturers on ESG and sustainability.

### P5 Human Rights

- To conduct annual training and awareness programmes on human rights including POSH.
- To ensure 100% compliance with labor laws and the protection of human rights.
- No human rights violations /complaints related to child, forced and involuntary labor, discriminatory employment, or sexual harassment.
- Conducted webinars and awareness programmes for employees on POSH.
- Internal Complaint Committee is in place at all locations to address the complaints of sexual harassment.
- Business Integrity Committee in place to address grievances or violations of human rights.
- Conducted Open House Meetings at all locations to promote transparency and open communication, providing a platform for Ajantaitees to give feedback and suggestions.

| Specific commitments, goals and targets set by the entity with defined timelines  
| Performance of the entity against the specific commitments, goals and targets

### P6 Environment Management

- We aim to achieve 50% use of renewable power by FY 2026 and 100% by FY 2032.
- Become water positive by FY 2025
- Reduce waste per unit of production by 10% every year and overall by 30% by 2030
- Focus on digitalisation to reduce paper waste by 80% by 2026
- Reduce energy consumption by 10% by 2026 and 15% by 2028
- Reduce Scope 1 and Scope 2 emissions by 10% by 2026 and 30% by 2030
- Achieved 30% use of green energy till Mar' 24.
- Reduced fresh water withdrawal/unit of production by 14% during FY 23-24.
- Achieved 8% waste reduction/unit of production in comparison to last FY.
- With continuous digitalisation, we have significantly reduced paper waste.
- Achieved 4% energy reduction by implementing EC fan installation for AHU, CRS for boiler and EMS system at Dahej & Guwahati sites for effective monitoring and control. Many more projects in pipeline.
- Till date contributed to reduce 23% Scope 2 emission by installing and operating 12.69 MWp capacity captive solar plant all across our facilities. More projects are under pipeline. Reduced total Scope 1 and Scope 2 emission per unit by 27% in FY 2024 compared to last year.

### P7 Public Advocacy

- Ajanta will continue to ensure that all public advocacy issues in the broader public interest occurs through industry forums and associations.
- Company addresses and takes up all such issues through industry forums and associations.

### P8 Inclusive growth and Equitable development

- Continue to undertake CSR activities in the areas of education, healthcare, rural development & promotion of sports for the benefit and upliftment of marginalised and economically weaker sections, as well as local communities.
- Conduct Social Impact Assessments (SIA) of CSR projects through implementation agencies, as applicable.
- Details of CSR initiatives and beneficiaries are provided in the Principle 8 section of this report.

### P9 Consumer service

- Ensure 100% compliance with labeling norms and regulations.
- Ensure 100% resolution of customer complaints.
- Undertake consumer satisfaction survey once a year.
- Conduct consumer awareness programme.
- Stringent quality control and assurance checks are in place to ensure no product recalls.
- CAPA implementation for any complaints.
- All the consumer complaints are attended on top priority and corrective actions are taken promptly.

\* Baseline Year 2021

| Specific commitments, goals and targets set by the entity with defined timelines  
| Performance of the entity against the specific commitments, goals and targets

## Business Responsibility and Sustainability Report

Governance, leadership and oversight	
7	<b>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</b> Director's message is given at the beginning of this report.
8	<b>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b> ESG Committee
9	<b>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/ NA).</b> Yes
The Company has constituted an ESG Committee comprising all the important functional heads for decision-making on day-to-day sustainability-related issues. The Committee meets once a month to review the progress in implementing ESG initiatives. The CSR Committee is recently re-constituted as the "CSR and Sustainability Committee" for overseeing and reviewing the ESG & sustainability initiatives and progress on quarterly basis. The Board reviews the ESG and sustainability performance annually.	

### 10 Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	
a. Performance against above policies and follow up action	ESG Committee									
b. Description of other committee for performance against above policies and follow up action	Performance against above policies is monitored and reviewed by the ESG committee and necessary actions are taken.									
c. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	ESG Committee									
d. Description of other committee for compliance with statutory requirements of relevance to the principles and rectification	Respective functional heads, in consultation with the ESG committee									

Subject for Review	Frequency (Annually / Half yearly /Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action					Annually				
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances					Annually				
11. <b>Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).</b>	No*	Yes <sup>1</sup>	Yes <sup>2</sup>	No*	No*	Yes <sup>3</sup>	No*	No*	Yes <sup>1</sup>
If yes, provide name of the agency.	1. TUV India company conducted the ISO 9001:2015 certification audit 2. TUV company conducted the ISO 45001:2018 certification audit 3. TUV company conducted the ISO 14001:2015 certification audit								

\* The Company internally reviews the working of the above-mentioned policies.

12	<b>If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:</b>	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)						NA				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)						NA				
The entity does not have the financial or/human and technical resources available for the task (Yes/No)						NA				
It is planned to be done in the next financial year (Yes/No)						NA				
Any other reason (please specify)						NA				

## Section C – Principle Wise Performance Disclosure

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**



### Essential Indicators

#### 1 Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	6	P1 to P9	100%
Key Managerial Personnel	6	P1 to P9	100%
Employees other than BOD and KMPs	3311	The trainings covered upskilling and reskilling of employees on the following: ☑ ESG aspects ☑ Occupational Health and Safety ☑ Prevention of Sexual Harassment ☑ Human Rights ☑ Consumer Safety ☑ Cyber Security ☑ Regulatory compliance ☑ Code of Conduct on ethics ☑ Collaborative Leadership ☑ Emotional Intelligence ☑ Stress Management ☑ Specific to department / business function ☑ Trainings covered P1 to P9	100%
Workers	407	Training programmes covered: ☑ Health & Safety Trainings ☑ Code of Conduct ☑ Prevention of Sexual Harassment ☑ Human Rights ☑ Regulatory compliance ☑ Trainings covered Principles 1, 2, 3, 5 and 6	100%

\* Disclosure is provided on standalone basis

#### 2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year

Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹) (For Monetary Cases only)	Brief of the Case	Has an appeal been preferred? (Yes/No)
<b>Monetary</b>					
Penalty/ Fine	NIL	NA	NA	NA	NA
Settlement	NIL	NA	NA	NA	NA
Compounding fee	NIL	NA	NA	NA	NA
<b>Non-Monetary</b>					
Imprisonment, Punishment	NIL			NA	



## Business Responsibility and Sustainability Report

### 3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

### 4 Does the entity have anti-corruption or anti-bribery policy? (Yes/ No)

Yes

The Company's **Code of Conduct for Directors and Senior Management** provides for adherence to ethical conduct & practices and discourages bribery and corruption while interacting business with any third Parties. <https://www.ajantapharma.com/images/CodeofConductforDirectorsandSeniorManagement.pdf>

**The Ethics policy** framed under the NGRBC principles mandates that the business does not engage in illegal and abusive practices, bribery and corruption and addresses conflicts of interest involving employees, supply chain and business partners. <https://www.ajantapharma.com/images/BusinessResponsibilityPolicies.pdf>

**The Third-Party Code of Conduct** of the Company expects its TP/ value chain partners to adhere to the principles of the Code of Conduct and Ethics Policy. The Company encourages its TP comply with applicable laws and regulations and industry standards related to anti-corruption and dissuades from committing acts of bribery in its value chain. <https://www.ajantapharma.com/images/Third-Party-Code-of-Conduct.pdf>

**The Human Resource Policy – Code of Conduct** of Ajanta treats demanding/ accepting bribes connected with the business of the organisation as an act of serious misconduct. The Policy is available on Company's Intranet portal. The Company also discourages accepting any gifts or favours by employees from any suppliers or third parties.

### 5 Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particular	FY 2023-24	FY 2022-23
Directors, KMPs, Employees, Workers	NIL	NIL

### 6 Details of complaints with regard to conflict of interest:

Case Details	FY 2023-24		FY 2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors & KMP	NIL	NA	NIL	NA

### 7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

None

### 8 Number of days of accounts payables in the following format:

Particular	FY 2023-24	FY 2022-23
Number of days of accounts payables	151 days	129 days

### 9 Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	68.58%	68.33%
	b. Number of dealers / distributors to whom sales are made	35	35
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	57.84%	60.07%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.76%	0.84%
	b. Sales (Sales to related parties / Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	-
	d. Investments	-	-

### Leadership Indicators

#### 1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	BRSR Core Disclosures	100%*

\* Ajanta is accelerating its efforts towards building a sustainable future, and we consider our suppliers as key partners in this journey. Recognising their crucial role in our commitment to Business Responsibility and Sustainability, we have actively engaged them to embrace sustainable practices.

We've established clear supplier criteria that go beyond traditional metrics. In addition to evaluating general competence, financial health, and capacity, we now place a strong emphasis on their commitment to ESG factors.

This year, we focused heavily on enhancing internal proficiency and implemented operational changes and procedures to minimise waste and enhance energy efficiency. The Company also launched Value Chain Assessment of 100% of the Value Chain partners, as per BRSR Core Framework issued by SEBI on 12 July 2023 prescribing the ESG disclosures for value chain. Out of our total valued partners, approximately 10% of upstream and 11% of downstream value chain partners (by value of business) submitted the assessment on the Nine Attributes and their corresponding ESG parameters. Ajanta is committed to build safe and sustainable environment and is continuously taking various measures & initiatives on ESG front as also for inclusive growth.

#### 2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)

Yes

If Yes, provide details of the same.

#### Ajanta prioritises ethical governance and has robust processes in place to manage potential conflicts of interest involving board members.

**Code of Conduct:** Our Code of Conduct for Directors and Senior Management sets clear legal and ethical standards. This code emphasises honest, fair, and ethical behaviour, including the responsible handling of any potential conflicts between personal and professional interests.

**Policy On Materiality of Related Party Transactions and Dealing with Related Party Transactions:** We have laid down comprehensive "Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions" that governs transactions with board members and their relatives. We restrict related party transactions to the bare minimum. Further, any transactions involving board members or entities in which they have a stake, require prior approval by the Audit Committee and the Board of Directors. In such cases, the concerned board member(s) abstain from relevant discussions and voting.

## Business Responsibility and Sustainability Report

**Annual Declarations:** Board members and senior management are required to submit annual declarations confirming their adherence to the Code of Conduct and disclosing any potential conflicts of interest in their business dealings.

These measures demonstrate Ajanta's commitment to transparency, accountability, and responsible corporate governance.

Code of Conduct for Directors and Senior Management –  
<https://www.ajantapharma.com/images/CodeofConductforDirectorsandSeniorManagement.pdf>

Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions –  
<https://www.ajantapharma.com/images/PolicyonRelatedPartyTransactions.pdf>

### PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.



#### Essential Indicators

#### 1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

S. No.	Particulars	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
1	R&D	19%	28%	Refer to page 51 of Annual Report
2	Capex	23%	72%	

#### 2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes

b. If yes, what percentage of inputs were sourced sustainably?

100% of the company's suppliers are covered by the Third Party Code of Conduct.

As part of engagement with Ajanta, all suppliers are expected to abide by the Third Party Code of Conduct, which includes parameters on human rights, fair employment practices, environmental sustainability, animal welfare, anti-bribery and fair competition, data privacy, good manufacturing practices, management systems, etc., among others

#### 3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

Ajanta is committed to responsible product stewardship throughout the life cycle of our medicines. We are continuously evaluating opportunities to improve our practices. This includes exploring the feasibility of take-back programmes for unused medicines and further developing our plastic packaging recycling initiatives. The Company is adhering to the requirements of Plastic Waste Management Rules laid down by the Central Pollution Control Board. We have complied with the Extended Producers Responsibility (EPR) obligation under the Plastic Waste Management (PWM) Rules 2016. The Company is recycling 100% of the packaging foils with the help of its implementation partners.

(a) <b>Plastics (including packaging)</b>	For handling post-consumer plastic waste, we've partnered with authorised vendors who reclaim and collect plastics. All post-consumer plastic waste undergoes 100% co-processing in the cement industry.
(b) <b>E-waste</b>	Not Applicable
(c) <b>Hazardous waste</b>	For expired or damaged medicine stock, we have a well-defined process for reclamation from stockists in accordance with our standard operating procedures. This reclaimed medicine is then disposed of safely using a certified incineration route that adheres to regulatory guidelines. We are actively investigating potential future options for take-back programmes for unused medicines reaching the end of their life cycle.
(d) <b>Other waste</b>	Not Applicable

#### 4 a. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No) Yes

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

b. Yes, we comply with Plastic Waste Management Rules, 2016 (including subsequent amendments) and the Extended Producer Responsibility (EPR) guidelines. Our waste collection plan aligns with our EPR plan submitted to the Pollution Control Board (PCB).

#### Leadership Indicators

#### 1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? (Yes/No)

Yes, we have conducted life cycle assessment for our products Feburic 40 and Met XL 50.

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	If yes, provide the web-link.
24232	Feburic 40	0.96%	Cradle to gate	Yes, by SIPL Private Limited	No	NA
24232	Met XL 50	1.24%	Cradle to gate	Yes, by SIPL Private Limited	No	NA

#### 2 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

S. No.	Indicate input material	Recycled or re-used input material to total material (In % to Total Material considering the Value)	
		FY 2023-24	FY 2022-23
	Since we are in the pharmaceutical business, we do not recycle or reuse input material.		

### PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.



#### Essential Indicators

#### 1 a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>PERMANENT EMPLOYEES</b>											
Male	7258	6724	93%	7191	99%	0	0	8	0.11%	0	0%
Female	704	641	91%	562	80%	704	100%	0	0	87	12%
<b>Total</b>	<b>7962</b>	<b>7365</b>	<b>93%</b>	<b>7753</b>	<b>97%</b>	<b>704</b>	<b>100%</b>	<b>8</b>	<b>0.11%</b>	<b>87</b>	<b>1%</b>
<b>OTHER THAN PERMANENT EMPLOYEES</b>											
Male	120	120	100%	120	100%	0	0%	0	0%	0	0%
Female	3	3	100%	3	100%	3	100%	0	0%	0	0%
<b>Total</b>	<b>123</b>	<b>123</b>	<b>100%</b>	<b>123</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>



## Business Responsibility and Sustainability Report

### b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>PERMANENT EMPLOYEES</b>											
Male	111	111	100%	111	100%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>111</b>	<b>111</b>	<b>100%</b>	<b>111</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>OTHER THAN PERMANENT EMPLOYEES</b>											
Male	2063	2063	100%	2063	100%	0	0%	0	0%	0	0%
Female	109	109	100%	109	100%	109	100%	0	0%	109	100%
<b>Total</b>	<b>2172</b>	<b>2172</b>	<b>100%</b>	<b>2172</b>	<b>100%</b>	<b>109</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>109</b>	<b>5%</b>

### c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company*	0.14%	0.16

\* Spending on well-being measures comprises spending on Health Insurance, Accident Insurance and Maternity benefits.

### 2 Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits*	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes

\* Retirement benefits are paid as per the applicability and eligibility requirements of the local laws.

### 3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? Yes

Ajanta prioritises accessibility in our workplaces to promote inclusion for all employees and workers. We have implemented accessibility features in our offices, including elevators and ramps at the corporate locations, as well as other sites wherever required. These features create a barrier-free environment that facilitates easy movement and navigation for individuals with disabilities.

If not, whether any steps are being taken by the entity in this regard. – Not Applicable

### 4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? Yes

If so, provide a web-link to the policy. The Policy is available on the intranet of the Company.

### 5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	NA	NA	NA	NA
Female	100%	96%	-	-
<b>Total</b>	<b>100%</b>	<b>96%</b>	<b>-</b>	<b>-</b>

### 6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	The Company established a three-way approach to receive and redress grievances of employees:
Other than Permanent Workers	Yes	
Permanent Employees	Yes	<b>Open door policy:</b> The employees may specify their grievance to their line manager or directly to the HR manager.
Other than Permanent Employees	Yes	

**Committees for issues related to Human Rights:** The Company has an Internal Complaints Committee (ICC) and a Business Integrity Committee. The ICC has been formed to address Sexual Harassment grievances, whereas the Business Integrity Committee caters to grievances or violations of Human Rights.

**Suggestion Box:** We have kept suggestion box at each plant/site. Employees are encouraged to provide suggestions, raise concerns with respect to health and safety practices or any other concerns. We ensure that every complaint is attended seriously and dealt with in an impartial, confidential and transparent manner.

Additionally, the Company through its Whistle-blower Policy (Vigil Mechanism) encourages all its employees and workers to raise legitimate concerns/make disclosures/raise alarms, which the individual genuinely believes is a violation of the Codes or any malpractice, corruption, fraud or unethical conduct or misuse of position that could have a grave impact on the operations, business or image of the Company.

The Company has also adopted a policy on prevention of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. Employees/workers are provided with a complaint mechanism, through which incidents of sexual harassment may be reported, investigated and resolved.

### 7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23*		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent employees</b>						
Total	7962	-	0%	7803	-	0%
Male	7258	-	0%	7129	-	0%
Female	704	-	0%	674	-	0%
<b>Total Permanent Workers</b>						
Total	111	102	92%	112	103	92%
Male	111	102	92%	112	103	92%
Female	0	-	-	-	-	-

\* Previous year figures are restated due to consolidation.

## Business Responsibility and Sustainability Report

### 8 Details of training given to employees and workers:\*

Category	FY 2023-24					FY 2022-23**				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Total	7258	7191	99%	6501	90%	7129	7059	99%	5736	80%
Male	704	562	80%	308	44%	674	565	84%	420	62%
Female	7962	7753	97%	6809	86%	7803	7624	98%	6156	79%
Workers										
Total	111	111	100%	111	100%	112	112	100%	112	100%
Male	0	-	0%	-	0%	0	-	0%	-	0%
Female	111	111	100%	111	100%	112	112	100%	112	100%

\* Disclosure is provided only for permanent employees and workers.

\*\* Previous year figures are restated due to consolidation.

### 9 Details of performance and career development reviews of employees and worker:\*

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
<b>Employees</b>						
Male	7258	7190	99%	7129	7057	99%
Female	704	561	80%	674	564	84%
Total	7962	7751	97%	7803	7621	98%
<b>Workers</b>						
Male	111	111	100%	112	112	100%
Female	0	-	0%	0	-	-
Total	111	111	100%	112	112	100%

\* Disclosure is provided only for permanent employees and workers.

\*\* Previous year figures are restated due to consolidation

### 10 Health and safety management system

#### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)

Yes, the company places utmost emphasis on Occupational Health and Safety (OH&S) management. Following are the objectives and commitments:

- 🔲 Provide safe and healthy working conditions for the prevention of work-related injury and ill health.
- 🔲 Eliminate hazards and reduce OH&S risks.
- 🔲 Continual improvement of the EHS management system.
- 🔲 Fulfil legal and other obligations.

All work-related risks & their causes in the work environment are identified. To mitigate the same, personal protective equipment are provided & awareness training related to SOPs and best practices is provided to the employees and workers.

Each site is supervised by the EHS team and the site management who conduct workplace inspections & hazard identifications which are then notified to the EHS head. Safety & Environmental audits are also conducted through external agencies to identify the gaps and to establish compliances. Central Safety Committee and emergency response team are also formed who periodically conduct workplace & work zone monitoring at the sites. As a safety measure, signages including general safety instructions, (also in vernacular languages), Life Safety Rules etc. are placed in all the factories. Process Safety Risk Assessment & Material Safety Data Sheet (MSDS) are also kept at all sites.

Health insurance & compensation, Occupational health center, first aid at points, firefighting systems (smoke detectors, fire alarm systems, fire extinguishers), SOPs to operate plant activities in emergencies, ambulance, Government approved on site Emergency plan are provided at all the sites. Further, Safety Risk Assessment & Safety Audit is done by regulatory bodies. In order to ensure that the suppliers comply with EHS regulations, the Company assesses their data on various Health and Safety parameters and certifications of their sites.

#### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We firmly believe that risk assessments are integral to ensuring the health, safety, and well-being of everyone in the workplace. At our company, risk assessment is conducted through the Hazard Identification and Risk Assessment (HIRA) method, which comprises of 3 steps:

1. Spot the Hazard (Hazard Identification).
2. Assess the Risk (Risk Assessment).
3. Make the Changes (Risk Control).

By following HIRA methodology, we ensure systematic identification of hazards, evaluate associated risks and implement necessary controls. In addition, periodic internal audits and leadership rounds are conducted to identify unsafe acts/conditions, further aiding in the improvement and optimisation of risk levels. Corrective Actions and Preventive Actions (CAPA) are implemented based on the incident and its cause. Furthermore, follow-up on the implementation of CAPA is performed to reassess the process if necessary.

#### c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Yes/ No)

We are committed to fostering a safe work environment by proactively identifying and mitigating potential hazards. Here are some key highlights of our approach:

##### Hazard Identification and Risk Management:

**Standardised Procedures:** We have established robust Standard Operating Procedures (SOPs) that guide the timely identification and mitigation of work-related hazards and risks. These SOPs ensure a consistent and comprehensive approach to workplace safety across all our facilities.

**Comprehensive Training:** We provide all employees with occupational health and safety training. These training modules equip employees with the knowledge and skills to identify potential hazards, evaluate associated risks, and implement appropriate control measures.

**Emergency Preparedness:** Employees receive hands-on training during safety and emergency evacuation drills. This training covers the proper use of emergency equipment, such as fire hydrants, fire-fighting systems, leak and spill control methods, and safety alarms. Additionally, we regularly assess staff competency in handling emergency situations.

##### Employee Engagement and Hazard Reporting:

**Multiple Reporting Channels:** We have implemented various systems to encourage employees to report work-related hazards. These include readily accessible safety suggestion boxes at each site, allowing employees to anonymously report concerns and details of identified hazards.

By prioritising these initiatives, we cultivate a culture of safety where employees are empowered to identify and report hazards, and management is committed to taking effective corrective actions. This ongoing process safeguards our workforce and fosters a safe and healthy work environment.

#### d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. There is a Group Mediclaim policy for employees and workers.



## Business Responsibility and Sustainability Report

### 11 Details of safety related incidents, in the following format:

Safety Incident/Number**	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	0.14	0.09
Total recordable work-related injuries	Employees	1	4
	Workers	1	6
No. of fatalities	Employees	-	-
	Workers	-	-
High-consequence work-related injury or ill health (excluding fatalities)	Employees	-	-
	Workers	-	-

\* Including in the contract workforce

\*\* Disclosure is provided on standalone basis

### 12 Describe the measures taken by the entity to ensure a safe and healthy workplace.

At Ajanta, we ensure a safe and healthy work environment for all employees through a multi-pronged approach that encompasses risk identification, training, emergency preparedness, and continuous improvement.

#### Risk Management and Employee Protection:

**Proactive Hazard Identification:** We are committed to identifying all potential work-related risks and their root causes within our facilities. This proactive approach helps us prevent accidents and safeguard employee well-being.

**Personal Protective Equipment (PPE):** Appropriate PPE are provided to all employees and workers based on their specific job functions. This PPE helps mitigate risks associated with their daily tasks.

**Safety Awareness Training:** We prioritise employee education through comprehensive training programmes. These programmes raise awareness of potential hazards, equip staff with safe work practices, and ensure they properly utilise PPE.

**Regular Inspections and Audits:** Our EHS team and site management conduct regular workplace inspections to identify and address any potential hazards. Additionally, we undergo independent safety and environmental audits by qualified professionals to ensure compliance with regulatory requirements.

**Central Safety Committee:** A dedicated Central Safety Committee oversees safety protocols and procedures across all our facilities.

**Emergency Response Teams:** We have established well-trained and equipped Emergency Response Teams, including first aiders and firefighters, to promptly address any emergencies that may arise.

**ISO Certifications:** We are committed to international best practices in safety and environmental management. Two of our major sites have successfully implemented ISO 14001 (environmental management) and ISO 45001 (occupational health and safety management) standards. We are actively working towards achieving these certifications at two additional sites, demonstrating our ongoing commitment to continuous improvement.

**Zero Lost Time Accidents (LTA):** We are proud to maintain a zero Lost Time Accident record during the reporting year. This achievement reflects the effectiveness of our safety programmes and the dedication of our employees to working safely.

**VOC Sensor Technology:** We have implemented VOC (Volatile Organic Compound) sensor technology in our solvent storage areas to detect potential leaks. This ensures for immediate response and minimises the risk of exposure to harmful chemicals.



#### Awards and Accolades:



Paithan facility has been awarded the prestigious **"Apex India Safe Workplace Gold Award 2023"**.



**"Most Preferred Workplace in Manufacturing 2023-24"** by Marksmen Daily, highlighting our excellence in employee safety, skills development, diversity, and engagement.



Ajanta has maintained **"Great Place To Work® Certification"** for the second consecutive year.

These achievements speak volumes of our unwavering dedication to fostering a high-trust, high-performance culture.

### 13 Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

### 14 Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health, Safety practices	100%*
Working Conditions	100%**

\* **Health and safety practices** - All the manufacturing and R&D locations are audited by internal experts to ensure the compliance of safety regulations and identification of major improvement areas.

All our six formulation units and R&D locations have been assessed on health and safety practices by third party auditors (TUV India Limited and Chola MS respectively), as per requirements of the ISO 45001:2018 standards.

\*\* **Working conditions** - All the sites are assessed on their working conditions by the external and internal audits.

### 15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

Ajanta prioritises the health and safety of employees and the environment. We are committed to continuous improvement in Environment, Health, and Safety (EHS) practices throughout our operations. Key initiatives undertaken during the past year that demonstrate this commitment are enumerated below.

#### Enhancing Operational Safety:

**Static Dissipation Measures:** We implemented static charge dissipation systems in the expanded production and solvent storage areas at Dahej plant. This reduces the risk of electrostatic ignition, a potential fire hazard.

**Battery Safety Upgrades:** The battery storage area at Dahej plant has been isolated and equipped with a hydrogen detection and fire control system. This ensures compliance with safety standards and minimises the risk of fire or explosion.

**Electrical Panel Protection:** Key electrical panels at our manufacturing sites are now protected by CO<sub>2</sub> flooding systems. This advanced fire suppression technology effectively extinguishes electrical fires, safeguarding personnel and equipment.

#### Independent Safety Audits:

Regular inspections, audits, and testing at each of our sites are conducted by qualified third-party specialists. This independent evaluation ensures adherence to safety protocols and identifies areas for further improvement.

## Business Responsibility and Sustainability Report

### Automatic Solvent Transfer System:

The implementation of a SCADA-based automatic solvent transfer system at Waluj plant has significantly enhanced safety and operational efficiency.

**Reduced Physical Hazards:** The system eliminates the need for manual handling of solvent drums, minimising the risk of slips, falls, and other physical injuries.

**Improved Respiratory Protection:** Automatic transfer minimises operator exposure to hazardous solvents during the transfer process, protecting respiratory health.

**Reduced Chemical Hazards:** Automatic transfer minimises the risk of spills and splashes, protecting personnel from skin irritation and burns.

**Enhanced Fire Safety:** Solvent transfer occurs under a nitrogen blanketing system, significantly reducing fire risk.

### Automatic Water Jet System for Tank Cleaning:

We have implemented automatic water jet cleaning systems with sodium hypochlorite dosing in all our formulation units. This eliminates the need for personnel to enter confined spaces for tank cleaning, a hazardous activity that requires continuous oxygen monitoring or artificial oxygen supply.

## Leadership Indicators

### 1 Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N)	Yes
(B) Workers (Y/N)	Yes

The Company provides death coverage under the EDLI and Gratuity Policies. Benefits like provident fund, pension as applicable, are settled on a priority basis.

### 2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

**Clear Procedures:** We have well-defined mechanisms in place to guarantee that all necessary statutory dues are deducted and deposited in accordance with applicable regulations for all transactions with our value chain partners. We obtain monthly statutory payment challans for verification from vendors / contractors before processing their invoices. This activity is also reviewed as part of the internal and statutory audit.

**Employee Well-being:** Our systems ensure that wages and statutory dues, like PF and ESIC, are paid correctly and timely for contract workers.

**Ethical Partnerships:** Through our Third-Party Code of Conduct, we emphasise the importance of ethical and honest business practices for our value chain partners. This code expects them to act professionally, unbiased, and with integrity in all dealings, including adherence to applicable laws and regulations.

### 3 Provide the number of employees/workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

### 4 Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No/ NA)

Yes. Skill-upgradation training programmes is offered to employees throughout their employment. These programmes equip them with in-demand skills that can be beneficial in securing new employment opportunities after retirement or termination of employment.

### 5 Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Approximately 10% of upstream value chain partners and 11% of downstream value chain partners.*
Working Conditions	

\* During FY 2023-24 Value Chain Assessment was conducted based on the BRSR Core framework and capacity-building workshops were organised for our Value chain partners. Additionally, these partners undergo continuous assessment and monitoring through audits/ inspections focused on working conditions and health & safety practices such as ISO/WHO certifications, quality checks, sanitary practices, fire safety, human rights etc.

### 6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Corrective actions are taken wherever necessitated on the above-mentioned parameters. Training and awareness sessions are conducted for value chain partners to ensure that they adhere to the required health & safety practices.

## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.



## Essential Indicators

### 1 Describe the processes for identifying key stakeholder groups of the entity.

Ajanta employs a comprehensive stakeholder engagement process to identify and understand the needs of those most impacted by, and who have a significant impact on, our business. Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder. The stakeholder groups are identified as part of the stakeholder engagement mechanism and accordingly customers, employees, suppliers & vendors, regulators, business partners, local communities and investors/shareholders are identified as critical stakeholders. Ajanta actively engages with stakeholders, carefully identifying critical material issues, and is committed to effectively addressing stakeholder expectations. As a responsible company, we are steadfast in our commitment to cultivating strong and meaningful relationships with stakeholders.

## Business Responsibility and Sustainability Report

### 2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Direct and other communication mechanisms	On-going	<ul style="list-style-type: none"> <li>To empower employees to voice their ideas and concerns.</li> <li>To foster a culture of transparency and open communication</li> <li>To keep them motivated and create a more engaged workforce</li> </ul>
Customers (Healthcare professionals, Dealers & Distributors)	No	E-mails, Meetings and Website	On-going	<ul style="list-style-type: none"> <li>Deepen customer understanding and satisfaction.</li> <li>Strengthen partnerships and collaboration.</li> <li>Optimise product development and delivery.</li> </ul>
Regulators	No	Meetings and other communication mechanisms	Need based	<ul style="list-style-type: none"> <li>Demonstrate adherence to regulations and best practices.</li> <li>Collaborate on developing effective industry standards.</li> <li>Proactively address regulatory issues and prevent violations.</li> </ul>
Suppliers & Vendors	No	E-mails and Meetings	On-going	<ul style="list-style-type: none"> <li>Build strong, collaborative relationships.</li> <li>Optimise supply chain efficiency and innovation.</li> <li>Ensure continuity and mitigate potential disruptions/delays</li> </ul>
Business Partners (third party manufacturers)	No	E-mails and Meetings	Need based	<ul style="list-style-type: none"> <li>Foster a strategic partnership for mutual success.</li> <li>Optimise production efficiency and quality control.</li> <li>Ensure supply chain resilience and minimise disruptions.</li> </ul>
Local Communities and NGOs	Yes	Directly or through CSR implementation partners	Ongoing	<ul style="list-style-type: none"> <li>Build trust and positive relationships</li> <li>Collaborate on social and environmental initiatives</li> <li>Contribute to community well-being</li> </ul>
Investors / Shareholders	No	E-mail, Newspaper Advertisement, Website, Annual General Meetings, Disclosures to Stock Exchanges and Investor Meetings/Calls/Conferences	Need based and Quarterly	<ul style="list-style-type: none"> <li>Enhance investor confidence through clear communication and transparency.</li> <li>Align business strategy with long-term shareholder value.</li> <li>Demonstrate responsible corporate governance.</li> </ul>

### Leadership Indicators

#### 1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Ajanta prioritises open communication with stakeholders on economic, environmental, and social issues. Functional department heads directly engage with relevant stakeholder groups on these topics.

We conducted a stakeholder engagement and materiality assessment in FY 2021-22. This process identified key sustainability issues, assessed potential risks, and developed mitigation strategies.

In FY 2023-24, the material topics were reviewed based on their impact on Ajanta's strategic objectives and stakeholder interests. Following consultations with relevant stakeholders, a revised list of material issues was presented to the Board for their consideration and further action.

#### 2 Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No).

**If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Stakeholder consultation plays a vital role in managing environmental and social initiatives at Ajanta. We actively engage with stakeholders to identify our most pressing sustainability issues (material topics). During the review process in FY 2023-24, we prioritised these topics based on their impact on both Ajanta's strategic objectives and the interests of our stakeholders, which was validated by key departments, senior management, and the Board before implementation.

#### 3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

Ajanta prioritises engagement with vulnerable and marginalised stakeholder groups. We collaborate with various implementation agencies to deliver impactful programmes focused on healthcare, education, & community development. To bring quality and reliable healthcare to rural and tribal regions of India, we tackle critical needs in rural and tribal areas through Samta Foundation and other implementation agencies. The Foundation conducts cataract surgeries, eye and skin camps and supports patients from rural areas visiting city hospitals by providing meals and shelter. Other implementation agencies also provide support and aid to the vulnerable and marginalised stakeholders for their education & healthcare needs.

Implementation agencies have contributed in areas such as:

- Mega Medical Health check-up camp.
- Nutrition projects for pediatric patients.
- Sanjeevani Multi-Specialty Hospital provides medical care at affordable cost.
- Runs Benz Hospital for Cancer Treatment.
- Runs Parkinson's Disease & Movement Disorder Society.
- Manages Society for Rehabilitation of Crippled Children for medical treatment of needy children.
- Educational help by paying school fees for deserving children from marginalised groups.
- Providing financial aid to schools and educational institutes for putting up infrastructure and other requirements.

While we haven't received any specific reported concerns from vulnerable and marginalised stakeholder groups, our ongoing CSR efforts demonstrate a proactive commitment to addressing their needs within our local communities



## Business Responsibility and Sustainability Report

### PRINCIPLE 5 Businesses should respect and promote human rights.



#### Essential Indicators

#### 1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Benefits	FY 2023-24			FY 2022-23*		
	Total (A)	No. of employees/ workers covered (B)	% (B)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	7962	7751	97%	7803	7621	98%
Other than permanent	123	123	100%	39	39	100%
Total Employees	8085	7874	97%	7842	7660	98%
<b>Workers</b>						
Permanent	111	111	100%	112	112	100%
Other than permanent	2172	2172	100%	2518	2518	100%
Total Workers	2283	2283	100%	2630	2630	100%

\* Previous year figures are restated due to consolidation

#### 2 Details of minimum wages paid to employees and workers

Category	FY 2023-24					FY 2022-23*				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	Number (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	7258	-	-	7258	100%	7129	-	-	7129	100%
Female	704	-	-	704	100%	674	-	-	674	100%
Total	7962	-	-	7962	100%	7803	-	-	7803	100%
Other than Permanent										
Male	120	-	-	120	100%	29	-	-	29	100%
Female	3	-	-	3	100%	10	-	-	10	100%
Total	123	-	-	123	100%	39	-	-	39	100%
Permanent Workers										
Male	111	-	-	111	100%	112	-	-	112	100%
Female	0	-	-	0	100%	0	-	-	0	100%
Total	111	-	-	111	100%	112	-	-	112	100%
Other than Permanent										
Male	2063	2063	100%	-	-	2410	2410	100%	-	-
Female	109	109	100%	-	-	108	108	100%	-	-
Total	2172	2172	100%	-	-	2518	2518	100%	-	-

\* Previous year figures are restated due to consolidation

#### 3 Details of remuneration/salary/wages

##### a. Median remuneration / wages:

Particular*	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3**	21,59,81,600	0	0
Key Managerial Personnel	4***	11,71,99,759	-	0
Employees other than BoD and KMP	7182	4,70,670	551	6,13,735
Workers	111	9,25,342	-	-

\* Disclosure is on a standalone basis.

\*\* Only Executive directors are considered.

\*\*\* Two executive directors are included in both BOD & KMP disclosure

##### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particular*	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	8%	8%

\* Disclosure is on standalone basis.

#### 4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes. We have established Internal Complaints Committee (ICC) and Business Integrity Committee across the Company. The ICC has been formed to address Sexual Harassment related grievances, whereas the Business Integrity Committee caters to grievances or violations pertaining to Human Rights.

No complaints of sexual harassment or violation of human rights were received during the year.

#### 5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company considers human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed.

Ajanta prioritises a safe and inclusive work environment for all employees. We are committed to human rights and strive to uphold them through our policies and practices. Ajanta also has zero-tolerance toward and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological or verbal abuse. As a matter of policy, Ajanta does not hire any employee or engage with any agent or vendor against their free will. An internal Business Integrity Committee addresses grievances related to human rights violations. Also, we have established ICC to address complaints / grievances specific to sexual harassment.

To empower employees to report any wrongdoing, we have a confidential whistle-blower mechanism that enables them to raise the concerns without any fear of retaliation or reprove.

#### 6 Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

## Business Responsibility and Sustainability Report

### 7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

### 8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The company has established Internal Complaints Committees (ICCs) and Business Integrity committee at all locations to address complaints regarding sexual harassment. Our sexual harassment policy ensures that employees who use the complaint procedure will not face reprisals, retaliation, or coercion.

### 9 Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)

Yes, in certain business agreements and contracts where relevant.

### 10 Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

### 11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

In FY 2023-24, we have not received any corrective action directives, as we are compliant to the laws as applicable.

#### Leadership Indicators

### 1 Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

No human rights grievances / complaints were received during the reporting period. Ajanta is committed to upholding basic human rights principles in all its operations. To this end, the employees are trained through various awareness programmes.

### 2 Details of the scope and coverage of any Human rights due-diligence conducted

The Company has not undertaken formal human rights due diligence. However, its policies embody human rights principles, and all employees and value chain members are expected to adhere to them. Further, grievance redressal system is in place to address any grievance or concerns raised w.r.t. violation of human rights.

### 3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? (Yes/No)

The premises/ offices of the Company are accessible to differently abled visitors as per the requirements of the Rights of Persons with Disabilities Act, 2016. The office has ramps, elevators and other infrastructure facilities for differently abled visitors.

### 4 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.



### Essential Indicators

### 1 Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY 2023-24	FY 2022-23*
<b>From renewable sources (in Giga Joules)</b>		
Total electricity consumption (A)	37,571.89	16,238.45
Total fuel consumption (B)	-	-
Energy consumption through other sources (C.)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	37,571.89	16,238.45
<b>From non-renewable sources (in Giga Joules)</b>		
Total electricity consumption (D)	2,01,156.21	2,20,044.07
Total fuel consumption (E)	77,124.63	64,564.54
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	2,78,280.85	2,84,608.61
<b>Total energy consumed (A+B+C+D+E+F)</b>	3,15,852.74	3,00,847.06
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	0.00000750	0.00000804
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)**	0.00017171	0.00018392
<b>Energy intensity in terms of physical output</b> (Production Output in Base unit of measurement)	0.00005650	0.00006068
<b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?</b>		No
<b>If yes, name of the external agency.</b>		

\* Previous year figures are restated due to consolidation.

\*\* The revenue from operations has been adjusted for PPP using the latest PPP conversion factor published by the World Bank for India for the year 2022, which is 22.88

### 2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

None of our sites comes under PAT scheme as Designated Consumers

### 3 Provide details of the following disclosures related to water:

Parameter - Water withdrawal by source (in kilolitres)*	FY 2023-24	FY 2022-23*
(i) Surface water	Nil	Nil
(ii) Groundwater	1,40,291	1,48,798
(iii) Third party water	2,70,660	2,73,962
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
<b>Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)</b>	4,10,951	4,22,760
<b>Total volume of water consumption (in kilolitres)</b>	4,10,951	4,22,760
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)	0.00000976	0.00001130
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)	0.00022341	0.00025845
<b>Water intensity in terms of physical output</b> (Production Output in Base unit of measurement)	0.00007352	0.00008526
<b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)</b>		No
<b>If yes, name of the external agency.</b>		

\* Disclosure is provided on standalone basis

## Business Responsibility and Sustainability Report

Note : In the Financial Year 2024, recycled water met around 25% of our total water demand.

4 Provide the following details related to water discharged:		
Parameter - Water discharge by destination and level of treatment (in kl)*	FY 2023-24	FY 2022-23*
<b>(i) To Surface water</b>		
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
<b>(ii) To Groundwater</b>		
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
<b>(iii) To Seawater</b>		
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
<b>(iv) Sent to third-parties</b>		
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
<b>(v) Others</b>		
No treatment	Nil	Nil
With treatment – please specify level of treatment	-	15700
<b>Total water discharged (in kilolitres)</b>	-	15700
<b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)</b>		No
<b>If yes, name of the external agency.</b>		

\* Disclosure is provided on standalone basis

5 Has the entity implemented a mechanism for Zero Liquid Discharge?		Yes
<b>If yes, provide details of its coverage and implementation.</b>		
<p>Our bulk drug unit at Waluj and Guwahati unit operates with Zero Liquid Discharge (ZLD). We are implementing Zero Liquid Discharge (ZLD) at other facilities which are near completion.</p> <p>To reduce water usage, we implemented a project at our Dahej facility to recycle wastewater. This project segregates streams like condensate and purified water system rejects for recycling.</p> <p>We also upgraded our wastewater treatment plant (ETP) at all the facility plants with advanced treatment technologies such as UF and RO.</p> <p>We comply with Pollution Control Board consent conditions for treated water discharge.</p>		

6 Please provide details of air emissions (other than GHG emissions) by the entity:			
Parameter*	Please specify unit	FY 2023-24	FY 2022-23
NOx	mg/nm <sup>3</sup>	21.8	22.1
SOx	mg/nm <sup>3</sup>	23.2	24.6
Particulate matter (PM)	mg/nm <sup>3</sup>	27.8	27.2
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)		0	0
Hazardous air pollutants (HAP)		0	0
<b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)</b>			Yes
<b>If yes, name of the external agency.</b>	MoEF approved laboratories are auditing and monitoring this emission data.		

\* Disclosure is provided on standalone basis.

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:			
Parameter	Unit	FY 2023-24	FY 2022-23*
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	6,390.22	4,368.55
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)		40,007.74	51,847.35
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.00000110	0.00000150
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.00002522	0.00003437
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b> (Production Output in Base unit of measurement)		0.00000830	0.00001134
<b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)</b>			No
<b>If yes, name of the external agency.</b>			

\* Previous year figures are restated due to consolidation.

8 Does the entity have any project related to reducing Green House Gas emission? (Yes/ No)		Yes
<b>If Yes, then provide details.</b>		
We initiated and implemented many projects that help in the reduction of greenhouse gas (GHG) emissions and minimise their environmental impact.		
Some of the green initiatives undertaken during the last year are:		
<p><b>Energy Efficiency Improvements:</b> We have invested in energy-efficient technologies and practices to reduce our energy consumption and lower our GHG emissions. This includes upgrading to more energy-efficient machinery, optimising heating, ventilation, and air conditioning (HVAC) systems, and implementing energy management systems.</p> <p><b>Renewable Energy Integration:</b> We have invested in and implemented captive solar plant installations totaling around 8.8 MW during the last year to meet green energy needs. By shifting to renewable energy sources, we are continuously and significantly reducing reliance on fossil fuels and decreasing our carbon footprint.</p> <p><b>Waste Reduction and Recycling:</b> We have implemented waste reduction and recycling programmes to minimise the amount of waste sent to landfills and reduce emissions associated with waste disposal.</p> <p>By implementing these and other initiatives, Ajanta is making significant contributions to reducing GHG emissions and mitigating climate change.</p>		



### Awards and Accolades:



**Apex India Green Leaf Platinum Award for Sustainability 2023** - This award highlights Ajanta's commitment to renewable energy, resource efficiency, and waste management.



**SKOCH ESG Award 2024 for Clean & Green Energy Utilisation** - This award recognises Ajanta's pursuit of innovation and best practices in sustainable energy use.



## Business Responsibility and Sustainability Report

### 9 Provide details related to waste management by the entity:

Parameter*	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	56	60
E-waste (B)	0.70	0.83
Bio-medical waste (C)	18.9	21.02
Construction and demolition waste (D)	0	0
Battery waste (E)	4.67	4.32
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	546	495.47
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1872.3	1832.18
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>2498.57</b>	<b>2413.82</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations)	0.00000006	0.00000007
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	0.00000002	0.00000002
<b>Waste intensity in terms of physical output</b> (Production Output in Base unit of measurement)	0.00000045	0.00000049

#### For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	2109.39	1892.18
<b>Total</b>	<b>2109.39</b>	<b>1892.18</b>

#### For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Incineration	385.51	303.60
(ii) Landfilling	3.67	0
(iii) Other disposal operations	0	191.87
<b>Total</b>	<b>389.18</b>	<b>495.47</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) No

If yes, name of the external agency.

\* Disclosure is provided on standalone basis.

### 10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have waste management systems in place at all our facilities. Plastic waste generated from factory gets recycled through authorised recyclers & for handling post-consumer plastic waste we have engaged with PWP & all post-consumer 100% plastic waste get co-processed through cement industry. The spent solvent generated from our API is recycled through government authorised recyclers. E-waste & non-hazardous waste such as glass bottles, MS/SS scarp and paper waste are sent to authorised recyclers.

We reduce waste through technological interventions and ongoing initiatives including sustainable packaging, waste source segregation, process optimisation etc. For example, we have reduced plastic packaging box size for one of our major products thereby substantially reducing use of plastic.

### 11 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
None of our sites are located in ecologically sensitive sites.				

### 12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

### 13 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).

Yes

#### If not, provide details of all such non-compliances, in the following format:

Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA	NA	Nil	Nil

### 14 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Initiative undertaken	Outcome of the initiative
We are committed to responsible manufacturing practices and continuously seek innovative solutions to reduce emissions, effluents, and waste generation.	
<b>Advanced Effluent Treatment:</b> Upgraded Effluent Treatment Plants (ETPs) at Dahej and Guwahati with advanced, fully automatic Ultrafiltration (UF) and Reverse Osmosis (RO) systems.	This allows us to recycle RO permeate for cooling towers, significantly reducing our freshwater consumption.
<b>Wastewater Reduction at Source:</b> Implemented project to identify and address the root causes of wastewater generation at our Dahej facility.	This proactive approach has resulted in a commendable 30% reduction in wastewater production.
<b>Waste Reduction and Resource Recovery:</b> We are committed to paper reduction initiatives across all sites and are promoting digitisation	Through process optimisation and digitalisation efforts, we have successfully eliminated approximately 7 million paper pages annually.
<b>Condensate Recovery:</b> Condensate recovery systems at two of our sites have yielded impressive results.	These systems recycle around 40,000 liters per day of condensate, reducing boiler fuel consumption and promoting resource efficiency.
<b>Energy Recycling for Water Purification:</b> Completed energy recycling project for the WFI (Water for Injection) water stream at Guwahati facility.	Further optimising resource utilisation.
<b>Emission Reduction and Air Quality Management:</b> Implemented VOC sensor technology in solvent storage areas to proactively detect potential leaks.	This allows immediate response and minimises the risk of harmful chemical emissions.
<b>Solar Power Integration:</b> A SCADA (Supervisory Control and Data Acquisition) system has been installed to monitor the power generation of on-site solar plants.	This investment in renewable energy contributes to reducing our dependence on fossil fuels and lowers greenhouse gas emissions.
<b>Sustainable Infrastructure and Resource Management:</b> Chitegaon site has implemented rainwater harvesting project	Further diversifying our water resources and promoting rainwater conservation.
<b>Energy Efficiency Upgrades:</b> Retrofitted selected HVAC (Heating, Ventilation, and Air Conditioning) units at Dahej facility with energy-efficient EC fans	Reduced energy consumption.

## Business Responsibility and Sustainability Report

Initiative undertaken	Outcome of the initiative
<b>Expanding Environmental Management Systems:</b> Two additional sites are undergoing the process of achieving ISO 14001 certification for environmental management.	Demonstrates our commitment to continuous improvement and adherence to international best practices.
<b>Renewable Energy Integration:</b> Actively transitioning to renewable energy sources. The installation of an 8.8 MW solar power plant this year significantly increases our renewable energy consumption.	This shift will contribute to annual CO <sub>2</sub> emission reductions of approximately 7,066 Mt per annum.
These achievements motivate us to continue pioneering sustainable practices throughout our operations. We remain committed to responsible resource management, environmental stewardship, and building a greener future.	

### 15 Does the entity have a business continuity and disaster management plan? (Yes/ No)

#### Give details in 100 words/ web link.

Yes, Ajanta has a robust Business Continuity and Disaster Management Plan, ensuring the company's ability to adapt during emergencies arising from natural calamities or unforeseen events that could disrupt business operations. The workforce is continuously trained through mock drills and disaster management exercises to effectively execute this plan.

The company also has a risk management plan and policy which covers all critical risks that may disrupt or materially impact its operations, outlining mitigation measures to address them.

In our pursuit of operational excellence, several change management initiatives are underway across our organisation, including information technology and automation in the areas of manufacturing, research & development, supply chain and shared services. There are continuous efforts also to strengthen our data resiliency.

### 16 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

We are committed to minimising our environmental impact and continuously monitor our value chain for potential environmental concerns. To date, we haven't identified any significant adverse impacts

### 17 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

During the reporting period, approximately 10% of upstream and 11% of downstream value chain partners (by value of business) were assessed for environmental impacts.

## PRINCIPLE 7- Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.



### Essential Indicators

#### 1 a. Number of affiliations with trade and industry chambers/ associations.

Eight (8)

#### b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National/ International)
1	Indian Pharmaceutical Alliance (IPA)	National
2	Pharmaceuticals Export Promotion Council of India (PHARMEXCIL)	National
3	Federation of Indian Exporters Organisation (FIEQ)	National
4	Indian Drug Manufacturers' Association (IDMA)	National
5	Bombay Chamber of Commerce & Industry	State
6	All India Association of Industries (AIAI)	National
7	Indo American Chamber of Commerce	National
8	Federation of Indian Chambers of Commerce and Industry	National

#### 2 Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
The company did not receive any adverse orders from regulatory authorities necessitating the aforementioned actions		

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.



### Essential Indicators

#### 1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
The company implements its CSR initiatives directly or through qualified implementation agencies, adhering to all applicable laws. For CSR projects requiring impact assessment, the implementing agencies conduct the assessment as mandated by law.					

#### 2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

#### 3 Describe the mechanisms to receive and redress grievances of the community.

The company implements community welfare programmes in partnership with implementation agencies. These partnerships create communication channels for communities to raise concerns and have them addressed. In addition, the company has established mechanisms for communities to directly submit grievances to company officials, ensuring a prompt response.

## Business Responsibility and Sustainability Report

### 4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particular*	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	16%	24%
Directly from within India	92%	87%

\* Disclosure is provided on standalone basis

### 5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Particular*	FY 2023-24	FY 2022-23
Rural	5%	4%
Semi-urban	20%	19%
Urban	7%	7%
Metropolitan	68%	70%

\* Note –

The disclosure is specific to Indian operations of Ajanta.

Locations are classified based on the RBI classification system and Census 2011.

### Leadership Indicators

#### 1 a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No/NA)

Ajanta treats MSME vendors at par with non-MSME vendors, while also following preferential payment norms for MSMEs.

#### b) From which marginalised /vulnerable groups do you procure?

MSME registered vendors

#### c) What percentage of total procurement (by value) does it constitute?

16%

### 2 Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	<b>Health:</b>		
	• Cataract & Other camps	42,729+ people	
	• Family Planning	3,428+ people	
	• Malnutrition	71,208+ people	
	• Skin, Plastic Surgery & Others	25,805+ people	
2	<b>Education:</b>		
	• Different Educational Institutions	99,000+ people	
3	<b>Sports Promotion:</b>		
	• Training of athletes for Olympic	15,000 individuals	

We prioritise serving marginalised and vulnerable groups through our impactful CSR initiatives

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.



### Essential Indicators

#### 1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company maintains standardised procedures for handling and investigating product quality complaints received from customers. Upon receiving any consumer complaint regarding product quality, the QA team conducts a preliminary assessment and initiates Corrective and Preventive Actions ("CAPA"). All complaints are thoroughly investigated within 30 working days, and appropriate measures are taken to prevent recurrence.

Following the investigation, the QA team sends a 'Complaint Reply Form' and awaits feedback from the complainant for 15 working days before closing the complaint. Additionally, Ajanta's website ([www.ajantapharma.com](http://www.ajantapharma.com)) features a 'Contact Us' tab, followed by an 'Enquiry' tab, allowing individuals to register relevant details, including product complaints or feedback.

Furthermore, the Company has established a dedicated email address, [product.complaint@ajantapharma.com](mailto:product.complaint@ajantapharma.com), enabling consumers and others to submit their grievances and feedback effectively.

#### 2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

Particular*	As a percentage to total turnover
Environmental and social parameters relevant to the product	*
Safe and responsible usage	100%
Recycling and/or safe disposal	-

\* Note: Being pharmaceutical products, the packaging contains all the information and disclosures strictly in accordance with regulatory requirements. The company is compliant with applicable laws and regulations regarding product labeling and information.

#### 3 Number of consumer complaints in respect of the following:

Particulars	FY 2023-24		Remark	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other:						
Product quality complaints	188	12	-	168	4	-



## Business Responsibility and Sustainability Report

4 Details of instances of product recalls on account of safety issues:		
Particular	Number	Reason for recall
Voluntary recalls	-	
Forced recalls	-	

5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)	
If available, provide a web link of the policy	The Policy is available on the intranet of the Company

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.	
No penalties or regulatory actions have been levied or taken based on the above-mentioned parameters, and there have been no instances of product recalls this year.	

7 Provide the following information relating to data breaches	
a. Number of instances of data breaches along-with impact	-
b. Percentage of data breaches involving personally identifiable information of customers	-
c. Impact, if any, of the data breaches	-
None	

### Leadership Indicators

1 Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).	
Our website offers information on our leading products in different segments and markets. Detailed information about each product is provided in the product leaflets.	
Our website can be accessed at - <a href="https://www.ajantapharma.com/">https://www.ajantapharma.com/</a>	

2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services	
The information label on each product provides consumers with details on pharmacokinetics, safe usage instructions, ingredient sourcing, composition, mechanism of action, clinical pharmacology, product interactions, side effects, and storage guidelines, among other information.	

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.	
As per the guidelines of National Pharmaceutical Pricing Authority, the Company discloses discontinuation of any scheduled formulation by issuing a public notice for relevant stakeholders in addition to informing the Government at least six months prior to the intended date of discontinuation.	

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/NA)	
Yes	

a. If yes, provide details in brief.	
The product information displayed complies with local laws/FDA regulations:	
<b>For Drug Category Products:</b> Instructions/warnings/cautions are provided in a red-colored box.	
<b>For Cosmetic Products:</b> Directions for use/ indications/ precautions are provided.	
<b>For Food Licenses:</b> Symbolic indications for Veg/Non-veg sources are included.	
The plastic recycling triangle symbol is displayed on plastic packaging components.	
We offer customer care services to address inquiries related to products and provide solutions.	

b. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)	
No	



Independent Auditor’s Report

To the Members of  
Ajanta Pharma Limited

REPORT ON THE AUDIT OF THE 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 2024, 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 material 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 the 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 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Revenue Recognition

See Note 7.9 of accounting policies and to note 39 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
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”). As stated in Note 38 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.	Our audit procedures in respect of accruals for variable components of revenue recognition included the following: <ul style="list-style-type: none"><li>Assessing the Group's accounting policies for revenue recognition including accounting for variable consideration by comparing with applicable accounting standards.</li><li>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.</li><li>Testing key internal controls with respect to accrual for variable consideration. These accruals are made using accumulated experience, contractual arrangements and volume of transactions with respective customers.</li><li>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.</li></ul>

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 paragraph (a) of the “Other Matters” section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter(s)

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.

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"><li>Perform substantive procedures to verify period end accruals for adjustment on account of variable consideration.</li><li>Examining high risk journal entries and other adjustments that contain unusual combinations of credit to revenue with no associated debit to cash, debtors, or another revenue account</li></ul>

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 financial statements and auditor’s reports 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 reports 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/ loss 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 the 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 Board of 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 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 Board of Directors of the companies included in the Group are 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,

## Independent Auditor's Report

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 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 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 the 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 paragraph (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 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 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.

### Other Matter(s)

- We did not audit the financial statements / financial information of three subsidiaries, whose financial statements/financial information reflects total assets (before consolidation adjustments) of ₹ 245.71 Crore as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 324.91 Crore and net cash flows (before consolidation adjustments) amounting to ₹ (12.97) Crore for the period ended on that date, as considered in the consolidated financial statements. These financial statements/This 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 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 matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

- 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.

- 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:

- 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.
- 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- 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.
- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representation received from the directors of the Holding Company as on 31 March 2024 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 2023 from being appointed as a director in terms of section 164(2) of the Act.
- the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph

2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- 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".

- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) 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 noted in the "Other Matters" paragraph:

- The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 58 to the consolidated financial statements.
- The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
- 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 2024.
- (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 70(i) to the consolidated financial statements, 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 to or in any other person(s) or entity(ies), 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 by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



# Independent Auditor’s Report

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 70I(ii) to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail was not enabled (i) at the database level to log any direct

data changes; (ii) at the application level for two fields relating to production and inventory and (iii) for certain changes at the application level which were performed by users having privileged access rights. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

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 and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies 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  
ICAI UDIN: 24111410BKGQNY3517

Place: Mumbai  
Date: 02 May 2024

# Annexure A to the Independent Auditor’s Report

on the Consolidated Financial Statements of Ajanta Pharma Limited for the year ended 31 March 2024

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

- (xxi) 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 unfavourable 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  
ICAI UDIN: 24111410BKGQNY3517

Place: Mumbai  
Date: 02 May 2024

# Annexure B to the Independent Auditor’s Report

on the consolidated financial statements of Ajanta Pharma Limited for the year ended 31 March 2024

**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 Act**

**(Referred to in paragraph 2(A)(g) 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 Ajanta Pharma Limited (hereinafter referred to as “the Holding Company”) as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company , as of that date.

In our opinion, the Holding 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 2024, based on the internal financial controls with reference to 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 and Board of Directors’ Responsibilities 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 the 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 Act.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 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 financial statements.

### 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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

ICAI UDIN: 24111410BKGQNY3517

Place: Mumbai

Date: 02 May 2024

Consolidated Balance Sheet

as at 31 March 2024

₹ in Crore			
Particulars	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	8	1,384.13	1,407.83
(b) Capital work-in-progress	8	256.45	209.47
(c) Right-of-use assets	8	80.40	80.86
(d) Other intangible assets (other than self generated)	8	14.66	7.75
(e) Financial assets			
(i) Investments	9	18.58	25.10
(ii) Other non-current financial assets	10	9.36	11.09
(f) Deferred tax assets (net)	11	134.45	96.77
(g) Income tax assets (net)	12	-	0.83
(h) Other non-current assets	13	9.44	5.32
<b>Total non-current assets</b>		<b>1,907.47</b>	<b>1,845.02</b>
<b>Current assets</b>			
(a) Inventories	14	828.36	815.63
(b) Financial assets			
(i) Investments	15	330.05	510.27
(ii) Trade receivables	16	1,246.84	1,056.90
(iii) Cash and cash equivalents	17	129.49	329.83
(iv) Bank balances other than cash and cash equivalents	18	1.28	1.07
(v) Loans	19	33.96	17.39
(vi) Other financial assets	20	19.02	2.48
(c) Other current assets	21	133.07	91.61
		<b>2,722.07</b>	<b>2,825.18</b>
Assets classified as held for sale	22	8.85	8.82
<b>Total current assets</b>		<b>2,730.92</b>	<b>2,834.00</b>
<b>Total assets</b>		<b>4,638.39</b>	<b>4,679.02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	23	25.27	25.27
(b) Other equity	24	3,542.09	3,362.72
<b>Total equity</b>		<b>3,567.36</b>	<b>3,387.99</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	25	-	1.25
(ii) Lease liabilities	26	23.52	24.95
(iii) Other financial liabilities	27	1.37	1.01
(b) Other non-current liabilities	28	2.34	2.67
(c) Provisions	29	39.54	24.15
(c) Deferred tax liabilities (net)	30	108.50	97.72
<b>Total non-current liabilities</b>		<b>175.27</b>	<b>151.75</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	31	1.49	0.18
(ii) Lease liabilities	32	10.27	9.25
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	33	20.64	37.94
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	33	442.56	384.83
(iii) Other financial liabilities	34	298.03	636.84
(b) Other current liabilities	35	59.73	23.15
(c) Provisions	36	17.76	14.02
(d) Current tax liabilities (net)	37	44.77	33.07
		<b>895.25</b>	<b>1,139.28</b>
Liabilities classified as held for sale	38	0.51	-
<b>Total current liabilities</b>		<b>895.76</b>	<b>1,139.28</b>
<b>Total liabilities</b>		<b>1,071.03</b>	<b>1,291.03</b>
<b>Total equity and liabilities</b>		<b>4,638.39</b>	<b>4,679.02</b>
Material accounting policies	1 to 7		
The notes referred to above form an integral part of the consolidated financial statements	8 to 70		

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

Place: Mumbai  
Date: 02 May 2024

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

Yogesh M. Agrawal  
Managing Director  
DIN: 00073673

Arvind K. Agrawal  
Chief Financial Officer

Rajesh M. Agrawal  
Joint Managing Director  
DIN: 00302467

Gaurang C. Shah  
Company Secretary  
FCS No.: 6696

Consolidated Statement of Profit and Loss

for the year ended 31 March 2024

₹ in Crore			
Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
<b>INCOME</b>			
Revenue from operations	39	4,208.71	3,742.64
Other income	40	84.60	98.64
<b>Total income</b>		<b>4,293.31</b>	<b>3,841.28</b>
<b>EXPENSES</b>			
Cost of materials consumed	41	939.43	878.36
Purchase of stock-in-trade	42	166.35	146.28
Changes in inventories of finished goods/ stock-in-trade/ work-in-progress	43	(39.21)	25.76
Employee benefits expense	44	900.34	785.14
Finance costs	45	7.21	5.84
Depreciation and amortisation expense	46	135.40	130.80
Other expenses	47	1,069.86	1,123.85
<b>Total expenses</b>		<b>3,179.38</b>	<b>3,096.03</b>
<b>Profit before tax</b>		<b>1,113.93</b>	<b>745.25</b>
Tax expense:	65		
- Current tax (net)			
For current year		298.22	175.58
For earlier years		23.84	21.66
- Deferred tax (net)		(24.30)	(39.97)
<b>Total tax expense</b>		<b>297.76</b>	<b>157.27</b>
<b>Profit for the year</b>		<b>816.17</b>	<b>587.98</b>
<b>Other comprehensive income/(loss)</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement of defined benefit liability/(assets)		(3.88)	(3.49)
Income tax relating to items that will not be reclassified to profit or loss		1.36	1.22
<b>Net other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss</b>		<b>(2.52)</b>	<b>(2.27)</b>
<b>Items that will be reclassified subsequently to profit or loss</b>			
Exchange differences in translating the financial statements of foreign operations		3.33	17.12
Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Net other comprehensive (loss)/income to be reclassified subsequently to profit or loss</b>		<b>3.33</b>	<b>17.12</b>
<b>Other comprehensive income/(loss) for the year (net of income tax)</b>		<b>0.81</b>	<b>14.85</b>
<b>Total comprehensive income for the year</b>		<b>816.98</b>	<b>602.83</b>
<b>Earnings Per Equity Share (Face Value ₹ 2/-)</b>	49		
Basic (₹)		64.82	45.89
Diluted (₹)		64.77	45.89
Material accounting policies	1 to 7		
The notes referred to above form an integral part of the consolidated financial statements	8 to 70		

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

Place: Mumbai  
Date: 02 May 2024

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

Yogesh M. Agrawal  
Managing Director  
DIN: 00073673

Arvind K. Agrawal  
Chief Financial Officer

Rajesh M. Agrawal  
Joint Managing Director  
DIN: 00302467

Gaurang C. Shah  
Company Secretary  
FCS No.: 6696



# Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

## A. Equity Share Capital (Refer Note 23)

₹ in Crore					
Particulars	Balance as at 01 April 2023	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 2024
Authorised	30.00	-	30.00	-	30.00
Issued, Subscribed & Paid up	25.27	-	25.27	-	25.27

₹ in Crore					
Particulars	Balance as at 01 April 2022	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 2023
Authorised	30.00	-	30.00	-	30.00
Issued, Subscribed & Paid up	17.17	-	17.17	8.10	25.27

## B. Other Equity (Refer Note 24)

₹ in Crore										
Particulars	Reserves and 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)			
Balance as at 01 April 2022	2.63	-	531.77	0.30	2,717.70	0.88	(6.10)	3,247.17	-	3,247.17
Profit for the period	-	-	-	-	587.98	-	-	587.98	-	587.98
Other comprehensive income	-	-	-	-	-	17.12	(2.27)	14.85	-	14.85
Total comprehensive income	-	-	-	-	587.98	17.12	(2.27)	602.83	-	602.83
Exercised Stock Options	-	-	-	0.22	-	-	-	0.22	-	0.22
Utilised for buy-back of Equity Shares (refer note 23.8)	-	(0.18)	(320.73)	-	-	-	-	(320.91)	-	(320.91)
Expense & Tax on buyback of equity shares (refer note 23.8)	-	-	-	-	(74.72)	-	-	(74.72)	-	(74.72)
Transfer to Capital Redemption Reserve for buyback of Equity Shares (refer note 23.8)	(2.19)	-	(0.00)	-	-	-	-	(2.19)	-	(2.19)
Exercised Stock Options	-	0.18	-	-	-	-	-	0.18	-	0.18
Share-based payment expenses	-	-	-	(0.18)	-	-	-	(0.18)	-	(0.18)
Dividend Paid	-	-	-	-	(89.69)	-	-	(89.69)	-	(89.69)
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	0.44	-	211.04	0.34	3,141.27	18.00	(8.37)	3,362.72	-	3,362.72
Balance as at 01 April 2023	0.44	-	211.04	0.34	3,141.27	18.00	(8.37)	3,362.72	-	3,362.72
Profit for the period	-	-	-	-	816.17	-	-	816.17	-	816.17
Other comprehensive income (net of tax)	-	-	-	-	-	3.33	(2.52)	0.81	-	0.81
Total comprehensive income	-	-	-	-	816.17	3.33	(2.52)	816.98	-	816.98
Exercised Stock Options	-	-	-	5.68	-	-	-	5.68	-	5.68
Utilised for buy-back of Equity Shares (refer note 23.8)	-	-	-	-	-	-	-	-	-	-
Expense & Tax on buyback of equity shares (refer note 23.8)	-	-	-	-	(0.92)	-	-	(0.92)	-	(0.92)
Transfer to Capital Redemption Reserve for buyback of Equity Shares (refer note 23.8)	-	-	-	-	-	-	-	-	-	-
Exercised Stock Options	-	0.18	-	-	-	-	-	0.18	-	0.18
Share-based payment expenses	-	-	-	(0.37)	-	-	-	(0.37)	-	(0.37)
Dividend Paid	-	-	-	-	(642.17)	-	-	(642.17)	-	(642.17)
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-
As at 31 March 2024	0.44	0.18	211.04	5.65	3,314.35	21.33	(10.89)	3,542.09	-	3,542.09

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

## 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) 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 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.

## f) Foreign Currency Translation Reserve

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

Material accounting policies 1 to 7  
See accompanying notes forming part of the consolidated financial statements 8 to 70

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

Place: Mumbai  
Date: 02 May 2024

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

Yogesh M. Agrawal  
Managing Director  
DIN: 00073673

Arvind K. Agrawal  
Chief Financial Officer

Rajesh M. Agrawal  
Joint Managing Director  
DIN: 00302467

Gaurang C. Shah  
Company Secretary  
FCS No.: 6696

## Consolidated Statement of Cash Flow

for the year ended 31 March 2024

		₹ in Crore	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax	1,113.93	745.25	
Adjustment for			
Depreciation and amortisation expense	135.40	130.80	
Loss on sale/retirement of property, plant and equipment (net)	(3.49)	6.19	
Finance costs	7.21	5.84	
Loss/(Gain) on fair value of investment	9.11	2.30	
Loss/(Gain) on fair value of derivative	(22.82)	18.82	
Income from investments and deposits	(38.12)	(17.64)	
Deferred Government grant	(0.33)	(0.33)	
Equity settled share-based payment	5.49	0.22	
Unrealised Foreign exchange (Gain)	(9.42)	(14.08)	
Impairment loss on financial assets	-	(0.82)	
<b>Operating cash flow before working capital changes</b>	<b>1,196.96</b>	<b>876.55</b>	
<b>Changes in working capital</b>			
(Increase) in trade receivables	(178.88)	(10.55)	
(Increase)/Decrease in other current assets	(40.94)	6.93	
Decrease in other current financial assets	17.40	32.33	
Decrease in other non-current financial assets	1.73	0.96	
(Increase)/Decrease in non-current financial assets	(1.01)	0.27	
(Increase) in inventories	(12.30)	(22.37)	
(Increase) in current loans	(16.57)	(11.02)	
(Decrease) in other non-current financial liabilities	0.69	0.25	
(Decrease)/Increase in other current liabilities	36.05	(44.01)	
Increase in other current financial liabilities	36.09	11.38	
Increase in non-current provisions	15.39	4.83	
Liabilities classified as held for sale (Refer Note 68)	0.51	-	
Increase in current provisions	1.22	0.94	
Increase in trade payables	40.85	96.91	
<b>Cash generated from operating activities</b>	<b>1,097.20</b>	<b>943.40</b>	
Net income tax paid	(312.13)	(151.29)	
<b>Net cash generated from operating activities</b>	<b>785.07</b>	<b>792.11</b>	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment & intangible assets including capital advances	(152.41)	(174.49)	
Proceeds from sale of property, plant and equipment	13.38	0.73	
Bank balances not considered as cash and cash equivalents	(0.21)	4.35	
Purchase of current investments	(2,079.76)	(1,666.86)	
Proceeds from sale of current investments	2,257.39	1,276.15	
Income on investments and deposits	27.00	0.52	
<b>Net cash generated/(used) in investing activities</b>	<b>65.39</b>	<b>(559.60)</b>	

## Consolidated Statement of Cash Flow

for the year ended 31 March 2024

	₹ in Crore	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Equity Shares (31 March 2024 ₹ 2,000, 31 March 2023 ₹ 2,000)	0.00	0.00
(Repayment)/Proceeds of borrowings (net)	0.06	(0.49)
Interest paid	(3.53)	(2.33)
Payment of lease liability (includes interest of ₹ 3.68 Crore in year ending on 31 March 2024 and ₹ 3.51 Crore in year ending on 31 March 2023)	(16.23)	(14.25)
(Payment) for buyback of equity shares (Refer Note 23.8)	(388.27)	-
Income/(Payment) for expenses for buyback of equity shares (Refer Note 23.8)	(0.92)	(1.44)
Dividend paid	(642.17)	(89.69)
<b>Net cash used in financing activities</b>	<b>(1,051.06)</b>	<b>(108.20)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(200.60)</b>	<b>124.31</b>
Cash and cash equivalents as at the beginning of the year	329.83	206.36
<b>Cash and cash equivalents as at the end of the year</b>	<b>129.23</b>	<b>330.67</b>
<b>Reconciliation of cash and cash equivalents with the Balance sheet</b>		
Cash and cash equivalents as restated as at the end of the year	129.23	330.67
Unrealised (loss)/gain on foreign currency cash and cash equivalents	0.26	(0.84)
<b>Cash and cash equivalents as per balance sheet (refer note 17)</b>	<b>129.49</b>	<b>329.83</b>

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. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

							₹ in Crore
Particulars	Notes	31 March 2023	Cash Flows	Non-cash changes			As at 31 March 2024
				Acquisition	Foreign exchange movement	Fair value change	
Borrowing	25 & 31	1.43	0.06	-	-	-	1.49

4. During the year the Group paid ₹ 17.32 Crore (31 March 2023 ₹ 16.37 Crore) towards corporate social responsibility (CSR) expenditure included in corporate social responsibility expenditure Refer note 60).
5. Movement in lease liabilities (refer note 57).

## Material accounting policies

1 to 7

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

8 to 70

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

Place: Mumbai

Date: 02 May 2024

For and on behalf of Board of Directors of

Aianta Pharma Limited

Yogesh M. Agrawal

Managing Director

DIN: 00073673

Arvind K. Agrawal

Chief Financial Officer

Rajesh M. Agrawal

Joint Managing Director

DIN: 00302467

Gaurang C. Shah

Company Secretary

FCS No.: 6696

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 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 accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act. 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 2024 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 02 May 2024.

### Use Of Estimates and Judgements:

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, 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 underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

### Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes.

### Classification of Lease as per Ind AS 116:

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, The Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to The Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### Estimates:

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

### Recognition of Current and Deferred Tax Assets:

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of The Group's total tax charge necessarily involves a degree of estimation in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of The Group's structure makes the degree of estimation more challenging. The resolution of issues is not always within the control of The Group and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which The Group operates. Issues can, and often do, take many years to resolve.

Payments in respect of tax liabilities for an accounting period result from payments on account and on the

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

final resolution of open items. As a result there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

### Chargebacks, Rebates and Discount:

Provisions for chargeback, rebates, discounts, other deductions and Medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Group. Provisions for such chargebacks, rebates and discounts are accrued and estimated based on historical average rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesaler.

### 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 consist 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 assumptions 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 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



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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.

## Provision for Anticipated Sales Return:

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on scientific basis after factoring in the historical data of such returns and its trend.

## 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 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.

Items of assets, liabilities, equity, income, expenses and cashflows of the parents with those of its subsidiaries are combined like to like basis. For this purpose, income & expenses of the subsidiaries are based on the assets and liabilities recognised in consolidated financial statements at acquisition date.

### (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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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:

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-

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- 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-

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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. Material Accounting Policies

7.1 Property, Plant and Equipment

Recognition and measurement:

Items of PPE are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of PPE comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly to the attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.

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.

Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work-in-progress. 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.

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.

Transition to Ind AS:

The cost property, plant and equipment at 01 April 2016, the Companies date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent Expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of PPE is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions/disposals is provided on a pro-rata basis i.e. from/up to the date on which is asset is ready to use/disposed of. Freehold land is not depreciated.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

The estimated useful lives of Tangible assets are as follows

PPE	Useful Life
Buildings*	5 Years to 60 Years
Plant and Equipment*	3 Years to 25 Years
Furniture and Fixtures*	10 Years
Vehicles	8 Years to 10 Years
Office Equipments*	3 Years to 5 Years

\* For these class of assets, the useful life of assets is different than the prescribed life as per Part C of Schedule II of the Companies Act, 2013. The different useful life is based on internal technical evaluation by the Company and historical usage of assets.

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.

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 asset 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 are 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, including related transaction 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

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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 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 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 Non-current assets classified as held for sale

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Classified as Held for Sale". Once classified as held for sale, intangible assets, investment property and property, plant and equipment are no longer amortised or depreciated.

## 7.4 Financial Instruments

Trade receivables and debt securities issued are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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 excluding trade receivable (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:

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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

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

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

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

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

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets. Fair value movements are 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 FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

## Derecognition of Financial Assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the 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



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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.

## 7.5 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.

The comparison of cost and Net realisable value is made on an item-by-item basis.

## 7.6 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 group's cash management.

## 7.7 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 Group are segregated.

## 7.8 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

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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.

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.

## 7.9 Revenue Recognition

### Sale of Goods:

Revenue is measured based on the transaction price adjusted for discounts, rebates, chargebacks, medicais, product recalls & supply penalties, 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 their 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.

## 7.10 Employee Benefits

### In case of Holding Company:

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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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.

## 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 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 programme 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.

## 7.11 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.

## 7.12 Leases

The Group's lease asset classes primarily consist 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 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 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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.

## 7.13 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 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.

## 7.14 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.

## 7.15 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 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.

## 7.16 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 7.17 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.

## 7.18 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).
- 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:



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

- 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.

## 7.19 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. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

# Notes to the Consolidated Financial Statements

as at 31 March 2024

## 8. Property, Plant and Equipment, Capital Work-In-Progress, Investment Properties and Other Intangible Assets (other than self generated)

### 8.1 As at 31 March 2024

Particulars	Gross Block (Cost or Deemed Cost)				Accumulated Depreciation/Amortisation					Net Block	
	As at 01 April 2023	Exchange Difference	Additions	Disposals	As at 31 March 2024	01 April 2023	Exchange Difference	For the year	Disposals	As at 31 March 2024	As at 31 March 2024
<b>(A) Property, plant and equipment</b>											
Freehold land**	157.66	0.03	-	8.85	148.84	-	-	-	-	-	148.84
Leasehold improvement	0.00	(0.00)	-	-	0.00	0.00	(0.00)	-	-	0.00	0.00
Buildings	605.66	(0.05)	11.79	-	617.40	153.13	(0.03)	16.25	-	169.35	448.05
Plant and equipments	1,223.26	-	80.15	2.87	1,300.54	481.72	-	88.70	2.39	568.03	732.51
Furniture and fixtures	92.37	0.02	1.96	0.01	94.34	55.95	0.01	5.78	0.01	61.73	32.61
Vehicles	11.46	(0.21)	0.04	7.09	4.20	9.70	(0.19)	0.33	6.86	2.98	1.22
Office equipments	26.65	(0.02)	2.14	0.21	28.56	19.47	(0.02)	2.38	0.20	21.63	6.93
Computers	34.18	(0.00)	7.96	0.57	41.57	23.44	(0.00)	4.69	0.53	27.60	13.97
<b>Total</b>	<b>2,151.25</b>	<b>(0.24)</b>	<b>104.04</b>	<b>19.60</b>	<b>2,235.45</b>	<b>743.41</b>	<b>(0.23)</b>	<b>118.13</b>	<b>9.99</b>	<b>851.32</b>	<b>1,384.13</b>
<b>(B) Other intangible assets</b>											
Computer Software	31.88	0.07	11.89	-	43.84	24.13	0.04	5.01	-	29.18	14.66
<b>Total</b>	<b>31.88</b>	<b>0.07</b>	<b>11.89</b>	<b>-</b>	<b>43.84</b>	<b>24.13</b>	<b>0.04</b>	<b>5.01</b>	<b>-</b>	<b>29.18</b>	<b>14.66</b>
<b>Total (A+B)</b>	<b>2,183.13</b>	<b>(0.16)</b>	<b>*115.93</b>	<b>19.60</b>	<b>2,279.29</b>	<b>767.55</b>	<b>(0.19)</b>	<b>123.14</b>	<b>9.99</b>	<b>880.50</b>	<b>1,398.79</b>
<b>(C) Capital work-in-progress*</b>	209.47	-	169.63	122.65	256.45	-	-	-	-	-	256.45
<b>(D) Investment properties</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A)+(B)+(C)+(D)</b>											<b>1,655.24</b>

\* Addition includes ₹ 4.83 Crore used for Research and Development.

\*\* Freehold land of ₹ 8.85 Crore classified as held for sale (refer note 22 & 68).

# 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 (*)	121.75	36.65	38.86	59.19	256.45

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

CWIP includes cost incurred on corporate house under construction and is schedule to meet the annual rolling plan though there is delay as compared to the original plan due to delays in Government approval, pandemic and various other pediments outside of management control at various stages. There are no identified overruns from budgeted cost.

# Notes to the Consolidated Financial Statements

as at 31 March 2024

## 8.2 As at 31 March 2023

₹ in Crore											
Particulars	Gross Block (Cost or Deemed Cost)				Accumulated Depreciation/Amortisation					Net Block	
	As at 01 April 2022	Exchange Difference	Additions	Disposals	As at 31 March 2023	As at 01 April 2022	Exchange Difference	For the year	Disposals	As at 31 March 2023	As at 31 March 2023
<b>(A) Property, plant and equipment</b>											
Freehold land	157.66	-	-	-	157.66	-	-	-	-	-	157.66
Leasehold improvement	1.13	-	-	1.13	0.00	0.78	-	0.00	0.78	0.00	0.00
Buildings	587.42	-	18.87	0.63	605.66	136.88	-	16.37	0.12	153.13	452.53
Plant and equipments	1,173.22	-	70.84	20.81	1,223.26	410.71	-	85.64	14.63	481.72	741.54
Furniture and fixtures	87.33	-	6.44	1.40	92.37	51.53	-	5.54	1.12	55.95	36.42
Vehicles	12.21	-	-	0.75	11.46	9.46	-	0.94	0.70	9.70	1.76
Office equipments	27.86	-	2.39	3.61	26.65	20.54	-	2.29	3.36	19.47	7.18
Computers	28.26	-	6.94	1.01	34.18	20.13	-	4.17	0.86	23.44	10.74
<b>Total (A)</b>	<b>2,075.10</b>	<b>-</b>	<b>105.48</b>	<b>29.34</b>	<b>2,151.25</b>	<b>650.03</b>	<b>-</b>	<b>114.95</b>	<b>21.57</b>	<b>743.41</b>	<b>1,407.83</b>
<b>(B) Other intangible assets</b>											
Computer Software	29.30	-	2.58	-	31.88	20.03	-	4.10	-	24.13	7.75
<b>Total (B)</b>	<b>29.30</b>	<b>-</b>	<b>2.58</b>	<b>-</b>	<b>31.88</b>	<b>20.03</b>	<b>-</b>	<b>4.10</b>	<b>-</b>	<b>24.13</b>	<b>7.75</b>
<b>Total (A+B)</b>	<b>2,104.40</b>	<b>-</b>	<b>* 108.05</b>	<b>29.34</b>	<b>2,183.13</b>	<b>670.06</b>	<b>-</b>	<b>119.05</b>	<b>21.57</b>	<b>767.55</b>	<b>1,415.58</b>
<b>(C) Capital work-in-progress*</b>	152.86	-	164.08	107.47	209.47	-	-	-	-	-	209.47
<b>(D) Investment properties **</b>	10.93	-	-	10.93	-	2.52	-	0.49	3.01	(0.00)	0.00
<b>Total (A)+(B)+(C)+(D)</b>											<b>1,625.05</b>

\* Addition includes ₹ 18.20 Crore used for Research and Development.

\*\* Investment property classified as held for sale (refer note 22 & 68).

# Capital work-in-progress ageing schedule.

₹ 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 (*)	97.81	51.86	29.37	30.43	209.47

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

## 8.3 Right-of-Use Assets (refer note 57)

As at 31 March 2024

Particulars	Gross Block (Cost or Deemed Cost)				Accumulated Depreciation/Amortisation					Net Block	
	As at 01 April 2023	Exchange Difference	Additions	Disposals	As at 31 March 2024	As at 01 April 2023	Exchange Difference	For the year	Disposals	As at 31 March 2024	As at 31 March 2024
Leasehold land	62.59	-	-	-	62.59	2.82	-	0.95	-	3.77	58.82
Leasehold properties	37.11	(0.10)	12.15	1.63	47.53	16.02	(0.06)	11.30	1.31	25.95	21.58
<b>Total</b>	<b>99.70</b>	<b>(0.10)</b>	<b>12.15</b>	<b>1.63</b>	<b>110.12</b>	<b>18.84</b>	<b>(0.06)</b>	<b>12.25</b>	<b>1.31</b>	<b>29.72</b>	<b>80.40</b>

As at 31 March 2023

Particulars	Gross Block (Cost or Deemed Cost)				Accumulated Depreciation/Amortisation					Net Block	
	As at 01 April 2022	Exchange Difference	Additions	Disposals	As at 31 March 2023	As at 01 April 2022	Exchange Difference	For the year	Disposals	As at 31 March 2023	As at 31 March 2023
Leasehold land	62.59	-	-	-	62.59	1.87	-	0.95	-	2.82	59.77
Leasehold properties	42.84	-	21.82	27.55	37.11	33.18	-	10.32	27.48	16.02	21.09
<b>Total</b>	<b>105.43</b>	<b>-</b>	<b>21.82</b>	<b>27.55</b>	<b>99.70</b>	<b>35.06</b>	<b>-</b>	<b>11.27</b>	<b>27.48</b>	<b>18.84</b>	<b>80.86</b>

# Notes to the Consolidated Financial Statements

as at 31 March 2024

## 9. Investments (Non-Current)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Long-term trade investments</b>		
<b>Unquoted investments</b>		
<b>in Joint Venture</b>		
<b>Turkmennderman Ajanta Pharma Ltd. (Refer Note below #)</b>		
2,00,000 (31 March 2023 2,00,000) Shares of US \$ 10 each fully paid-up	-	-
<b>In Membership Share in LLP (at Fair Value through Profit or Loss)</b>		
ABCD Technologies LLP, India (Percentage share 4.03%)	18.58	25.10
<b>In others at fair value</b>		
<b>OPGS Power Gujarat Private Limited</b>		
1,95,000 (31 March 2023 1,95,000) Shares of ₹ 0.19 each	0.00	0.00
(31 March 2024 ₹ 37,050, 31 March 2023 ₹ 37,050)		
<b>Total</b>	<b>18.58</b>	<b>25.10</b>
# Note: The Company has made full provision for investment in aggregate value of unquoted investments in Turkmennderman Ajanta Pharma Limited in year 2014-15 and the carrying value of investment is considered as Nil.		
Aggregate value of unquoted investments	25.53	32.05
Aggregate value of unquoted investments (net of impairment)	18.58	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 2024	As at 31 March 2023
<b>Unsecured, considered good unless otherwise stated</b>		
Security deposits	4.99	6.24
Financial asset at amortised cost	4.16	3.90
<b>In deposit accounts with banks with maturity of more than 12 months from the balance sheet date</b>		
- Under lien	0.19	0.84
Interest accrued on fixed deposits with banks	0.02	0.11
	<b>9.36</b>	<b>11.09</b>

## 11. Deferred Tax Assets (Net)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Others	134.45	96.77
	<b>134.45</b>	<b>96.77</b>

## 12. Non-Current Tax Assets (Net)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Income tax paid (net provision (31 March 2023 ₹ 122.40 Crore))	-	0.83
	<b>-</b>	<b>0.83</b>

# Notes to the Consolidated Financial Statements

as at 31 March 2024

## 13. Other Non-Current Assets

(Unsecured, considered good unless otherwise stated)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	7.88	4.77
VAT receivable	1.04	0.03
Octroi refund receivable	0.52	0.52
	<b>9.44</b>	<b>5.32</b>

## 14. Inventories

(At lower of cost and net realisable value)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials	233.25	264.40
Packing materials	54.71	51.71
Work-in-progress	54.35	52.46
Finished goods (including in transit ₹ 120.57 Crore, 31 March 2023 ₹ 90.05 Crore)	291.31	278.69
Stock-in-trade (including in transit ₹ 8.01 Crore, 31 March 2023 ₹ 6.07 Crore)	194.74	168.37
	<b>828.36</b>	<b>815.63</b>

During the year, the group recorded inventory write downs of ₹ 5.95 Crore (31 March 2023 ₹ 5.64 Crore). These adjustments were included in cost of material consumed and changes in inventories.

## 15. Current Investments

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Measured at Fair Value through Profit or Loss</b>		
<b>Quoted</b>		
Investments in Market Linked Non Convertible Debentures	37.12	161.56
Investment in Mutual Funds	10.24	178.32
<b>Measured at Amortised Cost</b>		
<b>Quoted</b>		
Investments in Non Convertible Debentures	251.79	46.18
<b>Unquoted</b>		
Investment in Commercial Papers	30.90	124.21
	<b>330.05</b>	<b>510.27</b>
Aggregate book value of quoted investments	299.15	386.06
Aggregate market value of quoted investments	299.15	386.06
Aggregate book value of unquoted investments (net of impairment)	30.90	124.21
Aggregate amount of impairment in value of investments	-	-

## 16. Trade Receivables

(Unsecured, considered good unless otherwise stated)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables considered good	1,246.84	1,056.90
Trade receivables which have significant increase in credit risk	2.70	2.82
Trade receivables credit impaired	6.13	8.22
	<b>1,255.67</b>	<b>1,067.94</b>
Less: Loss allowance	(8.83)	(11.04)
<b>Total Receivables</b>	<b>1,246.84</b>	<b>1,056.90</b>

# Notes to the Consolidated Financial Statements

as at 31 March 2024

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Break-up of Security Details		
(i) Trade receivables considered good- Secured	-	-
(ii) Trade receivables considered good- Unsecured	1,246.84	1,056.90
(iii) Trade receivables which have significant increase in Credit Risk	2.70	2.82
(iv) Trade receivables - credit impaired	6.13	8.22
<b>Total</b>	<b>1,255.67</b>	<b>1,067.94</b>
Loss Allowance	(8.83)	(11.04)
<b>Total Trade Receivables</b>	<b>1,246.84</b>	<b>1,056.90</b>

## Ageing Schedule for Trade Receivables as on 31 March 2024

₹ in Crore							
Particulars	Not Due	Outstanding for following period from due date of payment					Total
		< 6 Months	6-12 months	1-2 year	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,113.82	109.30	23.14	0.58	-	-	1,246.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	1.71	1.13	0.10	2.28	0.91	6.13
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	2.70	-	2.70
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,113.82</b>	<b>111.01</b>	<b>24.27</b>	<b>0.68</b>	<b>4.98</b>	<b>0.91</b>	<b>1,255.67</b>
Less: Loss Allowance							(8.83)
<b>Total Trade Receivable</b>							<b>1,246.84</b>

## Ageing Schedule for Trade Receivables as on 31 March 2023

₹ in Crore							
Particulars	Not Due	Outstanding for following period from due date of payment					Total
		< 6 Months	6-12 Months	1-2 year	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	942.48	98.04	13.98	2.40	-	-	1,056.90
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.80	0.59	6.50	0.06	0.27	8.22
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	2.82	2.82
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>942.48</b>	<b>98.84</b>	<b>14.57</b>	<b>8.90</b>	<b>0.06</b>	<b>3.09</b>	<b>1,067.94</b>
Less: Loss Allowance							(11.04)
<b>Total Trade Receivable</b>							<b>1,056.90</b>

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.



# Notes to the Consolidated Financial Statements

as at 31 March 2024

(There are no other trade receivables which have significant increase in credit risk, Refer note 53 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 53.

## 17. Cash and Cash Equivalents

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Cash and cash equivalents (as per Ind AS-7 - "Statement of cash flows")</b>		
<b>Bank Balances</b>		
- In current accounts	90.55	98.16
- In EEFC Accounts	38.93	185.16
In Deposit Accounts (with original maturity of 3 months or less)		
- Under Lien	-	46.50
Cash on Hand	0.01	0.01
	<b>129.49</b>	<b>329.83</b>

Balance of ₹ Nil (31 March 2023 ₹ 46.50 Crore) includes deposits account is subject to restrictions on account of share bought back.

## 18. Bank Balances Other than Cash and Cash Equivalents

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Earmarked balances with banks</b>		
- Unpaid dividend	0.72	0.82
Unpaid Sale Proceeds of Fractional Shares (31 March 2024 ₹ 24,226 {including deposit of ₹ 8,935}, 31 March 2023 ₹ 25,289 {including deposit of ₹ 9,998})	0.00	-
In Deposit Accounts (original maturity of more than 3 months but less than 12 months)		
- Under lien	0.56	0.25
	<b>1.28</b>	<b>1.07</b>

## 19. Loans

(Unsecured, considered good unless otherwise stated)

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
Advances to employees	31.77	15.31
Loan to employees	2.19	2.08
	<b>33.96</b>	<b>17.39</b>

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Loans to Employees</b>		
Secured, considered good	-	-
Unsecured, considered good	2.19	2.08
Significant increase in Credit Risk	-	-
Credit impaired	-	-
	<b>2.19</b>	<b>2.08</b>

# Notes to the Consolidated Financial Statements

as at 31 March 2024

## 20. Other Current Financial Assets

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
Interest receivable	6.54	2.48
Forward exchange contracts used for hedging	12.48	-
	<b>19.02</b>	<b>2.48</b>

## 21. Other Current Assets

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Advances other than capital advances</b>		
<b>Advances to vendors</b>		
- considered good	38.24	26.88
Prepaid expenses	25.92	16.44
Other advances recoverable	5.79	4.85
<b>Balance with Statutory/Govt. Authorities</b>		
- GST receivable	54.30	40.27
Export benefits receivable	8.82	3.17
	<b>133.07</b>	<b>91.61</b>

## 22. Asset Held for Sale (Refer note 68)

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
Investment Properties	8.85	7.92
Property, Plant & Equipment	-	0.90
	<b>8.85</b>	<b>8.82</b>

## 23. Equity Share Capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
<b>Authorised</b>				
Equity shares of ₹ 2 each	15,00,00,000	30.00	15,00,00,000	30.00
<b>Issued, subscribed and paid-up:</b>				
Issued, subscribed and fully paid up Equity shares of ₹ 2 each	12,59,15,655	25.18	12,59,14,655	25.18
Add: Share Forfeited (on account of Buyback)	7,66,500	0.09	7,66,500	0.09
<b>Total</b>	<b>12,66,82,155</b>	<b>25.27</b>	<b>12,66,81,155</b>	<b>25.27</b>

# Notes to the Consolidated Financial Statements

as at 31 March 2024

## 23.1 Movements in equity share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Equity shares outstanding as at the beginning of the year	12,59,14,655	25.18	8,54,15,770	17.08
Add: Equity shares allotted during the year against option's exercised under Employee Stock Option Plan/Scheme (ESOP)	1,000	0.00 <sup>#</sup>	1,000	0.00*
Add: Equity shares allotted during the year as Bonus on ESOP <sup>@</sup>	-	-	4,27,07,885	8.54
Add: Equity shares allotted during the year as Bonus on ESOP (31 March 2024 Nil, 31 March 2023 500)	-	0.00**	500	0.00**
Less: Equity shares extinguished on buy back (Refer note 23.8)	-	-	(22,10,500)	(0.44)
<b>Equity shares outstanding as at the end of the year</b>	<b>12,59,15,655</b>	<b>25.18</b>	<b>12,59,14,655</b>	<b>25.18</b>

<sup>#</sup> ₹ 2,000 \* ₹ 2,000 \*\* ₹ 1,000

@ In the previous year, the Company has allotted the bonus shares at a ratio of 1:2 in it's Board Meeting held on 24 June 2022. Accordingly, the number of shares increased from 8,54,16,770 to 12,81,25,155. The paid-up capital on account of Bonus issue of ₹ 2.62 Crore has been appropriated from Capital Redemption Reserve, ₹ 0.18 Crore has been appropriated from Securities Premium and ₹ 5.73 Crore has been appropriated from General Reserve.

## 23.2 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:

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
Interim and final equity dividend were declared and paid for financial year 2022-23 at ₹ 7 per equity share	-	89.69
Interim and final equity dividend were declared and paid for financial year 2023-24 at ₹ 51 per equity share	642.17	-
<b>Total</b>	<b>642.17</b>	<b>89.69</b>

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.

## 23.3 Details of shareholders holding more than 5% Equity shares

Name of Shareholders	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	% holding	Number of Shares	% holding
Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	1,82,33,038	14.48	1,82,33,038	14.48
Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	1,82,33,039	14.48	1,82,33,039	14.48
Ravi Purushottam Agrawal, Trustee Ravi Agrawal Trust	1,63,86,623	13.01	1,63,86,623	13.01
Aayush Madhusudan Agrawal, Trustee Aayush Agrawal Trust	1,42,37,664	11.31	1,42,37,664	11.31
Gabs Investments Private Limited	1,25,88,393	10.00	1,25,88,393	10.00

# Notes to the Consolidated Financial Statements

as at 31 March 2024

## 23.4 Equity shares reserved for issuance under Employees Stock Options Scheme 2011 of the Company

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
	Number of Shares	Number of Shares
Equity shares*	-	10,95,250

\* During the year, the Company made the decision to withdraw the Employee Stock Options Scheme 2011 in the Nomination & Remuneration Committee meeting held on 31 January 2024, with immediate effect.

## 23.5 Equity shares reserved for issuance under Share-based Incentive Plan 2019 of the Company

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
	Number of Shares	Number of Shares
Equity shares	4,94,500	4,95,500

## 23.6 Aggregate number of Equity shares issued during last five years pursuant to Employees Stock Options Scheme 2011 & Share-based Incentive Plan 2019

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
	Number of Shares	Number of Shares
Equity shares	2,28,250	2,27,250

## 23.7 Equity shares allotted as fully paid up bonus Shares for the period of five years immediately preceding the balance sheet date

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
	Number of Shares	Number of Shares
Bonus Shares on allotment of ESOP in FY 2022-23	500	500
Bonus Shares issued in FY 2022-23	4,27,07,885	4,27,07,885

## 23.8 Equity Shares Extinguished on Buy-Back

### 31 March 2024

Board of Directors have approved buy back of its 10,28,881 equity shares, being 0.82% of the total paid up equity share capital (prior buyback) at ₹ 2,770 per equity share for an aggregate amount of ₹ 285.00 Crore on 02 May 2024.

### 31 March 2023

The Board of Directors of the Company, at its meeting held on 10 March 2023 has approved the proposal of Buy-back of 22,10,500 fully paid-up equity shares of the Company of face value of ₹ 2 each at a price of ₹ 1,425/- per equity share, on a proportionate basis, for an aggregate amount not exceeding ₹ 315.00 Crore through the tender offer process ("Buyback"), in accordance with the provisions of the Companies Act, 2013, and rules made thereunder, and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the "SEBI Buyback Regulations"). The buyback issue opened on 31 March 2023 and closed on 10 April 2023.

The Company has taken the impact of buyback in previous financial year and paid in current financial year, for this Company has utilised its General Reserve (₹ 315.00 Crore) for the buyback of its equity shares. Total transaction cost of ₹ 2.36 Crore (current year ₹ 0.92 Crore and previous year ₹ 1.44 Crore) incurred towards buyback and tax of ₹ 73.28 Crore was offset from retained earnings. In accordance with Section 69 of the Companies Act, 2013, the Company

# Notes to the Consolidated Financial Statements

as at 31 March 2024

has created Capital Redemption Reserve of ₹ 0.44 Crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

## 31 March 2022

The Company bought back 11,20,000 equity shares for an aggregate amount not exceeding of ₹ 285.60 Crore being 1.29% of the total paid up equity share capital (prior buyback) at ₹ 2,550 per equity share. The equity shares bought back were extinguished on 28 February 2022.

## 31 March 2021

The Company bought back 7,35,000 equity shares for an aggregate amount not exceeding of ₹ 136 Crore being 0.84% of the total paid up equity share capital (prior buyback) at ₹ 1,850 per equity share. The equity shares bought back were extinguished on 30 December 2020.

## 31 March 2019

The Company bought back 7,69,230 equity shares for an aggregate amount not exceeding of ₹ 100 Crore being 0.87% of the total paid up equity share capital (prior buyback) at ₹ 1,300 per equity share. The equity shares bought back were extinguished on 26 March 2019.

## 23.9 Details of Equity Shares held by promoters at the end of the year

Name of Promoter	As at 31 March 2024			As at 31 March 2023		
	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	1,82,33,038	14.48	-	1,82,33,038	14.48	47.28
Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	1,82,33,039	14.48	-	1,82,33,039	14.48	47.28
Ravi Purushottam Agrawal, trustee Ravi Agrawal Trust	1,63,86,623	13.01	-	1,63,86,623	13.01	33.48
Aayush Madhusudan Agrawal, trustee Aayush Agrawal Trust	1,42,37,664	11.31	-	1,42,37,664	11.31	16.11
Gabs Investments Private Limited	1,25,88,393	10.00	-	1,25,88,393	10.00	50.00
Ganga Exports being represented by Mr. Yogesh Agrawal, Mr. Rajesh Agrawal & Mr. Ravi Agrawal	33,79,297	2.68	-	33,79,297	2.68	46.94
Ravi P. Agrawal	2,85,000	0.23	-	2,85,000	0.23	50.00
Aayush M. Agrawal	30,000	0.02	-	30,000	0.02	50.00

## 24. Other Equity

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	0.44	2.63
Add/(less): utilised for buyback & allotment of Bonus shares	-	(2.19)
<b>Balance as at the year end</b>	<b>0.44</b>	<b>0.44</b>
<b>Securities premium account</b>		
Balance at the beginning of the year	-	-
Add: addition during the year	0.18	0.18
Less: utilisation for buyback of shares	-	(0.18)
<b>Balance as at the year end</b>	<b>0.18</b>	<b>-</b>
<b>Foreign Currency Translation Reserve</b>		
Balance at the beginning of the year	18.00	0.88
Add: Addition during the year	3.33	17.12
<b>Balance as at the year end</b>	<b>21.33</b>	<b>18.00</b>

# Notes to the Consolidated Financial Statements

as at 31 March 2024

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
<b>General reserve</b>		
Balance at the beginning and at the end of the year	211.04	531.77
Less: transferred to capital redemption reserve	-	-
Less: utilised for buyback & allotment of Bonus shares	-	(320.73)
<b>Balance as at the year end</b>	<b>211.04</b>	<b>211.04</b>
<b>Employee stock option outstanding</b>		
Balance at the beginning of the year	0.34	0.30
Add: share-based payment expenses	(0.37)	(0.18)
Less: exercised during the year	(5.68)	(0.22)
<b>Balance as at the year end</b>	<b>5.65</b>	<b>0.34</b>
<b>Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)</b>		
Balance at the beginning of the year	(8.37)	(6.10)
Add: amount transferred	(2.52)	(2.27)
<b>Balance as at the year end</b>	<b>(10.89)</b>	<b>(8.37)</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	3,141.27	2,717.70
Profit for the year	816.17	587.98
<b>Less: Appropriations</b>		
- Interim Dividend on Equity shares	642.17	89.69
- Expense relating to buyback of Equity shares	0.92	74.72
<b>Balance at the year end</b>	<b>3,314.35</b>	<b>3,141.27</b>
<b>Total Other equity</b>	<b>3,542.09</b>	<b>3,362.72</b>

## 25. Non-Current Borrowings

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
<b>Vehicle loans (secured)</b>		
From banks (foreign currency)	-	1.25
	<b>-</b>	<b>1.25</b>

**25.1** Vehicle loans are secured against vehicles acquired under the scheme & are repayable in equal monthly instalment up to 31 December 2023 & rate of interest is 5.17% to 10% p.a.

## 26. Lease Liabilities

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
Lease liabilities (refer note 57)	23.52	24.95
	<b>23.52</b>	<b>24.95</b>

## 27. Other Financial Liabilities (Non-Current)

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
Security Deposits payable	1.37	1.01
	<b>1.37</b>	<b>1.01</b>



## Notes to the Consolidated Financial Statements

as at 31 March 2024

### 28. Other Non-Current Liabilities

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Deferred Government Grant	2.34	2.67
	<b>2.34</b>	<b>2.67</b>

### 29. Provisions (Non-Current)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits (Net)		
Gratuity (Refer Note 51.2)	13.50	2.32
Compensated absences (Refer Note 51.3)	26.04	21.83
	<b>39.54</b>	<b>24.15</b>

### 30. Deferred Tax Liabilities (Net)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Tax effect of items constituting - Deferred tax liabilities</b>		
Difference in tax base of property, plant and equipment (A)	143.50	132.02
Unrealised gain/loss on securities carried at FVOCI/FVTPL (B)	(0.91)	(0.80)
<b>Tax effect of items constituting - Deferred tax assets</b>		
MAT credit entitlement (C)	-	2.98
Disallowance under income tax (D)	34.09	30.52
<b>Deferred tax liabilities (net) (A+B)-(C+D)</b>	<b>108.50</b>	<b>97.72</b>

### 31. Borrowings (Current)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Current Maturities of long-term borrowing</b>		
Vehicle loans (secured)	1.49	0.18
	<b>1.49</b>	<b>0.18</b>

### 32. Lease Liabilities

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities (refer note 57)	10.27	9.25
	<b>10.27</b>	<b>9.25</b>

### 33. Trade Payables

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	20.64	37.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	442.56	384.83
	<b>463.20</b>	<b>422.77</b>

(Refer Note 63 for disclosure relating to Micro & Small Enterprises)

## Notes to the Consolidated Financial Statements

as at 31 March 2024

### 34. Other Financial Liabilities (Current)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Unpaid dividend*	0.72	0.82
Unpaid sale proceeds of fractional shares* (31 March 2024 ₹ 15,291 and 31 March 2023 ₹ 15,291)	0.00	0.00
Capital creditors	43.18	29.81
Book overdraft	1.56	3.84
Employee benefits payable	29.29	8.85
Forward exchange contracts used for hedging	-	18.82
Provision for anticipated sales return (Refer note 56)	223.27	186.43
Other payables	0.01	-
Liability on account of share buy back	-	388.27
	<b>298.03</b>	<b>636.84</b>

\* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31 March 2024..

### 35. Other Current Liabilities

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Advances from customers	39.32	10.01
Statutory dues payable	20.08	12.81
Deferred government grant	0.33	0.33
	<b>59.73</b>	<b>23.15</b>

### 36. Provisions (Current)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits (net)		
Gratuity (Refer Note 51.2)	10.73	8.71
Compensated absences (Refer Note 51.3)	7.03	5.31
	<b>17.76</b>	<b>14.02</b>

### 37. Current Tax Liabilities (Net)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Provision for tax (net of income tax assets)	44.77	33.07
	<b>44.77</b>	<b>33.07</b>

### 38. Liabilities Classified as Held for Sale

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Liability against Assets held for sale (Refer note 68)	0.51	-
	<b>0.51</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 39. Revenue from Operations

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Sale of products (Refer note 55)</b>		
Finished goods	3,448.59	3,004.22
Stock-in-trade	713.00	703.30
<b>Other operating revenues</b>		
Export incentives	27.16	14.85
Others	19.96	20.27
	<b>4,208.71</b>	<b>3,742.64</b>

## 40. Other Income

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net gain on disposal of Property, Plant and Equipment	3.49	0.84
Income from financial assets carried at FVTPL		
Gain on sale/redemption of Current Investments	11.12	17.12
Gain on financial instrument at FVTPL	22.82	-
Income on financial assets carried at amortised cost		
Interest on deposits with banks	0.15	0.52
Interest from others	27.56	7.94
Exchange difference (net)	15.87	66.07
Miscellaneous income	3.59	6.15
	<b>84.60</b>	<b>98.64</b>

## 41. Cost of Material Consumed

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Raw material consumed	752.99	697.27
Packing material consumed	186.44	181.09
	<b>939.43</b>	<b>878.36</b>

## 42. Purchase of Stock-In-Trade

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchases of stock-in-trade	166.35	146.28
	<b>166.35</b>	<b>146.28</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 43. Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Inventories at the beginning of the year:</b>		
Work-in-progress	52.46	46.50
Finished goods	278.69	262.82
Stock-in-trade	168.37	192.29
<b>(A)</b>	<b>499.52</b>	<b>501.61</b>
<b>Inventories at the end of the year:</b>		
Work-in-progress	54.35	52.46
Finished goods	291.31	278.69
Stock-in-trade	194.75	168.38
<b>(B)</b>	<b>540.41</b>	<b>499.53</b>
<b>Effect of foreign exchange translation</b>	<b>(C)</b>	<b>1.68</b>
<b>Total changes in inventories of finished goods, work-in-progress and stock-in-trade:</b>		
Work-in-progress	(1.89)	(5.96)
Finished goods	(12.62)	(15.77)
Stock-in-trade	(24.70)	47.49
<b>Total changes in inventories of finished goods, work-in-progress and stock-in-trade:</b>	<b>(A) - (B) + (C)</b>	<b>(39.21)</b>
		<b>25.76</b>

## 44. Employee Benefit Expenses

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	825.67	731.16
Share-based payment expense (refer note 52)	5.49	0.22
Contribution to provident and other funds	36.41	33.83
Gratuity expenses (refer note 51)	20.35	7.76
Staff welfare expenses	12.42	12.17
	<b>900.34</b>	<b>785.14</b>

## 45. Finance Cost

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expenses	7.21	5.84
	<b>7.21</b>	<b>5.84</b>

## 46. Depreciation and Amortisation Expense

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 8)	118.14	114.94
Amortisation on intangible assets (refer note 8)	5.01	4.10
Depreciation on right-of-use assets (Refer note 8)	12.25	11.27
Amortisation on investment property (Refer note 8)	-	0.49
	<b>135.40</b>	<b>130.80</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 47. Other expenses

₹ in Crore

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Selling expenses	248.63	221.69
Clearing and forwarding	164.42	237.23
Medical Literature Expenses	11.79	15.58
Field Travelling Expenses	42.96	38.92
Consultancy Charges	58.77	44.90
Travelling expenses	99.78	77.69
Processing charges	13.63	13.59
Power and fuel	66.57	65.71
Advertisement and publicity	4.49	5.02
Consumption of stores & spare parts	48.75	66.33
Product registration expenses	51.30	45.90
Rent (refer note 57)	7.38	7.59
Rates and taxes	1.43	1.62
Legal and professional fees	42.44	42.65
Postage, telephone and stationery expenses	12.78	12.62
<b>Repairs &amp; maintenance</b>		
Buildings	4.10	5.39
Plant and machinery	38.42	41.86
Computers & others	11.95	12.55
Insurance	15.55	15.80
Loss on Investment at FVTPL	9.11	2.30
Donation (refer note 67)	5.57	4.79
Bad debts written off, allowance for doubtful trade receivables (net)	0.06	0.02
Loss on financial instrument at FVTPL	-	18.82
Loss on sale/discard of property, plant and equipment (net)	-	6.19
Clinical and analytical charges	37.59	55.55
Director sitting fees	0.37	0.32
Corporate social responsibility expenses (refer note 60)	17.32	16.37
Commission to directors	0.12	6.72
Miscellaneous expenses	54.59	40.13
	<b>1,069.87</b>	<b>1,123.85</b>

## 48. 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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 2024 was as follows.

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings	1.49	1.43
Less: Cash and Cash Equivalents and current investments	(459.54)	(840.10)
Adjusted net debt	(458.05)	(838.67)
Equity	3,567.36	3,387.99
Adjusted net debt to equity ratio	(0.13)	(0.25)

## 49. Basic and Diluted Earnings per Share is Calculated as under

The numerator and denominator used to calculate Basic and diluted earnings per share:

Particulars		As at 31 March 2024	As at 31 March 2023
Profit after non-controlling interest attributable to Equity shareholders- for Basic EPS (₹ in Crore)	A	816.17	587.98
Add: Dilutive effect on profit (₹ in Crore)*	B	-	-
Numerator for calculating dilutive earning per share (₹ in Crore)	C=A-B	816.17	587.98
Weighted Average Number of Equity Shares outstanding - for Basic EPS	D	12,59,15,562	12,81,18,877
Add: Dilutive effect of ESOP outstanding- Number of Equity Shares*	E	90,479	3,994
Weighted Average Number of Equity Shares for Diluted EPS	F=D+E	12,60,06,041	12,81,22,871
Face Value per Equity Share (₹)		2	2
Basic Earnings Per Share (₹)**	A/D	64.82	45.89
Diluted Earnings Per Shares (₹)**	C/F	64.77	45.89

\* On account of Employee Stock Option Scheme 2011 (ESOS) and Share-based Incentive Plan 2019 - (Refer note 52).

\*\* Earning per share has been computed after given effect of the share buyback.

**50.** Consolidated Financial Statements present the consolidated accounts of the Holding Company and following subsidiary companies.

**50.1** Details of subsidiaries of the Group are as under

Name of the Company	Country of Incorporation	% voting power held as at 31 March 2024
Ajanta Pharma (Mauritius) Ltd. ("APML")	Mauritius	100%
Ajanta Pharma USA Inc. ("APUI")	U.S.A.	100%
Ajanta Pharma Philippines Inc. ("APPI")	Philippines	100%
Ajanta Pharma Nigeria Ltd. ("APNL")	Nigeria	100%

**50.2** Ajanta Pharma (Mauritius) International Ltd., a wholly-owned subsidiary of APML, was removed from register of companies u/s 308 of the Companies Act, 2001 (Mauritius) by Business registration department vide its letter dated 27 September 2022.

**50.3** The financial statements of the subsidiaries used for consolidation are for the period from 01 April 2023 to 31 March 2024.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 51. Employee Benefits in Respect of the Holding Company

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

### 51.1 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	₹ in Crore	
	Year ended 31 March 2024	Year ended 31 March 2023
Provident Fund and Employee's Pension Scheme	32.93	29.75
Employees State Insurance and others	3.48	4.05
<b>Total</b>	<b>36.41</b>	<b>33.80</b>

### 51.2 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 Companies scheme provides for payment to vested employees as under:

#### 51.2.1 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. A benefit ceiling of ₹ 0.20 Crore is applied only for Director.

#### 51.2.2 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 2024. 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:

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
<b>i) Changes in Defined Benefit Obligation</b>		
Opening defined benefit obligation	58.78	48.19
Current service cost	9.59	7.59
Interest cost	3.93	2.99
Actuarial loss/(gain)		
- Changes in financial assumptions	0.67	(1.53)
- Changes in demographic assumptions	-	-
- Experience adjustments	2.68	5.21
Past service cost	10.27	-

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
Benefit (paid)	(4.59)	(3.67)
<b>Closing defined benefit obligation</b>	<b>81.33</b>	<b>58.78</b>
<b>ii) Changes in value of Plan Assets</b>		
Opening value of plan assets	47.75	41.92
Interest Income	3.43	2.82
Return on plan assets excluding amount included in Interest Income	(0.53)	(0.18)
Contributions by employer	11.04	6.49
Benefits (paid)	(4.59)	(3.66)
<b>Closing value of plan assets</b>	<b>57.10</b>	<b>47.75</b>
<b>iii) Amount recognised in the Balance Sheet</b>		
Present value of funded obligations as at year end	81.33	58.78
Fair value of the plan assets as at year end	(57.10)	(47.75)
<b>Net liability recognised as at the year end</b>	<b>24.23</b>	<b>11.03</b>
<b>iv) Expenses recognised in the Statement of Profit and Loss</b>		
Current Service Cost	9.59	7.59
Past Service cost	10.27	-
Net Interest cost	0.49	0.17
<b>Net expenses recognised in the Statement of Profit and Loss</b>	<b>20.35</b>	<b>7.76</b>
<b>Expenses recognised in the Statement of Other comprehensive income</b>		
<b>Net actuarial loss/(gain) recognised in the current year</b>		
- Changes in financial assumptions	0.67	(1.53)
- Changes in demographic assumptions	-	-
- Experience adjustments	2.68	5.20
Return on plan assets excluding amounts included in interest income	0.53	(0.18)
<b>Net (Expenses)/Income recognised in the Statement of Other comprehensive income</b>	<b>3.88</b>	<b>3.49</b>
<b>v) Asset information</b>		
Insurer Managed Funds (100%)	100%	100%
(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)		
<b>vi) Principal actuarial assumptions used</b>		
Discount rate (p.a.)	7.20%	7.35%
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
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)	5.83	6.33
Withdrawal Rate (%):		
<b>Age Band</b>		
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%
<b>vii) Estimate of amount of contribution in immediate next year</b>	<b>10.73</b>	<b>8.72</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 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.

Particulars	₹ in Crore			
	As at 31 March 2024		As at 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	79.15	83.64	57.13	60.54
Salary growth rate (0.5% movement)	83.70	79.06	60.28	57.32
Withdrawal rate (W.R.) Sensitivity (10% movement)	81.09	81.55	58.74	58.80

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.

## 51.3 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 policies. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly, ₹ 33.07 Crore (31 March 2023 ₹ 27.14 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 2023 ₹ Nil).

## 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 2023 ₹ Nil). 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 ₹ 2.96 Crore (31 March 2023 ₹ 3.28 Crore).

## 52. Share-Based Payments

The Holding Company has established "Employee Stock Options Scheme 2011" ('ESOP-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, the Company made the decision to withdraw the Employee Stock Options Scheme 2011 in the Nomination & Remuneration committee meeting held on 31 January 2024, with immediate effect.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

During the year 91,350 option have been granted and 3,750 option cancelled by the Company under the aforesaid Share-based Incentive Plan 2019 to the employees (including KMP's) of the Group.

Grant Date	No. of option Granted	No. of Option Cancelled	Exercise Price	Vesting Period
10 May 2022	-	2,000	-	-
05 May 2022	11,600	1,750	₹ 2/-	05 May 2024 to 05 May 2026
27 July 2023	79,750	-	₹ 2/-	27 July 2024 to 01 January 2027

Details of options granted during the year to Key Managerial Personnel are as below:

Name of the Employee	Designation	Number of options	Grant/exercise price
Mr. Arvind K. Agrawal	Chief Financial Officer	3,000	₹ 2/-
Mr. Gaurang C. Shah	Company Secretary	1,500	₹ 2/-

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 Share-based Incentive Plan 2019 are as under:

Particulars	As at 31 March 2024 Nos.	As at 31 March 2024 Nos.
Option outstanding as at the beginning of the year	4,000	3,000
Add: Option granted during the year	91,350	2,000
Less: Option exercised during the year	1,000	1,000
Less: Option lapsed/cancelled during the year	3,750	-
Option outstanding as at the year End	90,600	4,000

Particulars	As at 31 March 2024 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average share price at the date of exercise (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the year	4,000	2.00	2.00	-	1.60
Add: Options granted during the year	91,350	2.00	2.00	-	1.36
Less: Options exercised during the year	1,000	2.00	2.00	1,312.60	-
Less: Options lapsed/cancelled during the year	3,750	-	-	-	-
Options outstanding as at the year end	90,600	2.00	2.00	-	1.37

Particulars	As at 31 March 2023 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average share price at the date of exercise (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the year	3,000	2.00	2.00	-	1.08
Add: Options granted during the year	2,000	2.00	2.00	-	1.31
Less: Options exercised during the year	1,000	2.00	2.00	1,147.41	-
Less: Options lapsed/cancelled during the year	-	-	-	-	-
Options outstanding as at the year end	4,000	2.00	2.00	-	1.60

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## Effect of Share-Based Plan in Profit & Loss:

For details of the related employee benefits expense, refer note 44.

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	Share Based Incentive Plan 2019					
Particulars	500 option	3,000 option	3,000 option	2,000 option	11,600 option	79,750 option
Grant date	27 September 2019	20 May 2020	30 April 2021	10 May 2022	05 May 2023	27 July 2023
Last date for acceptance	27 October 2019	19 June 2020	30 May 2021	09 June 2022	03 June 2023	25 August 2023
Risk free rate (%)	5.20	5.20	4.53	7.06	7.05	7.14
Expected Life (years)	2	1	1 to 3	3 to 4	1 to 3	1 to 4
Volatility (%)	13.74	14.67	14.57	13.12	13.12	13.12
Dividend yield (%)	0.55	0.71	0.76	0.68	0.86	0.86
Price of the underlying share in the market at the time of option grant (₹)	1,055	1,439	1,842	1,105	1,298	1,553
Fair value of options (₹)	1,041	1,425	1,792	1,078	1,273	1,522
Exercise price (₹)	2	2	2	2	2	2

The particulars of the options Share Based Incentive Plan 2019 granted to Employees of Subsidiary are as below:

Variables	Weighted Average Information		
Plan	Share Based Incentive Plan 2019		
Particulars	500 option	3,000 option	13,000 option
Grant date	27 September 2019	20 May 2020	27 July 2023
Last date for acceptance	27 October 2019	19 June 2020	25 August 2023
Risk free rate (%)	5.20	5.20	7.14
Expected Life (years)	2	1	1 to 4
Volatility (%)	13.74	14.67	13.12
Dividend yield (%)	0.55	0.71	0.86
Price of the underlying share in the market at the time of option grant (₹)	1,055	1,439	1,553
Fair value of options (₹)	1,041	1,425	1,522
Exercise price (₹)	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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

**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.

## 53. Financial Instrument – Fair Values and Risk Management

### A. Fair Value Measurements

Financial instruments by category	As at 31 March 2024		As at 31 March 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investment in Limited Liability Partnership	18.58	-	25.10	-
Forward exchange contracts used for hedging	12.48	-	-	-
Investments in NCDs/NC MLDs	37.12	251.79	161.56	46.18
Investments in CPs	-	30.90	-	124.21
Investments in mutual funds	10.24	-	178.32	-
Investment in unquoted equity shares (31 March 2024 ₹ 37,050, 31 March 2023 ₹ 37,050)	-	0.00	-	0.00
Trade receivables	-	1,246.84	-	1,056.90
Other non-current financial assets	-	9.36	-	11.09
Cash and cash equivalents	-	129.49	-	329.83
Bank balances other than cash and cash equivalents	-	1.28	-	1.07
Current loans	-	33.96	-	17.39
Interest receivable	-	6.54	-	2.48
<b>Total Financial assets</b>	<b>78.42</b>	<b>1,710.16</b>	<b>364.98</b>	<b>1,589.15</b>
<b>Financial Liabilities</b>				
Borrowings and book overdraft	-	3.05	-	5.27
Other non-current financial liabilities	-	1.37	-	1.01
Non-current lease liabilities	-	23.52	-	24.95
Capital creditors	-	43.18	-	29.81
Other current financial liabilities	-	224.00	-	575.52
Unpaid sale proceeds if fractional shares (31 March 2024 ₹ 15,291, 31 March 2023 ₹ 15,291)	-	0.00*	-	0.00#
Employee benefits payable	-	29.29	-	8.85
Current lease liabilities	-	10.27	-	9.25
Forward exchange contracts used for hedging	-	-	18.82	-
Trade payables	-	463.20	-	422.77
<b>Total Financial liabilities</b>	<b>-</b>	<b>797.88</b>	<b>18.82</b>	<b>1,077.43</b>

Fair value measurement of lease liabilities is not required.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 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 2024			As at 31 March 2023		
	Level			Level		
	I	II	III	I	II	III
<b>Financial assets</b>						
<b>Recurring fair value measurement</b>						
Investment in Limited liability partnership	-	-	18.58	-	-	25.10
Forward exchange contracts used for hedging	-	12.48	-	-	-	-
Investments in NCDs/NC MLDs	-	37.12	-	-	161.56	-
Investments in mutual funds	10.24	-	-	178.32	-	-
<b>Total Financial assets</b>	<b>10.24</b>	<b>49.60</b>	<b>18.58</b>	<b>178.32</b>	<b>161.56</b>	<b>25.10</b>
<b>Financial Liabilities</b>						
Forward exchange contracts used for hedging	-	-	-	-	18.82	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.82</b>	<b>-</b>

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 market link 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 tables show the valuation techniques used in measuring Level 2 & Level 3 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.	Not applicable	Not applicable
Non-Current Financial assets (Investment)	Discounted Cash flow: The valuation model considers the present value of expected receipts/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 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.

## 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 2024		
	Carrying amount	Weighted average loss rate	Loss allowance
Not due	1,113.82	0.00%	-
Past due up to 180 days	111.00	1.52%	1.69
Past due 181 - 365 days	24.27	4.70%	1.14
Past dues 366 - 730 days	0.69	15.94%	0.11
Past dues 731 - 1096 days	4.98	100.00%	4.98
More than 1096 days	0.91	100.00%	0.91
	<b>1,255.67</b>		<b>8.83</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

₹ in Crore

Particulars	As at 31 March 2023		
	Carrying amount	Weighted average loss rate	Loss allowance
Not due	942.48	0.00%	-
Past due up to 180 days	98.84	0.82%	0.80
Past due 181 - 365 days	14.57	4.05%	0.59
Past dues 366 - 730 days	8.90	73.03%	6.50
Past dues 731 - 1096 days	0.06	100.00%	0.06
More than 1096 days	3.09	100.00%	3.09
	<b>1,067.94</b>		<b>11.04</b>

## 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 2024, Group had 76 customers (31 March 2023: 83 customers) that owed the Company more than ₹ 0.50 Crore each and accounted for approximately 91% and 91% of the total outstanding as at 31 March 2024 and 31 March 2023.

### Expected Credit Loss Assessment

As per simplified approach, the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date wherever required. The trend of the bad debts is negligible.

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
Gross Carrying amount	1,255.67	1,067.94
Average Expected loss rate	0.70%	1.03%
Carrying amount of trade receivables (net of impairment)	1,246.84	1,056.90

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 2024	As at 31 March 2023
Balance as at the beginning of the year	11.04	14.74
Impairment loss recognised (net)	-	(0.84)
Amounts written off	(2.21)	(2.86)
Balance as at the year end	8.83	11.04

During the year impairment gain has been recognised due to writeback of allowance of trade receivable.

## 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 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 0.55 at 31 March 2024 (1.18 at 31 March 2023)

### 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.

#### As at 31 March 2024

₹ in Crore

Particulars	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade payables	463.20	463.20	463.04	0.16	-	-
Other financial liabilities	299.40	299.40	298.03	1.37	-	-
Lease liabilities	33.79	33.79	10.27	6.09	3.29	14.14
Borrowings	1.49	1.49	1.49	-	-	-
<b>Total</b>	<b>797.88</b>	<b>797.88</b>	<b>772.83</b>	<b>7.62</b>	<b>3.29</b>	<b>14.14</b>

#### As at 31 March 2023

₹ in Crore

Particulars	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade payables	422.77	422.77	422.77	-	-	-
Other financial liabilities	637.85	637.85	636.84	1.01	-	-
Lease liabilities	34.20	34.20	9.25	7.95	4.58	12.42
Borrowings	1.43	1.43	0.18	1.25	-	-
<b>Total</b>	<b>1,096.25</b>	<b>1,096.25</b>	<b>1,096.25</b>	<b>10.21</b>	<b>4.58</b>	<b>12.42</b>

## 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## Sensitivity Analysis on Interest Rate

The Company's fixed rate bank deposits and securities are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

## Sensitivity Analysis on Equity Prices

The Group has invested its surplus funds primarily in debt based mutual funds. The value of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis. The Company has not performed a sensitivity analysis on these mutual funds based on estimated fluctuations in their NAV as in management's opinion, such analysis would not display a correct picture.

## 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 2024:

₹ in Crore						
Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Naira	Total
Bank balances	80.97	4.32	12.24	9.00	0.10	106.63
Trade receivables	1,007.33	4.74	31.15	82.17	-	1,125.39
Payables	(46.69)	(1.81)	(0.92)	(10.84)	(0.22)	(60.48)
Borrowings	-	-	-	(1.49)	-	(1.49)
<b>Net assets/(liabilities)</b>	<b>1,041.61</b>	<b>7.25</b>	<b>42.47</b>	<b>78.84</b>	<b>(0.12)</b>	<b>1,170.05</b>

The following table analyses foreign currency risk as of 31 March 2023:

								₹ in Crore
Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Naira	Australian Dollar	Sterling Pound	Total
Bank balances	208.22	3.60	24.49	9.76	0.06	-	-	246.13
Trade receivables	838.02	3.78	40.74	76.43	-	-	-	958.97
Payables	(99.27)	(3.26)	(2.85)	(12.08)	(0.41)	(0.01)	(0.01)	(117.89)
Borrowings	-	-	-	(1.43)	-	-	-	(1.43)
Net assets/(liabilities)	946.97	4.12	62.38	72.68	(0.35)	(0.01)	(0.01)	1,085.78

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

For the year ended 31 March 2024 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%)	10.41/(10.41)
Euro (EUR)	+1%/(-1%)	0.07/(0.07)
Mauritian Rupee (MUR)	+1%/(-1%)	0.42/(0.42)
Philippine Peso (PHP)	+1%/(-1%)	0.79/(0.79)
Nigerian Naira (NN)	+1%/(-1%)	0.00/(0.00)

For the year ended 31 March 2023 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%)	9.47/(9.47)
Euro	+1%/(-1%)	0.04/(0.04)
Mauritian Rupee (MUR)	+1%/(-1%)	0.62/(0.62)
Philippine Peso (PHP)	+1%/(-1%)	0.73/(0.73)
Nigerian Naira (NN)	+1%/(-1%)	0.00/(0.00)
Australian Dollar (AUD)	+1%/(-1%)	0.00/(0.00)
Sterling Pound (GBP)	+1%/(-1%)	0.00/(0.00)

## 54. 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 2024	As at 31 March 2023	Buy or Sell	Cross Currency
	Foreign Currency Amount in Crore	Foreign Currency Amount in Crore		
Euro	5.00	5.80	SELL	INR
USD	13.20	8.05	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 Amount in Crore	Foreign Currency Amount in Crore	Foreign Currency
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	
Amount Receivable	74.44	-	0.89	-	USD
	-	34.09	-	0.38	EURO
	0.04	-	#	-	GBP
Amount Payable	234.31	171.03	2.81	2.08	USD
	4.08	1.06	0.05	0.01	EURO
	-	0.01	-	@	GBP
	-	0.00	-	*	AUD

#4,084 @GBP 693 \*AUD 1,800

Solid Foundation. Crafting the Future.



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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.

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
Foreign Currency Term Loan	1.49	1.43

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.

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
Increase in interest rate by 100 basis points	(0.01)	(0.01)
Decrease in interest rate by 100 basis points	0.01	0.01

55. 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

Particulars	₹ in Crore	
	Year ended 31 March 2024	Year ended 31 March 2023
India	1,307.76	1,174.00
Emerging Market	1,641.70	1,515.51
Africa Institution	248.60	190.23
USA	963.53	827.78
<b>Total revenue from contract with customers</b>	<b>4,161.59</b>	<b>3,707.52</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	4,161.59	3,707.52

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.

Revenue Break-up	₹ in Crore	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue as per contracted price</b>	<b>8,067.32</b>	<b>7,265.65</b>
Adjusted for:		
Sales Return (including provisions)	95.15	86.61
Chargeback, rebates and discounts	3,674.94	3,338.97
Others (Price adjustment, anticipated sales return)	135.64	132.55
<b>Total</b>	<b>3,905.73</b>	<b>3,558.13</b>
<b>Net Sale</b>	<b>4,161.59</b>	<b>3,707.52</b>

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

The Company normally sells goods on credit which varies from 14 to 21 days for domestic sales and 30 to 270 days in case of export sales. This does not involve any significant financing element.

We have one customer having more than 10% of Group’s Revenue amounting to ₹ 487.11 Crore.

Contract Liability (Advances from Customers):

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
Contract Liabilities	39.32	10.01

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31 March 2024.

56. Provision for Anticipated Sales Return

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	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	186.43	163.13
Add: Provisions made during the year	36.84	23.30
Less: Amount written back/utilised during the year	-	-
<b>Balance at the end of the year</b>	<b>223.27</b>	<b>186.43</b>

57. Disclosure for 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. A Single discount rate has been applied to a portfolio of leases with reasonably similar characteristics.

Right-Of-Use Assets

As at 31 March 2024

Particulars	₹ in Crore		
	Buildings	Land	Total
<b>Cost</b>			
As at 01 April 2023	37.11	62.59	99.70
Additions to ROU assets	12.05	-	12.05
De-recognition of ROU assets	(1.63)	-	(1.63)
<b>Balance at 31 March 2024</b>	<b>47.53</b>	<b>62.59</b>	<b>110.12</b>
<b>Accumulated depreciation and impairment</b>			
As at 01 April 2023	16.02	2.82	18.84
Depreciation	11.24	0.95	12.19
Eliminated on disposals of assets	(1.31)	-	(1.31)
<b>Balance at 31 March 2024</b>	<b>25.95</b>	<b>3.77</b>	<b>29.72</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## As at 31 March 2023

₹ in Crore			
Particulars	Buildings	Land	Total
<b>Cost</b>			
As at 01 April 2022	42.23	62.59	104.82
Additions to ROU assets	22.43	-	22.43
De-recognition of ROU assets	(27.55)	-	(27.55)
<b>Balance at 31 March 2023</b>	<b>37.11</b>	<b>62.59</b>	<b>99.70</b>
<b>Accumulated depreciation and impairment</b>			
As at 01 April 2022	32.70	1.87	34.57
Depreciation	10.80	0.95	11.75
Eliminated on disposals of assets	(27.48)	-	(27.48)
<b>Balance at 31 March 2023</b>	<b>16.02</b>	<b>2.82</b>	<b>18.84</b>

₹ in Crore	
<b>Carrying amounts</b>	
<b>As at 01 April 2023</b>	<b>80.85</b>
<b>Balance at 31 March 2024</b>	<b>80.40</b>
As at 01 April 2022	70.25
Balance at 31 March 2023	80.85

## Lease Expenses Recognised in Statement of Profit and Loss not included in the measurement of lease liabilities:

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Short-term lease expense	7.38	7.59
<b>Total lease expense</b>	<b>7.38</b>	<b>7.59</b>

## Cash Outflow on Leases

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Repayment of lease liabilities (includes interest of ₹ 3.68 Crore for year ending 31 March 2024 and ₹ 3.51 Crore for year ending 31 March 2023)	(16.24)	(14.25)
<b>Total cash outflow on leases</b>	<b>(16.24)</b>	<b>(14.25)</b>

## Movement in Lease Liabilities

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Opening Lease liabilities</b>	<b>34.20</b>	<b>23.12</b>
Addition during the year	12.15	21.82
Interest accrued during the year	3.68	3.51
Payment of Lease liabilities (including interest)	(16.24)	(14.25)
<b>Closing Lease liabilities</b>	<b>33.79</b>	<b>34.20</b>
Non-Current	23.52	24.95
Current	10.27	9.25

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## Maturity Analysis of Lease Liabilities – Contractual Undiscounted Cash Flows

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Less than 1 year	13.35	11.32
1 to 5 years	18.96	15.92
More than 5 years	93.69	94.10

## 58. Contingent Liabilities and Commitments

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Claims against the Company not acknowledged as debt</b>		
i. Customs Duty on import under Advance License Scheme, pending fulfilment of Exports obligation	5.10	2.32
ii. Disputed Octroi. Amount paid under protest and included under "Other Current Assets" ₹ 0.52 Crore (31 March 2023 ₹ 0.52 Crore)	0.52	0.52
iii. Excise duty, Service Tax, VAT and GST disputed by the Company	3.81	1.10
iv. Other matter	0.61	0.61

The Company has two ongoing patent litigations as on 31 March 2024. 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.

## 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.

## Commitments:

Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 151.35 Crore (31 March 2023 ₹ 86.97 Crore).

## 59. Related party Disclosure as Required by Ind AS 24 are given below:

### A) Relationships where control exist

#### 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

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

Dr. Anjana Grewal	Independent Director
Mr. Arvind K. 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

A.I. Printers

## Category III - Others (Close Member of Key Management Personnel):

Ms. Tanya Agrawal

Mr. Yash Agrawal

Mr. Aayush M. Agrawal

Mr. Ravi P. Agrawal

## B) Following Transactions were Carried out with Related Parties

₹ in Crore				
Sr. No	Particulars	Category	Year ended 31 March 2024	Year ended 31 March 2023
1.	Purchase of Packing Material			
	A.I. Printers	II	0.05	-
2.	Compensation to Key Management & Others			
2.1	Short-Term Employee Benefits			
	Remuneration			
	Mr. Madhusudan B. Agrawal	I	4.21	3.62
	Mr. Yogesh M. Agrawal	I	13.60	12.33
	Mr. Rajesh M. Agrawal	I	13.60	12.33
	Mr. Arvind Agrawal	I	1.84	1.57
	Mr. Gaurang Shah	I	0.97	0.88
	Ms. Tanya Agrawal	III	0.11	0.10
	Mr. Yash Agrawal	III	0.04	-
	Commission to Executive Director			

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

₹ in Crore				
Sr. No	Particulars	Category	Year ended 31 March 2024	Year ended 31 March 2023
	Mr. Yogesh M. Agrawal	I	8.00	3.30
	Mr. Rajesh M. Agrawal	I	8.00	3.30
	Commission and Sitting Fees to Non-Executive Director			
	Mr. Mannalal B. Agrawal	I	0.08	0.07
	Mr. Chandrakant M Khetan	I	0.14	0.12
	Mr. K. H. Viswanathan	I	0.11	0.09
	Mr. Prabhakar Dalal	I	0.10	0.08
	Dr. Anjana Grewal	I	0.09	0.07
2.2	Post-employment benefits	I & III	2.38	0.44
2.3	Share-based payment			
	Mr. Arvind K. Agrawal	I	0.11	-
	Mr. Gaurang C. Shah	I	0.05	-
3.	Dividend Paid			
	Key Management Personnel	I	0.20	0.03
	Others	II & III	425.20	63.21
4.	Corporate Social Responsibility Expense			
	Seth Bhagwandas Agrawal Charitable Trust	II	-	0.90
	Samta Purushottam Agrawal Memorial Foundation	II	5.35	5.86
	Ajanta Foundation	II	0.31	0.20
	Mamta and Madhusudan Agrawal Memorial Foundation	II	3.75	4.45
	Manisha Yogesh Agrawal Foundation	II	0.73	0.25
5.	Contribution made to Group gratuity trust paid to LIC			
	Ajanta Pharma Limited Group Gratuity Trust	II	11.04	6.85
6.	Buyback of Equity Share			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	-	48.07
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	-	48.07
	Ravi P. Agrawal, Trustee Ravi Agrawal Trust	III	-	43.28
	Aayush M Agrawal, Trustee Aayush Agrawal Trust	III	-	39.34
	Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal & Mr. Ravi P. Agrawal	III	-	10.04
	Mr. Arvind K. Agrawal	I	-	0.11
	Mr. Gaurang C. Shah (* ₹ 45,600)	I	-	0.00*
	Mr. Chandrakant M. Khetan (# ₹ 21,375)	I	-	0.00#

## C) Amount Outstanding as on 31 March 2024

₹ in Crore				
Sr. No	Particulars	Category	As at 31 March 2024	As at 31 March 2023
1.	Trade Payables			
	A.I. Printers	II	0.05	-
2.	Other Advances			
	Ajanta Foundation	II	0.01	-
	Manisha Yogesh Agrawal Foundation	II	0.02	-
3.	Commission Payable to Executive Director			
	Yogesh M. Agrawal	I	8.00	3.30
	Rajesh M. Agrawal	I	8.00	3.30
4.	Commission Payable to Non-Executive Director			
	Mr. Chandrakant M. Khetan	I	0.05	0.04
	Mr. K. H. Viswanathan	I	0.03	0.03
	Mr. Prabhakar Dalal	I	0.03	0.03



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

₹ in Crore				
Sr. No	Particulars	Category	As at 31 March 2024	As at 31 March 2023
	Dr. Anjana Grewal	I	0.03	0.03
5.	<b>Buyback of Equity Share</b>			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	-	48.07
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	-	48.07
	Ravi P. Agrawal, Trustee Ravi Agrawal Trust	III	-	43.28
	Aayush M. Agrawal, Trustee Aayush Agrawal Trust	III	-	39.34
	Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal & Mr. Ravi P. Agrawal	III	-	10.04
	Mr. Arvind K. Agrawal	I	-	0.11
	Mr. Gaurang C. Shah (*₹ 45,600)	I	-	0.00*
	Mr. Chandrakant M. Khetan (#₹ 21,375)	I	-	0.00#

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 ESOP given to Employees of Subsidiary provided in note 52.

## 60. 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:

₹ in Crore			
Sr. No.	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a)	Amount required to be spent by the Company during the year	16.43	15.54
(b)	Amount approved by the Board to be spent during the year	16.43	15.54
(c)	Amount spent during the year		
	(i) Construction/acquisition of asset	-	-
	(ii) On purposes other than (i) above	17.32	16.37
	(iii) Shortfall at the end of the year	-	-
	(iv) Total of previous year shortfall	-	-
	(v) Nature of CSR activities	Promoting education, Medical assistance, Community development & promoting of sports	
(d)	Details of related party transactions (refer note 59)	10.14	11.66

## 61. 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 2024

## a) Revenue from External Customers

₹ in Crore		
	Year ended 31 March 2024	Year ended 31 March 2023
India	1,307.76	1,174.00
Emerging Market	1,641.70	1,515.51
Africa Institution	248.60	190.23
USA	963.53	827.78
	<b>4,161.59</b>	<b>3,707.52</b>

## b) Non-Current Assets (other than Financial Instruments and Deferred Tax Assets)

₹ in Crore		
	Year ended 31 March 2024	Year ended 31 March 2023
India	1,766.10	1,745.82
Africa	1.50	1.60
Asia	5.25	4.07
USA	9.03	7.79
	<b>1,781.88</b>	<b>1,759.28</b>

## 62. Remuneration to Auditors of the Company and its Subsidiaries (Excluding GST)

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
- Audit Fees	0.29	0.25
- Limited Review	0.32	0.28
- For Certification and other matters (including OPE)	0.25	0.22
Local Statutory of Subsidiaries		
- For audit	0.33	0.28
- For Certification and other matters (including OPE)	0.02	0.04

## 63. 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 2024	Year ended 31 March 2023
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	20.64	37.94
Interest due on above	-	-
ii. 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.	-	-
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.	-	-

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

The following is ageing schedule for Trade payables for the year ended 31 March 2024:

₹ in Crore					
Particulars	Unbilled	Not due	Less than 1 year	1-2 years	Total
(i) MSME	-	20.64	-	-	20.64
(ii) Others	1.19	411.03	30.18	0.16	442.56
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>1.19</b>	<b>431.67</b>	<b>30.18</b>	<b>0.16</b>	<b>463.20</b>

The following is ageing schedule for Trade payables for the year ended 31 March 2023:

₹ in Crore					
Particulars	Unbilled	Not due	Less than 1 year	1-2 years	Total
(i) MSME	-	37.94	-	-	37.94
(ii) Others	11.93	336.97	35.86	0.07	384.83
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>11.93</b>	<b>374.91</b>	<b>35.86</b>	<b>0.07</b>	<b>422.77</b>

## 64. Analytical Ratios

Ratio	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	Variance (%)
Current Ratio (in times)	Total current assets	Total current liabilities	3.04	2.48	22.61
Debt – Equity Ratio (in times)	Total Debt (Lease liability)	Total equity	0.01	0.01	(5.93)
Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	132.41	125.16	5.79
Return on Equity (%)*	Profit for the year less preference dividend (if any)	Average total equity	23.47%	17.68%	32.76
Inventory Turnover Ratio (in times)	Sale of products	Average Inventory	5.06	4.62	9.70
Trade receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivable	3.65	3.60	1.37
Trade payables turnover ratio (in times)	Net Credit Purchases (Raw material, packing material and purchase of traded goods)	Average Trade Payables	2.42	2.82	(14.05)
Net capital turnover ratio (in times)	Revenue from operations	Working Capital (Total current assets less Total current liabilities)	2.30	2.21	3.78
Net profit ratio (%)	Profit for the year	Revenue from operations	19.39%	15.71%	23.44
Return on capital employed (ROCE) (%)*	Profit before tax and finance costs	Capital Employed (Net worth + Lease liability + Deferred tax liability)	30.21%	21.33%	41.63
Return on investment (%)#	Income generated from invested funds	Average invested funds	8.87%	6.13%	44.70

\* Increase in profit due to combined benefits of reduction in API prices, reduced logistics cost and stabilisation in US price erosion.

# During the year investment made for longer period with higher interest rate.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 65. 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 2024	Year ended 31 March 2023
<b>Amount in respect to</b>		
Capital Expenditure	4.83	18.20
Revenue Expenditure	207.73	237.01
<b>Total</b>	<b>212.56</b>	<b>255.21</b>

## 66 Additional information, as required under Schedule III of the Companies Act, 2013, of enterprises consolidated as Subsidiary

As of 31 March 2024

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
<b>Holding Company</b>								
Ajanta Pharma Ltd.	95.7%	3,413.57	98.9%	807.24	-311.8%	(2.52)	98.5%	804.72
<b>Foreign Subsidiaries</b>								
APML	2.5%	88.30	-2.2%	(17.76)	-66.2%	(0.53)	-2.2%	(18.29)
APPI	2.3%	81.66	2.3%	18.99	236.8%	1.91	2.6%	20.90
APUI	3.6%	129.02	3.0%	24.89	211.4%	1.71	3.3%	26.60
APNL	0.0%	(0.12)	0.0%	(0.00)	29.7%	0.24	0.0%	0.24
Total Eliminations/Adjustments	-3.5%	(123.74)	-2.1%	(17.19)	0.0%	-	-2.1%	(17.19)
Exchange difference on translation of foreign operations	-0.6%	(21.32)	0.0%	-	0.0%	-	0.0%	-
<b>Total</b>		<b>3,567.36</b>		<b>816.17</b>		<b>0.81</b>		<b>816.98</b>

As of 31 March 2023

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
<b>Holding Company</b>								
Ajanta Pharma Ltd.	95.8%	3,246.45	95.0%	558.72	-15.3%	(2.27)	92.3%	556.45
<b>Foreign Subsidiaries</b>								
APML	3.1%	106.59	-1.2%	(7.14)	56.2%	8.34	0.2%	1.20
APPI	2.7%	89.89	4.1%	24.24	8.9%	1.32	4.2%	25.56
APUI	3.0%	101.79	1.9%	11.35	50.2%	7.46	3.1%	18.81
APNL	0.0%	(0.36)	0.0%	(0.09)	0.0%	0.01	0.0%	(0.08)
Total Eliminations/Adjustments	-4.1%	(138.38)	0.2%	0.89	0.0%	-	0.1%	0.89
Exchange difference on translation of foreign operations	-0.5%	(18.00)	0.0%	-	0.0%	-	0.0%	-
<b>Total</b>		<b>3,387.99</b>		<b>587.98</b>		<b>14.85</b>		<b>602.83</b>

Refer Annexure "B" of Director's Report for salient features of the financial statements of subsidiaries.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## 67. Donation

Donation includes political contribution to Bharatiya Janata Party of ₹ 5.00 Crore in year ending 31 March 2024 and ₹ 4.00 Crore in year ending 31 March 2023 (through electoral bond).

## 68. Asset Held for Sale

- a) During the year, the Parent Company has entered into agreement for sale of its one of the freehold land assets, for which ₹ 0.51 Crore advance has been received and recognised as Liability against Assets held for sale, subject to fulfilment of certain condition. Transaction is expected to be completed in the next year the said freehold land assets aggregating to ₹ 8.85 Crore has been reclassified from Property, plant and equipment to assets held for sale.
- b) In the previous year, the Parent Company has entered into agreement for sale of its investment properties and the said properties aggregating to ₹ 7.92 Crore has been reclassified from investment properties to assets held for sale.
- c) In the previous year, Ajanta Pharma Mauritius Limited (APML), a wholly-owned subsidiary, has entered into an arrangement for sale of its Leasehold improvements, Plant & Machinery, Furniture & Fixtures, Office equipment at BPML Building, Royal Road, Goodlands, Mauritius for a value of MUR 5 million, and the said properties has been reclassified as asset held for sale.
- d) Rental income recognised in profit or loss for investment properties aggregates to ₹ 0.01 Crore (31 March 2023 ₹ 0.35 Crore). Maintenance and other expenses aggregating to ₹ 0.01 Crore (31 March 2023 ₹ 0.04 Crore).

## 69. Income Tax

Amount recognised in statement of profit and loss

### a) Current Tax

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current tax on profit for the year	298.22	175.58
Adjustment for current tax of earlier periods*	23.84	21.66
<b>Total Current Tax expenses</b>	<b>322.06</b>	<b>197.24</b>
<b>Deferred tax expense/(benefit)</b>		
Origination and reversal of timing difference	(27.28)	(36.99)
Adjustment for earlier periods	-	-
MAT Credit Entitlement	2.98	(2.98)
<b>Total Deferred Tax expenses</b>	<b>(24.30)</b>	<b>(39.97)</b>
<b>Total income tax recognised in the income statement</b>	<b>297.76</b>	<b>157.27</b>

\* Tax expenses for earlier periods amounting to ₹ 23.84 Crore (31 March 2023 tax credit ₹ 21.66 Crore) comprises short tax provision for FY 2022-23 and reversal of certain deduction which were non-deductible based on subsequent judicial rulings.

### 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 2024	Year ended 31 March 2023
Accounting profit before income taxes	1,113.93	745.25
Enacted tax rate in India (%)	34.94%	34.94%
Computed expected tax (benefit)/expenses	389.26	260.42
Tax effect due to non-taxable income for India tax purpose	(5.93)	(15.87)
Overseas taxes	14.00	11.15
Effect of non-deductible expenses	42.18	15.19

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Temporary difference which is reversed during the Tax Holiday period	(0.49)	(1.76)
Tax effect which is chargeable at different rate	-	(9.62)
Other deductible expenses	(18.96)	(13.05)
Adjustment for current tax of prior periods	23.84	21.66
MAT Credit entitlement	2.98	(2.98)
Deduction for Tax Holiday Unit	(149.12)	(107.87)
<b>Income tax expenses</b>	<b>297.76</b>	<b>157.27</b>
<b>Effective tax rate</b>	<b>26.73%</b>	<b>21.10%</b>

### c) Recognised Deferred Asset and Liability

₹ in Crore						
Particulars	Deferred tax asset		Deferred tax liabilities		Net deferred tax asset/(liabilities)	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Property, Plant and equipment	-	-	143.50	132.02	(143.50)	(132.02)
Gain on Investment at FVTPL	0.91	0.80	-	-	0.91	0.80
Leave Encashment	11.56	9.48	-	-	11.56	9.48
Provision for return of Expired Goods	16.70	16.70	-	-	16.70	16.70
Diminution in the value of investments	2.76	0.48	-	-	2.76	0.48
MAT Credit Entitlement	-	2.98	-	-	-	2.98
Provision for Loss Allowance	3.08	3.86	-	-	3.08	3.86
Temporary difference related to subsidiaries	27.26	21.30	-	-	27.26	21.30
Others	107.18	75.47	-	-	107.18	75.47
<b>Net deferred tax asset/(liabilities)</b>	<b>169.45</b>	<b>131.07</b>	<b>143.50</b>	<b>132.02</b>	<b>25.95</b>	<b>(0.95)</b>

### d) Movement in Deferred Tax Balances 31 March 2024

₹ in Crore					
Particulars	Net balance as at 01 April 2023	Recognised in Profit and loss	Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and equipment	(132.02)	(11.48)	(143.50)	-	(143.50)
Gain on Investment at FVTPL	0.80	0.10	0.91	0.91	-
Leave Encashment	9.48	2.08	11.56	11.56	-
Provision for return of Expired Goods	16.70	0.00	16.70	16.70	-
Diminution in the value of investments	0.48	2.28	2.76	2.76	-
MAT Credit Entitlement	2.98	(2.98)	-	-	-
Provision for Loss Allowance	3.86	(0.78)	3.08	3.08	-
Temporary difference related to subsidiaries	21.30	5.95	27.26	27.26	-
Others	75.47	31.71	107.18	107.18	-
<b>Net deferred tax asset/(liabilities)</b>	<b>(0.94)</b>	<b>26.90</b>	<b>25.95</b>	<b>169.45</b>	<b>(143.50)</b>



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## Movement in Deferred Tax Balances 31 March 2023

₹ in Crore

Particulars	Net balance as at 01 April 2022	Recognised in Profit and loss	Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and equipment	(126.89)	(5.13)	(132.02)	-	(132.02)
Gain on Investment at FVTPL	(3.13)	3.93	0.80	0.80	-
Leave Encashment	8.34	1.14	9.48	9.48	-
Provision for return of Expired Goods	14.19	2.51	16.70	16.70	-
Diminution in the value of investments	0.48	-	0.48	0.48	-
MAT Credit Entitlement	-	2.98	2.98	2.98	-
Provision for Loss Allowance	5.15	(1.29)	3.86	3.86	-
Temporary difference related to subsidiaries	26.29	(4.99)	21.30	21.30	-
Others	29.26	46.21	75.47	75.47	-
<b>Net deferred tax asset/(liabilities)</b>	<b>(46.31)</b>	<b>45.36</b>	<b>(0.95)</b>	<b>131.07</b>	<b>(132.02)</b>

The charge relating to temporary differences during the year ended 31 March 2024 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 2023 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. 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.

## 70. Additional Disclosures Required by Schedule III (amendments dated 24 March 2021) to the Companies Act, 2013

### A. Relationship with Struck Off Company

There is no such transaction with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

### B. Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### C. Utilisation of Borrowings Availed from Banks

The borrowings obtained by The Group from banks have been applied for the purposes for which such loans were taken.

### D. Details of Benami Property Held

No proceedings have been initiated on or are pending against The Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### E. Wilful Defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

### F. Compliance with Number of Layers of Companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

### G. Compliance with Approved Scheme(s) of Arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

## H. Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

## I. Utilisation of Borrowed Funds and Share Premium

- 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:
  - 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
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 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:
  - 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
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### In terms of our report attached.

#### For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Sreeja Marar

Partner

Membership No.: 111410

Place: Mumbai

Date: 02 May 2024

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

Yogesh M. Agrawal

Managing Director

DIN: 00073673

Arvind K. Agrawal

Chief Financial Officer

Rajesh M. Agrawal

Joint Managing Director

DIN: 00302467

Gaurang C. Shah

Company Secretary

FCS No.: 6696

# Independent Auditor's 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 2024, 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 material 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 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Revenue Recognition

See Note 6.10 of accounting policies and note 36 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
As stated in Note 6.10 to the standalone financial statements, revenue from sale of products is recognised at a point in time when control of the products is transferred to the customer. Revenue from the sale of goods is measured based on the transaction price adjusted for discounts and rebates, which is specified in contract with customers.	Our procedures in respect of recognition of revenue included the following: <ul style="list-style-type: none"><li>Verifying the accounting policies adopted by the Company with respect to recognition of revenue by comparing with the applicable accounting standards.</li><li>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.</li><li>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.</li><li>Analysing and testing high risk journal entries that contain unusual combinations of credit to revenue with no associated debit to cash, debtors or another revenue account.</li></ul>
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.	
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.	

### 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matter(s)

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. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 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 financial statements and 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.

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 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

## Independent Auditor's Report

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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- 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.
- e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph [2B(f)] below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. 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 Auditors) 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 2024 on its financial position in its standalone financial statements - Refer Note 53 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- 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 61(A) to the standalone financial statements, 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 person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like 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 61(B) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail was not enabled (i) at the database level to log any direct data changes; (ii) at the application level for two fields relating to production and inventory and (iii) for certain changes at the application level which were performed by users having privileged access rights. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

- 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

Place: Mumbai

Membership No.: 111410

Date: 02 May 2024

ICAI UDIN: 24111410BKGOA9656



## Annexure A to the Independent Auditor's Report

on the Standalone Financial Statements of Ajanta Pharma Limited for the year ended 31 March 2024

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(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 lessee) disclosed in the 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 or both 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 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 made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year other than loan to employees. The Company has granted employee loans during the year. Accordingly, we have reported the provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order to the extent applicable to the Company with respect to employee loans.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided employee loans as below:

Particulars	Loans (₹ in Crore)
Aggregate amount during the year	1.22
Others	
Balance outstanding as at balance sheet date	2.19
Others	

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans 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 or advance in the nature of loan granted 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.

(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 or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) 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 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 provisions of Section 186 of the Act have been complied with

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

₹ in Crore						
Name of the statute	Nature of the 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	CESTAT, Hyderabad
Central Goods & Service Tax Act, 2017	GST	0.01	0.01	-	FY 2017-18	CESTAT, Palghar
Central Excise Act 1944	Excise duty	0.20	0.20	-	FY 2010-11 to FY 2015-16	CESTAT, Bengaluru

(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 accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act 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 a 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 01 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, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

## Annexure A to the Independent Auditor's Report

₹ in Crore

Name of the statute	Nature of the dues	Amount demanded	Amount not deposited under dispute	Amount deposited under dispute	Period to which the amount relates	Forum where dispute is pending
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	CESTAT (Odisha)
Central Goods & Service Tax Act, 2017	GST	0.29	0.28	0.01	F.Y. 2017-18	Joint Commissioner Appeals (UP)
Central Goods & Service Tax Act, 2017	GST	0.07	0.07	-	FY 2017-18	Joint Commissioner Appeals (Bihar)
Central Goods & Service Tax Act, 2017	GST	0.13	0.13	-	FY 2018-19	Joint Commissioner Appeals (Bihar)
Gujarat VAT Act	CST	0.02	0.02	-	FY 2017-18	Assistant Commissioner, Ahmedabad
Central Goods & Service Tax Act, 2017	GST	0.07	0.07	-	FY 2017-18	Joint Commissioner Appeals - (Kerala)
Central Goods & Service Tax Act, 2017	GST	0.06	0.06	-	FY 2018-19	Joint Commissioner Appeals - Bengaluru
Central Goods & Service Tax Act, 2017	GST	2.59	2.59	-	FY 2017-18	Additional Commissioner of State Tax, Appeal (AP)

(viii) 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 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 the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(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 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 the information and explanations given to us and on 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 obligations 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 moneys 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 examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards

on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(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 Act, 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 information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the 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 Act 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 the 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

Place: Mumbai

Membership No.: 111410

Date: 02 May 2024

ICAI UDIN: 24111410BKGQOA9656

## Annexure B to the Independent Auditor's Report

on the standalone financial statements of Ajanta Pharma Limited for the year ended 31 March 2024

**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 Act**

**(Referred to in paragraph 2(A)(g) 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 financial statements of Ajanta Pharma Limited ("the Company") as of 31 March 2024 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 2024, 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 and Board of Directors' Responsibilities 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 Act.

### Auditor's 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 financial statements.

### 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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

Place: Mumbai

Date: 02 May 2024

Membership No.: 111410

ICAI UDIN: 24111410BKGQOA9656



Standalone Balance Sheet

as at 31 March 2024

₹ in Crore			
Particulars	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	8	1,376.86	1,399.84
(b) Capital work-in-progress	8	256.45	209.47
(c) Right-of-use assets	8	75.42	79.29
(d) Other intangible assets (other than self generated)	8	12.61	4.88
(e) Financial assets			
(i) Investments	9	37.09	42.99
(ii) Other non-current financial assets	10	8.92	10.99
(f) Non-current tax assets (net)	11	-	0.83
(g) Other non-current assets	12	8.42	5.31
<b>Total non-current assets</b>		<b>1,775.77</b>	<b>1,753.60</b>
<b>Current assets</b>			
(a) Inventories	13	677.79	683.77
(b) Financial assets			
(i) Investments	14	330.05	510.27
(ii) Trade receivables	15	1,207.67	977.63
(iii) Cash and cash equivalents	16	61.78	268.85
(iv) Bank balances other than cash and cash equivalents	17	1.28	1.07
(v) Loans	18	15.40	17.01
(vi) Other financial assets	19	19.02	2.48
(c) Other current assets	20	119.83	82.19
		<b>2,432.82</b>	<b>2,543.27</b>
Assets classified as held for sale	21	8.85	7.92
<b>Total current assets</b>		<b>2,441.67</b>	<b>2,551.19</b>
<b>Total assets</b>		<b>4,217.44</b>	<b>4,304.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	22	25.27	25.27
(b) Other equity	23	3,388.30	3,221.18
<b>Total equity</b>		<b>3,413.57</b>	<b>3,246.45</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	24	22.42	24.95
(ii) Other financial liabilities	25	1.37	1.01
(b) Provisions	26	39.54	24.15
(c) Deferred tax liabilities (net)	27	108.50	97.72
(d) Other non-current liabilities	28	2.34	2.67
<b>Total non-current liabilities</b>		<b>174.17</b>	<b>150.50</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	29	8.10	7.95
(ii) Trade payables	30		
(a) total outstanding dues of micro enterprises and small enterprises		20.64	37.94
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		363.10	315.08
(iii) Other financial liabilities	31	122.56	498.22
(b) Other current liabilities	32	59.73	23.15
(c) Provisions	33	17.76	14.02
(d) Current tax liabilities (net)	34	37.30	11.48
		<b>629.19</b>	<b>907.84</b>
Liabilities classified as held for sale	35	0.51	-
<b>Total current liabilities</b>		<b>629.70</b>	<b>907.84</b>
<b>Total liabilities</b>		<b>803.87</b>	<b>1,058.34</b>
<b>Total equity and liabilities</b>		<b>4,217.44</b>	<b>4,304.79</b>
Material accounting policies	1 to 7		
The notes referred to above form an integral part of standalone financials 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

Place: Mumbai  
Date: 02 May 2024

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

Yogesh M. Agrawal  
Managing Director  
DIN: 00073673

Arvind K. Agrawal  
Chief Financial Officer

Rajesh M. Agrawal  
Joint Managing Director  
DIN: 00302467

Gaurang C. Shah  
Company Secretary  
FCS No.: 6696

Standalone Statement of Profit and Loss

for the year ended 31 March 2024

₹ in Crore			
Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
<b>INCOME</b>			
Revenue from operations	36	3,971.12	3,411.27
Other income	37	116.48	132.75
<b>Total income</b>		<b>4,087.60</b>	<b>3,544.02</b>
<b>EXPENSES</b>			
Cost of materials consumed	38	939.43	878.36
Purchase of stock-in-trade	39	162.16	149.04
Changes in inventories of finished goods/ stock-in-trade/ work-in-progress	40	(22.17)	(21.99)
Employee benefits expense	41	834.16	720.41
Finance costs	42	6.80	5.23
Depreciation and amortisation expense	43	132.16	126.95
Other expenses	44	938.11	986.17
<b>Total expenses</b>		<b>2,990.65</b>	<b>2,844.17</b>
<b>Profit before tax</b>		<b>1,096.95</b>	<b>699.85</b>
Tax expense:	65		
- Current tax			
For current year		253.74	122.40
For earlier years		23.84	21.66
- Deferred tax (net)		12.13	(2.93)
<b>Total tax expense</b>		<b>289.71</b>	<b>141.13</b>
<b>Profit for the year</b>		<b>807.24</b>	<b>558.72</b>
<b>Other comprehensive income/(loss)</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Re-measurement of defined benefit liability/(assets)		(3.88)	(3.49)
Income tax relating to items that will not be reclassified to profit or loss		1.36	1.22
<b>Net other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss</b>		<b>(2.52)</b>	<b>(2.27)</b>
<b>Other comprehensive income/(loss) for the year (net of income tax)</b>		<b>(2.52)</b>	<b>(2.27)</b>
<b>Total comprehensive income for the year</b>		<b>804.72</b>	<b>556.45</b>
<b>Earnings per equity share (Face Value ₹ 2/-)</b>	46		
Basic (₹)		64.11	43.61
Diluted (₹)		64.06	43.61
Material accounting policies	1 to 7		
The notes referred to above form an integral part of standalone financials 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

Place: Mumbai  
Date: 02 May 2024

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

Yogesh M. Agrawal  
Managing Director  
DIN: 00073673

Arvind K. Agrawal  
Chief Financial Officer

Rajesh M. Agrawal  
Joint Managing Director  
DIN: 00302467

Gaurang C. Shah  
Company Secretary  
FCS No.: 6696

## Standalone Statement of Changes in Equity

for the year ended 31 March 2024

### A. Equity share capital (Refer note 22)

₹ in Crore

Particulars	Balance as at 1 April 2023	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 2024
Authorised	30.00	-	30.00	-	30.00
Issued, Subscribed & Paid up (Changes in equity share on account of ESOP ₹ 2,000)	25.27	-	25.27	0.00	25.27

₹ in Crore

Particulars	Balance as at 1 April 2022	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 2023
Authorised	30.00	-	30.00	-	30.00
Issued, Subscribed & Paid up	17.17	-	17.17	8.10	25.27

### B. Other equity (Refer note 23)

₹ in Crore

Particulars	Reserves and Surplus					Items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)	Total Other Equity
	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings		
<b>Balance as at 1 April 2022</b>	<b>2.62</b>	<b>-</b>	<b>460.21</b>	<b>0.30</b>	<b>2,694.98</b>	<b>(6.10)</b>	<b>3,152.01</b>
Profit for the year	-	-	-	-	558.72	-	558.72
Other comprehensive income (net of tax)	-	-	-	-	-	(2.27)	(2.27)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>558.72</b>	<b>(2.27)</b>	<b>556.45</b>
Utilised for allotment of Bonus Shares (Refer note 22.1)	(2.62)	(0.18)	(5.73)	-	-	-	(8.53)
Utilised for buy-back of Equity Shares (Refer note 22.8)	-	-	(315.00)	-	-	-	(315.00)
Payment of Expenses for buyback of shares (Refer note 22.8)	-	-	-	-	(1.44)	-	(1.44)
Transfer to Capital Redemption Reserve for buyback of Equity Shares (Refer note 22.8)	0.44	-	-	-	-	-	0.44
Exercised stock options	-	0.18	-	(0.18)	-	-	-
Share-based payment expense	-	-	-	0.22	-	-	0.22
Deemed Investment in Subsidiary on account of ESOP	-	-	-	-	-	-	-
ESOP Cancelled/Lapsed during the year	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	(89.69)	-	(89.69)
Tax on buyback of Equity Shares (Refer note 22.8)	-	-	-	-	(73.28)	-	(73.28)
<b>Balance as at 31 March 2023</b>	<b>0.44</b>	<b>-</b>	<b>139.48</b>	<b>0.34</b>	<b>3,089.29</b>	<b>(8.37)</b>	<b>3,221.18</b>
Profit for the year	-	-	-	-	807.24	-	807.24
Other comprehensive income (net of tax)	-	-	-	-	-	(2.52)	(2.52)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>807.24</b>	<b>(2.52)</b>	<b>804.72</b>
Utilised for allotment of Bonus Shares (Refer note 22.1)	-	-	-	-	-	-	-
Utilised for buy-back of Equity Shares (Refer note 22.8)	-	-	-	-	-	-	-

## Standalone Statement of Changes in Equity

for the year ended 31 March 2024

₹ in Crore

Particulars	Reserves and Surplus					Items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)	Total Other Equity
	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings		
Payment of Expenses for buyback of shares (Refer note 22.8)	-	-	-	-	(0.92)	-	(0.92)
Transfer to Capital Redemption Reserve for buyback of Equity Shares (Refer note 22.8)	-	-	-	-	-	-	-
Exercised stock options	-	0.18	-	(0.18)	-	-	-
Share-based payment expense	-	-	-	5.06	-	-	5.06
Deemed Investment in Subsidiary on account of ESOP	-	-	-	0.62	-	-	0.62
ESOP Cancelled/Lapsed during the year	-	-	-	(0.19)	-	-	(0.19)
Dividend paid	-	-	-	-	(642.17)	-	(642.17)
Tax on buyback of Equity Shares (Refer note 22.8)	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>0.44</b>	<b>0.18</b>	<b>139.48</b>	<b>5.65</b>	<b>3,253.44</b>	<b>(10.89)</b>	<b>3,388.30</b>

### 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 and if related to employee of subsidiary then debited to investment in subsidiary account 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.

Material 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

Place: Mumbai  
Date: 02 May 2024

#### For and on behalf of Board of Directors of

##### Ajanta Pharma Limited

CIN - L24230MH1979PLC022059

##### Yogesh M. Agrawal

Managing Director  
DIN: 00073673

Arvind K. Agrawal  
Chief Financial Officer

##### Rajesh M. Agrawal

Joint Managing Director  
DIN: 00302467

Gaurang C. Shah  
Company Secretary  
FCS No.: 6696

## Standalone Statement of Cash Flow

for the year ended 31 March 2024

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,096.95	699.85
Adjustment for:		
Depreciation and amortisation expense	132.16	126.95
Loss/(Gain) on sale/ retirement of property, plant and equipment (net)	(3.49)	1.52
Finance cost	6.80	5.23
Dividend from subsidiaries	(29.13)	(35.14)
Loss/(Gain) on fair value of investment	9.11	2.30
Loss/(Gain) on fair value of derivative	(22.82)	18.82
Income from investments & deposits	(38.44)	(25.31)
Deferred Government Grant	(0.33)	(0.33)
Equity settled share-based payment	4.87	0.22
Unrealised foreign exchange Gain	(9.42)	(14.08)
Impairment (Gain)/Loss on financial assets	-	(0.84)
<b>Operating cash flow before working capital changes</b>	<b>1,146.26</b>	<b>779.19</b>
Changes in working capital:		
Decrease in other non-current financial assets	1.33	0.85
Decrease in non-current assets	-	0.20
Decrease/(Increase) in inventories	5.98	(48.67)
Decrease/(Increase) in current loans	1.61	(10.88)
(Increase)/Decrease in trade receivables	(221.02)	81.94
Decrease in other current financial assets	6.28	15.20
(Increase)/Decrease in other current assets	(37.64)	5.16
Increase/(Decrease) in non-current other financial liabilities	0.36	(0.09)
Increase in non-current other liabilities	0.66	0.66
Increase in non-current provisions	15.39	4.83
Increase in trade payables	30.86	78.46
(Decrease) in other current financial liabilities	(0.75)	(11.89)
Increase/(Decrease) in other current liabilities	36.58	(34.06)
Liabilities classified as held for sale	0.51	-
Increase in current provisions	1.22	0.95
<b>Cash generated from operating activities</b>	<b>987.63</b>	<b>861.85</b>
Net income tax paid	(252.28)	(125.56)
<b>Net cash generated from operating activities (a)</b>	<b>735.35</b>	<b>736.29</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment & intangible assets including capital advances	(152.57)	(175.66)
Proceeds from sale of property, plant and equipment	12.18	0.57
Bank balances not considered as cash and cash equivalents	0.44	4.35
Dividend from subsidiaries	29.13	35.14
Purchase of current investments	(2,079.76)	(1,666.86)
Proceeds from sale of current investments	2,257.39	1,276.15
Interest income on investments and deposits	38.21	25.00
<b>Net cash generated/(used) in investing activities (b)</b>	<b>105.02</b>	<b>(501.31)</b>

## Standalone Statement of Cash Flow

for the year ended 31 March 2024

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Equity Shares (Current Year ₹ 2,000, 31 March 2023 ₹ 2,000)	0.00	0.00
Interest paid	(3.42)	(1.76)
Payment of lease liability (includes interest of ₹ 3.38 Crore in current year and ₹ 3.47 Crore in previous year)	(12.91)	(12.23)
Payment for buyback of equity shares (Refer note 22.8)	(315.00)	-
Payment for tax on buyback of equity shares (Refer note 22.8)	(73.28)	-
Payment of expenses for buyback of equity shares (Refer note 22.8)	(0.92)	(1.44)
Dividend paid	(642.17)	(89.69)
<b>Net cash used in financing activities (c)</b>	<b>(1,047.70)</b>	<b>(105.12)</b>
<b>Net (Decrease) / Increase in cash and cash equivalents (a+b+c)</b>	<b>(207.33)</b>	<b>129.86</b>
Cash and cash equivalents as at the beginning of the year	268.85	139.83
<b>Cash and cash equivalents as at the end of the year</b>	<b>61.52</b>	<b>269.69</b>
<b>Reconciliation of cash and cash equivalents with the Balance sheet</b>		
Cash and cash equivalents as at the end of the year	61.52	269.69
Unrealised gain/(loss) on foreign currency cash and cash equivalents	0.26	(0.84)
<b>Cash and cash equivalents restated balance as per balance sheet (Refer Note 16)</b>	<b>61.78</b>	<b>268.85</b>

Figures in brackets indicates outflow.

### Notes:

- 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.
- 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).
- During the year the Company paid ₹ 17.32 Crore (31 March 2023 ₹ 16.37 Crore) towards corporate social responsibility (CSR) expenditure included in corporate social responsibility expenditure (Refer note 55).
- Movement in lease liabilities (Refer note 52).

Material 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

Place: Mumbai

Date: 02 May 2024

### For and on behalf of Board of Directors of

#### Ajanta Pharma Limited

CIN - L24230MH1979PLC022059

#### Yogesh M. Agrawal

Managing Director  
DIN: 00073673

#### Arvind K. Agrawal

Chief Financial Officer

#### Rajesh M. Agrawal

Joint Managing Director  
DIN: 00302467

#### Gaurang C. Shah

Company Secretary  
FCS No. 6696



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

## 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 Exchanges 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 have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act. These standalone financial statements have been prepared on an accrual basis and under the historical cost basis, except otherwise stated.

The standalone financial statements for the year ended 31 March 2024 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 02 May 2024.

### Use of Estimates and Judgements:

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, 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 underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

### Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes

### Classification of Lease as per Ind AS 116:

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the

lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### Estimates:

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes.

### Recognition of Current and Deferred tax assets:

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve.

Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

### 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.

### Intangible Assets:

Intangible assets majorly consist 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.

### 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.

### 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 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.

### Provision for Anticipated Sales Return:

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on scientific basis after factoring in the historical data of such returns and its trend.

## 3. Functional and Presentation Currency

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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

## 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. Material Accounting Policies

### 6.1 Property, Plant and Equipment

#### Recognition and measurement:

Items of PPE are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of PPE comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly to the attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.

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 replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work-in-progress. 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.

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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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.

#### Transition to Ind AS:

The cost of property, plant and equipment as at 1 April 2016, the Companies date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

#### Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

#### Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of PPE is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions/disposals is provided on a pro-rata basis i.e. from/up to the date on which is asset is ready to use/disposed off. Freehold land is not depreciated.

The estimated useful lives of Tangible assets are as follows

PPE	Useful Life
Buildings*	5 Years to 60 Years
Plant and Equipment*	3 Years to 25 Years
Furniture and Fixtures*	10 Years
Vehicles	8 Years to 10 Years
Office Equipments*	3 Years to 5 Years

\* For these class of assets, the useful life of assets is different than the prescribed life as per Part C of Schedule II of the Companies Act, 2013. The different useful life is based on internal technical evaluation by the Company and historical usage of assets.

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.

### 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 asset 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 are 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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

## 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, including related transaction 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.

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.

## 6.4 Non-current Assets Classified as Held for Sale

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Classified as Held for Sale". Once classified as held for sale, intangible assets, investment property and property, plant and equipment are no longer amortised or depreciated.

## 6.5 Financial Instruments

Trade receivables and debt securities issued are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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 excluding trade receivable(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 (FVOCI)).

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

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

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

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

Fair value movements are 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 FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

### Derecognition of Financial Assets:

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

### Impairment of Financial Assets:

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

### Financial Liabilities:

#### Classification:

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

### Initial Recognition and Measurement:

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



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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

## Subsequent Measurement:

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

## Derecognition of Financial Liabilities:

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

## Derivative Financial Instrument:

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

## 6.6 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.

The comparison of cost and Net realisable value is made on an item-by-item basis.

## 6.7 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.

## 6.8 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

## 6.9 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.

## 6.10 Revenue Recognition

### Sale of Goods:

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 their 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.

## 6.11 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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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.

## 6.12 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.

## 6.13 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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 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.

## 6.14 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.

## 6.15 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.

## 6.16 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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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 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.

## 6.17 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.

## 6.18 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.

## 6.19 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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.

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. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



# Notes to the Standalone Financial Statements

as at 31 March 2024

## 8. Property, Plant and Equipment, Capital Work-In -Progress, investment Properties and other Intangible Assets (other than self generated)

### 8.1 Current Year

₹ in Crore									
Particulars	Gross Block (Cost or Deemed cost)			Accumulated Depreciation/Amortisation				Net Block	
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	For the year	Disposals	As at 31 March 2024	As at 31 March 2024
<b>(A) Property, plant and equipment</b>									
Freehold land**	155.55	-	8.85	146.70	-	-	-	-	146.70
Buildings	597.57	11.79	-	609.36	149.74	15.89	-	165.63	443.73
Plant and equipments	1,027.03	69.66	2.84	1,093.85	388.80	70.49	2.38	456.91	636.94
Laboratory equipments	196.17	10.49	0.03	206.63	92.90	18.21	0.01	111.10	95.53
Furniture and fixtures	90.17	1.89	0.01	92.05	54.17	5.69	0.01	59.85	32.20
Vehicles	3.37	0.04	-	3.41	2.29	0.22	-	2.51	0.90
Office equipments	25.67	2.07	0.21	27.53	18.56	2.31	0.20	20.67	6.86
Computers	34.18	7.96	0.57	41.57	23.41	4.69	0.53	27.57	14.00
<b>Total</b>	<b>2,129.71</b>	<b>103.90</b>	<b>12.51</b>	<b>2,221.10</b>	<b>729.87</b>	<b>117.50</b>	<b>3.13</b>	<b>844.24</b>	<b>1,376.86</b>
<b>(B) Other Intangible assets</b>									
Computer Software	26.00	11.61	-	37.61	21.12	3.88	-	25.00	12.61
<b>Total</b>	<b>26.00</b>	<b>11.61</b>	<b>-</b>	<b>37.61</b>	<b>21.12</b>	<b>3.88</b>	<b>-</b>	<b>25.00</b>	<b>12.61</b>
<b>Total (A)+(B)</b>	<b>2,155.71</b>	<b>* 115.51</b>	<b>12.51</b>	<b>2,258.71</b>	<b>750.99</b>	<b>121.38</b>	<b>3.13</b>	<b>869.24</b>	<b>1,389.47</b>
<b>(C) Investment Properties</b>	-	-	-	-	-	-	-	-	-
<b>(D) Capital work-in-progress#</b>	209.47	169.63	122.65	256.45	-	-	-	-	256.45
<b>Total (A)+(B)+(C)+(D)</b>									<b>1,645.92</b>

\* Addition includes ₹ 4.83 Crore used for Research and Development.

\*\* Freehold land ₹ 8.85 Crore classified as assets held for sale (refer note 21).

#### #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 (*)	121.75	36.65	38.86	59.19	256.45

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

CWIP includes cost incurred on corporate house under construction and is schedule to meet the annual rolling plan though there is delay as compared to the original plan due to delays in Government approval, pandemic and various other pediments outside of management control at various stages. There are no identified overruns from budgeted cost.

### 8.2 Previous Year

₹ in Crore									
Particulars	Gross Block (Cost or Deemed Cost)			Accumulated Depreciation/Amortisation				Net Block	
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	For the year	Disposals	As at 31 March 2023	As at 31 March 2023
<b>(A) Property, plant and equipment</b>									
Freehold land	155.55	-	-	155.55	-	-	-	-	155.55
Buildings	579.33	18.87	0.63	597.57	133.85	16.01	0.12	149.74	447.83
Plant and equipments	979.45	52.14	4.56	1,027.03	323.26	68.96	3.42	388.80	638.23
Laboratory equipments	178.08	18.70	0.61	196.17	76.65	16.64	0.39	92.90	103.27

# Notes to the Standalone Financial Statements

as at 31 March 2024

₹ in Crore									
Particulars	Gross Block (Cost or Deemed Cost)			Accumulated Depreciation/Amortisation				Net Block	
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	For the year	Disposals	As at 31 March 2023	As at 31 March 2023
Furniture and fixtures	83.88	6.40	0.11	90.17	48.72	5.49	0.04	54.17	36.00
Vehicles	3.37	-	-	3.37	2.05	0.24	-	2.29	1.08
Office equipments	23.59	2.31	0.23	25.67	16.58	2.20	0.22	18.56	7.11
Computers	28.17	6.94	0.93	34.18	20.09	4.17	0.85	23.41	10.77
<b>Total</b>	<b>2,031.42</b>	<b>105.36</b>	<b>7.07</b>	<b>2,129.71</b>	<b>621.20</b>	<b>113.71</b>	<b>5.04</b>	<b>729.87</b>	<b>1,399.84</b>
<b>(B) Other Intangible assets</b>									
Computer Software	23.89	2.11	-	26.00	18.07	3.05	-	21.12	4.88
<b>Total</b>	<b>23.89</b>	<b>2.11</b>	<b>-</b>	<b>26.00</b>	<b>18.07</b>	<b>3.05</b>	<b>-</b>	<b>21.12</b>	<b>4.88</b>
<b>Total (A)+(B)</b>	<b>2,055.31</b>	<b>* 107.47</b>	<b>7.07</b>	<b>2,155.71</b>	<b>639.27</b>	<b>116.76</b>	<b>5.04</b>	<b>750.99</b>	<b>1,404.72</b>
<b>(C) Investment Properties**</b>	10.93	-	10.93	-	2.52	0.49	3.01	-	-
<b>(D) Capital work-in-progress#</b>	152.86	164.08	107.47	209.47	-	-	-	-	209.47
<b>Total (A)+(B)+(C)+(D)</b>									<b>1,614.19</b>

\* Addition includes ₹ 18.20 Crore used for Research and Development.

\*\* Investment property classified as held for sale (refer note 21)

#### #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 (*)	97.81	51.86	29.37	30.43	209.47

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

### Right-Of-Use Assets

#### 8.3 Current Year

Particulars	Gross Block (Cost or Deemed Cost)			Accumulated Depreciation/Amortisation				Net Block	
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	For the year	Disposals	As at 31 March 2024	As at 31 March 2024
<b>Right-of-use assets</b>									
Leasehold properties	27.98	7.15	1.10	34.03	8.46	9.83	0.86	17.43	16.60
Leasehold land	62.59	-	-	62.59	2.82	0.95	-	3.77	58.82
<b>Total</b>	<b>90.57</b>	<b>7.15</b>	<b>1.10</b>	<b>96.62</b>	<b>11.28</b>	<b>10.78</b>	<b>0.86</b>	<b>21.20</b>	<b>75.42</b>

#### 8.4 Previous Year

Particulars	Gross Block (Cost or Deemed Cost)			Accumulated Depreciation/Amortisation				Net Block	
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	For the year	Disposals	As at 31 March 2023	As at 31 March 2023
<b>Right-of-use assets</b>									
Leasehold properties	34.35	21.17	27.54	27.98	27.19	8.75	27.48	8.46	19.52
Leasehold land	62.59	-	-	62.59	1.87	0.95	-	2.82	59.77
<b>Total</b>	<b>96.94</b>	<b>21.17</b>	<b>27.54</b>	<b>90.57</b>	<b>29.06</b>	<b>9.70</b>	<b>27.48</b>	<b>11.28</b>	<b>79.29</b>

# Notes to the Standalone Financial Statements

as at 31 March 2024

## 9. Investments (Non-current)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unquoted (At cost)</b>		
<b>In Subsidiary Companies</b>		
<b>Ajanta Pharma (Mauritius) Ltd.</b>		
6,13,791 (31 March 2023 6,13,791) Ordinary Shares of Mauritian Rupees 100 each fully paid up	9.44	9.44
<b>Ajanta Pharma USA Inc</b>		
10,000 (31 March 2023 10,000) Common Stock of USD 100 each fully paid up (includes ₹ 1.62 Crore in current year, ₹ 1.00 Crore in previous year related to ESOP granted to employee of subsidiary)	7.69	7.07
<b>Ajanta Pharma Philippines Inc.</b>		
20,00,000 (31 March 2023 20,00,000) Ordinary Shares of Philippines Peso 100 each fully paid up	1.38	1.38
<b>Ajanta Pharma Nigeria Limited</b>		
6,00,00,000 (31 March 2023 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 63)	(1.37)	(1.37)
<b>In Joint Venture</b>		
<b>Turkmenderman Ajanta Pharma Ltd.</b>		
2,00,000 (31 March 2023 2,00,000) Shares of USD 10 each fully paid-up	-	-
Less: Impairment in the value of investments*	-	-
<b>In Others at fair value</b>		
<b>OPGS Power Gujarat Private Limited</b>		
1,95,000 (31 March 2023 1,95,000) Shares of ₹ 0.19 each (Current Year ₹ 37,050, Previous Year ₹ 37,050)	0.00	0.00
<b>In Membership Share in LLP (at Fair Value through Profit or Loss)</b>		
ABCD Technologies LLP (Percentage share 4.03%)	18.58	25.10
	<b>37.09</b>	<b>42.99</b>
Aggregate value of unquoted investments	45.41	51.31
Aggregate value of unquoted investments (net of impairment)	37.09	42.99
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.

## 10. Other Non-Current Financial Assets

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured, considered good unless otherwise stated</b>		
Security Deposits	4.55	6.14
Financial asset at amortised cost	4.16	3.90
<b>In deposit accounts with banks with maturity of more than 12 months from the balance sheet date</b>		
- Under lien	0.19	0.84
Interest accrued on fixed deposits with Banks	0.02	0.11
	<b>8.92</b>	<b>10.99</b>

# Notes to the Standalone Financial Statements

as at 31 March 2024

## 11. Non-Current Tax Assets (Net)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Income tax paid (net of provision ₹ 122.40 Crore 31 March 2023)	-	0.83
	<b>-</b>	<b>0.83</b>

## 12. Other Non-Current Assets

(Unsecured, considered good unless otherwise stated)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	7.88	4.77
VAT receivable	0.02	0.02
Octroi refund receivable	0.52	0.52
	<b>8.42</b>	<b>5.31</b>

## 13. Inventories

(At lower of cost and net realisable value)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials	233.25	264.40
Packing materials	54.71	51.71
Work-in-progress	54.35	52.46
Finished goods (including in transit ₹ 120.57 Crore, 31 March 2023 ₹ 90.06 Crore)	291.31	278.59
Stock-in-trade (including in transit ₹ 5.02 Crore, 31 March 2023 ₹ 3.49 Crore)	44.17	36.61
	<b>677.79</b>	<b>683.77</b>

During the year, the Company recorded inventory write downs of ₹ 4.95 Crore (31 March 2023 ₹ 4.42 Crore). These adjustments were included in cost of material consumed and changes in inventories.

## 14. Current Investments

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Measured at Fair Value through Profit or Loss</b>		
<b>Quoted</b>		
Investments in Market Linked Non-Convertible Debentures	37.12	161.56
Investment in Mutual Funds	10.24	178.32
<b>Measured at Amortised Cost</b>		
<b>Quoted</b>		
Investments in Non-Convertible Debentures	251.79	46.18
<b>Unquoted</b>		
Investment in Commercial Papers	30.90	124.21
	<b>330.05</b>	<b>510.27</b>
Aggregate book value of quoted investments	299.15	386.06
Aggregate market value of quoted investments	299.15	386.06
Aggregate book value of unquoted investments (net of impairment)	30.90	124.21
Aggregate amount of impairment in value of investments	-	-

# Notes to the Standalone Financial Statements

as at 31 March 2024

## 15. Trade Receivables

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured, considered good unless otherwise stated</b>		
Trade receivables considered good	1,207.67	977.63
Trade receivables which have significant increase in credit risk	2.70	2.82
Trade receivables credit impaired	6.13	8.22
	<b>1,216.50</b>	<b>988.67</b>
Less: Loss allowance	(8.83)	(11.04)
<b>Total Trade receivables</b>	<b>1,207.67</b>	<b>977.63</b>
Break-up of security details		
(i) Trade receivables considered good- Secured	-	-
(ii) Trade receivables considered good- Unsecured	1,207.67	977.63
(iii) Trade receivables which have significant increase in credit risk	2.70	2.82
(iv) Trade receivables - credit impaired	6.13	8.22
<b>Total</b>	<b>1,216.50</b>	<b>988.67</b>
Less: Loss allowance	(8.83)	(11.04)
<b>Total Trade receivables</b>	<b>1,207.67</b>	<b>977.63</b>
<b>Of the above, trade receivables from related parties are as below:</b>		
Trade Receivable due from related parties	787.91	634.66
Less: Loss allowance	(1.07)	(0.52)
<b>Net Trade receivables</b>	<b>786.84</b>	<b>634.14</b>

For details of trade receivable owing from related parties, refer note 54.

## Ageing Schedule for Trade Receivables as at 31 March 2024

₹ in Crore							
Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months -1 year	1 -2 year	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	815.71	378.68	12.70	0.58	-	-	1,207.67
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	1.71	1.13	0.10	2.28	0.91	6.13
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	2.70	-	2.70
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>815.71</b>	<b>380.39</b>	<b>13.83</b>	<b>0.68</b>	<b>4.98</b>	<b>0.91</b>	<b>1,216.50</b>
Less – Loss Allowance							(8.83)
<b>Total Trade Receivables</b>							<b>1,207.67</b>

# Notes to the Standalone Financial Statements

as at 31 March 2024

## Ageing Schedule for Trade Receivables as at 31 March 2023

₹ in Crore							
Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 -2 year	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	779.65	194.09	1.49	2.40	-	-	977.63
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.80	0.59	6.50	0.06	0.27	8.22
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	2.82	2.82
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>779.65</b>	<b>194.89</b>	<b>2.08</b>	<b>8.90</b>	<b>0.06</b>	<b>3.09</b>	<b>988.67</b>
Less – Loss Allowance							(11.04)
<b>Total Trade Receivables</b>							<b>977.63</b>

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 49 B 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 49 B.

## 16. Cash and Cash Equivalents

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Cash and cash equivalents (as per Ind AS 7 – "Statement of cash flows")</b>		
Bank Balances		
- In Current Accounts	22.85	37.19
- In EEFC Accounts	38.93	185.16
In Deposit Accounts (with original maturity of 3 months or less)*		
- Under Lien	-	46.50
	<b>61.78</b>	<b>268.85</b>

Balance of ₹ Nil (Previous year ₹ 46.50 Crore) includes deposits account is subject to restrictions on account of share brought back

## 17. Bank Balances Other than Cash and Cash Equivalents

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Earmarked balances with banks</b>		
- Unpaid dividend	0.72	0.82
- Unpaid Sale Proceeds of Fractional Shares (31 March 2024 ₹ 24,226 {including deposit of ₹ 8,935} and 31 March 2023 ₹ 25,289 {including deposit of ₹ 9,998})	0.00	0.00
In deposit accounts (with original maturity of more than 3 months but less than 12 months)		
- Under Lien	0.56	0.25
	<b>1.28</b>	<b>1.07</b>



# Notes to the Standalone Financial Statements

as at 31 March 2024

## 18. Loans

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
Advance to employees	13.21	14.93
Loans to employees	2.19	2.08
	<b>15.40</b>	<b>17.01</b>

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
<b>Loans to employees</b>		
Secured, considered good	-	-
Unsecured, considered good	2.19	2.08
Significant increase in Credit Risk	-	-
Credit impaired	-	-

## 19. Other Current Financial Assets

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
Interest receivable	6.54	2.48
Forward exchange contracts used for hedging	12.48	-
	<b>19.02</b>	<b>2.48</b>

## 20. Other Current Assets

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
<b>Advances other than capital advances</b>		
<b>Advance to vendors</b>		
- Considered Good	34.42	20.99
Prepaid expenses	16.50	12.91
Other advances recoverable	5.79	4.85
<b>Balance with Statutory/Govt. Authorities</b>		
- GST receivable	54.29	40.26
- Customs duty receivable	0.01	0.01
Export benefits receivable	8.82	3.17
	<b>119.83</b>	<b>82.19</b>

## 21. Assets Classified as Held for Sale

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
Assets held for sale (Refer note 64)	8.85	7.92
	<b>8.85</b>	<b>7.92</b>

# Notes to the Standalone Financial Statements

as at 31 March 2024

## 22. Equity Share Capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
<b>Authorised</b>				
Equity shares of ₹ 2 each	15,00,00,000	30.00	15,00,00,000	30.00
<b>Issued, subscribed and paid up:</b>				
Issued, subscribed and fully paid up Equity Shares of ₹ 2 each	12,59,15,655	25.18	12,59,14,655	25.18
Add: Shares Forfeited	7,66,500	0.09	7,66,500	0.09
<b>Total</b>	<b>12,66,82,155</b>	<b>25.27</b>	<b>12,66,81,155</b>	<b>25.27</b>

### 22.1 Movement in Equity Share Capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
<b>Equity shares outstanding at the beginning of the year</b>	12,59,14,655	25.18	8,54,15,770	17.08
Add: Equity shares allotted during the year against option's exercised under employee stock option plan	1,000	0.00 <sup>#</sup>	1,000	0.00 <sup>*</sup>
Less: Equity Shares extinguished on buyback of shares (Refer note 22.8)	-	-	(22,10,500)	(0.44)
Add: Equity shares allotted during the year as Bonus <sup>@</sup>	-	-	4,27,07,885	8.54
Add: Equity shares allotted during the year as Bonus on ESOP option's exercised (Current Year Nil, Previous Year 500)	-	-	500	0.00 <sup>**</sup>
<b>Equity Shares outstanding at the end of the year</b>	<b>12,59,15,655</b>	<b>25.18</b>	<b>12,59,14,655</b>	<b>25.18</b>

<sup>#</sup> ₹ 2,000 <sup>\*</sup> ₹ 2,000 <sup>\*\*</sup> ₹ 1,000

<sup>@</sup> In the previous year, the Company has allotted the bonus shares at a ratio of 1:2 in it's Board Meeting held on 24 June 2022. Accordingly, the number of shares increased from 8,54,16,770 to 12,81,25,155. The paid-up capital on account of Bonus issue of ₹ 2.62 Crore has been appropriated from Capital Redemption Reserve, ₹ 0.18 Crore has been appropriated from Securities Premium and ₹ 5.73 Crore has been appropriated from General Reserve.

### 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 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:

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
Interim and final equity dividend were declared and paid for financial year 2022-23 at ₹ 7.00 per equity share	-	89.69
Interim and final equity dividend were declared and paid for financial year 2023-24 at ₹ 51.00 per equity share	642.17	-
<b>Total</b>	<b>642.17</b>	<b>89.69</b>

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 Standalone Financial Statements

as at 31 March 2024

## 22.3 Details of Shareholders Holding more than 5% Equity Shares

Name of Shareholders	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	% of total shares	Number of Shares	% of total shares
Yogesh M. Agrawal, trustee Yogesh Agrawal Trust	1,82,33,038	14.48	1,82,33,038	14.48
Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	1,82,33,039	14.48	1,82,33,039	14.48
Ravi P. Agrawal, trustee Ravi Agrawal Trust	1,63,86,623	13.01	1,63,86,623	13.01
Aayush M. Agrawal, trustee Aayush Agrawal Trust	1,42,37,664	11.31	1,42,37,664	11.31
Gabs Investments Private Limited	1,25,88,393	10.00	1,25,88,393	10.00

## 22.4 Equity shares reserved for issuance under Employee Stock Options Scheme 2011 of the Company

Particulars	As at 31 March 2024	As at 31 March 2023
	Number of Shares	Number of Shares
Equity shares*	-	10,95,250

\* During the year, the Company made the decision to withdraw the Employee Stock Options Scheme 2011 in the Nomination & Remuneration Committee meeting held on 31 January 2024, with immediate effect.

## 22.5 Equity shares reserved for issuance under Share-based Incentive Plan 2019 of the Company

Particulars	As at 31 March 2024	As at 31 March 2023
	Number of Shares	Number of Shares
Equity shares	4,94,500	4,95,500

## 22.6 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 2024	As at 31 March 2023
	Number of Shares	Number of Shares
Equity shares	2,28,250	2,27,250

## 22.7 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 2024	As at 31 March 2023
	Number of Shares	Number of Shares
Bonus Shares on allotment of ESOP in FY 2022-23	500	500
Bonus Shares issued in FY 2022-23	4,27,07,885	4,27,07,885

## 22.8 Equity shares extinguished on buy-back

### For the year ended on 31 March 2024

Board of Directors have approved buy back of its 10,28,881 equity shares, being 0.82% of the total paid up equity share capital (prior buyback) at ₹ 2,770 per equity share for an aggregate amount of ₹ 285.00 Crore on 02 May 2024.

### For the year ended on 31 March 2023

The Board of Directors of the Company, at its meeting held on 10 March 2023 had approved the proposal of Buy-back of 22,10,500 fully paid-up equity shares of the Company of face value of ₹ 2 each at a price of ₹ 1,425/- per equity share, on a proportionate basis, for an aggregate amount not exceeding ₹ 315.00 Crore through the tender offer process ("Buyback"), in accordance with the provisions of the Companies Act, 2013, and rules made thereunder, and

# Notes to the Standalone Financial Statements

as at 31 March 2024

the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the "SEBI Buyback Regulations"). The buyback issue opened on 31 March 2023 and closed on 10 April 2023. The Company has taken the impact of buyback in previous financial year and paid in current financial year, for this Company has utilised its General Reserve (₹ 315.00 Crore) for the buyback of its equity shares. Total transaction cost of ₹ 2.36 Crore (current year ₹ 0.92 Crore and previous year ₹ 1.44 Crore) incurred towards buyback and tax of ₹ 73.28 Crore was offset from retained earnings. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of ₹ 0.44 Crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

### For the year ended on 31 March 2022

The Company bought back 11,20,000 equity shares for an aggregate amount not exceeding of ₹ 285.60 Crore being 1.29% of the total paid up equity share capital (prior buyback) at ₹ 2,550 per equity share. The equity shares bought back were extinguished on 28 February 2022.

### For the year ended on 31 March 2021

The Company bought back 7,35,000 equity shares for an aggregate amount not exceeding of ₹ 136 Crore being 0.84% of the total paid up equity share capital (prior buyback) at ₹ 1,850 per equity share. The equity shares bought back were extinguished on 30 December 2020.

### For the year ended on 31 March 2019

The Company bought back 7,69,230 equity shares for an aggregate amount not exceeding of ₹ 100 Crore being 0.87% of the total paid up equity share capital (prior buyback) at ₹ 1,300 per equity share. The equity shares bought back were extinguished on 26 March 2019.

## 22.9 Details of Equity Shares held by Promoters at the End of the Year

Name of Promoter	As at 31 March 2024			As at 31 March 2023		
	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	1,82,33,038	14.48	-	1,82,33,038	14.48	47.28
Rajesh M. Agrawal, trustee Rajesh Agrawal Trust	1,82,33,039	14.48	-	1,82,33,039	14.48	47.28
Ravi P. Agrawal, trustee Ravi Agrawal Trust	1,63,86,623	13.01	-	1,63,86,623	13.01	33.48
Aayush M. Agrawal, trustee Aayush Agrawal Trust	1,42,37,664	11.31	-	1,42,37,664	11.31	16.11
Gabs Investments Private Limited	1,25,88,393	10.00	-	1,25,88,393	10.00	50.00
Ganga Exports being represented by Mr. Yogesh M. Agrawal, Mr. Rajesh M. Agrawal & Mr. Ravi P. Agrawal	33,79,297	2.68	-	33,79,297	2.68	46.94
Ravi P. Agrawal	2,85,000	0.23	-	2,85,000	0.23	50.00
Aayush M. Agrawal	30,000	0.02	-	30,000	0.02	50.00

## 23. Other Equity

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	0.44	2.62
Add: Amount transferred upon buyback of shares	-	0.44
Less: Utilised for allotment of bonus shares	-	(2.62)
<b>Balance as at the year end</b>	<b>0.44</b>	<b>0.44</b>
<b>Securities premium</b>		
Balance at the beginning of the year	-	-
Add: Addition during the year	0.18	0.18
Less: Utilisation for buyback of shares	-	-
Less: Utilised for allotment of bonus shares	-	(0.18)
<b>Balance as at the year end</b>	<b>0.18</b>	<b>-</b>

# Notes to the Standalone Financial Statements

as at 31 March 2024

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>General reserve</b>		
Balance at the beginning of the year	139.48	460.21
Less: Utilised for buyback of shares	-	(315.00)
Less: Utilised for allotment of bonus shares	-	(5.73)
<b>Balance as at the year end</b>	<b>139.48</b>	<b>139.48</b>
<b>Employee stock options outstanding account</b>		
Balance at the beginning of the year	0.34	0.30
Add: Share-based payment expense	5.06	0.22
Add: Deemed Investment in Subsidiary (refer note 9)	0.62	-
Less: Exercised during the year	(0.18)	(0.18)
Less: Cancelled/Lapsed during the year	(0.19)	-
<b>Balance as at the year end</b>	<b>5.65</b>	<b>0.34</b>
<b>Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)</b>		
Balance at the beginning of the year	(8.37)	(6.10)
Add: Amount transferred	(2.52)	(2.27)
<b>Balance as at the year end</b>	<b>(10.89)</b>	<b>(8.37)</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	3,089.29	2,694.98
Profit for the year	807.24	558.72
Less: Appropriations		
- Interim dividend on equity shares	(642.17)	(89.69)
- Expense relating to buyback of shares	(0.92)	(1.44)
- Tax on buyback of shares	-	(73.28)
<b>Balance at the year end</b>	<b>3,253.44</b>	<b>3,089.29</b>
<b>Total</b>	<b>3,388.30</b>	<b>3,221.18</b>

## 24. Lease Liabilities

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities	22.42	24.95
	<b>22.42</b>	<b>24.95</b>

## 25. Other Non-Current Financial Liabilities

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits payable	1.37	1.01
	<b>1.37</b>	<b>1.01</b>

## 26. Provisions (Non-Current)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits (net)</b>		
Gratuity (Refer note 47.2)	13.50	2.32
Compensated absences (Refer note 47.3)	26.04	21.83
	<b>39.54</b>	<b>24.15</b>

# Notes to the Standalone Financial Statements

as at 31 March 2024

## 27. Deferred Tax Liabilities (Net)

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Tax effect of items constituting - Deferred tax liabilities</b>		
Difference in tax base of property, plant and equipment (A)	143.50	132.02
Unrealised gain/loss on securities carried at FVOCI/FVTPL (B)	(0.91)	(0.80)
<b>Tax effect of items constituting - Deferred tax assets</b>		
MAT credit entitlement (C)	-	2.98
Disallowance under income tax (D)	34.09	30.52
<b>Deferred tax liabilities (net) (A+B-C-D)</b>	<b>108.50</b>	<b>97.72</b>

## 28. Other Non-Current Liabilities

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Deferred government grant	2.34	2.67
	<b>2.34</b>	<b>2.67</b>

## 29. Lease Liabilities

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities	8.10	7.95
	<b>8.10</b>	<b>7.95</b>

## 30. Trade Payables

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	20.64	37.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	363.10	315.08
	<b>383.74</b>	<b>353.02</b>

The following is ageing schedule for Trade payables as at 31 March 2024:

₹ in Crore							
Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	20.64	-	-	-	-	20.64
(ii) Others	1.19	331.58	30.17	0.16	-	-	363.10
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>1.19</b>	<b>352.22</b>	<b>30.17</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>383.74</b>

The following is ageing schedule for Trade payables as at 31 March 2023:

₹ in Crore							
Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	37.94	-	-	-	-	37.94
(ii) Others	11.93	267.22	35.86	0.07	-	-	315.08
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>11.93</b>	<b>305.16</b>	<b>35.86</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>353.02</b>

(Refer note 58 for disclosures relating to Micro and Small Enterprises)



# Notes to the Standalone Financial Statements

as at 31 March 2024

## 31. Other Current Financial Liabilities

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
Unpaid dividend*	0.72	0.82
Unpaid sale proceeds of fractional shares* (31 March 2024 ₹ 15,291 and 31 March 2023 ₹ 15,291)	0.00	0.00
Capital creditors	43.18	29.82
Book overdraft	1.56	3.84
Employee benefits payable	29.29	8.85
Provision for anticipated sales return (Refer note 51.2)	47.80	47.80
Forward exchange contracts used for hedging	-	18.82
Other payables	0.01	-
Liability on account of share buy back	-	388.27
	<b>122.56</b>	<b>498.22</b>

\* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31 March 2024.

## 32. Other Current Liabilities

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
Advances from customers	39.32	10.01
Deferred government grant	0.33	0.33
Statutory dues payable	20.08	12.81
	<b>59.73</b>	<b>23.15</b>

## 33. Provisions (Current)

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits (net)</b>		
Gratuity (Refer note 47.2)	10.73	8.71
Compensated absences (Refer note 47.3)	7.03	5.31
	<b>17.76</b>	<b>14.02</b>

## 34. Current Tax Liabilities (Net)

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for tax (net of income tax assets)	37.30	11.48
	<b>37.30</b>	<b>11.48</b>

## 35. Liabilities Classified as Held for Sale

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
Liability against Assets held for sale (Refer note 64)	0.51	-
	<b>0.51</b>	<b>-</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

## 36. Revenue from Operations

₹ in Crore

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Sale of products (Refer note 51)</b>		
Finished goods	3,448.28	2,993.23
Stock-in-trade	475.72	382.92
<b>Other operating revenues</b>		
Export incentives	27.16	14.85
Others	19.96	20.27
	<b>3,971.12</b>	<b>3,411.27</b>

## 37. Other Income

₹ in Crore

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Dividend from subsidiary companies	29.13	35.14
Income from financial assets carried at FVTPL		
Gain on sale/redemption of Current Investments	11.12	17.12
Gain on financial instrument at FVTPL	22.82	-
Income on financial assets carried at amortised cost		
Interest on deposits with banks	0.15	0.52
Interest from others	27.55	7.92
Net gain on disposal of Property, Plant and Equipment	3.49	-
Bad debts written back, allowance for doubtful trade receivables (net)	-	0.84
Exchange difference (Net)	20.34	68.48
Miscellaneous income	1.88	2.73
	<b>116.48</b>	<b>132.75</b>

## 38. Cost of Materials Consumed

₹ in Crore

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Raw material consumed	752.99	697.27
Packing material consumed	186.44	181.09
	<b>939.43</b>	<b>878.36</b>

## 39. Purchases of Stock-In-Trade

₹ in Crore

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchases of stock-in-trade	162.16	149.04
	<b>162.16</b>	<b>149.04</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

## 40. Changes in inventories of Finished Goods, Work-In-Progress and Stock-In-Trade

₹ in Crore

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Inventories at the beginning of the year:</b>		
Finished goods	278.59	260.65
Work-in-progress	52.46	46.50
Stock-in-trade	36.61	38.52
<b>(A)</b>	<b>367.66</b>	<b>345.67</b>
<b>Inventories at the end of the year:</b>		
Finished goods	291.31	278.59
Work-in-progress	54.35	52.46
Stock-in-trade	44.17	36.61
<b>(B)</b>	<b>389.83</b>	<b>367.66</b>
<b>Changes in inventories:</b>		
Finished goods	(12.72)	(17.94)
Work-in-progress	(1.89)	(5.96)
Stock-in-trade	(7.56)	1.91
<b>(A) - (B)</b>	<b>(22.17)</b>	<b>(21.99)</b>

## 41. Employee Benefits Expense

₹ in Crore

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	766.55	672.76
Contribution to provident and other funds	33.45	30.52
Gratuity expenses (Refer note 47)	20.35	7.76
Share-based payment expenses (Refer note 48)	4.87	0.22
Staff welfare expenses	8.94	9.15
	<b>834.16</b>	<b>720.41</b>

## 42. Finance Cost

₹ in Crore

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expenses	6.80	5.23
	<b>6.80</b>	<b>5.23</b>

## 43. Depreciation and Amortisation Expense (Refer note 8)

₹ in Crore

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment	117.50	113.71
Amortisation on intangible assets	3.88	3.05
Depreciation on right-of-use assets	10.78	9.70
Depreciation on investment property	-	0.49
	<b>132.16</b>	<b>126.95</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

## 44. Other Expenses

₹ in Crore

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Selling expenses	212.35	185.20
Clearing and forwarding	96.22	164.65
Medical literature expenses	11.79	15.58
Field Travelling Expenses	42.96	38.92
Consultancy charges	58.77	44.90
Travelling expenses	94.48	72.52
Processing charges	13.63	13.59
Power and fuel	66.44	65.53
Advertisement and publicity	4.49	5.02
Consumption of stores and spare parts	48.75	66.33
Rent (Refer note 52)	4.45	6.04
Rates and taxes	1.43	1.62
Legal and professional fees	38.58	39.19
Postage, telephone and stationery expenses	8.01	8.21
<b>Repairs and maintenance</b>		
- Buildings	4.07	5.30
- Plant and machinery	38.42	41.85
- Computers and others	11.94	12.53
Insurance	13.00	13.31
Donation (Refer note 62)	5.57	4.79
Directors sitting fees	0.37	0.32
Clinical and analytical charges	37.59	55.55
Loss on sale/discard of property, plant and equipment (net)	-	1.52
Product registration expenses	51.30	45.90
Corporate social responsibility expenses (Refer note 55)	17.32	16.37
Commission to directors	0.12	6.72
Loss on Investment at FVTPL	9.11	2.30
Loss on financial instrument at FVTPL	-	18.82
Miscellaneous expenses	46.95	33.59
	<b>938.11</b>	<b>986.17</b>

## 45. 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.

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

### 46. Basic and Diluted Earnings per Share is Calculated as under:

The numerator and denominator used to calculate basic and diluted earnings per share:

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
Profit attributable to equity shareholders for Basic EPS (₹ in Crore)	(A)	807.24	558.72
Add: Dilutive effect on profit (₹ in Crore)	(B)	-	-
Numerator for calculating dilutive earnings per share (₹ in Crore)	(C=A+B)	807.24	558.72
Weighted average number of equity shares outstanding for Basic EPS	(D)	12,59,15,562	12,81,18,877
Add: Dilutive effect of ESOP outstanding number of equity shares*	(E)	90,479	3,994
Weighted average number of equity shares for Diluted EPS	(F=D+E)	12,60,06,041	12,81,22,871
Face value per equity share (₹)		2	2
Basic earnings per share (₹)	(A/D)	64.11	43.61
Diluted earnings per share (₹)	(C/F)	64.06	43.61

\* On account of Share based Incentive Plan 2019 -(Refer note 48).

### 47. Employee Benefits

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

#### 47.1 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:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Provident fund and employee's pension scheme	32.93	29.75
Employees state insurance and others	0.52	0.77
<b>Total</b>	<b>33.45</b>	<b>30.52</b>

₹ in Crore

#### 47.2 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 Companies 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. A benefit ceiling of ₹ 0.20 Crore is applied only for Directors.

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

### 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 2024. 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:

Particulars	As at 31 March 2024	As at 31 March 2023
₹ in Crore		
<b>i) Changes in Defined Benefit Obligation</b>		
Opening defined benefit obligation	58.78	48.19
Current service cost	9.59	7.59
Interest cost	3.93	2.99
Actuarial loss/(gain)		
- changes in financial assumptions	0.67	(1.53)
- changes in demographic assumptions	-	-
- experience adjustments	2.68	5.21
Past service cost	10.27	-
Benefit (paid)	(4.59)	(3.67)
<b>Closing defined benefit obligation</b>	<b>81.33</b>	<b>58.78</b>
<b>ii) Changes in Value of Plan Assets</b>		
Opening value of plan assets	47.75	41.92
Interest Income	3.43	2.82
Return on plan assets excluding amounts included in Interest Income	(0.53)	0.18
Contributions by employer	11.04	6.49
Benefits (paid)	(4.59)	(3.66)
<b>Closing value of plan assets</b>	<b>57.10</b>	<b>47.75</b>
<b>iii) Amount recognised in the Balance Sheet</b>		
Present value of funded obligations as at year end	81.33	58.78
Fair value of the plan assets as at year end	(57.10)	(47.75)
<b>Net liability recognised as at the year end</b>	<b>24.23</b>	<b>11.03</b>
<b>iv) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	9.59	7.59
Past service cost	10.27	-
Net Interest cost	0.49	0.17
<b>Net expenses recognised in the Statement of Profit and Loss</b>	<b>20.35</b>	<b>7.76</b>
<b>v) Expenses recognised in the Statement of Other Comprehensive Income</b>		
Net actuarial loss/(gain) recognised in the current year		
- changes in financial assumptions	0.67	(1.53)
- change in demographic assumption	-	-
- experience adjustments	2.68	5.20
Return on plan assets excluding amounts included in Interest Income	0.53	(0.18)
<b>Net Expenses/(Income) recognised in the Statement of Other Comprehensive Income</b>	<b>3.88</b>	<b>3.49</b>
<b>vi) Asset information</b>		
Insurer Managed Funds (100%)	100%	100%
(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)		



## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>vii) Principal actuarial assumptions used</b>		
Discount rate (p.a.)	7.20%	7.35%
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
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)	5.83	6.33
Withdrawal Rate (%)		
<b>Age Band</b>		
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%
<b>viii) Estimate of amount of contribution in immediate next year</b>	<b>10.73</b>	<b>8.72</b>

### 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 2024		As at 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	79.15	83.64	57.13	60.54
Salary growth rate (0.5% movement)	83.70	79.06	60.28	57.32
Withdrawal rate (W.R.) Sensitivity (10% movement)	81.09	81.55	58.74	58.80

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.

### 47.3 Leave Encashment

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

Accordingly, ₹ 33.07 Crore (Previous Year ₹ 27.14 Crore) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

### 48. Share-Based Payments

Company has established "Employee Stock Options Scheme 2011" ('ESOP-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, the Company made the decision to withdraw the Employee Stock Options Scheme 2011 in the Nomination & Remuneration Committee meeting held on 31 January 2024, with immediate effect.

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

During the year 91,350 option have been granted and 3,750 option cancelled by the Company under the Share-based Incentive Plan 2019 to the employees (including KMP's) of the Group.

Grant Date	No. of Option Granted	No. of Option Cancelled	Exercise price	Vesting Period
10 May 2022	-	2,000	-	-
05 May 2023	11,600	1,750	₹ 2/-	05 May 2024 to 05 May 2026
27 July 2023	79,750	-	₹ 2/-	27 July 2024 to 01 January 2027

Details of options granted during the year to Key Managerial Personnel are as below:

Name of the Employee	Designation	Number of options	Grant/exercise price
Mr. Arvind K. Agrawal	Chief Financial Officer	3,000	₹ 2/-
Mr. Gaurang C. Shah	Company Secretary	1,500	₹ 2/-

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 Share-based Incentive Plan 2019 are as below:

Particulars	As at 31 March 2024 Nos.	As at 31 March 2023 Nos.
Option outstanding as at the beginning of the year	4,000	3,000
Add: Option granted during the year	91,350	2,000
Less: Option exercised during the year	1,000	1,000
Less: Option lapsed/cancelled during the year	3,750	-
Option outstanding as at the year end	90,600	4,000

Particulars	As at 31 March 2024 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average share price at the date of exercise (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the year	4,000	2.00	2.00	-	1.60
Add: Options granted during the year	91,350	2.00	2.00	-	1.36
Less: Options exercised during the year	1,000	2.00	2.00	1,312.60	-
Less: Options lapsed/cancelled during the year	3,750	-	-	-	-
Options outstanding as at the year End	90,600	2.00	2.00	-	1.37

Particulars	As at 31 March 2023 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average share price at the date of exercise (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the year	3,000	2.00	2.00	-	1.08
Add: Options granted during the year	2,000	2.00	2.00	-	1.31
Less: Options exercised during the year	1,000	2.00	2.00	1,147.41	-
Less: Options lapsed/cancelled during the year	-	-	-	-	-
Options outstanding as at the year End	4,000	2.00	2.00	-	1.60

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

## Effect of Share-Based Plan in Profit & Loss and Balance Sheet

For details of the related employee benefits expense and investment in subsidiary, refer note 41 and 9 respectively.

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	Share-Based Incentive Plan 2019					
Particulars	500 option	3,000 option	3,000 option	2,000 option	11,600 option	79,750 option
Grant date	27 September 2019	20 May 2020	30 April 2021	10 May 2022	05 May 2023	27 July 2023
Last date for acceptance	27 October 2019	19 June 2020	30 May 2021	09 June 2022	03 June 2023	25 August 2023
Risk free rate (%)	5.20	5.20	4.53	7.06	7.05	7.14
Expected Life (years)	2	1	1 to 3	3 to 4	1 to 3	1 to 4
Volatility (%)	13.74	14.67	14.57	13.12	13.12	13.12
Dividend yield (%)	0.55	0.71	0.76	0.68	0.86	0.86
Price of the underlying share in the market at the time of option grant	₹ 1,055	₹ 1,439	₹ 1,842	₹ 1,105	₹ 1,298	₹ 1,553
Fair value of options	₹ 1,041	₹ 1,425	₹ 1,792	₹ 1,078	₹ 1,273	₹ 1,522
Exercise price	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2

The particulars of the options Share-based Incentive Plan 2019 granted to Employees of Subsidiary are as below:

Variables	Weighted Average Information		
Plan	Share Based Incentive Plan 2019		
Particulars	500 option	3,000 option	13,000 option
Grant date	27 September 2019	20 May 2020	27 July 2023
Last date for acceptance	27 October 2019	19 June 2020	25 August 2023
Risk free rate (%)	5.20	5.20	7.14
Expected Life (years)	2	1	1 to 4
Volatility (%)	13.74	14.67	13.12
Dividend yield (%)	0.55	0.71	0.86
Price of the underlying share in the market at the time of option grant	₹ 1,055	₹ 1,439	₹ 1,553
Fair value of options	₹ 1,041	₹ 1,425	₹ 1,522
Exercise price	₹ 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

**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.

## 49. Financial Instrument- Fair Values and Risk Management

### A. Fair Value Measurements

Financial instruments by category	As at 31 March 2024		As at 31 March 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Forward exchange contracts used for hedging	12.48	-	-	-
Investment in subsidiaries	-	18.51	-	17.89
Investment in Limited liability partnership	18.58	-	25.10	-
Investments in Mutual funds/Bonds/NCDs	47.36	282.69	339.88	170.39
Investment in unquoted equity shares (current year ₹ 37,050, previous year ₹ 37,050)	-	0.00	-	0.00
Trade receivables	-	1207.67	-	977.63
Other non-current financial assets	-	8.92	-	10.99
Cash and cash equivalents	-	61.78	-	268.85
Bank balances other than cash and cash equivalents	-	1.28	-	1.07
Current loans	-	15.40	-	17.01
Interest receivable	-	6.54	-	2.48
<b>Total financial assets</b>	<b>78.42</b>	<b>1602.79</b>	<b>364.98</b>	<b>1466.31</b>
<b>Financial liabilities</b>				
Book overdrafts	-	1.56	-	3.84
Other non-current financial liabilities	-	1.37	-	1.01
Non-current lease liabilities	-	22.42	-	24.95
Capital creditors	-	43.18	-	29.82
Unpaid dividend	-	0.72	-	0.82
Employee benefits payable	-	29.29	-	8.85
Unpaid sale proceeds of fractional shares (current year ₹ 15,291 and previous year ₹ 15,291)	-	0.00	-	0.00
Current lease liabilities	-	8.10	-	7.95
Provision for anticipated sales return	-	47.80	-	47.80
Forward exchange contracts used for hedging	-	-	18.82	-
Other payables	-	0.01	-	-
Liability on account of share buy back	-	-	-	388.27
Trade payables	-	383.74	-	353.02
<b>Total financial liabilities</b>	<b>-</b>	<b>538.19</b>	<b>18.82</b>	<b>866.33</b>

Fair value measurement of lease liabilities is not required.

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

### 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 2024			As at 31 March 2023		
	Level			Level		
	I	II	III	I	II	III
<b>Financial assets</b>						
<b>Recurring fair value measurements</b>						
Forward exchange contracts used for hedging	-	12.48	-	-	-	-
Investment in Mutual Funds	10.24	-	-	178.32	-	-
Investment in NC MLDs	-	37.12	-	-	161.56	-
Investment in Limited liability partnership	-	-	18.58	-	-	25.10
<b>Total Financial Assets</b>	<b>10.24</b>	<b>49.60</b>	<b>18.58</b>	<b>178.32</b>	<b>161.56</b>	<b>25.10</b>
<b>Financial Liabilities</b>						
Forward exchange contracts used for hedging	-	-	-	-	18.82	-
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.82</b>	<b>-</b>

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 market link debenture) 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 & Level 3 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.	Not applicable	Not applicable
Non-Current Financial assets (Investment)	Discounted Cash flow: The valuation model considers the present value of expected receipts/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

### B. Financial Risk Management

Company has exposure to following risks arising from financial instruments:

- i. credit risk
- ii. liquidity risk
- iii. market risk
- iv. 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.

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:

Particulars	As at 31 March 2024		
	Carrying amount	Weighted average loss rate	Loss allowance
Group Debtors	787.92	0.14%	1.07
Past due up to 180 days	408.18	0.15%	0.62
Past due 181 - 365 days	13.83	8.24%	1.14
Past dues 366 - 730 days	0.68	16.18%	0.11
Past dues 731 - 1096 days	4.98	100.00%	4.98
More than 1096 days	0.91	100.00%	0.91
<b>Total</b>	<b>1,216.50</b>		<b>8.83</b>



## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

₹ in Crore

Particulars	As at 31 March 2023		
	Carrying amount	Weighted average loss rate	Loss allowance
Group Debtors	634.66	0.08%	0.52
Past due up to 180 days	339.88	0.08%	0.28
Past due 181 - 365 days	2.08	28.50%	0.59
Past dues 366 - 730 days	8.90	73.00%	6.50
Past dues 731 - 1096 days	0.06	100.00%	0.06
More than 1096 days	3.09	100.00%	3.09
<b>Total</b>	<b>988.67</b>		<b>11.04</b>

### 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 2024, Company had 32 customers, excluding wholly-owned subsidiaries (31 March 2023: 37 customers) that owed the Company more than ₹ 0.50 Crore each and accounted for approximately 27% and 26% respectively of the total outstanding as at 31 March 2024 and 31 March 2023.

#### Expected Credit Loss Assessment

As per simplified approach, the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date wherever required. The trend of the bad debts is negligible.

₹ in Crore

Particulars	As at 31 March 2024	As at 31 March 2023
Gross Carrying amount	1216.50	988.67
Average Expected loss rate	0.73%	1.12%
Carrying amount of trade receivables (net of impairment)	1207.67	977.63

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 2024	As at 31 March 2023
Balance as at the beginning of the year	11.04	14.74
Impairment loss/(gain) recognised (net)	-	(0.84)
Amounts written off	(2.21)	(2.86)
Balance as at the year end	8.83	11.04

During the previous year impairment gain has been recognised due to writeback of allowance of trade receivable.

### b) Financial Instruments

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.

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

### ii. Liquidity Risk

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

Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to outflows is 0.62 at 31 March 2024 (0.86 at 31 March 2023).

#### 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.

#### As at 31 March 2024

₹ in Crore

Particulars	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables	383.74	383.74	383.58	0.16	-	-
Other Financial Liabilities	123.93	123.93	122.56	1.37	-	-
Lease Liabilities	30.52	30.52	8.10	4.99	3.29	14.14
<b>Total</b>	<b>538.19</b>	<b>538.19</b>	<b>514.24</b>	<b>6.52</b>	<b>3.29</b>	<b>14.14</b>

#### As at 31 March 2023

₹ in Crore

Particulars	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables	353.02	353.02	352.95	0.07	-	-
Other Financial Liabilities	499.23	499.23	498.22	1.01	-	-
Lease Liabilities	32.90	32.90	7.95	7.95	4.58	12.42
<b>Total</b>	<b>885.15</b>	<b>885.15</b>	<b>859.12</b>	<b>9.03</b>	<b>4.58</b>	<b>12.42</b>

### 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.

#### Sensitivity Analysis on Interest rate

The Company's fixed rate bank deposits and securities are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

### Sensitivity Analysis on Equity prices

The Company has invested its surplus funds primarily in debt based mutual funds. The value of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis. The Company has not performed a sensitivity analysis on these mutual funds based on estimated fluctuations in their NAV as in management's opinion, such analysis would not display a correct picture.

### iv. Currency Risk

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

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

The following table analyses foreign currency risk as at 31 March 2024:

₹ in Crore					
Particulars	USD	EUR	AUD	GBP	Total
Bank balances	34.61	4.32	-	-	38.93
Trade and other receivables	1,099.61	4.74	-	-	1,104.35
Trade and other payables	21.64	1.81	-	-	23.45
<b>Net assets/(liabilities)</b>	<b>1,112.58</b>	<b>7.25</b>	<b>-</b>	<b>-</b>	<b>1,119.83</b>

The following table analyses foreign currency risk as at 31 March 2023:

₹ in Crore					
Particulars	USD	EUR	AUD	GBP	Total
Bank balances	181.56	3.60	-	-	185.16
Trade and other receivables	873.73	5.98	-	-	879.71
Trade and other payables	23.23	3.26	0.01	0.01	26.51
<b>Net assets/(liabilities)</b>	<b>1,032.06</b>	<b>6.32</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>1,038.36</b>

For the year ended 31 March 2024 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
USD	+1%/(-1%)	11.13/(11.13)
EUR	+1%/(-1%)	0.07/(0.07)
AUD	+1%/(-1%)	-/(-)
GBP	+1%/(-1%)	-/(-)

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

For the year ended 31 March 2023 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
USD	+1%/(-1%)	10.32/(10.32)
EUR	+1%/(-1%)	0.06/(0.06)
AUD	+1%/(-1%)	0.00/(0.00)
GBP	+1%/(-1%)	0.00/(0.00)

### 50. Note on Foreign Currency Exposures on Assets and Liabilities

#### A. Disclosure on Foreign Currency Exposure on 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 2024	As at 31 March 2023	Buy or Sell	Cross Currency
	Foreign Currency Amount in Crore	Foreign Currency Amount in Crore		
EUR	5.00	5.80	SELL	INR
USD	13.20	8.05	SELL	INR

#### B. Disclosure on Foreign Currency Exposure 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 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	
Amount Receivable	35.28	396.99	0.42	4.83	USD
	0.04	-	*0.00	-	GBP
Amount Payable	57.35	32.21	0.69	0.39	USD
	4.08	3.27	0.05	0.04	EUR
	-	0.01	-	*0.00	AUD
	-	0.01	-	**0.00	GBP

(\* GBP 4,084 \* GBP 639 \*\* AUD 1,800)

### 51. 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

## 51.1 Revenue

### Primary Geographical Markets

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
India	1,307.76	1,174.00
Emerging Market	1,509.30	1,356.92
Africa Institution	248.60	190.23
USA	858.34	655.00
<b>Total revenue from contract with customers</b>	<b>3,924.00</b>	<b>3,376.15</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	3,924.00	3,376.15

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 2024	Year ended 31 March 2023
<b>Revenue as per contracted price</b>	<b>3,894.00</b>	<b>3,454.42</b>
Adjusted for:		
Sales Return	38.18	33.58
Trade Discounts	85.40	57.39
Others (Price Adjustment, anticipated sales return)	(153.58)	(12.70)
	<b>(30.00)</b>	<b>78.27</b>
<b>Net Revenue</b>	<b>3,924.00</b>	<b>3,376.15</b>

The Company normally sells goods on credit which varies from 14 to 21 days for domestic sales and 30 to 270 days in case of export sales. This does not involve any significant financing element.

Revenue from two customers exceed 10% of Company's Total Revenue amounting to ₹ 1,326.19 Crore.

## 51.2 Provision for Anticipated Sales Return:

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 2024	As at 31 March 2023
Balance at the beginning of the year	47.80	40.60
Add: Provisions made during the year	-	7.20
Less: Amount written back/utilised during the year	-	-
<b>Balance at the end of the year</b>	<b>47.80</b>	<b>47.80</b>

## 51.3 Contract Liability (Advances from Customers):

₹ in Crore		
Particulars	As at 31 March 2024	As at 31 March 2023
Contract Liabilities	39.32	10.01

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31 March 2024.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

## 52. Disclosure for Leases under Ind AS 116 – "Lease":

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. A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics.

### Right-Of-Use Assets

₹ in Crore			
Particulars	Leasehold properties	Leasehold land	Total
<b>Cost</b>			
As at 1 April 2023	27.98	62.59	90.57
Additions to ROU assets	7.15	-	7.15
De-recognition of ROU assets	(1.10)	-	(1.10)
<b>Balance as at 31 March 2024</b>	<b>34.03</b>	<b>62.59</b>	<b>96.62</b>
<b>Accumulated depreciation and impairment</b>			
As at 1 April 2023	8.46	2.82	11.28
Depreciation	9.83	0.95	10.78
Eliminated on disposals of assets	(0.86)	-	(0.86)
<b>Balance as at 31 March 2024</b>	<b>17.43</b>	<b>3.77</b>	<b>21.20</b>

₹ in Crore			
Particulars	Leasehold properties	Leasehold land	Total
<b>Cost</b>			
As at 1 April 2022	34.35	62.59	96.94
Additions to ROU assets	21.17	-	21.17
De-recognition of ROU assets	(27.54)	-	(27.54)
<b>Balance as at 31 March 2023</b>	<b>27.98</b>	<b>62.59</b>	<b>90.57</b>
<b>Accumulated depreciation and impairment</b>			
As at 1 April 2022	27.19	1.87	29.06
Depreciation	8.75	0.95	9.70
Eliminated on disposals of assets	(27.48)	-	(27.48)
<b>Balance as at 31 March 2023</b>	<b>8.46</b>	<b>2.82</b>	<b>11.28</b>

₹ in Crore	
<b>Carrying amounts</b>	
As at 1 April 2023	79.29
<b>Balance as at 31 March 2024</b>	<b>75.42</b>

₹ in Crore	
<b>Carrying amounts</b>	
As at 1 April 2022	67.88
<b>Balance as at 31 March 2023</b>	<b>79.29</b>



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

## Lease Expenses Recognised in Statement of Profit and Loss not Included in the Measurement of Lease Liabilities:

Particulars	₹ in Crore	
	Year ended 31 March 2024	Year ended 31 March 2023
Short-term and low value lease expense	4.45	6.04
<b>Total lease expense</b>	<b>4.45</b>	<b>6.04</b>

## Cash Outflow on Leases

Particulars	₹ in Crore	
	Year ended 31 March 2024	Year ended 31 March 2023
Repayment of lease liabilities (includes interest of ₹ 3.38 Crore in current year and ₹ 3.47 Crore in previous year)	(12.91)	(12.23)
<b>Total cash outflow on leases</b>	<b>(12.91)</b>	<b>(12.23)</b>

## Movement in Lease Liabilities

Particulars	₹ in Crore	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Opening Lease liabilities</b>	<b>32.90</b>	<b>20.49</b>
Addition during the year	7.15	21.17
Interest accrued during the year	3.38	3.47
Payment of Lease liabilities (including interest)	(12.91)	(12.23)
<b>Closing Lease liabilities</b>	<b>30.52</b>	<b>32.90</b>
Non-Current	22.42	24.95
Current	8.10	7.95

## Maturity Analysis of Lease Liabilities – Contractual Undiscounted Cash Flows:

Particulars	₹ in Crore	
	Year ended 31 March 2024	Year ended 31 March 2023
Less than one year	11.68	10.66
One to five years	17.97	15.92
More than five years	93.69	94.10

## 53. Contingent Liabilities and commitments:

### Contingent Liabilities

Particulars	₹ in Crore	
	As at 31 March 2024	As at 31 March 2023
<b>Claims against the Company not acknowledged as debt</b>		
i. Customs Duty on import under Advance License Scheme, pending fulfilment of Ex-ports obligation.	5.10	2.32
ii. Disputed Octroi. Amount paid under protest and included under "Other Current Assets" ₹ 0.52 Crore (Previous Year ₹ 0.52 Crore)	0.52	0.52
iii. Excise duty, Service Tax, VAT and GST disputed by the Company	3.81	1.10
iv. Other matter	0.61	0.61

The Company has two ongoing patent litigations as on 31 March 2024. No liability is expected to arise from these litigations.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

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.

## 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.

## Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 151.35 Crore (Previous Year ₹ 86.97 Crore).

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

### A) Relationships where Control Exist:

#### Category I – Subsidiaries:

Ajanta Pharma (Mauritius) Ltd.	(APML)
Ajanta Pharma Mauritius International Ltd.	(APMIL) – (Wound up dated 27 September 2022)
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 K. 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
Ajanta Pharma Limited Group Gratuity Trust
Samta Purushottam Agrawal Memorial Foundation
Mamta and Madhusudan Agrawal Memorial Foundation

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

Manisha Yogesh Agrawal Foundation

Smriti Rajesh Agrawal Foundation

Ajanta Foundation

A.I. Printers

### Category IV – Others (Close Member of Key Management Personnel):

Ms. Tanya Agrawal

Mr. Aayush M. Agrawal

Mr. Ravi P. Agrawal

Mr. Yash Agrawal

### B) The Following Transactions were Carried out with Related Parties:

₹ in Crore				
Sr. No.	Particulars	Category	Year ended 31 March 2024	Year ended 31 March 2023
<b>1.</b>	<b>Sale of Goods</b>			
	APML	I	10.96	50.90
	APPI	I	181.55	156.24
	APUI	I	839.07	655.00
<b>2.</b>	<b>Purchase of Packing Material</b>			
	A.I. Printers	III	0.05	-
<b>3.</b>	<b>Investment</b>			
	APUI	I	0.62	-
<b>4.</b>	<b>Dividend from Subsidiary Companies</b>			
	APPI	I	29.13	35.14
<b>5.</b>	<b>Expenses Reimbursement to</b>			
	APNL	I	0.21	0.33
<b>6.</b>	<b>Compensation to Key Management and Others</b>			
<b>6.1</b>	<b>Short-Term Employee Benefits</b>			
	<b>Remuneration</b>			
	Mr. Madhusudan B. Agrawal	II	4.21	3.62
	Mr. Yogesh M. Agrawal	II	13.60	12.33
	Mr. Rajesh M. Agrawal	II	13.60	12.33
	Mr. Arvind K. Agrawal	II	1.84	1.57
	Mr. Gaurang C. Shah	II	0.97	0.88
	Ms. Tanya Agrawal	IV	0.11	0.10
	Mr. Yash Agrawal	IV	0.04	-
	<b>Commission to Executive Director</b>			
	Mr. Yogesh M. Agrawal	II	8.00	3.30
	Mr. Rajesh M. Agrawal	II	8.00	3.30
	<b>Commission and Sitting Fees to Non-Executive Director</b>			
	Mr. Mannalal B. Agrawal	II	0.08	0.07
	Mr. Chandrakant M. Khetan	II	0.14	0.12
	Mr. K. H. Viswanathan	II	0.11	0.09
	Mr. Prabhakar Dalal	II	0.10	0.08
	Dr. Anjana Grewal	II	0.09	0.07
<b>6.2</b>	<b>Post-employment benefits</b>	II & IV	2.38	0.44
<b>6.3</b>	<b>Shared Based Payment</b>			
	Mr. Arvind K. Agrawal	II	0.11	-
	Mr. Gaurang C. Shah	II	0.05	-

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

₹ in Crore				
Sr. No.	Particulars	Category	Year ended 31 March 2024	Year ended 31 March 2023
<b>7.</b>	<b>Dividend Paid</b>			
	Key Management Personnel	II	0.20	0.03
	Others	III & IV	425.20	63.21
<b>8.</b>	<b>Corporate Social Responsibility Expense</b>			
	Seth Bhagwandas Agrawal Charitable Trust	III	-	0.90
	Samta Puroshattam Agrawal Memorial Foundation	III	5.35	5.86
	Ajanta Foundation	III	0.31	0.20
	Mamta and Madhusudan Agrawal Memorial Foundation	III	3.75	4.45
	Manisha Yogesh Agrawal Foundation	III	0.73	0.25
<b>9.</b>	<b>Contribution made to group gratuity trust paid to LIC</b>			
	Ajanta Pharma Limited Group Gratuity Trust	III	11.04	6.85
<b>10.</b>	<b>Other Income from subsidiary</b>			
	APUI	I	1.43	1.19
<b>11.</b>	<b>Buyback of Equity Share</b>			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	-	48.07
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	-	48.07
	Ravi P. Agrawal, Trustee Ravi Agrawal Trust	III	-	43.28
	Aayush M. Agrawal, Trustee Aayush Agrawal Trust	III	-	39.34
	Ganga Exports being represented by Yogesh M. Agrawal, Rajesh M. Agrawal and Ravi P. Agrawal	III	-	10.04
	Mr. Arvind K. Agrawal	II	-	0.11
	Mr. Gaurang C. Shah	II	-	0.00*
	Mr. Chandrakant M. Khetan	II	-	0.00#

\* ₹45,600 # ₹ 21,375

### C) Amount Outstanding as at end of the Year

₹ in Crore				
Sr. No.	Particulars	Category	As at 31 March 2024	As at 31 March 2023
<b>1.</b>	<b>Trade receivables</b>			
	APPI	I	61.71	43.30
	APUI	I	726.20	568.80
	APML	I	-	22.56
<b>2.</b>	<b>Investments in</b>			
	APML	I	9.44	9.44
	APPI	I	1.38	1.38
	APUI	I	7.69	7.07
	APNL	I	1.37	1.37
	Less: Impairment of Investment in Subsidiary	I	(1.37)	(1.37)
<b>3.</b>	<b>Trade payables</b>			
	A.I. Printers	III	0.05	-
<b>4.</b>	<b>Advance to Vendor</b>			
	APNL	I	0.14	0.04
<b>5.</b>	<b>Other receivables</b>			
	APUI	I	1.09	0.62
<b>6.</b>	<b>Advance Received</b>			
	APML	I	18.12	-
<b>7.</b>	<b>Other Advances</b>			
	Ajanta Foundation	III	0.01	-
	Manisha Yogesh Agrawal Foundation	III	0.02	-

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

₹ in Crore				
Sr. No	Particulars	Category	As at 31 March 2024	As at 31 March 2023
8.	<b>Commission payable to Executive Director</b>			
	Mr. Yogesh M. Agrawal	II	8.00	3.30
	Mr. Rajesh M. Agrawal	II	8.00	3.30
9.	<b>Commission payable to Non-Executive Director</b>			
	Mr. Chandrakant M. Khetan	II	0.05	0.04
	Mr. K. H. Viswanathan	II	0.03	0.03
	Mr. Prabhakar Dalal	II	0.03	0.03
	Dr. Anjana Grewal	II	0.03	0.03
10.	<b>Buyback amount payable</b>			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	-	48.07
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	-	48.07
	Ravi P. Agrawal, Trustee Ravi Agrawal Trust	III	-	43.28
	Aayush M. Agrawal, Trustee Aayush Agrawal Trust	III	-	39.34
	Ganga Exports being represented by Yogesh M. Agrawal, Rajesh M. Agrawal and Ravi P. Agrawal	III	-	10.04
	Mr. Arvind K. Agrawal	II	-	0.11
	Mr. Gaurang C. Shah	II	-	0.00*
	Mr. Chandrakant M. Khetan	II	-	0.00*

\* ₹45,600 # ₹ 21,375

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 ESOP given to Employees of Subsidiary provided in note 48.

In the previous year, Ajanta Pharma (Mauritius) International Limited, a wholly-owned subsidiary of Ajanta Pharma (Mauritius) Limited, was wound up and removed from register of companies u/s 308 of the Companies Act 2001 (Mauritius) by Business registration department dated 27 September 2022

### 55. 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:

₹ in Crore			
Sr. No	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a)	Amount required to be spent by the Company during the year	16.43	15.54
(b)	Amount approved by the Board to be spent during the year	16.43	15.54
(c)	Amount spend during the year:		
	(i) Construction/acquisition of asset	-	-
	(ii) On purposes other than (i) above	17.32	16.37
	(iii) Shortfall at the end of the year	-	-
	(iv) Total of previous year shortfall	-	-
	(v) Nature of CSR activities	Promoting education, Medical assistance, Community development & promoting of sports	
(d)	Details of related party transactions (refer note 54)	10.14	11.66

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

56. 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 statement.

### 57. Remuneration to Auditors (Excluding GST):

₹ in Crore		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
- Audit Fees	0.29	0.25
- Limited review	0.32	0.28
- For Certification and other matters (including OPE)	0.25	0.22

### 58. 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 2024	Year ended 31 March 2023
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	20.64	37.94
Interest due on above	-	-
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.	-	-

### 59. Ratios – Additional Regulatory Information

Ratio	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	Variance (%)
Current Ratio (in times)*	Total current assets	Total current liabilities	3.88	2.81	37.98
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	24.24%	17.42%	39.18
Inventory Turnover Ratio (in times)	Sale of products	Average Inventory	5.76	5.12	12.58
Trade receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivable	3.63	3.38	7.67
Trade payables turnover ratio (in times)	Net Credit Purchases (Raw material, packing material and purchase of traded goods)	Average Trade Payables	2.91	3.36	(13.28)
Net capital turnover ratio (in times)	Revenue from operations	Working Capital (Total current assets less Total current liabilities)	2.19	2.08	5.58



# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

Ratio	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	Variance (%)
Net profit ratio (%)**	Profit for the year	Revenue from operations	20.33%	16.38%	24.11
Return on capital employed (ROCE) (%)**	Profit before tax and finance costs	Capital Employed (Net worth + Lease liability + Deferred tax liability)	31.07%	20.93%	48.46
Return on investment (%)***	Income generated from invested funds	Average invested funds	8.87%	6.13%	44.70

\* The liability provided for share buy-back was paid in the current year, hence current ratio improved.

\*\* This improvement in profitability can be attributed to the combined benefits of reduction in API prices, reduced logistics costs and stabilisation in US price erosion.

\*\*\* During the year investment made for longer period with higher interest rate.

## 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 expenditure are as below.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Amount in respect to</b>		
Capital Expenditure	4.83	18.20
Revenue Expenditure	207.73	237.01
<b>Total</b>	<b>212.56</b>	<b>255.21</b>

## 61. 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.

## 62. Donation

Donation includes political contribution to Bharatiya Janata Party of ₹ 5.00 Crore in the current year and ₹ 4.00 Crore in the previous year (through electoral bond).

## 63. Impairment of Investment in Subsidiary

The Company in prior years 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2024

## 64. Assets Classified as Held for Sale

During the year the Company has entered into agreement for sale of its one of the freehold land assets, for which ₹ 0.51 Crore advance has been received and recognised as Liability against Assets held for sale, subject to fulfilment of certain condition. Transaction is expected to be completed in the next year. The said freehold land assets aggregating to ₹ 8.85 Crore has been reclassified from Property, plant and equipment to assets held for sale.

In the previous year the Company has entered into agreement for sale of its investment properties, and the said properties aggregating to ₹ 7.92 Crore has been reclassified from investment properties to assets held for sale.

Rental income recognised in profit or loss for investment properties aggregates to ₹ 0.01 Crore (previous year ₹ 0.35 Crore). Maintenance and other expenses aggregating to ₹ 0.01 Crore (previous year ₹ 0.04 Crore).

## 65. Income Tax

### a) Current Income Tax

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Amount recognised in statement of profit and loss		
Current tax on profit for the year	253.74	122.40
Adjustment for current tax of prior periods*	23.84	21.66
<b>Total Current tax expenses</b>	<b>277.58</b>	<b>144.06</b>
<b>Deferred tax expense/(benefit)</b>		
Origination and reversal of timing difference	9.15	0.05
MAT Credit Entitlement	2.98	(2.98)
<b>Total Deferred Tax expenses</b>	<b>12.13</b>	<b>(2.93)</b>
<b>Total Income tax expense recognised in the income statement</b>	<b>289.71</b>	<b>141.13</b>

\* Tax expenses for prior periods amounting to ₹ 23.84 Crore (Previous year tax credit ₹ 21.66 Crore) comprises short tax provision for FY 2022-23 and reversal of certain deductions which were non-deductible based on subsequent judicial rulings.

### b) Reconciliation of Effective Tax Rate

The following is a reconciliation of the Company's effective tax rate

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Accounting profit before income taxes	1,096.95	699.85
Enacted tax rate in India (%)	34.94	34.94
Computed expected tax expenses	383.32	244.53
Effect of non-deductible expenses	42.18	15.21
Temporary difference which is reversed during the Tax Holiday period	(0.49)	(1.76)
Tax effect which is chargeable at different rate	-	(9.62)
Others deductible expenses	(13.00)	(18.04)
Adjustment for current tax of prior periods	23.84	21.66
Mat Credit Entitlement	2.98	(2.98)
Deduction for Tax Holiday Unit	(149.12)	(107.87)
Income tax expenses	289.71	141.13
Effective tax rate	26.41%	20.17%

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

### c) Recognised Deferred Asset and Liability

₹ in Crore

Particulars	Deferred tax asset		Deferred tax liabilities		Net deferred tax asset/(liabilities)	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Property, Plant and equipment	-	-	143.50	132.02	(143.50)	(132.02)
Gain on Investment at FVTPL	0.91	0.80	-	-	0.91	0.80
Leave Encashment	11.55	9.48	-	-	11.55	9.48
Provision for return of Expired Goods	16.70	16.70	-	-	16.70	16.70
Diminution in value of Investment	2.76	0.48	-	-	2.76	0.48
MAT Credit Entitlement	-	2.98	-	-	-	2.98
Provision for Loss Allowance	3.08	3.86	-	-	3.08	3.86
<b>Net deferred tax asset/(liabilities)</b>	<b>35.00</b>	<b>34.30</b>	<b>143.50</b>	<b>132.02</b>	<b>(108.50)</b>	<b>(97.72)</b>

### d) Movement in Deferred Tax Balances 31 March 2024

₹ in Crore

Particulars	Net balance as at 31 March 2023	Recognised in Profit and loss	Net balance as at 31 March 2024	Deferred tax asset	Deferred tax liabilities
Property, plant and equipment	(132.02)	(11.48)	(143.50)	-	143.50
Gain on Investment at FVTPL	0.80	0.11	0.91	0.91	-
Leave Encashment	9.48	2.07	11.55	11.55	-
Provision for return of Expired Goods	16.70	-	16.70	16.70	-
Diminution in value of Investment	0.48	2.28	2.76	2.76	-
MAT Credit Entitlement	2.98	(2.98)	-	-	-
Provision for Loss Allowance	3.86	(0.78)	3.08	3.08	-
<b>Net deferred tax asset/(liabilities)</b>	<b>(97.72)</b>	<b>(10.78)</b>	<b>(108.50)</b>	<b>35.00</b>	<b>143.50</b>

### e) Movement in Deferred Tax Balances 31 March 2023

₹ in Crore

Particulars	Net balance as at 31 March 2022	Recognised in Profit and loss	Net balance as at 31 March 2023	Deferred tax asset	Deferred tax liabilities
Property, plant and equipment	(126.89)	(5.13)	(132.02)	-	132.02
Gain on Investment at FVTPL	(3.13)	3.93	0.80	0.80	-
Leave Encashment	8.33	1.15	9.48	9.48	-
Provision for return of Expired Goods	14.19	2.51	16.70	16.70	-
Diminution in value of Investment	0.48	-	0.48	0.48	-
MAT Credit Entitlement	-	2.98	2.98	2.98	-
Provision for Loss Allowance	5.15	(1.29)	3.86	3.86	-
<b>Net deferred tax asset/(liabilities)</b>	<b>(101.87)</b>	<b>4.15</b>	<b>(97.72)</b>	<b>34.30</b>	<b>132.02</b>

The charge relating to temporary differences during the year ended 31 March 2024 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for return of expired goods, provision for loss allowance, compensated absences. The credit to temporary differences during the year ended 31 March 2023 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for return of 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.

## Notes to the Standalone Financial Statements

for the year ended 31 March 2024

### 66. Additional disclosures required by Schedule III (amendments dated 24 March 2021) to the Companies Act, 2013

#### A. Relationship with Struck off Company

There is no such transaction with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

#### B. Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

#### C. Utilisation of Borrowings Availed from Banks

The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken.

#### D. Details of Benami Property Held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

#### E. Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

#### F. Compliance with Number of Layers of Companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

#### G. Compliance with Approved Scheme(s) of Arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

#### H. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

#### 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

Place: Mumbai  
Date: 02 May 2024

#### For and on behalf of Board of Directors of

**Ajanta Pharma Limited**  
CIN - L24230MH1979PLC022059

**Yogesh M. Agrawal**  
Managing Director  
DIN: 00073673

**Arvind K. Agrawal**  
Chief Financial Officer

**Rajesh M. Agrawal**  
Joint Managing Director  
DIN: 00302467

**Gaurang C. Shah**  
Company Secretary  
FCS No.: 6696



(CIN No. L24230MH1979PLC022059)

Regd. Office: "Ajanta House", Charkop, Kandivali (West), Mumbai – 400 067

Tel No.: +91 022 6606 1000

Website: [www.ajantapharma.com](http://www.ajantapharma.com); e-mail: [investorgrievance@ajantapharma.com](mailto:investorgrievance@ajantapharma.com)

## NOTICE

NOTICE is hereby given that Forty-fifth Annual General Meeting of the Members of Ajanta Pharma Limited will be held on Thursday, 18 July 2024 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 2024 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 2024 together with the Report of the Auditors thereon.
2. To confirm the interim dividend(s) for the financial year ended 31 March 2024, and, in this regard, pass the following resolution as an Ordinary Resolution.
 

**"RESOLVED THAT** the first interim dividend of ₹ 25 per equity share and second interim dividend of ₹ 26 per equity share; aggregating to a sum of ₹ 51 per equity share on face value of ₹ 2/- each fully paid up for the FY 2024, as approved by the Board of Directors of the Company and already paid, be and are hereby confirmed/ratified."
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.

### SPECIAL BUSINESS:

4. To consider appointment of Mr. David Rasquinha (DIN: 01172654) as an Independent Director of the Company and, if thought fit, to pass the following resolution as a **Special Resolution**:
 

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV of the Companies Act 2013 (the Act), Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions

(including any statutory modification or re-enactment thereof for the time being in force), in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Mr. David Rasquinha (DIN: 01172654) who was appointed as an Additional Non-Executive Independent Director of the Company by the Board of Directors with effect from 02 May 2024 and in respect of whom, the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 (five) years from 02 May 2024, not liable to retire by rotation;

**RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for appointment of Mr. David Rasquinha (DIN: 01172654), as an Independent Director of the Company."

5. To consider appointment of Ms. Medha Joshi (DIN: 00328174) as an Independent Director of the Company and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV of the Companies Act 2013 (the Act), Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions (including any statutory modification or re-enactment thereof for the time being in force), in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Ms. Medha Joshi (DIN: 00328174) who was appointed as an Additional Non-Executive Independent Director of the Company by the Board of Directors with effect from 02 May 2024 and in respect of whom, the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the

Company for a term of 5 (five) years from 02 May 2024, not liable to retire by rotation;

**RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for appointment of Ms. Medha Joshi (DIN: 00328174), as an Independent Director of the Company."

6. To consider appointment of Mr. Rajesh Dalal (DIN: 03504969) as an Independent Director of the Company and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV of the Companies Act 2013 (the Act), Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions (including any statutory modification or re-enactment thereof for the time being in force), in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Mr. Rajesh Dalal (DIN: 03504969) who was appointed as an Additional Non-Executive Independent Director of the Company by the Board of Directors with effect from 02 May 2024 and in respect of whom, the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 (five) years from 02 May 2024, not liable to retire by rotation;

**RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for appointment of Mr. Rajesh Dalal (DIN: 03504969), as an Independent Director of the Company."

7. To consider appointment of Ms. Simi Thapar (DIN: 10470498) as an Independent Director of the Company and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV of the Companies Act 2013 (the Act), Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions (including any statutory modification or re-enactment thereof for the time being in force), in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Ms. Simi Thapar (DIN: 10470498) who was appointed as an Additional Non-Executive Independent Director of the Company by the Board of Directors with effect from 02 May 2024 and in respect of whom, the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 (five) years from 02 May 2024, not liable to retire by rotation;

**RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for appointment of Ms. Simi Thapar (DIN: 10470498), as an Independent Director of the Company."

8. To consider ratification of remuneration of Cost Auditors for the financial year 2024-2025 and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force)-, remuneration of ₹ 6.50 lakh plus GST and reimbursement of actual travel and out of pocket expenses, fixed by the Board for M/s. RA & Co., Cost Accountants, (Firm Registration No. 000242), Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending 31 March 2025, be and is hereby ratified;



## NOTICE

**RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By order of the Board of Directors

**Gaurang C. Shah**

VP – Legal & Company Secretary

Membership No. F6696

02 May 2024

Registered office:

"Ajanta House", Charkop,  
Kandivali (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 to 8 of the Notice is annexed hereto.
2. 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 reappointment forms part of this notice and is appended to the notice.
3. 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 e-mail and to hold Annual General Meeting ("AGM") through VC or OAVM without the physical presence of members at a common venue. Hence, in accordance with these Circulars, the 45<sup>th</sup> 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.
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 2024 and Notice of the 45<sup>th</sup> AGM are being sent to the Members whose mail IDs are available with your Company/ DP(s). Annual Report and the notice of the 45<sup>th</sup> Annual General Meeting are also posted on the website [www.ajantapharma.com](http://www.ajantapharma.com) for download. The

AGM Notice can also be accessed from the websites i.e. BSE Limited ([www.bseindia.com](http://www.bseindia.com)), National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and National Securities Depository Limited ([www.evoting.nsdl.com](http://www.evoting.nsdl.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 e-mail through its registered e-mail address to [alwyn.co@gmail.com](mailto:alwyn.co@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), 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 securities held by Directors and Key Managerial Personnel;
  - 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 Share Based Incentive Plan – 2019 is being implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

9. 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. 18 July 2024. Members seeking to inspect such documents can send an e-mail to [investorgrievance@ajantapharma.com](mailto:investorgrievance@ajantapharma.com)
10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulation 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 engaged NSDL 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 NSDL.
11. 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 at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Directors, Institutional Investors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee Auditors etc. are allowed to attend the AGM without restriction on account of first come first served basis.

12. 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 Act.

### 13. Instructions for Shareholders for remote e-Voting and joining the AGM are as under:

The remote e-Voting period begins on Monday 15 July 2024 at 9:00 a.m. and ends on Wednesday 17 July 2024 at 5:00 p.m. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the cut-off date i.e. Wednesday, 10 July 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 10 July 2024. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated 09 December 2020 on e-Voting facility provided by Listed Companies Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

NOTICE

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<div>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</div> <div>2. If you are not registered for <b>IDeAS</b> e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></div> <div>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</div> <div>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</div> <div><div>NSDL Mobile App is available on</div><div><div> App Store</div><div> Google Play</div></div><div></div></div>
Individual Shareholders holding securities in demat mode with CDSL	<div>1. Users who have opted for CDSL 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 users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing Myeasi username &amp; password.</div> <div>2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting Service Providers website directly.</div> <div>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</div> <div>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</div>
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. Upon logging in, you will be able to see e-Voting option. 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 e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & 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 above mentioned website:

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
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 <a href="mailto:evoting@nsdl.co">evoting@nsdl.co</a> . in or call at 022 - 4886 7000 and 022 - 2499 7000.
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and for shareholders holding securities in physical mode.

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

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- (ii) If your e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail ids are not registered.
- 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.
- e) Upon confirmation, the message "Vote cast successfully" will be displayed. f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

- a) 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 Scrutiniser by e-mail to [alwyn.co@gmail.com](mailto:alwyn.co@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
- b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com/> to reset the password.
- c) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Wednesday, 10 July 2024 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on <https://www.evoting.nsdl.com/> or call on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, 10 July 2024, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

- a) After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- b) Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join Meeting".
- c) Now you are ready for e-Voting as the Voting page opens.
- d) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

- d) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on: 22 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- c) 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.
- d) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

### Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-Voting for the resolutions set out in this notice:

- a) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company's Registrar & Share Transfer Agent ("RTA"), Link Intime India Private Limited, 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083.
- b) In case shares are held in demat mode, please contact your Depository Participant and get your mail ID registered with them. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- c) Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing above mentioned documents.
- d) In terms of SEBI circular dated 09 December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

### Instructions for Members for e-Voting on the day of the AGM are as under:

- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- b) Only those Members/shareholders, who will be 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 in the AGM.

### Instructions for Members for attending the AGM are as under:

- a) Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC / OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC / OAVM link placed under Join Meeting menu. The link for VC / OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b) Members are encouraged to join the Meeting through Laptops for better experience.
- c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) 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.
- e) 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 from Thursday, 11 July 2024 (9:00 a.m. IST) to Tuesday 16 July 2024 (5:00 p.m. IST) prior to meeting mentioning their name, demat account number/folio number, e-mail id, mobile number, PAN at [investorgrievance@ajantapharma.com](mailto:investorgrievance@ajantapharma.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, e-mail id, mobile number, PAN at [investorgrievance@ajantapharma.com](mailto:investorgrievance@ajantapharma.com). These queries will be replied to by your Company suitably by e-mail.



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14. Mr. Alwyn D'Souza, a Practicing Company Secretary, Mumbai (Membership No. FCS 5559 & Certificate of Practice No. 5137) and failing him, Mr. Jay D'Souza, (Membership No. FCS 3058 & Certificate of Practice No. 6915) 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), within 2 working days of the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the Stock Exchanges, NSDL & RTA and will also be displayed on your Company's website, [www.ajantapharma.com](http://www.ajantapharma.com).
15. Members are requested to address all correspondence in connection with shares held by them, to the Company's RTA viz., Link Intime India Private Limited, 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. 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 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.
17. 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.

By order of the Board of Directors

**Gaurang C. Shah**  
VP – Legal & Company Secretary  
Membership No. F6696

02 May 2024

Registered office:  
"Ajanta House", Charkop,  
Kandivali (West),  
Mumbai - 400 067

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 4, 5, 6 and 7

Pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, the Board at its meeting held on 02 May 2024, based on recommendations of the Nomination and Remuneration Committee, appointed Mr. David Rasquinha (DIN: 01172654), Ms. Medha Joshi (DIN: 00328174), Mr. Rajesh Dalal (DIN: 03504969) and Ms. Simi Thapar (DIN: 10470498), as Additional Non-Executive Independent Directors of the Company.

In terms of the provisions of Section 161(1) of the Act, Mr. David Rasquinha, Ms. Medha Joshi, Mr. Rajesh Dalal and Ms. Simi Thapar hold office as Additional Director(s) till the date of the ensuing 45<sup>th</sup> Annual General Meeting (AGM) scheduled on 18 July 2024.

The Company has received the following from them:

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules");
- (ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that they are not disqualified under sub-section (2) of Section 164 of the Act;
- (iii) A declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under the LODR Regulations;
- (iv) Confirmation that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties as an Independent Director of the Company;
- (v) A declaration that they are in compliance with Rules 6(1) and 6(2) of the Appointment Rules with respect to their registration to the Data Bank of Independent Directors maintained by the Indian Institute of Corporate Affairs("IICA").

The Company has received a notice in writing from a member proposing their candidature under Section 160 of the Act.

### Brief Profiles of these Directors are as follows:

#### Mr. David Rasquinha:

Mr. David is an international finance veteran with over 40 years' experience in export credits and cross-border financial transactions. He superannuated from India Exim Bank as the Managing Director and Chief Executive Officer after serving it for nearly four decades. During his tenure with India EXIM bank, he served as a member on several Working Groups set up by the Reserve Bank of India as well as the Government of India for facilitation measures for exporters, working capital finance etc. He is an expert analyst and speaker on the Indian economy and other key issues. His insights on export credit and the Indian economy are often sought in panel discussions and seminars, by overseas equity and fixed-income investors in Japan, Singapore, Hong Kong, London, USA. Mr. David holds a first-class graduate degree in Economics from Bombay University and a post graduate degree in Business Management from the XLRI, Jamshedpur where he was awarded the Gold Medal in Economics. He is also an Independent Director on the Boards of Ion Exchange Ltd. and Unity Small Finance Bank.

#### Ms. Medha Joshi:

Ms. Medha Joshi is a banking industry stalwart with expertise in an array of subjects including risk management and forensic audit. She retired from IDBI Bank as Chief General Manager after 35-years of service. During her association with IDBI Bank she managed Corporate Banking, Investments, Human Resources, Risk Management, Retail banking, Rehabilitation Finance, Corporate Finance and Merchant Banking. Post retirement, she has been associated with HDFC Ergo as advisor and with National Stock exchange (NSE) / Bombay Stock Exchange (BSE) as Arbitrator. She is a Certified Associate of Indian Institute of Bankers (CAIIB) and a degree holder in MBA.

#### Mr. Rajesh Dalal:

Mr. Dalal is a healthcare industry veteran with over four-decades experience in the field of business management and strategic advisory. In 1980, he joined Johnson & Johnson India as a product manager and rose through the ranks to become the managing director at J&J Medical India, the medical device business. He was also

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Vice President (Asia) M&A at J&J Medical Asia and was simultaneously an Executive Director at J&J Medical China till 2010. Post retirement from J&J, he became a venture partner with OrbiMed Asia Fund where he was associated for the next 4 years. He has been advisor to several private equity firms like Tata Healthcare Fund, Advent, Baring Asia/ PWC, Gaja Capital, Khazana and multinational corporations like Philips Netherlands, Intuitive Surgical USA, Alltech USA/ China, etc. He is also independent director on the Boards of Entero Healthcare Solutions Ltd. and Ascent Meditech Ltd. He holds an MBA from Jamnalal Bajaj Institute of Management Studies and B. Tech from Indian Institute of Technology, Madras.

### Ms. Simi Thapar:

Ms. Thapar is an expert in asset financing and leasing solutions that help corporates forward their ESG goals. She is currently working as Chief Country Officer & Director with CSI Renting India Pvt. Ltd., a multinational organisation with presence in 50 countries, offering equipment leasing and lifecycle solutions to the enterprise segment. It is subsidiary of Tokyo Century Corporation, Japan. Prior to this, she was with Tata Capital for 8 years as a business head. She has been a speaker and panellist at various industry forums in India, USA, Hongkong, Singapore, Dubai and London for talks on asset financing, leasing solutions, women leadership and women in BFSI. She is a member of Diversity & Inclusion, and CSR committees of the American Chamber of Commerce in India. She has been instrumental in setting up NGO for economic empowerment of disadvantaged women. She is also member of NGOs for initiatives in the field of spiritual well-being, education, and healthcare for the disadvantaged community. She has a post graduate degree in commerce from Mumbai University along with Diploma in Business Finance & Business Management. She has also secured ‘Masters in Change’ degree from INSEAD, Singapore.

Mr. David Rasquinha, Ms. Medha Joshi, Ms. Simi Thapar and Mr. Rajesh Dalal possesses the repertoire of skills, attributes, and competencies identified by the Board as also as per the “Policy for determining qualification of Directors” and the “Policy on Board diversity”.

In the opinion of the Board, these Directors fulfils the conditions for their appointment as Independent Directors, as specified in the Act and the Listing Regulations and are independent of the management. Their induction on Ajanta’s Board will immensely benefit the Company.

Pursuant to Regulation 36(3) of the Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”), requisite particulars of Mr. David Rasquinha, Ms. Medha Joshi, Ms. Simi Thapar and Mr. Rajesh Dalal including their brief profile and specific areas of expertise are given in this Addendum to the AGM Notice as “Annexure 1”.

Draft letters of appointment of Mr. David Rasquinha, Ms. Medha Joshi, Ms. Simi Thapar and Mr. Rajesh Dalal setting out the terms and conditions of their appointment is available electronically for inspection by the Members. The same are also available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch of the Notice till the date of AGM.

Pursuant to the provisions of Regulation 17(1C) of the Listing Regulations, the Company is required to obtain approval of shareholders for the appointment of Independent Directors at the next general meeting or within a time period of 3 (three) months from the date of appointment, whichever is earlier.

The Board recommends the resolution as set out at Item No. 4, 5, 6 and 7 in the 45<sup>th</sup> AGM Notice for approval of the Members of the Company as a Special Resolution.

Except Mr. David Rasquinha, Ms. Medha Joshi, Ms. Simi Thapar and Mr. Rajesh Dalal and their relatives, no other Director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

### Item No. 8

In accordance with the provisions of Section 148 of the Act, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of M/s. RA & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2024-25, for conducting the audit of the cost records of the Company at a remuneration of ₹ 6.50 lacs plus GST and reimbursement of actual travel and out of pocket expenses.

The remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Based on the certification received from the Cost Auditors, it may be noted that:

- (i) They are in full time practice as Cost Accountants within the meaning of The Cost & Works Accountants Act, 1959 (23 of 1959) and hold valid Certificates of Practice;
- (ii) They are not disqualified under any of the provisions specified under Sections 141(3) and 148(5) the Companies Act, 2013;
- (iii) They are independent Cost Accountants and maintain an arm’s length relationship with the Company.

Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 8 of this Notice for ratification of remuneration payable to the Cost Auditors for the financial year 2024-25.

None of the Directors and/or, Key Managerial Personnel and their relatives are concerned with or interested, financially or otherwise, in the said Resolution.

By order of the Board of Directors

**Gaurang C. Shah**  
VP – Legal & Company Secretary  
Membership No. F6696

02 May 2024

Registered office:  
“Ajanta House”, Charkop,  
Kandivali (West),  
Mumbai – 400 067

**Details of the Director seeking appointment/re-appointment at Forty-Fifth 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	Mr. David Rasquinha	Ms. Medha Joshi
Date of Birth	26 March 1947	01 June 1961	24 June 1956
DIN No.	00073828	01172654	00328174
Nationality	Indian	Indian	Indian
Date of Appointment	31 December 1979	02 May 2024	02 May 2024
Expertise in Specific Functional Area	<ul style="list-style-type: none"> <li>Industry knowledge</li> <li>Business acumen</li> <li>Management &amp; admin</li> <li>Corporate Governance</li> <li>Taxation</li> <li>Finance</li> <li>Accounting</li> </ul>	<ul style="list-style-type: none"> <li>Business management</li> <li>Financial management</li> <li>Forex management</li> <li>Global business</li> <li>Corporate governance</li> <li>Economics</li> <li>Communication skills</li> <li>Stakeholder relationship</li> <li>Sustainability</li> <li>HR</li> </ul>	<ul style="list-style-type: none"> <li>Finance &amp; Accounts</li> <li>Corporate Banking</li> <li>HR &amp; employee engagement</li> <li>Forex &amp; Risk management</li> <li>Policy making</li> <li>Fund raising &amp; Investment</li> <li>Strategic thinking</li> <li>Sales &amp; Marketing</li> </ul>
Qualifications:			
(i) Educational	B.Com	B.A, Business Management from the XLRI, Jamshedpur with gold medal in economics.	M.Com, executive MBA, CAIIB.
(ii) Experience in years	40+	39+	35+
No. of shares held in the Company	Nil	Nil	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	None	None
No. of Board meetings attended during FY 2024	Four	N.A	N.A
Other Directorships in Companies	None	1. Aquanomics Systems Ltd. 2. Ion Exchange Ltd. 3. HSBC Trustees (India) (P) Ltd. 4. Unity Small Finance Bank Ltd.	None
Membership of committees (M- Member; C- Chairman)	Ajanta Pharma Limited – Audit Committee (M); Corporate Social Responsibility Committee (C)	1. Aquanomics Systems Ltd. – Audit (M) & NRC (M) 2. HSBC Trustees (India) (P) Ltd. – Audit (M) & RMC (M) 3. Unity Small Finance Bank Ltd. – Audit (C) & RMC (M) 4. Ajanta Pharma Limited – Audit (C); NRC (M)	Ajanta Pharma Limited – CSR & Sustainability Committee (M); Nomination & Remuneration Committee (M)
Terms and conditions of appointment	Liable to be retire by rotation	As per the details provided under the Resolution and Explanatory Statement	As per the details provided under the Resolution and Explanatory Statement
Details of remuneration sought to be paid	N.A.	Sitting Fees & Commission	Sitting Fees & Commission

Name of Director	Mr. Rajesh Dalal	Ms. Simi Thapar
Date of Birth	12 September 1953	20 August 1969
DIN No.	03504969	10470498
Nationality	Indian	Indian
Date of Appointment	02 May 2024	02 May 2024
Expertise in Specific Functional Area	<ul style="list-style-type: none"> <li>Business management &amp; transformation</li> <li>M &amp; A</li> <li>Healthcare industry</li> <li>Corporate Governance</li> <li>Sales &amp; marketing</li> <li>Investment banking</li> <li>Finance &amp; Accounting</li> <li>Sales &amp; Marketing</li> </ul>	<ul style="list-style-type: none"> <li>Chief Country Officer &amp; Director with CSI Renting India Pvt. Ltd.</li> <li>Member of American Chamber of Commerce D&amp;I</li> </ul>
Qualifications:		
(i) Educational	MBA in Marketing, B. Tech. in Mechanical Engineering from IIT Madras.	Post graduate degree from Mumbai University. Diploma in Business Finance & Business Management
(ii) Experience in years	40+	40+
No. of shares held in the Company	Nil	Nil
Relationship with other Directors and Key Managerial Personnel	None	None
No. of Board meetings attended during FY 2024	N.A	N.A
Other Directorships in Companies	1. Entero Healthcare Solutions Limited 2. Ascent Meditech Limited 3. Biogenomics Limited	1. CSI Renting India Private Limited
Membership of committees (M- Member; C- Chairman)	Ajanta Pharma Limited – Audit Committee (M); Nomination & Remuneration Committee (C); Risk Management Committee (M)	Ajanta Pharma Limited – Audit Committee (M); Stakeholders Relationship Committee (M)
Terms and conditions of appointment	As per the details provided under the Resolution and Explanatory Statement	As per the details provided under the Resolution and Explanatory Statement
Details of remuneration sought to be paid	Sitting Fees & Commission	Sitting Fees Commission





(CIN No. L24230MH1979PLC022059)

**Redg. Office:** Ajanta House, Charkop,  
Kandivali (West), Mumbai – 400 067

**Tel No.:** 022 6606 1000

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