

July 9, 2022

To Listing Department, NATIONAL STOCK EXCHANGE OF INDIA LIMITED Exchange Plaza, Bandra Kurla Complex, Bandra (E), MUMBAI -400 051 Company Code No. AUROPHARMA	To The Corporate Relations Department BSE LIMITED Phiroz Jeejeebhoy Towers, 25 th floor, Dalal Street, MUMBAI -400 001 Company Code No. 524804

Dear Sir / Madam

Sub: Notice of 35th Annual General Meeting and Annual Report for the financial year 2021-22.

Further to our letter dated July 7, 2022 intimating the date of 35th Annual General Meeting (AGM) of the Members of the Company and pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, please find enclosed Annual Report for the financial year 2021-22 along with Notice of 35th AGM of the Company to be held on **Tuesday, August 2, 2022 at 3.30 p.m. IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") which is being sent to the shareholders of the Company through electronic mode.

The Annual Report containing the Notice is also being uploaded on the Company's website <https://www.aurobindo.com/investors/results-reports-presentations/annual-reports/>. Further, e-voting facility for the AGM will be made available to all the Members of the Company. The date and time of remote e-voting facility are as under:

Date and time of commencement of remote e-voting	Friday, July 29, 2022 at 9.00 a.m.
Date and time of end of remote e-voting	Monday, August 1, 2022 at 5.00 p.m.
Cut-off date for determining the eligibility to vote by electronic means or in the AGM	Tuesday, July 26, 2022

Please take the information on record.

Thanking you,

Yours faithfully,
For AUROBINDO PHARMA LIMITED


B. Adi Reddy
Company Secretary



Encl: as above.



Scale

Portfolio

Realigning Strategies

Innovation

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Strong position in the global pharma industry

2nd

Largest listed Indian pharmaceutical company (by revenues)

#1

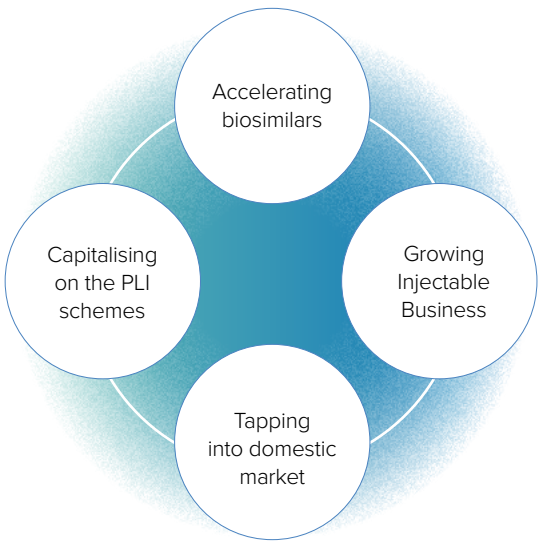
Largest generics company in the US (by Rx dispensed) **

Amongst

Top 10

Generics companies in six out of nine countries in Europe®

Strategic priorities

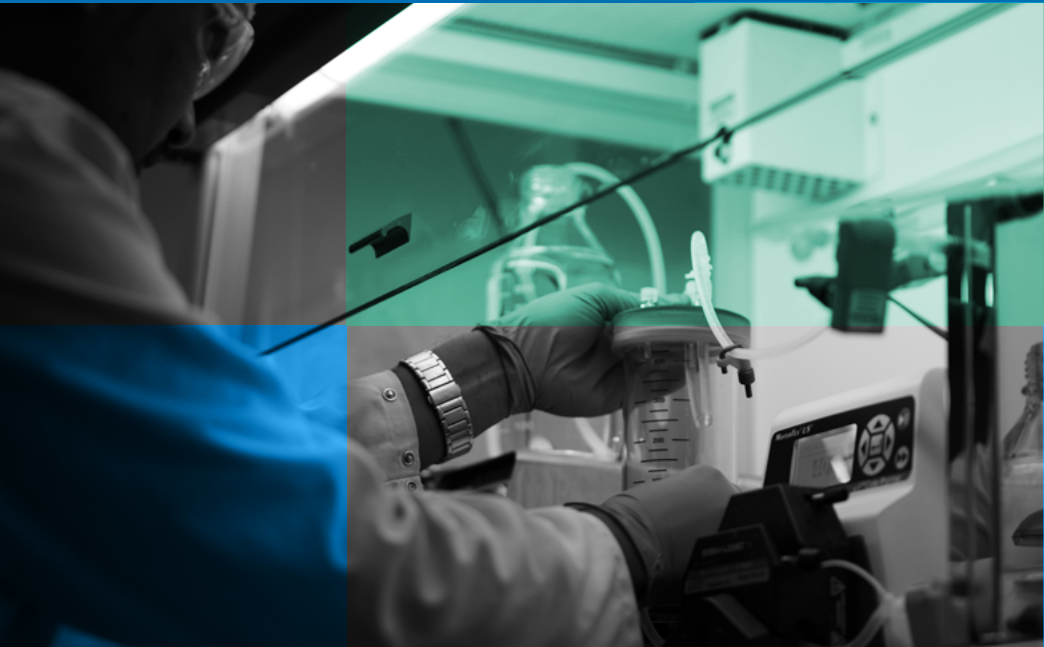


 Read more on page 18

** IQVIA MAT Mar 2022, @IQVIA Q3 2021

Realigning Strategies

Scale | Portfolio | Innovation



The last decade witnessed dramatic evolution in the industry with the adoption of new treatments, the emergence of biosimilars, a rising demand for specialty medicines, and improved healthcare access and affordability. The recent onset of the pandemic required the industry to embrace an agile approach and accelerate efforts towards digitisation.

At **Aurobindo Pharma Limited (APL)**, our commitment to serving patients with high quality and affordable medicines is unwavering. It has led us to become a leading global pharmaceutical company with vertically integrated operations, large-scale manufacturing facilities, consistent investments in R&D, diverse product portfolio and stringent compliance to quality standards. With our best foot forward, we have established ourselves as trustworthy partners in the pharmaceutical industry worldwide.

In today's dynamic economic environment, APL is focused on strengthening fundamentals while realigning strategic priorities. We will continue to drive value as we set sight on expanding our manufacturing capabilities as well as our geographical reach into high potential markets. With new products and an innovation-driven approach, we aspire to further strengthen our global position.

FY22 highlights

World of Aurobindo

Financial

₹ 234,555 million
Revenues

₹ 43,868 million

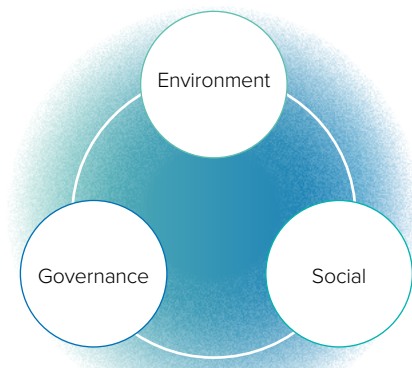
₹ 26,471 million
Net profit

₹ 339,217 million

18.7%
EBITDA margin

52.3%
Debt reduction

Non-financial



Social

2.37

Training days per employee

9%
Women in
workforce

8.64 lakh
Lives impacted through
CSR interventions

▶▶ Read more on page 36

Environment

1.2%
Reduction in energy consumption
(75,612 GJ reduction compared to FY21)

7%
Renewable energy
used in operations
against target of 20%
(155,545 GJ)

31%
Treated wastewater /
re-used (298,804 KL)

10%
Reduction in carbon emissions against target of 12% Reduction from baseline year FY20 (97,211 tCO₂e from baseline year)

▶▶ Read more on page 34

Governance

44%
Of the Board
comprises Independent
Directors, of which two
are women

5
Non-executive
Directors, including
Chairman

17+ years
Average tenure of
the Directors on our
Board

4 Executive Directors

▶▶ Read more on page 48

Corporate identity

Aurobindo at a glance

The last three decades have been the witness to our growth story as we established ourselves among the leading global pharmaceutical companies driven by our commitment to meet the evolving needs in medical care. From a single manufacturing unit in Pondicherry to becoming the second largest pharma company in India, we are today catering to the global population. Our journey over these years has been inspired by our vision to push ourselves and aim higher and our mission to serve patients with the most advanced and quality healthcare that is affordable and accessible.



OUR VISION

To become a leading and an admired global pharma company, ranked within the top 25 by 2030.

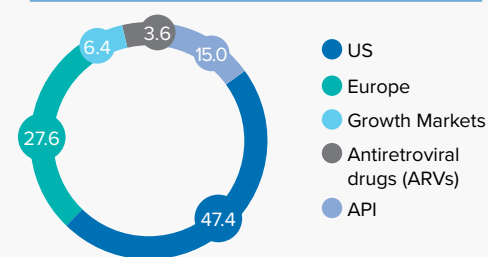


OUR MISSION

To become the most valued pharma partner to the world pharma fraternity by continuously researching, developing and manufacturing a wide range of pharmaceutical products that comply with the highest regulatory standards.

BUSINESS SEGMENT

Contribution of total revenue (%)



Revenue (₹ in million)

Formulations

85%

contribution of total revenue

APIs

15%

contribution of total revenue

₹111,221 million

● US

₹64,803 million

● Europe

₹15,039 million

● Growth markets

₹8,330 million

● Antiretroviral drugs (ARVs)

₹35,156 million

Revenue

Business segment highlights on page 12

CORE STRENGTHS

Manufacturing prowess

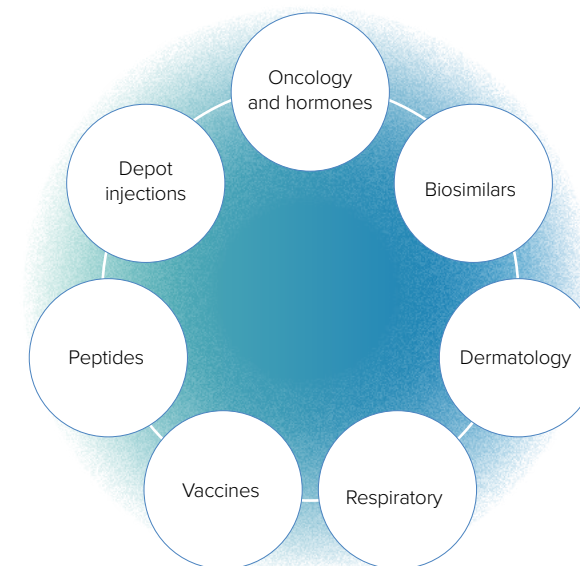
We have large-scale manufacturing capabilities for a wide range of finished formulation products in various forms including oral, injectables and OTC, as well as for active pharmaceutical ingredients (APIs). Our manufacturing facilities are approved by the world's prominent regulatory bodies including the USFDA, EDQM, UK MHRA, TGA Australia, GCC DR, WHO, Health Canada, MCC SA, ANVISA Brazil, Japan PMDA.

24

State-of-the art manufacturing and packaging facilities which include 14 formulations facilities and 10 API plants

Diverse product portfolio

We have built a vast product basket by identifying complex molecules across various therapeutic categories enabled by our in-house product development capabilities. We have also been pursuing targeted acquisitions to expand our product line.



R&D capabilities

We have a robust R&D infrastructure with five research and development centres in India and four in the US and with 1500+ scientists and analysts helping us drive innovation. Our focus on building our capabilities have been instrumental in supporting our filings for Drug Master Files (DMFs), Abbreviated New Drug Applications (ANDAs), and formulation dossiers promptly. We are one of the more frequent DMF and ANDA filers in USA.

9

R&D centres, 5 in India and 4 in the US

1,500+

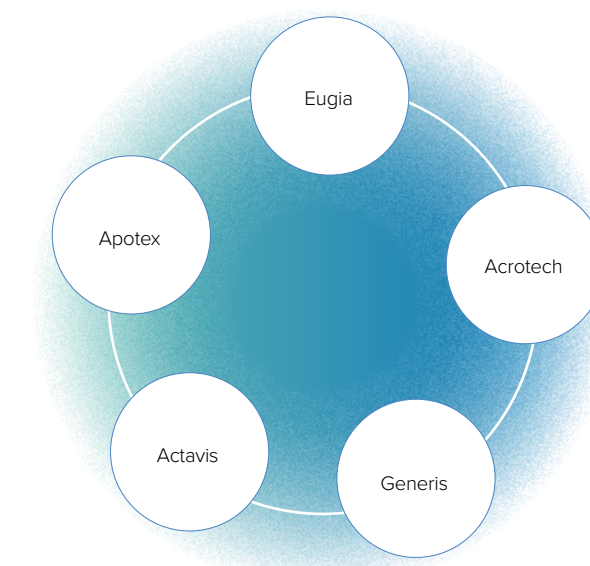
Scientists and analysts globally

₹16 bn

Spend on Research and Development (6.7% of revenues) in FY22

Track record of successfully integrating acquisitions

By focusing on strategic integration and acquisition of select businesses, we were able to diversify our product portfolio and revenue stream across key markets. Some of our notable acquisitions over the years:



Geographic footprint

Expansive global presence

Reaching more people and making healthcare more accessible has been one of the key drivers of our expansion with a coverage across developed and developing countries. Our extensive presence also strengthens our position as it leads to a comprehensive understanding of varied customer needs and enables us to cater to those needs with agility.

 **150+**
Countries export presence



 Finished dosage formulations (FDF) units

 Active Pharmaceutical Ingredients (API) units

Unit III
General oral solids & liquids

Unit VI B
Cephalosporin

Unit VII
Non-antibiotics, ARVs/Orals

Unit XII
Antibiotics, injectables and Orals

Unit XV
Non-antibiotics, Solid & Liquid Orals (EU)

Eugia Unit I
Oncology and Hormones

Eugia Unit II (formerly known as AuroNext)
Penem formulations

Eugia Unit III (formerly known as Unit IV)
Injectables (Non-antibiotics) and Ophthalmic

Wytells Unit I (formerly known as Unit XVI)
Antibiotics, Injectables

APL Healthcare Unit I
Pharma OTC, Solid Orals

APL Healthcare Unit IV (formerly known as Unit X)
Non-antibiotics, Solid Orals

Curateq)* (formerly known as Unit XVII)
Biosimilars

Auro Vaccines (formerly known as Unit XVIII)*
Vaccines

*yet to start commercial production (Integrated facilities with both drug substance and drug product capabilities)

Active Pharmaceutical Ingredients (API) units in India

Unit I
General APIs, Cephalosporin, Oncology

Unit II
Intermediates

Unit V
Antibiotics (Sterile and Non-sterile)

Unit VIA
Cephalosporins (Sterile)

Unit VIII
General APIs (Non-sterile)

Unit IX
Intermediates

Unit XI
Non antibiotics

Unit XIV
General APIs

Unit XVII (Formerly known as Silicon LS)
Penem (Non-sterile)

Auro Peptides
Peptides

Vice Chairman & Managing Director's review

Preparing to emerge stronger



At Aurobindo Pharma we remain committed to becoming one of the most sustainable organisations in the pharmaceutical industry. We are diligently working towards the goals set for reducing carbon emissions, replacing traditional fuel sources with renewable energy, mindful management of water and waste and conservation of biodiversity.

Dear Shareholders,

The challenges caused by the Covid pandemic during FY21 continued into FY22 and some new challenges got added. The start of the Russia-Ukraine war in Q4 FY22 set the stage for all-round commodity price volatility which significantly affected margins and profitability in our key product segments. However, the diversified spread of our product portfolio and the vast number of markets that we operate in helped to minimize and mitigate the extent of negative impact, and we were successful in maintaining an EBITDA margin of 18.7% despite these headwinds.

We have a very strong presence in the US market, which accounts for almost half of our formulations revenues and houses the largest number of our manufacturing facilities, outside of India. However, this business was one of the hardest hit this year due to increasing competition on pricing of formulations vis-à-vis unprecedented rise in input materials. Our Europe business, on the other hand, grew at a steady pace of around 10-15% as did our growth markets in countries like Canada and Brazil. We have completed the development of our injectables manufacturing facility in the US and expect a good pick up in demand realizations from that region in the coming years.

SHIFTING GEARS, REALIGNING PRIORITIES

Two challenging years, back-to-back, have helped us to put our priorities into perspective. We will be shifting gears and realigning our business over the

near- to medium-term – continuing with some of our focus areas and reducing dependence on the rest. Our strong background in generic formulations has created an overdependence on raw material procurement, input prices and logistical performance – all of which are factors beyond our control. Unpredictability in any of these dimensions can potentially corrode overall growth. We are keen to moderate this impact over time.

We will continue to drive our injectables business where we envisage strong growth and healthy margins, and a working model that premiumizes value addition. Our biosimilars portfolio growth has been gaining steady momentum, and in FY22, we filed two oncology biosimilars with the European Medicine Agency. Additionally, three more are at Phase 3 licensure clinical trials stage, of which one is expected to complete these trials by early FY23. As we build our biosimilars pipeline, we are optimistic about the new revenue streams starting in the next 1-2 years.

Closer home, we have been working consistently on the opportunities unleashed by the government's Production Linked Incentive (PLI) scheme with the penicillin and allied areas throwing up some very attractive prospects. We have initiated building capacities in these areas and invested this year ₹2,677.7 million and the total capital for this project is expected to be around ₹18,500 million to ₹19,000 million which will help us to significantly enhance our backward integration, make our production value chain more resilient and improve control over costs and sustainable profit margins. The supply

chain difficulties faced this year with sourcing from China only underlines the importance of having a diversified sourcing base and for import substitution.

DEVELOPING NEW MARKETS, BALANCING DOMESTIC AND GLOBAL DEMAND

The domestic market too promises strong growth in the therapeutic areas and our team has been reviewing all existing and emerging possibilities. As India's GDP growth outstrips most other global economies, we will be able to cater both domestic and international demand. We have been consistently growing our presence in the China market, which is one of the largest healthcare markets in the world other than also being a dominant supply base. We are creating an oral formulation facility in China and plan to fulfil our international demand apart from domestic contribution. We began local manufacturing in that country from January 2022 and aim to shift 30 products from India into China. Of these, two have been approved and we expect another 10-15 products to receive their approvals in this year. We also intend to transfer a few products from Europe to the China facility. With a total target of reaching 40 products in China, if we are successful in realizing our plans then there should be significant accretion to both our topline and bottomline spreads.

TAKING THE R&D ROUTE TO CREATE DIFFERENTIATED PRESENCE

Our long history in the pharma industry has its roots in our R&D strength. The nine R&D centres that we run today are supported by a pool of world-class talent, and highly trained regulatory and intellectual property teams. We are building a diversified portfolio of finished dosage forms in orals, liquids, topicals, biosimilars, nasal, and parenteral products targeted at the global markets, and

in FY22 our primary R&D focus was complex parenteral products. Our long-term goal envisions a shift to a higher mix of branded products within the categories where we have a dominant presence. An array of distinctive brands will enable us to make our own space and to shift from the crowded generics market, with a better command over profitability and user segments. Our new product development capability along our manufacturing flexibility and very large geographic presence would act as force multipliers. In FY22, our R&D investment towards future pipeline growth totalled ₹15,814 million, with a significant share going towards the biosimilars pipeline.

COMMITTED TO ESG AND CREATING A BETTER FUTURE FOR ALL

At Aurobindo Pharma we remain committed to becoming one of the most sustainable organisations in the pharmaceutical industry. We are diligently working towards the goals set for reducing carbon emissions, replacing traditional fuel sources with renewable energy, mindful management of water and waste and conservation of biodiversity. Adoption of sustainable packaging techniques and practices for controlling material wastage steadily increased over the year, as did our efforts to keep 'greening' our supply chain. We have successfully built capabilities to generate solar power, and during the year 43,000 MWh of solar energy were generated and consumed. In our concerted attempts to control and eradicate 'beyond-the-fence' water pollution, and reduce the AMR burden, we have started retreating the wastewater generated during product manufacturing at API manufacturing facilities, with the goal of reusing the treated wastewater.

The dynamic, competitive landscape that the pharma industry operates in requires our people to be fully equipped to handle the emerging challenges so that patient safety, product quality and compliance remain of the best standards. It is equally important to balance employee health, wellbeing, career advancement needs and personal growth with the organizational needs. At Aurobindo Pharma, we make the best career development opportunities available through our diverse suite of learning and development activities.

Commitment towards the society underlies what we do everyday and our work with our adjacent communities reflects our social purpose. Prevention of malnutrition, control and eradication of disease amongst rural communities, sustainable agriculture, womens' empowerment are some of the social development areas that we are involved in as we attempt to do our bit towards a healthier society and a sustainable planet.

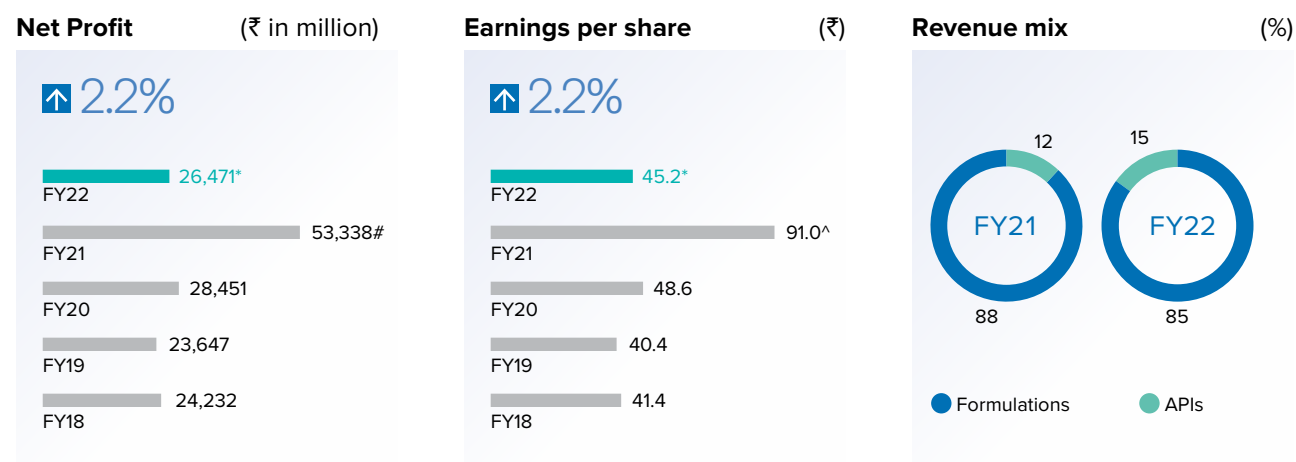
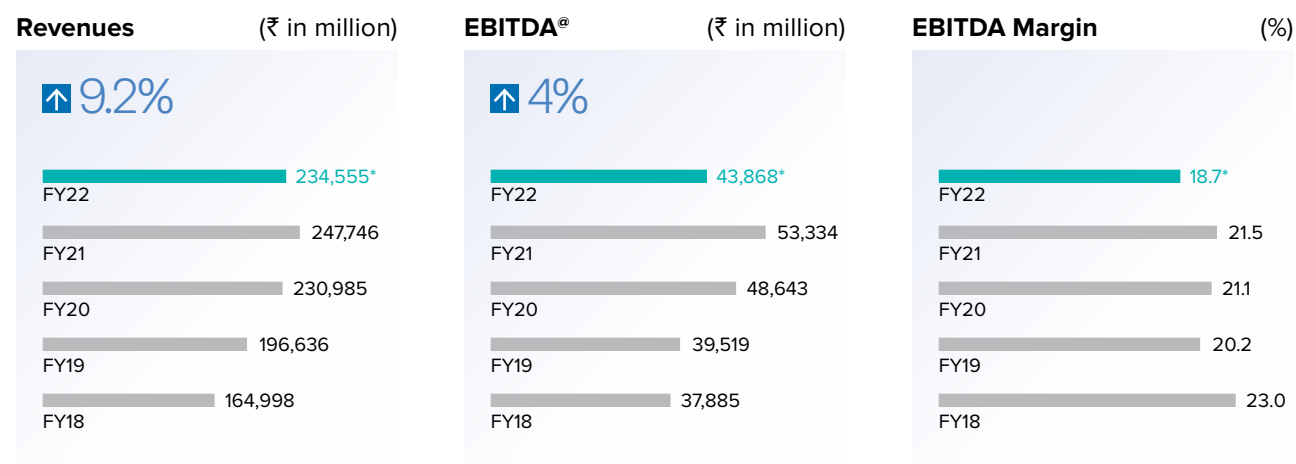
As we look forward to a year that promises to be different from the one we have left behind, we are preparing ourselves for the many opportunities that are getting uncovered. Disease, inequity in access to health, reducing resources are issues that keep our purpose fresh and relevant. There are miles to be covered, for challenges are always opportunities in disguise and we are more than ready for it.

K. Nithyananda Reddy
Vice Chairman & Managing Director

Key performance indicators

Delivering consistent performance

Profit and loss metrics



#Includes exceptional items gain of ₹23,397 million (Net of tax) on sale of Natrol

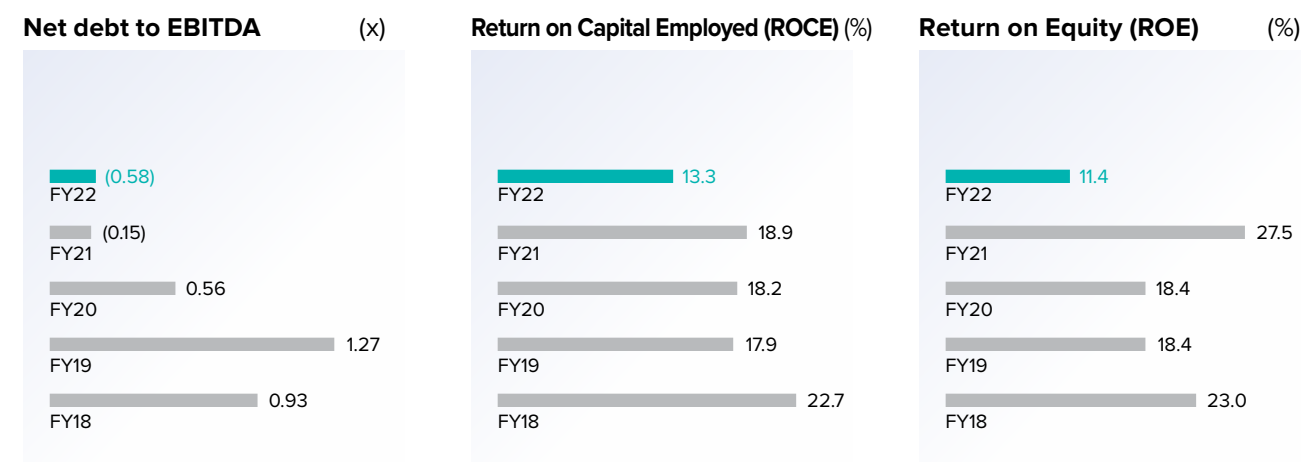
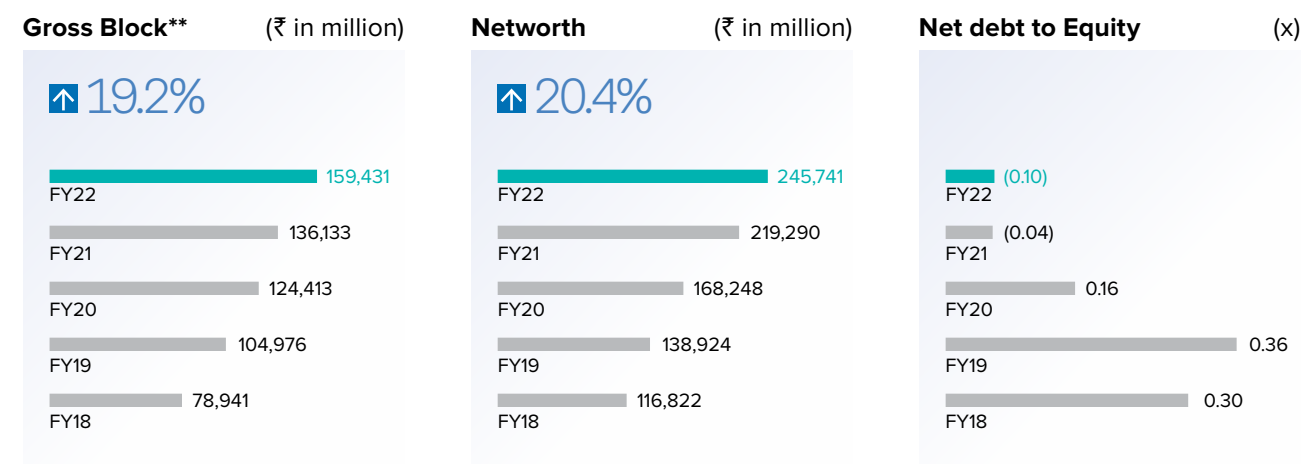
*FY22 numbers does not have Natrol and hence not comparable

^Excluding exceptional items, EPS for FY 21 stood at ₹ 51.6 per share

@EBITDA = Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the Profit before share of profit of Joint Ventures, Associates, Exceptional Items and Tax for the year and adding back finance costs, depreciation and amortisation expense and reducing other income.

↑ 5-year CAGR

Balance sheet metrics



**Represents gross carrying value of Property Plant & Equipment, Goodwill, Other Intangible Assets and Right of Use Assets

Business highlights

Momentum across global markets

The pharmaceutical industry is one of the most highly regulated industries, with the government enforcing strenuous quality standards to safeguard public health. The industry has transformed over the last decade due to the continuous advancements in technology and research, and it is estimated to witness rapid development and evolution in the coming times.

FORMULATIONS

US

₹111,221 million
Revenue from the US

47.4%
Contribution to the total revenue mix

11%
5-year CAGR in US

EUROPE

₹64,803 million
Revenue from Europe

27.6%
Contribution to the total revenue mix

10%
5-year CAGR in Europe

7%
y-o-y growth

GROWTH MARKETS

₹15,039 million
Revenue from growth markets

6.4%
Contribution to the total revenue mix

14%
5-year CAGR in Growth Markets

5%
y-o-y growth

ARVs

ANTIRETROVIRAL DRUGS

₹8,330 million
Revenue from ARV

3.6%
Contribution to the total revenue mix

API

ACTIVE PHARMACEUTICAL INGREDIENT

Our strength in process chemistry and benefits of large scale enables us to be a cost-effective supplier of APIs

₹35,156 million
Revenue from APIs

15%
Contribution to the total revenue mix

4%
5-year CAGR in API

14%
y-o-y growth

Business model

Resources we utilised

Financial Capital

Our strong balance sheet and a high liquidity buffer enable us to consistently invest in growth opportunities and create long-term value for stakeholders

₹245,741 million
Shareholders' fund
₹25,232 million
Net Cash
Figures as on March 31, 2022

Manufactured Capital

We have large-scale manufacturing facilities across key markets approved by the USFDA, EMA, and other regulatory agencies

24
State-of-the-art manufacturing and packaging facilities, globally

Intellectual Capital

Dedicated, cutting-edge global R&D centres for developments of new FDFs and APIs

9
R&D Centres worldwide
4,164 dossiers
3,623 DMFs
Product registrations in other markets (excluding USA)
727
ANDAs filed
261
DMFs filed
792
Patent applications filed

Human Capital

We have a diverse and skilled workforce with people from 34 countries

23,000+
Size of global team
1,500+
R&D team size

Social and Relationship Capital

₹536 million
Investment in CSR activities FY22

Natural Capital

Our strong focus towards conserving the environment

3,11,176 GJ
of Renewable energy used
2,98,804 KL
of treated wastewater reused

OPERATING CONTEXT

Analysing the external environment in which we operate to identify risks and opportunities. This enables us to align our strategic priorities.

KEY MARKETS

USA
Europe
Growth Markets

Research and Development

Filing and registration

VALUE CHAIN

Effective sales and marketing

Supply chain management

Robust manufacturing

STRATEGIC PRIORITIES

Expanding manufacturing scale and market presence

Diversifying portfolio

Continuous innovation for product development and operational excellence

OUR KEY THERAPEUTIC SEGMENT

Central nervous systems (CNS)
Antiretrovirals (ARVs)
Cardiovascular (CVS)
SSP – Orals & Sterile
Anti-infectives
Anti-diabetics
Cephalosporins - Orals

SUSTAINABILITY FOCUS

Fostering environmental stewardship
Nurturing and empowering talent
Promoting inclusive growth

How we create value

The value we created

Sustainable earnings growth and return for shareholders.
₹26,471 million
PAT

₹234,555 million
Revenue
₹9.00
Dividend per share declared in FY22 (Face value ₹1.00 per share)
₹43,868 million
EBITDA

Providing high quality, affordable medicines and products across a variety of therapeutic areas.

Improved health and quality of life for patients across geographies
36+ billion diverse dosage forms manufactured in FY22

19
ANDA Filings approved in FY22
22
New products launched in FY22

Creating employment opportunities and skills development

Uplifting lives in the communities where we operate.

864K
People benefitted from our CSR initiatives in FY22

4.9%
(44,485 tCo2 e reduction compared to FY21)
Reduction in carbon footprint

1,43,700 KL
reduction in consumption in water over FY 2020-21

Operating landscape

Analysing external environment

The pharmaceutical industry is one of the most highly regulated industries, with the government enforcing strenuous quality standards to safeguard public health. The industry has transformed over the last decade due to the continuous advancements in technology and research, and it is estimated to witness rapid development and evolution in the coming times.

This complex and dynamic environment provides opportunities for us to maximise the value we create for our stakeholders through an innovative and agile strategy combined with effective risk management.



Global pharmaceutical market

The global pharmaceutical market is expected to grow at a 3-6% CAGR between 2021 and 2026, reaching approximately \$1.8 trillion in total market size from \$1.4 trillion in 2021.

Growth drivers

AGEING POPULATION

Demand for over the counter (OTC) medicines, generics, and branded pharmaceutical products will rise in many developed markets and developing countries due to an ageing population. In particular, demand for chronic disease treatments will rise in the mid- and long-term.

IMPROVED HEALTHCARE AND MEDICINE ACCESS

Greater access to healthcare and medications, as well as increased disposable household incomes, is expected to boost pharmaceutical consumption in emerging markets. Initially, generic and over-the-counter medicine suppliers will benefit from these trends.



GROWTH FROM NEW MEDICINES

Over the next five years, 300 new medicines are expected to be launched, contributing \$196 billion in spending.

GROWTH FROM KEY THERAPY AREAS

Oncology and immunology are expected to grow at a CAGR of 9-12% and 6-9% between 2021-2026, respectively, driven by significant increases in new treatments and medicine use.

RAPID GROWTH OF BIOSIMILARS

Biosimilars will continue to grow rapidly at a CAGR of 15% over the next decade, reaching \$75 billion by 2030, from \$17.5 billion in 2020. The growth will be driven by the rise of branded medicines and the aggressive measures by governments to reduce healthcare expenditure. Globally, incremental savings from biosimilars are expected to reach \$215 billion between 2021 and 2026.

CONSTRAINTS

Stricter regulations

Increasing healthcare regulatory requirements for clinical trials and product launches.

Price pressure

Government efforts to contain or reduce public healthcare costs has been a key constraint.

Aurobindo's response

- Accelerating biosimilars
- Growing API business
- Leveraging the PLI schemes
- Tapping into domestic market
- Expanding China operations



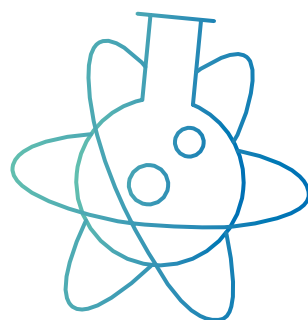
[Source: Atradius, Global Use of Medicines 2022 by IQVIA, IQVIA Blog]

Strategic priorities

Creating a road map for the future

Accelerating biosimilars

As the use of biosimilars is expected to grow rapidly in the next decade, development and commercialisation of biosimilars will be one of the strategic priorities for our organisation. We have filed two oncology biosimilars with the European Medicines Agency during FY22 and are having three more biosimilars in Phase 3 clinical trials. We remain on track with the development of our other biosimilars both in Oncology and Immunology segments.



Growing API business

Another key focus area is expanding our API business in a big way. Most of our capacities are for large volume API molecules. To further strengthen our portfolio, we are expanding our capacity for small to medium range molecules which will be completed in Q2FY23. In addition, we are also adding a new unit for high potent molecule

In FY22, we have filed for 44 APIs, of which 17 are US DMFs, 9 in Canada, and the others in Europe.



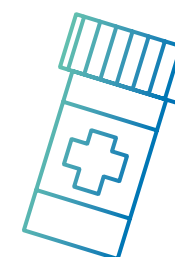
Leveraging the PLI scheme

The government of India announced production linked incentives (PLI) to boost the domestic manufacturing capacity, including high-value products across the global supply chain.

We have responded by starting a project for 15,000 tonnes of Penicillin G at Kakinada, Andhra Pradesh. Due to Covid – 19 we expect the project to be completed by FY24. The total capital for this project is expected to be around ₹18,500 million to ₹19,000 million. This will help us grow our domestic as well as global position in the industry while contributing to the country's self-reliance in pharmaceutical manufacturing.

Tapping the domestic market

Over 90% of our revenue comes from exports. With increased healthcare access and the government's initiative to boost the pharmaceutical manufacturing, we are focusing on increasing our presence in the domestic market. We have the cashflow to start our operations in the domestic market. Aurobindo has acquired a company to enter the domestic market. The acquired company, with a turnover of around ₹1,669.0 million for the full year FY22, caters to anti-infective and pain-management therapeutic areas and going forward, it plans to enter into the cardio/diabetic and ortho/gynaecology segments which has an existing sales and distribution network with 900 field force, covering more than 50k retailers with nearly 1,700 stockists, presence in 23 cities, reaching more than 70,000 doctors and empanelled with major hospitals.

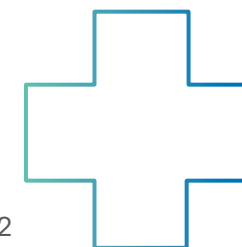


Expanding China operations

The construction of a facility for an oral formulation aimed at the Chinese, European, and emerging markets been completed. Aside from that, we intend to transfer a few products from Europe to the China facility.

Our first product filed as import Drug Product in China received approval in FY21 and quickly gained market traction. We have begun filing products in China as Import Drug Products and we anticipate that the number of product approvals will increase in the coming year. In total, we have filed 28 products that if approved, will contribute significantly to our top line and bottom-line growth. Products from China facility will start filling from Q3 of FY23.

44
APIs filed in FY22



Research and development

Consistent innovation

We are constantly enhancing our research and development capabilities to create high-quality products for patient needs across the globe. Our ability to leverage knowledge and expertise enables us to maintain a consistent momentum of product filings in both developed and emerging markets.

1,500+

Expert scientists and analysts globally

9

Global R&D centres



Our nine R&D centres are backed by a pool of world-class scientific talent, cutting-edge infrastructure, and highly trained regulatory and intellectual property teams.

In FY22, our investment in developing a strong future pipeline totalled ₹15,814 million, an increase of 5% over the previous year, and represented approximately 6.7% of our annual revenues (against 6.1% in FY21). Out of the total R&D expenditure, 20% R&D spending went towards advancing our biosimilars pipeline, which is one of our future growth pillars. To strengthen our capabilities for driving sustainable growth, we continue to invest in our future.

Our overarching strategy for R&D product development is to ensure that the pipeline can be leveraged across our global markets, allowing for economies of scale

and efficient project management. The development of a complex portfolio of finished dosage forms in orals, liquids, topicals, biosimilars, nasal, and parenteral products for global markets is a major priority for the upcoming years. Suspensions, emulsions, and pen device-based projects were the primary focus areas in complex parenteral products during FY22.

During FY22, we built a specialised characterisation centre with state-of-the-art equipment especially for peptides and complex generic products at our Hyderabad research centre. The centre is established to meet the characterisation requirements in accordance with FDA guidelines for peptide drug products and equipped to fulfil end-to-end characterisation requirements of peptides, proteins and complex molecules.



Key achievements of FY22

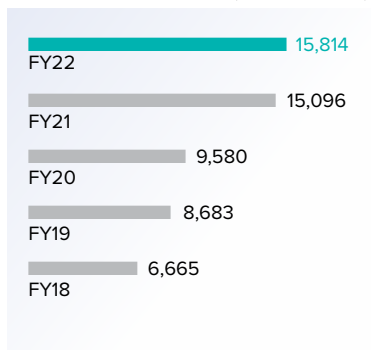
- Successfully filed 60 ANDAs for the US market, which includes FTFs and complex generic products
- Initiated proof of concept and animal studies for two 505 b (2) products



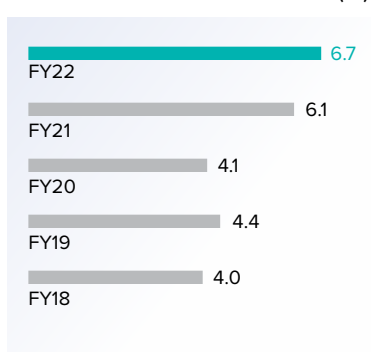
Research and development

Rising R&D investments

R&D spend (₹ in million)

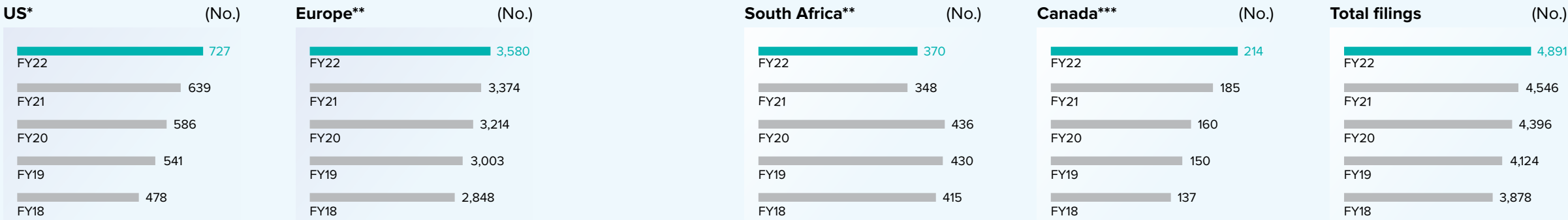


R&D spent as % of revenue (%)

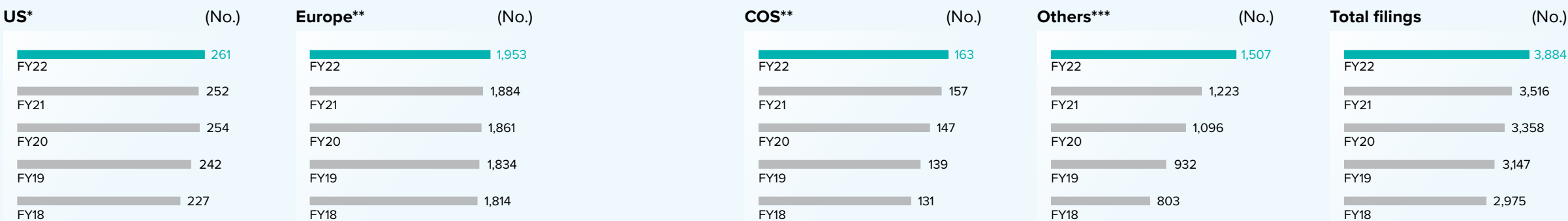


Filings

Formulations

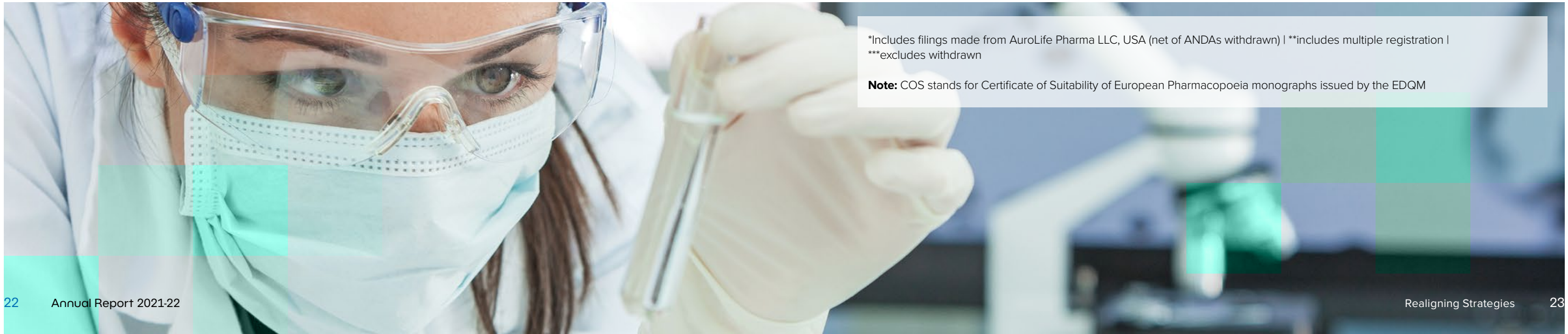


API



*Includes filings made from AuroLife Pharma LLC, USA (net of ANDAs withdrawn) | **includes multiple registration | ***excludes withdrawn

Note: COS stands for Certificate of Suitability of European Pharmacopoeia monographs issued by the EDQM



Product portfolio

Developing products for the evolving pharmaceutical industry

We are expanding our product pipeline and diversifying our offerings, particularly in the specialty complex generics market. While we continue to strengthen our pipeline in oral solids, liquids, and suspension, we will also evolve our portfolio to include products with high entry barriers to ensure long-term growth.



Oncology & Hormones

Eugia has 79 medicines in its portfolio, with cancer, hormone, and immunosuppressant indications. Eugia filed 8 ANDAs in the United States in FY22, 4 of which were injectables, while in Europe, it filed 8 dossiers, 5 of which were for injectables. Eugia's oncology and immunosuppressant product portfolio is diversified, and new products are being developed for the oncology therapeutic category, including combinations.

Eugia's pipeline of 64 cancer and immunosuppressant drugs (both filed and under development) has a current addressable market size of around \$28 billion. These products have applications in more than 20 indications including

breast cancer, prostate cancer, non-small cell lung cancer, multiple myeloma, metastatic melanoma, Hodgkin's lymphoma, acute myeloid leukaemia, sickle cell disease and thrombocythemia. Our current hormonal portfolio contains 10 products with a \$ 0.5 billion addressable market. Preterm birth, birth control, amenorrhea, and hypogonadism are some indications for hormonal products. Eugia manufactures both oral solid dosage forms (tablets, soft gel and hard gel capsules) and injectables (wet vials, dry vials and pre-filled syringes).

Key achievements of FY22

- Filed 56 ANDAs in USA and received approvals for 25 products, including tentative approvals for 5 ANDAs
- 24 dossiers have been filed in the EU and approvals received for 16 products
- 23 dossiers have been filed in emerging markets and approvals received for 9 products

(As on March 31, 2022)

ONCOLOGY LANDSCAPE

Global oncology spending reached \$187 billion in 2021, and is predicted to reach \$306 billion by 2026, expanding at a rate of 9-12%. Oncology is projected to add 100 new products over five years, contributing to an increase in spending of \$119. Furthermore, oncology spending is expected to remain the largest contributor to the specialty medicine segment. Oncology product manufacturing necessitates specialised preparation and containment infrastructure, as well as capacity limits for high-quality products required in established markets.

(Source: Global Use of Medicine 2022 IQVIA)



Product portfolio

Biosimilars

CuraTeQ Biologics Pvt Ltd, our wholly owned subsidiary, is responsible for our biosimilars business and is a development-stage company. Biosimilars are similar products to their reference innovator biologicals in terms of safety and efficacy. In the global biosimilars market, EU and the United States in particular make up for more than two-thirds of the market share.

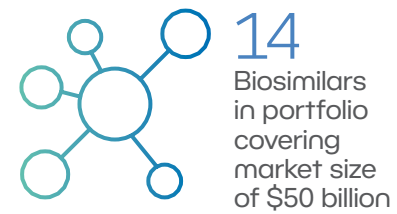
We have been making steady advances with our biosimilars products in development. In FY22, we filed two oncology biosimilars with the European Medicine Agency. Additionally, three other biosimilars are in Phase 3 licensure clinical trials, with one oncology biosimilar monoclonal antibody expected to complete enrolment of patients in its Phase III efficacy and safety trial early FY23. We expect that this product will

enter filing phase in certain territories by end Q4FY22. Additionally, Phase 1 clinical study for one of our immunology biosimilar antibodies was also initiated in Q4FY22.

Our product portfolio suggests a core focus in oncology and immunology segments. Our objective is to broaden access for patients suffering from debilitating cancers and immune diseases by delivering cost effective and high-quality biosimilar therapy options. Our product portfolio across oncology and immunology segments covers a current market opportunity of more than \$50 billion. Another area in which we are working is in immuno-oncology, which ensures the strategic continuity of our product portfolio in an increasingly appealing therapeutic segment with anti-PD1s. We are developing fourteen

biosimilars in total, making it one of the most sustainable and largest biosimilars portfolios in the industry.

In FY22, we have added a production line in our microbial products bulk drug substance manufacturing facility to support commercialisation once regulatory approvals will be secured. Likewise, we are looking to expand mammalian drug substance manufacturing with the addition of two new production lines – each of 2,500 L production bioreactor capacities.



Dermatology

Aurobindo Pharma is developing topical as well as transdermal products in the dermatology therapeutic segment.



10
Transderma; products are under development

33
Topical products are under development

Topicals

Our dermatology products are developed in our research and development centres in India and the United States. A total of 33 products are at various stages of development in the pipeline (ANDA filed for 1 product, 32 products are under development, development to be initiated for another 6 products). Clinical or BE (bioequivalence) investigations are required for at least 30% of the products in development. In FY22, we have had out first clinical trial and prepared exhibit batches for 6 products. These products will be made in our facilities in India and the United States.

Transdermal patches

A transdermal patch is a medicated adhesive patch that is applied to the skin to deliver a particular amount of medication into the bloodstream through the skin. Pain relievers, nicotine, hormones, and medications to alleviate angina and motion sickness may be included in these patches.

We are working on developing 10 transdermal patches. The total market size for the products under development exceeds \$3 billion. We submitted technical data packages for 1 product and started exhibit batches for 1 product during FY22.



Product portfolio

Respiratory

The global Inhalation and Nasal Spray market was valued at \$28.9 billion in 2019 and is estimated to reach \$44.4 billion by 2027 at a CAGR of 5.5% according to Emergen Research. Increased adoption of generics and rising prevalence of diseases like COPD and asthma is driving the markets' growth.

17

Respiratory products are under development



Nasal sprays

Nasal sprays are used to deliver drugs to the nasal cavity because chemicals can be absorbed quicker through the nose. In some situations, nasal administration is preferable to injections or pills. It can be either topical or systemic administration because the medications administered locally might have either solely local or systemic effects.

We commercialised 2 ANDAs in 2021 and filed 1 in 2022 and the remaining 6 are under development. The addressable market size estimated for these 6 under development products in the US is likely to be ~ \$ 0.49 billion.

Inhalers

An inhaler is a medical device that uses the lungs to deliver medication into the body. One of the primary therapeutic areas where we have been expanding our footprint is treatment of respiratory disorders. Typically, development of drug-device combination has a high entry barrier owing to stringent clinical trial requirements and difficulty in establishing similarities to the reference listed drug (RLD).

We are developing respiratory medication products, such as metered dosage inhalers (MDIs) and dry powder inhalers (DPIs), in our specialised R&D centre in North Carolina for the treatment of asthma and COPD. According to the World Health Organization (WHO), asthma impacted 262 million individuals worldwide in 2019, making it the most frequent noncommunicable disease among children. Most asthma-related deaths, however, occur in older persons. According to the World Health Organization, 15 million disability-adjusted life years are lost each year, and 250,000 asthma fatalities are documented worldwide.

Our state-of-the-art manufacturing facility in the US, with a high-speed filling machine was commissioned in CY21. We are currently working on 5 MDIs including 1 filed ANDA and two DPIs. The estimated current US market size of the products under development is more than \$11 billion.

\$44.4 billion

Estimated target of global inhalation and nasal spray market valuation by 2027

Depot injections

We are working on three depot injections using our own microsphere and nano suspension technology platform. We effectively scaled up sterile API conversion, completed product manufacturing exhibit batches will be planned in coming financial year followed by necessary clinical/bio studies. These products have a global addressable market of \$3.3 billion.

3

Depot Injections with a global market size of \$3.3 billion



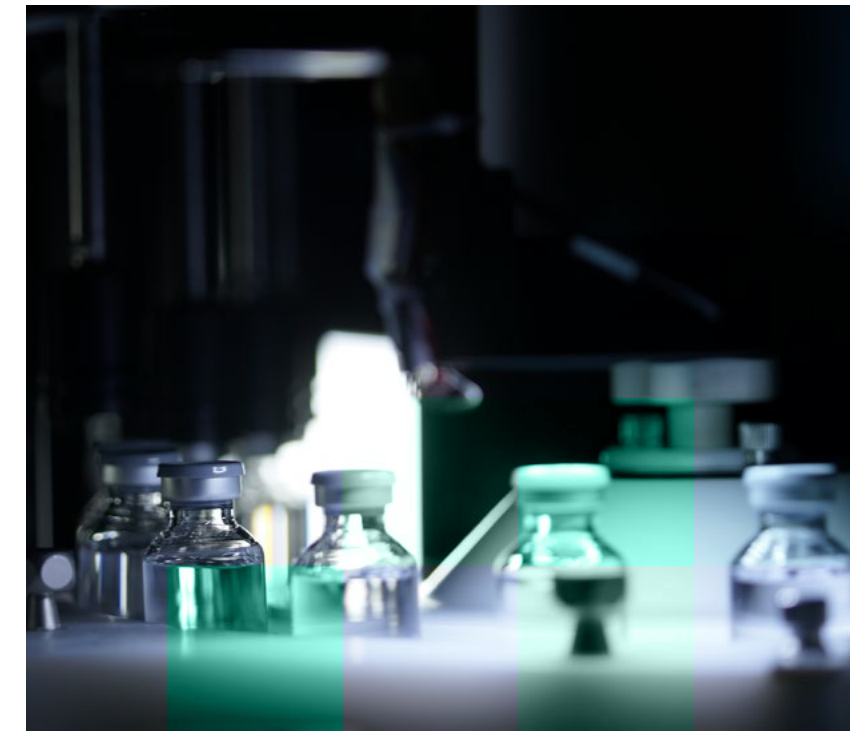
Vaccines

There are bacterial and viral vaccines in our pipeline. Through our subsidiary Tergene Biotech, we are developing a fifteen serotype PCV (Pneumococcal Conjugate Vaccine). We have concluded one Phase 3 clinical study for PCV, which we plan to advance towards the filing stage in FY23.

Our R&D centres in Hyderabad, India, and the United States are working on other candidate vaccines, which are in early stages of development.

One

Phase 3 clinical study concluded for PCV



Product portfolio



Peptides

Therapeutic peptides are short polymers of amino acids, usually with molecular weights of 500-5000 Da. The ability to chemically synthesise peptides has resulted in advances in development and manufacture of peptide drugs for treatment of diseases. At AuroPeptides, we develop a range of peptide-based generics for use as pharmaceutical drugs with a focus on oncology, musculoskeletal and diabetes therapy segments. So far, we have submitted 13 DMFs with the USFDA.

Auro Peptides' APIs are employed in the development of complex injectables and oral medicines. More than 10

ANDAs for injectables and orals were submitted using APIs from AuroPeptides as the source, as of March 31, 2022. These submissions have a potential to compete in a market size of \$9.8 billion. Overall, our development portfolio can result in submissions with a global market opportunity of over \$20 billion.



13 DMFs
Submitted
with USFDA

Compliance and Quality

Adhering to global quality standards

We are dedicated to maintaining the highest quality and adhering to the stringiest compliance requirements. To reduce human error and unify operations, we are aggressively embracing automation across our processes, systems, and procedures.

Building Quality Culture

An organisation-wide program is being implemented to foster a culture of quality and compliance. The approach, which was created in collaboration with industry professionals, uses a metrics-based assessment of each site's quality maturity. A well-established programme is in place as part of continuous improvement to transfer learnings from one production site to other relevant sites, guaranteeing compliance across the enterprise.

Quality and compliance are highly valued by Aurobindo's management. Monthly quality review meetings are held with board members and the global quality head in attendance, to better understand the issues faced by production locations, any emerging negative trends, and to take timely mitigation efforts.

Quality governance model

We have monthly quality review sessions that are also overseen by our senior management. Internal audits are performed on a regular basis, and surprise inspections are performed as needed, to ensure that systems and procedures are always operating properly.



Key Highlights in FY22

- An organisation-wide program was launched to build a quality-focused culture. This increased visibility and empowered staff at all levels to raise the standards. As part of the program, we measured quality behaviours and quality maturity levels of employees
- An automated environment monitoring program was implemented in the microbiology laboratory.
- Quality management system was shifted from on site to a cloud-based system. Audit management has been deployed, and further QMS applications are in the works.
- Best practices from formulations, API and overseas division are being harmonised to synergise quality policies, procedures and operations.

ESG commitments

Taking the giant leap

We are taking a giant leap forward by adopting a sustainability framework along with our commitment to building a healthier ecosystem. We recognise the need to conceive a business strategy which not only creates value for Aurobindo Pharma and our shareholders but also for the society and planet in order to achieve long-term success.



Environmental

We are adopting sustainable energy sources and processes and improving energy efficiency across our business by streamlining our operations and processes and increasing the use of green energy.

Our focus areas and goals:

- **Energy** – We aim to increase the share of our renewable energy going forward to 20% share by 2025
- **Carbon** – We aim to reduce carbon emissions by 12.5% in alignment with Science Based Target Initiative (SBTi) WB2oC scenario.
- **Biodiversity** – Over the years, we have been driving agenda to conserve our biodiversity across operations and the communities through green belt development. [67,519 for FY22]
- **Water** – We are working towards 35% conservation/restoration and water neutrality by 2025.
- **Waste** – We aim to co-process 60% hazardous waste and 100% reuse/recycle non-hazardous waste by 2025.
- **Sustainable Packaging** – We have started working towards creating efficient and sustainable packaging designs by reducing overall material usage and electricity consumption.
- **Responsible Supply Chain** –

45%

New supplies screened on environmental criteria (FY22)

34%

Spending on local suppliers*

14%

Spending on local-local suppliers*

* Suppliers located in the limits of the India territory are defined as Local. Suppliers located in the limits of Andhra Pradesh and Telangana states (i.e., where majority of Aurobindo's operations are situated) are defined as local-local.

SDG goal(s) incorporated:



Social

We take pride in the success, growth and empowerment of our employees. We are adopting the latest and most effective hiring and human resources management methods to attract and nurture a talented workforce.

Our focus areas and goals:

- **Workforce**** – As of March 31, 2022, our workforce stands at 21,000+ with an additional 10,000+ people in contractual roles. Currently, women employees represent 10%
- **Employee training Hours (FY22):**

31,371
Total workforce

19.74
Training hours per Employee

618,313
Total training hours

- **Occupational Health and Safety** – 15 units of Aurobindo Pharma are certified for ISO14001:2015
- **Socio-Economic Compliance**

** Workforce includes employees at manufacturing, Research & Development and Head office only

SDG goal(s) incorporated:



Governance

We operate as a trustee on behalf of every shareholder and strive to be a value creator to meet their expectations. We are continuously making efforts to raise the level of transparency, trust and confidence of our stakeholders.

Our focus areas and goals:

- **Sustainability Governance** – We have implemented a 3-tier sustainability governance model within the organisation with a focus on enabling robust governance, transparency and a seamless environment for the flow of information.
- **Policy Framework** – Aurobindo Pharma lays emphasis on to integrating ESG aspects across the value chain with its EHS Policy. It also promotes a healthy working environment under its POSH policy.

SDG goal(s) incorporated:



Environment

Fostering environmental stewardship

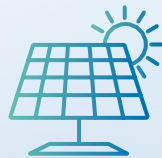
We are committed to protect the environment by increasing the use of renewable energy and reducing our carbon footprints through various energy conservation measures. Water neutrality, waste management, and plantation are our priority areas to achieve resource efficiency and contribute to a circular economy.

Renewable energy

We generated and consumed around 43,000 MWh of solar energy in FY22. We use biomass as a fuel for our boilers in addition to renewable energy, accounting for around 3% of our total energy usage. We will continue to assess the use of renewable energy sources throughout our facilities.

43,000
MWh of solar energy consumption

5.1%
Share of renewable energy in our total energy usage



Reducing carbon footprint

Climate change is one of society's most significant issues today, impacting the environment in much broader ways. Joining the world's efforts in addressing this issue, we have implemented several steps to reduce energy consumption in our operations. We have also been monitoring our carbon emission for Scope 1 and Scope 2 in terms of climate change. As part of our Sustainability -Goals 2025, we have a target of 12.5% reduction in carbon footprint (as per SBTi – WB2°C).

12.5%
Reduction in carbon footprints by 2025

229,600
tCO₂e



10% reduction in carbon emissions against target of 12% reduction from baseline year FY20 (97,211 tCo2e in FY22)

Responsible waste management

Aurobindo created facilities to treat wastewater, particularly process wastewater generated during product manufacturing at API manufacturing facilities, with the goal of achieving zero process liquid discharge (ZLD) and reusing the treated wastewater. Prior to disposal, process and non-process solid and hazardous wastes are separated, collected, and securely stored on site. Wastes that are primarily organic in nature (liquid and solid wastes) are disposed to cement plants, where they are co-processed as alternate fuel, accounting for approximately 51% of total waste generated in FY22. The remainder is inorganic in nature and is disposed to off-site treatment, storage, and disposal facilities for secure land filling. We have committed to achieving 60% co-processing of hazardous waste and 100% reuse/recycle of non-hazardous waste by 2025.

100%
Recycling Non-hazardous waste by 2025



Water management

We recognise that water is a limited resource and use it wisely. We ensure compliance with regulations related to the prevention and control of pollution. We keep predicted no-effect concentrations (PNECs) for antibiotics in wastewater within the AMR Industry Alliance framework.

Water usage is monitored fortnightly across our operations, and relevant processes are reviewed daily at the site and corporate levels.

298,804 KI
Of water reused



Anti-Microbial Resistance (AMR)

The worldwide media has been focusing on policy-level talks about antimicrobial resistance (AMR) since 2015. Aurobindo recognises AMR as a severe worldwide problem that requires a multifaceted approach. As part of the AMR industry alliance framework commitment, we did a mass balance calculation of antibiotics made by Aurobindo Pharma Limited. We also devised measures to ensure that antibiotics present in our environment are at levels below the AMR industry's (PNECs). Aurobindo has been ranked overall leader among generic manufacturers during Antimicrobial Resistance benchmark 2021 study with overall score of 71%.

Plantation drive

We have implemented a massive plantation drive across 807 hectares of land inside and outside the boundary of our facilities. Over five years, we planted over 433,117 trees of various indigenous species, providing much-needed green cover and ecological balance, as well as aiding in carbon sequestration. We ensured that continual monitoring and maintenance actions were carried out, resulting in more than 80% of the created greenbelts surviving. In some units, we also have captive composting of garden waste, which is used to improve the greenbelt.

Workforce

Nurturing and empowering talent

With our people-first approach, we have built an inclusive workplace that is invested in the overall growth and development of employees. We are creating the right environment to foster leadership, promote diversity, accountability, and equality in the organisation.



Learning & Development (L&D)

In collaboration with several training organisations, Aurobindo runs various programmes for the overall development of our personnel. Management skills, technical capabilities, behavioural management, productivity, and general staff development are given equal importance.

A culture that fosters emerging potential through targeted learning inputs.

Individuals and teams are acknowledged and celebrated through reward and recognition programmes.

A working culture that encourages execution excellence while also enhancing employee competencies.

23,000+
Global workforce

34
Average age (In years)

Sankarman Programme: 1st Time Managers Programme

The programme has been designed to build leadership and managerial capabilities across all manufacturing locations. The programme is facilitated by Senior Management Teams driven by HR & Business Leadership. The key components of the two-day development journey includes: emotional intelligence, employee engagement, employee development and coaching, insight into psychological behaviour and psychometry and live case-studies.

Emerging Leaders have the opportunity to learn more in a casual leadership discussion to understand essential success behaviours and learn from those who have already undergone the journey. Business orientation with functional Leaders include customer orientation, supply chain management, financial acumen and operational excellence. More than 140+ first-time managers, have participated in this transformative programme.



Workforce

Sarathi Programme: Building Mentoring Skills

Sarathi was created in 2018 and launched this year in collaboration with Pragati Leadership and CoachMantra with the goal of cascading subject matter expertise and fostering informal cross-functional ties throughout the enterprise. Mentor training and development are important stages in developing a mentoring culture in a business. Over the course of two months, a group of 35 mentors participated in a 25–30-hour Mentor Development Program. Over the next five years, the HR vision is to develop over 1000+ mentors.

Quality Marshal Programme: Strengthening & Institutionalising the Quality Score Card

The programme was initiated in 2015 with the goal of building and preserving the 'Culture of Quality & Compliance' on the work floor by cascading quality behaviours. It starts with a two-day 'Train the Trainer' session led by role-model shop-floor managers with a passion for teaching and training. Every quarter, Quality Marshals attempt to cascade 20 hours of learning.

Over the years, the programme has grown to 200+ Quality Marshals. In recent years, the focus has been on developing a system to measure the impact and maintain the rigor. A Quality Score Card was developed to assess shop-floor operators, analysts, technicians, and staff on ten specific behaviors across three parameters: confidence & communication, cGMP processes, and technical ability.

Apart from establishing the quality culture on the shopfloor, some intangible benefits include the development of teaching and training capability among supervisors, as well as improved people connections. This year, 200+ Quality Marshals distributed essential learnings across all Formulation Manufacturing units, totalling 1,600+ man-hours.

Digital learning

In 2016, the firm launched Nalanda, its first technology-enabled learning project, with the goal of creating global leadership capabilities in accordance with its incremental growth story. Nalanda pulls in the expertise of global e-learning leader, Cross functional knowledge to provide a customisable platform with highly engaging content given in collaboration with prominent academics from Wharton, Insead, and London Business School, among others.

Nalanda is being built as a university with basic, advanced, and future needs curricula. inspired by Aurobindo's competency, values, and functional skills structure. Pre and post assessment to enable individual learning paths, video casts from famous professors and thought leaders, virtual case-study, action tips and learning essentials are all part of its unique pedagogy. Senior leadership, corporate heads, unit and quality heads, HODs, critical role holders, top-talent, and human resources can all benefit from the platform's self-paced and personalised learning.



Technical skill development

Training Within Industry (TWI): The methodology consists of three main pillars namely: TWI - Job Instruction, TWI - Job Methods and TWI – Job Relations. Training within Industry is a 'No capital investment - High Human Capital Development & Engagement model' which gives quick & sustainable business results. The strong Skill Matrix and Job-breakdown sheet at the heart of this revolutionary methodology enable a very detailed skill transfer, reducing the time it takes to do a skill independently. The system can cope with disruptive technology by mapping new and emerging technology through its constituent abilities and machine elements. At Aurobindo, we have 70+ TWI Champions across 6 key Formulation Manufacturing facilities who have in turn carved out 100+ critical technical skills across key process equipment at manufacturing operations, quality control, packing, engineering & warehouse.

Original Equipment Manufacturer (OEM) Partnership: Cooperation with OEMs is being strengthened to give unit-specific technical skills training to increase operational safety, quality, and productivity. OEM Partners are being included into the Training Within Industry Methodology as well. More than 400 personnel have been upskilled in specialised machine setting, handling, and troubleshooting abilities as a result of this cooperation with over 15 OEMs.



Aurobindo Training & Development Centre (ATDC): ATDC has world-class infrastructure, including an Oral Solid Dosage pilot plant and two well-equipped laboratories with advanced analytical equipment. There are four well-equipped classrooms at ATDC. Classrooms provide an ideal setting for lively and focused discussions. They have been created to bring analysis and action together, and they've been enhanced with integrated audio-visual teaching aids for holistic learning. It is designed with Bloom's taxonomy-inspired learning and skills transfer model.

Organisational development and change management: From a base of five formulation production sites in India in 2015, the Company has grown rapidly to 12 facilities in the last four years. In 2015, during a business planning workshop, top management decided to take a fresh approach to its manufacturing operations in the newer facilities, including worldwide best practices of operation excellence in line with its corporate values. During FY21, an integrated business execution system for shop-floor transformation was implemented throughout all 12 formulations facilities, up from 6 in FY20.

Workforce

Kaizen Change Management Programme with Kaizen Institute

- **Phase 3:** Eugia 3 (Unit 4) APLHC4 (Unit 10), Unit 15 & Wytells (Unit 16) (Initiated in 2016)
- **Phase 1:** Unit 6, APLHC1 & APLHC3 (initiated in 2020)

Udgam Change Management Programme with KPMG

- **Phase 2:** Eugia 1 & Eugia 2 (Auronext)
- **Phase 1:** Unit 3, Unit 12 & Unit 7 (Initiated in 2020)



Pink Packing Lines

Packaging operations are conducted by skilled female colleagues and technical supervisors at dedicated female-managed packing lines at APLHC4 (Unit 10) Naidupeta, and Unit 15, Vishakhapatnam. All other units will be considering similar deployment patterns in the future.

Second Line Development (SLD):

Based on an examination of impact versus scarcity and in accordance with Aurobindo's leadership competency framework, a thorough SLD model was created. The SLD matrix is evaluated quarterly by the board of directors. Potential second lines are subjected to a three-step development process, which includes:

- Project and process-centric approach – by actively participating in projects such as IBES – Kaizen, Udgam, and X-Matrix.
- APL leadership competencies and functional skills framework—through targeted interventions aligned with APL leadership competencies and functional skills framework.
- A feedback-focused approach using dyadic and triadic coaching.

The head of HR educates the senior leadership team on all essential areas of the people function that affect the business, including diversity, succession planning (internally known as second line development), and future talent needs assessments, at regular intervals. Structured strategic interventions like an annual HR conclave, quarterly HR plus sessions, monthly reviews are conducted to encourage ideas and communicate the results to the HR staff.



Diversity and inclusion

A Diversity Management programme has been implemented by the organisation. Gender neutrality has improved in the firm during the last three years, from 310 to 433 female employees. High-end technological operations are now committed to competent employees of all genders, in addition to giving equal job possibilities to talents regardless of their socioeconomic and cultural backgrounds. This holistic approach enhances talent availability to a large extent, regardless of external competitive challenges, for attracting and maintaining the right talent, particularly at the operational level.



Community

Promoting inclusive growth

CSR impact

8.64 lakh
Beneficiaries in FY22

2.16 lakh
Families benefited in FY22



Eradicating malnutrition

We are fighting against widespread malnutrition, particularly among children and women, through our nutrition projects. So far, our newly established kitchen in Mahabubnagar district Telangana, as well as our previously established kitchens in Srikakulam in Andhra Pradesh and Narsingi (Hyderabad) Telangana, have provided approximately 9.50 crore meals through various avenues and programmes that feed government school students, farmers, daily wage labourers, and others.

A new programme called Swasthya Ahara has been launched through the Mahabubnagar kitchen, which will give hot healthy breakfast to 150 government schools near the kitchen. Besides, the kitchen at Srikakulam continues to

support the mid-day meal program in 309 government schools which are providing meals for 29,312 students every day. These programmes increase student nutrition and ensure their health and well-being.

With our support, the Sri Sai Narayana Seva Trust is delivering free healthy meals to outpatients, patient attendants, and underprivileged individuals in the Govt. Hospital area in Valmikipuram, Chittoor district, benefiting around 10,000 people.



Enabling women empowerment

In the adopted model villages of Peyyalapalem in Nellore district, Andhra Pradesh state, and Borapatla

in Sangareddy district as well as in Hyderabad district, Telangana state, we performed various women empowerment programmes in the past. This is continuing to create an impact on the rural women and is improving their livelihood opportunities. This aims to provide

tailoring training programmes for women in order to assist them in boosting their income. Furthermore, around 108 women farmers in Pileru mandal, Annamayya district in Andhra Pradesh are empowered on different aspects of agriculture and allied activities.



Community

Rural development

Our rural development operations are focused on meeting community needs and improving the rural landscape. This year, our programmes benefited around 31,136 villagers. Communities have benefited from facilities such as roads and streetlights. Various routes have been made available and night-time travel has become easier and safer with the installation of environmentally sustainable solar street lighting.

We donated a tractor with trolley to the gram panchayat in K. Mulapeta village, Kakinada district, Andhra Pradesh. This has allowed them to enhance solid waste management in the community, making it a



cleaner and healthier place to live for the village's 3,600 residents. In the Srikakulam district's Patharlapalli village, we built a

community hall. This project will help them participate in village debates, cultural festivals, and other activities.

Education and skill building

We have established digital classrooms in 10 government schools of Srikakulam and Vizianagaram districts, Andhra Pradesh and set up creative libraries in 10 primary schools of Sangareddy district, Telangana. In addition to this, we have constructed and renovated 16 schools, 81 classrooms, 24 toilets in various villages of Andhra Pradesh and Telangana. Also, we have sponsored the education of rural students, paid salaries of Vidya Volunteers in various government schools of Telangana and Andhra Pradesh.

This year, 15,084 students benefited from various education projects we undertook. Rural children have received access to higher-quality education as a result of these numerous CSR activities. Student dropout rates have reduced, particularly among

female students due to improvement in infrastructure and sanitation facilities. Students from rural locations can use digital classrooms to increase their knowledge, soft skills, and widen their perspectives by using the internet. Many rural students have been able to pursue higher education with our programmes and sponsorship activities, something they would not have been able to do previously owing to a lack of resources in their area. This has helped them improve their livelihood opportunities even further.



We extended our support to the skill development centre at Alluri Sitaramaju Vignana Kendram at Visakhapatnam. Also, we are supporting the operations at Aurobindo Pharma Foundation's (APF) skill development centre in Varisam village, Srikakulam district, Andhra Pradesh, and Indrakaran village, Sangareddy district, Telangana. Through the various courses at our skill development centres, rural graduates can improve their skills and boost their employability.



Prioritising health and sanitation

This year, our health programmes benefited around 2.10 lakh impoverished people through improved access to public health care system. Many cancer patients in Telangana, Andhra Pradesh, and neighbouring states will be able to obtain quality cancer treatment and healthcare at no cost with opening of the new oncology block at MNJ Institute of Oncology & Regional Cancer centre, Hyderabad, Telangana (capacity of 1,000 out-patients per day with approx. ~2,20,000 sq. ft. area). Around 1 lakh patients would benefit annually from the equipment donated to Pushpagiri Vitreo Retina Institute, Kadapa, Andhra Pradesh, who will now have free access to superior ophthalmic care. We hope to strengthen and enhance the primary healthcare offered to rural populations through our collaboration with the CARE India NGO. This will reduce the demand for secondary and tertiary healthcare, alleviating the financial load on these communities. Two health clinics of APF in Talapantipeta and K. Mulapeta villages of Kakinada, Andhra Pradesh, are supporting and providing medical services to many villagers in the surrounding areas. APF has been continuing to support rural drinking water systems for preventative healthcare in many villages. During the surge of the COVID-19 cases in the second wave of the pandemic, several measures were taken by APF to supply medicines and other required equipment for the treatment of many patients.



Community

Developing sustainable agriculture

Around 1,000 farmers in Mojerla village, Wanaparthy district, Telangana will benefit from our newly developed lift irrigation scheme, which will provide adequate irrigation for their 1,030 acres of cultivable land and boost crop productivity. The agricultural environment of Mojerla village, as well as 2-3 neighbouring villages, will be transformed. In addition, the cropping intensity and greenbelt space will also be improved. Farmer Producer



Organizations (FPOs) were formed and further strengthened as a result of our CSR activities in Borapatla and Pileru villages. Farmers and other shareholders in these villages were able to obtain access to expensive agricultural equipment, visit demonstration plots implementing sustainable agricultural practices, and receive capacity-building trainings. These CSR activities have given the farmers more confidence and enhanced their economic prospects. Our different agriculture projects have benefited a total of 9,906 small and marginal farmers.



Other initiatives

We have provided financial assistance to two Telangana athletes for their training to help them compete in national and international championships. We also supported cow protection centres (gowshalas), covering their operating costs to ensure the welfare of the cattle. Greenbelt development and social forestry are also focus areas for this year.



Board of Directors



M M M M M

MR. K. RAGUNATHAN
Non-executive Chairman,
Independent Director

Chartered Accountant

He is a CA by profession and a leading management consultant. He has over three decades of experience in consulting services.



M C

MR. K. NITHYANANDA REDDY
Vice Chairman & Managing Director

Postgraduate in Science from
Venkateswara University

He has been associated with our Company from the initial days. He is well-versed with the manufacturing technology and supervises the overall affairs of the Company.



M

DR. M. SIVAKUMARAN
Whole-time Director

Postgraduate in Science from University of
Madras and PhD in Organic Chemistry from
Jadavpur University

He has more than four decades of experience in the pharmaceutical industry and is responsible for the technological evolution of the Company. He looks after research and development, new product development and total quality management.



C C M

DR. (MRS.) AVNIT BIMAL SINGH
Non-executive, Independent Director

M.B.B.S. degree from RNT Medical College,
Udaipur and Postgraduate in Obstetrics and
Gynaecology from Rajasthan University

She is a medical practitioner and a senior obstetrician /gynaecologist based in Hyderabad.



M M M

MRS. SAVITA MAHAJAN
Non-executive, Independent Director

MBA, IIM Ahmedabad

Mrs. Savita Mahajan is the former Deputy Dean of the Indian School of Business (ISB). She was associated with the ISB for 14 years, since its inception in 2001, and was responsible for building its second campus at Mohali, Punjab, as its CEO. She has also carried out consulting and training assignments for corporations and development organisations, including GE Capital, the Planning Commission, the World Bank, and the Tibetan Government in exile of His Holiness, the Dalai Lama.



C M M M C

MR. GIRISH P VANVARI
Non-executive, Independent Director

He is a Fellow member of the Institute of Chartered Accountants of India. With over 27 years of consulting experience, Mr. Girish is the Founder of Transaction Square – a Tax, Regulatory and Business Advisory Firm.

Prior to his entrepreneurial venture, Mr. Girish had a 13-year stint with KPMG wherein he was the National Leader for Tax at KPMG India. He has regularly worked with many large multinationals and Indian promoter companies in advising them on various tax and regulatory issues. Prior to KPMG, Mr. Girish was at Arthur Andersen for over a decade.



MR. M. MADAN MOHAN REDDY
Whole-time Director

Postgraduate in Science
(Organic Chemistry) from Bhopal University

He has held top managerial positions in leading pharmaceutical companies. He commands over 30 years of valuable experience in the pharmaceutical industry. He looks after formulation manufacturing of the Company.



M M

MR. P. SARATH CHANDRA REDDY
Whole-time Director

Graduate in Business Administration

He is a second-generation entrepreneur, experienced in general management and has expertise in project executions, IT, procurement and other aspects of the business.



MR. P. V. RAMPRASAD REDDY
Non-executive Director, Promoter

Postgraduate in Commerce from
Venkateswara University

Prior to promoting Aurobindo in 1986, he held managerial positions in various pharmaceutical companies. In 2008, the widely read World Pharmaceutical Frontiers named him among the top 35 most influential people in the pharmaceutical industry.



Chairperson



Member



Audit Committee



Risk Management Committee



Nomination & Remuneration / Compensation Committee



Stakeholders Relationship Committee



Corporate Social Responsibility Committee

Statutory Reports & Financial Statements

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AUROBINDO PHARMA LIMITED

(CIN - L24239TG1986PLC015190)

Regd. Office: Plot No. 2, Maithrivihar, Ameerpet, Hyderabad – 500 038. Telangana, India

Tel No. +91 40 2373 6370, 2374 7340, Fax No. +91 40 2374 1080, 2374 6833

E-mail: info@aurobindo.com; Website: www.aurobindo.com

NOTICE

NOTICE is hereby given that the 35th Annual General Meeting of the Members of Aurobindo Pharma Limited will be held on **Tuesday, the 2nd day of August 2022 at 3.30 p.m. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 and reports of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and report of Auditors thereon.
3. To confirm the first interim dividend of ₹1.50, second interim dividend of ₹1.50, third interim dividend of ₹1.50 and fourth interim dividend of ₹4.50 in aggregate ₹9.00 per equity share of ₹1 each, as dividend paid for the financial year 2021-22.
4. To appoint a Director in place of Mr. K. Nithyananda Reddy (DIN: 01284195) who retires by rotation at this Annual General Meeting and being eligible, seeks re-appointment.
5. To appoint a Director in place of Mr. M. Madan Mohan Reddy (DIN: 01284266) who retires by rotation at this Annual General Meeting and being eligible, seeks re-appointment.
6. To appoint Statutory Auditors of the Company and fix their remuneration and in this regard to consider 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Audit & Auditors) Rules, 2014, and such other applicable

provisions, if any, of the Act or Rules framed thereunder including any statutory enactment or modification thereof and pursuant to the recommendation of the Audit Committee, M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm's Registration No. 008072S) be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. B S R & Associates LLP, Chartered Accountants, (Firm Registration No. 116231W/W-100024), the retiring auditors, to hold office from the conclusion of this 35th Annual General Meeting until the conclusion of 40th Annual General Meeting of the Company, at such remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS

7. **To re-appoint Mr. P. Sarath Chandra Reddy (DIN: 01628013) as Whole-time Director and in this regard to consider 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 Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents/approvals as may be required, the approval of the members of the Company be and is hereby accorded to the reappointment of Mr. P. Sarath Chandra Reddy (DIN: 01628013) as Whole-time Director of the Company for a further period of three years with effect from June 1, 2022, whose term of office shall be liable to determination by retirement of directors by rotation at a remuneration and perquisites as detailed below with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. P. Sarath Chandra Reddy, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

Notice Contd.

a	Salary	₹ 625,000 per month
b	House Rent Allowance	₹ 416,666 per month
c	Medical Reimbursement	i) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
		ii) Mediclaim insurance as per rules of the Company.
d	Leave Travel Concession	For self & family once in a year as per the rules of the Company
e	Personal Accident Insurance	Premium not exceeding ₹25,000 per annum
f	Club Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
g	Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.	
h	Provision of Company's car with driver.	
i	Provision of free telephone at residence.	
j	Encashment of leave as per the rules of the Company	

- 8. To re-appoint Mr. P. V. Ramprasad Reddy (DIN: 01284132), Director of the Company, as Executive Chairman of Aurobindo Pharma USA Inc., a Wholly Owned Subsidiary of the Company and in this regard to consider 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 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment, modification or re-enactment thereof), the approval of the members of the Company be and is hereby accorded to the reappointment of Mr. P. V. Ramprasad Reddy (DIN: 01284132), Director of the Company as Executive Chairman (or any other designation which the Board of

Directors of Aurobindo Pharma USA, Inc., may decide from time to time) in Aurobindo Pharma USA Inc., a Wholly Owned Subsidiary of the Company with effect from December 1, 2022 for a period of five years at such remuneration and on such other terms and conditions as may be decided by the Board of Directors of Aurobindo Pharma USA, Inc., provided however that the aggregate amount of remuneration (inclusive of salary, perquisites, allowances, incentives, bonuses, retirement benefits, insurance, other facilities, etc.) shall not exceed USD 400,000 (US Dollar four hundred thousand only) per annum or equivalent amount in any other currency with an authority to the Board of Directors of Aurobindo Pharma USA, Inc., to give annual or other increments from time to time not exceeding 5% of the immediately previous drawn salary over and above the aforesaid remuneration and he will also be entitled to reimbursement of medical expenses for self and family, use of Company's car and telephone at residence and encashment of unavailed leave and other benefits as per the rules of Aurobindo Pharma USA Inc."

- 9. To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the financial year 2022-23 pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013, by passing with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the remuneration of ₹ 650,000 (Rupees six hundred fifty thousand only) excluding applicable taxes payable to M/s. EVS & Associates, Cost Accountants, Hyderabad, for conducting audit of the cost records of the Company for the financial year 2022-23, as approved by the Board of Directors of the Company, be and is hereby ratified."

By Order of the Board

B. Adi Reddy

Company Secretary
Membership No. ACS 13709

Place: Hyderabad
Date : June 17, 2022



NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with other circulars dated April 8, 2020, April 13, 2020 and May 5, 2022 (collectively referred to as "MCA Circulars") and SEBI vide its Circular Nos. SEBI/HO/CFD/CMD2/CIR /P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, permitted the companies to hold Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the aforesaid SEBI Circulars, the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 35th AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, generally a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars 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 and Attendance Slip are not annexed to this Notice.
3. Institutional/Corporate Members (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 cast its votes through e-voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by email through its registered email address to anderam@rediffmail.com with a copy marked to evoting@kfintech.com.
4. The Explanatory Statement setting out all material facts pursuant to Section 102 of the Act with respect to the Special Business set out in the Notice, is annexed and forms part of the Notice.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@aurobindo.com.
6. The Register of Members and Share Transfer Books of the Company will remain closed from July 29, 2022 to August 2, 2022 (both days inclusive).
7. The Board of Directors of the Company has declared first interim dividend of ₹1.50, second interim dividend of ₹1.50, third interim dividend of ₹1.50 and fourth interim dividend of ₹4.50 per share of ₹1 each, aggregating to ₹9.00 per share of ₹1 each for the financial year 2021-22 and the same was paid on September 7, 2021, November 30, 2021, March 4, 2022 and June 15, 2022 respectively.
8. During the financial year, the unpaid/unclaimed second interim dividend for the financial year 2013-14, interim dividend for the financial year 2014-15 and second interim dividend for the financial year 2014-15 were transferred to the Investor Education and Protection Fund (IEPF). The Company has uploaded the details of the unpaid and unclaimed dividend amounts of the previous years on the website of the Company (www.aurobindo.com) and also on the website of Ministry of Corporate Affairs. The third Interim unpaid/unclaimed dividends for the financial year 2014-15 and interim unpaid/unclaimed dividends for the financial year 2015-16 will be transferred to the Investor Education and Protection Fund of the Central Government on respective due date(s) along with shares. To claim the equity shares and dividend that were transferred to IEPF, Members may file e-Form IEPF 5 with the Ministry of Corporate Affairs and submit all the required documents as prescribed under IEPF Rules. The concerned members/ Investors are advised to file Web based e-Form IEPF 5 with the Ministry of Corporate affairs using the web link <https://www.mca.gov.in/mcafoportal/login.do> or contact KFin Technologies Limited, the Registrar and Transfer Agent (the "RTA") of the Company or send mail to ig@aurobindo.com, for assistance/ clarification in regard to claim for refund of shares and/or dividend from IEPF Authority.

Notice Contd.

The following are the due dates for transfer of unclaimed/unpaid dividends for the financial year 2014-15 and thereafter to IEPF:

Financial year	Dividend	Declaration Date	Due Date
2014-15	3 rd Interim Dividend	28-May-15	2-Jul-22
2015-16	Interim Dividend	12-Aug-15	16-Sep-22
2015-16	2 nd Interim Dividend	6-Nov-15	11-Dec-22
2015-16	3 rd Interim Dividend	9-Feb-16	16-Mar-23
2015-16	4 th Interim Dividend	30-May-16	5-Jul-23
2016-17	Interim Dividend	14-Nov-16	20-Dec-23
2016-17	2 nd Interim Dividend	29-May-17	3-Jul-24
2017-18	Interim Dividend	9-Nov-17	14-Dec-24
2017-18	2 nd Interim Dividend	7-Feb-18	14-Mar-25
2018-19	Interim Dividend	12-Nov-18	17-Dec-25
2018-19	2 nd Interim Dividend	7-Feb-19	14-Mar-26
2019-20	Interim Dividend	12-Nov-19	16-Jan-27
2019-20	2 nd Interim Dividend	6-Feb-20	12-Apr-27
2020-21	Interim Dividend	12-Aug-20	17-Oct-27
2020-21	2 nd Interim Dividend	11-Nov-20	16-Jan-28
2020-21	3 rd Interim Dividend	19-Feb-21	16-Apr-28
2021-22	Interim Dividend	12-Aug-21	16-Sep-28
2021-22	2 nd Interim Dividend	8-Nov-21	13-Dec-28
2021-22	3 rd Interim Dividend	9-Feb-22	16-Mar-29
2021-22	4 th Interim Dividend	30-May-22	4-Jul-29

9. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's RTA. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).
10. In terms of Schedule I of the SEBI (LODR) Regulations, 2015, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the Members. Accordingly, Members holding securities in dematerialised mode are requested to update their bank details with their depository participants. Members holding securities in physical form may send a request updating their bank details to the Company's Registrar and Transfer Agent.

SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by March 31, 2023, and linking PAN with Aadhaar by March 31, 2022, vide its circulars dated November 3, 2021 and December 15, 2021. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrars KFin Technologies Limited at einward.ris@kfintech.com. The forms for updating the same are available at <https://www.aurobindo.com/investors/shareholder-information/registrar-and-share-transfer-agent/>.

Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s).

In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date(s), our Company's RTAs are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.

11. Members holding shares in physical mode are requested to submit their Permanent Account Number (PAN) and bank account details to the Company/RTA if not registered with the Company/ RTA, as mandated by SEBI, by writing to the Company at ig@aurobindo.com or to RTA/KFintech at einward.ris@kfintech.com along with the details of Name & Folio no., self-attested copy of PAN card, self-attested scanned copy of Aadhaar Card/ Passport/ Driving Licence/ Election Identity Card, bank details viz. name of the Bank and branch address, Bank account number, IFSC & MICR details and a cancelled cheque and also further advised to register nomination in respect of their shareholding in the Company. Non-Resident Indian Members are requested to inform KFintech/respective DPs, immediately of any



change in their residential status on return to India for permanent settlement by submitting 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 already furnished.

12. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. The requests for effecting transfer/transmission/ transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.
13. Pursuant to Section 72 of the Act, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-13, to the RTA of the Company. Further, Members desirous of cancelling/ varying nomination pursuant to rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the RTA of the Company.
14. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.aurobindo.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Kfin Technologies Limited, <https://www.kfintech.com> (<https://evoting.kfintech.com>)
15. In terms of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and as per the requirements of SEBI Listing Regulations, the Company is providing the facility to its Members holding shares in physical or dematerialised form as on the cut-off date, i.e. July 26, 2022, to exercise their right to vote by electronic means on all of the agenda items specified in the accompanying Notice of AGM.
16. For receiving Annual Report, Notice of AGM and e-voting instructions by the Members whose email IDs are not registered with the Company/Depository Participants(s):
 - a) Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number registered with KFinTech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the AGM Notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
 - b) Alternatively, member may send an e-mail request at the mail id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
17. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
18. In terms of the provisions of Section 152 of the Act, Mr. K. Nithyananda Reddy and Mr. M. Madan Mohan Reddy, Directors retire by rotation at this AGM. Mr. P. Sarath Chandra Reddy is proposed to be re-appointed as Whole-time Director as his current tenure as Whole-time Director of the Company expired on May 31, 2022. Brief resume of Directors who are proposed to be appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and membership/chairmanships of Board Committees and shareholding in the Company as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by ICSI are forming part of the Notice and appended to the Notice.
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
20. The Company has appointed M/s KFin Technologies Limited (KFinTech), Registrar and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting the AGM.

Notice Contd.

21. Pursuant to the provisions of MCA circulars on the VC/ OVAM, Members can attend the AGM through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required.
22. The Members can join the AGM 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
23. Up to 2,000 members will be able to join on a first come first serviced basis to the AGM.
24. No restriction is applicable for joining into the AGM in respect of large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc.
- v. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- vi. The remote e-Voting period commences on July 29, 2022 (9.00 a.m.) and ends on August 1, 2022 (5 p.m.).
- vii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date (i.e. July 26, 2022).
- viii. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the AGM Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he/she is already registered with Kfintech for remote e-Voting then, he/ she can use his/ her existing User ID and password for casting the vote.

PROCEDURE FOR REMOTE E-VOTING

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations, 2015 and in terms of SEBI circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility to be provided by the listed entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by Kfintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. Further, the facility for voting through electronic voting system will also be made available at the Meeting ("Insta Poll") and Members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.
- iii. The Company has engaged the services of Kfintech as the agency to provide e-voting facility.
- iv. However, pursuant to SEBI circular No. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/ DPs in order to increase the efficiency of the voting process.
- ix. In case of Individual Shareholders holding securities in demat mode and 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 may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
- x. The detailed process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1 : Access to Depositories (NSDL / CDSL) e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access to Kfintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3 : Access to join virtual meetings(e-AGM) of the Company on KFin system to participate in e-AGM and vote at the AGM.



Details on Step 1 are mentioned below:

Login method for remote e-Voting for Individual shareholders holding securities in demat mode:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	User already registered for IDeAS facility may follow the following procedure: - Visit URL: https://eservices.nsdl.com - Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. - On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" - Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. - Click on "Active E-voting Cycles" option under E-voting. - You will see Company Name: "Aurobindo Pharma Limited" on the next screen. Click on the e-Voting link available against Aurobindo Pharma Ltd. or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication. User not registered for IDeAS e-Services may follow the following procedure: - To register click on link: https://eservices.nsdl.com - Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Proceed to complete registration using your DP ID, Client ID, Mobile Number etc. - After successful registration, please follow steps given under point 1 above, to cast your vote. Alternatively the users may directly access the e-Voting website of NSDL - Open URL: https://www.evoting.nsdl.com/ - 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. - Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e. KFintech. - On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	Existing user who have opted for Easi/Easiest may follow the following procedure: - Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com - Click on New System Myeasi - Login with your registered user id and password. - The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. - You will see Company Name: "Aurobindo Pharma Limited" on the next screen. Click on the e-Voting link available against Aurobindo Pharma Ltd. or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication. Click on e-Voting service provider name to cast your vote. User not registered for Easi/Easiest may follow the following procedure: - Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Proceed to complete registration using your DP ID-ClientID (BO ID), etc. - After successful registration, please follow steps given under point 1 above to cast your vote. Alternatively, by directly accessing the e-Voting website of CDSL - Visit URL: www.cdslindia.com - Provide your Demat Account Number and PAN No. - System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account. - After successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Aurobindo Pharma Ltd. or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.
Individual Shareholders (holding shares in demat mode) login through their demat accounts/ Website of Depository Participant	- You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. - Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. - Click on options available against Aurobindo Pharma Ltd. or e-Voting service provider – KFintech and you will be redirected to e-Voting page of KFintech to cast your vote during the remote e-Voting period without any further authentication.

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Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022 - 23058738 or 022 -23058542-43

Details on Step 2 are mentioned below:

Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- (A) Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from Kfintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
 - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and password for casting the vote. If required, please visit <https://evoting.kfintech.com> or contact toll-free numbers 1800 309 4001 (from 9:00 a.m. to 6:00 p.m. on all working days) for assistance on your existing password.
 - After entering these details appropriately, click on "LOGIN".
 - You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - You need to login again with the new credentials.
 - On successful login, the system will prompt you to select the "EVEN" i.e. 'Aurobindo Pharma Ltd. – AGM' and click on "Submit"
 - On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat account.
 - Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
 - A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email id anderam@rediffmail.com with a copy marked to evoting@kfintech.com. The



scanned image of the above-mentioned documents should be in the naming format “Corporate Name_ EVEN No.”

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
- ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.
- ii. Facility for joining AGM through VC / OAVM shall open at least 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members 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.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/send their queries in advance mentioning their name, demat account number/ folio number, email id, mobile number at ig@aurobindo.com. Questions /queries received by the Company till July 30, 2022 shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

Details on Step 3 are mentioned below:

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC / OAVM and e-Voting during the meeting.

- i. Members will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/ KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. 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 above.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the AGM may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFintech. On successful login, select ‘Speaker Registration’ which will be opened from Friday, July 29, 2022, 9.00 a.m. IST to Saturday, July 30, 2022, 5.00 p.m. IST. Members shall

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be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the email received from KFintech. On successful login, select 'Post Your Question' option which will be opened from July 29, 2022 to July 30, 2022.
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact Mrs. C. Shobha Anand, Deputy Vice President, at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. The Members whose names appear in the Register of Members/list of Beneficial Owners as on July 26, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL:
 2. MYEPWD <SPACE> IN12345612345678
 3. Example for CDSL:
 4. MYEPWD <SPACE> 1402345612345678
 5. Example for Physical:
 6. MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

- VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. Mr. A. Mohan Rami Reddy, Practicing Company Secretary, bearing C.P. Number 16660 has been appointed as the Scrutiniser to scrutinise the e-voting process. The Scrutiniser will, after the conclusion of voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: www.aurobindo.com and on the website of KFintech at: <https://evoting.kfintech.com>. The result will simultaneously be communicated to the Stock Exchanges.

Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e. August 2, 2022.

Request for registration & updation of Bank details for payment of dividends:

For receipt of dividend, Members who are holding shares in physical form are requested to register/update their bank details with the Company or Company's RTA's KFintech at einward.ris@kfintech.com or by emailing at ig@aurobindo.com by submitting a scanned copy of signed request letter containing member's name, folio number, bank name & address, bank account number, IFSC, MICR details along with a self-attested PAN card, self-attested scanned copy of Aadhaar Card/ Passport/ Driving Licence/ Election Identity Card and cancelled cheque and those members holding shares in dematerialised form are requested to register/update their bank details with their depository participants with whom they maintain their demat accounts by submitting the requisite documents.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 6 – Appointment of Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No. 008072S) as statutory auditors of the Company.

At the 30th Annual General Meeting of the Company held on August 31, 2017, the Members approved the appointment of B S R & Associates LLP, Chartered Accountants, (Firm Registration No. 116231W/W-100024) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 35th Annual General Meeting. The term of B S R & Associates LLP will be expiring at the conclusion of the ensuing 35th Annual General Meeting of the Company.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., and on completion of the term of B S R & Associates LLP, the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on June 17, 2022, proposed the appointment of Deloitte Haskins & Sells, Chartered Accountants, (Firm's Registration No. 008072S), as the Statutory Auditors of the Company, for a term of five consecutive years from the conclusion of 35th Annual General Meeting till the conclusion of 40th Annual General Meeting of the Company, at a remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditors.

Deloitte Haskins & Sells, have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

Deloitte is one of the world's largest professional services firms. Deloitte India is a leading professional services firm of the country and has the scale and capacity, to serve across locations. Deloitte India has a strong Audit & Assurance (A&A) practice, with over 2,700 professionals across offices in 12 cities. DHS provides professional services to some of the largest and most reputed business houses across various industries and sectors. DHS with its pan-India presence helps meet the local needs on a real time basis using its offices closest to where the Company is based, to ensure that the efforts are well coordinated with maximum efficiency.

Item No. 7 – Reappointment of Mr. P. Sarath Chandra Reddy (DIN: 01628013) as a Whole-time Director

The Members of the Company at their 32nd Annual General Meeting held on August 29, 2019 reappointed Mr. P. Sarath Chandra Reddy as a Whole-time Director of the Company for a period of 3 years with effect from June 1, 2019 and accordingly, his tenure expired on May 31, 2022. The Board of Directors of the Company at its meeting held on May 30, 2022 based

on the recommendation of Nomination and Remuneration/ Compensation Committee, re-appointed Mr. P. Sarath Chandra Reddy as a Whole-time Director of the Company with effect from June 1, 2022 for a period of three years, subject to the approval of the Members at the ensuing Annual General Meeting. The terms of appointment of Mr. P. Sarath Chandra Reddy and remuneration payable to him are as set out in Item 7 of the Notice. Mr. P. Sarath Chandra Reddy joined the Board of the Company on September 27, 2007 as a Non-executive Director and has been there as Whole-time Director of the Company from June 1, 2016. He belongs to the promoter group of the Company.

The details of Mr. P. Sarath Chandra Reddy as required under the provisions of Regulation 36(3) of the SEBI Listing Regulations and other applicable provisions are provided in Annexure - A to this Notice.

No Director, Key Managerial Personnel or their relatives except Mr. P. Sarath Chandra Reddy to whom the resolution relates and his relative Mr. P. V. Ramprasad Reddy, Director is interested or concerned in the Resolution.

The Board of Directors recommends the Ordinary Resolution set forth at Item No. 7 of the Notice for approval of the Members of the Company.

Item No. 8 – Re-appointment of Mr. P. V. Ramprasad Reddy (DIN: 01284132), Director of the Company, as Executive Chairman of Aurobindo Pharma USA Inc., a Wholly-Owned Subsidiary of the Company

The appointment of Mr. P. V. Ramprasad Reddy, Director of the Company as Managing Director designated as Executive Chairman of Aurobindo Pharma USA, Inc., a wholly-owned subsidiary of the Company, was approved by the members of the Company at their Annual General Meeting held on August 31, 2017 with effect from December 1, 2017 for a period of five years. The present term of Mr. P. V. Ramprasad Reddy as Managing Director designated as Executive Chairman of Aurobindo Pharma USA, Inc. expires on November 30, 2022. It is proposed to re-appoint Mr. P. V. Ramprasad Reddy as Executive Chairman of Aurobindo Pharma USA, Inc. for a further term of five years with effect from December 1, 2022. Mr. P. V. Ramprasad Reddy, aged 64 years, is a postgraduate in Commerce. He is one of the promoters of Aurobindo Pharma Limited and a Director since inception of the Company and played an instrumental role in the growth of the Company. Company appointed Mr. P. V. Ramprasad Reddy as Executive Chairman of Aurobindo Pharma USA Inc., on December 1, 2012 and has been continuing since then. Prior to promoting Aurobindo Pharma in 1986, he held management positions in various pharmaceutical companies. Mr. P. V. Ramprasad Reddy is a director of Penaka Pharma (India) Private Limited and RPR Sons Advisors Private Limited. He oversees the strategic

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planning and business transformation of the Company. He holds 18,000,000 equity shares of ₹1 each in the Company. During the financial year 2021-22, he has attended all 9 meetings of the Board of Directors of the Company. He is a member of Project Finance Committee of the Company.

Information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of the Boards and its Powers) Rules, 2014:

a	Name of the related party	Mr. P. V. Ramprasad Reddy
b	Name of the Director or Key Managerial Personnel who is related	Mr. P. Sarath Chandra Reddy, Whole-time Director
c	Nature of relationship	Mr. P. Sarath Chandra Reddy is son of Mr. P. V. Ramprasad Reddy
d	Nature, material terms, monetary value of the contract or arrangement:	
	Nature of the arrangement	Mr. P. V. Ramprasad Reddy is proposed to be appointed as Executive Chairman in Aurobindo Pharma USA Inc, a wholly-owned subsidiary.
	Material terms	The appointment, if approved by Members, shall be for a period of five years with effect from December 1, 2022.
	Monetary terms	The aggregate amount of remuneration (inclusive of salary, perquisites, allowances, incentives, bonuses, retirement benefits, insurance, other facilities etc.) shall not exceed USD 400,000 (US Dollar four hundred thousand only) per annum or equivalent amount in any other currency with an authority to the Board of Directors of Aurobindo Pharma USA, Inc. to give annual or other increments from time to time over and above the aforesaid remuneration not exceeding 5% of the immediately previous drawn salary and he will also be entitled to reimbursement of medical expenses for self and family, use of Company's car and telephone at residence and encashment of unavailed leave and other benefits as per the rules of Aurobindo Pharma USA, Inc

Any other information relevant or important for the members to take a decision on the proposed resolution	He is one of the promoters of the Company and a director since inception. He leads strategic planning and is instrumental in the growth of the Company.

No Director, Key Managerial Personnel or their relatives except Mr. P. V. Ramprasad Reddy to whom the resolution relates and his relative Mr. P. Sarath Chandra Reddy, Director is interested or concerned in the Resolution.

The Board of Directors recommends the Ordinary Resolution set forth at Item No. 8 of the Notice for approval of the Members of the Company.

Item No. 9 - Ratification of Remuneration to Cost Auditors for FY 2022-23

The Board, on the recommendation of the Audit Committee, has approved on May 30, 2022, the appointment of M/s. EVS & Associates, Cost Accountants, Hyderabad, at a remuneration of ₹ 650,000/- (Rupees six hundred fifty thousand only) excluding applicable taxes to conduct the audit of the Company's cost records for the financial year 2022-23.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditor Rules), 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.9 of the Notice.

No Director, Key Managerial Personnel or their relatives is in any way concerned or interested in the resolution.

The Board of Directors recommends the Ordinary Resolution set forth at Item No. 9 of the Notice for approval of the Members of the Company.

By Order of the Board

B. Adi Reddy

Place: Hyderabad
Date: June 17, 2022

Company Secretary
Membership No. ACS 13709

Registered Office:

Plot No.2, Maithrivi, Ameerpet,
Hyderabad - 500038 Telangana, India.
Email: info@aurobindo.com
Website: www.aurobindo.com



Details of the Directors proposed to be appointed/re-appointed at the AGM scheduled to be held on August 2, 2022 as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are as given below:

Profile of Mr.K. Nithyananda Reddy

Mr. K. Nithyananda Reddy (DIN:01284195) is Vice Chairman & Managing Director and a promoter of the Company. He holds a Masters Degree in Science and has been associated with the Company from the initial days. He is well versed with the manufacturing technology and supervises the overall affairs of the Company.

Age	64
Qualification	Postgraduate in Science
Experience (including expertise in specific functional area)/ Brief Resume	He has been associated with the Company from the initial days as a promoter, and is well versed with manufacturing technologies, systems, processes and controls.
Terms and Conditions of Appointment/ Reappointment	As per the resolution at Item No. 4 of the Notice convening Annual General Meeting, read with explanatory statement thereto, Mr. K. Nithyananda Reddy is seeking reappointment as director who retires by rotation.
Remuneration last drawn (including sitting fees, if any)	₹27.20 million
Remuneration proposed to be paid	The proposal is for re-appointment as a director on retirement by rotation. His remuneration is revised from ₹20.0 million to ₹32.0 million and other perquisites during 2021-22.
Date of first appointment on the Board	December 26, 1986
Shareholding in the Company as on March 31, 2022	25,359,572 equity shares
Relationship with other Directors/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Number of meetings of the Board attended during the year	9
Directorships of other Boards as on March 31, 2022	APL Healthcare Limited Pattancheru Enverotech Ltd. Raidurgam Developers Limited Aurobindo Pharma Foundation
Board Membership of other listed companies and the membership of Committees of the board as on March 31, 2022	NIL
Directorships of other Listed Entities from which he resigned in the past three years	NIL
Membership/Chairmanship of Committees of other Boards as on March 31, 2022	NIL

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Profile of Mr. M. Madan Mohan Reddy

Mr. M. Madan Mohan Reddy (DIN: 01284266), Whole-time Director of the Company has a Masters Degree in Science (Organic Chemistry) and has held top managerial positions in leading pharmaceutical companies. He commands over three decades of valuable experience in the pharmaceutical industry. He looks after formulation manufacturing of the Company.

Age	62
Qualification	Postgraduate in Science
Experience (including expertise in specific functional area)/ Brief Resume	He held top managerial positions in leading pharmaceutical companies. He has been associated with the Company since 2006. He commands more than 30 years of experience in the pharmaceutical industry.
Terms and Conditions of Appointment/Reappointment	As per the resolution at Item No. 5 of the Notice convening Annual General Meeting, read with explanatory statement thereto, Mr. M. Madan Mohan Reddy seeking reappointment as director who retires by rotation.
Remuneration last drawn (including sitting fees, if any)	₹52.35 million
Remuneration proposed to be paid	The proposal is for re-appointment as a director on retirement by rotation. No change in his remuneration during 2021-22
Date of first appointment on the Board	September 18, 2006
Shareholding in the Company as on March 31, 2022	2,010 equity shares
Relationship with other Directors/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Number of meetings of the Board attended during the year	9
Directorships of other Boards as on March 31, 2022	Crest Cellulose Private Limited Eugia Pharma Specialities Limited Pravesha Industries Private Limited Curateq Biologics Private Limited Auro Cure Private Limited Aurozest Private Limited Wytells Pharma Private Limited Auronext Pharma Private Limited Auro Vaccines Private Limited
Board Membership of other listed companies and the membership of Committees of the board as on March 31, 2022	Nil
Directorships of other Listed Entities from which he resigned in the past three years	Nil
Membership/Chairmanship of Committees of other Boards as on March 31, 2022	Chairman of CSR committee of Auronext Pharma Private Limited.



Profile of Mr. P Sarath Chandra Reddy

Mr. P. Sarath Chandra Reddy (DIN: 01628013) is a graduate in Business Administration. He is a second generation entrepreneur experienced in general management and has expertise in project executions, IT, procurement and other aspects of the business.

Age	37
Qualification	Graduate in Business Administration
Experience (including expertise in specific functional area)/ Brief Resume	He is a second-generation entrepreneur experienced in general management and has expertise in project executions, IT, procurement, etc.
Terms and Conditions of Appointment/ Reappointment	As per the resolution at Item No. 7 of the Notice convening Annual General Meeting on August 2, 2022 read with explanatory statement thereto Mr. P. Sarath Chandra Reddy is proposed to be re-appointed as Whole-time Director of the Company.
Remuneration last drawn (including sitting fees, if any)	₹14.61 million
Remuneration proposed to be paid	As per resolution at Item No. 7 of the Notice convening Annual General Meeting on August 2, 2022 read with explanatory statement thereto.
Date of first appointment on the Board	September 27, 2007
Shareholding in the Company as on March 31, 2022	Not holding any shares directly but a beneficial owner.
Relationship with other Directors/ Key Managerial Personnel	He is related to Mr. P. V. Ramprasad Reddy, Director of the Company.
Number of meetings of the Board attended during the year	7
Directorships of other Boards as on March 31, 2022	APL Healthcare Limited Auro Cure Private Limited Auro Pharma India Private Limited Shreas Industries Limited PVR Holdings Private Limited Auronext Pharma Private Limited Aurobindo Pharma Foundation
Board Membership of other listed companies and the membership of Committees of the board as on March 31, 2022	Nil
Directorships of other Listed Entities from which he resigned in the past three years	Nil
Membership/Chairmanship of Committees of other Boards as on March 31, 2022	Member of CSR committee of Auronext Pharma Private Limited.

Board's Report

Dear Members,

Your Directors are pleased to present the 35th Annual Report of your Company together with the audited accounts for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

Standalone Financials

	₹ in million	
	2021-22	2020-21
Revenue from operations	112,871.4	158,236.8
Profit Before Depreciation, Interest, Tax and Exceptional Items	14,734.0	41,198.3
Depreciation	4,152.6	4,880.0
Finance cost	169.4	286.8
Profit Before Tax	16,374.8	41,930.1
Provision for Tax	1,827.7	10,801.0
Net Profit After Tax	14,547.1	31,129.1
Other Comprehensive Income/ (Expense)	16.9	(64.2)
Total Comprehensive Income for the period	14,564.0	31,064.9

DIVIDEND

Your Company has paid first interim dividend of 150% i.e. ₹1.50 per equity share of ₹1, second interim dividend of 150% i.e. ₹1.50 per equity share of ₹1, third interim dividend of 150% i.e. ₹1.50 per equity share of ₹1 and fourth interim dividend of 450% i.e. ₹4.50 per equity share of ₹1. The total dividend for the financial year 2021-22 comes to 900% i.e. ₹9.00 per equity share of ₹1 against 400% i.e. ₹4.00 per equity share of ₹1 paid in the previous year.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 listed entities based on market capitalisation are required to formulate a Dividend Distribution Policy. The Board has approved and adopted the Dividend Distribution Policy and the same is available on your Company's website: <https://www.aurobindo.com/wp-content/uploads/2018/10/Dividend-Distribution-Policy.pdf>

PERFORMANCE REVIEW

Your Company is the leading generic pharma company globally and now ranks as seventh largest generic company by sales and second largest listed Indian pharmaceutical company by revenues. Your Company has become the largest supplier in the USA by volume in last quarter of the financial year. Your Company maintained its growth momentum in revenue and profitability despite headwinds caused by the pandemic.

On a standalone basis, your Company's revenue stood at ₹112,871.4 million in the financial year 2021-22, as against ₹158,236.8 million in the corresponding previous period. The Formulations business stood at ₹66,942.9 million due to

transfer of formulation units (Unit IV, Unit XVI) to wholly-owned subsidiaries of Aurobindo Pharma Limited. The API business witnessed a growth of 28.5% to ₹44,022.6 million. EBITDA for the year decreased by 64.2% to ₹14,734.0 million vs. ₹41,198.3 million in the corresponding previous period. Gross Profit margin decreased by 6% to 48.2% of revenue (vs. 54.2% revenue in FY21), which led EBITDA margin for the year to decrease by 13% to 13.1% of revenue (vs. 26% of revenue in FY21). Profit before Tax for the year is at ₹16,374.8 million. Your Company's net profit (before Other Comprehensive Income) is at ₹14,547.1 million as against ₹31,129.1 million in FY21. The diluted Earnings Per Share stood at ₹24.83 compared to ₹53.13 in FY21.

On a consolidated basis, the revenues stood at ₹234,554.9 million. The Formulations business stood at ₹199,393.2 million vs ₹216,859.7 million in the corresponding previous period. The Active Pharmaceutical Ingredients (APIs) business posted a growth of 13.9% to ₹35,155.7 million vs. ₹30,859.0 million in FY21. The growth in API segment led by strong growth of 20.4% in Beta Lactam segment to ₹20,825.0 million. EBITDA margin decreased by 2.8% to 18.7% vis-a-vis 21.5% in FY21. R&D expenditure for the year was ₹15,813.5 million or 6.7% of revenue, increased from ₹15,095.7 million or 6.1% of revenue in FY21. EBITDA before forex and other income stood at ₹43,867.9 million. Your Company reported a Net Profit of ₹26,471.0 million, vs. ₹53,338.4 million (including one off gains from the sale of Natrol business in FY21) in corresponding previous period. The Diluted Earnings Per Share (reported) stood at ₹45.19 compared to ₹91.05 in FY21. During the year, Company received net loss (net of the tax) of ₹1,216.8 on exceptional items including Gain on sale of tangible assets, Impairment of intangible assets & goodwill and Impairment of capital work in progress.

The US is the largest market for your Company and accounted for 47.4% of the total revenue. US revenue stood at ₹111,221.1 million. Your Company has launched 22 products in FY22. Your Company has maintained its dominant position in the US market and is ranked as the largest volume player as per IQVIA QTR March 2022 data.

Your Company continues to strengthen its pipeline for the global markets including the US market. As on March 31, 2022, your Company filed 727 Abbreviated New Drug Applications (ANDAs) on a cumulative basis. Of the total count, 505 have received final approvals and 33 received tentative approvals, including 8 ANDAs, which are tentatively approved under the US President's Emergency Plan for AIDS Relief (PEPFAR), while 189 ANDAs are currently under review.

Your Company registered a 6.9% growth in its Europe formulations business to ₹64,802.9 million in FY22 compared to the previous year's revenue of ₹60,607.9 million. Your Company is listed among the top 10 generics businesses in 6 of the 9 EU/UK nations where it operates, having a presence in all market channels such as pharmacies, hospitals, and tenders, as well as sales infrastructure and 550+ INNs commercialised (International Non-proprietary Names). Despite headwinds,



your Company's performance in France, Portugal, Poland and Italy led to overall growth in Europe. Your Company's focus during the year was to improve the profitability of the acquired Apotex business.

The ARV Formulations business stood at ₹8,329.9 million in FY22 vs. ₹18,627.7 million in FY21, due to COVID impact as well as excess procurement in the previous FY.

Growth Markets, which include Brazil, Canada, Columbia and South Africa grew by 4.6% to ₹15,039.4 million.

OUTLOOK

FY22 was different in every aspect and held more than its fair share of challenges, as the world reeled under the pandemic through the year, we stayed focused on diversifying our product basket and launching new products consistently. Your Company has plans to leverage the infrastructure of the acquired business to drive penetration and optimise value creations.

Your Company remains focused on developing on complex and differentiated products in multiple areas comprising oncology and hormonal products, biosimilars, depot injections, vaccines, topicals, transdermal patches, inhalers, nasals, and complex peptide products which will drive the next phase of growth. Your Company is also in the process of commissioning the capacities for some of the complex therapeutic areas.

Your Company is committed to grow in its key geographies i.e. US and Europe. In the US, around 220 ANDAs are awaiting final approval and annual sales as per IQVIA data is US\$105 billion as on March 31, 2022. Apart from this, as of March 31, 2022, Your Company is seeking final clearance for 128 ANDAs, with a goal of expanding the number of submissions and approvals across treatments in oral solids, and for 48 ANDAs in injectables. With the pandemic situation easing, Your Company will resume its development trajectory, with a focus on developing a product range of complicated injectables. As more pharmaceuticals transition from prescription to OTC, the array of branded OTC products will grow.

For Europe markets, your Company have total 58 products filed and awaiting approval. Additionally, there are nearly 200 products under development in general oral/ general/ oncology product categories, which will be launched in the next two to three years. Your Company is also building a dedicated injectable facility for Europe and Growth Markets to strengthen its presence in the Hospital segment. The facility will start filing new injectable products in FY23 with earliest possible commercialisation in FY24.

In the ARV space, due to the Covid effect as well as surplus procurement in the previous fiscal year, this category had a 55 percent year-on-year decline to ₹ 8,330 million. Your Company intends to maintain a substantial chunk of its market position in the ARV sector via Dolutegravir-based regimen, which is the

first line therapy in HIV, by utilising big capacities at low pricing. This regimen is projected to be the standard therapy in the future years.

In Growth Markets, Canada, South Africa, Brazil and China are the key geographies for your Company. In Canada, your Company has a robust product pipeline with over 43 products awaiting approval. In China so far, we have approval for 2 products and are awaiting approval for additional 29 products.

In its API business, your Company produces and sells Betalactam and Non-Betalactam products from its 10 API and intermediate plants. To satisfy consumer demands while being cost-effective, the Company has focused on growing capacity and continually upgrading its production processes. The Indian government established production linked incentives (PLI) to enhance local manufacturing capacity, including high-value items across the global supply chain. We replied by launching a plant in Kakinada, Andhra Pradesh, to produce 15,000 tonnes of Penicillin G.

In R&D, your Company will maintain focus on difficult-to-manufacture, differentiated products, with possible low competitive pressure. Filing momentum is in line with the strategy of moving towards complex and differentiated products.

RESEARCH AND DEVELOPMENT (R&D)

Aurobindo, over the years, has consistently invested in R&D for improving capabilities and on-boarding talented people across the globe. Your Company now has a team of more than 1,500 scientists and analysts. This enables your Company to develop a wide range of medications from generics to complex speciality products. Currently, Aurobindo has nine Research and Development (R&D) centres, of which five are in India and four are in the USA. The R&D centres are equipped with cutting-edge technologies where the talented scientists develop generics and difficult-to-develop products and strive to improve productivity. During FY22, your Company invested 6.7% of its consolidated revenue or ₹15,813.5 million as against ₹15,095.7 million or 6.1% of its consolidated revenue in FY21 in R&D.

Your Company is focused on developing specialty and difficult-to-develop complex products in the respiratory and dermatological therapeutic areas, including metered dose inhalers (MDIs), dry powder inhalers (DPIs), nasal sprays, topical lotions, creams, ointments and transdermal patches. The products are developed for global markets, where your Company will be able to file the product, get approval and market the product globally. Your Company is further diversifying its product portfolio by working on multiple R&D initiatives.

Board's Report Contd.

Our biosimilars are developing steadily. We filed two cancer biosimilars in FY22. One cancer biosimilar monoclonal antibody is expected to end patient enrolment in its Phase III efficacy and safety trial in early FY23. This product should be filed in select markets by Q4FY2022. In Q4 FY22, a Phase 1 clinical trial for one of our biosimilar antibodies started.

In our North Carolina R&D centre, we develop respiratory medicine products including MDIs and DPIs for asthma and COPD (Chronic Obstructive Pulmonary Disease). Our India and US R&D centres create dermatological products. 33 items are under development at different levels (ANDA filed for 1 product, 32 products are under development, development to be initiated for another 6 products). At least 30% of developing goods need clinical or BE studies. First clinical trial and show batches for 6 items in FY22. Our India and US factories will make these items.

10-transdermal patches are under development. The under-development items have a \$3 billion market. In FY22, we submitted 1 product's technical data package and began 1 exhibit batch.

We have bacterial and viral vaccines in the works. We are developing a fifteen serotype PCV via our Company Tergene Biotech (Pneumococcal Conjugate Vaccine). We have completed one phase 3 clinical investigation for PCV, which we intend to move forward to the filing stage in FY23. Our research and development centres in Hyderabad, India, and the United States are working on various candidate vaccines that are in the early stages of development.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

Environment

The Company continuously monitors its energy usage, regulates the emissions released and waste generated, and makes sure it follows responsible water consumption practices. To commit itself further to protect the environment, it holds tree planting initiatives and drives to protect the ecology of the regions it operates in.

Health & Safety

Aurobindo undertakes a number of steps to upgrade and enhance employee safety. For all new projects, existing production units, distribution centres, and so on, the Company observes and monitors the safety laws and procedures. In order to avoid mishaps, the Company also offers several safety training programmes to its employees.

Engagement in national and global initiatives on Antimicrobial Resistance (AMR)

As a healthcare service provider, the Company is partnering with 'The Access to Medical Foundation,' which is monitoring what the 30 most active firms in antimicrobial R&D and production are doing to combat antibiotic resistance. The

Company is also a member of the 'AMR Industry Alliance,' which is driving antimicrobial resistance progress via common objectives and commitment to increase access to high-quality antimicrobial products, encourage responsible usage, and reduce environmental concerns.

AWARDS AND ACCOLADES

- Excellence in Business Partnering, Economic Times Human Capital Awards
- Significant Achievement in HR Excellence, 12th CII National HR Excellence Award
- Transformance Forums "HR Innovation & Tech Fest 2021" winner in the categories of 'Most Collaborative Hiring Team' and 'Innovation in Employee Engagement'
- Aurobindo Pharma Limited, Unit XIV, Visakhapatnam was adjudged the 'WINNER of Golden Peacock Occupational Health & Safety Award – 2021' conducted by The Institute of Directors (IOD)

SUBSIDIARIES / JOINT VENTURES

As per the provisions of Section 129 of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014, a separate statement containing the salient features of the financial statements of Subsidiary companies/Associate companies/Joint ventures is detailed in Form AOC-1 and is in **Annexure-1** to this Report.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website and can be accessed at <https://www.aurobindo.com/wp-content/uploads/2022/04/Policy-MaterialSubsidiary-2021.pdf>

Eugia Pharma Specialities Limited, a wholly owned subsidiary of the Company, is engaged in oncology, hormonal and sterile products. Its Board of Directors comprises of professionals having managerial experience and business acumen in diverse fields. Eugia is independently run by professionally qualified and experienced team of professionals in the field of quality control, quality assurance and manufacturing. It has its own strong R&D team.

During the year, the following changes were implemented in the subsidiaries of the Company:

Ceased subsidiaries/JVs

During the period under review, Aurobindo Pharma GmbH Germany merged with Puren Pharma GmbH w.e.f. October 1, 2021. CuraTeQ Biologics GmbH was Liquidated w.e.f. October 7, 2021 and Longxiang Pharma Taizhou Co. Ltd. was Liquidated w.e.f. August 31, 2021.



New subsidiaries/JVs

During the period under review, following subsidiary/step-down subsidiary companies were incorporated/acquired:

- CuraTeQ Biologics s.r.o was incorporated in Czech Republic as a wholly-owned subsidiary of Helix Healthcare B.V. w.e.f. July 27, 2021.
- Eugia Pharma B.V., was incorporated in The Netherlands as a wholly-owned subsidiary of Eugia Pharma Specialities Ltd. w.e.f. September 8, 2021.
- Eugia Pharma (Malta) Limited was incorporated in Malta as a wholly-owned subsidiary of Eugia Pharma B.V. w.e.f. October 14, 2021.
- Eugia (UK) Limited was incorporated in U.K as a wholly-owned subsidiary of Eugia Pharma B.V. w.e.f. October 21, 2021.
- Aurosalud SA De CV was incorporated in Mexico as subsidiary of Helix Healthcare B.V. & Agile Pharma B.V. w.e.f. July 16, 2021.
- Auro PR Inc was incorporated in Puerto Rico as a wholly-owned subsidiary of Helix Healthcare B.V w.e.f. September 22, 2021.
- Eugia Pharma Inc was incorporated in Canada as a wholly-owned subsidiary of Eugia Pharma B.V. w.e.f. October 29, 2021.
- Eugia Pharma (Australia) Pty. Limited was incorporated in Australia as a wholly-owned subsidiary of Eugia Pharma B.V., w.e.f. December 15, 2021.
- Eugia Pharma Industria Farmaceutica Limitada was incorporated in Brazil as a wholly-owned subsidiary of Eugia Pharma B.V. w.e.f. December 20, 2021.
- Mylan LLC was acquired in Puerto Rico as a wholly-owned subsidiary of Auro PR Inc w.e.f. December 30, 2021.
- Aurobindo Pharma Ukraine LLC was incorporated in Ukraine as a wholly-owned subsidiary of Helix Healthcare B.V. w.e.f. February 2, 2022.
- Eugia Pharma Colombia S.A.S was incorporated in Colombia as a wholly-owned subsidiary of Eugia Pharma B.V. w.e.f. March 2, 2022.
- Auro Steriles LLC was incorporated in USA as a wholly-owned subsidiary of Aurobindo Pharma USA Inc. w.e.f. April 1, 2021.

- Vespyr Brands, Inc (formerly known as Nurya Brands Inc) was incorporated in USA as a wholly-owned subsidiary of Auro Health LLC w.e.f. April 28, 2021.
- Eugia US Manufacturing LLC was incorporated in USA as a wholly-owned subsidiary of Aurobindo Pharma USA Inc., w.e.f. August 31, 2021.
- Eugia Injectable Inc was incorporated in USA as a wholly-owned subsidiary of Eugia Pharma Specialities Ltd. w.e.f. April 1, 2021.,
- Eugia Inc was incorporated in USA as a wholly-owned subsidiary of Eugia Pharma Specialities Ltd., w.e.f. February 23, 2022.
- Auro vaccines Private Limited was incorporated in India as a wholly-owned subsidiary of the Company w.e.f. November 8, 2021

The name of Aurovitax Nederland B.V (formerly Apotex Nederland B.V.), a wholly-owned subsidiary of Aurobindo Pharma B.V., was changed w.e.f. February 1, 2022

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements have been prepared by the Company in accordance with the Indian Accounting Standards (Ind AS) 110 and 111 as specified in the Companies (Indian Accounting Standards) Rules, 2015 and as per the provisions of Companies Act, 2013. The Company has placed separately, the audited accounts of its subsidiaries on its website www.aurobindo.com, in compliance with the provisions of Section 136 of the Companies Act, 2013. Audited financial statements of the Company's subsidiaries will be provided to the Members, on request.

CODE FOR PREVENTION OF INSIDER TRADING

On December 31, 2018 Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from 1st April 2019. In line with the amendments, your Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website at <https://www.aurobindo.com/investors/corporate-governance/code-of-conduct/>

Board's Report Contd.

VIGIL MECHANISM

The Board of Directors have adopted the Whistle Blower Policy which is in compliance with Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Whistle Blower Policy aims to conduct the affairs 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 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 under the Company's Code of Conduct formulated for regulating, monitoring, and reporting by Insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Whistle Blower Policy is available on the Company's website <https://www.aurobindo.com/wp-content/uploads/2022/04/Whistle-Blower-Policy-APL-New-March2022.pdf>

PREVENTION AND PROHIBITION OF SEXUAL HARASSMENT

Your Company has a policy and framework for employees to report sexual harassment cases at the workplace and the said process ensures complete anonymity and confidentiality of information. Your Company has constituted an Internal Complaints Committee in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has a 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. During the year, the Company has not received any complaint. The Company has been conducting regular awareness programmes aimed at prevention of sexual harassment.

MEETINGS OF THE BOARD

The Board and Committee meetings are prescheduled, and a tentative calendar of the meetings are created, in consultation with the Directors. However, in case of special and urgent business needs, approval is taken by passing resolutions through circulation. During the year under review, nine Board Meetings and six Audit Committee Meetings were convened and held. The details of the meetings including composition of the Audit Committee are provided in the Corporate Governance

Report. During the year, all the recommendations of the Audit Committee were accepted by the Board.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONAL

Key Managerial Personnel

Mr. K. Nithyananda Reddy, Whole-time Director and Vice Chairman up to December 31, 2021 and Vice Chairman and Managing Director from January 1, 2022, Mr. N. Govindarajan, Managing Director (up to December 31, 2021), Dr. M. Sivakumaran, Whole-time Director, Mr. M. Madan Mohan Reddy, Whole-time Director, Mr. P. Sarath Chandra Reddy, Whole-time Director, Mr. Santhanam Subramanian, Chief Financial Officer, and Mr. B. Adi Reddy, Company Secretary are the Key Managerial Personnel of the Company in accordance with the provisions of Section(s) 2(51), and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. During the year, Mr. N. Govindarajan resigned as Managing Director of the Company w.e.f. January 1, 2022 and Mr. K. Nithyananda Reddy, Vice Chairman and Whole-time Director was appointed and redesignated as Vice Chairman and Managing Director from January 1, 2022.

None of the Directors of the Company are disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Independent Directors have provided confirmations as contemplated under Section 149(7) of the Act. As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from the Company Secretary in practice, 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, forms part of Corporate Governance Report as Annexure-A.

Appointments/Re-appointment of Directors

As per the provisions of the Companies Act, 2013, Mr. K. Nithyananda Reddy and Mr. Madan Mohan Reddy will retire as Directors at the ensuing Annual General Meeting and being eligible, seek re-appointment. The Board recommends their re-appointment.

The re-appointment of Mr. P. Sarath Chandra Reddy as Whole-time Director is being proposed.

Cessation

Mr. N. Govindarajan resigned as Managing Director and Director of the Company w.e.f. January 1, 2022.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) appropriate accounting policies have been selected and applied consistently. Judgement and estimates which are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of your Company as at the end of the financial year and of the profit of your Company for the year;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on an on-going concern basis;
- e) proper internal financial controls have been laid down to be followed by your Company and such internal financial controls are adequate and are operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws have been devised, and such systems are adequate and are operating effectively.

DECLARATION FROM INDEPENDENT DIRECTORS

The Independent Directors have submitted the declaration of independence stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 as well as clause (b) of sub-regulation (1) of Regulation 16 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and confirmed that they have registered their names in the Independent Directors' Data bank. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

BOARD DIVERSITY

The Company recognises and embraces the importance of a diverse Board in its success. The Board has adopted the Board Diversity Policy which sets out with an approach to diversify the Board of Directors. The Board Diversity Policy is available on the Company's website: <https://www.aurobindo.com/wp-content/uploads/2018/10/Policy-on-Board-Diversity.pdf>

BOARD EVALUATION

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be conducted by the Board of its own performance and that of its committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be conducted by the entire Board of Directors, excluding the Director being evaluated.

The Annual Performance Evaluation was conducted for all Board Members, for the Board and its Committees for the financial year 2021-22. This evaluation was led by the Nomination and Remuneration/Compensation Committee of the Company. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017. The Board evaluation was conducted through questionnaires designed with qualitative parameters and feedback based on ratings.

Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc.

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholders interest and enhancing shareholders value, experience, and expertise to provide feedback and guidance to top management on business strategy, governance, risk and understanding of the organisation's strategy, etc.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters are adopted as per the provisions of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company. The Nomination and Remuneration Policy as adopted by the Board is available on the Company's website: <https://www.aurobindo.com/wp-content/uploads/2022/02/NominationRemunerationPolicy-APL.pdf>

TRANSFER TO RESERVES

Your Company has not transferred any amount to reserves during the year under review.

Board's Report Contd.

LOANS, GUARANTEES AND INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. All Related Party transactions are mentioned in the Notes to the Financial Statements. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions. A statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval. The policy on Related Party Transactions, as approved by the Board of Directors, has been uploaded on the website of the Company <https://www.aurobindo.com/wp-content/uploads/2022/04/PolicyOnRPT-Feb2022.pdf>.

The particulars of contracts or arrangements with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 is prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and is in **Annexure-2** to this Report.

There were no materially significant Related Party Transactions which could have potential conflict with the interests of the Company at large.

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

Information with respect to conservation of energy, technology absorption, foreign exchange earnings & outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is in **Annexure-3** to this Report.

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2022 is available on the Company's website and can be accessed at: <https://www.aurobindo.com/investors/results-reports-presentations/annual-returns/>

RISK MANAGEMENT COMMITTEE

Risk Management Committee of the Company consists of the following Directors viz., Mr. Girish Paman Vanvari, Mr. P. Sarath Chandra Reddy and Mr. K. Rangunathan as on March 31, 2022. Mr. N. Govindarajan ceased to be member of Risk Management Committee w.e.f. January 1, 2022 on his resignation. Mr. Girish Paman Vanvari was appointed as a Chairman of Risk Management Committee w.e.f. April 1, 2021. The Company has established a separate department to monitor the enterprise risk and for its management. The Committee had formulated a

Risk Management Policy for dealing with different kinds of risks which the Company faces in its day-to-day operations. The Risk Management policy of the Company outlines a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks, or any other risk as may be determined by the Committee; measures for risk mitigation including systems and processes for internal control of identified risks; and Business continuity plan. Risk is an integral part of the Company's business, and sound risk management is critical to the success of the organisation. The Company has adequate internal financial control systems and procedures to combat the risk. The risk management procedure is reviewed by the Audit Committee and Board of Directors on a regular basis at the time of review of the quarterly financial results of the Company. A report on the risks and their management is enclosed as a separate section forming part of this report.

AUDITORS & AUDITORS' REPORT

Pursuant to Section 139 (2) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Company at its 30th Annual General Meeting (AGM) held on August 31, 2017, had appointed B S R & Associates LLP, Chartered Accountants as Statutory Auditors for a period of 5 years i.e. up to the conclusion of the 35th AGM to be held in the year 2022. The present term of B S R & Associates LLP as Statutory Auditors of the Company would expire at the conclusion of the ensuing AGM.

The Board of Directors of the Company has proposed the appointment of Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 008072S) as the Statutory Auditors of the Company to hold office from the conclusion of 35th AGM until the conclusion of the 40th AGM in place of retiring auditors, B S R & Associates LLP on completion of their term.

The Company has received a letter from Deloitte Haskins & Sells, Chartered Accountants confirming that they are eligible for appointment as Statutory Auditors of the Company under Section 139 of Companies Act, 2013 and meet the criteria for appointment as specified in Section 141 of the Companies Act, 2013.

The statutory Auditors' Report forms part of the Annual Report. The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no qualifications, reservations, adverse remarks or disclaimers by the statutory auditors in their report. They have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

INTERNAL AUDITORS

Ernst & Young LLP are the Internal Auditors of the Company and to maintain its objectivity and independence, the Internal Auditors report to the Chairman of the Audit Committee. The scope and authority of the Internal Audit function is clearly



defined by the Audit Committee of the Board. The Internal Auditors monitor and evaluate the efficacy and adequacy of the internal control system of the Company, its compliance with applicable laws/regulations, accounting procedures and policies. Based on the reports of the Internal Auditors, corrective actions will be undertaken, thereby strengthening the controls. Significant audit observations and action plans were presented to the Audit Committee of the Board on a quarterly basis.

COST AUDIT

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of EVS & Associates, a firm of Cost Accountants in Practice (Registration No. 000175) as the Cost Auditor of the Company to conduct audit of cost records of the Company for relevant products as prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending on March 31, 2023. The Board on recommendations of the Audit Committee has approved the remuneration payable to the Cost Auditor subject to ratification of its remuneration by the Members in the forthcoming AGM. EVS & Associates has, under Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder, furnished a certificate of its eligibility and consent for appointment.

INTERNAL FINANCIAL CONTROLS

The internal financial controls (IFC) framework institutionalised in Aurobindo has been evaluated in-depth for its adequacy and operating effectiveness, wherein the Company has covered financial reporting controls, operational controls, compliance-related controls and also Information Technology (IT) controls, comprising IT general controls (ITGC) and application-level controls. The ITGC would include controls over IT environment, computer operations, access to programmes and data, programme development and programme changes. The application controls would include transaction processing controls in ERP Oracle system which supports accurate data input, data processing and data output, workflows, reviews and approvals as per the defined authorisation levels.

To further strengthen the existing IFC framework and support the growing business, the Company has redefined all the process level controls at activity level which has brought in more clarity and transparency in day-to-day processing of transactions and in addressing any related risks. All the controls so redefined and identified have been properly documented and tested with the help of an independent auditor to ensure their adequacy and effectiveness.

The Internal Auditors conduct 'Process & control review' on a quarterly basis as per the defined scope and submit the audit findings along with management comments and action taken reports to the Audit Committee for its review.

The IFC framework at Aurobindo 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;
- Enabling 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. 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.

These controls cover the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets of the Company, prevention and detection of its frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. The Company has an internal control system, commensurate with the size, scale and complexity of its operation.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. A. Mohan Rami Reddy, a Company Secretary in Practice, to undertake the secretarial audit of the Company for the financial year 2021-22. The Secretarial Audit Report issued in form MR-3 is in **Annexure-4** of this Report.

There are no qualifications, reservations, or adverse remarks in the Secretarial Audit Report. Also, pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained the Annual Secretarial Compliance Report from a Practicing Company Secretary and submitted the same to stock exchanges where the shares of the Company are listed.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established the Corporate Social Responsibility Committee (CSR Committee).

The Board, on the recommendation of the CSR Committee, adopted a CSR Policy. The same is available on the Company's website at <https://www.aurobindo.com/wp-content/uploads/2021/07/CSR-policy.pdf>. The CSR objectives

Board's Report Contd.

are designed to serve societal, local and national goals in the locations that we operate in, to create a significant and sustained impact on local communities. During the financial year 2021-22, the Company's CSR efforts included COVID-19 relief work over and above its usual CSR commitments.

The Company undertakes its CSR activities through Aurobindo Pharma Foundation, a wholly-owned subsidiary of the Company incorporated under Section 8 of the Companies Act 2013.

The CSR projects approved by the Board for the year 2021-22 is available on the Company's website at <https://www.aurobindo.com/sustainability/Report>. The Annual Report on Corporate Social Responsibility as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure-5** to this Report.

PARTICULARS OF EMPLOYEES

The statement of particulars of appointment and remuneration of managerial personnel as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is in **Annexure-6** to this Report. The statement containing particulars of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is open for inspection at the Registered Office of the Company during business hours on all working days of the Company, up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining such details may write to the Company Secretary of the Company.

Affirmation that the remuneration is as per the remuneration policy of the Company.

In compliance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board, on the recommendation of the Nomination and Remuneration/ Compensation Committee approved the Policy for Selection, Appointment of Directors, KMPs and Senior Management persons. The said Policy provides a framework to ensure that suitable and efficient succession plans are in place for appointment of Directors on the Board and other management members. The Policy also provides for selection and remuneration criteria for the appointment of Directors and senior management persons. The Company affirms that the remuneration is as per the remuneration policy of the Company.

INSURANCE

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured. The Company has also taken D&O Insurance Policy covering Company's Directors and Officers.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments in the business operations of the Company from the financial

year ended March 31, 2022 to the date of signing of the Board's Report.

CORPORATE GOVERNANCE

A separate section on Corporate Governance standards followed by your Company, as stipulated under Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as a separate section forming part of this report. The certificate of the Practicing Company Secretary, Mr. S. Chidambaram with regard to compliance of conditions of corporate governance as stipulated under Schedule V(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this report.

DEPOSITS

Your Company has not accepted any deposits from the public within the purview of Chapter V of the Companies Act, 2013

INDUSTRIAL RELATIONS

Industrial relations at all units of the Company have been harmonious and cordial. The employees are motivated and have shown initiative in improving the Company's performance even during the prevalence of COVID-19 pandemic challenges.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNT TO IEPF

The dividends that remained unpaid/unclaimed for a period of seven years, have been transferred on due dates by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government. Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') mandates that companies shall apart from transfer of dividend that has remained unclaimed for a period of seven years in the unpaid dividend account to the IEPF, also transfer the corresponding shares with respect to the dividend, which has not been paid or claimed for seven consecutive years or more to IEPF.

Accordingly, the dividends that remain unclaimed for seven years and also the corresponding shares have been transferred to IEPF account on due dates. The details of amount of unclaimed unpaid dividend and corresponding shares transferred to IEPF during the financial year 2021-22 have been provided in the AGM Notice.

SHARE CAPITAL

During the financial year under review, Authorised Share Capital increased from ₹760,000,000/- (Rupees Seven Hundred and



Sixty million only) to ₹2,611,500,000 (Rupees Two Thousand Six Hundred Eleven million and Five Hundred Thousands only) as per Clause 12.11 of the Scheme of Amalgamation as approved by Hon'ble National Company Law Tribunal, Hyderabad Bench, Hyderabad as per its order dated March 30, 2021. The paid-up share capital of the Company as on March 31, 2022 was ₹585,938,609 divided into 585,938,609 equity shares of ₹1 each. The Company has not issued any shares, debentures, bonds or any non-convertible securities during the financial year under review.

BUSINESS RESPONSIBILITY REPORT

A detailed Business Responsibility Report in terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available as a separate section in this Annual Report.

OTHER DISCLOSURES

There were no significant material orders passed by the Regulators or Courts or Tribunals that would impact the going concern status of the Company and its operations in future.

Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

Acquisitions/ Disinvestment/ demerger/ merger

The Company has transferred 100% stake in Auro Cure Private Limited, a wholly-owned subsidiary of the Company to Eugia Pharma Specialities Limited, also a wholly-owned subsidiary of the Company. Auro Cure Private Limited has become wholly-owned step-down subsidiary of the Company.

Transfer of business undertaking comprised in Unit-16 of the Company, on a going concern basis, to Wytells Pharma Private Limited, a wholly-owned step-down subsidiary of the Company. Wytells Pharma Private Limited is a 100% subsidiary of Eugia Pharma Specialities Limited which in turn is a wholly-owned subsidiary of the Company.

Transfer of vaccines business undertaking comprised in Unit-18, on a going concern basis, to Auro Vaccines Private Limited, a wholly-owned subsidiary of the Company; and transfer of equity shares of Tergene Biotech Private Limited, a subsidiary, to Auro Vaccines Private Limited, a wholly-owned subsidiary of the Company.

The Board of Directors of the Company at its meeting held on July 1, 2021, has approved the transfer of business undertaking comprised in Unit-4, on an on-going concern basis, to Eugia

Pharma Specialities Limited, a wholly-owned subsidiary of the Company.

During the year, Auro PR Inc, a subsidiary of Helix Healthcare B.V. Netherlands, acquired certain properties including rights, title and interest in the assets and liabilities owned by Mylan LLC USA.

The Company has approved the acquisition of business and certain assets of Veritaz Healthcare Limited on slump sale basis for a consideration of ₹1,710 million and accordingly entered into a Business Transfer Agreement dated March 28, 2022. Veritaz operates in the pharmaceutical industry in India and sells branded generic formulations and other health care related products

Merger Scheme

Pursuant to the provisions of Sections 230 to 232 read with Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 and other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on August 12, 2021 has approved the Scheme of Amalgamation for merger of its wholly-owned subsidiaries viz. Auronext Pharma Private Limited and Mviyes Pharma Ventures Private Limited with the Company and the Company is yet to file the necessary applications with the concerned authorities in this matter seeking sanction for the aforesaid merger.

CREDIT RATING

The Company has obtained the Credit ratings from India Ratings & Research Private Limited and it has assigned ND AA+/Stable/IND A1+ on Rating Watch Evolving for Company's fund based working capital facilities and ND A1+ on Rating Watch Evolving for Company's non-fund-based working capital limits vide their letter dated August 4, 2021.

ACKNOWLEDGEMENTS

Your Directors are grateful for the invaluable contribution made by the employees and are encouraged by the support of the customers, business associates, banks and government agencies. The Directors deeply appreciate their faith in the Company and remain thankful to them. The Board shall always strive to meet the expectations of all the stakeholders.

For and on behalf of the Board

K. Ragunathan

Chairman

DIN: 00523576

Place: Hyderabad

Date: June 17, 2022

Management Discussion and Analysis

ECONOMIC PERSPECTIVE

WORLD

The global economy witnessed a GDP growth of 6.1% in FY21-22, compared to 3.3% de-growth in FY20-21. The strong recovery was mainly driven by increased global demand, rising investments, backed by supportive policy from government and central banks. A large part of the world's population got vaccinated in FY22, which boosted consumer confidence and increased economic activities. This has been a crucial growth driver.

However, the emergence of the Omicron variant, rising commodity and energy prices, as well as global supply bottlenecks, such as increased shipping freight rates, and container shortages, hindered the recovery momentum towards the end of the year. Moreover, the conflict between Russia and Ukraine exacerbated the supply chain crisis, and already high inflation levels.

Global growth forecast

Particulars	Actual		(%)
	2021	2022	Projections 2023
World output	6.1	3.6	3.6
Advanced economies	5.2	3.3	2.4
US	5.7	3.7	2.3
Eurozone	5.8	2.8	2.3
Japan	1.6	2.4	2.3
UK	7.4	3.7	1.2
Other advanced economies	5.0	3.1	3.0
Emerging market and developing economies	6.8	3.8	4.4
China	8.1	4.4	5.1

Outlook

Considering these rising uncertainties, the IMF revised and brought down its earlier global economic projections for 2022 and 2023. It suggests that effective national policies, and multilateral efforts, are becoming increasingly imperative for better economic output. In addition, central banks will need to tighten monetary policies more aggressively, if inflation deviates from central bank targets, or core inflation remains persistently high.

INDIA

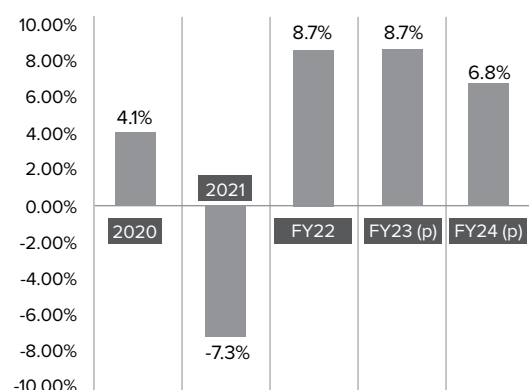
The revival of contact-intensive services, as well as continued monetary and fiscal policy assistance, resulted in a stronger rebound of India's GDP by 8.7% in FY22. The massive vaccination drive, increased mobility, and rising consumer confidence, have contributed to the solid recovery. The inflation continued to trend higher led by surging crude oil prices and supply chain disruptions driven by geopolitical issues.

Nevertheless, the Indian government's emphasis on exports and investments aided the growth. Sector-specific policies like the Production Linked Incentive (PLI) scheme to boost domestic manufacturing, and greater infrastructure spending, are also key economic drivers that contributed to the growth.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

² <https://openknowledge.worldbank.org/bitstream/handle/10986/36519/9781464817601.pdf>

India's GDP trend (%)



Outlook

According to World Bank, India's GDP is expected to increase by 8.7% in FY23 and 6.8% in FY24. Widespread vaccine coverage, easing regulations, long-term advantages of supply-side fiscal policies, strong export growth, and higher capital spending, will contribute to the growth. Deregulation of several sectors, process simplification, and the elimination of legacy issues, such as retrospective taxation, privatisation, and PLI schemes, are among the supply-side reforms.

INDUSTRY INSIGHT

GLOBAL PHARMACEUTICAL INDUSTRY

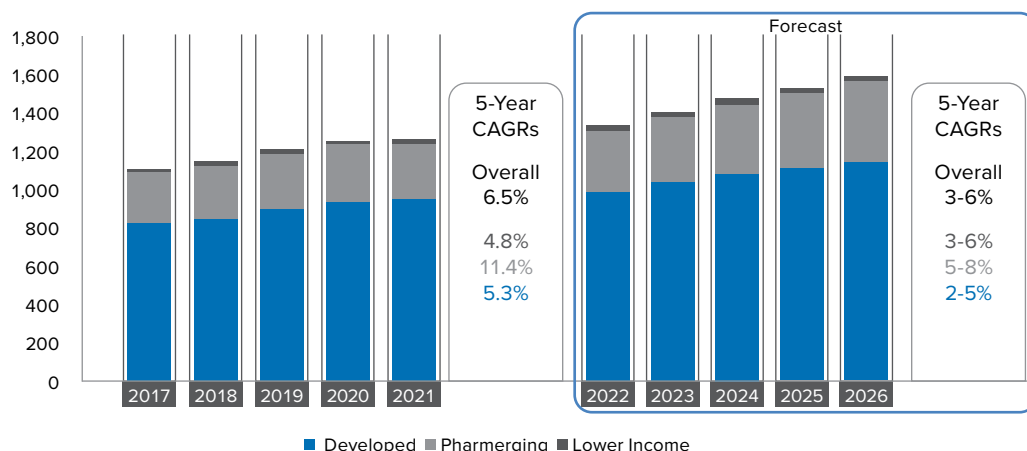
The global pharmaceutical market was valued at US\$ 1.4 trillion in 2021, and is expected to grow at a CAGR of 3–6% in the next five years, reaching a market size of US\$ 1.8 trillion by 2026. Spending on COVID-19 vaccinations is also included in this projection, and the overall vaccine spending is expected to reach US\$ 251 billion by 2026.

In developed markets, adoption of innovative therapies and specialty medicines will drive medicine pharmaceutical growth, while loss of exclusivity and competition from generics and biosimilars, may slow growth. From 2017 to 2021, the pharmaceutical markets in the developed world expanded at a CAGR of ~4.3%, reaching US\$ 1049.2 billion, and are expected to grow at 2-5% CAGR to reach US\$ 1,230-1,260 billion by 2026.



In pharmerging markets, expanding healthcare access in most countries, and increasing spending on new medicines, will help propel medicine spending growth forward, while off patent of branded medicines and low pricing of generic medicines, may impact growth. The pharmerging markets recorded a growth in spending at a CAGR of 7.8% between 2017 and 2021, reaching US\$ 353.2 billion in 2021, and it is expected to see a growth of 5.08% in spending through 2026. In lower income countries, the spending growth is expected to be at a CAGR of 2.5-5.5%, reaching US\$ 21-25 billion by 2026, up from US\$ 18.9 billion in 2021.

Global pharmaceutical industry growth: 2017-2026



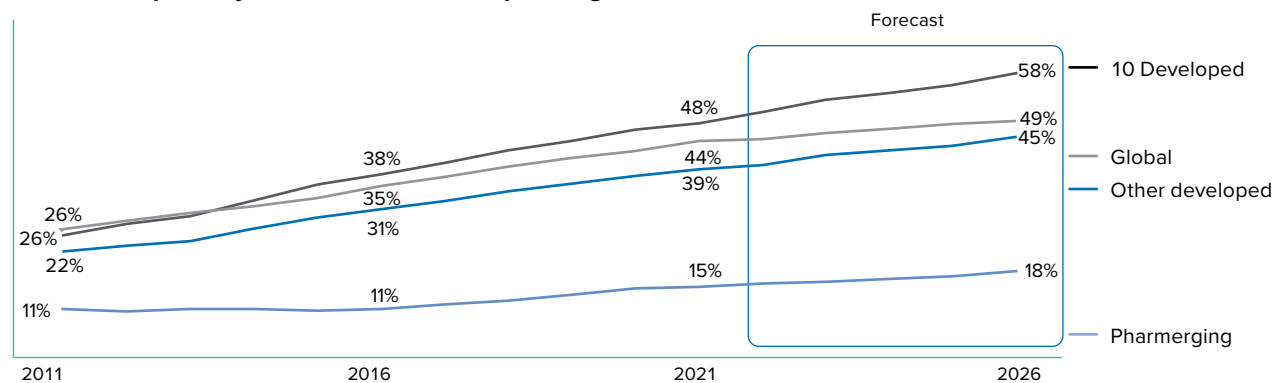
Global pharmaceutical market growth

	(US\$ billion)			
	2021	2017-2021	2026	2022-2026
Developed markets	1049.2	4.3%	1230-1260	2-5%
Pharmerging markets	353.2	7.8%	460-490	5-8%
Lower income countries	18.9	0.1%	21-25	2.5-5.5%
Global	1421.3	5.1%	1730-1760	3-6%

KEY INDUSTRY TRENDS

Specialty drugs: Specialty medicines are those that treat chronic, complex, or rare diseases, and that have a minimum of 4 out of 7 additional characteristics, related to the distribution, care delivery, and/or cost of the medicines.

Exhibit 41: Specialty medicines share of spending



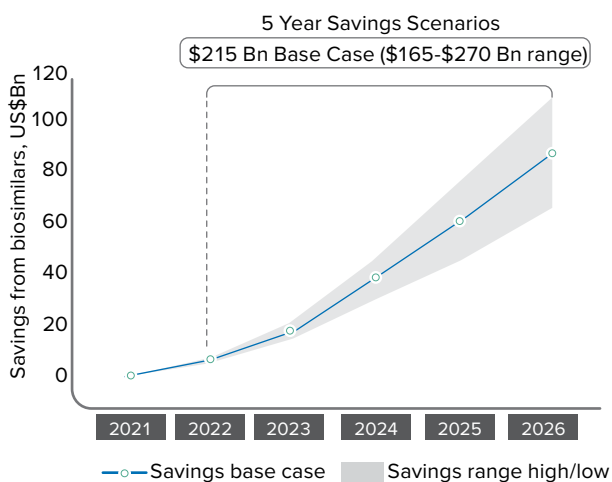
Management Discussion and Analysis Contd.

In higher-income countries, such as the ten largest developed countries, and other high and upper-middle income countries, specialty medicines have increased as a share of spending, reaching 48% and 39% respectively in 2021, up from 26% and 22%, ten years ago. Pharming countries have fallen behind mostly due to cost, with specialised medicines accounting for 15% of spending in 2021, rising to 18% in 2026. By 2026, speciality medicines will account for 45% of worldwide consumption, with more than half of that being spent in developed nations.

Biosimilars: The adoption of innovative medicines in developed countries is projected to continue to be the key factors influencing medicine spending and growth, countered by patent lifecycles and competition from generics and biosimilars. Due to the availability of biosimilars, the impact of exclusivity losses will rise to US\$ 188 billion over the next five years, with the total savings from biosimilars reaching an estimated US\$ 215 billion. Immunology spending growth is projected to slow to 6–9% through 2026, from 17% during the past five years as biosimilar impact increases, even as volume growth continues at 12% annually.

Spending in Europe is expected to increase by US\$ 51 billion through 2026, with a focus on generics and biosimilars. In Spain, growth in 2023, and beyond, is expected to be impacted by national plans to promote the use of generics and biosimilars.

Exhibit 39: Global saving from biosimilars 2021-26



Generics: Generics, including biosimilars, are predicted to add US\$ 15 billion in growth over the next five years, around the same, as they did in the previous five years, despite a bigger impact of loss of exclusivity due to price deflation, balancing volume increases. The share of spending devoted to generics is also likely to rise, owing to policies that have shown to be mostly effective over the last 15 years, encouraging clinicians to use available generics through a combination of incentives and penalties. The generic drugs market was valued at US\$ 364,925.27 million in 2021, and it is expected to reach US\$ 468,787.86 million by 2027, registering a CAGR of 4.27% during the forecast period of 2022-2027.

Source: <https://www.mordorintelligence.com/industry-reports/generic-drugs-market>

Mergers and acquisitions (M&A): In 2022, the M&A activity and valuations in the pharma sector are expected to remain strong, with companies trying to optimise their portfolios for growth. M&A targets will continue to be biotech and medical device companies. Many corporations are increasingly interested in capability-driven partnerships, such as those that provide access to emerging technologies like mRNA and gene therapy. Availability of plentiful capital is expected to boost M&A activity and valuations in the coming year.

In 2021, the global M&A reached new highs, shattering previous records by a wide margin. In 2021, the number of announced deals in the world surpassed 62,000, a 24% increase over 2020. Publicly announced deal prices hit an all-time high of US\$ 5.1 trillion, including 130 megadeals worth more than US\$ 5 billion, up 57% from 2020, and surpassing the previous high of US\$ 4.2 trillion set in 2007.

Source: <https://www.pwc.com/gx/en/services/deals/trends.html>, <https://www.pwc.com/gx/en/services/deals/trends/health-industries.html>

Precision medicine: Precision medicine is becoming more widely used in cancer therapy, with a variety of medicines ranging from biomarker testing and next-generation sequencing to CAR T-cell therapies that are tailored to each patient, individually. The global precision medicine market is predicted to increase at a CAGR of 14.6% from US\$ 72.58 billion in 2021 to US\$ 83.16 billion in 2022. At a CAGR of 12.8%, the market is estimated to reach US\$ 134.82 billion in 2026. The increase is primarily due to businesses resuming operations, and adjusting to the new normal, while recovering from the effects of COVID-19.



Source: <https://www.globenewswire.com/news-release/2022/03/03/2395978/0/en/Precision-Medicine-Global-Market-Report-2022.html>

KEY GLOBAL MARKETS

USA

With increased use of protected brands, spending on medicines in the United States is expected to increase by nearly US\$ 119 billion between 2022 and 2026. Moreover, as more than 150 new active substances (NAS) are scheduled to launch throughout the forecast period, the contribution from new brands is expected to increase. However, due to rising off-invoice discounts and rebates, drug spending growth may slow over the next five years compared to the previous five years.

US pharmaceutical spending and growth (US\$ Bn)

US pharmaceutical spending and growth (US\$ Bn)

2017-2021 CAGR	2021	2022-2026 CAGR	2026
4.9%	580	2-5%	684-714

Europe

From 2017 to 2021, the top 5 European Union (EU5) markets grew at a 4.8% CAGR to reach US\$ 209.7 billion. It is expected

to increase at a CAGR of 3-6% to US\$ 245-275 billion by 2026. Over the next 5 years, spending on medicine in EU5 is expected to increase by nearly US\$ 51 billion, owing to increased consumption of new brands as well as contributions from generics and biosimilars. Loss of exclusivity is anticipated to be the major constraint to spending growth.

WE5 pharmaceutical spending and growth (US\$ Bn)

2017-2021 CAGR	2021	2022-2026 CAGR	2026
4.8%	209.7	3-6%	245-275

PHARMERGING MARKETS

Pharmaceutical spending in pharmerging markets increased at a 7.8% CAGR from 2017 to 2021, reaching US\$ 354.2 billion by the end of 2021. Through 2026, spending in major pharmerging markets is expected to expand at a CAGR of 5-8% to reach US\$ 470-500. Over the years, the relative spending of countries has shifted; generally, pharmerging countries have risen while slower growing, developed markets have dropped. Pharmerging markets will grow through continued access of healthcare, and wider use of more innovative medicines in these countries.

	2021 Spending US\$ BN	2017-2021 CAGR	2026 Spending US\$ BN	2022-2026 CAGR
Pharmaceutical	354.2	7.8%	470-500	5-8%
China	169.4	6.1%	190-220	2.5-5.5%
Brazil	31.6	11.7%	47-51	7.5-10.5%
India	25.2	11.1%	37-41	8-11%
Russia	18.8	11.4%	27-31	7.5-10.5%
Other Pharmerging	109.2	8.3%	151-171	6.5-9.5%

India

Indian pharmaceuticals industry is a major global player, being the world's third-largest producer by volume, and the fourteenth-largest producer by value. The country is the world's largest provider of generic medicines, accounting for 20% of worldwide supply by volume, and also, the world's leading vaccine manufacturer. Outside the United States, India boasts the biggest number of US-FDA approved pharma plants, with over 3,000 pharma businesses, and a robust network of over 10,500 manufacturing facilities, as well as a highly skilled workforce. The pharmaceutical industry in India offers 60,000 generic brands across 60 therapeutic categories. Major segments include generic drugs, OTC medicines, API/ bulk drugs, vaccines, contract research and manufacturing, biosimilars and biologics.

With 60% of the world's vaccines and 20% of generic medicines coming from India, Indian pharmaceutical businesses have

established a global imprint, owing to their price competitiveness and high quality. Under the automatic route for greenfield pharmaceuticals, 100% foreign direct investment (FDI) is allowed in the pharmaceutical sector. Brownfield pharmaceuticals are allowed 100% FDI in the pharmaceutical sector, with 74% approved under the automatic method, and the rest through government permission. The cost of manufacturing in the Indian pharmaceutical business is around 33% lower than in western markets, and the sector has been granted incentives totalling ₹ 219,400 million (around US\$ 3 billion).

India is a large exporter of pharmaceuticals, having pharma exports to over 200 nations. India supplies approximately half of Africa's generics need, 40% of generic demand in the United States, and 25% of all pharmaceuticals in the United Kingdom. India is also a major provider of DPT, BCG, and measles vaccinations, accounting for 60% of global demand. India supplies 70% of WHO vaccinations (as per the WHO's essential

Management Discussion and Analysis Contd.

immunisation schedule). Since 2013-14, Indian pharmaceutical exports have increased by 103%, from ₹ 904,150 million in 2013-14 to ₹ 1,834,220 million in 2021-22. The pharma sector's export performance in 2021-22 was the best it has ever been. Exports have increased by about US\$ 10 billion in the last 8 years, marking a tremendous rise.

The Indian pharmaceuticals market is supported by Production Linked Incentive Schemes to boost domestic manufacturing capacity, including high-value products across the global supply chain. Two PLI schemes are as follows:

1. PLI Scheme for Key Starting Materials (KSMs)/Drug Intermediates (DIs), and Active Pharmaceutical Ingredients (APIs) (PLI 1.0)
2. Production-Linked Incentive (PLI) Scheme for Pharmaceuticals d (PLI 2.0)

(Source: IQVIA, <https://www.investindia.gov.in/sector/pharmaceuticals>)

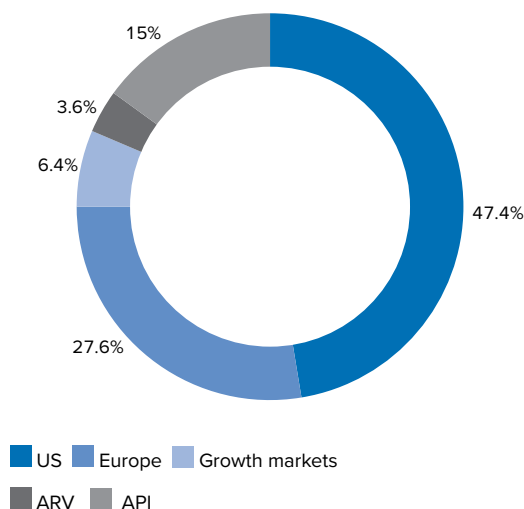
About Aurobindo Pharma

Aurobindo Pharma Limited (Aurobindo Pharma) is a Hyderabad-based global leading pharmaceutical company, manufacturing generic formulations, and Active Pharmaceutical Ingredients (API). Aurobindo is a largely vertically integrated company, focused on developing complex, and difficult-to-manufacture pharmaceutical products for the global markets.

The Company is among the top 5 listed pharmaceutical companies in India by FY22 revenues. The Company has 24 manufacturing and packaging facilities for its API and formulation business, and has the requisite approval from global regulatory authorities, such as USFDA, EDQM, UK MHRA, Japan PMDA, WHO, Health Canada, MCC South Africa, ANVISA Brazil, etc. The Company's robust product portfolio spans major therapeutic areas, encompassing anti-retroviral, CVS, CNS, gastroenterological, anti-allergies, antibiotics and anti-diabetics. The Company markets its products in 150+ countries. With an expanding global footprint, Aurobindo employs over 23,000+ people across 34 countries.

The Company's R&D team of over 1500+ of scientists working in 9 research facilities spread across the globe, is focused on difficult to develop, niche oral, sterile, specialty injectable products, biosimilars, and peptide-based products, involving clinical and end-point studies. As on March 31, 2022, Aurobindo filled 727 ANDAs with the USFDA and over 4,164 dossiers (multiple registration) across Europe and other geographies. The Company also filled 261 DMFs with USFDA, and 3,600+ DMFs (multiple fillings) in Europe and other geographies. In the process, Aurobindo is focused on developing complicated molecules, differentiated offerings, broad spectrum products, and newer technologies

Revenue distribution mix



Achievements of 2021-22

- Recorded revenues of ₹ 234,555 million, clocked an EBITDA of ₹ 43,868 million, with margins 18.7%
- Filed 60 ANDAs with USFDA, of which 13 are injectables
- Received final approval for 19 ANDAs from USFDA of which 7 are injectables
- Launched 22 products in USA, including 10 injectable Products. Completed phase I trials for the lead molecule in biosimilar division Bevacizumab, and phase III study activities have been initiated
- Awarded for setting up capacity for Pen G based fermentation-based products from the government of India under PLI scheme
- Received Two Import drug approval in China
- Filled first two biosimilar products
- Announced the entry into domestic market

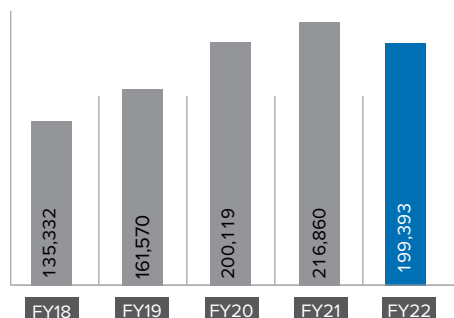
Formulations business

Over the years, the Company has strengthened its formulations business, which contributed to ~ 85% of total revenues in FY22. The formulation business posted a revenue of ₹ 199,393 million. From a geographical standpoint, the US and Europe accounted for 75% of total revenue and are our key markets. During the year, the Company has manufactured 36 + billion units in various dosage forms, such as tablets, capsules, injectables, and so on, in its 14 state-of-the-art manufacturing facilities, which are located in India, Portugal, Brazil and Puerto Rico.



US formulations revenue trend

Revenue (₹ in million)

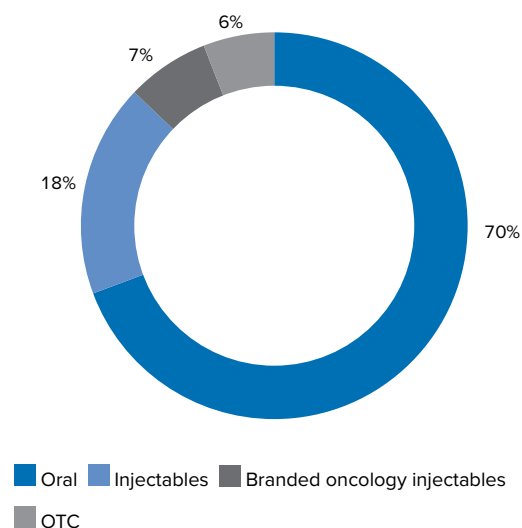


[10.2]% (5-year CAGR)

US formulations

The Company has maintained its dominant position in the US market and is ranked as the largest volume player as per IQVIA QTR March 2022 data. The Company has a presence across segments, such as generics (oral, injectables, and OTC) and branded oncology (injectables and orals). It continues to expand its product basket with new product launches. During the year, the Company launched 22 products across orals, injectables, OTC and branded divisions. Overall, the US formulations business stood at ₹ 111,221 million, driven by strong growth in the OTC business, due to acquisition of Nurysa Brands

Revenue mix of the US formulations segment (%)



Filings and approvals in the US

Filings

FY18	FY19	FY20	FY21	FY22
47	63	55	55	60

Approvals

FY18	FY19	FY20	FY21	FY22
49	48	22	42	19

Oral solids: During the year Aurobindo's oral solids division in the US witnessed a degrowth of 6% despite challenges due to COVID-19 which was largely driven by launch of new products and improvement in the volume of existing products. The oral solids prescription increased by 9.9% (source: IQVIA data) and the market share of prescription dispensed improved to 18.8% (source: IQVIA data) during the year. Aurobindo actively markets more than 236 products, and it ranks amongst the top 4 in more than 75% of the products. The Company is awaiting final approval for 122 ANDAs as on March 31, 2022 with a focus increasing the number of filings and approval across therapies in oral solids.

Injectables: This segment faced some challenges, owing to the COVID-19 pandemic, as many of the elective surgeries were postponed, and the hospitals witnessed a less footfall in terms of visits. The Company actively markets 81 products, of which 65% rank among the top 4 in the US market. The Company is awaiting approval for 48 ANDAs as on March 31, 2022. With the pandemic situation easing out, going ahead, the Company will be back on its growth path, and is focused on creating a product portfolio of complex injectables.

Over-the-counter drugs (OTC): The OTC segment recorded a growth of 11% in the generic segment, led by new product launches, and both, generic and branded OTC segment sales contributed 6% to the US revenues in FY22. With more medications switching over from Rx to OTC, it would strengthen the portfolio of branded OTC products.

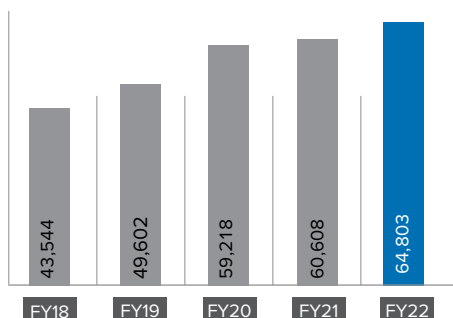
Branded oncology injectable: Aurobindo entered the branded oncology space through the acquisition of 7 marketed, branded oncology injectables. During the financial year, Acrotech Biopharma (Aurobindo Pharma's subsidiary) recorded 3% revenue growth on the back of improved performance of the product portfolio.

Management Discussion and Analysis Contd.

Europe formulations:

EU formulations revenue trend

Revenue (₹ in million)

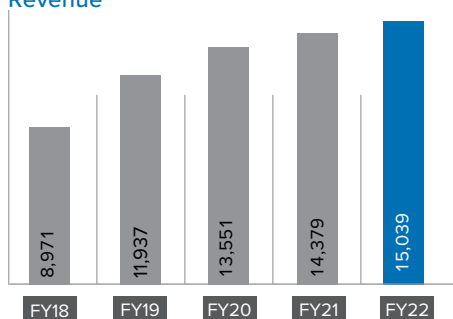


[10.5]% (5-year CAGR)

Aurobindo is ranked among the top 10 generics companies in 6 out of 9 countries in EU/UK, where it operates with presence in all market channels such as pharmacies, Hospitals and Tenders with sales infrastructure and commercialised 550+ INNs (International Non-proprietary Names). The Europe formulations business witnessed a healthy growth of 7% to ₹ 64,803 million. The countries such as Portugal, Poland, France and Italy turned out double growth in percentage terms. The largest operations in Europe continued to be France, followed by Netherlands. We exited business operation in Czech Republic and scaled down operations in Romania during the year in order to focus on more profitable opportunities. During the year, supplies to Europe from lower cost of operations grew by 34.9% leading to margin improvement of Europe business. Now more than 52% of volume sold in Europe is sourced from Aurobindo manufacturing plants in India.

Growth markets formulations revenue trend

Revenue



[13.8]% (5-year CAGR)

Growth markets formulations

The growth markets formulations business grew by 4.6% in INR term to reach ₹ 15,039 million, contributing 6.4% to the total revenue. The largest market for Aurobindo was Canada, followed by South Africa and Brazil. There was a turnaround in Canada and Brazil in post-Covid scenario, whereas South Africa business continued to grow on the back of new tender and introduction of new product such as ertapenem.

ARV formulations

ARV formulations revenue trend

Revenue

(₹ in million)				
FY18	FY19	FY20	FY21	FY22
8,396	9,725	12,515	18,628	8,330

The Company participates in global tenders floated by multilateral organisations like Global Fund, USAID, PEPFAR and country-specific Ministry of Health tenders across the Low & Middle Income Countries. The segment posted a revenue of ₹ 8,330 million in the ARV segment, due to Covid impact as well as excess procurement in the previous FY. The Company aims to retain large portion of the market share achieved by it in the respective products in the ARV segment through Dolutegravir based regimen which is the 1st line treatment in HIV through leveraging the large capacities at affordable prices. This regimen is expected to continue as the flagship treatment for the coming years.

API business:

API revenue trend

Revenue

(₹ in million)				
FY18	FY19	FY20	FY21	FY22
29,622	34,030	30,834	30,859	35,156

Aurobindo's API business is one of the most important pillars for the business as it enables the Company to be vertically integrated, and have supply reliability. The API business contributed 15% to the total revenues of the Company for FY22. The Company manufactures and markets Betalactam and Non-Betalactam products manufactured at its 10 API and intermediate facilities. There has been a focus on increasing the capacities and continuously improving its manufacturing processes, to meet customer requirements as well as to remain cost-effective. The government of India announced production linked incentives (PLI) to boost the domestic manufacturing



capacity, including high-value products across the global supply chain. We have responded by commissioning a project for 15,000 tonnes of Penicillin G at Kakinada, Andhra Pradesh.

FINANCIAL REVIEW: CONSOLIDATED

Key ratios

	As on March 31, 2022	As on March 31, 2021
Debtors' turnover	6.2	6.6
Inventory turnover	2.8	3.1
Interest coverage ratio	73.6	61.2
Current ratio	2.2	1.9
Debt equity ratio	(0.10)	(0.04)
Operating profit margin (EBITDA Margin %)	18.7%	21.5%
Net profit margin (%)	11.3%	21.5%*
Return on net worth (%)	11.4%	18.9%*

* More than 25% change in these ratios is due to exceptional item of gains realised on sale of Natrol LLC during FY21.

SCORE ANALYSIS

Strengths	Challenges	Options	Responses	Effectiveness
- Vertically integrated manufacturing - Presence in multiple therapeutic areas - Global footprint - Strong R&D - Skilled workforce - Capability of delivering high-quality, low-cost generics	- Competitors with similar offerings and business structures - High mobility of workforce within the industry - Pricing pressures for generics, price erosions for new launches and older molecules	- Vaccines for new diseases - Rise in demand for lifestyle products and geriatric care - Global response to pandemic/s	- Capacity creation and capability building measures - Expanding into new areas like biologics, dermatology, transdermal patches, and respiratory medicines	- Approvals from regulatory agencies of largest markets - Earned shelf space on a global scale - Control over raw material sourcing - Dominant API player - In-house R&D capabilities; technology strength in manufacturing, and robust marketing infrastructure

WORKFORCE

Aurobindo Pharma exists and prospers because of its committed, highly experienced, and talented workforce that represents the organisation to the external world. Thus, people are the most vital assets, and crucial stakeholders for the Company. Aurobindo offers a healthy and safe work environment for its employees, with equal opportunity, flexibility, and empowers them through various learning and development programmes across all business functions.

Nurturing human potential

Aurobindo Pharma continues to thrive in the changing business landscape, with a people-focused workplace through effective leadership and continuous knowledge development. The Company focuses on unlocking human potential across the organisation by:

Manufacturing review

Aurobindo has created a robust manufacturing base with world class formulation and API assets. The Company has 24 manufacturing and packaging units, spanning India (21), Portugal (1), Brazil (1), and Puerto Rico (1). Its well-equipped production facilities have requisite approvals from international regulatory agencies. The Company is largely backward integrated, and ensures seamless production schedules, with on-time availability of raw materials and finished products. Going forward, the Company will continue to enhance capacities of its existing units and set up new facilities catering to innovative technologies for future growth.

During the year under review, the Company made significant progress at its China facility coming on stream where plant already Commissioned for Exhibit batch Lines in Q3FY22 and 2 commercial Lines GMP approval will receive soon. It also added capacities at APL Healthcare unit IV (formerly known as unit X), unit XV, APL Healthcare Unit I.

- Leveraging technology, processes, and various performance measurements for capability building.
- Conducting various leadership initiatives and programmes in partnership with world-class business schools and organisations.
- Promoting a collaborative environment by integrating its global workforce through projects and other tools
- Encouraging a dynamic and positive work culture by recognising people for their productivity, innovation and excellence.

For Aurobindo, the growth and well-being of its people is at the core. The Company has instituted various measures to ensure requisite protocols, and promotes Covid-appropriate behaviour

Management Discussion and Analysis Contd.

to ensure that the work environment is safe and healthy for its people in a post-COVID world.

SUSTAINABILITY AT AUROBINDO

Environmental responsibility and community care are at the heart of Aurobindo Pharma, as our Company is firmly devoted to its philosophy of 'committed to healthier life'. We focus on providing affordable healthcare and supporting government policies that promote economic and societal development. Over the years, we have promoted EHS excellence as an essential element of our business strategy. These principles are embedded in our well-established systems and procedures, and across our value chain. Along with ensuring 3,600 views on compliance with environmental regulations, Aurobindo Pharma has focused on responsible manufacturing with optimal use of resources, moving to alternative energy sources and innovating by leveraging evolving trends. We have expanded our sustainability initiatives across the value chain, from promoting sustainable sourcing of raw materials, to reducing carbon footprint across downstream logistics.

The Company is a healthcare service provider and is collaborating with 'The Access to Medical Foundation,' by means of which, we are tracking what 30 most active companies in antimicrobial R&D and manufacturing are doing, to bring antimicrobial resistance under control. The Company is also a member of the 'AMR Industry Alliance' that is driving progress in curbing antimicrobial resistance through shared goals, and commitment, to improve access to high quality antimicrobial products, support appropriate use, and minimise environmental risks.

Aurobindo takes several initiatives to upgrade and enhance the workplace safety. The Company follows and monitors the safety rules and policies for all its new projects, existing manufacturing units, distribution centres, etc. The Company also conducts various safety training programmes for its people to prevent the occurrence of any accidents.

In order to ensure that we communicate our comprehensive sustainability approach across our global network of operations, we aim to publish our first 'Sustainability Report' soon. This would provide full perspective on this critical subject matter to our stakeholders.

A RESPONSIBLE ORGANISATION

Aurobindo Pharma Foundation (APF), the philanthropic arm of the Company, remains committed towards the growth and well-being of the community through various programmes and activities. The Foundation's CSR efforts focus on several aspects of society, including nutrition, education, health and hygiene, women empowerment, rural development, and disaster management.

With a dedicated team of 24 people, the Company has partnered with several charitable organisations for improving the quality of life in the society. Here are some citizenship efforts of the Aurobindo Pharma Foundation during FY22:

- Eradication of hunger and malnutrition.
- Community health care – Health and hospital infrastructure and equipment; Health camps; Medical treatment
- Upliftment of marginalised and differently abled communities through Education interventions
- Drinking water, sanitation and hygiene programmes
- Empowerment of communities, women to ensure inclusive socio economic growth
- Environmental protection – Afforestation, Sustainable agriculture and Rural development activities
- Other activities (rural sports, disaster relief, safety, army welfare, protection of art and culture, animal welfare etc

Risk Management

RISK MANAGEMENT COMMITTEE

Risk Management Committee of the Company consists of the following Directors viz. Mr. K. Ragunathan, Mr. P. Sarath Chandra Reddy and Mr. Girish Paman Vanvari who is the chairman of the committee. The Company has established a separate department to monitor the enterprise risk and for its management. The committee had formulated a risk management policy for dealing with different kinds of risk which the Company faces in its actual operations. Risk management policy of the Company outlines different kinds of risk and risk mitigating measures to be adopted by the Board.

Aurobindo has adequate internal financial controls and procedures to manage risk. The risk management procedure is reviewed by the Audit Committee and Board of Directors on a regular basis along with quarterly financial results of the Company. A report on the Company wide risks and their management is enclosed as a separate section forming part of this report.

INTERNAL FINANCIAL CONTROLS (IFC)

Aurobindo's internal financial control (IFC) framework has been evaluated in depth for its adequacy and operating effectiveness, wherein the Company has covered financial control reporting, operational controls, compliance related controls and Information technology (IT) controls comprising IT general controls (ITGC) and application-level controls.

Process walk-throughs have been carried out during the FY22 to evaluate the design effectiveness of controls such as Entity Level Controls (ELC), Information Technology General Controls (ITGC) and Process Level Controls (PLC). Process control changes if any, have been properly documented and tested. Independent auditors also tested all the controls for their operating effectiveness during the year.

RISK GOVERNANCE STRUCTURE



The IFC framework at Aurobindo ensures the following:

- Establishment of policies & procedures, assignment of responsibility, delegation of authority, segregation of duties to provide a basis for accountability and controls.
- Enabling 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. 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.

These controls cover the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

RISK MANAGEMENT OVERVIEW

The objective of Enterprise Risk Management (ERM) framework at Aurobindo is to address all major risks in a proactive manner to sustain business objective. This is done successfully by deploying an effective risk management framework which helps in proactively identifying, prioritising, and mitigating risks. Aurobindo's ERM practices are based on (COSO ERM Framework 2017), developed by the Treadway Commission. The ERM is designed to minimise an adverse impact of the risks and it enables the Company to leverage market opportunities effectively and enhances its competitive advantage in the medium and long term and creates value for its stakeholders.

Risk Management Contd.

RISK CATEGORIES

Strategic risks: Risks related to markets, products, resources, business growth & revenue model, investment etc. which can impact business objectives. Ownership of these risks would be with the top management.

Operational risk: Risks related to business operations like production capacity, quality assurance, customer demand, availability of materials, human safety etc. which can impact on business. Ownership of these risks would be with Operation team.

Project risk: Risk related to projects like delay in commissioning, budget issues etc. can impact business and lead to financial losses. Ownership of these risks would be with functional heads.

Compliance risks: Risks related to regulatory and statutory compliances can impact the Company's reputation and can hamper business operations. Ownership of these risks would be with the respective functional heads.

Financial risks: Risks related to effective and efficient utilisation of the financial resources like currency fluctuations, credit risks, liquidity risks, etc. These can impact financial performance of the Company like revenue, profitability, and liquidity etc. Ownership of these risks would be with the CFO.

Information Technology (IT) risks: Risks related to IT like technology obsolescence, Cyber-attacks or breach of security, data loss etc. can impact on business operations. Ownership of these risks would be with the CIO.

RISK MANAGEMENT PROCESS

1. **Risk identification:** Risks are identified through discussion with Business heads and updated risk registers.
2. **Risk assessment:** Evaluation of risks to determine likelihood of occurrence and its impact to prioritise risk and mitigate within tolerance limit.
3. **Risk mitigation:** Risk mitigation procedures involve undertaking appropriate actions by the business heads/ process owners who are accountable to mitigate risks within adequate timelines. Progress of mitigation actions are monitored and reviewed periodically.
4. **Risk monitoring & reporting:** Risk reports are submitted to the Risk Management Committee periodically. The assessment of key risks, analysis of exposure and potential impact are carried out periodically, presented and discussed with RMC. Periodic updates are provided to the Board highlighting key risks, their subsequent impact, and the required mitigation measures.

KEY RISKS OF THE COMPANY

Key business risks emerging from the second & third wave of the Novel Coronavirus (COVID-19)

The second & third waves of COVID-19 outbreak in India during FY22 infected millions of people across the country, causing great suffering to humanity, impacting lifestyles, businesses, and economies. The crisis resulted in city/state-wide lockdowns which led to the slowdown of business operations and logistical disruptions.

Like many other pharmaceutical companies, Aurobindo, being a generic drug company with a business presence in the domestic and international markets including USA, Europe and other markets covering over 150 countries and having 24 manufacturing and packaging facilities worldwide, is also exposed to some significant risks emerging from the COVID-19 pandemic, which could have an adverse impact on operations and revenues namely Supply Chain, Logistics, Production, Demand and Supply, Customer delivery, Sales volumes and Cash flow as discussed above.

Supply chain disruption risks

Due to the COVID-19 outbreak, there could be a significant risk to Aurobindo in procuring raw-material from China and other markets, including the domestic market. The Company continues to have a high dependence on the China market for import of Key Starting Materials (KSMs), Intermediates and Active Pharmaceutical Ingredients. The ongoing COVID-19 pandemic has created severe disruption on the entire supply chain process in terms of material planning, sourcing, production, inventory management and logistics & distribution.

Aurobindo's high dependency on the China market for import of raw material may lead to risk of import disruptions, short supplies, and production bottlenecks. Out of the total raw-material requirement (APIs plus Excipients) of Aurobindo India, about 55% of the material is procured from China and 7% is procured from other countries and the remaining 38% is procured from the domestic market. Price of raw materials and service cost also increased significantly during the year due to the fallout from COVID-19.

Mitigation strategy

As China overcame the COVID-19 situation, during FY22, the Company did not face any issues related to supplies from China as they resumed their production. The Company has already taken initiatives to mitigate the risk arising out of procuring materials from a single source (to reduce dependency). Company is working to procure material from domestic sources, and it has already started qualifying Indian sources. The Government of India also has come forward with policies to encourage and support the domestic manufacturers to start manufacturing some of the raw materials domestically. It has come out with Production Linked Incentive schemes (PLI) for



some of the Key Starting Materials (KSM) and raw materials. SCM team managed the supply disruptions effectively by maintaining adequate stock and developing effective rolling plans considering production requirement. In case of price increase, company is striving to pass on the cost to the extent possible.

Economic and geopolitical risks

Economic and political instability arising from changes in foreign policies & political leadership in countries where Aurobindo has significant presence such as USA, Europe, and emerging markets (EM) could adversely affect the Company's operations in those markets. The sustenance and survival of the entire European Union (EU) at consolidated level is a risk due to differences across EU member states (considering Brexit). The regulatory landscape of the global pharmaceutical industry is complex and dynamic, which could be significantly influenced by the external macro environment such as the political, economic, social, and technological factors (PEST). Also, the recent war between Ukraine and Russia has led to increased crude oil prices.

Aurobindo has business operations predominately in USA, Europe, and Growth Markets. The existing Growth Markets include South Africa, Brazil, Canada, and Africa. The Company has presence in the Anti-retroviral segment where it sells ARVs to over 125 countries by participating in global tenders floated by international organisations such as Global Fund, USAID/PEPFAR and country-specific Ministry of Health (MOH). The Company has 24 manufacturing facilities across the globe (21 in India, 1 each in Brazil, Puerto Rico and Portugal) and 9 R&D facilities.

USA is the largest market for the Company with around 47.4% of the revenue generated in FY22. Europe is the second largest market after USA accounting for approx. 27.6% of revenues in FY22.

Mitigation strategy

The Company has mitigation strategies in place to mitigate the aforesaid risk. The business structure of the Company is such that it views every major business as a separate entity and is given utmost attention. Aurobindo is one of the largest vertically integrated pharmaceutical companies with 60% of API manufactured in-house; the Company's strength lies in developing quality Active Pharmaceutical Ingredients (APIs) and Finished Dosage Forms (FDFs). These products are manufactured across facilities that have been inspected by various regulatory authorities such as the USFDA, UK MHRA, Japan PMDA, WHO, Health Canada, Europe EMA, Australia TGA, MCC South Africa, and ANVISA Brazil. These factors enable the Company to be cost efficient and compete in its addressable markets.

In some countries like Africa, the Middle East and Russian countries, PEST influence is high, which might lead to business

risk to the Company. Government authorities are encouraging local manufacturers, restricting imports, and levying conditions to buy medicines only through government tenders. As part of its de-risking strategy, the Company is aggressively participating in Government tenders and appointing approved distributors.

Over the years, Aurobindo has been expanding its business presence through business and R&D acquisitions in the USA, Europe and China markets and focusing on other untapped and potential markets like Japan, Brazil, Africa, Canada, the Middle East, Poland, Czech Republic, the Netherlands, Spain, and Belgium. The Company continues to enhance its presence and focus on difficult to develop, niche oral, sterile, specialty injectable products, biosimilars, semi synthetic and peptide-based drugs.

Competition risks

Some of the Company's products face competition from other pharmaceutical companies' products by way of introduction of new products which might lead to some loss of market share and derail the Company's competitive advantage to an extent. Competition in products in the generic drugs industry could lead to price erosion in the Company's products. The Company is facing high competition both from Indian manufacturers and global players having similar products which could impact retaining existing market share and increase of market share, in the future.

The US generic market is one of the most dynamic markets in the world due to competition among generic drug makers. Risk of tough competition from other pharmaceutical companies in the generic drugs sector could impair the Company's competitive advantages and lead to erosion of market share and revenues. Therefore, understanding the competition becomes imperative for the Company, especially during the drug development process. The entire process for establishing successful products within a market would involve analysing the market and identifying competitors using novel technologies, offering innovative product choices, and having structured business models, each of which may challenge Aurobindo's market share and growth.

Mitigation strategy

The Company has a qualified and talented R&D team which continues to identify, develop new, innovative processes and specialised products that allows the Company to capitalise on competitive market opportunities. To overcome the competition from other pharmaceutical companies, Aurobindo leverages its R&D capabilities and continues to adopt and implement the following innovative and systematic approaches:

- Analysing and understanding all potential markets and competitors in key therapeutic areas.
- Targeting the right customers in terms of pricing, sales volumes, and payment history.

Risk Management Contd.

- Market potential forecasting and gathering competitor's pricing and product tracking.
- Expanding product portfolios through business acquisitions in key markets.
- Ensuring timely delivery and quality products to customers
- Producing products at competitive costs by developing new processes, upgrading existing processes.
- Timely launch of new products by talented R&D teams to build and increase market share.
- Enhancing manufacturing facilities with new products to ensure sufficient levels of production.

Pricing risks

Aurobindo having major presence in global markets is subjected to price controls or some regulations on pricing. New pricing regulations can influence pricing pressures on products which can have an impact of the Company's revenues and profitability. The stringent measures to reduce drug prices for customers could have an adverse impact on Aurobindo's businesses and profits. The price controls limit the financial benefits of growth in the life sciences market and the introduction of new products.

There is a risk of drug pricing pressures in global markets especially in the US market on account of government regulations to reduce drug prices for the benefit of the customers. This could have an adverse impact on the Company's business and profit margins. The consolidation and integration of the drug wholesalers, retail drug chains, and other purchasing organisations may continue to adversely affect pharmaceutical manufacturers and such consolidations have resulted in increasing the product pricing pressures. Drug pricing is influenced by global trends in terms of availability and cost of imported raw material. Domestic pricing is influenced by global trends in both availability and price of imported active ingredients. The Company continues to face challenges within the industry successfully be it price cuts or increased price controls. The Company's net sales realisations could get affected due to discounts offered to customers for benchmarking and competing with the pricing of its competitors.

Mitigation strategy

The Company as part of its mitigation strategy continues to adopt appropriate negotiation tactics to market products to customers. It focuses on stable supplies and a diversified product portfolio. The Company is handling pricing pressures by launching value added products, Day-1 launches and focusing on other markets where there are less pricing pressures.

Being backward-integrated enables the Company to manufacture high quality and cost-effective products by redefining the production process and leveraging its R&D capabilities. The SCM team is continuously striving to strategically negotiate for the raw materials to minimise their

price impact and ensure timely services to key customers in all key markets. The Company can deal with price pressures by increasing volumes, improving efficiencies, optimising costs, and strengthening the supply chain.

Market risks

US market is the dominant market globally for the Company with around 47.4% of the revenue coming from the US. This poses a concentration and dependence risk on a single geography for the Company if it fails to maintain efficient operations in that market which could adversely affect the Company's business, operations, and financial condition. Europe is another major market for the Company where it is exposed to market risk if it is unable to maintain a sufficient portfolio of products and manage their development and bring the products to market promptly, which could ultimately affect the business and growth strategy.

With the ongoing COVID-19 pandemic all key pharma markets including the US and European markets are impacted and there are supply issues to customers and partners. It is highly critical for the Company to retain the existing market share and enhance the market size in the days to come.

Mitigation strategy

There are significant investments made in R&D by the Company over the years to build a portfolio of value-added and complex products such as biologics, dermatology, respiratory, peptides, and vaccines. A well-diversified product portfolio has enabled the Company to maintain steady growth in the US and Europe markets. The Company during the year has invested significant amount in the biosimilar clinical trials and the multiple vaccines development (Bacterial and Viral) is progressing well.

To mitigate the risk of customer concentration, the Company is continuously making focussed efforts to enhance its customer base through an effective marketing strategy. The Company continues to focus on customer service by improving OTIF (On time in Full).

To minimise the risk of country concentration, the Company continues to spread its business into Europe, Japan, and other emerging markets. Aurobindo also continues to widen geographical spread by entering large potential markets in Latin America and emerging markets. Also, the Company continues to sustain its ANDA filings and get necessary approvals so that its product portfolio is wide enough to mitigate the concentration risk.

Regulatory, Statutory and Legal compliance risks

The pharmaceutical industry is constantly being challenged by critical compliance risks i.e. to comply with rigorous regulatory & legal requirements and compliance is evolving from an isolated departmental initiative to an enterprise level risk management challenge. This could render Aurobindo's technology and products non-competitive or restrict the Company's ability to introduce new products thereby adversely impacting business. Non-compliance in any geography due to changing regulations



can have a considerable impact on Aurobindo's operations and its reputation.

The regulatory landscape of the global pharmaceutical industry is complex and dynamic. The regulations require registration, filings and data submission that allow the Company to enter diverse markets. Therefore, the Company continues to establish and strengthen systems & controls to monitor and upgrade registrations as and when required.

Mitigation strategy

Aurobindo is committed to supplying the highest quality medicines to customers for promoting healthier lives. Hence, the Company strives to conform to regulatory and compliance standards to meet stringent requirements of regulators to ensure that our medicines provide best health care for the consumers. Robust quality systems & control measures are in place to ensure that the quality is ensured by process design. The Company is constantly improving compliance practices by imposing strict adherence to its code of conduct that is focused on ethics and integrity, which reduces risk of non-compliance.

To drive the compliance initiatives and achieve a culture of compliance, Aurobindo's Senior Management has initiated a Quality Culture Excellence programme. The Company has leveraged industry expertise by engaging an US-based consulting firm to establish, train and constantly monitor Quality Culture Excellence. An organisation-wide training has been kickstarted and is currently ongoing at all levels. A powerful multi-dimensional monitoring tool to measure Quality Culture Maturity has been developed and shall be used to quantify and improve, where required, the progress of implementation of the Quality Culture Excellence initiative.

The Company has a robust "Statutory compliance system/solution" (Vision 360 Tool) for ensuring compliance with all applicable laws and it is designed to meet the compliance goals of the Company. Periodic updates to the system are made as and when there is a change in any applicable law. Quarterly compliance declarations generated electronically from the system are submitted to the compliance officer. Quarterly compliance audit is done by the transaction auditors to ensure that compliance is mapped with applicable laws. In case of any non-compliance, necessary steps are taken by the concerned functional heads for compliance.

There is continuous monitoring by the QC/QA team to deliver the highest quality. The Company has a talent pool of over 1,600 scientists and analysts, who have proficiency and experience in handling complex chemistry and filing of applications with the regulatory authorities.

Environment, Health and Safety (EHS) risks

Aurobindo requires certain statutory and regulatory permits and approvals to operate the business, including environmental clearances. Any failure to obtain, renew or maintain the required permits or approvals may result in the interruption

of operations and may have a material adverse effect on the Company's operations.

Government authorities have been focusing on environmental issues and making environmental laws stringent for the industry to follow. As the regulations are becoming tougher, it is a challenge for the Company to ensure adherence. The Company is extremely sensitive about these challenges, and proactively strives to adhere to notifications and circulars issued by the Government. Over the years, EHS excellence has been promoted as an essential element of ensuring human health and safety and is embedded in our corporate policies.

Mitigation strategy

Necessary EHS related statutory permits are in place for Aurobindo's manufacturing facilities and applications for renewal of approvals are being submitted on time. Compliance to permits and conditions is ensured through internal and external audits and surveillance by corporate structure. The Company is focusing on identification and strategies for mitigating EHS risks beyond permits and regulatory compliance.

The Company is committed to provide a safe and healthy working environment to all its employees and contract workers. To manage the safety and health risk, risk identification and assessments are performed before scaling up. A hazard and operability study (HAZOP) is performed before a chemical process is taken up in the manufacturing area. Training is provided to operating personnel on precautions to be taken, and suitable personal protective equipment is provided.

Aurobindo ensures it addresses EHS concerns like Pharmaceuticals in Environment (PIE) and Antimicrobial Resistance (AMR) by collaborating with reputed international agencies like Access to Medicine Foundation, AMR Industry Alliance etc., while maintaining manufacturing facilities with adequate engineering and administrative controls of operations to mitigate EHS risks. In addition, Aurobindo has also established Mass balance technique for quantification of Levels of antibiotic in process wastewater that are assessed against applicable risk-based targets for discharge concentrations or overall load. Aurobindo has been ranked the leader amongst generic manufacturers during Antimicrobial resistance benchmark 2021 study conducted by the Access to Medicine foundation.

The Company is investing significantly to upgrade and expand wastewater treatment projects in some facilities for an improved and additional treatment of wastewater. The solid and liquid hazardous wastes are being disposed to Treatment, Storage and Disposal (TSD) facilities or cement units for processing as alternate fuel that mitigate the risk of PIE or AMR effectively.

Aurobindo has leaped forward and adopted Sustainability/ Environment Social Governance (ESG) framework with a commitment to build a healthier ecosystem. This framework is a holistic approach to integrate ESG aspects across our value

Risk Management Contd.

chain seamlessly. Aurobindo had released its first sustainability report in FY21 which demonstrates our commitment to build a sustainable and inclusive organisation that creates long term value for stakeholders.

Carrying forward our commitment to limit our impact on climate change, Aurobindo Pharma has initiated a decarbonisation journey which is aligned with Science Based Targets Initiative (SBTi). As an outcome of various initiatives, we reduced our carbon footprint by 10% compared to FY21 and our energy and Green House Gasses (GHG) emission intensity per unit of revenue has consistently declined over the years.

The energy efficiency projects include upgradation of the technology to minimise consumption, Energy optimisation initiatives in existing equipment operations and savings achieved through change in equipment operation. In addition to the energy efficiency initiatives, we strive to replace non-renewable energy in our operations. In FY22, we have generated more than 43,000 MWh electricity from our solar power plant situated near Pydibhimavaram, Vizag.

To address global warming concerns, we have taken up massive plantation drives in and around our manufacturing facilities to increase the green belt and offset emissions caused by our operations. Also, various energy saving measures have been implemented at each operating facility and these initiatives helped us save approximately 224,600 GJ of energy including direct and indirect energy consumption savings and resulted in avoiding greenhouse gas emissions of about 229,600 tCO₂e. We also use biomass in some of our facilities which further helps us in reducing energy consumption from non-renewable fuels. In FY22, we generated 156,000 GJ of energy from biomass in our operations, which amounts to approximately 3% of our total energy consumption.

Patent protection risks

Aurobindo's success depends on the Company's ability to obtain patents, protect trade secrets and other proprietary information, and operate without infringing on the intellectual property rights of other Pharma companies. Aurobindo's inability to obtain timely ANDA approval, thus missing out on early launch opportunities and litigation outcomes could affect product launch dates affecting revenue.

Aurobindo has a dedicated team of IP professionals whose primary task is to ensure that the products are manufactured using essentially non-infringing composition and processes to the best possible extent and in compliance with IP related requirements by reviewing and monitoring IPR issues continuously.

Mitigation strategy

The IPR team evaluates and provides stage-wise IP clearances during product/process developmental activities. The IPR team also provides frequent updates and alerts on all relevant

IP matters (such as patent, trademark, etc.) to R&D scientists for the products and suggests suitable measures to deal with IP-related issues. The IP team is also involved in product selection activity to ensure that right products are selected for development and no potential opportunity is missed out to the best possible extent. Further, the IP team has been proactively exploring early launch opportunities based on the changing IP scenario in specific countries and conveying the same to the corresponding country heads/business teams with the objective of enhancing revenues.

As on March 31, 2022, the Company had filed 792 patent applications, of which 166 patents had been granted and 111 patent applications are pending for prosecution with various authorities globally. Company ensures that the employees, vendors, and suppliers associated directly or indirectly sign appropriate confidentiality agreements prior to disclosure of any such confidential information.

Financial risks

Since the Company operates internationally, majority of the export transactions and borrowings are carried out in multiple currencies and a portion of import transactions are carried out in more than one currency, business is exposed to foreign currency risk, interest rate risk, liquidity risk and credit risk which may adversely impact the fair value of its financial instruments. In addition to the aforementioned risks, changes in the macro-environment, a global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable, and constantly evolving risk(s), inter-alia, for the Company on its financial situation.

The Company's foreign currency exchange exposure majorly arises from its exports, imports, and borrowings. Any weakening of the functional currency may adversely impact the Company's cost of imports and cost of borrowings; however, the export revenue may be favourably impacted and vice versa. The Company is exposed to Interest rate risk majorly arising from interest rate movements from borrowings with variable interest rates and interest rate exposure mainly related to debt obligations. Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. Credit risk refers to the risk that a counterparty or customer will default on contractual obligations resulting in a loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

Mitigation strategy

The Company's primary focus is on foreseeing the unpredictability of financial markets and minimising any adverse impact on its financial performance. The Management ensures an appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured, and managed in accordance with the Company's policies and risk objectives.



The Company evaluates exchange rate exposure arising from foreign currency transactions and carefully monitors the open exposure from the parity statement regularly since the foreign currency receivables and foreign currency obligations arising from imports & borrowings will provide a natural hedge to the Company. The Company uses foreign exchange forward instruments primarily to hedge foreign exchange exposure. Further, as per policy, the Company does not enter into any complex forex derivatives, which are speculative in nature.

The Company monitors liquidity risk using cash flow forecasting models. The Company's objective is to provide financial resources to meet its obligations when they are due in a timely, cost effective and reliable manner without incurring unacceptable losses or risking damage to the Company's reputation. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to undrawn lines of committed and uncommitted borrowing facilities and other debt instruments. Credit risk is controlled by analysing credit limits and creditworthiness of counter parties on a continuous basis with appropriate approval mechanisms for sanction of credit limits. Since the Company has a diversified portfolio of receivables in terms of spread, no concentration risk is foreseen. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

People risks

Aurobindo's success depends largely upon an effective HR strategy that includes recruitment, learning & development, succession planning and retention of competent personnel. The HR strategy is aligned to business plan and growth of the Company. It is a challenge for Aurobindo to maintain good industrial & employee relations. Labour unrest could impact the Company's operations. The industry is human capital intensive with a high rate of attrition, and this could have an impact on the Company's operations.

Mitigation strategy

The Company has a committed Human Resources team to acquire, retain and develop talent considering the competition for qualified and experienced people.

Leadership development: As part of the Company's strategic talent and succession management, the HR team at Aurobindo has identified and developed people with potential to fill key business leadership positions. The Company has instituted NALANDA, an online academy, to facilitate Leadership Talent Development and support the management's philosophy of second line development and for promoting mentor-mentee relationships within the Company. The second-in-command across each key function and decentralised management style have developed a much stronger organisation culture. The Company is continuously fine-tuning its HR strategy to meet its business goals. The Company has tied up with GITAM Visakhapatnam for a Managerial Development Programme.

Capability building: A focused intervention called First Time Managers programme, SANKRAMAN is initiated with focus on providing leadership and management insights to the supervisors who are promoted to the management level positions, giving holistic perspectives on Business and Leadership Acumen and augmenting People Building skills in terms of Communicating with Impact, influencing skills, Mentoring and Coaching skills. The Company conducts training to enhance capabilities of employees. Nominations for training are based on the needs/assessment of various functions.

Continuous Professional Development: Continuous learning is a part of our core strategy and is recognised as the only sustainable competitive advantage. As a part of continuous learning, we provide opportunities for our employees to grow and be future-ready to navigate the complex changing landscape, through training and skill development programmes like Leadership in Disruptive times, building collaborative relationships, Managing change etc. We have also initiated Leadership Coaching Sessions in the third quarter of FY22.

Multi skilling & Quality programmes: The Company has introduced a multi-skilling programme which promotes job enrichment of talent at the operational level. The Company has also introduced a Quality Marshal Programme which facilitates strengthening of Quality culture at the shopfloor. The Company started various training programmes like outbound trainings, Auro Arambh for new joiners, behavioural and technical training programmes etc.

Talent engagement & empowerment: The Company understands the need to create a culture of high employee engagement as a method to retain talent. There is a proactive approach to HR management and employees are given responsible authority. Emphasis is on accountability with clear job descriptions and the employees are encouraged to perform to their optimum potential. Regular interactions and communications help the personnel to update and upgrade their knowledge and skills which helps in minimising the operational risks.

Kaizen change management process has been initiated with focus on Shop-floor Empowerment and provides a partnership-platform for the people to engage with continuous improvement projects. Process Care, People Care and Asset Care are the three enablers to achieve the Company's mission to continuously improve.

Operational Excellence: Role-based training programmes are designed and delivered to enable our people to achieve operational excellence. A structured approach to Operational Excellence is undertaken for all manufacturing locations in terms of Asset Care, Process Care, People Care and Workplace care initiatives. The basic objective is to provide a systemic solution to Productivity and Quality improvements through People participation. It aims at eliminating 3 types of wastages such as Muda (removing all non-value-added activities),

Risk Management Contd.

Muri (Avoiding all kinds of process inconsistencies and Mura (preventing excess burden on people & systems). It enhances business continuity on sustainable autopilot mode driven by Processes, Systems & People Practices. We have also designed a scorecard-based Reward & Recognition initiative for our workforce in the manufacturing units in 6 categories: Best Safety, Best GMP, Best Investigation, Best Process, Best Project & Best KRA Achievement.

Employee performance appraisals: The Company's online employee appraisal system is robust for measuring performance vis-à-vis KRAs defined for the employees. The HR team strives to ensure that annual performance assessments are conducted effectively with necessary feedback and counselling.

Statutory Compliance and Health/Safety Management:

A Social Audit process called AMFORI Business Social Compliance Initiative is rolled out at some of the Formulation units and the same is being expanded to other units to reduce or mitigate the risks associated with HR compliances and Safety management. Technical training to improve productivity and handling of sophisticated equipment is provided for operators and supervisors on the shopfloor.

Harmonious industrial relations: The Company's Industrial Relations team is making continuous efforts to maintain a cordial relationship with employees with a view to achieve best performance. The Company has established an online people-care link to redress grievances in a proactive manner and believes in bipartite strategy to prevent and settle any outstanding issues in a peaceful manner. Further, the management has initiated Social Accountability Certification process (SA 8000 series) to maintain its commitment towards fair people management.

A strategic framework has been put in place in the form of a PLM Document (Post Lockdown measures) to guide for all protocols to be taken at the Enterprise and Unit level. PLM strategy works in tandem with all State and Central Govt Directives on COVID-19 being released from time to time. The whole PLM strategy is bucked into 3 domains i.e. Respiratory Protocols, Disinfection Protocols and Safety & Hygiene Protocols. As part of PLM implementation, the Company's management has established a full-fledged COVID Care Centre to support company employees in terms of providing superior medical care. Daily Health Monitoring systems, virtual consultation by a panel of doctors have helped us enable a COVID-free workplace. Let's Talk is our in-house psychological counselling service offered towards mental wellbeing of employees and their family members through continuous medical webinars by medical professionals. A governance structure has been put in place to review the effectiveness of these measures at the Board level.

Information technology (IT) and Cyber security risks

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. Business continuity

demands working remotely, which requires additional focus and hardening of the IT infra security and Cyber Security. The Company faces cyber security challenges in terms of data confidentiality, integrity, and availability as more collaboration technologies (Web conferencing, Video Conferencing, File sharing and collaboration, mobile computing, cloud computing etc.) for internal and external virtual meetings are adopted. Any vulnerability in information security and regulatory compliance management may have an impact on business continuity and may lead to legal consequences and penalties.

The Company is improving its process efficiency, better control, faster decision making and better assurance on compliance by embracing digitalisation across the processes. Most of the business processes have been seeing digital transformation including Quality, Regulatory, Finance, HR, Manufacturing, Sales, Logistics etc. Digitalisation also mandates more focus on Cyber security cyber resilience so as risk related data theft, data loss, unauthorised access or any kind of Cyber-attack can be minimised.

Mitigation strategy

Aurobindo's IT infrastructure, data availability, data storage and processing and cyber security aspects are continuously scaled-up and upgraded to support the growing business need and to enable the Company to stay competitive in the market. Aurobindo continues to ensure compliance with applicable provisions of European Union General Data Protection Regulation (EU GDPR). To ensure GDPR compliances the Company has established policies & procedures which include training employees and investing in adequate technologies to safeguard personal data collected from EU data subjects. The Company has a DPO (Data Protection Officer) for ensuring compliance with GDPR rules.

The Company has taken steps to harden its IT infra security with systematic backup procedure, storage, Firewall rules, Network segmentation and system access including role-based and remote access through VPN and change management controls. For all critical IT applications and services, the Company has built highly stringent and secured infrastructure. For business continuity, the Company continues to maintain a disaster recovery site, which hosts backup ERP applications. For any business process automation and regulatory compliance-related solution, the IT team works very closely with business process owners for effective and timely implementation. Periodic reporting of all critical IT projects to the leadership team is done by the Chief Information Officer (CIO).

Aurobindo leverages industry best standards to secure its IT infrastructure environment. Some of the preventive measures in place are Intrusion System enabled perimeter firewalls, content filtering gateways, robust logical access controls for laptops and critical data at rest, regular software patching etc. The IT team conducts a periodic review of cyber security posture and penetration tests to ensure effectiveness. In addition,



the following control measures are taken to mitigate cyber security risk:

- Periodic Meeting with senior leadership on the emerging risks/cyber threats and our postures for the same.
- Continuous Training and awareness for users throughout the year to make them aware of new cyber vulnerabilities and educate them for right behaviour for the same.
- Hardening of IT Infra security by implementing technology solutions related to remote access, internal and external threat protection.
- Regularly reviewing access levels and tracking them appropriately.
- Monitoring logs related to IT infrastructure i.e. Firewall, VPN firewall, Mail gateway, AD server, Proxy server, AV Server, Email Server, ERP Server and taking appropriate action on incidences, if any.
- Engaging with the business and OEMS for the upgrade of Infrastructure and application services in a timely manner and to minimise the risk of any potential vulnerability and cyber risks.
- Implementing Security Operation Center to continuously monitor & improve security posture of our Environment.

Business Responsibility Report

OVERVIEW

Aurobindo Pharma Limited is a leading pharmaceutical company in global market with a presence in over 150 countries. It is the largest generics company in USA as per IQVIA's March 2022, and the second largest pharma company in India in terms of revenue. It is amongst the top 10 generic companies in Six out of Top Nine European Countries as per IQVIA data. It employs more than 23,000+ employees globally.

The Company is planning to become one of the most valued partners in the pharmaceutical industry with a differentiated and complex product pipeline. It is continuously researching, developing and manufacturing a wide range of pharmaceutical products which comply with the highest regulatory standards. It has 24 NDA manufacturing and packing facilities across India, Puerto Rico, Brazil and Portugal. Most of these facilities are inspected by regulatory authorities like the USFDA, UK MHRA, Japan PMDA, WHO, Health Canada, MCC South Africa, ANVISA Brazil, Europe EMA and Australia TGA, etc. In FY 2021-22, around 89% revenue was generated from international operations and the key markets for the Company are the US and Europe, which represent around 75% of the consolidated revenues.

The Company is continuously working towards developing a diversified product portfolio spread across major therapeutic segments including Cardio-Vascular (CVS), Central Nervous System (CNS), Gastroenterology, Anti-Allergies, Anti-Diabetics, Anti-Retroviral and Antibiotics. Aurobindo is also in the process of developing a pipeline of large molecules in areas such as Biosimilars and Vaccines. Additionally, it is working on developing 5 molecules. It is able to leverage the strong and world-class global R&D team across 9 R&D centres state-of-the-art R&D centres. The Company is backed by well qualified and trained Regulatory and Intellectual Property teams. It is also planning to enter in domestic and China markets.

Aurobindo is ranked 46th amongst all pharma companies globally and targets to become one of the top 25 companies globally by 2030. It is cognisant of the needs of the community and strives to create healthy ecosystems. Social responsibility and community care are at the heart of Aurobindo. The Company is strongly devoted to its philosophy of 'Committed to Healthier Life'. The Company believes that long term growth can be achieved by doing business by realising this ideology. The Company, through its global presence, is spreading care across communities and beyond by partnering with governments and non-government organisations. As a responsible corporate citizen, Aurobindo is focused on providing affordable healthcare and supports public policies that promote economic and societal development.

This report illustrates the Company's approach towards social, environmental and economic aspects of the business. The Business Responsibility Report is aligned to the National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business, released by the Ministry of Corporate Affairs and is in

compliance with Regulation 34 (2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the facts and figures reported in the Business Responsibility Report pertain to the parent company i.e. Aurobindo Pharma Limited.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company

L24239TG1986PLC015190

2. Name of the Company

Aurobindo Pharma Limited

3. Company Address

Registered Office: Plot No. 2, Maitrivihar, Ameerpet, Hyderabad-500038, Telangana, India

Corporate Office: Galaxy Building, Plot No-1, Survey No.83/1, Hyderabad Knowledge City, Raidurg Panmaktha, Ranga Reddy District, Hyderabad, Pin: 500032, Telangana, India.

4. Website

www.aurobindo.com

5. E-mail ID

info@aurobindo.com

6. Financial Year reported

April 1, 2021 to March 31, 2022

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

S. No	NIC code of product/ service	Description
1	21001/21002	Manufacturing generic pharmaceuticals and Active Pharmaceutical Ingredients (APIs)

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

Since its inception, the Company's strategy is to build a diversified products basket. The Company has a robust product portfolio, which is spread across various therapeutic segments such as anti-retroviral, CVS, CNS, gastroenterology, anti-allergies, antibiotics and anti-diabetics.

9. Total number of locations where business activity is undertaken by the Company:

The Company, along with its subsidiaries, has marketing and sales offices in 34 countries and markets its products globally in over 150 countries.

**(a) Number of international locations (provide details of major 5):**

The Company's subsidiaries have manufacturing facilities one each in Puerto Rico, Brazil and Portugal and four R&D centres in USA. Apart from these, the Company has offices in various European, African and Asian countries.

(b) Number of national locations:

The parent company has 14 manufacturing units and two R&D centres. The subsidiaries and joint ventures of the Company have seven fully commissioned manufacturing units and two facilities ready for commercialisation in the near future.

10. Markets served by the Company – Local/State/ National/International:

The Company markets its products globally in over 150 countries across six continents. The US and the EU are the key geographies for the Company. Around 77% of the Company's standalone sales are generated from the international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY**1. Paid up capital (₹):**

₹586 million

2. Total turnover (₹):

Total Revenue from operations on standalone basis is ₹112,871 million on a standalone basis

3. Total profit after taxes (₹):

₹14,547 million on a standalone basis

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

The Company has spent ₹ 536 million during the FY 2021-22, which is 3.7% of the standalone Profit After Tax.

5. List of activities in which above expenditure has been incurred:

- Promotion of education
- Digital education programme and setting up of creative school libraries
- Skill Development
- Eradicating hunger, poverty and malnutrition
- Preventive health care and sanitation and making available safe drinking water

- Sustainable Agriculture
- Disaster Relief Programmes
- Road and public safety
- Promotion of rural sports
- Rural development projects, environmental sustainability, ecological balance and conservation of natural resources and animal welfare etc.

SECTION C: OTHER DETAILS**1. Does the Company have any Subsidiary Company/Companies?**

Yes, Aurobindo has 84 subsidiary companies located in India and other countries as on March 31, 2022.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?

The Business Responsibility initiatives of the parent Company apply to all its subsidiaries.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Other entities viz. suppliers, distributors and so on with whom the Company does business do not participate in the Business Responsibility initiatives of the Company.

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR****a) Details of the Director/Director responsible for implementation of the BR policy/policies**

- DIN Number: 01284195
- Name: Mr. K. Nithyananda Reddy
- Designation: Vice Chairman & Managing Director

b) Details of the BR head

S. No	Particulars	Details
1	DIN Number (if applicable)	01284195
2	Name	Mr. K. Nithyananda Reddy
3	Designation	Vice Chairman & Managing Director
4	Telephone number	040-66725101
5	e-mail ID	secretarial@aurobindo.com

Business Responsibility Report Contd.

2. Principle-wise (as per NVGs) BR policy/policies

S. No	Questions	Ethics	Product Life Cycle Sustainability	Employees Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Community Development (CSR)	Customer Value
1	Do you have a policy/policies for	Y	The Company continuously focuses on the optimal utilisation of resources from its product design to disposal	Y	Y	Y	Y	NA	Y	The Company, in its operations, ensures the customers value
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y		Y	Y	Y	Y		Y	
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y		Y	Y	Y	Y*		Y	
4	Has the policy been approved by the Board?	Y		Y	Y	Y	Y		Y	
	Is yes, has it been signed by MD/owner/ CEO/appropriate Board Director?									
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y		Y	Y	Y	Y		Y	
6	Indicate the link for the policy to be viewed online?	**		Employees Self Service in IHRMS			**		**	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y		Y	Y	Y	Y		Y	
8	Does the Company have in-house structure to implement the policy/ policies?	Y		Y	Y	Y	Y		Y	
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y		Systems in place	Y	Y	Y			
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y		Y	Y	Y	Y		The CSR assessment is done internally	

The Company abides by the law of the land and the policies are framed considering the national standards.

*Policy is in line with ISO 14001 international standards.

**The policies are available on our corporate website.



3. Governance related to BR

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within three months, three to six months, annually, more than one year**

The business responsibility performance of the Company is reviewed annually by the Management.

- b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?**

This is Aurobindo's seventh Business Responsibility Report which is part of the FY 2021-22 Annual Report.

Business Responsibility Report of previous year can be accessed from the following hyperlink:

https://www.aurobindo.com/wp-content/uploads/2021/08/Aurobindo-Pharma-AR-2020-21_2308.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Ethics

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

Yes, the policy relating to ethics, bribery and corruption extends beyond our employees, both Whole-time Directors & Independent Directors and covers all subsidiaries. The Company's Code of Conduct affirms its commitment to the highest standards of integrity and ethics. The Code of Conduct guides all supervisory, executive and managerial employees of the Company including the Board members. The policy is communicated to the employees across all the locations. The policy documents are made available in the internal portal for ready reference.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

In the year ended March 31, 2022, the Company has received and resolved 13 complaints from the investors. All the complaints were resolved to the satisfaction of the shareholders and there were no pending complaints at the year end.

Principle 2 – Product life cycle sustainability

1. **List up to three of your products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.**

The Company has taken certain energy conservation initiatives in one of its manufacturing facilities (Unit-I), which benefitted all the products manufactured at the facility, in terms of power Consumption/kg of API.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product(optional)**

- I. **The steps taken or impact on conservation of energy are:**
 - Towards optimum utilisation of power, implemented numerous energy conservation activities in utilities, effluent treatment and solvent recovery operations through performance assessments, automation of equipment, standardised procurement of energy efficient equipment i.e. installation of energy efficient motors & pump sets, refrigeration systems and agitators, etc. These activities accrued savings to the tune of 356 lakh units and 12.6% reduction in overall power consumption in FY 2021-22. In addition, power generation through renewable sources contributed to 16.45% of overall power consumption of FY 21-22.
 - Towards optimum utilisation of fuels like coal, diesel and furnace oil; implemented operational improvement activities such as installation of waste heat recovery systems, steam condensate recovery systems, automation of boiler operations and installing of flue gas parameters monitoring systems, etc. These initiatives envisaged fuels savings to the tune of 1,753.3 Tonnes in FY 2021-22 in overall fuel consumption.
 - Towards optimum utilisation of water, strategy of reduce- recycle-reuse is practiced. Activities like enhancing the condensate recovery, utilisation of low TDS water for CTs, reuse of biological, chemical and sewage treated water and rainwater harvesting etc. which benefitted in reduction of water consumption by 33,848 kl during the financial year and resulted in savings of 1.4% in overall consumption.
 - In addition, it implemented process operational improvement activities like
 - Root Cause Analysis (RCA) for cooling delays which resulted in reduction of batch time by 150 minutes.

Business Responsibility Report Contd.

- Improved the equipment and connected utility occupancy through performance assessment studies, thereby reduced power consumption.
- Identified energy intensive operations and replaced with energy efficient utility systems through stepwise utility costing analysis.
- Replacement of liquid nitrogen cooling with mechanical chillers for reducing monetary expenses, efficient solvent recovery benefitted in reutilisation of solvents and implementation of process automations enhanced productivity.
- The Company is continuously working towards adopting the latest cost-efficient technologies to reduce the operational cost. Accordingly, it implemented the following initiatives and achieved significant reduction in cost expenses.
 - Eliminated the cost intensive Liquid Nitrogen (LIN) by installation of -65°C, 50 TR (2 No's), -35°C, 75 TR refrigeration plants and 500 Nm³/hr nitrogen generation plant. This initiative avoided usage of LIN in cooling and inertisation applications i.e. 80% reduction in usage thus accrued saved of ₹17.6 million in the financial year.
 - Enhanced capacity of solar power generation to 30 MW by augmenting 6 MW in FY 20-21 for self-generation of power there by reducing the dependency on grid and increased the share of renewable power generation to 16.45% with respect to overall energy consumption in FY 2021-22. This initiative has generated 85.43 lakh kWh units in unit-11 and saved ₹46.6 million per annum.
 - Upgradation of importing power through grid by converting 11 kV to 33 kV dedicated feeder for reducing the power cost and increased reliability of the power distribution system has led to the improved power quality and annual monetary savings of ₹15 million.
 - Implemented Demand Side Management (DSM) initiative to utilise the price incentive per unit electricity cost during off peak hours from the grid. In this initiative, the Company shifted the non-essential operating loads from peak hours to off peak hours, resulted in reduction of power expenses during peak hours thus accrued cost savings of ₹2.18 million from December 2021 to March 2022.
 - Enhanced the condensate recovery through controls in the steam condensate network and increased the condensate collection from 37.2% to 45.8%, thereby resulting in savings of makeup water by 13,463 kl per year, contributes 9.04% with respect to total feed water consumption.
- Increased steam condensate recovery benefitted in coal savings by 114.9 Tonnes per year. These operational improvements resulted in cost reduction of ₹3.3 million per annum.
- Following operational improvement activities resulted in cost savings to the tune of ₹66.89 million per year;
- Refurbishment of heat exchangers for improving the turnaround and productivity.
- Operational improvements in pumping and utility piping systems.
- Intensified the cooling tower operations by implementing innovative and energy efficient technologies.
- Enhanced the performance of refrigeration systems by analysing and improving the key performance indicators.
- Equipment operational improvement activities like comprehensive Planned Preventive Maintenance (PPM) and condition-based monitoring to extend equipment lifespan and prevent degradation
- In the previous financial year, we implemented the following state of art technologies to improve the operational efficiency. Technological developments in the refrigeration systems benefitted in reduction of specific energy consumption as follows:
 - Existing chilling plants are retrofitted with advanced Oil Free Refrigeration (OFR) technology. This includes patented synthetic oil, VFD to compressor, magnetic oil separator and catalytic filter. Implementation of this exclusive technology enhanced the efficiency of refrigeration systems by 32% and resulted in savings of 6.77 lakh units in FY 2021-22.
 - Installation of adiabatic cooling system for air cooled refrigeration systems to pre-cool the ambient air thereby reducing the back pressure on compressor discharge, resulted in decreased power consumption. This activity reduced the specific energy consumption by 20.8% in the air-cooled refrigeration systems and achieved savings of 4.10 lakh units during FY 2021-22.
 - Implementation of a three-way actuated control valves for Air Handling Units (AHU's) in the chilled water supply systems to precisely optimise the



temperature & RH in HVAC systems, thereby reducing the excess load on chilling plants. This initiative resulted in a reduction of 6.1% load on refrigeration systems and achieved savings of 0.35 lakh units per annum.

- Replacement of existing +5°C water-cooled reciprocating type chillers with new energy efficient water-cooled screw-type refrigeration systems. This resulted in saving of 2390 Tonnes of coal and monetary savings ₹3.86 million per annum.
- Towards pumping efficiency improvement, installed energy efficient vertical inline pumps by replacing the existing inefficient base mounted horizontal pumps. This machinery replacement improved the reliability, operational efficiency by 20-25% and saved 1.40 lakh units per year.
- Compressed air systems operations improvement by installing of 'No Air Loss Drain' (NAD) valves by replacing the existing conventional timer-based drain valves to avoid the loss of compressed air and reduce moisture content. Total 155 NAD valves were installed during FY 2021-22 and saved 0.61 lakh units.
- Following technological developments in steam and condensate network benefitted in fuel savings:
- Installation of a flash vessel for recovery of flash steam in the steam and condensate network and rerouted to boiler feed to increase the feed water temperature. This resulted in reduction of 1.53% coal usage & saving of 119 Tonnes during the FY 2021-22.
- Implementation of Pressure Power Pump Package Units (PPPU's), Steam Operated Pressure Traps (SOPTs) enhanced the condensate recovery by 5%, reduced make up water intake by 14.8%. This resulted in reduction of 2200 kl/year water consumption and 28.7 Tonnes of coal for FY 2021-22.
- Standardised procurement of energy efficient equipment like motors, Variable Frequency Drives (VFDs), transformers and LED etc. In total, 294 energy efficient motors were procured to the cumulative capacity of 1455 kW and reduced energy consumption by 6.28 lakh units in FY 2021-22.

II. The steps taken by the Company for utilising alternate sources of energy:

- Purchasing/ Trading of power through open access as per the requirement

- Installed 30 MW solar power plant and generated 43,000 MWh through utilisation of solar energy.

III. The capital investment on energy conservation equipment.

- Installation of double effect Vapour Absorption Machines (VAM's) and energy efficient vertical in-line pumps. This resulted in savings of 79.68 lakh units which is 16.86% in overall Unit 1 consumption. Investment made for this project was ₹54.5 million. In addition, this initiative helped in utilising the redundant capacity of the cogeneration power plant and thus accrued savings of ₹30.6 million per annum.
- Approved Capex ₹13 million for Oil Free Refrigeration (OFR) system in chilling plants for improving the efficiency. The project is under process.
- Approved Capex ₹41.38 million towards the procurement of energy efficient equipment i.e. motors, pumps, refrigeration compressors, LED lights, etc. The procurement of equipment is under process.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

The Company follows strict procedures to facilitate sustainable sourcing of materials by using the Sourcing Code of Conduct which focuses on compliance and quality of the raw material being procured. Standard Operating Procedures have been established for the selection and approval of the vendors while sourcing. We have also established the Environmental and Social Assessment Criteria to be applied while on-boarding of new suppliers. We engage with the suppliers on a periodic basis on various environmental and social aspects and motivate them to achieve goals and objectives pertaining to sustainability.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

The Company procures goods and services in line with laid down Code of Conduct focusing on local vendors which not only contributes to green manufacturing, but also helps build consumer confidence and empowers local communities, making them a part of our journey of delivering a healthier life. Raw materials play one of the most significant roles in our core manufacturing and we collaborate with vendors close to our manufacturing locations who fulfill the key criteria of compliance and quality.

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5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the Company has a mechanism of recycling or disposing materials, including waste, in a responsible manner and it also has the process of recovering solvents, where there is maximum usage based on possibility.

- Along with the existing recycling solvents, in FY 2021-22, the Company has taken an initiative for reduction in CCs for major products in
 - Unit-5: EA in Sulbactam Sodium, which reduced CC from 7.21 to 4.73.
 - Unit-8: MeOH in Sertraline Mandelate, which reduced CC from 5.00 to 2.40.
 - Unit-11: MDC in Levetiracetam, which reduced CC from 5.3062 to 3.5846 and Ethyl Acetate from 3.1616 to 2.1221.
- Further, recycling of a few more high consumption solvents is under proposal.
- Recovered catalysts are sent back to the vendor for regeneration and reuse.
- All organic wastes generated from API Units (solids and liquids) along with the wastes generated from formulations units (with very few exceptions) are disposed of for use as auxiliary fuel at cement units, which is also called 'co-processing' of wastes; approximately 51% of the waste was recycled through co-processing.

Principle 3 – Employee well-being

1. Please indicate the total number of employees

The Company has 15,431 employees as on March 31, 2022.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis

The Company has over 7,582 contractual employees as on March 31, 2022.

3. Please indicate the number of permanent women employees.

The Company has 647 women employees as on March 31, 2022.

4. Please indicate the number of permanent employees with disabilities

Aurobindo does not discriminate between employees and to eliminate any possibilities of discrimination, no record regarding employee disabilities is maintained.

5. Do you have an employee association that is recognised by the management?

Yes.

6. What percentage of your permanent employees is a member of this recognised employee association?

As the majority of the office bearers/active members of the Association have left the organisation, no activity has been observed during the last financial year. Harmonious industrial relations were maintained across all the manufacturing locations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on March 31, 2021
1	Child labour/forced labour/involuntary labour	Nil; Company does not hire child labour, forced labour, involuntary labour	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your mentioned employees was given safety and skill up gradation training in the last year?

- Permanent Employees: Employee training is a continuous process in the Company and all the employees are given mandatory safety training at the time of joining. Further, skill-based training is imparted to over 90% of the Company's employees on a continuous basis.
- As mentioned in the above point, 90% of permanent women employees are given training.
- Casual/Temporary/Contractual Employees: All the Company's contractual employees are imparted with training like safety, skill development and so on.

Principle 4 – Stakeholders engagement

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal as well as external stakeholders.



2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations. This is one of the corporate values that emphasises on being responsive to stakeholders' needs, being proactive and transparent.

The Company has a whistle-blower policy that provides support to employees, channel partners and vendors to report significant deviations from key management policies and report any non-compliance and wrong practices. The Company also has an Investor Grievance Cell, where the investors can raise their concerns and get them resolved appropriately.

Principle 5 – Human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policy covers the employees of the Company and its suppliers, contractor, and other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

We have received 39 complaints. All 39 are resolved.

Principle 6 - Environment

1. Does the policy related to Principle 6, cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

As a responsible corporate citizen, the Company has established 'Environmental, Health, Safety and Sustainability Policy', applicable for all employees, Group companies, JVs and external contractors providing services in the Company's premises. The Company has updated the policy in FY22 which communicates management's commitment to various aspects related to Environmental Social Governance of the stakeholders and the sustainable development of the Company.

The organisation maintains alignment with legal requirements and good engineering practices. Necessary capacity building workshops, trainings are provided to all the employees to engage and equip them with EHS concepts. We also take care of health

and safety of our suppliers and vendors through vendor assessment checklist while vendor on-boarding. The policy also emphasises on the need to focus on continual improvement in environmental, health and safety and sustainability performance of the organisation by setting an appropriate objective, systems and periodic performance reviews. We commit to use innovative R&D practices and develop processes to minimise impacts of our operations on employees and our communities. The organisation also acknowledges Sustainable Development Goals in measurement of sustainability performance and the initiatives taken.

The policy can be accessed from our Corporate Website.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change or global warming? Y/N. If yes, please give hyperlink for webpage.

At Aurobindo, we have established the Sustainability Framework which paves the way for sustainable and equitable value creation for all. We understand our responsibility to create value for all our stakeholders and it necessitates the integration of 'ESG' aspects into the core of our organisational strategy. Each year, we report on our initiatives taken for the community welfare through Corporate Social Responsibility Report. Being a leading player in the pharmaceutical industry, we are facing the growing demand for channelising our efforts and adopting specialised communication methods to prevent and mitigate environmental and social impacts that may occur from our operations. The Sustainability Framework is a holistic way of representing Aurobindo's sustainability goals and objectives, performance against targets and initiatives taken to achieve the same.

The framework involves 6 focus areas – Responsible manufacturing, Sustainable Sourcing, Social Equity, Access to Healthcare, Effective Governance and CSR. The focus area 'Responsible Manufacturing' involves the Company's goals and targets towards de-carbonisation, reducing water consumption and ambition towards achieving 'Zero Non-Hazardous Waste to Landfill'. We monitor the impact on the environment due to our operations and take necessary actions to prevent and mitigate the same.

The 'Sustainability Framework' is communicated to our business ecosystem through our maiden sustainability report for FY 2020-21 which is made available on our corporate website. The Company is also a member of various global and local industry forums including AMR Industry Alliance, International Federation of Pharmaceutical Manufacturers & Associations, in addressing global environmental concerns such as pharmaceuticals in environment, anti-microbial resistance. In continuation with our journey like previous years,

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this year also we continued our active participation in '2021 AMR Benchmark' held by the Access to Medicine Foundation and also participated in 2021 AMRIA survey. Aurobindo is also part of the Bulk Drug Manufacturer's Association, India (BDMAI).

3. Does the Company identify and assess potential environmental risks? Y/N

The Company identifies Environment, Health and Safety as one of the risks and provides mitigation strategy for the same. The Company is focusing on identification and strategies for mitigating EHS risks beyond permits and regulatory compliance. While the manufacturing facilities are equipped with adequate engineering and administrative controls of operations to mitigate EHS risks, the Company is making all efforts in addressing certain EHS concerns like Pharmaceuticals in Environment (PiE) and Antimicrobial Resistance (AMR), etc.

We have introduced advanced technologies in wastewater treatment and have expanded capacities of our treatment plants. Hazardous waste being generated at the facilities is being managed responsibly. Along with these, to address global warming concerns, we have taken up massive plantation drives in and around our manufacturing facilities to increase the green belt and offset emissions caused by our operations. The Company collaborates with reputed international agencies to identify solutions to tackle these concerns like Access to Medicine Foundation, AMR Industry Alliance, etc. The Company is also engaging with reputed organisations like Ecovadis for independent EHS evaluation and assessment.

Along with these measures, we have carried out materiality assessment as an important step to the development of our Sustainability Framework and our first Sustainability Report. We are disclosing our performance on the identified material issues, goals and targets identified as part of our Sustainability Framework.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The projects related to Clean Development Mechanism are not applicable for the Company. However, various energy saving measures have been implemented at each operating facility. The initiatives helped us save approximately 224,600 GJ of energy including direct and indirect energy consumption savings. This resulted in avoiding greenhouse gas emissions of about 229,600 tCO₂e. We also use biomass in some of our facilities which further helps us in reducing energy consumption from non-renewable fuels. In FY 2021-22, we generated 156,000 GJ

of energy from biomass in our operations, which accounts to approximately 3% of our total energy consumption.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, among others? Y/N. If yes, please give hyperlink for web page etc.

As part of our Sustainability Framework, we use a two-pronged approach towards de-carbonisation, which helps us achieve overall reduction in energy consumption and maximising the use of renewable energy to reduce carbon footprint of our operations.

To minimise energy consumption in our operations, we have implemented various energy efficiency initiatives. The efficiency initiatives contributed to a reduction of about 229,600 tCO₂e in the FY 2021-22. The energy efficiency projects include upgradation of the technology to minimise consumption. Energy optimisation initiatives in existing equipment operations and savings is achieved through change in equipment operation.

In addition to the energy efficiency initiatives, we strive to replace non-renewable energy in our operations. In FY 2021-22, we have generated ~43,000 MWh electricity from our solar power plant situated near Pydibhimavaram, Vizag. Our aim is to generate more renewable energy from solar power plants at other locations, wherever possible. Along with renewable energy, we also procure biomass as a fuel in our captive power plants. The total energy consumption from biomass contributes to ~3% of our total energy consumption in FY 2021-22. We understand the potential of biomass to replace non-renewable fuels and aspire to minimise non-renewable fuel consumption.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Company follows all the statutory norms related to emissions, water discharge and waste generation. We maintain the quality of wastewater and solid waste as per stipulated norms.

7. Number of show cause/legal notices received from CPCB/SPCB, which are pending (i.e. not resolved to satisfaction) as on end of financial year:

No show cause/legal notices with specific reference to any of the Aurobindo facilities were pending at the end of financial year.

Principle 7 – Policy advocacy

1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:



The Company is a member of various trade bodies and chamber associations in India as follows:

- 1) Export Promotion Council for EOU and SEZ
- 2) Indian Drug Manufacturers Association
- 3) Indian Chamber of Commerce & Industry
- 4) The Federation TG and AP Chambers of Commerce & Industry (FAPCCI)
- 5) Confederation of Indian Industry
- 6) Andhra Chamber of Commerce
- 7) Bulk Drug Manufacturers Association
- 8) Pharmaceuticals Export Promotion Council of India
- 9) Indo American Chamber of Commerce
- 10) JNPC Manufactures Association
- 11) Telangana Chambers of Commerce and Industry
- 12) Federation of Indian Micro and Small and Medium Enterprises (FIMSE)
- 13) Indo Australian Chamber of Commerce
- 14) Indian Pharmaceutical Alliance (IPA)
- 15) ANZ business
- 16) Council for Healthcare and Pharma
- 17) Federation of Asian Biotech Associations

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

The Company focuses on the advancement/improvement of public good through its well-defined CSR activities.

Principle 8 – Community development (CSR)

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof**

Aurobindo Pharma implements all its Corporate Social Responsibility (CSR) activities through its philanthropic arm i.e. Aurobindo Pharma Foundation (APF). The Foundation undertakes various activities for the sustainable

development of communities around the areas of operations of the Company as well as non-core areas of the Company.

Aurobindo Pharma Foundation works in eight focus areas of development namely 1) education, 2) skill development, 3) eradicating of hunger and malnutrition, 4) community healthcare and drinking water programmes, 5) sustainable agriculture, 6) disaster management, 7) rural development activities and 8) rural sports.

2. **Are the programmes/ projects undertaken through in-house team/Foundation/ external NGO/ government structures/ any other organisation?**

All programmes/projects are undertaken through the Aurobindo Pharma Foundation. Also, the Company implements projects through qualified NGOs and collaborates with Government organisations. The Foundation has a dedicated team of experienced professionals to carry out the development work meant for the communities and it is well-structured.

3. **Have you done any impact assessment of your initiative?**

The Company reviews its projects /deliverables periodically to ensure it is completed on time. Internal teams ensure that projects are implemented and necessary impact is created. Approximately, 864,836 beneficiaries have been reached through its CSR activities during 2021-22. Out of these, the Company's COVID relief activities have benefitted around 120,669 people. Further, as per the new amendments to the CSR Rules, 2021 we have conducted impact assessment studies for 15 CSR projects each with an outlay > ₹10 million through identified third party organisations.

4. **What is your Company's direct contribution to community development projects – Amount in ₹ and the details of the projects undertaken**

The Company has spent ₹536.4 million for CSR activities during the year 2021-22, that includes the amount spent from Unspent CSR account (FY 2020-21) of ₹237.8 million. The amount was spent on areas mentioned in point 1 .

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

As mentioned in point 1, the core areas of developments are education, skill development, eradicating of hunger and malnutrition, community healthcare and drinking water programmes, sustainable agriculture, disaster management, rural development activities, rural sports as well as animal welfare and environmental protection.

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Education

Education is a quintessential right of every citizen. To promote high quality education that is accessible to all, APF has taken on many education focused projects. This year APF has taken up renovation of 16 schools, construction of 81 classrooms, 24 toilets and provision of other infrastructure in several government educational institutions in various districts of Andhra Pradesh and Telangana. Every year, APF also provides salaries for 14 Vidya Volunteers in various government schools of Sangareddy district, Telangana as well as sponsors education fees of underprivileged students wherein they are able to pursue higher education.

Digital education programme and setting up of creative school libraries

In collaboration with the American India Foundation, APF has established digital classrooms in 10 government schools of Srikakulam and Vizianagaram districts of Andhra Pradesh, which are providing improved digital education to around 4,806 students. This programme is called Digital Equaliser, through which digital classrooms have been setup in government high schools, besides teaching students using STEM tools. This project spans 3 years and will create considerable impact on the education and knowledge of these students, broaden their horizons and improve their opportunities. Through the NGO Room to Read, APF has set up creative libraries in 10 government primary schools of Sangareddy district, Telangana which aim to inculcate reading habits among young children to improve their literacy and thirst for knowledge.

Overall 15,084 students have benefitted through APF's education activities in FY 2021-22.

Skill development

Despite receiving higher education, many students, particularly in rural areas struggle to find employment. Enhancing their skill set improves their overall experience and boosts employability. In 2018, Aurobindo Pharma Foundation established a Skill Development Centre in Varisam village of Srikakulam district, Andhra Pradesh. The Centre equipped with state-of-the-art laboratory and equipment, acts as a catalyst in developing ideal skills among the youth, suiting the specific requirements of pharma industries. As of now, 129 unemployed youth, holding M.Sc. (Chemistry), B. Pharma and B.Sc. degrees have been enrolled in the Skill Development Centre and trained in the subjects of Pharma Industrial Quality Control and Quality Assurance. This facility continued to provide quality services during FY 2021-22, benefiting 40 students. Out of 129 trainees, 89 have obtained employment in various industries.

Since February 2022, APF has been supporting the skill development centre at Indrakaran village, Sangareddy district of Telangana which provides training in analytical and operational skills as required in the pharma industry. Currently, 28 students are undergoing training to improve their skillset and job opportunities.

Besides these activities surrounding skill development, APF has also supported Alluri Sita Ramaraju Vignana Kendram to extend its skill development centre at Visakhapatnam in Andhra Pradesh, which upon completion will be able to provide skills training in fields such as journalism, computer literacy, etc., to around 1,000 rural graduates.

Eradicating hunger and malnutrition

Malnutrition plagues a large part of the population of India, particularly children and women. Deficiencies in vital minerals and vitamins pose a risk to their health. Nutrition must be a focus as it is imperative for development as well as fulfilment of human rights. In order to break the vicious cycle of malnutrition and related health risks, Aurobindo Pharma Foundation (APF) has constructed a centralised kitchen in Mahabubnagar, Telangana following the success of the two previously established kitchens in Narsingi, Telangana and Srikakulam, Andhra Pradesh through the Hare Krishna Movement Charitable Foundation (HKMCF). Through this kitchen in Mahabubnagar, a new programme called Swasthya Ahara was launched. This programme provides hot nutritious breakfasts to around 12,000 students in 150 nearby government schools. Besides this programme, the earlier constructed kitchens prepare nutritious meals in hygienic conditions and distribute them through various avenues to reach mid-day meal programmes in government schools, Greater Hyderabad Municipal Corporation outlets, government hospitals, etc. Through the Srikakulam kitchen, mid-day meals are being provided every day in 309 government schools for 29,312 students.

So far, a total of 9.50 crore meals were provided through the three kitchens to government school students, inpatient attendants at various government hospitals, farmers and hamalis at various market yards and many more beneficiaries so far.

Healthcare and hygiene

A new Oncology Block spanning 220,000 square feet at MNJ Institute of Oncology and Regional Cancer Centre at Red hills, Hyderabad is under construction and reached its final stage. It has unique features such as dedicated women, adolescent and pediatric wards, bone marrow transplant facilities and underground bunkers for specific radiation therapy. Once this hospital is functional, it



will benefit many underprivileged cancer patients from Telangana, Andhra Pradesh and bordering states.

- High-grade ophthalmic equipment have been provided to Pushpagiri Vitreo Retina Institute hospital, Kadapa, Andhra Pradesh State, that was inaugurated in February, 2022. It provides tertiary eye care facility for rural communities and 1,000 to 1,500 super specialty services at zero cost. This hospital has the capacity to provide 1 lakh OP services annually.
- To improve health and nutrition related services amongst government institutions in Srikakulam, Vizianagaram and Nellore districts of Andhra Pradesh, the Company collaborated with CARE NGO to design and execute a long-term handholding plan to strengthen deliverables of health and nutrition institutions. This project covers eight Community Primary Health Centres (PHCs) and various Anganwadi centres which may impact around two lakh rural communities directly and indirectly. Currently, capacity building training for PHC and Anganwadi workers in the eight Mandals is under progress besides facilities' assessment.
- So far, a total 131 RO water plants installed across various villages of Andhra Pradesh and Telangana are providing safe drinking water to rural communities. The Company also supported the installation of borewells, supply of water by tankers, etc. These activities provided safe drinking water to 84,652 families. This rural drinking water system decreases the incidence of water borne diseases among rural communities.

The focused efforts of the Company towards healthcare have made many advanced health systems available for the rural, poor and needy population at zero cost, protecting their basic rights of health and well-being.

Sustainable agriculture

APF has a primary focus on farmer empowerment and welfare. It has established a Lift Irrigation scheme in the village of Mojerla, Peddamandadi Mandal of Wanaparthy district in the Telangana state in FY 2021-22. Approximately 1,000 farmers will be able to attain adequate irrigation for their 1,030 acres of cultivable land and improve their crop yield through the scheme. This will transform the agricultural landscape of Mojerla village as well as 2-3 surrounding villages. Further, it will also improve the cropping intensity and greenbelt area in the village.

APF continues its efforts in promoting holistic and comprehensive rural development through various agricultural activities including capacity building, formation of FPO and training on organic farming and promoting

environmentally sustainable agriculture practices for 4,124 farmers through NGO APMAS in the Mandal of Pileru, Chittoor district in Andhra Pradesh.

APF has also collaborated with APMAS NGO to facilitate the formation of FPO with 288 shareholder farmers in the village of Borapatla in the Sangareddy district in Telangana. Through this FPO, the shareholders are able to gain access to expensive agricultural equipment at a low cost, and can observe demo plots practising sustainable agricultural practices and receive capacity building trainings. A well-equipped farmer training centre along with a custom hiring centre has been established in the same location to constantly handhold local farmers. These activities have empowered the farmers and improved their livelihood opportunities.

Disaster relief programmes

During the devastating second wave of COVID-19 in 2021, APF has provided relief to various underprivileged communities by distributing medicines, groceries and essential commodities. To aid the healthcare institutions during the crucial period, APF has distributed oxygen concentrators, medical grade liquid oxygen through tankers and medicines to help treat the increasing number of COVID-19 patients.

In Gandhi Hospital, Hyderabad, APF has set up an oxygen generating plant which can produce 0.5 Tonnes of medical oxygen per day which helps in saving lives. APF has further supported Osmania Dental Hospital, Hyderabad with equipments for treating post-COVID infections such as black fungus and osteomyelitis. During the second wave of COVID, many government hospitals lacked the resources to treat the large influx of patients. In this situation, Aurobindo Pharma Foundation had set up a makeshift hospital in Hyderabad to treat COVID patients. Through APF's support and provision of medical equipment, the Government Area Hospital, Tuni, East Godavari, Andhra Pradesh was able to treat and save many lives of COVID patients during the second wave of the pandemic.

Further, once the second wave subsided, APF conducted a free mass vaccination drive in four villages of Sangareddy district, Telangana which vaccinated 1,680 villagers and kept them safe from severe COVID infections. Altogether, APF's efforts have impacted 1.20 lakh people during the second wave of COVID.

Rural development

APF's rural development activities focus on addressing the felt needs of the communities and improving the rural landscape. Around 31,136 villagers have benefitted from our activities this year. Provision of amenities such as roads and streetlights have helped the communities during

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their commutes and travels. With the installation of solar streetlights, various routes have been made accessible to the communities and improved the safety of travelling at night. Further, usage of solar lights instead of conventional lighting system reflects Aurobindo's commitment towards environmental sustainability through CSR. In the village of K. Mulapeta, Kakinada district of Andhra Pradesh, APF has provided a tractor with trolley to the gram panchayat. This has enabled them to improve solid waste management in the village, making the village a clean and healthy environment to live for its 3,600 inhabitants. A community hall was constructed in the village of Patharlapalli, Srikakulam district. This initiative will bring the harmonisation among the villagers and bring them together.

APF is in the process of completing the construction of a model police station in Bachupally area, Telangana state, which is a prime hub of industries, institutions, business houses and many residential colonies. The establishment of the police station in this prime area will ensure public safety and security for around 25,000 citizens. To further improve public safety in rural areas, APF has also extended its support to the Fire Department of Nellore District, Andhra Pradesh by equipping their fire-fighters with protective fire suits which are allowing 60 firemen to safely fight fire and promote overall safety. In Srikakulam, Andhra Pradesh, APF has renovated the command control room at the District Police Headquarters, which has helped around 200 police officers to ensure public safety of the district using technology. APF supports the operational expenses of Industrial Fire Safety Association (IFSA) in Gundlamachnoor village of Telangana and Pydibhimavaram village of Andhra Pradesh every year, which in turn protects around 50,000 villagers altogether.

Encouraging rural sportsmanship

There is a lot of untapped talent and potential in many young athletes, especially young rural athletes, who do not have opportunities due to lack of adequate resources, facilities, training, etc. In order to enable such athletes to realise their true potential, Aurobindo Pharma Foundation has been supporting many rural athletes. This year, we have supported a promising gymnastics athlete named Buddha Aruna Reddy to acquire the required training that

will facilitate her to reach her highest potential. With APF's support, Buddha Aruna Reddy has won two gold medals at the Pharaohs Cup FIG International Artistic Tournament held in Cairo, Egypt in December 2021. APF has extended its support to another promising rural tennis athlete named N. Shanvitha from Nalgonda district of Telangana. In FY 2020-21, APF had established Jwala Gutta Sports Academy, Moinabad in Ranga Reddy district of Telangana and is continuing to provide training facilities to many sportspersons, enabling them to participate in national and international tournaments.

Principle 9 – Customer Value

1. What percentage of customer complaints/consumer cases are pending as on the end of the financial year?

Aurobindo has a well-defined mechanism to handle customer complaints. As on March 31, 2022, less than 1% of the complaints were pending beyond the acceptable timelines as per the Standard Operating Procedures (SOP).

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information)

The product label has to be approved by the regulatory authorities of the country where the product is to be sold. The Company mentions all the product information required by the concerned regulatory agencies.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

There are no pending cases as on March 31, 2022.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company has a dedicated team that regularly conducts face-to-face review meetings with customers to understand their needs. These interactions help in getting useful feedback to improve upon the existing processes.

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

PART "A": SUBSIDIARIES

(All amounts are in Indian Rupees millions except share data and unless otherwise stated)

Sl. No.	Name of the subsidiary	The date since when subsidiary was acquired	Reporting currency	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments in Subsidiaries	Investments other than Subsidiaries	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	% of shareholding	Country
1	Helix Healthcare BV.	Not Applicable	EUR	84.2200	25,425.1	259.6	17,728.8	2,531.1	9,920.4	566.6	-	110.8	(302.7)	413.5	-	100%	The Netherlands
2	Agile Pharma BV.	Not Applicable	EUR	84.2200	4,662.8	3,656.9	4,765.7	14,915.0	18,469.0	-	54.5	72.0	74.2	(2.2)	-	100%	The Netherlands
3	Laboratorios Aurobindo S.L.	Not Applicable	EUR	84.2200	409.8	(211.0)	282.7	83.9	-	-	44.9	28.4	7.0	21.5	-	100%	Spain
4	Aurex BV. (formerly known as Pharmacin BV)	December 29, 2006	EUR	84.2200	1.5	313.0	362.1	47.6	-	-	411.0	(17.8)	(4.5)	(13.2)	-	100%	The Netherlands
5	Milpharm Limited	February 9, 2006	GBP	99.4550	357.9	2,004.8	3,631.4	1,268.7	-	-	5,901.0	390.6	75.0	315.6	49.7	100%	UK
6	Aurobindo Pharma (Malta) Ltd	Not Applicable	EUR	84.2200	427.4	223.7	424.7	19.0	245.4	-	2.1	(7.0)	-	(7.0)	-	100%	Malta
7	APL Swift Services (Malta) Ltd	Not Applicable	EUR	84.2200	303.2	197.9	6,315.2	5,814.1	-	-	10,485.9	39.4	-	39.4	-	100%	Malta
8	Aurobindo Pharma GmbH Germany ¹	Not Applicable	EUR	84.2200	-	-	-	-	-	-	1,093.4	70.9	23.4	47.5	68.6	100%	Germany
9	Aurobindo Pharma (Romania) s.r.l	Not Applicable	RON	16.9531	344.9	(398.2)	827.0	880.3	-	-	687.3	(79.1)	-	(79.1)	-	100%	Romania
10	Pharmacin BV. (formerly known as Aurex BV)	Not Applicable	EUR	84.2200	7.6	52.5	138.7	78.6	-	-	347.0	25.3	4.3	21.0	-	100%	The Netherlands
11	Aurovitas Pharma Polska	Not Applicable	PLN	18.0483	165.2	643.6	3,978.3	3,169.5	-	-	4,285.0	322.0	74.7	247.3	-	100%	Poland
12	Generis Farmaceutica S.A.	May 1, 2017	EUR	84.2200	10,948.1	(4,151.4)	9,434.8	2,638.6	0.5	-	8,337.1	(265.2)	-	(265.2)	-	100%	Portugal
13	Generis Phar. Unipessoal Lda	May 1, 2017	EUR	84.2200	0.4	0.1	1.1	0.6	-	-	-	-	-	-	-	100%	Portugal
14	Aurobindo Pharma (Italia) S.r.l	Not Applicable	EUR	84.2200	2,324.4	(2,044.4)	2,347.0	2,067.0	-	-	3,062.6	37.1	6.0	31.1	-	100%	Italy
15	Arrow generiques SAS	April 1, 2014	EUR	84.2200	3,153.5	2,022.5	12,645.1	7,469.0	-	-	17,577.1	773.2	260.9	512.4	-	100%	France
16	1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Germany	April 1, 2014	EUR	84.2200	2.1	2.6	5.2	0.5	-	-	0.8	-	-	0.1	-	100%	Germany



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17	Puren Pharma GmbH & Co. KG (formerly Actavis Deutschland GmbH & Co. KG)	April 1, 2014	EUR	84.2200	3130	1,401.4	8,560.7	6,846.3	-	-	5,055.7	680.6	138.1	542.5	65.5	100%	Germany
18	Aurovitas Spain SA (formerly Actavis Spain SA)	April 1, 2014	EUR	84.2200	504	1,863.8	3,230.9	1,316.7	-	-	3,727.3	176.0	43.9	132.1	-	100%	Spain
19	Aurobindo Pharma BV (formerly known as Actavis BV)	April 1, 2014	EUR	84.2200	426.8	2,778.1	6,488.9	3,737.9	454.0	-	9,167.3	1,199.8	303.0	896.8	-	100%	The Netherlands
20	Aurovitas Spol s.r.o. (formerly Apotex (CR) Spol s.r.o.)	February 8, 2019	CZK	34.355	417.8	219.4	1,061.3	424.1	-	-	1,191.9	81.5	14.9	66.6	-	100%	Czech Republic
21	Apotex Europe BV	February 8, 2019	EUR	84.2200	-	535.1	643.5	108.4	-	-	-	(1.8)	-	(1.8)	-	100%	The Netherlands
22	Aurovitas Nederland BV (formerly Apotex Nederland BV)	February 8, 2019	EUR	84.2200	-	(1,236.8)	478.4	1,715.2	-	-	-	(16.0)	-	(16.0)	-	100%	The Netherlands
23	Sameko Fama BV. ²	February 8, 2019	EUR	84.2200	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
24	Leidapharm BV. ²	February 8, 2019	EUR	84.2200	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
25	Marel BV. ²	February 8, 2019	EUR	84.2200	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
26	Pharma Dossier BV. ²	February 8, 2019	EUR	84.2200	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
27	Aurobindo NV/SA	Not Applicable	EUR	84.2200	387.6	(112.2)	1,191.7	916.3	-	-	1,308.5	15.5	2.0	13.5	-	100%	Belgium
28	CurateQ Biologics s.r.o. * & ³	Not Applicable	CZK	34.355	47.4	(11.2)	56.7	20.5	-	-	-	(11.2)	-	(11.2)	-	100%	Czech Republic
29	Euglia Pharma BV. ⁴	Not Applicable	EUR	84.2200	430.4	(6.8)	46.0	1.5	379.1	-	-	(6.8)	-	(6.8)	-	100%	The Netherlands
30	Euglia Pharma (Malta) Limited ⁵	Not Applicable	EUR	84.2200	379.1	(9.6)	381.7	12.2	-	-	-	(9.6)	-	(9.6)	-	100%	Malta
31	Euglia (UK) Limited ⁶	Not Applicable	GBP	99.4550	-	-	-	-	-	-	-	-	-	-	-	100%	UK
32	CurateQ Biologics GmbH ⁷	Not Applicable	CHF	82.0300	-	-	-	-	-	-	-	(3.0)	-	(3.0)	-	100%	Switzerland
33	APL Pharma Thai Limited*	Not Applicable	THB	2.2800	228.0	(54.3)	188.9	15.2	-	-	40.5	(1.6)	-	(1.6)	-	97.92%	Thailand
34	Aurobindo Pharma Industria Farmaceutica Ltd*	Not Applicable	BRL	15.8645	160.7	1,745.7	2,069.0	162.6	-	-	2,608.3	1,052.9	358.0	694.9	-	99.97%	Brazil
35	Aurobindo Pharma Produtos Farmaceuticos Limitada*	Not Applicable	BRL	15.8645	1.6	230.8	233.8	1.4	-	-	132.6	23.4	8.0	15.4	-	100%	Brazil
36	All Pharma (Shanghai) Trading Co Ltd*	Not Applicable	RMB	11.9375	59.7	167.2	237.9	11.0	-	-	16.3	(16.1)	(0.4)	(15.7)	-	100%	China



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37	Auro Pharma Inc.	Not Applicable	CAD	60.4900	261.7	1,274.6	3,360.5	1,824.2	-	-	3,766.7	272.8	142.2	130.6	-	100%	Canada
38	Aurobindo Pharma (Pty) Ltd	Not Applicable	ZAR	5.2250	218.9	57.7	1,399.7	1,123.1	-	-	2,745.1	(38.7)	-	(38.7)	-	100%	South Africa
39	Aurobindo Pharma Japan KK	Not Applicable	JPY	0.6215	92.5	36.1	339.8	211.2	-	-	638.0	30.1	9.3	20.7	-	100%	Japan
40	Aurovida Farmaceutica SA DE CV	Not Applicable	MXN	3.7966	576.2	(139.7)	1,323.6	887.1	-	-	730.4	125.0	-	125.0	-	100%	Mexico
41	Aurobindo Pharma Colombia SA S*	Not Applicable	Cpeso	0.0201	32.2	433.8	659.4	193.4	-	-	690.8	107.1	35.4	71.7	-	100%	Colombia
42	Aurogen South Africa (PTY) Ltd	Not Applicable	ZAR	5.2250	218.9	1,407.9	1,522.3	201.6	218.9	87.2	1,065.9	169.7	46.7	123.0	-	100%	South Africa
43	Aurobindo Pharma Saudi Arabia Limited Company	Not Applicable	SAR	20.2025	606.1	(160.2)	456.2	10.3	-	-	15.9	(69.2)	(7.7)	(61.5)	-	100%	Soudi Arabia
44	Aurovitras Pharma (Taizhou) Ltd*	Not Applicable	RMB	11.9375	2,885.4	(103.7)	6,492.0	3,710.3	-	-	-	(39.8)	-	(39.8)	-	100%	China
45	Aurobindo Pharma FZ-LLC	Not Applicable	AED	20.6350	67.8	(39.9)	44.9	17.0	-	-	54.7	(4.3)	-	(4.3)	-	100%	Dubai
46	Aurosulud SA De CV ⁸	Not Applicable	MXN	3.7966	-	-	-	-	-	-	-	-	-	-	-	100%	Mexico
47	Auro PR Inc * & 9	Not Applicable	USD	75.7925	454.8	-	6,829.7	6,374.9	-	-	27.4	-	-	-	-	100%	Puerto Rico
48	Eugia Pharma INC ¹⁰	Not Applicable	CAD	60.4900	-	(8.2)	-	8.2	-	-	-	(8.2)	-	(8.2)	-	100%	Canada
49	Eugia Pharma (Australia) PTY Limited* & 11	Not Applicable	AUD	56.7425	-	-	-	-	-	-	-	-	-	-	-	100%	Australia
50	Eugia Pharma Industria Farmaceutica Limitada* & 12	Not Applicable	BRL	15.8645	-	-	-	-	-	-	-	-	-	-	-	100%	Brazil
51	Auro PR LLC (formerly known as Mylan LLC)* & 13	December 30, 2021	USD	75.7925	-	-	2,119.2	2,119.2	-	-	852.5	-	-	-	-	100%	Puerto Rico
52	Aurobindo Pharma Ukraine LLC ¹⁴	Not Applicable	UAH	20.6840	-	-	-	-	-	-	-	-	-	-	-	100%	Ukraine
53	Eugia Pharma Colombia SAS.* & 15	Not Applicable	COP	0.0201	-	-	-	-	-	-	-	-	-	-	-	100%	Colombia
54	Auroscience PTY Ltd, Australia**	Not Applicable	USD	75.7925	912.5	(804.5)	115.8	7.8	-	-	53.7	(590.7)	-	(590.7)	-	100%	Australia
55	Aurobindo Pharma USA Inc.	Not Applicable	USD	75.7925	4,674.5	46,989.5	65,924.5	26,978.3	5,753.4	6,964.4	63,715.0	3,389.1	166.5	3,222.6	3,789.6	100%	USA
56	Aurolife Pharma LLC	Not Applicable	USD	75.7925	4,623.3	5,189.2	20,464.4	10,651.9	-	-	4,462.2	(349.5)	-	(349.5)	-	100%	USA
57	Auromedics Pharma LLC	Not Applicable	USD	75.7925	15.2	6,867.7	10,441.8	3,558.9	-	-	20,001.6	2,887.3	549.8	2,337.5	-	100%	USA

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58	Auro Health LLC	Not Applicable	USD	75.7925	18.9	1,550.1	8,748.6	7,217.5	37.9	-	4,414.9	538.3	102.5	435.8	-	100%	USA
59	Auro AR LLC	Not Applicable	USD	75.7925	7.6	-	7.6	-	-	-	-	-	-	-	-	100%	USA
60	Auro Vaccines LLC	Not Applicable	USD	75.7925	37.9	(2,641.1)	667.4	3,270.6	-	-	-	(1,621.7)	-	(1,621.7)	-	100%	USA
61	Auro Logistics LLC	Not Applicable	USD	75.7925	37.9	199.9	918.1	680.3	-	-	-	95.6	18.2	77.4	-	100%	USA
62	Acrotech Biopharma LLC	Not Applicable	USD	75.7925	37.9	3,444.4	10,186.7	6,704.4	-	-	8,799.2	1,403.6	267.3	1,136.3	-	100%	USA
63	Auro Science LLC	Not Applicable	USD	75.7925	-	-	-	-	-	-	-	-	-	-	-	100%	USA
64	Auro Packaging LLC	Not Applicable	USD	75.7925	37.9	88.8	1,114.2	987.5	-	-	-	33.1	6.3	26.8	-	100%	USA
65	Auro Steriles LLC ¹⁶	Not Applicable	USD	75.7925	-	-	-	-	-	-	-	-	-	-	-	100%	USA
66	Vespyr Brands, Inc (formerly known as Nurya Brands Inc) ¹⁷	Not Applicable	USD	75.7925	37.9	(19.1)	6,144.7	6,125.9	-	-	2,069.8	(19.1)	-	(19.1)	-	100%	USA
67	Eugia US Manufacturing LLC ¹⁸	Not Applicable	USD	75.7925	-	-	-	-	-	-	-	-	-	-	-	100%	USA
68	Eugia Injectable Inc ¹⁹	Not Applicable	USD	75.7925	-	-	-	-	-	-	-	-	-	-	-	100%	USA
69	Eugia Inc ²⁰	Not Applicable	USD	75.7925	0.8	-	0.8	-	-	-	-	-	-	-	-	100%	USA
70	API Healthcare Limited	Not Applicable	INR	1.0000	2,160.0	6,516.3	25,164.7	16,488.4	-	-	21,459.7	4,115.5	129.0	3,986.5	-	100%	India
71	Auronext Pharma Private Limited	Not Applicable	INR	1.0000	1,249.8	1,102.7	2,372.4	19.9	-	-	-	(51.0)	16.9	(68.0)	749.9	100%	India
72	Auro Peptides Ltd	Not Applicable	INR	1.0000	1.0	(1,378.7)	822.5	2,200.2	-	-	146.8	(341.1)	-	(341.1)	-	95%	India
73	Auro Pharma India Private Limited	Not Applicable	INR	1.0000	1.0	(0.3)	0.7	-	-	-	-	(0.1)	-	(0.1)	-	100%	India
74	Auroactive Pharma Private Limited	Not Applicable	INR	1.0000	230.0	(8.1)	297.9	76.0	-	-	-	(7.9)	-	(7.9)	-	100%	India
75	CurateQ Biologics Private Limited	Not Applicable	INR	1.0000	1,000.0	(2,932.7)	7,768.7	9,701.4	-	-	14.8	(3,119.7)	-	(3,119.7)	-	100%	India
76	Auro Cure Private Limited	Not Applicable	INR	1.0000	442.5	(6.8)	1,691.3	1,255.6	-	-	-	(2.2)	-	(2.2)	-	100%	India
77	AuroZest Private Limited	Not Applicable	INR	1.0000	1.0	(0.1)	503.1	502.2	-	-	-	(0.1)	-	(0.1)	-	100%	India
78	Aurobindo Antibiotics Private Limited	Not Applicable	INR	1.0000	100	(0.6)	9.4	-	-	-	-	(0.5)	-	(0.5)	-	100%	India
79	Eugia Pharma Specialities Ltd	November 6, 2020	INR	1.0000	6,210.1	2,847.1	30,990.4	22,836.8	903.6	-	14,890.9	3,794.3	986.3	2,808.0	-	100%	India

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80	Mvibes Pharma Ventures Private Limited	November 6, 2020	INR	1.0000	1,502.5	349.3	42.9	0.1	1,809.0	-	-	(0.3)	-	(0.3)	-	100%	India
81	Lyfius Pharma Private Limited	Not Applicable	INR	1.0000	1.0	(3.2)	2,193.6	2,195.8	-	-	-	(2.8)	-	(2.8)	-	100%	India
82	Quile Pharma Private Limited	Not Applicable	INR	1.0000	1.0	(0.4)	1,278.3	1,277.7	-	-	-	(0.3)	-	(0.3)	-	100%	India
83	Wyteils Pharma Private Limited	Not Applicable	INR	1.0000	400	32.3	3,941.0	3,868.7	-	-	1,836.0	(132.0)	10.7	(142.6)	-	100%	India
84	Auro vaccines Private Limited ^{2,1}	Not Applicable	INR	1.0000	1.0	(946.7)	2,634.4	3,580.1	-	-	-	(946.7)	-	(946.7)	-	100%	India

1. Aurobindo Pharma GmbH merged with Puren Pharma GmbH w.e.f. October 1, 2021, results given are up to the date of merger.

2. The Financial Statements of these entities are consolidated in Aurovitas Nederland B.V

3. CuraTeQ Biologics s.r.o. incorporated on July 27, 2021, results given are from the date of incorporation.

4. Eugia Pharma B.V. incorporated on September 8, 2021, results given are from the date of incorporation.

5. Eugia Pharma (Malta) Limited, Malta incorporated on October 14, 2021, results given are from the date of incorporation.

6. Eugia (UK) Limited incorporated on October 21, 2021, results given are from the date of incorporation.

7. CuraTeQ Biologics GmbH Liquidated w.e.f. October 7, 2021, results given are upto the date of liquidation.

8. Aurosalud SA De CV incorporated on July 16, 2021, and there was no activity during the period.

9. Auro PR Inc incorporated on September 22, 2021, results given are from the date of incorporation.

10. Eugia Pharma INC incorporated on October 29, 2021, results given are from the date of incorporation.

11. Eugia Pharma (Australia) PTY Limited incorporated on December 15, 2021, and there was no activity during the period.

12. Eugia Pharma Industria Farmaceutica Limitada incorporated on December 20, 2021, and there was no activity during the period.

13. Auro PRI LLC acquired on December 30, 2021, results given are from the date of acquisition.

14. Aurobindo Pharma Ukraine LLC incorporated on February 2, 2022, and there was no activity during the period.

15. Eugia Pharma Colombia S.A.S. incorporated on March 2, 2022, and there was no activity during the period.

16. Auro Steriles LLC incorporated on April 1, 2021, and there was no activity during the period.

17. Vespyr Brands, Inc incorporated on April 28, 2021, results given are from the date of incorporation.

18. Eugia US Manufacturing LLC incorporated on August 31, 2021, and there was no activity during the period.

19. Eugia Injectable Inc incorporated on April 1, 2021, and there was no activity during the period.

20. Eugia Inc incorporated on February 23, 2022, results given are from the date of incorporation.

21. Auro vaccines Private Limited incorporated on November 8, 2021, results given are from the date of incorporation.

*The financial year of these companies end on 31 December. However, the results given are as of March 31, 2022

**The financial year of these companies end on 30 June. However, the results given are as of 31 March 2022

For and on behalf of the Board of Directors of **Aurobindo Pharma Limited**

K. Nithyananda Reddy

Vice Chairman & Managing Director

DIN-01284195

Dr. M. Sivakumaran

Director

DIN-01284320

Place: Hyderabad

Date: June 17, 2022

Santhanam Subramanian

Chief Financial Officer

B. Adi Reddy

Company Secretary

Membership No. 13709



Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(All amounts are in Indian Rupees millions except share data and unless otherwise stated)

Name of Associate / Joint Venture	Novagen Pharma (Pty) Ltd.	Purple Bellflower (Pty) Ltd.	Tergene Biotech Private Limited	Raidurgam Developers Limited	Luoxin Aurovitas Pharm (Chengdu) Co. Ltd.*	Longxiang Pharma Taizhou Co. Ltd.* (Liquidated w.e.f. August 31, 2021)**	Novagen BBEE Invest Co. (Pty) Ltd.	NVNR (Ramannapet I) Power Plant Private Limited (w.e.f. May 12, 2021)	NVNR (Ramannapet II) Power Plant Private Limited (w.e.f. May 12, 2021)
1. Latest audited Balance Sheet Date	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	Not applicable	March 31, 2022	March 31, 2022***	March 31, 2022***
2. Shares of Associate / Joint Venture held by the Company on the year end									
No.	927,236	480	9,040,000	4,000,000	Not applicable	Not applicable	245	520,000	520,000
Amount of Investment in Associate / Joint Venture	86.2	-	90.4	40.0	566.6	Not applicable	1.0	5.2	5.2
Extent of Holding %	50.00%	48.00%	80.00%	40.00%	30.00%	57.00%	24.50%	26.00%	26.00%
3. Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate	Associate
4. Reason why the Associate / Joint Venture is not consolidated	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	-	-
5. Networth attributable to Shareholding as per latest audited Balance Sheet	(149.1)	(0.06)	(238.8)	(238.8)	745.7	Not applicable	0.3	5.3	3.5
6. Profit for the year									
i. Considered in Consolidation	(4.8)	2.9	(54.9)	(190.8)	(15.3)	(29.8)	(0.0)	-	-
ii. Not Considered in Consolidation	(4.8)	3.1	(13.7)	(286.1)	(35.8)	(22.5)	(0.1)	0.8	(6.5)

*The financial year of these companies end on 31 December. However, the results given are as of March 31, 2022

**Longxiang Pharma Taizhou Co. Ltd. Liquidated w.e.f. August 31, 2021 hence, results given are up to the date of liquidation.

*** The results given are based on the provisional financial statements.

For and on behalf of the Board of Directors of **Aurobindo Pharma Limited**

K. Nithyananda Reddy
Vice Chairman & Managing Director
DIN-01284195

Santhanam Subramanian
Chief Financial Officer

Dr. M. Sivakumaran
Director
DIN-01284320

B. Adi Reddy
Company Secretary
Membership No. 13709

Place: Hyderabad
Date: June 17, 2022



ANNEXURE-2

FORM NO. AOC-2

Particulars of Contracts/Arrangements entered into by the Company with the related parties

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

(Referred to in sub-section(1) of Section 188 of the Companies Act, 2013
including certain arm's length transactions under third proviso thereto)

1. Details of contracts or arrangements or transactions not at arm's length basis:

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Name of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the Contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount (₹ in million)
1	Aurobindo Pharma USA Inc., USA	Wholly owned subsidiary	Sale of products	on going	Based on transfer pricing guidelines	26,580.0
			Reimbursement of expenses received	on going	Based on transfer pricing guidelines	63.7
			Purchase of samples	on going	Based on transfer pricing guidelines	67.4

Appropriate approvals have been taken for related party transactions. No amount was paid as advance.

For and on behalf of the Board

Place: Hyderabad
Date : June 17, 2022**K. Ragunathan**
Chairman
DIN: 00523576

ANNEXURE-3

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

(Pursuant to the provisions of Section 134(3) (m) of the Companies Act,
2013 read with the Companies (Accounts) Rules, 2014)

(A) CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy.

I. Company adopted strategy of optimum utilisation of power, fuel, and water for conservation of energy

- Towards optimum utilisation of power: implemented numerous energy conservation activities in utilities, effluent treatment and solvent recovery operations through performance assessments, automation of equipment, standardised procurement of energy efficient equipment i.e. installation of energy efficient motors & pump sets, refrigeration systems and agitators etc. These activities accrued savings to the tune of 356 lakh Units and 12.6% reduction in overall power consumption in FY 21-22. In addition, power generation through renewable sources contributed to 16.45% of overall power consumption of FY 21-22.
- RH controllers are installed for 128 dehumidifiers which control run time at Unit 7. It gives total savings of 2816 units per day
- VFDs are provided with temperature sensors for cooling towers at Unit 7 resulting in a daily energy savings of 83 units per day
- CFL lamps are replaced with LED retrofit trays at Unit 3 saving 630 units of power per day
- At Unit 6, standard operating procedure is modified to stop AHUs in non-critical areas when not required. This initiative gives savings of about 500 units per day
- At Unit 15 chiller operation is optimised by varying chiller outlet temperature set point based on the season and the time of the day which gives savings of 1,650 units per day
- Air compressor dryer running mode is changed from normal mode to economy mode at Unit 15 resulting in 210 units per day savings. Also air compressor running is interlocked with secondary packing running to avoid air wastage which gives further savings of 275 units per day
- Unit 7 started re-using AHU chilled water condensate saving approximately 10KL of water per day.
- wStarted using liquid block reject water and AHU condensate water for cooling towers at Unit 15. This helps the unit to save 36KL per day
- Towards optimum utilisation of fuels like coal, diesel, and furnace oil: implemented operational improvement activities such as installation of waste heat recovery systems, steam condensate recovery systems, automation of boiler operations, and installing of flue gas parameters monitoring systems etc. These initiatives envisaged fuels savings to the tune of 4,143.3 Tonnes in FY 21-22 in overall fuel consumption.
- Towards optimum utilisation of water: strategy of reduce- recycle-reuse is practiced. Activities like enhancing the condensate recovery, utilisation of low TDS water for CTs, reuse of biological, chemical and sewage treated water and rainwater harvesting etc which benefited in reduction of water consumption by 33,848 Kilo Liters during the financial year and resulted in savings of 1.4% in overall consumption.
- Through rainwater harvesting Unit 7 saved 5372KL in the year 2021.
- In addition, implemented process operational improvement activities like
- Root Cause Analysis (RCA) for cooling delays which resulted in reduction of batch time by 150 minutes.
- Improved the equipment and connected utility occupancy through performance assessment studies, thereby reduced power consumption.
- Identified energy intensive operations and replaced with energy efficient utility systems through stepwise utility costing analysis.
- Replacement of liquid nitrogen cooling with mechanical chillers for reducing monetary expenses, efficient solvent recovery benefited in reutilisation of solvents and implementation of process automations enhanced productivity.



II. Company is continuously working towards adopting latest cost-efficient technologies to reduce the operational costs. Accordingly, implemented following initiatives and achieved significant reduction in cost expenses.

- i. Eliminated the cost intensive Liquid Nitrogen (LIN) by installation of -65°C, 50 TR (2 No's), -35°C, 75TR refrigeration plants and 500 Nm³/ hr nitrogen generation plant. This initiative avoided usage of LIN in cooling and inertisation applications i.e. 80% reduction in usage.
- ii. Enhanced capacity of solar power generation to 30 MW by augmenting 6 MW in FY 20-21 for self-generation of power there by reducing the dependency on grid and increased the share of renewable power generation to 16.45% with respect to overall energy consumption in FY 21-22. This initiative has generated 85.43 lakh kWh units in unit-11.
- iii. Upgradation of importing power through grid by converting 11 kV to 33 kV dedicated feeder for reducing the power cost and increased reliability of the power distribution system has led to the improved power quality.
- iv. Implemented Demand Side Management (DSM) initiative to utilise the price incentive per unit electricity cost during off peak hours from the grid. In this initiative, shifted the non-essential operating loads from peak hours to off peak hours, resulted in reduction of power expenses during peak hours.
- v. Enhanced the condensate recovery through controls in the steam condensate network and increased the condensate collection from 37.2% to 45.8%, thereby resulted in savings of makeup water by 13,463 kL/Y, contributes 9.04% with respect to total feed water consumption. Increased steam condensate recovery benefited in coal savings by 114.9 Tonnes/Year.
- vi. Following operational improvement activities resulted in cost savings.
 - a) Refurbishment of heat exchangers for improving the turnaround and productivity.
 - b) Operational improvements in pumping and utility piping systems.
 - c) Intensified the cooling tower operations by implementing innovative and energy efficient technologies.

- d) Enhanced the performance of refrigeration systems by analysing and improving the key performance indicators.
- e) Equipment operational improvement activities like Comprehensive Planned Preventive Maintenance (PPM) and condition-based monitoring to extend equipment lifespan and prevent degradation

III. During the financial year, implemented the following states of art technologies to improve the operational efficiency. Technological developments in refrigeration systems benefitted in reduction of specific energy consumption as follows:

- i. Existing chilling plants are retrofitted with advanced Oil Free Refrigeration (OFR) technology. This includes patented synthetic oil, VFD to Compressor, Magnetic Oil separator and Catalytic Filter. Implementation of this exclusive technology enhanced the efficiency of refrigeration systems by 32% and resulted in savings of 6.77 lakh units in FY 21-22.
- ii. Installation of adiabatic cooling system for air cooled refrigeration systems to pre-cool the ambient air thereby reducing the back pressure on compressor discharge, resulted in decreased power consumption. This activity reduced the specific energy consumption by 20.8% in the air-cooled refrigeration systems and achieved savings of 4.10 lakh units during FY 21-22.
- iii. Implementation of 3-way actuated control valves for Air Handling Units (AHU's) in the chilled water supply systems to precisely optimise the temperature & RH in HVAC systems, thereby reducing the excess load on chilling plants. This initiative resulted in reduction of 6.1% load on refrigeration systems and achieved savings of 0.35 lakh units per annum.
- iv. Replacement of existing +5°C water-cooled reciprocating type chillers with new energy efficient water-cooled screw type refrigeration systems. This resulted in saving of 2390 Tonnes of coal.
- v. Towards pumping efficiency improvement, installed energy efficient vertical inline pumps by replacing the existing inefficient base mounted horizontal pumps. This machinery replacement improved the reliability, operational efficiency by 20-25% and saved 1.40 lakh units /Year

- vi. Compressed air systems operations improvement by installing of No Air loss Drain (NAD) valves by replacing the existing conventional timer-based drain valves to avoid the loss of compressed air and reduce moisture content. Total 155 no's of NAD valves installed during FY 21-22 and saved 0.61 lakh units.
- vii. Following technological developments in steam and condensate network benefitted in fuel savings:
 - a) Installation of a flash vessel for recovery of flash steam in the steam and condensate network and rerouted to Boiler feed to increase the Feed Water temperature. This resulted in reduction of 1.53% coal usage and savings of 119 Tonnes during the FY 21-22.
 - b) Implementation of Pressure Power Pump Package Units (PPUs), Steam Operated Pressure Traps (SOPTs) enhanced the condensate recovery by 5%, reduced make up water intake by 14.8%. This resulted in reduction of 2200 KL/Year water consumption and 28.7 Tonnes of coal for FY 21-22.
- viii. Standardised procurement of energy efficient equipment like motors, Variable Frequency Drives (VFDs), Transformers and LED etc. In total, 294 no's of energy efficient motors procured to the cumulative capacity of 1455 kW and reduced energy consumption by 6.28 lakh units in FY 21- 22.

(ii) the steps taken by the Company for utilising alternate sources of energy:

- Purchasing/ Trading of Power through open access as per the requirement
- Installed 30 MW Solar Power Plant and generated 432.41 lakh kWh through utilisation of solar energy.

(iii) the capital investment on energy conservation equipment.

- Installation of Double Effect Vapour Absorption Machines (VAM's) and Energy Efficient Vertical In-line Pumps. This resulted in savings of 79.68 lakh units which is 16.86% in overall Unit -1 consumption. Investment made for this project. In addition, this initiative benefitted in utilising the redundant capacity of cogeneration power plant thus accrued savings.

- Approved Capex for Oil Free Refrigeration (OFR) system in Chilling plants for improving the efficiency. The project is under process.
- Approved Capex towards procurement of Energy Efficient Equipment i.e. Motors, Pumps, Refrigeration Compressors, LED lights etc. The procurement of equipment under process for few projects and savings are under monitoring stage for completed projects.
- Dehumidifiers' heater banks are replaced by steam coils at Unit 15 saving 530 units per day.

(B) TECHNOLOGY ABSORPTION

Efforts made towards technology absorption:

The Company has a robust in-house R&D team which works on research, development, and commercialisation of various APIs and Formulations. The Company along with various subsidiaries and joint ventures intensely works on R&D projects to fulfil the medical needs of many people across the globe. Technology absorption is one of the key priorities for the Company as it facilitates long-term sustainability. The technologies developed will be protected through patent registration which will directly create value for the stakeholders of the Company.

Benefits derived like product improvement, cost reduction, product development, or import substitution:

The Company actively works on optimising the costs across the value chain which makes the products and services more competitive. These activities resulted in the improvement of operational efficiency. The Company maximised the efforts to further vertically integrate the operations which decreases the dependency on import of intermediaries and APIs. These efforts include in-house development, local sourcing etc.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Not applicable.

Expenditure Incurred on Research and Development

(₹ in million)		
Particulars	2021-22	2020-21
Capital	305.8	284.5
Recurring	8,655.6	8,120.1
Total	8,961.4	8,404.6
R&D Expenditure		
As a % of total gross turnover	7.94%	5.31%



(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows.

Foreign Exchange Earned

(₹ in million)		
Particulars	2021-22	2020-21
Exports-FOB	72,862.2	133,247.8
Others	4,382.9	199.1
	77,245.1	133,446.9

Foreign Exchange Outgo

(₹ in million)		
Particulars	2021-22	2020-21
Imports-CIF	27,964.7	40,614.8
Others	3,559.0	4,330.8
	31,523.7	44,945.6

For and on behalf of the Board

K. Ragunathan
Chairman
DIN: 00523576

Place : Hyderabad
Date : June 17, 2022

FORM NO. MR-3

[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]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

To,
The Members

Aurobindo Pharma Limited
(CIN: L24239TG1986PLC015190)
Plot No.2, Maithrivi, Ameerpet,
Hyderabad – 500 038

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aurobindo Pharma Limited (hereinafter referred to as the “Company”) for the financial year ended March 31, 2022. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms, and returns filed and other records maintained by the Company and also the information provided, and declarations made by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (i.e. from April 1, 2021 to March 31, 2022) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI ACT’):
 - 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, 2009 and amendments from time to time (Not applicable to the Company during the financial year);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the financial year);
 - 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;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the financial year);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the financial year);
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the financial year).

6. Memorandum and Articles of Association of the Company.

I further report that having regard to compliance systems prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test check basis and also on reliance of the management representation letters issued by the respective department heads, the Company has complied with the following Laws as applicable to the Company:



1. Factories Act, 1948 and allied state Laws;
2. Telangana Shops and Establishment Act, 1988 and A.P. Shops and Establishment Act, 1988;
3. Employees' State Insurance Act, 1948 and the Employees' State Insurance (General) Regulations, 1950;
4. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' Provident Funds Scheme, 1952;
5. The Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
6. The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
7. The Payment of Gratuity Act, 1972
8. The Maternity Benefits Act, 1961
9. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
10. Drugs (Control) Act, 1950
11. The Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 and other rules made thereunder;
12. The Narcotic Drugs and Psychotropic Substances Act, 1985;
13. The Food Safety and Standards Act, 2006
14. The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950 and the Rules framed under the Act.
15. The Inflammable Substances Act, 1952
16. The Poisons Act, 1919
17. The Air (Prevention and control of pollution) Act, 1981 and Air (Prevention and control of pollution) Rules, 1982
18. The Water (Prevention and control of pollution) Act, 1974 and Water (Prevention and control of pollution) Rules, 1975
19. Environment Protection Act, 1986 and the rules, notifications issued thereunder.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii. The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited;
- iii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the acts, rules, regulations, guidelines, and standards etc., mentioned above.

I further report that in the Secretarial Audit report for the year ended March 31, 2021, it was reported that during 2008-09, the Company in the ordinary course of its business, entered into several Licensing and Supply Agreements with Pfizer Inc. ("Pfizer"). The Company has issued a Press Release consistent with the Pfizer Press Release on March 3, 2009 to avoid any conjecture in the market. When things stand as above, some trades in the shares of the Company were undertaken by some of the promoters to consolidate their shareholding in the Company as per the amendments brought in by SEBI to Takeover Code Regulations. However, the above act of promoters has been considered by SEBI as violation of Insider Trading Regulations of SEBI.

The contentions of the Company and its promoters were not accepted by the Adjudicating Officer (AO) and on September 23, 2019, an order was passed by the AO and levied a penalty of ₹10 million under Section 23 E of SCRA for violation of Clause 36 of the Equity Listing Agreement read with Section 21 of the SCRA and ₹10 million under Section 15HB for violation of Regulation 12 (1) read with Clause 3.2.1 of Schedule I of the PIT Regulations, 1992 read with regulation 12 (2) of the PIT Regulations, 2015 and Regulation 12 (2) read with Clause 2.1 of Schedule II of the PIT Regulations, 1992 read with Regulation 12 (2) of the PIT Regulations, 2015 on the Company and ₹132 million under Section 15G for violation of Regulations 3 and 4 of PIT Regulations on the promoters/promoter group of the Company

Thereafter, the Company and the promoters have filed an Appeal before the Securities Appellate Tribunal in the above matter. Meanwhile, the Company and the promoters have made settlement application on October 25, 2019 before SEBI without admitting or denying any violation for settlement of the matter. Accordingly, a meeting with Internal Committee of SEBI was held on February 5, 2020. The SEBI on April 16, 2020 has communicated its acceptance to the settlement proposal of the Company and its promoters. Accordingly, on April 30, 2020 the

Company has paid ₹22 million and the promoters cumulatively have paid ₹198.2 million to SEBI towards settlement amount for settlement of the above matter.

SEBI vide settlement order dated May 6, 2020 disposed of all the enforcement proceedings of SEBI in respect of the aforesaid allegations against the Company and the Promoters and the matter was closed.

However, SEBI on October 23, 2020 informed some of the Promoters that there are some calculation errors in the Settlement amounts and asked them to make good certain amounts for which the said promoters have filed a writ petition before Hon'ble High Court of Telangana, at Hyderabad. The Hon'ble High Court on November 18, 2020 has granted interim relief to the said promoters by way of suspension of the SEBI direction dated October 23, 2020, subject to depositing of around ₹17.5 million with SEBI. Accordingly, the said amount was deposited by the Promoters and presently the matter is pending for disposal before Hon'ble High Court of Telangana, at Hyderabad.

There were no proceedings pending in the above matter against the Company with SEBI.

I further report that:

- a) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.
- d) the compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of account has not been reviewed by me since the same have been subject to review by statutory auditors and other professionals.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of

the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

I further report that during the period under review:

- a) the Company vide Share Purchase Agreement dated June 1, 2021 has transferred 100% stake in Auro Cure Private Limited, a wholly-owned subsidiary of the Company to Eugia Pharma Specialities Limited, a wholly-owned subsidiary of the Company at book value aggregating to ₹442.5 million. Auro Cure Private Limited has become wholly-owned step-down subsidiary of the Company.
- b) the Company vide Business Transfer Agreement dated June 1, 2021 has transferred Unit-16 engaged in manufacturing of betalactum injectables, located at TSIIC Limited Special Economic Zone, Polepally Village, Jadcherla Mandal, Mahaboobnagar - 509 302, Telangana to Wytells Pharma Private Limited, a wholly-owned step-down subsidiary of the Company on slump sale basis at a lump sum consideration of ₹3,370 million.
- c) the Company vide Business Transfer Agreement dated July 1, 2021 has transferred Unit 4, located at Plot No. 4 in Sy. No. 151 and Plot Nos.34 to 48 in Sy. Nos. part of 146, 150, 151, 152, 153 and 154 situated in Phase-III, APIIC, EPIP, IDA, Pashamylaram, Patancheru Mandal, Medak District – 502 307, Telangana to Eugia Pharma Specialities Limited, a wholly-owned subsidiary of the Company on slump sale basis at a lump sum consideration of ₹8,760 million.
- d) the Company vide Business Transfer Agreement dated January 1, 2022 has transferred the vaccines business undertaking comprised in Unit 18 located at Survey No.69, 70, 71 & 72, Indrakaran Village, Kandi Mandal, Sangareddy District – 502 203, to Auro Vaccines Private Limited, a wholly-owned subsidiary of the Company on a slump sale basis as a going concern along with its assets and liabilities for a consideration of ₹2,990 million.
- e) the Company has approved the acquisition of business and certain assets of Veritaz Healthcare Limited on slump sale basis for a consideration of ₹1,710 million and accordingly entered into a Business Transfer Agreement dated March 28, 2022. Veritaz operates in pharmaceutical industry in India and sells branded generic formulations and other health care related products.
- f) pursuant to the provisions of Section 230 to 232 read with Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company at its meeting held



on August 12, 2021 has approved the Scheme of Amalgamation for Merger of its wholly-owned subsidiaries viz. Auronext Pharma Private Limited and Mviyes Pharma Ventures Private Limited with the Company. However, the Company is yet to file the necessary applications to the concerned authorities in this matter.

- g) the Company at the Board Meeting held on August 12, 2021, has approved the proposal to make investment up to ₹4,200 million by subscribing to the equity shares and acquiring 51% stake in Cronus Pharma Specialities India Private Limited. However, at the Board Meeting held on August 20, 2021, the Company has terminated the Securities Subscription Agreement and Shareholders Agreement entered into with Cronus Pharma Specialities India Private Limited and the proposed transaction was withdrawn.

- h) the Company at the Board Meeting held on December 31, 2021, in order to bring the entire Vaccination business under one vertical, approved transfer of the Company's 80% stake (9,040,000 equity shares of ₹10/- each) held in Tergene Biotech Private Limited, a subsidiary of the Company to Auro Vaccines Private Limited, a wholly-owned subsidiary of the Company at a consideration of around ₹107.6 million. However, the transaction of transfer of shares is pending.

Date: May 30, 2022
Place: Hyderabad

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No. 2147 II COP No. 16660
UDIN: F002147D000425240

'ANNEXURE'

To,
The Members
M/s. **Aurobindo Pharma Limited**
(CIN: L24239TG1986PLC015190)
Plot No.2, Maithrivihar, Ameerpet,
Hyderabad – 500 038

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
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.

Date: May 30, 2022
Place: Hyderabad

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No. 2147 II COP No. 16660

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The CSR policy has been placed on the Company's website at: <https://www.aurobindo.com/wp-content/uploads/2021/07/CSR-policy.pdf>.

The CSR policy, which encompasses the Company's philosophy for defining its social responsibility and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of the society as per approach and direction given by the board. This policy and the operational guidelines are subject to and pursuant to the provisions of the Companies Act, 2013 (Act) and the Schedules, rules and regulations made thereunder.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. K. Nithyananda Reddy	Chairman	5	5
2	Mr. K. Raghunathan	Member	5	5
3	Dr. M. Sivakumaran	Member	5	5
4	Mr. P. Sarath Chandra Reddy	Member	5	4
5	Mrs. Savitha Mahajan	Member	5	5
6	Mrs. Avnit Bimal Singh	Member	5	5
7	Mr. Girish Paman Vanvari	Member	5	5

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:

<https://www.aurobindo.com/about-us/corporate-governance/board-committees/#csr>
<https://www.aurobindo.com/wp-content/uploads/2021/07/CSR-policy.pdf>
<https://www.aurobindo.com/sustainability/annual-action-plan/>

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

The Company takes cognisance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and has initiated impact assessment of CSR projects through independent agencies. The reports are available on the Company's website at <https://www.aurobindo.com/sustainability/impact-assessment-reports-csr-projects/>

5. Details of 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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
-	-	-	-

6. Average net profit of the Company as per Section 135 (5): ₹ 28,495,074,010/-

7. (a) Two percent of average net profit of the Company as per Section 135 (5): ₹ 569,901,480/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹1,710,907 + ₹1,120,997 = ₹2,831,904/-. This is the interest amount realised on CSR funds lying in the bank.

(c) Amount required to be set off for the financial year, if any. N/A

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 572,733,384/-

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

Total Amount Spent for the Financial Year (₹ in millions)	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5).		
	Amount ₹ in millions	Date of transfer	Name of the Fund	Amount	Date of transfer
298.595	272.427	28.04.2022	N/A	N/A	N/A

Note: Total spent amount for FY 2021-22 is Rs 536.431 million which also includes the amount spent from Unspent CSR account for FY 2020-21 i.e., ₹237.836 million

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

Ongoing Projects of FY 2020-21

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year 2021-22 (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Digital Equalizer programme of American India Foundation – Establishment of digital classrooms and STEM learning tools in 10 government schools of Srikakulam and Vizianagaram districts	Item no (ii): Promoting education	Yes	Andhra Pradesh	Srikakulam & Vizianagaram	2020-21 to 2023-24	14,250,000	2,680,590	5,314,700	No	American India Foundation	CSR00001977
2.	Construction of Gurukula Patasala at Jubilee Hills, Hyderabad	Item no (ii): Promoting education	Yes	Telangana	Hyderabad	2020-21 to 2022-23	7,784,136	2,510,859	2,518,018	Yes	Aurobindo Pharma Foundation	CSR00017111
3.	Construction of additional classrooms, toilets and compound wall at Government Primary School, Paniyala village, Hatnora mandal	Item no (ii): Promoting education	Yes	Telangana	Sangareddy	2020-21 to 2022-23	6,254,000	1,000,000	3,111,500	Yes	Aurobindo Pharma Foundation	CSR00017111
4.	Construction of additional 4 classrooms (Ground+ First Floor) at Smt. Geetha Bhooopal Reddy Govt. Junior College, Ramachandrapuram mandal, Sangareddy district, Telangana state	Item no (ii): Promoting education	Yes	Telangana	Sangareddy	2020-21 to 2021-22	4,558,742	2,627,072	0	Yes	Aurobindo Pharma Foundation	CSR00017111
5.	Inculcating innovative learning through creative library setup in 10 Government Primary Schools in Sangareddy district	Item no (ii): Promoting education	Yes	Telangana	Sangareddy	2020-21 to 2023-24	3,500,000	0	2,008,640	No	Room To Read Trust	CSR000000493
6.	Construction of kitchen block, dining hall and providing kitchen equipment at Vidya Bharathi Vignana Kendram at Nadergul village, Badangpet mandal	Item no (i): Eradicating Hunger	Yes	Telangana	Ranga Reddy	2020-21 to 2022-23	15,064,000	0	3,766,000	No	Saraswathi Vidya Peetham	CSR000004233
7	Improving the school infrastructure by constructing toilets, classrooms, paintings, providing drinking water and supporting with digital education tools in various government schools. (Out of ₹22.5 million allocated budget, an amount of ₹7.5 million has been spent in FY 2020-21 and this project is completed, balance allocated budget of ₹15 million allocated to S.no: 8 project)	Item no (ii): Promoting education	Yes	Telangana	Rajanna sirilla District	2020-21 to 2022-23	7,500,000	0	0	No	GIVE Foundation	CSR000000535



(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	Mode of Implementation – Through Implementing Agency	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year 2021-22 (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of Implementation – Direct (Yes/No)	Name	CSR Registration number
				State	District							
8	Extension of Skill Development Centre building at Alluri Sita Ramaraju Vignana Kendram, Visakhapatnam district, Andhra Pradesh state (Repurposed from GIVE Foundation project)	Item no (ii): Promoting employment enhancing vocational skills	Yes	Andhra Pradesh	Visakhapatnam	2021-22 to 2022-23	15,000,000	15,000,000	0	No	Alluri Sita Ramaraju Vignana Kendram	CSR00017779
9.	Constructing New Oncology block building (with 2,20,000 sqft with -2,-1,Ground Floor+4 floors) along with Radiation Cancer Block at Mehdi Nawaz Jung (MNJ) Institute of Oncology & State Cancer Centre located at Red Hills, Hyderabad	Item no (i): Promoting preventative healthcare	Yes	Telangana	Hyderabad	2019-20 to 2022-23	441,011,586	166,592,216	10,469,841	Yes	Aurobindo Pharma Foundation	CSR00017111
10.	Strengthening of Primary Health Centres and Anganwadi Centres in 8 mandals of Nellore, Vizianagaram and Srikakulam districts	Item no (i): Promoting preventive healthcare & poverty and malnutrition	Yes	Andhra Pradesh	Nellore, Srikakulam and Vizianagaram	2020-21 to 2024-25	100,000,000	0	93,390,200	No	CARE India	CSR00000786
11.	a) Construction of a centralized kitchen in Nirmal district, Telangana (Project withdrawn due to unforeseen circumstances) Funds from this project redirected to: b) An amount of ₹47,00,000/- was redirected to Second phase of construction of Oncology Block at MNJ Institute of Oncology and Regional Cancer Centre, Redhills, Hyderabad c) An amount of ₹50,00,000/- was redirected to support partially through a fund of ₹5 million towards construction of 100 bed hospital (out of total outlay of ₹182.6 million) in Madanapalle, Chittoor by The Satsang Foundation, Bangalore to help local tribal settlements.	Item no (i): Promoting preventative healthcare	Yes	Andhra Pradesh	Annamayya	2021-22 to 2022-23	9,700,000	4,700,000	5,000,000	No	Satsang Foundation	CSR000006667
12.	Comprehensive development of Pileru to showcase as a sustainable and model village	Item no (x): Rural development projects	Yes	Andhra Pradesh	Chittoor	2020-21 to 2022-23	30,000,000	8,327,215	13,613,574	No	APMAS	CSR00001583

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Location of the project			Amount allocated for the project (in ₹)	Amount spent in the current financial Year 2021-22 (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency		
			Local area (Yes/No)	State	District					Project duration	Name	Registration number
13.	a) Establishing Borapatla & Reddykhanapur Farmers' Co-operative Society & Custom Hiring Centre to provide trainings and support with agriculture equipment at Borapatla and Reddykhanapur villages, Hatnoora mandal	Item no (x): Rural development projects	Yes	Telangana	Sangareddy	2018-19 to 2022-23	14,531,223	0	No	APMAS	CSR00001583	
	b) An amount of ₹1,30,00,000/- from this project was diverted to the project for Establishment of Lift Irrigation Scheme at Borapatla village, Sangareddy district – Project has been completed in 2020-21											
	c) An amount of ₹13,46,302/- from this project was diverted to the project mentioned in Ongoing Projects 2020-21 table (S. No. 4 of this table); Construction of additional classrooms at Smt. Geetha Bhoopal Reddy Govt. Jr. College, Sangareddy district – Project has been completed in 2021-22											
	d) An amount of ₹46,42,829/- from this project was diverted to the project mentioned in Ongoing Projects 2020-21 table (S. No. 8 of this table); Construction of new oncology block building (with 2,20,000 sqft) at Mehdi Nawaz Jung (MNU) Institute of Oncology & State Cancer Centre located at Red Hills, Hyderabad – Project to be completed											
14.	Constructing model rural Police Station at Bachupally village, Hyderabad	Item no (x): Rural development projects (public safety)	Yes	Telangana	Medchal-Malkajgiri	2020-21 to 2022-23	35,000,000	19,859,757	15,140,243	Yes	Aurobindo Pharma Foundation	CSR00017111
TOTAL							729,622,464	237,828,932	154,332,716			
15	An interest of ₹ 17,03,235 has been allocated for construction of new Oncology block building at MNJ Institute of Oncology (S.no.9).						1,703,235	1,703,235	Yes	Aurobindo Pharma Foundation	CSR00017111	



Ongoing Projects of FY 2021-22

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of Implementation – Through Implementing Agency		
				State	District					Name	Registration number	
1.	Construction of Vedapatasala with 30 Classrooms to promote vedic schooling and Gurukula education system by Sri Sankara Gurukula Vedapatasala Trust at Ponnala village, Shameerpet mandal	Item no (ii): Promoting education	Yes	Telangana	Medchal-Malkajgiri	2021-22 to 2022-23	30,000,000	15,000,000	15,000,000	No	Sri Sankara Gurukula Vedapatasala Trust	CSR000010759
2.	Construction of Government Primary school with 8 classrooms (G+1 floor) and other infrastructure at Borapatta village, Hatnora mandal	Item no (ii): Promoting education	Yes	Telangana	Sangareddy	2021-22 to 2022-23	8,000,000	5,480,000	2,520,000	Yes	Aurobindo Pharma Foundation	CSR000017111
3.	Construction of Government Girls Junior College with 17 classrooms and other infrastructure at Sangareddy town	Item no (ii): Promoting education	Yes	Telangana	Sangareddy	2021-22 to 2022-23	35,000,000	9,865,214	25,134,786	Yes	Aurobindo Pharma Foundation	CSR000017111
4.	Construction of additional classrooms, toilets and other infrastructure in Government ZPH & Primary School at Kowkunta village, Chevella mandal	Item no (ii): Promoting education	Yes	Telangana	Ranga Reddy	2021-22 to 2022-23	9,000,000	2,450,000	6,550,000	Yes	Aurobindo Pharma Foundation	CSR000017111
5.	To support with fund for Sri Kalyana Venkateswara Vedapatasala Trust at Tirupathi	Item no (ii): Promoting education	Yes	Andhra Pradesh	Annamayya	2021-22 to 2022-23	10,000,000	0	10,000,000	No	Sri Kalyana Venkateswara Vedapatasala Trust	NA
6.	Education/Health/Women Empowerment project with Rotary Foundation and District Collector, towards providing 1700 Bicycles to underprivileged girls in various Government schools at Narayanapet	Item no (i): Promoting Education/ & Women Empowerment	Yes	Telangana	Narayanapet	2021-22 to 2022-23	10,000,000	0	10,000,000	No	Rotary Foundation	CSR000008486
7.	Second phase of construction of New Oncology Block at MNJ Institute of Oncology and Regional Cancer Centre at Redhills, Hyderabad (An interest amount of ₹ 11,20,997 has been allocated to this project)	Item no (i): Promoting preventive healthcare	Yes	Telangana	Hyderabad	2021-22 to 2022-23	184,543,387	45,122,622	139,420,765	Yes	Aurobindo Pharma Foundation	CSR000017111
8.	Developing social forestry in 4 acres of government land under the Palke Prathuri Vanam scheme of Telangana Government in Borapatta village, Hatnora mandal	Item no (iv): Ensuring environmental sustainability	Yes	Telangana	Sangareddy	2021-22 to 2022-23	2,500,000	2,282,421	217,579	Yes	Aurobindo Pharma Foundation	CSR000017111

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency
			State	District						Name Registration number
9.	To support "Bharosa Society for Protection of Women and Children", an initiative of Government of Telangana that provides integrated services for women and children safety in rural parts of Sangareddy district, it is proposed to fund ₹20 million for construction of one Bharosa Centre and its maintenance for one year in Sangareddy district	Item no (iii): Promoting gender equality	Yes	Telangana	Sangareddy	2021-22 to 2023-24	0	20,000,000	Yes	Aurobindo Pharma Foundation
10.	To support villages around new Aurobindo Facility in Kakinada SEZ of Andhra Pradesh state through various CSR Projects and to take up different communities' immediate and short term needs like education, health, sanitation, drinking water and other community infrastructure (First Phase)	Item no (x): Rural development	Yes	Andhra Pradesh	Kakinada	2021-22 to 2022-23	6,415,983	43,584,017	Yes	Aurobindo Pharma Foundation
Total							359,043,387	86,616,240	272,427,147	
Grand Total							1,090,369,086	324,445,172	428,463,098	



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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.	Amount spent for the project (in ₹)	Mode of implementation – Direct (Yes/No).	Mode of implementation – Through implementing agency.
				State District			Name CSR registration number
1	To provide and promote quality education for underprivileged students, provided salaries for 14 Vidya Volunteers, renovation of government schools, provided financial support for education of children with disabilities in Telangana, provided infrastructure for Sri Satya Sai Vidya Mandir and Government Junior College, Merakamudidam, Andhra Pradesh, etc., supported operational expenses for two skill development centers, provided sponsorship for education for underprivileged students in various areas of Telangana and Andhra Pradesh	Item no (i): "Promoting preventive education" "Promoting employment enhancement vocational skills"	Yes	Telangana, Sangareddy, Hyderabad, Andhra Pradesh and Pudukchery	17,357,147	Both (direct and through implementing partner)	Aurobindo Pharma Foundation Ashray Akruithi, Lekhadeep, Mahabodhi Society, NA Sri Kalyana Venkateswara Veda Patasala Trust
2	To improve the healthcare facilities available, provided high grade ophthalmic equipment to Pushpagiri Vitreo Retina Institute at Kadapa, provided financial support for medical treatment of 18 underprivileged people, provided nutritious meals to underprivileged people in Telangana and Andhra Pradesh	Item no (i): "Promoting preventive healthcare", "eradicating hunger"	Yes	Telangana and Andhra Pradesh	43,819,428	Both (direct and through implementing partner)	Aurobindo Pharma Foundation Pushpagiri Vitreo Retina Institute Ashray Akruithi Hyderabad Runners Society Hare Krishna Movement Charitable Foundation
3	To make safe drinking water available in rural areas, established various capacities of RO Water plants in rural areas of Andhra Pradesh and Telangana, provided safe drinking water through other avenues such as water tankers and bore wells, provided AMC to 35 rural RO plants and laid water distribution pipeline in Andhra Pradesh State	Item no (i): making safe drinking water available"	Yes	Telangana and Andhra Pradesh	7,996,784	Direct	Aurobindo Pharma Foundation
4	To improve farmers welfare and agricultural landscape of rural areas, established lift irrigation scheme in Peddamandadi mandal, Wanaparthy district, provided capacity building training for farmers, laid CC roads, installed solar & LED lights in rural areas, constructed community hall. To improve the public safety in rural areas, renovated command control centre at District Police Headquarters, Srikakulam, provided protective fire suits to District Fire Department, Nellore, provided operational expenses of Industrial Fire Safety Association in Andhra Pradesh and Telangana	Item no (x): rural development, public safety	Yes	Telangana and Andhra Pradesh	39,819,413	Both (direct and through implementing partner)	Aurobindo Pharma Foundation NA RAMKY Foundation NRAFOR Sri Venu Gopala Swamy Mandir

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)	
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	State	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation – Direct (Yes/No).	Mode of implementation – Through implementing agency.
					State	District			Name CSR registration number
5	To improve and protect the environment and promote animal welfare, planted and supported maintenance of saplings and plants in industrial zones of Telangana, provided support for environment sustainability initiatives conference in New Delhi, supported gowshalas maintenance in Telangana	Item no (iv): environmental sustainability, animal welfare	Both	Telangana and New Delhi	Sangareddy, Mahabubnagar, Hyderabad, Ranga Reddy and New Delhi		8,516,635	Both (direct and through implementing partner)	Aurobindo Pharma Foundation CSR000017111 Sri Kalpavruksha CSR00025068 Kamadhenu Welfare Trust NA Sri Venugopala Swamy NA Mandir Goshala Bhageerathi Nagabhushana Dixitulu Suhrudbhava Samstha Gow Rakshana Shala Avadhana Saraswathi Peetham
6	To provide aid and relief during the second wave of COVID-19, provided oxygen equipment facilities, medical equipment to government hospitals, provision of medicines, groceries, ambulance services and other essential commodities to underprivileged people in Andhra Pradesh, Telangana and other states, Provision of essential commodities and groceries to the victims of Cyclone Gulaab in Srikakulam district	Item no (xii): disaster relief	Both	Andhra Pradesh, Telangana, Haryana and Tamil Nadu	Srikakulam, Vizianagaram, East Godavari, Nellore, Sangareddy, Hyderabad, Warangal, Medchal-Malkajgiri, Rangareddy, Chennai and Gurugram,		60,267,170	Both	Aurobindo Pharma Foundation CSR00017111 DMK Youth Wing Charitable Trust NA
7	To promote rural sportspersons, provided financial support to rural athletes for training and participation in National & International tournaments, provided gymnasium equipment to local community gym in Vizianagaram district	Item no (vii): promotion of rural sports	Yes	Telangana and Andhra Pradesh	Ranga Reddy, Nalgonda and Vizianagaram		2,706,260	Yes	Aurobindo Pharma Foundation CSR00017111
8	To promote Indian art and culture provided financial support for conducting programs to promote art, culture, dance and music	Item no (vi): Protection of national heritage, art and culture	Yes	Telangana	Hyderabad		900,000	No	Kalasagaram NA Pandit Jasraj Cultural Foundation CSR00017936
Total							181,382,837		

(d) Amount spent in Administrative Overheads: ₹ 25,921,396.86

(e) Amount spent on Impact Assessment, if applicable: ₹ 4,682,528.00

(f) Total amount spent for the Financial Year
(8b+8c+8d+8e): (324,445,172.00 + 181,382,837.00 + 25,921,396.86 + 4,682,528.00) = ₹ 536,431,933.86

(g) Excess amount for set off, if any



Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135 (5)	569,901,480/-
(ii)	Total amount spent for the Financial Year	536,431,934/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	N/A
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	2,831,904/-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	N/A

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹ million)	Amount transferred to any fund specified under Schedule VII as per Section 135 (6), if any.			Amount remaining to be spent in succeeding financial years (in ₹ million)
			Amount spent in the reporting Financial Year (in ₹ million)	Name of the Fund	Amount (in ₹)	Date of transfer
1	2019-20	N/A	N/A	N/A	N/A	N/A
2	2020-21	392.2	237.8	N/A	N/A	154.4
3	2021-22	272.4	N/A	N/A	N/A	272.4
	Total	664.6	237.8			426.8

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

Ongoing projects for FY 2020-21:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed/ Ongoing
1.	HEALTH-2019-TS-DIRECT-OG-01	Construction of new oncology block building (with 2,20,000 sqft) at Mehdi Nawaz Jung (MNJ) Institute of Oncology & State Cancer Centre located at Red Hills, Hyderabad	2019-20	4 years	441,011,586	166,592,216	430,541,746	Ongoing
2.	HEALTH-2019-TS-DIRECT-OG-01	Construction of new oncology block building (with 2,20,000 sqft) at Mehdi Nawaz Jung (MNJ) Institute of Oncology & State Cancer Centre located at Red Hills, Hyderabad	2021-22	1 year	4,700,000	4,700,000	4,700,000	Completed
3.	HEALTH-2019-TS-DIRECT-OG-01	Amount re-directed from the Nirmal Kitchen project	2021-22	2 years	1,703,235	0	0	Ongoing
4.	EDU-2020-AP-AIF-OG-04	Digital Equalizer programme of American India Foundation – Establishment of digital classrooms and STEM learning tools in 10 government schools of Srikakulam and Vizianagaram districts	2020-21	3 years	14,250,000	2,680,590	8,935,300	Ongoing
5.	EDU-2020-TS-DIRECT-OG-08	Construction of Veda Patasala in Jubilee Hills, Hyderabad	2020-21	3 years	7,784,136	2,510,859	5,266,118	Ongoing
6.	EDU-2020-TS-DIRECT-OG-05	Construction of additional classrooms, toilet and compound wall at Government Primary School, Panivala village, Hatnoora mandal	2020-21	3 years	6,254,000	1,000,000	3,142,500	Ongoing
7.	EDU-2020-TS-DIRECT-OG-04	Construction of additional 4 classrooms (Ground+ First Floor) at Smt. Geetha Bhoopal Reddy Govt. Junior College, Ramachandrapuram mandal, Sangareddy district, Telangana state	2020-21	2 years	4,558,742	2,627,072	4,558,742	Completed



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed/ Ongoing
8.	EDU-2020-TS-RR-OG-11	Inculcating innovative learning through creative library setup in 10 Government Primary Schools in Sangareddy district	2020-21	3 years	3,500,000	0	1,491,360	Ongoing
9.	NUTRI-2020-TS-VBVK-OG-01	Construction of dining hall, kitchen block and provision of kitchen equipment to Vidya Bharathi Vignana Kendram at Nadergul village, Badangpet mandal	2020-21	3 years	15,064,000	0	11,298,000	Ongoing
10.	SDEV-2021-AP-ASVK-CY-02	Extension of Skill Development Centre building at Alluri Sita Ramaraju Vignana Kendram, Visakhapatnam district, Andhra Pradesh state This project was approved in FY2021-22 after the amount was approved to be re-directed from 2020-21 GVE Foundation project which was withdrawn	2021-22	1 year	15,000,000	15,000,000	15,000,000	Completed
11.	HEALTH-2020-AP-CARE-OG-04	Strengthening Primary Healthcare Centres and Anganwadi Centres in 8 mandals of Nellore, Vizianagaram and Srikakulam districts	2020-21	5 years	100,000,000	0	6,609,800	Ongoing
12.	HEALTH-2021-AP-SF-OG-01	To support partially through a fund of ₹5 million towards construction of 100 bed hospital (out of total outlay of ₹182.6 million) in Madanapalle, Chittoor by The Satsang Foundation, Bangalore to help local tribal settlements. This project was approved in FY2021-22 after the amount was approved to be re-directed from 2020-21 Nirmal Kitchen project which was withdrawn	2021-22	2 years	5,000,000	0	0	Ongoing
13.	AGRI-2020-AP-APMAS-OG-01	Comprehensive development of Pileru to showcase as a sustainable and model village	2020-21	3 years	30,000,000	8,327,215	16,386,426	Ongoing
14.	AGRI-2020-TS-APMAS-OG-01	Establishing Borapatia & Reddykhanapur Farmers' Co-operative Society & Resource Centre in Borapatia and Reddykhanapur villages	2018-19	5 years	40,000,000	14,531,223	40,000,000	Completed
15.	SAFETY-2020-TS-DIRECT-OG-02	Construction of model Police Station at Bachupally, Hyderabad	2020-21	3 years	35,000,000	19,859,757	19,859,757	Ongoing
16	EDU-2020-TS-GIVE-OG-06	Improving the school infrastructure by constructing toilets, classrooms, paintings, providing drinking water and supporting with digital education tools in various government schools.	2020-21	3 years	7,500,000	0	7,500,000	Completed
Total					731,325,699	237,828,932	575,289,749	

Ongoing projects for FY 2021-22:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed/ Ongoing
1.	EDU-2021-TS-SSGP-OG-03	Construction of Vedapatasala with 30 Classrooms to promote vedic schooling and Gurukula education system for 300 students by Sri Sankara Gurukula Vedapatasala Trust at Ponnala village, Shameerpet mandal	2021-22	2 years	30,000,000	15,000,000	15,000,000	Ongoing
2.	EDU-2021-TS-DIRECT-OG-01	Construction of Government Primary school with 8 classrooms (G+1 floor) and other infrastructure at Borapatia village, Hainoora mandal	2021-22	2 years	8,000,000	5,480,000	5,480,000	Ongoing
3.	EDU-2021-TS-DIRECT-OG-05	Construction of Government Girls Junior College (17 classrooms and other infrastructure) that supports 2000 girl students (current capacity - 700 students) at Sangareddy town	2021-22	2 years	35,000,000	9,865,214	9,865,214	Ongoing

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed/ Ongoing
4.	EDU-2021-TS-DIRECT-OG-06	Construction of additional classrooms, toilets and other infrastructure in Government ZPH & Primary School, that benefits 380 students in this school, at Kowkuntla village, Chevella mandal	2021-22	2 years	9,000,000	2,450,000	2,450,000	Ongoing
5.	EDU-2021-AP-SKVPT-OG-01	To support with fund of ₹10 million for Sri Kalyana Venkateswara Vedapatasala Trust at Tirupathi	2021-22	2 years	10,000,000	0	0	Ongoing
6.	EDU-2021-AP-DIRECT-OG-03	To support villages around new Aurobindo Facility in Kakinada SEZ of Andhra Pradesh state through various CSR Projects and to take up different communities' immediate and short term needs like education, health, sanitation, drinking water and other community infrastructure (First Phase)	2021-22	2 years	50,000,000	6,415,983	6,415,983	Ongoing
7.	HEALTH-2019-TS-DIRECT-OG-01	Second phase of construction of new oncology block building (with 2,20,000 sq ft) at Mehdi Nawaz Jung (MNJ) Institute of Oncology & State Cancer Centre located at Red Hills, Hyderabad	2019-20	4 years	184,543,387	45,122,622	45,122,622	Ongoing
8.	HEALTH-2021-TS-RF-OG-02	Education/Health project with Rotary Foundation and District Collector, Narayanapet, providing 1700 bicycles to underprivileged Girl students in various government schools	2021-22	2 years	10,000,000	0	0	Ongoing
9.	ENV-2021-TS-TSGOV-OG-01	Developing social forestry in 4 acres of government land under the Palle Prakruthi Vanam scheme of Telangana Government in Borapatta village, Hatnora mandal	2021-22	2 years	2,500,000	2,282,421	2,282,421	Ongoing
10.	WOMEN-2021-TS-DIRECT-OG-01	To support "Bharosa Society for Protection of Women and Children", an initiative of Government of Telangana that provides integrated services for women and children safety in rural parts of Sangareddy district. It is proposed to fund ₹20 million for construction of one Bharosa Centre and its maintenance for one year in Sangareddy district	2021-22	2 years	20,000,000	0	0	Ongoing
Total					359,043,387	86,616,240	86,616,240	
Grand Total					1,090,369,086	324,445,172	661,905,989	

11. In case creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year
Nil

- Date of creation or acquisition of capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

12. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5). Since the projects are of long term nature, the total amount committed to some of the projects was not spent but such unspent amount related to on-going projects has been transferred to Unspent CSR Account opened for this purpose by the Company.

Sd/-
K. Nithyananda Reddy
Vice Chairman & Managing Director
DIN: 01284195

Sd/-
K. Nithyananda Reddy
Chairman of CSR Committee
DIN: 01284195



ANNEXURE-6

INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

	Name & designation	Ratio
a	Mr. K. Nithyananda Reddy, Vice Chairman & Managing Director*	46 : 1
b	Mr. N. Govindarajan, Managing Director (upto December 31, 2021)	203 : 1
c	Dr. M. Sivakumaran, whole-time Director	39 : 1
d	Mr. M. Madan Mohan Reddy, whole-time Director	88 : 1
e	Mr. P. Sarath Chandra Reddy, whole-time Director	25 : 1

* Vice Chairman & Managing Director w.e.f. 01.01.2022 and earlier Vice Chairman & Whole-time Director

- (ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager in the financial year

	Name & category	Increment Percentage
a	Mr. K. Nithyananda Reddy, Vice Chairman & Whole-time Director	16.72
b	Mr. N. Govindarajan, Managing Director (upto December 31, 2021)	13.91
c	Dr. M. Sivakumaran, Whole-time Director	0.04
d	Mr. M. Madan Mohan Reddy, Whole-time Director	0.02
e	Mr. P. Sarath Chandra Reddy, Whole-time Director	0.06
f	Mr. S. Subramanian, Chief Financial Officer	12.13
g	Mr. B. Adi Reddy, Company Secretary	15.33

- (iii) The percentage increase in the median remuneration of employees in the financial year was 11.70%
- (iv) The number of permanent employees on the rolls of the Company as on March 31, 2022 was 15,431.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The percentage increase in the salaries of the employees other than managerial personnel in the last financial year is 10.14% as against 8.30% increase in the salaries of managerial persons. The increase in salary in case of managerial persons is mainly on account of revision in the salary.

- (vi) The remuneration paid to Key Managerial Persons is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Place: Hyderabad
Date : June 17 2022

K. Ragunathan
Chairman
DIN: 00523576

Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations 2015").

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Aurobindo has always attached great importance to good and responsible corporate governance. The Company belongs to all the stakeholders and the corporate objective is to maximise shareholder value ethically and legally. Efforts are therefore made to raise the level of transparency, trust and confidence of stakeholders in the way the Company is run. The team at Aurobindo operates as a trustee on behalf of every shareholder - large or small.

The Company will continue to strive to be a wealth creator to meet stakeholders expectations and be a responsible citizen in its societal commitments. In the achievement of its goals, the Company utilises its resources with accountability and

professionalism to meet the needs of customers and deliver on their expectations; meet the commitments with vendors, partners, employees, governments and the community.

BOARD OF DIRECTORS

The Board of Directors along with its Committees, guides, directs and oversees the management and protects long term interests of shareholders, employees and the society, at large. The Board also ensures compliance of the applicable provisions and code of ethical standards wherever the Company and its subsidiaries are present.

Size and Composition of the Board

As on March 31, 2022, the Board consists of nine Directors. Four of them are Executive and Five are Non-Executive Directors, including four independent of which two are women directors. Your Company has taken all the necessary steps to strengthen the Board with the optimum combination of executive and non-executive/independent directors.

Composition of Board of Directors as on March 31, 2022

Name	Category	Number of Board Meetings attended	Attendance at the last AGM held on August 26, 2021	Number of Directorships in other companies*	Number of Committee positions held in other companies**		No. of shares of ₹1 each held in the Company
					Chairman	Member	
Mr. K. Ragunathan	Non-executive Independent Chairman	9	Yes	7	---	---	---
Mr. K. Nithyananda Reddy	Promoter and Executive	9	Yes	4	---	---	25,359,572
Dr. M. Sivakumaran	Executive	8	Yes	7	---	2	14,491,360
Mr. M. Madan Mohan Reddy	Executive	9	Yes	9	---	---	2,010
Mr. P. V. Ramprasad Reddy	Promoter and Non-Executive	9	Yes	2	---	---	18,000,000
Mr. P. Sarath Chandra Reddy	Executive	7	Yes	7	---	---	---
Dr. (Mrs.) Avnit Bimal Singh	Non-executive Independent	9	Yes	---	---	---	---
Mrs. Savita Mahajan	Non-executive Independent	9	Yes	4	---	---	---
Mr. Girish Paman Vanvari	Non-executive Independent	9	Yes	5	4	4	---

* The directorships are in the companies incorporated under the Companies Act, 1956/2013.

** Includes only Audit, Nomination & Remuneration/Compensation and Stakeholders Relationship Committees (excluding private limited companies, foreign companies, and companies under Section 8 of the Companies Act 2013 or Section 25 of the Companies Act 1956).

Notes:

1. Leave of absence was granted on request to those Directors who could not attend the meeting(s) due to their pre-occupations.
2. None of the Directors of the Company is a director in other listed entity(ies) other than Mr. Girish Vanvari who is a director in Tarsons Products Ltd. and independent director in Himadri Speciality Chemical Ltd., RateGain Travel Technologies Ltd., and Kolte-Patil Developers Ltd.
3. None of the Non-Independent Directors of the Company are Independent Directors of the Company(ies) where the Independent Directors of the Company are Non-Independent Directors or vice versa.
4. None of the Directors hold Directorships in more than 10 public companies.
5. Mr. N. Govindarajan ceased to be a Managing Director and Director of the Company w.e.f. January 1, 2022 on his resignation and he attended seven board meetings during the year.



Video/ teleconferencing facilities are also used to enable Directors travelling/residing abroad or at other locations, to participate in the meetings of Board and Committees.

During the financial year 2021-22, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Meeting of Independent Directors

During financial year 2021-22, one meeting of the Independent Directors was held on March 28, 2022. All the four Independent Directors attended the meeting. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of executive directors and non-executive directors.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

Number of Meetings of the Board

During the financial year 2021-22, nine Board meetings were held on the following dates and the maximum gap between any two consecutive meetings did not exceed one hundred and twenty days.

Date of Meeting	Board Strength	Number of Directors Present
31 May 2021	10	10
1 July 2021	10	9
12 August 2021	10	10
20 August 2021	10	9
1 October 2021	10	10

Date of Meeting	Board Strength	Number of Directors Present
November 8, 2021	10	10
December 31, 2021	10	10
February 9, 2022	9	8
March 28, 2022	9	9

Disclosure of relationships between directors *inter se*

Mr. P. Sarath Chandra Reddy, Whole-time Director of the Company, is son of Mr. P. V. Ramprasad Reddy, Director. Other than Mr. P. Sarath Chandra Reddy and Mr. P. V. Ramprasad Reddy, none of the Directors are related to any other Director.

Details about familiarisation programme

Senior management personnel of the Company make presentations to the Board Members on periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives etc., and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company and its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material subsidiaries, Whistle Blower Policy, Risk Management Policy, Corporate Social Responsibility Policy, etc.

The details of the familiarisation programme are placed on the Company's website at: <https://www.aurobindo.com/wp-content/uploads/2022/04/FamiliarizationProgramme-31032022.pdf>

Details of skills/ expertise/ competence of the Board of Directors:

Name	Category	Skills/ Expertise/ Competence
Mr. K. Ragunathan	Non-executive Independent Chairman	He is a Chartered Accountant and has rich experience in accounting, management, strategy, etc.
Mr. K. Nithyananda Reddy	Promoter and Executive	He has expertise in manufacturing technology and he oversees the production planning and provides guidance in effective utilisation of capacities.
Dr. M. Sivakumaran	Executive	He has more than four decades of experience in the pharmaceutical industry and is currently responsible for the technological evolution of the Company. He looks after research and development, new product development and total quality management.
Mr. M. Madan Mohan Reddy	Executive	Apart from general management, he has rich experience in regulatory affairs of the pharma industry.
Mr. P. V. Ramprasad Reddy	Promoter and Non-Executive	Focus on strategy and future plans, identification of key areas for growth, acquisitions, consolidation, etc.
Mr. P. Sarath Chandra Reddy	Executive	His core areas of expertise include procurement, logistics, clinical trials, trading and information technology.

REPORT ON CORPORATE GOVERNANCE

Name	Category	Skills/ Expertise/ Competence
Dr. (Mrs.) Avnit Bimal Singh	Non-executive Independent	She is a Medical Practitioner and a Senior Obstetrician/Gynecologist based at Hyderabad and adds value by identifying new and current trends in medication and relevant areas.
Mrs. Savita Mahajan	Non-executive Independent	Mrs. Savita Mahajan, is the former Deputy Dean of the Indian School of Business. She was associated with the ISB for 14 years, since its inception in 2001, and was responsible for building its second campus at Mohali, Punjab, as its CEO. She has rich experience in overall management, organisation, etc
Mr. Girish Paman Vanvari	Non-executive Independent	He has around three decades of consulting experience and he is the Founder of Transaction Square – a Tax, Regulatory and Business Advisory Firm. Prior to his entrepreneurial venture, Mr. Girish had a 13-year stint with KPMG wherein he was the National Leader for Tax at KPMG India. Prior to KPMG, Mr. Girish was at Arthur Andersen for over a decade

Statement on Declaration by Independent Directors

Mr. K. Ragunathan, Dr.(Mrs) Avnit Bimal Singh Mrs. Savita Mahajan and Mr. Girish Paman Vanvari are the Independent Directors on the Board of the Company as on March 31, 2022. All the Independent Directors have given their respective declarations under Section 149 (6) and (7) of the Companies Act, 2013 and the Rules made thereunder and SEBI LODR Regulations. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and the Companies Act, 2013.

As required by SEBI (LODR) Regulations, 2015, a certificate from Company Secretary in Practice 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, is attached to this Report as **Annexure-A**.

Further, Annual Secretarial Compliance Report issued by the Company Secretary in Practice pursuant to Circular dated February 8, 2019 issued by SEBI is also attached to this Report as **Annexure-B**.

Details of Directors proposed for appointment/reappointment at the Annual General Meeting.

Mr.K. Nithyananda Reddy and Mr. M. Madan Mohan Reddy will retire by rotation at this Annual General Meeting and being eligible, seek reappointment.

Mr. P. Sarath Chandra Reddy, Whole-time Director is proposed to be re-appointed.

Details of aforesaid directors seeking appointment/reappointment at the forthcoming Annual General Meeting as required pursuant to Regulation 36 of SEBI Listing Regulations, 2015 and Secretarial Standard on General Meetings are annexed to the Notice covering the Annual General Meeting and forming part of this Annual Report.

AUDIT COMMITTEE

The scope and function of the Audit Committee is to regularly review the internal control systems and procedures, accounting policies and other matters that protect the interest of the stakeholders, ensure compliance with the laws of the land that are applicable to the Company, and monitor with a view to provide effective supervision of the management's process, ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting. The composition, procedures, powers and role/functions of the Audit Committee constituted by the Company comply with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

Role of Audit Committee

The terms of reference of Audit Committee as approved by the Board and amended from time to time includes the following :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review, with the management, the annual financial statements and Auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;



- Major accounting entries involving estimates based on the exercise of judgement by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Qualifications in the draft audit report;
- Review, with the management, the quarterly financial statements before submission to the Board for approval;
- Review, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- Review, with the management, performance of statutory and internal auditors, adequacy of the internal financial control systems;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Examine into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e. the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- Carry out any other function as is mentioned in the terms of reference of the Audit Committee under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations and Companies Act, 2013.
- To review:
 - Management discussion and analysis of financial condition and results of operations;
 - statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - management letters/letters of internal control weaknesses issued by the statutory auditors;
 - internal audit reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).
- Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management, statutory and internal auditors;
- Reports of Internal Audit and discussion with internal auditors on any significant findings and follow-up thereon;

REPORT ON CORPORATE GOVERNANCE

- System for storage, retrieval, security etc. of books of account maintained in the electronic form;
- The functioning of the Whistle Blower mechanism in the Company.
- Review the utilisation of loans and or advances from investment by the holding company in the subsidiary(ies).
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015

Composition and other details of Audit Committee

The Audit Committee comprises of three Non-Executive Directors, all of them being independent directors. The heads of finance & accounts, internal auditors and the representative of the statutory auditors are permanent invitees to the meetings of the Audit Committee where the financial results are considered, apart from other departmental heads for reviewing the compliance of applicable laws and provisions. The Company Secretary is the Secretary to the Committee. The minutes of Audit Committee meetings are placed at every Board meeting for its perusal and noting.

Mr. Girish Paman Vanvari, Non-Executive, Independent Director having expertise in accounting and financial management is Chairman of Audit Committee. Mr. K. Ragunathan and Mrs. Savita Mahajan are the other members of the Committee.

During the financial year, the Audit Committee met six times on May 29, 2021, July 1, 2021, August 12, 2021, November 6, 2021, February 9, 2022 and March 28, 2022.

The attendance at the Audit Committee meetings during the financial year 2021-22 is as under:

Name of the Committee Member	No. of Meetings held during his/her tenure	Attended
Mr. Girish Paman Vanvari	6	6
Mr. K. Ragunathan	6	6
Mrs. Savita Mahajan	6	6

NOMINATION AND REMUNERATION / COMPENSATION COMMITTEE

Brief description of terms of reference of the Nomination and Remuneration/Compensation Committee

The terms of reference of Nomination and Remuneration/Compensation Committee as approved by the Board and amended from time to time includes the following:

- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Carry out evaluation of every Director's performance;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director;
- Recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- Formulation of the criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Grant of options to eligible employees and administering the employee stock option scheme of the Company;
- Recommend to the Board all remuneration, in whatever form payable to the Board and the senior management;
- Recommend to the Board whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Evaluate the balance of skills, knowledge and experience, etc., while considering the appointment of independent directors;
- Any other matter as the Board may decide from time to time.

Composition and other details of Nomination and Remuneration/Compensation Committee

The composition of the Nomination and Remuneration/Compensation Committee comprises of Three Non-Executive Directors, all of them are independent directors.

Dr. (Mrs) Avnit Bimal Singh is the Chairperson of the Committee and Mr. K. Ragunathan and Mr. Girish Paman Vanvari are the other Members of the Committee as on March 31, 2022. During the financial year, the Nomination and Remuneration/



Compensation Committee met three times on May 29, 2021, December 31, 2021 and March 28, 2022.

Meetings and attendance during the financial year

The attendance at the Nomination and Remuneration/ Compensation Committee meetings during the financial year 2021-22 is as under:

Name of the Committee Member	No. of Meetings held during his/her tenure	Attended
Dr. (Mrs.) Avnit Bimal Singh	3	3
Mr. K. Ragunathan	3	3
Mr. Girish Paman Vanvari	3	3

Nomination/Remuneration Policy

The compensation of the Executive Directors comprises of fixed component, perquisites and commission. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the Executive Directors is periodically

reviewed, and suitable revision is recommended to the Board by the Committee. The Non-Executive Directors are paid sitting fees for attending meetings of Board/Committee.

The nomination and remuneration policy as adopted by the Board is placed on the Company's website at: <https://www.aurobindo.com/wp-content/uploads/2022/02/NominationRemunerationPolicy-APL.pdf>

Performance evaluation criteria for independent directors

The performance evaluation shall be done on an annual basis. Each Director shall be provided an evaluation sheet in the form of a questionnaire. The ratings shall be provided by all the Directors except the Independent Director being evaluated.

Based on the report of performance evaluation, it shall be determined by the Nomination and Remuneration/ Compensation Committee and Board whether to extend or continue the term of appointment of Independent Director subject to all other applicable provisions.

REMUNERATION OF DIRECTORS

Details of remuneration paid to the Directors during the financial year 2021-22 are as follows:

a. Executive Directors

Name of the Director	Salary	Benefits/ Perquisites	Commission	Contribution to PF	(₹)
					Total
Mr. K. Nithyananda Reddy	13,800,000	13,377,311	---	21,600	27,198,911
Dr. M. Sivakumaran	12,000,000	11,298,500	--	21,600	23,320,100
Mr. M. Madan Mohan Reddy	27,000,000	25,326,322	---	21,600	52,347,922
Mr. P. Sarath Chandra Reddy	7,500,000	7,084,883	---	21,600	14,606,483
Mr. N. Govindarajan (upto December 31, 2021)	24,657,354	31,284,528	62,500,000	2,958,882	121,400,764
Total	84,957,354	88,371,544	62,500,000	3,045,282	238,874,180

Mr. P. Sarath Chandra Reddy was reappointed as executive director w.e.f. June 1, 2019 for a period of 3 years and his reappointment as executive director of the Company is proposed for approval of the shareholders in the ensuing Annual General meeting of the Company. Mr. K. Nithyananda Reddy, Dr. M. Sivakumaran, Mr. M. Madan Mohan Reddy were reappointed as executive directors w.e.f. June 1, 2021 for a period of 3 years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meetings. Further, Mr. K. Nithyananda Reddy was appointed and designated as Vice Chairman & Managing Director of the Company with effect from January 1, 2022 through postal ballot, upon resignation of Mr. N. Govindarajan. The Notice period is as per the rules of the Company. There was no severance fee payable to them for cessation of their executive directorship.

b. Non-Executive Directors

There were no pecuniary transactions with any non-executive director of the Company.

Non-Executive Directors are paid sitting fee for attending the Board and Committee meetings. Sitting fee of ₹100,000 is being paid to Non-Executive Directors for attending each meeting of the Board of Directors and of Committees of Board of Directors.

During the year, the sitting fees paid was as follows:

Name	Sitting fee (₹)
Mr. K. Ragunathan	3,100,000
Mr. Girish Paman Vanvari	3,100,000
Dr. (Mrs.) Avnit Bimal Singh	2,100,000
Mrs. Savita Mahajan	2,600,000
Mr. P. V. Ram Prasad Reddy	900,000

REPORT ON CORPORATE GOVERNANCE

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

Dr. (Mrs.) Avnit Bimal Singh, a Non-Executive Independent Director is the Chairperson of the Committee and Mr. K. Nithyananda Reddy, Mr. K. Ragunathan, Mrs. Savita Mahajan and Mr. Girish Paman Vanvari are the other members of the Committee.

During the year the Stakeholders Relationship Committee met three times on July 19, 2021, September 29, 2021 and March 28, 2022.

Meetings and attendance during the financial year

The attendance at the Stakeholders Relationship Committee meetings during the financial year 2021-22 is as under:

Name of the Committee Member	No. of Meetings held during his/her tenure	Attended
Dr. Avnit Bimal Singh, Member	3	3
Mr. K. Nithyananda Reddy	3	3
Mr. K. Ragunathan	3	3
Mrs. Savita Mahajan	3	3
Mr. Girish Paman Vanvari	3	3

Terms of reference

Stakeholders Relationship Committee considers and resolves all matters of the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual reports, non-receipt of declared dividends, issue of duplicate share certificates, general meetings etc.

Specifically look into various aspects of interest of shareholders, debenture holders and other security holders.

Review of measures taken for effective exercise of voting rights by shareholders.

Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Name and designation of Compliance Officer

Mr. B. Adi Reddy, Company Secretary
Email ID for investor grievances: ig@aurobindo.com

Investor Complaints

During the financial year ended March 31, 2022, the Company has received and resolved 13 complaints from investors. Number of complaints not resolved to the satisfaction of shareholders is nil and there were no pending complaints at the year end.

Risk Management Committee

The Company recognises that it faces various financial, market, technical and operational risks including regulatory and compliance risks and needs to take appropriate steps to minimise such risks. The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up. The Board has constituted a Risk Management Committee comprising of Mr. Mr. Girish P Vanvari as the Chairman of the Committee and Mr. N. Govindarajan (upto 31.12.2021), Mr. P. Sarath Chandra Reddy, Mr. K Ragunathan as other members of the Committee.

The terms of reference of Risk Management Committee as approved by the Board and amended from time to time includes the following:

- To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;



6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

During the year, the Risk Management Committee met two times on October 10, 2021 and March 28, 2022.

Meetings and attendance during the financial year

The attendance at the Risk Management Committee meetings during the financial year 2021-22 is as under:

Name of the Committee Member	No. of Meetings held during his/her tenure	Attended
Mr. Girish Paman Vanvari	2	2
Mr. N. Govindarajan (up to 31.12.2021)	1	1
Mr. P. Sarath Chandra Reddy	2	2
Mr. K. Ragunathan	2	2

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per the Companies Act, 2013, the Company is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, at least one of whom will be an independent director. The Committee consists of Mr. K. Nithyananda Reddy as Chairman, Mr. K. Ragunathan, Dr. M. Sivakumaran, Mr. P. Sarath Chandra Reddy, Mrs. Savita Mahajan, Dr. Avnit Bimal Singh and Mr. Girish Paman Vanvari as Members.

During the year the Corporate Social Responsibility Committee met five times on May 29, 2021, August 12, 2021, November 6, 2021, February 9, 2022 and March 28, 2022.

Meetings and attendance during the financial year

The attendance at the Corporate Social Responsibility Committee meetings during the financial year 2021-22 is as under:

Name of the Committee Member	No. of Meetings held during his/her tenure	Attended
Mr. K. Ragunathan	5	5
Mr. K. Nithyananda Reddy	5	5

Dr. M. Sivakumaran	5	5
Mr. P. Sarath Chandra Reddy	5	4
Dr. (Mrs.) Avnit Bimal Singh	5	5
Mrs. Savita Mahajan	5	5
Mr. Girish P. Vanvari	5	5

The terms of reference of Corporate Social Responsibility as approved by the Board and amended from time to time includes the following:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.
- Recommend to the board an Annual CSR Action Plan delineating the CSR projects or programmes to be undertaken during the financial year; and
- Appoint an independent agency/firm to carry out impact assessment study, if any.

The CSR Policy has been placed on the Company's website at: <http://www.aurobindo.com/about-us/corporate-governance>.

Annual report on the CSR activities of the Company during the financial year is also placed on the Company's website at: <https://www.aurobindo.com/sustainability/annual-csr-report/>

The Company has formulated CSR annual action plan for the financial year 2022-23. The details of CSR projects approved by the Board of Directors of the Company for the financial year 2022-23 is placed on the Company's website at <https://www.aurobindo.com/wp-content/uploads/2022/05/Aurobindo-CSR-Annual-Action-Plan-2022-23.pdf>

The Company has opened CSR Unspent Account for transfer of amounts remaining unspent and pertaining to Ongoing CSR projects as on March 31, 2022 and transferred ₹ 272,427,147 to CSR Unspent Account.

REPORT ON CORPORATE GOVERNANCE

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings are as under:

Year	Location	Date	Time	No. of Special Resolutions passed
2019	Hotel Trident, Hyderabad	August 29, 2019	3.00 p.m.	3
2020	Held through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	August 27, 2020	3.30 p.m.	1
2021	Held through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	August 26, 2021	3.30 p.m.	1

Details of special resolutions passed through postal ballot in Financial Year 2021-22 and details of the voting pattern:

No special resolution passed through postal ballot and also no special resolution is proposed to be passed through postal ballot.

Proposal to conduct postal ballot for any matter in the ensuing Annual General Meeting:

There is no proposal to conduct postal ballot for any matter in the ensuing annual general meeting.

MEANS OF COMMUNICATION

The quarterly and half yearly financial results are not sent to the individual households of the Members, however, the same are placed on the Company's website for the information of Members and general public and also published in Business Standards newspaper in English and Nava Telangana newspaper in Telugu (regional language). Further all material information which has some bearing on the operations of the Company is sent to the stock exchanges and also placed on the Company's website, www.aurobindo.com.

The presentations made to the investors, analysts and also the transcripts of earnings' calls and news releases are placed on the Company's website www.aurobindo.com.

The Management Discussion and Analysis forms part of this Report and is provided separately in the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

35th Annual General Meeting

As mentioned in the Notice, the 35th Annual General Meeting of the Company will be held on Tuesday, the 2nd day of August 2022 at 3.30 PM (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") pursuant to the MCA Circular dated May 5, 2020, January 13, 2021 and May 5, 2022 and as such there is no requirement to have a venue for the AGM. For more details, please refer to the Notice of this AGM.

Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by Kfintech at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and selecting the EVENT for Company's AGM.

Financial Year

The financial year of the Company is April to March.

Financial calendar (tentative and subject to change) of the financial year 2022-23 is as follows:

Declaration of Financial results for	Declaration on or before
1 st Quarter	August 14, 2022
2 nd Quarter	November 14, 2022
3 rd Quarter	February 14, 2023
4 th Quarter	May 30, 2023

Payment of Dividend

The Company has paid First interim dividend of 150% (₹ 1.50 per equity share of ₹ 1 each) in the month of September 2021, Second interim dividend of 150% (₹ 1.50 per equity share of ₹ 1 each) in the month of November 2021, Third interim dividend of 150% (₹ 1.50 per equity share of ₹ 1 each) in the month of March, 2022 and Fourth interim dividend of 450% (₹ 4.50 per equity share of ₹ 1 each) in the month of June 2022 on the equity share capital of the Company for the financial year 2021-22. The total dividend, for the financial year ended 2021-22 was 900% (₹ 9.00 per equity share of ₹ 1 each) on the equity share capital of the Company. The Board of Directors did not recommend any final dividend for the financial year 2021-22.

Name and address of each stock exchange(s) at which the Company's shares are listed

The Company's equity shares are listed on the following stock exchanges:

Name and address of the Stock Exchange(s)	Stock Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, 25 th Floor, Dalal Street, Mumbai – 400 001	524804
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	AUROPHARMA

Listing fees for the financial year 2022-23 has been paid to the above stock exchanges

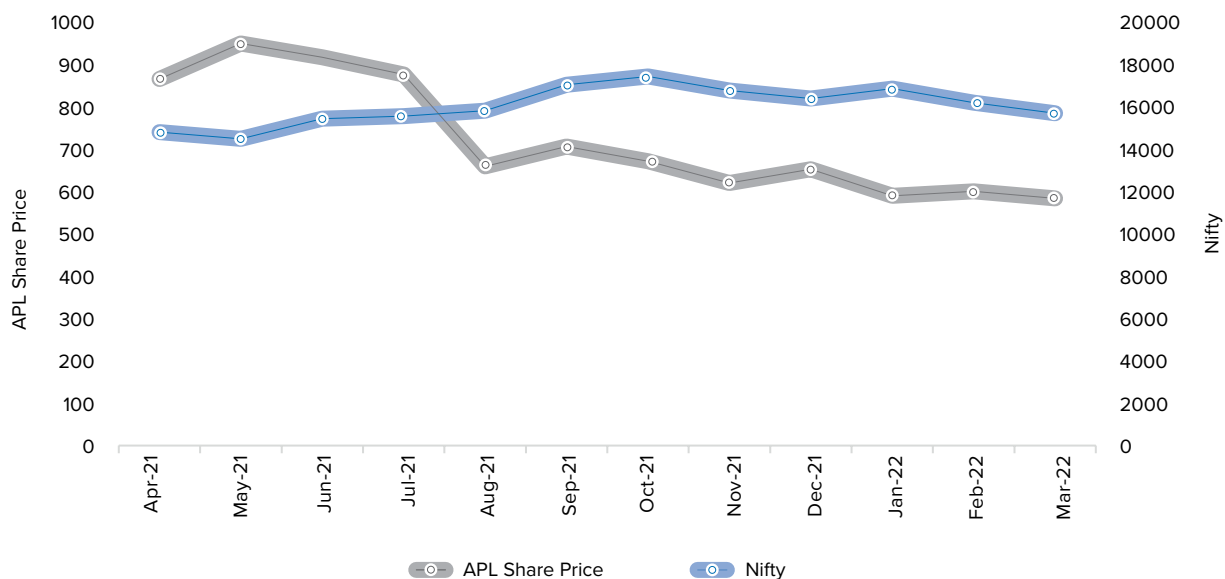
ISIN: INE406A01037



Market Price data:

High, low during each month in last financial year and volume of shares traded on NSE

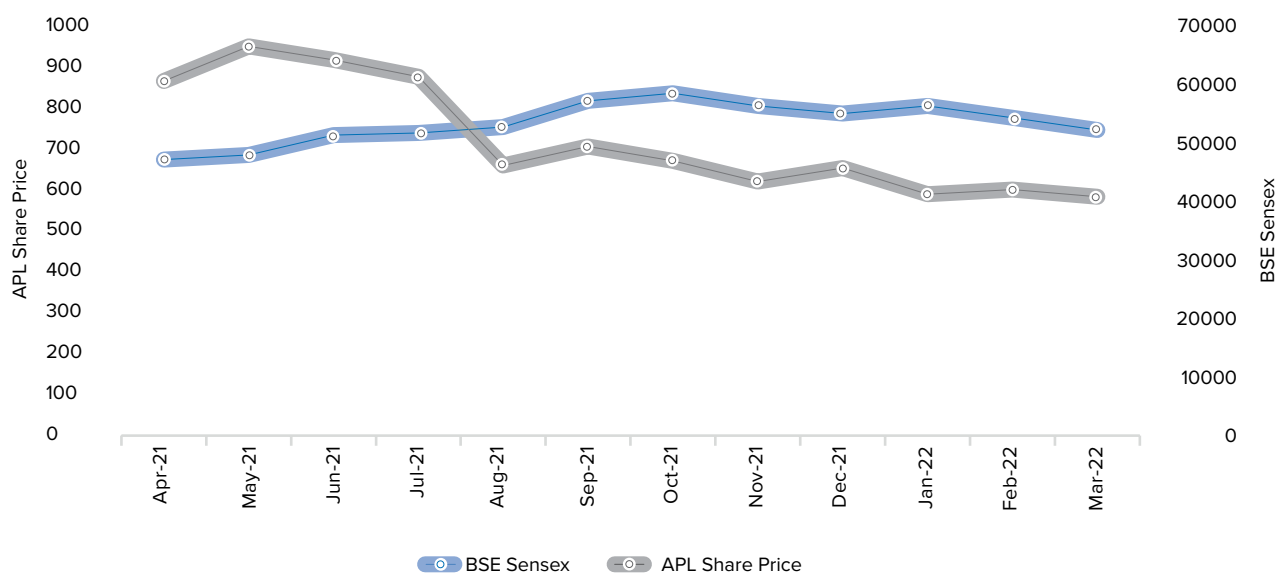
Month		Share Price on NSE (₹)				S & P CNX Nifty	
		High	Low	Close	Volume	High	Low
2021	April	1015	866.35	980.85	56,757,756	15,044.35	14,814.45
	May	1063.9	950	997.95	50,721,967	15,606.35	14,506.6
	June	1018	917.75	965.2	51,249,343	15,962.25	15,459.85
	July	1013	877.05	916.6	37,106,094	15,962.25	15,578.45
	August	930	660.3	727.3	110,995,607	17,153.5	15,834.65
	September	767.35	707.1	724.8	110,995,607	17,947.65	17,055.05
	October	751.9	671.75	689.35	47,808,459	18,604.45	17,452.9
	November	713.5	620.5	660.25	41,062,221	18,210.15	16,782.4
	December	739.8	653.35	734.35	59,917,109	17,639.5	16,410.2
2022	January	742	590.1	634.45	41,225,535	18,350.95	16,866.75
	February	715	601.1	625.25	44,653,692	17,794.6	16,203.25
	March	727.95	584.25	668.55	47,140,193	17,559.8	15,711.45



REPORT ON CORPORATE GOVERNANCE

High, low during each month in last financial year and volume of shares traded on BSE.

Month		Share Price on BSE (₹)				BSE Sensex	
		High	Low	Close	Volume	High	Low
2021	April	1,015	866.55	980.65	2,485,065	50,375.77	47,204.5
	May	1,063.75	951	997.75	2,356,342	52,013.22	48,028.07
	June	1,017.15	917.95	965.25	3,490,383	53,126.7	51,450.58
	July	1,012.9	877.3	916.85	2,090,362	53,290.8	51,802.73
	August	929.2	660.1	727.4	6,294,560	57,625.26	52,804.08
	September	767.45	706.8	726.05	3,652,451	60,412.32	57,263.9
	October	751.45	672	690.15	2,647,407	62,245.43	58,551.14
	November	713.25	620.55	659.55	2,884,615	61,036.56	56,382.93
	December	739.6	653.7	733.75	1,956,088	59,203.37	55,132.68
2022	January	742.25	590.25	634.85	2,060,812	61,475.51	56,409.63
	February	715	601.5	625.45	2,333,373	59,618.51	54,383.2
	March	730	584.2	668.95	2,161,299	58,890.92	52,260.82



There was no suspension of trading in securities of the Company during the financial year under review

Registrar and share transfer agents

M/s. KFin Technologies Limited (formerly known as KFin Technologies Private Limited) is the Registrar & Share Transfer Agent and Depository Transfer Agent of the Company. Any request pertaining to investor grievances may be forwarded to them at the following address:

KFin Technologies Limited

Unit: Aurobindo Pharma Limited
Selenium Tower B, Plot No.31&32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032, Telangana
Email id - einward.ris@kfintech.com
Toll free number - 1- 800-309-4001
Contact Person: Ms. C Shobha Anand, Deputy Vice President



Share transfer system and dematerialisation of shares and liquidity

The Company's shares are covered under the compulsory dematerialisation list and are transferable through the depository system. The Company has appointed M/s. KFin Technologies Limited (formerly known as KFin Technologies Private Limited) as its Registrar and Share Transfer Agent (RTA) and also Depository Transfer Agent. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, members may please note that shares can be transferred only in dematerialised form with effect from April 1, 2019 except in case of request received for transmission or transposition of securities. SEBI has fixed March 31, 2021 as the cut-off date for relodgement of transfer deeds and the shares that are relodged for transfer shall be issued in dematerialised form. Therefore, members holding shares in physical form are requested to consider dematerialising their holdings, for their own benefit. Shareholders holding shares in dematerialised mode have been requested to register their email address, bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish their email address, bank account details and mobile number

with the Company's RTA, in the prescribed form ISR-1. Updating all the relevant information will enable shareholders to receive dividends and communications on time.

Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects. All queries and requests relating to share transfers/transmissions may be addressed to our RTA. To expedite the process of share transfers, the compliance Officer has been delegated with the power to attend to the share transfer formalities at regular intervals.

Dematerialisation of Shares

The Company's Shares forms part of the compulsory dematerialisation segment and are transferable through the depository system. To facilitate easy access of the dematerialised system to the investors, we have signed up with both the depositories in India viz. the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and have established connectivity with the depositories through our RTA.

Distribution of shareholding

Schedule – As on March 31, 2022

Sl. No.	Category	No. of Cases	% of Cases	Total Shares	Amount (₹)	% of Amount
1	1- 5000	336,931	99.50	35,137,897	3,513,7897	6.00
2	5001- 10000	830	0.25	6,030,786	6,030,786	1.03
3	10001- 20000	314	0.09	4,579,382	4,579,382	0.78
4	20001- 30000	121	0.03	2,994,454	2,994,454	0.51
5	30001- 40000	74	0.02	2,544,529	2,544,529	0.44
6	40001- 50000	43	0.01	1,954,640	1,954,640	0.33
7	50001- 100000	98	0.03	7,110,942	7,110,942	1.21
8	100001& Above	228	0.07	525,585,979	525,585,979	89.70
Total:		338,639	100.00	585,938,609	585,938,609	100.00

333,439 Folios comprising of 584,832,669 equity shares forming 99.81% of the share capital of the Company are in demat form and 5,200 Folios comprising of 1,105,940 equity shares forming 0.19% of the share capital are in physical form.

Categories of shareholders as on March 31, 2022

Category	No. of Shares	%
Promoters & Directors	303,717,481	51.83
NRI's/ FPI's/ Foreign Nationals	124,650,051	21.28
FIIs/Banks	5,210	0.00
Mutual Funds	59,124,180	10.09
Insurance companies	33,595,499	5.73
Body corporates	4,050,432	0.69
General public and others	60,795,756	10.38
TOTAL	585,938,609	100.00

Liquidity

The Company's Equity Shares are among the most liquid and actively traded shares on the Stock Exchanges.

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

The Company has not issued any GDR/ADR and there are no outstanding warrants or any convertible instruments.

Commodity Price Risk or Foreign Exchange risk and hedging activities

Detailed information on commodity price risk and foreign exchange risk has been provided under Management of Risks which forms part of this annual report. The Company has not undertaken any hedging activities for commodity price risk and foreign exchange risk.

REPORT ON CORPORATE GOVERNANCE

Plant locations of manufacturing and R&D facilities

Unit No.	Address
Unit-I	Survey No.379, 385, 386, 388 to 396 & 269, Borpatla Village, Hatnoor Mandal, Sangareddy District, 502 296, Telangana.
Unit-II	Plot No.103/A & 104/A, SVCIE, Industrial Development Area, Bollaram, Jinnaram Mandal Sangareddy District, 500 092, Telangana.
Unit-III	Survey No.313 & 314 Bachupally Village, Bachupally Mandal, Medchal Malkajgiri District, 500 090, Telangana.
Unit-V	Plot Nos.68 to 70, 73 to 91, 95, 96, 260 & 261, Industrial Development Area, Chemical Zone, Pashamylaram Village, Patancheru Mandal, Sangareddy District, 502 307, Telangana.
Unit-VI	Survey No. 329/39 & 329/47, Chitkul Village, Patancheru Mandal, Sangareddy District, 502307, Telangana.
Unit-VII (SEZ)	Sy.Nos.411/P, 425/P, 434/P, 435/P & 458/P, Plot No.S1/A, Special Economic Zone (Pharma), TSIC, Green Industrial Park, Polepally Village, Jedcherla Mandal, Mahaboob Nagar District, 509 302, Telangana.
Unit-VIII	Survey No.10 & 13, Gaddapothram, Industrial Development Area – Kazipally Industrial Area, Jinnaram Mandal, Sangareddy District, 502 319, Telangana.
Unit-IX	Survey No.305, 369, 370, 371, 372, 373, 374 & 377, Gundlamachanoor Village, Hatnoora Mandal, Sangareddy District, 502 296, Telangana.

Unit No.	Address
Unit-XI	Survey No. 52-78, of Pydibhimavaram Village, Survey No.2-11 & 29-32 of Chittivalasa Village Industrial Development Area, Pydibhimavaram, Ranasthalam Mandal, Srikakulam District, 532 409, Andhra Pradesh
Unit-XII	Survey No.314, Bachupally Village, Bachupally Mandal, Medchal Malkajgiri District, 500 090, Telangana.
Unit – XIV	JN Pharma City, Plot No. 17, Road No. 10, 11 & 19, 20, E Bonangi Village, Parawada Mandal, Visakhapatnam District, 531 021, Andhra Pradesh.
Unit – XV	JN Pharma City, Plot No. 17A, Road No. 10, 11 & 19, 20, E Bonangi Village, Parawada Mandal, Visakhapatnam District, 531 021, Andhra Pradesh.
Unit – XVII	Plot No. 41, JN Pharma City, E Bonangi Village, Parawada, Visakhapatnam District, 531 021, Andhra Pradesh
APLRC – I @	Survey No. 313 & 314, Bachupally Village, Bachupally Mandal, Medchal Malkajgiri District, 500 090, Telangana.
APLRC –II @	Survey No. 71 & 72, Indrakaran Village, Kandi Mandal, Sangareddy Dist, 502 203, Telangana.

@ Research and Development Centres

Address for correspondence:

Registered Office	Corporate Office	Name & Designation of Compliance Officer
Aurobindo Pharma Limited (CIN - L24239TG1986PLC015190) Plot No. 2, Maithrivihar, Ameerpet Hyderabad – 500 038, Telangana, India Phone: +91 40 2373 6370 Fax: +91 40 2374 7340 Email: info@aurobindo.com	Corp. Off: Galaxy, Floors: 22-24, Plot No. 1, Survey No. 83/1, Hyderabad Knowledge City, Raidurg Panmaktha Ranga Reddy District Hyderabad – 500 032, Telangana, India Phone: +91 40 6672 5000 Fax: +91 40 6707 4044 /4059 Email: info@aurobindo.com	Mr. B. Adi Reddy Company Secretary Aurobindo Pharma Limited, Corp. Off: Galaxy, Floors: 22-24, Plot No. 1, Survey No. 83/1, Hyderabad Knowledge City, Raidurg Panmaktha Ranga Reddy District Hyderabad – 500 032, Telangana, India Phone: +91 40 6672 5333 Fax: +91 40 6707 4044/4059 Email: cs@aurobindo.com

Contact address for investor grievances

Email: ig@aurobindo.com

Fund-based working capital limits: IND AA+/Stable/IND A1+
Non-fund-based working capital limits: IND A1+

List of all credit ratings obtained by the entity along with any revision thereto

The Company has obtained the following ratings from India Ratings & Research Private Limited on August 4, 2021.

OTHER DISCLOSURES

Related Party Transactions

No transaction of material nature has been entered into by the Company with its Directors/management and their relatives, etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

Transactions with related parties are disclosed in the Notes to Accounts in the Annual Report.

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee and Board of Directors of the Company have adopted a policy to determine Related Party Transactions. The policy is placed on the Company's website at: <https://www.aurobindo.com/wp-content/uploads/2022/04/PolicyOnRPT-Feb2022.pdf>

Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

There were no instances of non-compliance or penalties/strictures by the stock exchanges/SEBI/statutory authorities on any matter related to capital markets during the last three years except a settlement of a case under SEBI PIT Regulations. Brief facts of the settlement are as follows:

During 2008-09, the Company in the ordinary course of its business, entered into several Licensing and Supply Agreements with Pfizer Inc. ("Pfizer"). The Company has issued a Press Release consistent with the Pfizer Press Release on March 3, 2009 to avoid any conjecture in the market. When things stand as above, some trades in the shares of the Company were undertaken by some of the promoters to consolidate their shareholding in the Company as per the amendments brought in by SEBI to the Takeover Code Regulations.

However, the above act of promoters has been considered by SEBI as violation of Insider Trading Regulations of SEBI and issued a Show Cause Notice dated September 6, 2017 (WTM SCN) under Section 11B of the SEBI Act, 1992 alleging violation of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 (PIT Regulations). Further, another Show Cause Notice dated June 20, 2018 (AO SCN) was issued by the Adjudication Officer (AO) of SEBI against the promoters and to the Company under Section 15 of the SEBI Act, 1992. The Company and the promoters submitted their responses to the aforesaid Show Cause Notices.

The Adjudicating Officer (AO) vide order dated September 23, 2019, levied a penalty of ₹10 million under Section 23 E of

SCRA for violation of Clause 36 of the Equity Listing Agreement read with Section 21 of the SCRA and ₹10 million under Section 15HB for violation of Regulation 12 (1) read with Clause 3.2.1 of Schedule I of the PIT Regulations, 1992 read with regulation 12 (2) of the PIT Regulations, 2015 and Regulation 12 (2) read with Clause 2.1 of Schedule II of the PIT Regulations, 1992 read with Regulation 12 (2) of the PIT Regulations, 2015 on the Company and ₹132 million under Section 15G for violation of Regulations 3 and 4 of PIT Regulations on the promoters/promoter group of the Company. Thereafter, the Company and the promoters have filed an Appeal before the Securities Appellate Tribunal on the above matter.

The Company and the promoters have in order to buy the peace, made settlement applications on October 25, 2019 before SEBI without admitting or denying any violation for settlement of the matter pending before SAT and also on WTM SCN. Accordingly, a meeting with Internal Committee of SEBI was held on February 5, 2020. The SEBI on April 16, 2020 has communicated its acceptance to the settlement proposal of the Company and its promoters. Accordingly, on April 30, 2020 the Company has paid ₹22 million and the promoters cumulatively have paid ₹198.2 million to SEBI towards settlement amount of the above matter.

SEBI vide settlement order dated May 6, 2020 disposed off all the enforcement proceedings of SEBI in respect of the aforesaid allegations against the Company and the Promoters and the matter was closed.

However, during the period under review, it is observed that SEBI on October 23, 2020 has informed some of the Promoters that there are some calculation errors in the Settlement amounts and asked them to make good certain amounts for which the said promoters have filed a writ petition before Hon'ble High Court of Telangana, at Hyderabad. The Hon'ble High Court on November 18, 2020 has granted interim relief to the said promoters by way of suspension of the SEBI direction dated October 23, 2020, subject to depositing of around ₹ 17.5 million with SEBI. Accordingly, the said amount was deposited by the Promoters and presently the matter is pending for disposal before Hon'ble High Court of Telangana, at Hyderabad. There were no proceedings pending in the above matter against the Company with SEBI.

Details of establishment of Vigil Mechanism (Whistle-Blower Policy)

The Board of Directors of the Company had adopted the Whistle-Blower policy. The Company has established a mechanism for employees to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics. The employees have been appropriately communicated within the organisation about the mechanism and have been provided direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The mechanism also lays

REPORT ON CORPORATE GOVERNANCE

emphasis on making enquiry into whistle-blower complaint received by the Company. The Audit Committee reviews periodically the functioning of whistle-blower mechanism. No employee has been denied access to the Audit Committee. A copy of the Whistle-Blower Policy is hosted on the Company's website at <https://www.aurobindo.com/wp-content/uploads/2022/04/Whistle-Blower-Policy-APL-New-March2022.pdf>

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is in the process of implementation of non-mandatory requirements.

Policy on Material Subsidiaries

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted a policy with regard to determination

During the year ended March 31, 2022 fees paid to the Statutory Auditors (B S R & Associates LLP) and its network firms are as follows:

Fees (including taxes)	(₹ in million)		
	Aurobindo Pharma Limited to Statutory Auditors	Aurobindo Pharma Limited to network firms of Statutory Auditors	Subsidiaries of Aurobindo Pharma Limited to Statutory Auditors and its network firms
Statutory Audit	14.4	-	10.8
Certification & other attest services	2.7	-	-
Non-audit services	-	-	-
Outlays and Taxes	0.8	-	0.1
Total	17.9	-	10.9

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, prohibition and redressal) Act, 2013:

- Number of complaints filed during the financial year: Nil
- Number of complaints disposed of during the financial year: Nil
- Number of complaints pending as on end of the financial year: Nil

Details of 'Loans and advances by the Company and its subsidiaries in the nature of loans to firms/companies in which directors are interested by name and amount':

Nil

of material subsidiaries. The policy is placed on the Company's website: <https://www.aurobindo.com/wp-content/uploads/2022/04/Policy-MaterialSubsidiary-2021.pdf>

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

During the period under review, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A),

Recommendations of Committees of the Board

There were no instances during the financial year 2021-22 wherein the Board had not accepted the recommendations made by any Committee of the Board.

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

Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule-V:

The Company has complied with the requirements of corporate governance report of sub-paras (2) to (10) of clause C of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Adoption of discretionary requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

With regard to discretionary requirements, the Company has adopted clauses relating to the following:

Separate persons were appointed for the post of Chairman and Managing Director and Internal Auditors submit their report directly to the Audit Committee.



The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity- 24 (5 & 6)	Yes
24A	Secretarial Audit and Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

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. Annual declaration is obtained from every person covered by the Code.

The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. Pursuant to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, which is effective from April 1, 2019, the Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of un-published price sensitive information. The data

management and monitoring of insider trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 is done through a dedicated application provided by Company's Registrar & Transfer Agent, KFin Technologies Limited.

Letter of appointment

Each independent director upon appointment is given a letter of appointment. The terms and conditions of the appointment of the independent directors is available on the Company's website at: <https://www.aurobindo.com/wp-content/uploads/2018/10/Letter-of-Appointment-for-Independent-Director.pdf>

CEO and CFO Certification:

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO & CFO certification is provided in this Annual report as **Annexure-C**.

Certificate on Corporate Governance

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Certificate on Corporate Governance issued by Practising Company Secretary is annexed to the Board's report as **Annexure-D**.

Declaration

I, Nityananda Reddy Kambam, hereby declare that as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2022.

For **Aurobindo Pharma Limited**

Nityananda Reddy Kambam

Vice Chairman & Managing Director
DIN: 01284195

Place: Hyderabad
Date: June 17, 2022

Annexure-A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Aurobindo Pharma Limited
Plot No.2, Maithrivihar, Ameerpet
Hyderabad – 500 038.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Aurobindo Pharma Limited (CIN: L24239TG1986PLC015190) having its Registered Office at Plot No.2, Maithrivihar, Ameerpet, Hyderabad – 500 038, Telangana (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sl. No.	Name of the Director	DIN	Date of appointment in the Company
1	Mr. Kannan Ragunathan	00523576	30.01.2008
2	Mr. Kambam Nityananda Reddy	01284195	26.12.1986
3	Dr. Meenakshi Sunderam Sivakumaran	01284320	30.03.1992
4	Mr. Mettu Madan Mohan Reddy	01284266	18.09.2006
5	Mr. Penaka Sarath Chandra Reddy	01628013	27.09.2007
6	Mr. Penaka Venkata Ramprasad Reddy	01284132	26.12.1986
7	Dr. (Mrs.) Avnit Bimal Singh	01316166	25.03.2015
8	Mrs. Savita Mahajan	06492679	16.12.2017
9	Mr. Girish Paman Vanvari	07376482	05.11.2020

Ensuring the eligibility of, for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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.

Place: Hyderabad
Date : May 30, 2022

A. MOHAN RAMI REDDY
Practicing Company Secretary
FCS No. 2147 II C. P. No. 16660
UDIN: F002147D000425185



Annexure-B

ANNUAL SECRETARIAL COMPLIANCE REPORT OF AUROBINDO PHARMA LIMITED FOR THE YEAR ENDED MARCH 31, 2022

(Pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015 and circular dated February 8, 2019 issued by SEBI)

I, A. Mohan Rami Reddy, Practicing Company Secretary has examined:

- (a) All the documents and records made available to me and explanation provided by Aurobindo Pharma Limited [CIN: L24239TG1986PLC015190] having its Registered Office at Plot No.2, Maithriviham, Ameerpet, Hyderabad – 500 038 (“the listed entity”),
- (b) The filings/submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity and
- (d) Other documents/filings, as are relevant, which have been relied upon to make this certification, for the year ended March 31, 2022 (“Review Period”) in respect of compliance with the provisions of:
 - (a) The Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, and guidelines issued thereunder; and
 - (b) The Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars and guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, including:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and the circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:
 - (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sl. No	Compliance Requirement (Regulations/ circulars /guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
		-NIL-	

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

- (c) During the Review Period, no action has been taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereon except the following:

In the compliance report for the year ended March 31, 2021, it was reported that during 2008-09, the Company in the ordinary course of its business, entered into several Licensing and Supply Agreements with Pfizer Inc. ("Pfizer"). The Company has issued a Press Release consistent with the Pfizer Press Release on March 3, 2009 to avoid any conjecture in the market. When things stand as above, some trades in the shares of the Company were undertaken by some of the promoters to consolidate their shareholding in the Company as per the amendments brought in by SEBI to Takeover Code Regulations. However, the above act of promoters has been considered by SEBI as violation of Insider Trading Regulations of SEBI.

The contentions of the Company and its promoters were not accepted by the Adjudicating Officer (AO) and on September 23, 2019, an order was passed by the AO and levied a penalty of ₹10 million under Section 23 E of SCRA for violation of Clause 36 of the Equity Listing Agreement read with Section 21 of the SCRA and ₹10 million under Section 15HB for violation of Regulation 12 (1) read with Clause 3.2.1 of Schedule I of the PIT Regulations, 1992 read with regulation 12 (2) of the PIT Regulations, 2015 and Regulation 12 (2) read with Clause 2.1 of Schedule II of the PIT Regulations, 1992 read with Regulation 12 (2) of the PIT Regulations, 2015 on the Company and ₹132 million under Section 15G for violation of Regulations 3 and 4 of PIT Regulations on the promoters/promoter group of the Company

Thereafter, the Company and the promoters have filed an Appeal before the Securities Appellate Tribunal in the above matter. Meanwhile, the Company and the promoters have made settlement application on October 25, 2019 before SEBI without admitting or denying any violation for settlement of the matter. Accordingly, a meeting with Internal Committee of SEBI was held on February 5, 2020. The SEBI on April 16, 2020 has communicated its acceptance to the settlement proposal of the Company and its promoters. Accordingly, on April 30, 2020 the Company has paid ₹22 million and the promoters cumulatively have paid ₹198.2 million to SEBI towards settlement amount for settlement of the above matter.

SEBI vide settlement order dated May 6, 2020 disposed of all the enforcement proceedings of SEBI in respect of the aforesaid allegations against the Company and the Promoters and the matter was closed.

However, SEBI on October 23, 2020 informed some of the Promoters that there are some calculation errors in the Settlement amounts and asked them to make good certain amounts for which the said promoters have filed a writ petition before Hon'ble High Court of Telangana, at Hyderabad. The Hon'ble High Court on November 18, 2020 has granted interim relief to the said promoters by way of suspension of the SEBI direction dated October 23, 2020, subject to depositing of around ₹ 17.5 million with SEBI. Accordingly, the said amount was deposited by the Promoters and presently the matter is pending for disposal before Hon'ble High Court of Telangana, at Hyderabad.

There were no proceedings pending in the above matter against the Company with SEBI.

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No.	Observations made in the Secretarial Compliance Report for the year ended 31.03.2022	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Violation under PIT Regulations of SEBI	The matter reported as above at para (c) is self-explanatory.	Nil

Place: Hyderabad
Date : May 16, 2022

A. MOHAN RAMI REDDY
Practicing Company Secretary
FCS No. 2147 II C. P. No.16660
UDIN: F002147D000326900



Annexure-C

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We hereby certify that:

- a) We have reviewed financial statement and cash flow statement for the financial year ended March 31, 2022 and that to the best of our knowledge and belief:

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

- 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 financials 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 have 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 that there are no:

Significant changes in internal control over financial reporting during the year.

Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For **Aurobindo Pharma Limited**

Place: Hyderabad
Date: May 30, 2022

Nityananda Reddy Kambam
Vice Chairman & Managing Director
DIN: 01284195

S. Subramanian
Chief Financial Officer

Annexure-D

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members of
Aurobindo Pharma Limited

I have examined the compliance of conditions of corporate governance by Aurobindo Pharma Limited (the Company) for the financial year ended March 31, 2022, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 1, 2021 to March 31, 2022.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to review the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as stipulated in the above Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I 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.

Place: Hyderabad
Date: May 28, 2022

S. Chidambaram
Practicing Company Secretary
C.P. No. 2286
UDIN: F003935D000432871



Independent Auditor's Report

To the Members of Aurobindo Pharma Limited

Report on the Audit of the Standalone Financial Statements

OPINION

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

DESCRIPTION OF KEY AUDIT MATTER

Key audit matters	How the matter was addressed in our audit
Valuation of Investments in subsidiaries and joint venture [Refer note 2.1(d)(v) of the summary of significant accounting Policies and note 4 to the standalone financial statements] The carrying value of investments in the Company's subsidiaries and joint venture entities as at March 31, 2022 is ₹65,584.5 million. The Company performs annual assessment of investments to identify any indicators of impairment. Based on internal and external factors considered, where such evidence exists, impairment loss is determined and recognised in accordance with note 2.1(d)(v) of accounting policies to the standalone financial statements. The impairment models use several key assumptions, including estimates of future sales volumes, prices, operational costs, terminal value growth rates; probability of regulatory and commercial success; expected cost to complete products under development and the weighted average cost of capital (discount rate). We identified the assessment of impairment indicators and resultant impairment losses in respect of investment in subsidiaries/joint venture as a key audit matter because of: - The significance of the amount of these investments in the Standalone Balance Sheet; and - The degree of inherent uncertainty, complexity and management judgement involved in determining whether there was objective evidence of impairment of investments.	Our audit procedures included the following: - Evaluating design, implementation and testing operating effectiveness of key controls over the impairment assessment process including forecasts made and valuation models used by the Company. - Assessing the valuation methodology used by the Company and testing the mathematical accuracy of the models. - Interviewing key research and development personnel and commercial personnel to assess reasonableness of the assumptions used, such as expected market share, revenue growth, expected margins, probability of success of products under development. - Challenging the Company's key assumptions, such as the discount rate and other business assumptions used by Company, such as sales growth, cost based on past performances where relevant. - Involving our internal valuation specialists to assist us in evaluating the key assumptions and cash flow forecasts. - Performing sensitivity analysis of key assumptions such as future revenue growth rates, costs and the discount rates used in the valuation models. - Evaluating the adequacy of disclosures made in the standalone financial statements.

Independent Auditor's Report

Key audit matters

Litigations, claims and contingencies

Refer note 2.2(m) of the summary of significant accounting policies and note 30(C) to the standalone financial statements.

The Company is involved in disputes, lawsuits, claims, governmental and/or regulatory inquiries, investigations and proceedings, including patent infringement cases, tax and commercial disputes arising from time to time in the ordinary course of business.

Most of the claims involve complex legal and regulatory issues. The Company, assisted by their external legal counsel assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation. The Company's conclusions may result in an incorrect disclosure or provision in the books of account considering the aforesaid assessment involves significant judgement to be exercised by the Company based on current developments. Further, unexpected adverse outcomes could also significantly impact the Company's reported results.

This area is significant to our audit, since the accounting and disclosure for litigations, claims and contingencies is complex and judgemental.

Revenue Recognition

Refer to Note 2.2(c) of the summary of significant accounting policies to the standalone financial statements.

Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns and taxes.

We identified the recognition of revenue from sale of products as a key audit matter because:

Revenue is one of the key performance indicators for the Company and there could be a risk of revenue being recognised before the control has been transferred to the customer.

How the matter was addressed in our audit

Our audit procedures included the following:

- Evaluating the design and testing the operating effectiveness of controls relating to identification and evaluation of litigation and claims and measurement of provisions, contingent liabilities and disclosures thereof.
- Obtained a list of ongoing litigations from the Company's legal head. We selected a sample of significant litigations and evaluated the Company's assessment thereof by:
 - i. making inquiries with the in-house legal counsel of the Company;
 - ii. obtaining and inspecting board minutes, verifying correspondence, orders and appeals in respect of open litigation; and
 - iii. obtained independent confirmations from external legal counsels where relevant and/ or. evaluated legal opinions obtained by the Company. Also assessed the competence and independence of the external legal counsels.
 - iv. evaluated uncertain tax positions with assistance of our tax specialists.
- Evaluating the adequacy of provision and disclosures to Standalone financial statements

Our audit procedures included the following:

- Assessing the Company's revenue recognition policies for compliance with the applicable Ind AS.
- Evaluating the design and implementation and testing the operating effectiveness of the relevant key internal controls over recognition of revenue in accordance with delivery and acceptance terms of the underlying customer contracts.
- Performing testing of selected statistical samples of revenue transactions recorded during the year by verifying the underlying documents such as sales invoices/ contracts and dispatch/ acknowledged delivery receipts/shipping documents.
- Testing revenue transactions recorded before and after the financial year end date, selected on a sample basis using random sampling, to assess revenue is recognised in the period in which control is transferred.
- Assessing manual journals, sample selected based on specified risk-based criteria posted to revenue to identify unusual items.



Key audit matters	How the matter was addressed in our audit
Inventory Valuation Refer to Note 2.2(g) of the summary of significant accounting policies and note 11 to the standalone financial statements. The carrying value of inventories comprising of raw materials, packing materials, work-in-progress, finished goods, stores, spares and consumables as at March 31, 2022 is ₹33,561.8 million. Inventories are valued at lower of cost, determined on weighted average basis and net realisable value. Raw material costs include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Finished goods and work-in-progress costs include direct material, labour and a proportion of manufacturing overheads based on the normal operating capacity. We identified inventory valuation as a key audit matter because of: - the significance of the amount of inventories to the Standalone Balance Sheet; and - non-automated environment, likelihood of material misstatement in inventory valuation arising from incorrect alterations to the inventory valuation records, on account of high volume of transactions and stock keeping units.	Our audit procedures included the following: - Evaluating the Company's inventory valuation policies and assessing compliance with the relevant accounting standards. - Evaluating the design and testing the implementation and operating effectiveness of the Company's internal controls over valuation of inventories. - Evaluating the data inputs by testing samples, selected using statistical sampling, by verifying the underlying records such as purchase invoices, cost sheets, batch records, overhead allocation workings, and capacity utilisation certificates. - Testing the mathematical accuracy of the valuation models. - Performing analytical procedures on gross margin analysis (including price and volume changes) to identify unusual variances.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 judgements 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

Independent Auditor's Report

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 judgement and maintain professional scepticism 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit

and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.



- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements - Refer Note 30 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 52(v) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 52(v) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material 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 Companies Act, 2013.
- As stated in note 14 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- (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 & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 116231 W/W-100024

Amit Kumar Bajaj
Partner

Place: Hyderabad
Date: May 30, 2022

Membership No. 218685
ICAI UDIN: 22218685AJWCDF6328

Annexure A

Annexure A to the Independent Auditor's Report on Standalone Financial Statements of Aurobindo Pharma Limited for the year ended March 31, 2022

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

With reference to the Annexure A referred to in Paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the Members of Aurobindo Pharma Limited ("the Company") on the standalone financial statements for the year ended March 31, 2022, we report that:

- (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 three 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 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, except for the following which are not held in the name of the Company:

Amounts in ₹ millions					
Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held - Since	Reason for not being held in the name of the Company.
Freehold land located in Telangana admeasuring 15 Acres	2.9	Sri Chakra Remedies Limited	No	Since 2001	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 03, 2001.
Building located in Telangana	35.3	Sri Chakra Remedies Limited	No	Since 2001	
Freehold land located in Telangana admeasuring 24.75 Acres	4.4	Ranit Pharma Limited	No	Since 2003	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 09, 2003.
Freehold land located in Andhra Pradesh admeasuring 16 Acres	103.7	Ramky Pharma city (India) Limited and Andhra Pradesh Industrial Infrastructure corporation Limited	No	Since 2005	Agreement of Sale to the Company is completed and fulfilment of conditions to transfer the title deeds is in progress
Freehold land located in Telangana admeasuring 2 Acres	0.3	Senor Organics Private Limited	No	Since 2007	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated June 21, 2007.



Amounts in ₹ millions

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held - Since	Reason for not being held in the name of the Company.
Freehold land located in Andhra Pradesh admeasuring 1 Acre	97.6	Hyacinths Phrama Private Limited	No	Since 2019	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the National Company Law Tribunal, Hyderabad dated March 30, 2021
Freehold land located in Andhra Pradesh admeasuring 438 Acres	114.5	APL Research Center Limited	No	Since 2019	
Freehold land located in Andhra Pradesh admeasuring 4.36 Acres	19.3	Silicon Life Sciences Private Limited	No	Since 2019	
Building located in Andhra Pradesh	213.7				
Total	591.8				

(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 information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in, provided guarantee, and granted loans, secured or unsecured, to companies, in respect of which the requisite information is as below. The Company has not made any investments in, provided guarantee, and granted loans, secured or unsecured to firms or limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans, or stood guarantee, to subsidiaries and others. The Company has not provided loans, or stood guarantee or provided security to joint ventures and associates;

Particulars	Amounts in ₹ millions	
	Guarantees	Loans
Aggregate amount during the year		
- Subsidiaries*	897.7	7,500.0
- Others	-	96.7
Balance outstanding as at balance sheet date		
- Subsidiaries*	957.4	7,930.0
- Others	990.0	144.6

*As per Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, *prima facie*, not prejudicial to the interest of the Company.

Independent Auditor's Report

- (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) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the director is interested to which, the provisions of Section 185 of the Act apply and hence not commented upon. However, in respect of loans given, investments made and guarantees given, the Company is in compliance with the provisions of Section 186 of the Act.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act related to the manufacture of Active Pharmaceutical Ingredients and Formulations 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 July 01, 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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Entry tax, Cess and other statutory dues have generally 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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Entry tax, Cess and other statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of 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, Entry tax or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:



Nature of the Statute	Nature of Dues	Disputed Amount (₹ in million)	Paid under Protest (₹ in million)	Period (FY) to which the amount relates	Amounts in ₹ millions
					Forum where dispute is pending
Andhra Pradesh Tax on Entry of Goods in Local Areas Act, 2001	Entry Tax	13.5	3.4	2014-2017	The Hon'ble High Court – Andhra Pradesh
Central Excise Act, 1994 and Customs Act, 1962	Central Excise	31.5	6.4	2002-2018	CESTAT, Hyderabad
		56.5	-	2004-2018	The Hon'ble High Court – Telangana
		2.3	2.3	2007-2010	Revision Authority, Mumbai
		5.7	5.3	2012-2014	Revision Authority, New Delhi
	Customs Act	12.7	0.7	2002-2018	CESTAT, Chennai
		1,261.0	8.0	2002-2018	CESTAT, Hyderabad
		5.8	0.4	2002-2018	CESTAT, Mumbai
		4.7	3.7	2008-2012	Deputy Commissioner, Visakhapatnam
		64.8	-	2012-2017	CESTAT, Hyderabad
		5.0	-	2019-2020	Appellate Authority, Vizag
Central Goods & Service Tax Act, 2017	Goods and Service Tax	5.0	-	2019-2020	Appellate Authority, Vizag
Finance Act, 1994	Service Tax	52.1	3.7	2002-2018	CESTAT, Hyderabad
		18.0	1.3	2014-2017	CESTAT, Hyderabad
		9.0	-	2021-2022	Commissioner Appeals (Hyd)
		12.4	-	2021-2022	Deputy Commissioner, Ameerpet Division
		73.5	-	2017-2018	Commissioner Appeals (Hyd)
Telangana Tax on Entry of Goods in Local Areas Act, 2001	Entry Tax	15.9	5.6	2004-2018	The Hon'ble High Court – Telangana
Income Tax Act, 1961	Income-tax	91.9	-	2008-2009	Income Tax Appellate Tribunal Hyderabad
		488.2	-	2010-2014	The Hon'ble High Court – Telangana
		181.9	-	2014-2015	Income Tax Appellate Tribunal Hyderabad
		312.5	-	2015-2016	Commissioner (Appeals) Hyderabad
		1,483.6	-	2016-2017	Assistant Commissioner Hyderabad

- (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 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.

Independent Auditor's Report

- (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 Companies Act, 2013).
- (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, 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 Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the 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 Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- (xx) (a) 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 other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act, except in respect of the following which have been transferred to Aurobindo Pharma Foundation (Section 8 Company):

Financial Year	Amount unspent on corporate social responsibility activities for "On-going Projects"	Amount transferred to Special Account within 30 days from the end of the Financial Year	Amount transferred after the due date (specify the date of transfer)
(a)	(b)	(c)	(d)
2021-22	272.4	272.4	-
2020-21	154.3	154.3	-

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 116231 W/W-100024

Amit Kumar Bajaj

Partner

Membership No. 218685

ICAI UDIN: 22218685AJWCDF6328

Place: Hyderabad
Date: May 30, 2022

Annexure B

Annexure B to the Independent Auditors' report on the Standalone Financial Statements of Aurobindo Pharma Limited for the year ended March 31, 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

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

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Aurobindo Pharma Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone financial statements. Those Standards

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.



Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

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

that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 116231 W/W-100024

Amit Kumar Bajaj
Partner
Place: Hyderabad
Date: May 30, 2022
Membership No. 218685
ICAI UDIN: 22218685AJWCDF6328

Standalone Balance Sheet

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(A)	34,870.9	43,464.4
(b) Capital work-in-progress	3(A)	2,251.5	7,190.2
(c) Right-of-use assets	3(B)	731.8	1,108.8
(d) Goodwill	3(C)	69.9	69.9
(e) Other intangible assets	3(C)	185.7	77.6
(f) Intangible assets under development	3(C)	-	158.7
(g) Financial assets			
(i) Investments	4(A)	65,843.5	48,808.9
(ii) Loans	5(A)	8,284.3	4,433.7
(iii) Trade receivables	6(A)	-	-
(iv) Other financial assets	7(A)	1,935.2	1,032.8
(h) Non-current tax assets (net)	9(A)	2,954.3	1,220.7
(i) Other non-current assets	10(A)	531.3	964.1
Total non-current assets		117,658.4	108,529.8
Current assets			
(a) Inventories	11	33,561.8	48,413.8
(b) Financial assets			
(i) Investments	4(B)	0.1	1,290.4
(ii) Trade receivables	6(B)	39,732.4	59,280.1
(iii) Cash and cash equivalents	12(A)	482.1	3,835.8
(iv) Bank balances other than (iii) above	12(B)	25.7	26.0
(v) Loans	5(B)	89.7	120.3
(vi) Other financial assets	7(B)	15,897.8	259.0
(c) Other current assets	10(B)	8,561.5	10,134.7
Total current assets		98,351.1	123,360.1
TOTAL ASSETS		216,009.5	231,889.9
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	585.9	585.9
(b) Other equity	14	170,587.5	158,660.2
Total equity		171,173.4	159,246.1
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	30(A)	605.8	744.2
(b) Provisions	16(A)	50.3	-
(c) Deferred tax liability (net)	8	2,370.3	4,333.8
Total non-current liabilities		3,026.4	5,078.0
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	18,186.2	39,533.1
(ii) Lease liability	30(A)	156.9	142.3
(iii) Trade payables	17		
(A) total outstanding dues of micro enterprises and small enterprises		298.9	157.1
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		16,312.6	20,452.4
(iv) Other financial liabilities	18	4,894.3	3,815.9
(b) Other current liabilities	19	927.2	964.9
(c) Provisions	16(B)	1,033.6	1,110.0
(d) Current tax liability (net)	9(B)	-	1,390.1
Total current liabilities		41,809.7	67,565.8
TOTAL EQUITY AND LIABILITIES		216,009.5	231,889.9
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.
As per our Report of even date attached.

For B S R & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Amit Kumar Bajaj

Partner
Membership No. 218685

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

K. Nithyananda Reddy

Vice Chairman & Managing Director
DIN-01284195

Santhanam Subramanian

Chief Financial Officer

Dr. M. Sivakumaran

Director
DIN-01284320

B. Adi Reddy

Company Secretary
Membership No. 13709

Place: Hyderabad
Date: May 30, 2022

Place: Hyderabad
Date: May 30, 2022



Standalone Statement of Profit and Loss

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
I INCOME			
Revenue from operations	20	112,871.4	158,236.8
Other income	21	6,709.9	5,898.6
TOTAL INCOME (I)		119,581.3	164,135.4
II EXPENSES			
Cost of materials consumed	22	57,839.3	72,157.4
Purchases of stock-in-trade		168.1	260.9
Changes in inventories of finished goods and work-in-progress	23	455.1	29.9
Employee benefits expense	24	16,000.4	17,354.2
Finance costs	25	169.4	286.8
Depreciation and amortisation expense	26	4,152.6	4,880.0
Other expenses	27	23,674.5	27,236.1
TOTAL EXPENSES (II)		102,459.4	122,205.3
III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		17,121.9	41,930.1
Exceptional items (refer note 53)		747.1	-
V PROFIT BEFORE TAX (III-IV)		16,374.8	41,930.1
VI TAX EXPENSE :			
Current tax	28	3,797.0	10,433.4
Deferred tax	8	(1,969.3)	367.6
TOTAL TAX EXPENSE (VI)		1,827.7	10,801.0
VII PROFIT FOR THE YEAR (V-VI)		14,547.1	31,129.1
VIII OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not to be reclassified subsequently to profit or loss:			
(a) Re-measurement of defined benefit liability		22.6	(98.6)
(b) Income-tax relating to items that will not be reclassified to profit or loss		(5.7)	34.4
Total other comprehensive income for the year (net of tax) (VIII)		16.9	(64.2)
IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (VII+VIII)		14,564.0	31,064.9
X EARNINGS PER EQUITY SHARE	29		
Basic (in ₹)		24.83	53.13
Diluted (in ₹)		24.83	53.13
Nominal value per equity share		1.00	1.00
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.

As per our Report of even date attached.

For B S R & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Amit Kumar Bajaj

Partner
Membership No. 218685

Place: Hyderabad
Date: May 30, 2022

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

K. Nithyananda Reddy

Vice Chairman & Managing Director
DIN-01284195

Santhanam Subramanian

Chief Financial Officer

Place: Hyderabad
Date: May 30, 2022

Dr. M. Sivakumaran

Director
DIN-01284320

B. Adi Reddy

Company Secretary
Membership No. 13709

Standalone Statement of Changes in Equity

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(A) EQUITY SHARE CAPITAL (REFER NOTE 13)

	Number	Balance
Balance as at April 01, 2021	585,938,609	585.9
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 01, 2021	585,938,609	585.9
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	585,938,609	585.9
Balance as at April 01, 2020	585,938,609	585.9
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 01, 2020	585,938,609	585.9
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	585,938,609	585.9

(B) OTHER EQUITY

Particulars	Reserves and surplus						Total
	Capital reserve	Capital redemption reserve	Employee stock options reserve	Securities premium	General reserve	Retained earnings	
Balance as at April 01, 2021	539.8	90.0	0.6	3,427.3	7,888.4	146,714.1	158,660.2
Profit for the year	-	-	-	-	-	14,547.1	14,547.1
Other comprehensive income (net of tax)	-	-	-	-	-	16.9	16.9
Total comprehensive income	-	-	-	-	-	14,564.0	14,564.0
Transfer on exercise of employee stock options	-	-	(0.6)	0.6	-	-	-
Dividend paid	-	-	-	-	-	(2,636.7)	(2,636.7)
Balance at March 31, 2022	539.8	90.0	-	3,427.9	7,888.4	158,641.4	170,587.5
Balance at April 01, 2020	539.8	90.0	0.6	3,427.3	7,888.4	117,993.0	129,939.1
Profit for the year	-	-	-	-	-	31,129.1	31,129.1
Other comprehensive income (net of tax)	-	-	-	-	-	(64.2)	(64.2)
Total comprehensive income	-	-	-	-	-	31,064.9	31,064.9
Dividend paid	-	-	-	-	-	(2,343.8)	(2,343.8)
Balance at March 31, 2021	539.8	90.0	0.6	3,427.3	7,888.4	146,714.1	158,660.2

Refer note 14B for nature and purpose of reserves

As per our Report of even date attached.

For B S R & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Amit Kumar Bajaj

Partner
Membership No. 218685

Place: Hyderabad
Date: May 30, 2022

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

K. Nithyananda Reddy

Vice Chairman & Managing Director
DIN-01284195

Santhanam Subramanian

Chief Financial Officer

Place: Hyderabad
Date: May 30, 2022

Dr. M. Sivakumaran

Director
DIN-01284320

B. Adi Reddy

Company Secretary
Membership No. 13709



Standalone Statement of Cash Flows

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

		Year ended March 31, 2022	Year ended March 31, 2021
1 CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax		16,374.8	41,930.1
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortisation expense		4,152.6	4,880.0
Exceptional items (refer note 53)		747.1	-
Loss allowance for doubtful receivables (net)		(178.6)	(313.1)
Provisions no longer required written back		(89.6)	(5.8)
Unrealised foreign exchange gain on non derivative assets (net)		(125.3)	(624.4)
Mark-to-market (gain)/loss on derivative foreign currency forward contracts		(274.8)	(190.1)
Loss on sale of property, plant and equipment (net)		311.0	1.7
Dividend income		(4,509.9)	(3,074.6)
Finance costs		152.0	259.7
Interest income		(491.0)	(401.9)
Operating profit before working capital changes		16,068.3	42,461.6
Movements in working capital:			
Decrease/(increase) in trade receivables		15,923.6	(345.9)
Decrease/(increase) in inventories		11,328.3	(4,818.1)
Decrease/(increase) in loans		29.5	(11.0)
(Increase)/decrease in other financial assets		(54.7)	9.8
Decrease/(increase) in other current/non-current assets		1,818.9	(164.7)
Increase in trade payables		(1,044.3)	(245.1)
Increase/(decrease) in provision for employee benefits		74.3	(568.1)
Decrease in other financial liabilities		-	(22.3)
Increase/(decrease) in other current liabilities		43.9	(82.4)
Cash generated from operating activities		44,187.8	36,213.8
Income-tax paid (net)		(6,920.7)	(6,268.5)
Net cash flow generated from operating activities	(A)	37,267.1	29,945.3
2 CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment including movement in capital work-in-progress, capital advances and capital creditors		(6,140.6)	(3,967.3)
Purchase of intangible assets and intangible assets under development		(32.4)	(221.7)
Proceeds from sale of property, plant and equipment		6,434.3	709.3
Purchase of non-current investments		(18,857.9)	(23,297.5)
Proceeds from current investments		1,290.4	(1,290.2)
Dividend received from subsidiaries		4,521.9	3,074.6
Loans made to subsidiaries/ joint venture		(7,500.0)	(2,013.5)
Loans repaid by subsidiaries/ joint venture		3,634.2	-
Interest received		515.0	519.0
Net cash flow used in investing activities	(B)	(16,135.1)	(26,487.3)

Standalone Statement of Cash Flows

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

		Year ended March 31, 2022	Year ended March 31, 2021
3 CASH FLOW FROM FINANCING ACTIVITIES			
Repayment/proceeds from current borrowings (net)		(21,541.3)	2,433.7
Repayment of lease liabilities		(209.5)	(119.9)
Interest paid		(87.6)	(251.3)
Dividends paid on equity shares		(2,637.0)	(2,343.1)
Net cash flow used from financing activities	(C)	(24,475.4)	(280.6)
Net (decrease)/increase in cash and cash equivalents	(A+B+C)	(3,343.4)	3,177.4
Cash and cash equivalents at the beginning of the year		3,835.8	673.5
Effect of exchange differences on cash and cash equivalents		(10.3)	(15.1)
Cash and cash equivalents at the end of the year (refer note 12(C))		482.1	3,835.8

Notes:

- The above statement of cash flow has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows"
- Cash and cash equivalents comprises of:

	As at March 31, 2022	As at March 31, 2021
Cash on hand	1.2	1.0
Current accounts	144.3	2,950.8
Cash credit accounts	336.6	884.0
Total cash and cash equivalents (refer note 12(C))	482.1	3,835.8

- Reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities are given below:

Particulars	As at March 31, 2021	Cash flows	Non-cash transactions Foreign exchange loss	As at March 31, 2022
Current borrowings	39,533.1	(21,541.3)	194.4	18,186.2

Refer note 30 A for change in lease liabilities arising from financing activities.

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the standalone financial statements.

As per our Report of even date attached.

For B S R & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Amit Kumar Bajaj

Partner
Membership No. 218685

Place: Hyderabad
Date: May 30, 2022

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

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Place: Hyderabad
Date: May 30, 2022

Dr. M. Sivakumaran

Director
DIN-01284320

B. Adi Reddy

Company Secretary
Membership No. 13709



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

1. CORPORATE INFORMATION

Aurobindo Pharma Limited ("the Company") is a public company domiciled in India and was incorporated under the provisions of the Companies Act, 1956 applicable in India. The registered office of the Company is located at Plot No.2, Maitri Vihar, Ameerpet, Hyderabad – 500 038, India and the Corporate office is located at Galaxy, Floors: 22-24, Plot No. 1, Survey No. 83, Hyderabad Knowledge City, Raidurg Panmaktha, Ranga Reddy District, Hyderabad – 500 032, Telangana, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

The Company is principally engaged in manufacturing and marketing of active pharmaceutical ingredients, generic pharmaceuticals and related services. The standalone financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 30, 2022.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These standalone financial statements comprise the Balance Sheets as at March 31, 2022 and March 31, 2021, the Statements of Profit and Loss, Statements of Changes in Equity and the Statements of Cash Flows for the year ended March 31, 2022 and for the year ended March 31, 2021, and a summary of the significant accounting policies, notes and other explanatory information (together hereinafter referred to as "Standalone Financial Statements")

These standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in these standalone financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The statement of cash flows have been prepared under indirect method.

b) Functional and presentation currency

These standalone financial statements are presented in Indian rupees (₹), which is also the functional currency of the Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. Transactions and balances with values below ₹0.1 million have been reflected as "0.0" in the standalone financial statements.

c) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost.
- employee defined benefit assets/liability recognised as the net total of the fair value of plan assets, and actuarial losses/gains, and the present value of defined benefit obligation.

d) Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 30(A) – Leases: whether an arrangement contains a lease; lease classification.
- Note 30(C) – Contingent liabilities: Measurement and likelihood of occurrence of provisions and contingencies.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- Note 2.2(j), 8 and 28: Provision for income taxes: related tax contingencies and evaluation of recoverability of deferred tax assets.
- Note 31: Assets and obligations relating to employee benefits

Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) *Defined employee benefit plan (Gratuity)*

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation and accumulated leave obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the Management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 31.

(ii) *Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models

are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 39 and 41 for further disclosures.

(iii) *Depreciation on property, plant and equipment and amortisation of intangible assets*

Depreciation on property, plant and equipment is calculated on a straight-line basis based on the useful lives estimated by the Management. The Company, based on technical assessment and Management estimate, depreciates property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and intangible assets though these in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

(iv) *Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

(v) *Impairment of investments in subsidiaries, associates and joint ventures*

The Company reviews its carrying value of investments annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(vi) *Intangible assets under development*

The Company capitalises acquired intangible asset under development for a project in accordance with the accounting policy. In determining the amounts to be capitalised, Management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The innovative nature of the product gives rise to some uncertainty as to whether the final approval for the products will be obtained.



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(vii) Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

(viii) Recognition and measurement of other provisions:

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

2.2 Significant accounting policies

a) Foreign exchange transactions and translations

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Initial recognition: Foreign currency transactions are recorded in the 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 the 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences: Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous standalone financial statements, are recognised as income or as expenses in the year in which they arise.

b) Fair value measurement

The Company measures financial instruments, such as, investments other than subsidiaries, associates and joint ventures and derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantageous market must be accessible by the Company.

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 standalone 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 prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

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.

The Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

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.

c) Revenue recognition

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised:

Sale of goods: Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, net of trade discounts, volume discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc., where applicable. Invoices are payable within contractually agreed credit period. Any additional amounts based on terms of agreement entered into with customers, is recognised in the period when the collectability becomes probable and a reliable measure of the same is available.

Rendering of services: Revenue from sale of dossiers/licenses/services, includes in certain instances, certain performance obligations and based on evaluation of whether or not these obligations are in consequential or perfunctory, revenue is recognised in accordance with the terms of the contracts with the customers when the related performance obligation is completed at point in time or spread over a period of time, as applicable.

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability"), if any is recognised when there are billings in excess of revenues.

Other income

Interest income: Interest income is recognised with reference to the Effective Interest Rate (EIR) method.

The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts through expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

Dividend income: Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

d) Property, plant and equipment and Depreciation

Freehold land and buildings (property) and other plant and equipment held for use in the production or supply of goods or services, or administrative purposes are stated at cost less accumulated depreciation and accumulated impairment.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Capital work-in-progress is stated at cost less accumulated impairment loss if any.

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life. Likewise, when a major inspection



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

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 profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the Management.

The Company, based on technical assessment and Management estimate, depreciates property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. 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. The Company has estimated the following useful life to provide depreciation on its property, plant and equipment:

Freehold land is not depreciated

Nature of the assets	Useful life as estimated by the Management (in years)	Useful life as stated in the Companies Act, 2013 (in years)
Freehold buildings	15 - 60	10 - 60
Plant and equipment	3 - 20	8 - 40
Furniture and fixtures	10	10
Vehicles	4 - 8	8 - 10
Office equipment	5	5

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

e) Intangibles

Intangible assets consists of goodwill, other intangibles, and product development costs

Goodwill

Goodwill represents the excess of purchase consideration over the net book value of assets acquired of the subsidiary companies as on the date of investment. Goodwill is not

amortised but is tested for impairment on a periodic basis and impairment losses are recognised where applicable.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. 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. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Estimated useful lives by major class of finite life intangible assets are as follows:

Licenses – 5 years

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 asset is derecognised.

Research and development costs:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and use or sell the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Acquired research and development intangible assets that are under development are recognised as Intangible assets under development. These assets are

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not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the statement of profit and loss.

Subsequent expenditure on in process research and development project acquired separately and recognised as an intangible asset is:

- recognised as an expense, if it is research expenditure;
- recognised as an expense, if its development expenditure that does not satisfy the criteria for recognition as an Intangible asset; and
- added to the carrying amount of acquired in process research and development project, only when it increases the future economic benefits embodied in the specific asset to which it relates and satisfies the recognition criteria.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets relating to products in development and other intangible assets not available for use is tested for impairment annually.

f) Government grants and subsidies

Government grants are recognised when there is reasonable assurance that all attached conditions will be complied with and there is no uncertainty on collection. When the grant relates to an expense item, it is deducted from the related expense. When the grant relates to an asset, it is recognised as deferred income and amortised over the useful life of such assets. Export entitlement from government authorities are recognised in the profit or loss as other operating revenue when the right to receive is established as per the terms of the scheme in respect of the exports made by the Company with no future related cost and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds

g) Inventories

Inventories are valued at lower of cost, determined on "Weighted average" basis and net realisable value. Costs

incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packing materials, stores, spares and consumables: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work-in-progress: cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excludes borrowing costs.

Stock-in-trade: cost includes cost of purchase and other costs 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 estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

h) Retirement and other employee benefits

Defined contribution plans

Contribution to funds such as provident fund and Employee State insurance Corporation (ESIC) are defined contribution plans. The Company has no obligation, other than the contribution payable to these funds. The Company recognises contribution payable to the fund schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under



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the defined benefit plan is determined based on actuarial valuation using projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit and loss in subsequent periods.

Past service costs are recognised in profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Compensated absences

Short term compensated absences are provided for based on estimates. The Company treats accumulated leave, as a short-term employee benefit for measurement purposes. Such accumulated leaves are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond twelve months after the reporting date. These are encashable at any point of time and no remeasurement is required.

i) Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). The Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment terms ranging from 7 days to 270 days are offered (Refer note 41 (c) i). Terms of payment for sale of services are ranging from on presentation of bill to 270 days.

j) Taxes

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Indian Income-tax Act, 1961. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate. The tax rate and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

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k) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Assets acquired under leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Where the Company is lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using useful life of right-of-use asset. The estimated useful lives of Right-of-use assets are determined as shorter of lease term and estimated useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Where the Company is lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.



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l) Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events such as bonus issue that have changed the number of shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

m) Provision and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, 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 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 risks 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.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where

it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

n) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cheques, cash at banks and on hand and short-term deposits with an original maturity of three months or less, 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, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash Management.

o) Borrowing cost

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 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.

p) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which

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the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. Impairment losses of continuing operations, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

q) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets excluding trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Any financial instrument, which does not meet the criteria for categorisation at amortised cost or at FVTOCI (fair value through other comprehensive income), is classified at FVTPL (fair value through profit and loss). In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates

a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument 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.

Equity investments:

All equity investments in subsidiaries are measured at cost less impairment. All equity investments in scope of Ind AS 109 – Financial Instruments are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Company may make an irrevocable election to present in OCI subsequent changes in fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- i) the rights to receive cash flows from the asset have expired, or
- ii) the Company has transferred its rights to receive cash flows from the asset, and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109 - Financial instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- (i) Financial assets that are debt instruments, and are measured at amortised cost, e.g. loans, deposits, debt securities, etc.



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- (ii) Trade receivables that result from transactions that are within the scope of Ind AS 115 – Revenue from contracts with customers.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL (simplified approach). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR (effective interest rate). When estimating the cash flows, an entity is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head other expenses/other income in the statement of

profit and loss. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e. financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The Company enters into supplier credit arrangements (acceptances) whereby lenders such as banks and financial institutions make payments to supplier's banks for import of raw materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognised as Acceptances under other financial liabilities. Interest borne by the Company on such arrangements is accounted as finance costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are

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recognised in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Derecognition

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.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior Management determines the change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to the external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

Offsetting of financial instruments

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

r) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge 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



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is positive and as financial liabilities when the fair value is negative. The forward contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

s) Cash dividend and non cash distribution to equity holders

The Company recognises a liability to make cash and non cash distribution to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Corporate laws in India, a final dividend distribution is authorised when it is approved by the shareholders whereas for interim dividend when authorised by board of directors of the Company. A corresponding amount is recognised directly in equity. Non cash distribution are measured at fair value of the assets distributed with fair value re-measurement recognised directly in equity.

t) Recent pronouncements

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

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

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

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

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements."

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

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

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

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

3(A). PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Freehold buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying value (at cost)							
As at March 31, 2020	1,036.5	12,784.0	45,475.9	1,336.2	249.9	305.2	61,187.7
Additions	91.1	633.8	4,269.5	101.9	117.7	45.7	5,259.7
Disposals	-	-	291.8	1.0	53.0	0.6	346.4
Disposals on account of slump sale (refer note 42)	56.6	98.0	530.9	19.6	-	2.2	707.3
As at March 31, 2021	1,071.0	13,319.8	48,922.7	1,417.5	314.6	348.1	65,393.7
Additions	94.1	1,347.2	4,813.4	449.1	50.9	145.7	6,900.4
Disposals	-	0.1	258.7	3.0	38.1	8.3	308.2
Disposals on account of slump sale (refer note 43)	62.2	3,379.0	12,321.2	342.0	0.1	65.9	16,170.4
As at March 31, 2022	1,102.9	11,287.9	41,156.2	1,521.6	327.3	419.6	55,815.5
Accumulated depreciation							
As at March 31, 2020	-	1,726.3	14,936.1	505.8	153.9	199.0	17,521.1
Charge for the year	-	485.9	4,016.1	138.4	60.9	49.6	4,750.9
Disposals	-	-	142.3	0.8	50.0	0.5	193.6
Disposals on account of slump sale (refer note 42)	-	6.0	135.1	6.5	-	1.5	149.1
As at March 31, 2021	-	2,206.2	18,674.8	636.9	164.8	246.6	21,929.3
Charge for the year	-	413.6	3,268.9	134.7	58.5	54.1	3,929.8
Disposals	-	-	172.6	1.9	22.1	8.1	204.7
Disposals on account of slump sale (refer note 43)	-	441.1	4,119.1	113.0	0.1	36.5	4,709.8
As at March 31, 2022	-	2,178.7	17,652.0	656.7	201.1	256.1	20,944.6
Net carrying value							
As at March 31, 2021	1,071.0	11,113.6	30,247.9	780.6	149.8	101.5	43,464.4
As at March 31, 2022	1,102.9	9,109.2	23,504.2	864.9	126.2	163.5	34,870.9

- The title deeds of land and buildings aggregating gross value of ₹591.8 (March 31, 2021: ₹611.5) are pending transfer to the Company's name (refer note 45)
- Depreciation for the year include ₹0.01 (March 31, 2021: ₹0.01) taken as pre-operative capital expenditure on capital projects pending capitalisation.
- Refer note 34 for details of capital research and development expenditure.

3(A) CAPITAL WORK-IN-PROGRESS

	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	7,190.2	8,148.5
Additions during the year *	6,435.7	7,652.7
Disposals on account of slump sale (refer note 42 and 43)	4,466.9	3,342.5
Disposals	7.1	8.8
Capitalised during the year	6,900.4	5,259.7
Closing balance**	2,251.5	7,190.2

* (including expenditure during construction period ₹304.4 (March 31, 2021 ₹300.4)

** (including expenditure during construction period ₹ Nil (March 31, 2021 ₹423.4)

Refer note 46 for ageing of Capital work-in-progress.



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Capital work-in-progress includes expenditure during construction period pending capitalisation

	As at March 31, 2022	As at March 31, 2021
Balance brought forward	423.4	1,174.8
Add: Incurred during the year		
Salaries, wages and bonus	136.8	108.0
Consumption of material for testing	16.8	-
Consumption of stores and spares	75.7	7.6
Carriage inward	-	1.0
Power and fuel	90.8	124.7
Conversion charges	5.6	18.2
Rates and taxes	3.1	2.7
Printing and stationery	1.7	1.2
Postage, telegram and telephones	0.2	0.4
Insurance	3.3	3.3
Legal and professional charges	0.5	4.3
Travelling and conveyance	6.8	7.2
Depreciation		0.0
Factory maintenance	10.6	16.2
Miscellaneous expenses	5.4	5.3
	780.7	1,475.2
Less: Transferred to Subsidiary company on business transfer (refer note 42 and 43)	727.4	1,051.7
Less: Capitalised to property, plant and equipment during the year	53.3	-
Closing balance	-	423.4

3(B) RIGHT-OF-USE ASSETS

	Land	Building	Total
Gross carrying value (at cost)			
As at March 31, 2020	379.1	124.2	503.3
Additions	-	811.1	811.1
Disposals	-	-	-
Disposals on account of slump sale (refer note 42)	-	-	-
As at March 31, 2021	379.1	935.3	1,314.4
Additions	17.1	4.1	21.2
Disposals	135.0	6.9	141.9
Disposals on account of slump sale (refer note 43)	86.5	-	86.5
As at March 31, 2022	174.7	932.5	1,107.2
Accumulated depreciation			
As at March 31, 2020	22.7	68.0	90.7
Charge for the year	22.7	92.2	114.9
Disposals	-	-	-
Disposals on account of slump sale (refer note 42)	-	-	-
As at March 31, 2021	45.4	160.2	205.6
Charge for the year	20.8	164.6	185.4
Disposals	5.5	3.8	9.3
Disposals on account of slump sale (refer note 43)	6.3	-	6.3
As at March 31, 2022	54.4	321.0	375.4
Net carrying value			
As at March 31, 2021	333.7	775.1	1,108.8
As at March 31, 2022	120.3	611.5	731.8

Refer note 30 (A) for details of leases.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

3(C) GOODWILL, OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

	Goodwill	Licenses	Intangible assets under development
Gross carrying value (at cost)			
As at March 31, 2020	69.9	48.1	-
Additions	-	62.9	158.7
Disposals	-	-	-
As at March 31, 2021	69.9	111.0	158.7
Additions	-	145.4	32.4
Disposals *	-	-	191.1
As at March 31, 2022	69.9	256.4	-
Accumulated amortisation			
As at March 31, 2020	-	19.2	-
Charge for the year	-	14.2	-
Disposals	-	-	-
As at March 31, 2021	-	33.4	-
Charge for the year	-	37.3	-
Disposals	-	-	-
As at March 31, 2022	-	70.7	-
Net carrying value			
As at March 31, 2021	69.9	77.6	158.7
As at March 31, 2022	69.9	185.7	-

* Intangible assets under development of ₹45.8 disposed on account of slump sale to Company's wholly owned subsidiary during the year.

Refer note 47 for ageing of Other intangible assets and intangible assets under development.

For the purpose of impairment testing carrying amount of Goodwill has been allocated to the following Cash generating unit (CGU):

Particulars	As at March 31, 2022	As at March 31, 2021
Hyacinths Pharma Private Limited (merged w.e.f. April 01, 2019)	69.9	69.9

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. The Company performed its annual impairment test for the year ended March 31, 2022 and did not identified impairment for this CGU.

4. INVESTMENTS

(A) Non-current investments	Face value	As at March 31, 2022		As at March 31, 2021	
		Number of shares (% of interest)	Amount	Number of shares (% of interest)	Amount
Investments in unquoted equity shares (fully paid, carried at cost, unless stated otherwise)					
In subsidiaries					
Aurobindo Pharma USA Inc, USA *	-	100% of paid-in-capital	2,832.5	100% of paid-in-capital	2,832.5
APL Pharma Thai Limited, Thailand	Baht 100	979,200 (97.9%)	145.6	979,200 (97.9%)	145.6
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil	Real 1	10,124,795 (99.97%)	260.0	10,124,795 (99.97%)	260.0
Helix Healthcare B.V., The Netherlands	Euro 10	28,788,957 (100%)	21,924.1	24,888,957 (100%)	20,380.9
APL Health Care Limited, India	₹ 10	216,000,000 (100%)	2,160.0	216,000,000 (100%)	2,160.0
All Pharma (Shanghai) Trading Company Limited, China	-	100% of paid-in-capital	27.5	100% of paid-in-capital	27.5
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil	Real 1	99,000 (100%)	2.1	99,000 (100%)	2.1
Auronext Pharma Private Limited, India	₹10	124,984,028 (100%)	1,298.6	124,984,028 (100%)	1,298.6



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(A) Non-current investments	Face value	As at March 31, 2022		As at March 31, 2021	
		Number of shares (% of interest)	Amount	Number of shares (% of interest)	Amount
Auro Peptides Limited, India	₹10	95,000 (95%)	1.0	95,000 (95%)	1.0
Auro Pharma India Private Limited, India	₹10	100,000 (100%)	1.0	100,000 (100%)	1.0
Auro Active Pharma Private Limited, India	₹10	23,000,000 (100%)	230.0	100,000 (100%)	1.0
Curateq Biologics Private Limited, India	₹10	100,000,000 (100%)	1,000.0	100,000,000 (100%)	1,000.0
Auro Cure Private Limited, India	₹10	-	-	37,250,000 (100%)	372.5
Aurozest Private Limited, India	₹10	100,000 (100%)	1.0	100,000 (100%)	1.0
Aurobindo Pharma Foundation Pvt. Ltd. (Section 8 Company), India	₹10	10,000 (100%)	0.1	10,000 (100%)	0.1
Eugia Pharma Specialties Limited, India	₹10	440,110,218 (100%)	4,401.1	440,110,218 (100%)	4,401.1
Mviyes Pharma Ventures Private Limited, India	₹10	150,249,382 (100%)	2,742.1	150,249,382 (100%)	2,742.1
Qule Pharma Private Limited, India	₹10	-	-	100,000 (100%)	1.0
Lyfius Pharma Private Limited, India	₹10	-	-	100,000 (100%)	1.0
Aurobindo Antibiotics Private Limited, India	₹10	1,000,000 (100%)	10.0	10,000 (100%)	0.1
Auro Vaccines Private Limited, India	₹10	100,000 (100%)	1.0	-	-
In joint ventures					
Tergene Biotech Private Limited, India	₹10	9,040,000 (80%)	90.4	9,040,000 (80%)	90.4
Raidurgam Developers Limited, India (formerly Aurobindo Antibiotics Limited, India)	₹10	4,000,000 (40%)	40.0	4,000,000 (40%)	40.0
In Associates					
NVNR (Ramannapet I) Power Plant Private Limited, India	₹10	520,000 (26%)	5.2	-	-
NVNR (Ramannapet II) Power Plant Private Limited, India	₹10	520,000 (26%)	5.2	-	-
In others (At fair value through profit and loss)					
Jeedimetla Effluent Treatment Limited, India	₹100	753	0.1	753	0.1
Patancheru Envirotech Limited, India	₹10	103,709	1.0	103,709	1.0
Progressive Effluent Treatment Limited, India	₹100	1,000	0.1	1,000	0.1
Synergy Remedies Private Limited, India	₹10	10,489,500	150.0	10,489,500	150.0
			37,329.7		35,910.7
Less: Provision for impairment in value of investments			3,175.0		3,175.0
		A	34,154.7		32,735.7
Investments in unquoted preference shares (fully paid, carried at amortised cost, unless stated otherwise)					
In subsidiaries					
Auro Peptides Limited, India (9.5% Cumulative Preference shares redeemable at par ranging from five years to twenty years from the date of issue)	₹100	15,975,000	1,597.5	10,220,000	1,142.0
APL Health Care Limited, India (9.5% Cumulative Preference shares redeemable at par within five years from the date of issue)	₹100	600,000	64.1	600,000	60.0
In joint ventures					
Tergene Biotech Private Limited, India (10.5% Cumulative Preference shares redeemable at par within six years from the date of issue)	₹100	2,480,000	255.9	2,110,000	211.0
			1,917.5		1,413.0
Less: Provision for impairment in value of investments			640.0		-
		B	1,277.5		1,413.0

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(A) Non-current investments	Face value	As at March 31, 2022		As at March 31, 2021	
		Number of shares (% of interest)	Amount	Number of shares (% of interest)	Amount
Investments in unquoted Compulsorily Convertible Debentures (CCDs) (fully paid, carried at amortised cost, unless stated otherwise)					
In subsidiaries					
Eugia Pharma Specialties Limited, India	₹10	-	-	575,000,000	5,750.0
(0.001% Compulsorily Convertible Debentures (CCDs) of ₹10/- each)					
Curateq Biologics Private Limited, India	₹10	1,180,000,000	11,803.6	730,000,000	7,300.0
(0.1% Compulsorily Convertible Debentures (CCDs) of ₹10/- each)					
[including deemed investment arising from discounting of CCDs]					
APL Health Care Limited, India	₹10	1,050,000,000	10,501.5	-	-
(0.1% Compulsorily Convertible Debentures (CCDs) of ₹10/- each)					
[including deemed investment arising from discounting of CCDs]					
		C	22,305.1		13,050.0
Investments in unquoted optionally convertible debentures (fully paid, carried at amortised cost, unless stated otherwise)					
In joint ventures					
Raidurgam Developers Limited, India	₹1,000	2,157,800	2,157.8	1,610,000	1,610.0
(Interest of 1.5% to 9.5% over a period of ten years redeemable at par within ten years from date of issue. These are optionally convertible into 100 equity shares per debenture at any time after one year.)					
In Associates					
NVNR (Ramannapet I) Power Plant Private Limited, India	₹10	4,862,000	48.6	-	-
(8% Optionally Convertible Debentures (OCDs) of ₹10/- each)					
NVNR (Ramannapet II) Power Plant Private Limited, India	₹10	4,862,000	48.6	-	-
(8% Optionally Convertible Debentures (OCDs) of ₹10/- each)					
		D	2,255.0		1,610.0
Investments in unquoted non convertible debentures (fully paid, carried at amortised cost, unless stated otherwise)					
In subsidiaries					
Eugia Pharma Specialties Limited, India	₹10	575,000,000	5,851.0		-
(7.5% Non Convertible Debentures (NCDs) of ₹10/- each)					
[including deemed investment arising from discounting of NCDs]					
		E	5,851.0		-



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(A) Non-current investments	Face value	As at March 31, 2022		As at March 31, 2021	
		Number of shares (% of interest)	Amount	Number of shares (% of interest)	Amount
Unquoted investment in government securities (Carried at fair value through profit and loss)					
National Savings Certificate (includes held by Income tax authorities ₹0.1 (March 31, 2021: ₹0.1))			0.2		0.2
		F	0.2		0.2
		A+B+C+D+E+F	65,843.5		48,808.9
Aggregate value of unquoted investments			65,843.5		48,808.9
Aggregate amount of impairment in value of investments			3,815.0		3,175.0
Movement in provision for impairment in value of investments:					
Opening balance			3,175.0		3,175.0
Provision made during the year towards Auro Peptides Limited (refer note 53)			640.0		-
Closing balance			3,815.0		3,175.0

* Includes employee stock options given to group employees considered as investment as per Ind AS-102 share based payments

(B) Current investments	Face value	As at March 31, 2022		As at March 31, 2021	
		Quantity	Amount	Quantity	Amount
Investment in unquoted fixed deposits with Corporate (carried at amortised cost, unless stated otherwise)					
Deposit with LIC Housing Finance Limited	-	-	-	-	290.0
Investment in quoted bonds (fully paid, carried at amortised cost, unless stated otherwise)					
8.30% Canara Bank Basel III Additional Tier I Bond 2020-21	₹1,000,000	-	-	1,000	1,000.2
Investments in unquoted equity shares (fully paid, carried at fair value through profit and loss)					
Citadel Aurobindo Biotech Limited, India	₹100	70,000	-	70,000	-
(At cost less impairment of ₹7.0 (March 31, 2021: ₹7.0))					
Investments in quoted equity shares (fully paid, carried at fair value through profit and loss)					
Union Bank of India (formerly known as Andhra Bank)	₹10	1,469	0.1	4,520	0.2
			0.1		1,290.4
Aggregate value of unquoted investments			-		290.0
Aggregate value of quoted investments			0.1		1,000.4
Market value of quoted investments			0.1		1,000.4
Aggregate amount of impairment in value of investments			7.0		7.0

Provision for impairment

Investments are tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of each investment. When the recoverable amount of the investment is less than its carrying amount, an impairment loss is recognised.

The recoverable amounts of the above investments have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the business. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the Company has based its determinations of value-in-use include :

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- Estimated cash flows based on internal budgets and industry outlook for a period of five years and a terminal growth rate thereafter.
- A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate ranging from 0-1%. This long term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- The after tax discount rates used reflect the current market assessment of the risks specific to the investment, the discount rate is estimated based on the weighted average cost of capital for respective investment. After tax discount rate used range from 14%-15%

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

5. LOANS

	As at March 31, 2022	As at March 31, 2021
(A) Non current		
Loans receivables considered good – secured	-	-
Loans receivables considered good – unsecured	-	-
Loans to related parties (refer note 37)*	8,229.4	4,363.5
Loans to employees	54.9	70.2
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
	8,284.3	4,433.7
*Loan of ₹7,930.0 (March 31, 2021: ₹3,945.0) has been given to wholly owned subsidiaries towards project development cost, at interest rate of 7.5% p.a.		
(B) Current		
Loans receivables considered good – secured	-	-
Loans receivables considered good – unsecured	-	-
Loans to employees	89.7	120.3
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
	89.7	120.3

No loans are due from directors or other officers of the Company either severally or jointly with any other person. Refer note 37 for dues from related parties.

Included in loans are certain loans given to wholly-owned subsidiaries the particulars of which are disclosed below as required by Section 186(4) of the Companies Act, 2013.

Name of the loanee	Rate of Interest	Due date	Secured/ Unsecured	As at March 31, 2022	As at March 31, 2021
AuroZest Private Limited	7.50%	9-Sep-23	Unsecured	501.1	450.1
Lyfius Pharma Private Limited	7.50%	14-Jul-24	Unsecured	2,178.9	10.1
Qule Pharma Private Limited	7.50%	14-Jul-24	Unsecured	1,275.4	-
Auro Cure Private Limited	7.50%	12-Sep-24	Unsecured	1,019.0	-
Auro Vaccines Private Limited	7.50%	8-Mar-25	Unsecured	15.0	-
Eugia Pharma Specialities Limited	7.50%	19-Oct-24	Unsecured	3,240.0	-
APL Health Care Limited	7.50%	-	Unsecured	-	3,903.4
				8,229.4	4,363.5



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

6. TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
(A) Non current		
Trade receivables considered good – secured	-	-
Trade receivables considered good – unsecured	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	358.6	333.4
	358.6	333.4
Less: loss allowance	358.6	333.4
	-	-
(B) Current		
Trade receivables considered good – secured	-	-
Trade receivables considered good – unsecured	39,732.4	59,280.1
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	291.3	440.2
	40,023.7	59,720.3
Less: loss allowance	291.3	440.2
	39,732.4	59,280.1

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Refer note 37 for dues from related parties.

Refer Note 41 for the Company's credit risk management process.

Refer Note 48 and 49 for ageing of trade receivables.

7. OTHER FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2022	As at March 31, 2021
(A) Non current		
Dividend accrued on investments in preference shares	-	119.1
Share application money with subsidiaries*	1,183.3	-
Security deposits		
Considered good	751.9	913.7
Doubtful	0.4	0.4
	752.3	914.1
Provision for doubtful deposits	0.4	0.4
	751.9	913.7
	1,935.2	1,032.8
* Represents share application money with subsidiary Helix Healthcare B.V., The Netherlands. The share allotment is expected to be completed by June 24, 2022.		
(B) Current		
Derivatives – foreign currency forward contracts	274.7	190.0
Receivable for business transfer (refer note 43)	15,599.9	-
Interest accrued on security deposits	23.2	45.0
Others	-	24.0
	15,897.8	259.0

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

8. DEFERRED TAX LIABILITY (NET)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Loss allowance on trade receivables	167.4	326.2
Employee benefits	270.8	359.9
Deferred tax liability		
Property, plant and equipment	2,730.1	4,961.6
Lease liability	78.4	58.3
	(2,370.3)	(4,333.8)

Movement in deferred tax liability (net)

	As at April 01, 2021	Recognised in statement of profit and loss	Recognised in OCI	As at March 31, 2022
Deferred tax asset				
Loss allowance on trade receivables	326.2	(158.8)	-	167.4
Employee benefits	359.9	(83.4)	(5.7)	270.8
Deferred tax liability				
Property plant and equipment	4,961.6	(2,231.5)	-	2,730.1
Lease liability	58.3	20.1	-	78.4
	(4,333.8)	1,969.2	(5.7)	(2,370.3)

	As at April 01, 2020	Recognised in statement of profit and loss	Recognised in OCI	As at March 31, 2021
Deferred tax asset				
Loss allowance on trade receivables	436.4	(110.2)	-	326.2
Employee benefits	532.6	(207.1)	34.4	359.9
Deferred tax liability				
Property plant and equipment	4,944.5	17.1	-	4,961.6
Lease liability	25.2	33.1	-	58.3
	(4,000.7)	(367.5)	34.4	(4,333.8)

9. NON-CURRENT TAX ASSETS (NET)

	As at March 31, 2022	As at March 31, 2021
(A) Advance income-tax (net of provision for taxation)		
Opening balance	1,220.7	845.3
Additions during the year	6,920.7	6,268.5
	8,141.4	7,113.8
Less: adjustment during the year	(1,390.1)	3,150.2
Closing balance	6,751.3	10,264.0
Provision	3,797.0	9,043.3
Closing balance (net)	2,954.3	1,220.7
(B) Current tax liability	-	1,390.1
	-	1,390.1

Refer note 28 for details of income tax expense.



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

10. OTHER ASSETS

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2022	As at March 31, 2021
(A) Non-current		
Export incentives receivable		
Considered good	-	138.8
Doubtful	73.6	88.2
	73.6	227.0
Provision for doubtful receivables	73.6	88.2
	-	138.8
Export rebate claims receivable	288.8	288.8
Balance in LIC gratuity Fund	-	43.8
Capital advances		
Considered good	74.1	315.9
Doubtful	1.1	1.1
	75.2	317.0
Provision for doubtful advances	1.1	1.1
	74.1	315.9
Advances other than capital advances		
Considered good	-	-
Doubtful	30.0	32.2
	30.0	32.2
Provision for doubtful advances	30.0	32.2
	-	-
Balance with government authorities		
Considered good*	168.4	176.8
Doubtful	-	38.1
	168.4	214.9
Provision for doubtful receivables	-	38.1
	168.4	176.8
	531.3	964.1
* Balance with government authorities include restricted deposits pledged with Enforcement Directorate of ₹131.6 (March 31, 2021: ₹131.6)		
(B) Current		
Export rebate claims receivable	1,670.1	2,721.0
Export incentives receivable	1,373.4	1,925.4
Advances other than capital advances	2,099.3	1,798.0
Balance with government authorities	3,418.7	3,690.3
	8,561.5	10,134.7

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

11. INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2022	As at March 31, 2021
Raw materials	15,057.1	25,969.5
Packing materials	1,115.8	2,550.4
Work-in-progress	9,813.9	11,725.0
Finished goods	6,119.5	6,492.6
Stores, spares and consumables	1,455.5	1,676.3
	33,561.8	48,413.8
Details of material in transit included in inventories above		
Raw materials	268.4	858.0
Finished goods	3,686.2	3,715.9

During the year, the Company recorded inventory (write-up) / write-downs to net realisable value of ₹ (1,095.3) (March 31, 2021: ₹2,245.6). These adjustments were included in cost of material consumed and changes in inventories.

12. CASH AND BANK BALANCES

	As at March 31, 2022	As at March 31, 2021
(A) Cash and cash equivalents		
Balance with banks:		
in current accounts	144.3	2,950.8
in cash credit accounts	336.6	884.0
Cash on hand	1.2	1.0
	482.1	3,835.8
(B) Bank balances other than cash and cash equivalents		
in unpaid dividend account	25.7	26.0
(C) For the purpose of statement of cash flows, cash and cash equivalents comprise of following:		
Cash and cash equivalents as above	482.1	3,835.8

13. EQUITY SHARE CAPITAL

a) Authorised

	As at March 31, 2022	As at March 31, 2021
1,790,500,000* (March 31, 2021: 660,000,000) equity shares of ₹1 each	1,790.5	660.0
8,210,000** (March 31, 2021: 1,000,000) preference shares of ₹100 each	821.0	100.0
	2,611.5	760.0

* Authorised capital increased by 1,130,500,000 equity shares in the current year due to merger of subsidiaries during previous year (refer note 44)

** Authorised capital increased by 7,210,000 preference shares in the current year due to merger of subsidiaries during previous year (refer note 44)

b) Issued, subscribed and fully paid-up equity shares

	Equity Shares	
	Numbers	Value
As at April 01, 2020	585,938,609	585.9
As at March 31, 2021	585,938,609	585.9
As at March 31, 2022	585,938,609	585.9



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

For the year ended March 31, 2022, the amount of interim dividend per share declared as distributions to equity shareholders was ₹4.5 (March 31, 2021: ₹4.0).

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. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% total number of equity shares in the Company (refer note 50)

	As at March 31, 2021	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.51%
	As at March 31, 2022	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.51%

*As per records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of shares and the beneficial ownership is with RPR Enterprises, a partnership firm.

Refer note 50 for shares held by promoters

e) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the reporting date.

14. OTHER EQUITY

A. Summary of other equity balance

	As at March 31, 2022	As at March 31, 2021
Capital reserve	539.8	539.8
Capital redemption reserve	90.0	90.0
Employee stock options outstanding account	-	0.6
Securities premium account	3,427.9	3,427.3
General reserve	7,888.4	7,888.4
Retained earnings	158,641.4	146,714.1
	170,587.5	158,660.2

a) The disaggregation of changes in reserves and surplus and OCI are disclosed in statement of changes in equity.

b) The details of distribution of dividend made are as under:

	March 31, 2022	March 31, 2021
Cash dividends on equity shares declared and paid during the year		
Interim dividend for the year ended March 31, 2022: ₹4.5 per share (March 31, 2021: ₹4.0 per share)	2,636.7	2,343.8
	2,636.7	2,343.8

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Proposed dividends on equity shares:

Proposed interim dividend for the year ended March 31, 2022: ₹4.5 per share (March 31, 2021: ₹Nil per share) not recognised as liability.

B. Nature and purpose of reserves

(a) Capital reserve	Represents capital reserve balances of acquired entities which are transferred to the Company upon mergers.
(b) Capital redemption reserve	The Company has recognised capital redemption reserve on redemption of non-convertible preference shares. The amount in capital redemption reserve is equal to nominal amount of the non convertible preference shares redeemed. This reserve will be utilised in accordance with Section 69 of the Companies Act, 2013.
(c) Employee stock options reserve	The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options reserve. This will be utilised for allotment of equity shares against outstanding employee stock options.
(d) Securities premium	The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.
(e) General reserve	The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
(f) Retained earnings	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to share holders.

15. CURRENT BORROWINGS

	As at March 31, 2022	As at March 31, 2021
(A) Loans repayable on demand from Banks - working capital loans		
Working capital demand loan (secured)	500.0	-
Working capital demand loan (unsecured)	1,000.8	-
Packing credit loans (secured)	2,387.5	8,415.0
Packing credit loans (unsecured)	13,438.1	24,582.2
Bill discounting (unsecured)	859.8	6,535.9
	18,186.2	39,533.1
(B) Details of secured and unsecured borrowings		
The aggregate amount of borrowing includes:		
Secured borrowings	2,887.5	8,415.0
Unsecured borrowings	15,298.7	31,118.1

(C) Terms of borrowings

- All secured working capital demand loans are secured by first *pari passu* charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) and carry interest rate in the range of 4% (March 31, 2021: interest of Nil).
- All unsecured working capital demand loans carry interest rate in the range of 4.25% (March 31, 202: Nil).
- All secured packing credit foreign currency loans carry interest rate in the range of respective LIBOR plus 10 to 25 basis points (March 31, 2021: respective LIBOR plus 25 basis points) with maturity within 6 months.
- All unsecured packing credit foreign currency loans carry interest rate in the range of respective LIBOR plus (-5) to 25 basis points (March 31, 2021: respective LIBOR plus (-5) to 20 basis points) with maturity within 6 months.
- All unsecured bills discounted carry interest rate in the range of respective LIBOR Plus (0) to 2 bps (March 31, 2021: respective LIBOR plus (10) to 2 basis points and fixed 30 basis points).



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- (vi) Due to phasing out of LIBOR during the year ended March 31, 2022, Reserve Bank of India has replaced LIBOR with Structured Overnight Finance Rate (SOFR). This change has no impact on carrying value of working capital loans.

16. PROVISIONS

	As at March 31, 2022	As at March 31, 2021
(A) Non-current		
For employee benefits		
Gratuity [refer note 31(b)]	50.3	-
	50.3	-
(B) Current		
For employee benefits		
Gratuity [refer note 31(b)]	-	-
Compensated absences	1,033.6	1,110.0
	1,033.6	1,110.0

17. TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 32)	298.9	157.1
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,312.6	20,452.4
	16,611.5	20,609.5

Refer note 41 for the Company's liquidity risk management process

Refer note 37 for the related party payables

Refer note 51 for trade payables ageing schedule

18. OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Current		
Unclaimed dividend (refer note 33)	25.7	26.0
Capital creditors (refer note 32)	658.4	1,668.4
Acceptances *	4,208.7	2,120.0
Security deposits	1.5	1.5
	4,894.3	3,815.9

* Acceptances includes credit availed by the Company from banks for payment to supplies for raw materials purchased by the Company. The arrangements are interest bearing ranging from 0.15% to 0.24%. These are largely repayable within 180 days. (March 31, 2021 : interest bearing ranging from 0.20% to 0.24% p.a)

19. OTHER CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Contract liabilities - advance from customers (refer note 20 (e))	176.6	71.8
Deferred income (EPCG)	22.6	2.8
Statutory liabilities	298.5	353.4
Employee payables	429.5	536.9
	927.2	964.9

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

20. REVENUE FROM OPERATIONS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products (Active Pharma Ingredients (API) and Formulations)	110,594.9	156,107.3
Other contract revenue - sale of services	1,905.8	114.5
Other operating revenues		
Scrap sales	171.5	136.1
Export incentives	199.2	1,878.9
	112,871.4	158,236.8
(a) Reconciliation of revenue from sale of products with the contracted price:		
Revenue as per contracted price	108,599.7	150,555.9
Adjusted for:		
Sales returns	(631.7)	(521.4)
Sale price adjustments	1,393.4	4,337.1
Profit sharing adjustments	1,233.5	1,735.7
Total revenue from contracts with customers	110,594.9	156,107.3

(b) Disaggregation of revenue:

Primary geographical markets	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Related parties	Non-related parties	Related parties	Non-related parties
India	9,572.0	24,986.9	1,918.3	16,912.1
USA	31,406.7	7,124.1	60,187.9	16,129.9
Europe	11,518.5	11,348.8	16,236.9	23,601.4
Rest of the world	5,031.0	9,606.9	8,836.2	12,284.5

(c) Primary geographical markets

Primary geographical markets	For the year ended March 31, 2022		For the year ended March 31, 2021	
	API	Formulations	API	Formulations
India	33,587.9	971.1	18,215.7	614.7
USA	444.4	38,086.3	2,272.0	74,045.8
Europe	3,573.4	19,293.9	5,067.9	34,770.5
Rest of the world	6,203.9	8,434.0	8,270.7	12,850.0

(d) Revenue from sale of products is recognised at point in time as the goods are transferred. Revenues from sale of services recognised over time is insignificant.

(e) The amount of revenue recognised from contract liabilities at the beginning of the year ₹71.8 million (March 31, 2021: ₹169.3 million). Contract liability represents amount received against sale of products. These unsatisfied performance obligations are expected to be completed with in one year.



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

21. OTHER INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income under effective interest rate method		
Security deposits carried at amortised cost	280.0	55.8
Loans to subsidiaries and investments in debentures carried at amortised cost	491.0	401.9
Dividend income received from subsidiaries	4,509.9	3,074.6
Provision/liabilities no longer required written back	89.6	321.2
Foreign exchange gain (net)	1,228.0	1,854.4
Miscellaneous income	111.4	190.7
	6,709.9	5,898.6

22. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Raw material consumed		
Opening stock	25,969.5	21,308.6
Add: Purchases	41,254.6	68,601.6
	67,224.1	89,910.2
Less: Closing stock	15,057.1	25,969.5
Cost of raw material consumed (A)	52,167.0	63,940.7
B. Packing material consumed		
Opening stock	2,550.4	2,412.5
Add: Purchases	4,237.7	8,354.6
	6,788.1	10,767.1
Less: Closing stock	1,115.8	2,550.4
Cost of packing material consumed (B)	5,672.3	8,216.7
Cost of materials consumed (A+B)	57,839.3	72,157.4

23. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year		
Finished goods	6,119.5	6,492.6
Work-in-progress	9,813.9	11,725.0
	15,933.4	18,217.6
Inventories at the beginning of the year		
Finished goods	6,492.6	7,085.9
Work-in-progress	11,725.0	11,161.6
	18,217.6	18,247.5
	2,284.2	29.9
Inventory transferred on slump sale	(1,829.1)	-
	455.1	29.9

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

24. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	14,642.7	15,876.0
Contribution to provident and other funds (refer note 31 a)	535.3	572.7
Gratuity expense (refer note 31 b)	273.7	279.4
Compensated absences expense	300.8	362.9
Staff welfare expenses	247.9	263.2
	16,000.4	17,354.2

25. FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on financial liabilities measured at amortised cost	152.0	259.6
Other borrowing costs	17.4	27.2
	169.4	286.8

26. DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment	4,094.5	4,843.1
Depreciation on right of use assets	20.8	22.7
Amortisation on intangible assets	37.3	14.2
	4,152.6	4,880.0

27. OTHER EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Conversion charges	204.7	582.8
Consumption of stores and spares	1,351.2	1,807.4
Chemicals consumed	2,790.2	3,447.0
Power and fuel	4,779.9	5,123.4
Carriage inward	449.9	504.0
Factory maintenance	341.7	434.1
Effluent treatment expenses	310.9	822.9
Repairs and maintenance		
i) Plant and machinery	1,192.3	1,201.0
ii) Buildings	333.3	319.7
iii) Others	82.6	139.7
Rent (refer note 30(A))	8.5	30.3
Rates and taxes	243.2	240.8
Printing and stationery	181.1	233.0
Postage, telegram and telephones	73.2	77.8
Insurance	482.6	443.2
Legal and professional charges	2,241.0	1,939.0
Directors sitting fees	11.8	11.4
Remuneration to statutory auditors (refer note 35)	17.9	16.3
Sales commission	210.3	330.9
Carriage outwards	3,323.3	4,609.9
Selling expenses	216.6	97.0
Travelling and conveyance	123.4	220.4



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Vehicle maintenance expenses	8.9	7.3
Clinical and analytical charges	1,915.8	1,408.9
Registration and filing charges	1,036.0	1,032.2
Loss on sale of property, plant and equipment (net)	310.9	1.7
Allowance for doubtful trade and other receivables (net)	(178.6)	2.3
Corporate Social Responsibility expenditure (CSR) (refer note below)	570.0	835.7
Miscellaneous expenses	1,041.9	1,316.0
	23,674.5	27,236.1

Note: Details of CSR expenditure as per Section 135 of the Companies Act, 2013

	For the year ended March 31, 2022	For the year ended March 31, 2021
- Amount required to be spent by the Company during the year	569.9	447.9
- Amount approved by the Board to be spent during the year	569.9	447.9
- Amount spent on:		
i) Construction/acquisition of any asset		
ii) On purposes other than (i) above	569.9	835.7
- Shortfall at the end of the year	-	-
- Total of previous years shortfall	-	-
- Reason for shortfall	NA	NA
- Nature of CSR activities	Disaster Relief, Education, Skilling, Employment, Entrepreneurship, Health, Wellness and Water, Sanitation and Hygiene, Heritage	
- Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		
Contribution to Aurobindo Pharma Foundation (SEC 8 Company) in relation to CSR expenditure	570.0	835.7

28. INCOME TAX

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Statement of profit and loss		
Current tax	3,797.0	10,433.4
Deferred tax	(1,969.3)	367.6
	1,827.7	10,801.0
Other comprehensive income		
Deferred tax - net loss on remeasurements of defined benefit plan	(5.7)	34.4
	(5.7)	34.4
Reconciliation of effective tax rate for the year ended March 31, 2022 and March 31, 2021		
Profit before tax	16,374.8	41,930.1
Enacted tax rate in India	25.17%	34.94%
Tax at statutory tax rate	4,121.2	14,652.1

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Effect of :		
Tax holidays (refer note (a) below)	-	(3,037.6)
Expenses not deductible for tax purposes	428.6	295.8
Dividend received from subsidiaries	(1,135.1)	(1,074.4)
Remeasurement of deferred tax assets and liabilities due to rate change	(920.7)	-
Deferred tax reversal on account of transfer of units (refer note 43)	(610.7)	-
Others (net)	(55.8)	(34.9)
Total	(2,293.5)	(3,851.1)
Income tax expense	1,827.7	10,801.0
Effective tax rate	11.16%	25.76%

Notes:

- (a) The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 01, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfillment of certain conditions. From April 01, 2011 units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).
- (b) During the quarter ended March 31, 2022, the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2022 and re-measured its deferred tax assets / liabilities based on the rate prescribed in the said Section. The impact of this change has been recognised in the statement of profit and loss over the period from April 01, 2021 to March 31, 2022.
- (c) There are no unrecognised deferred tax assets and liabilities as at March 31, 2022 and March 31, 2021

29. EARNINGS PER SHARE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Earnings		
Profit after taxation considered for calculation of basic and diluted earnings per share	14,547.1	31,129.1
Shares		
Weighted average number of equity shares considered for calculation of basic and diluted earnings per share	585,938,609	585,938,609
Earnings per share of face value ₹1/-		
- Basic	24.83	53.13
- Diluted	24.83	53.13

30. COMMITMENTS AND CONTINGENCIES

A. Leases

The Company has lease contracts for land and buildings. The lease term generally varies between 4 to 10 years. These contracts include extension and termination options.

The Company also has certain leases with lease terms of less than 12 months or with low value. The Company applies short term lease and lease of low value assets recognition exemption for these leases.



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Changes in lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance as at April 01, 2020	886.5	169.8
Additions	21.2	811.1
Finance cost	64.5	25.5
Payment of lease liabilities	(209.5)	(119.9)
Closing balance	762.7	886.5
Non-current lease liability	605.8	744.2
Current lease liability	156.9	142.3

Cash outflow on leases

Particulars	As at March 31, 2022	As at March 31, 2021
Payment of lease liabilities	145.0	94.4
Interest on lease liabilities	64.5	25.5
Total cash outflow on leases	209.5	119.9

Amount recognised in statement of profit and loss

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation	185.4	114.9
Interest expense	64.5	25.5
Short term and low value leases	8.5	30.3
Total expense relating to leases	258.4	170.7

Contractual maturities of lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	209.6	205.0
1 to 5 years	664.6	831.2
Above 5 years	18.4	39.5
	892.6	1,075.7

B. Capital and other commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	1,246.8	4,497.0

C. Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debt		
Claims arising from disputes not acknowledged as debts - indirect taxes (excise duty and service tax)*	681.3	198.0
Claims arising from disputes not acknowledged as debts - direct taxes*	492.6	413.6
Claims against the Company not acknowledged as debts - other duties/claims**	149.3	150.3
Corporate guarantees for loans taken by wholly owned subsidiaries**	-	6,345.5

* in respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. The Company is contesting these demands and the Management, including its advisors, believe that its position will likely be upheld in the appellate process.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

No expense has been accrued in the stand alone financial statements for the demands raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

[^] The Company is involved in disputes, claims, Governmental and /or regulatory inspection, inquires, including patents and commercial matters that arise from time to time in the ordinary course of business. The same are subject to uncertain future events not wholly within the control of the Company. The Management does not expect the same to have materially adverse effect on its financial position, as it believes the likely hood of any loss is not probable.

^{**} Financial guarantees furnished towards business requirement in respective subsidiaries. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

D. Other guarantees

Particulars	As at March 31, 2022	As at March 31, 2021
Other performance bank guarantees	206.1	593.6

In addition to the above, the Company along with a subsidiary is a party to certain pending disputes with regulatory authorities relating to the certain allotment of lands that have taken place in earlier years. During the year 2018-19, pursuant to the order of the Honorable Appellate Tribunal, the lands belonging APL Research Centre Limited, subsidiary, which were attached earlier, were released after placing a fixed deposit of ₹131.6 as a security deposit with Enforcement Directorate. While the disposal of the cases are subject to final judgement from the CBI Special Court, in the assessment of the Management and as legally advised, the allegations are unlikely to have a significant material impact on the financial statements of the Company.

31. EMPLOYEE BENEFITS

a) Disclosures related to defined contribution plan

	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident fund contribution*	521.8	555.3
Contribution to ESI**	13.6	19.8

* Includes ₹ Nil (March 31, 2021: ₹2.3) transferred to capital work-in-progress

** Includes ₹ Nil (March 31, 2021: ₹0.1) transferred to capital work-in-progress

b) Disclosures related to defined benefit plan

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity on departure at 15 days last drawn salary for each completed year of service or part thereof in excess of six months.

This defined benefit plan exposes the Company to actuarial risk, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The plan is funded with Life Insurance Corporation in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the fund status and amounts recognised in the balance sheet:



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Net employee benefit expense (included under employee benefit expenses)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	284.7	246.4
Past service cost	-	-
Interest on defined benefit liability	(11.0)	34.6
Net employee benefit expenses*	273.7	281.0

* Includes ₹ Nil (March 31, 2021: ₹1.6) transferred to capital work-in-progress

Details of the employee benefits obligations and plan assets are as follows:

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligation	2,189.6	2,095.7
Fair value of plan assets	2,139.3	2,139.4
Net defined benefit (asset)/liability	50.3	(43.8)

Details of changes in present value of defined benefit obligation are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	2,095.7	1,703.1
Current service cost	284.7	246.3
Past service cost	-	-
Interest on defined benefit obligation	129.5	104.8
Acquisition/Divestiture	(139.3)	(5.0)
Benefits paid	(137.5)	(81.2)
Remeasurement due to:		
Actuarial loss arising from changes in experience	3.6	130.5
Actuarial loss arising from changes in demographic assumptions	-	-
Actuarial loss/(gain) arising from changes in financial assumptions	(47.1)	(2.8)
Closing defined benefit obligation	2,189.6	2,095.7

Details of changes in fair value of plan assets are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets	2,139.5	1,071.4
Interest on plan assets	140.6	70.2
Employer Contribution	170.0	1,042.4
Acquisition/Divestiture	(152.2)	7.6
Benefits paid	(137.5)	(81.2)
Remeasurement due to - actual return on plan assets less interest on plan assets	(21.1)	29.1
Closing fair value of plan assets	2,139.3	2,139.5

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Sensitivity analysis

The sensitivity of over all plan obligations to changes in key assumptions are as follows:

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation without effect of projected salary growth rate	1,438.1	1,352.0
Add: effect of salary growth rate	751.5	743.7
Defined benefit obligation with effect of projected salary growth	2,189.6	2,095.7
Defined benefit obligation, using discount rate plus 50 basis points	2,121.7	2,027.5
Defined benefit obligation, using discount rate minus 50 basis points	2,261.7	2,168.2
Defined benefit obligation, using salary growth rate plus 50 basis points	2,257.7	2,164.2
Defined benefit obligation, using salary growth rate minus 50 basis points	2,124.4	2,030.2

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Funds managed by Insurers	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

	For the year ended March 31, 2022	For the year ended March 31, 2021
Financial assumptions		
Discount rate (p.a.)	6.90%	6.57%
Expected salary increase (p.a.)	10% for 2 Years and 7% thereafter	10% for 2 Years and 7% thereafter
Demographic assumptions		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

Attrition rate	As at March 31, 2022		As at March 31, 2021	
	Age (years)	Rates (p.a.)	Age (years)	Rates (p.a.)
	21 - 30	16%	21 - 30	16%
	31 - 40	12%	31 - 40	12%
	41 - 50	6%	41 - 50	6%
	51 - 57	23%	51 - 57	23%

Discount rate: The discount rate is based on the prevailing market yields of Indian Government securities as at the reporting date for the estimated term of obligations.

Salary escalation rate: The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other related factors.

Maturity profile of the defined benefit obligation

	As at March 31, 2022	As at March 31, 2021
Weighted average expected future working life (Years)	8.1	8.1
Expected future cash flow of gratuity		
Within 12 months	288.8	249.3
Between 2 and 5 years	949.4	882.4
Beyond 5 years	2,511.4	2,444.0



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The Company expects to contribute **₹288.8** (March 31, 2021: ₹249.3) during the year ended March 31, 2023 to the qualifying insurance policy.
- The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period by varying one actuarial assumption, keeping all other actuarial assumptions constant.

32. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The information as required under MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with Company and has been relied upon by the auditors.

	As at March 31, 2022	As at March 31, 2021
The principal amount remaining unpaid to any supplier as at the end of each accounting year (including ₹36.0 shown under capital creditors [March 31, 2021: ₹51.9])	334.9	209.0
The amount of interest accrued and remaining unpaid as at the end of the year.	Nil	Nil
Amount of interest paid by the Company in terms of Section 16, of Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	Nil	Nil
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) without the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

- In respect of the amounts mentioned under Section 125 of the Companies Act, 2013 there are no dues that are to be credited to the Investor Education and Protection Fund as at March 31, 2022 (March 31, 2021: ₹ Nil).

34. RESEARCH AND DEVELOPMENT EXPENSES

- Details of Research and development expenses incurred during the year, debited under various heads of statement of profit and loss is given below:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Material and stores and spares consumption	1,789.3	2,054.9
Power and fuel	146.2	136.2
Repairs and maintenance	92.6	75.6
Employee benefits expense	1,998.9	1,884.1
Analytical charges	1,811.3	1,308.0
Legal and professional charges	1,463.2	1,340.4
Registration and filing fee	679.1	668.3
Depreciation expense	320.9	327.3
Others	354.1	325.3
Total	8,655.6	8,120.1

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

b) Details of capital expenditure incurred for Research and development are given below:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Buildings	7.5	1.9
Plant and equipment		
- Plant and equipment	33.8	59.0
- Lab equipment	238.6	206.6
- Pipes and valves	3.2	0.3
- Data processing equipment	5.2	9.7
- Electrical installations	3.3	2.0
Office equipment	2.3	2.2
Furniture and fixtures	11.9	2.9
Total	305.8	284.5

35. REMUNERATION TO STATUTORY AUDITORS

	For the year ended March 31, 2022	For the year ended March 31, 2021
As Auditors :		
Statutory audit	6.9	6.5
Limited review - standalone	4.5	4.5
Limited review - consolidation	3.0	3.0
Certification	2.7	1.0
Reimbursement of expenses and taxes	0.8	1.3
	17.9	16.3

36. CONTRIBUTION TO POLITICAL PARTIES AS PER SECTION 182 OF COMPANIES ACT, 2013. (INCLUDED IN MISCELLANEOUS EXPENSES)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Donation		
- Political parties	2.7	-
- Electoral bonds (in accordance with the Electoral Bond Scheme notified by the Government of India)	55.0	-

37. RELATED PARTY DISCLOSURES

Names of related parties and description of relationship

Subsidiaries

- 1 APL Pharma Thai Limited, Thailand
- 2 All Pharma (Shanghai) Trading Company Limited, China
- 3 Aurobindo Pharma USA Inc., USA
- 4 Aurobindo Pharma Industria Farmaceutica Ltda, Brazil
- 5 Helix Healthcare B.V., The Netherlands
- 6 Aurobindo Pharma Produtos Farmaceuticos Limitada, Brazil
- 7 APL Healthcare Limited, India
- 8 Auronext Pharma Private Limited, India
- 9 Auro Pharma Inc., Canada
- 10 Aurobindo Pharma (Pty) Limited, South Africa
- 11 Agile Pharma B.V., The Netherlands
- 12 Aurobindo Pharma Japan K.K., Japan
- 13 Aurex B.V. (formerly Pharmacin B.V.), The Netherlands
- 14 Aurobindo Pharma GmbH Germany (merged with Puren Pharma GmbH w.e.f. October 01, 2021)
- 15 Laboratorios Aurobindo S.L., Spain



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- 16 Aurobindo Pharma B.V., The Netherlands (formerly known as Actavis B.V.)
- 17 Aurobindo Pharma (Romania) S.r.l, Romania
- 18 Aurobindo Pharma (Italia) S.r.l, Italy
- 19 Aurobindo Pharma (Malta) Limited, Malta
- 20 APL Swift Services (Malta) Limited, Malta
- 21 Milpharm Limited, UK
- 22 Aurolife Pharma LLC, USA
- 23 Auro Peptides Limited, India
- 24 Auromedics Pharma LLC, USA
- 25 Aurovida Farmaceutica S.A. DE C.V., Mexico
- 26 Aurobindo Pharma Colombia S.A.S, Colombia
- 27 Arrow Generiques SAS, France
- 28 Auro Health LLC, USA
- 29 Pharmacin B.V. (formerly Aurex B.V.), The Netherlands
- 30 1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Germany
- 31 Puren Pharma GmbH & Co., KG (formerly Actavis Deutschland GmbH & Co., KG), Germany
- 32 Aurovitas Spain SA (formerly Actavis Spain SA), Spain
- 33 Natrol LLC, USA (up to November 30, 2020)
- 34 Aurovitas Pharma Polska, Sp. z o o, Poland
- 35 Aurogen South Africa (Pty) Ltd, South Africa
- 36 Auro AR LLC, USA
- 37 Auro Vaccines LLC, USA
- 38 Auro Logistics LLC, USA
- 39 Acrotech Biopharma LLC, USA
- 40 Generis Farmaceutica S.A, Portugal
- 41 Generis Phar Unipessoal Lda., Portugal
- 42 Aurobindo Pharma Saudi Arabia Limited Company, Saudi Arabia
- 43 Auro Pharma India Private Limited, India
- 44 Aurovitas Pharma (Tazihou)Ltd., China
- 45 Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o.)
- 46 Apotex Europe B.V., The Netherlands (w.e.f. February 08, 2019)
- 47 Aurovitas Nederland B.V (formerly Apotex Nederland B.V.) name changed w.e.f. February 01, 2022
- 48 Sameko Farma B.V, The Netherlands (w.e.f. February 08, 2019)
- 49 Leidapharm B.V, The Netherlands (w.e.f. February 08, 2019)
- 50 Marel B.V, The Netherlands (w.e.f. February 08, 2019)
- 51 Pharma Dossier B.V, The Netherlands (w.e.f. February 08, 2019)
- 52 CuraTeQ Biologics GmbH (Liquidated w.e.f. October 07, 2021)
- 53 Aurobindo Pharma FZ-LLC, Dubai (w.e.f. January 06, 2019)
- 54 Auro Science LLC, U.S.A (w.e.f. March 28, 2019)
- 55 Auro Science (Pty) Ltd, Australia
- 56 Auroactive Pharma Private Limited, India (w.e.f. January 09, 2020)
- 57 Auro Packaging LLC, USA (w.e.f. April 01, 2019)
- 58 Aurobindo N.V. Belgium, (w.e.f. December 17, 2019)
- 59 CuraTeq Biologics Private Limited, India (w.e.f. April 25, 2020)
- 60 Auro Cure Private Limited, India (w.e.f. July 05, 2020)
- 61 AuroZest Private Limited, India (w.e.f. August 06, 2020)
- 62 Mviyes Pharma Ventures Private Limited, India (w.e.f. November 06, 2020)
- 63 Qule Pharma Private Limited, India (w.e.f. November 16, 2020)
- 64 Lyfius Pharma Private Limited, India (w.e.f. November 16, 2020)
- 65 Aurobindo Antibiotics Private Limited, India (w.e.f. October 06, 2020)
- 66 Wytells Pharma Private Limited, India (w.e.f. February 20, 2021)
- 67 Eugia Pharma Specialities Limited, India (w.e.f. November 06, 2020)
- 68 Auro vaccines Private Limited, India (w.e.f. November 08, 2021)
- 69 Eugia Pharma B.V. (w.e.f. September 08, 2021)
- 70 Eugia Pharma (Malta) Limited, Malta (w.e.f. October 14, 2021)
- 71 Eugia (UK) Limited (w.e.f. October 21, 2021)

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for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- 72 Aurosalud SA De CV (w.e.f. July 16, 2021)
- 73 Auro PR Inc (w.e.f. September 22, 2021)
- 74 Eugia Pharma INC, Canada (w.e.f. October 29, 2021)
- 75 Eugia Pharma (Australia) PTY Limited (w.e.f. December 15, 2021)
- 76 Auro PR LLC (Formerly Mylan LLC)(acquired w.e.f. December 30, 2021)
- 77 Aurobindo Pharma Ukraine LLC (w.e.f. February 02, 2022)
- 78 Eugia Pharma Colombia S.A.S. (w.e.f. March 02, 2022)
- 79 Auro Steriles LLC (w.e.f. April 01, 2021)
- 80 Vespyr Brands, Inc (formerly known as Nurya Brands Inc) (w.e.f. April 28, 2021)
- 81 Eugia US Manufacturing LLC (w.e.f. August 01, 2021)
- 82 Eugia Injectable Inc (w.e.f. April 01, 2021)
- 83 Eugia Inc (w.e.f. February 23, 2022)
- 84 CuraTeQ Biologics s.r.o. (w.e.f. July 27, 2021)
- 85 Eugia Pharma Industria Farmaceutica Limitada (w.e.f. December 20, 2021)

Joint ventures

- 1 Novagen Pharma (Pty) Limited, South Africa (Joint Venture of a Subsidiary, Aurobindo Pharma (Pty) Limited, South Africa)
- 2 Eugia Pharma Specialities Limited, India (up to November 06, 2020)
- 3 Tergene Biotech Private Limited, India
- 4 Raidurgam Developers Limited, India (formerly known as Aurobindo Antibiotics Limited, India)
- 5 Purple Bellflower (Pty)Ltd, South Africa
- 6 Luioxin Aurovitas Pharm (Chengdu) Co, Ltd, China
- 7 Longxiang Pharma Taizhou Co, Ltd, China (w.e.f. October 20, 2019)
- 8 Novagen BBBEE Invest Co, (Pty) Ltd, South Africa (w.e.f. November 07, 2019)

In Associates

- 1 NVNR (Ramannapet I) Power Plant Private Limited, India
- 2 NVNR (Ramannapet II) Power Plant Private Limited, India

Enterprises over which key management personnel or their relatives exercise significant influence

- 1 Pravesha Industries Private Limited, India
- 2 Sri Sai Packaging, India (Partnership firm)
- 3 Trident Chemphar Limited, India
- 4 Auropro Soft Systems Private Limited, India
- 5 Axis Clinicals Limited, India
- 6 Pranit Packaging Private Limited, India
- 7 SGD Pharma India Limited (formerly Cogent Glass Limited), India
- 8 Orem Access Bio Inc, India
- 9 Veritaz Healthcare Limited, India
- 10 Alex Merchant PTE. LTD, Singapore
- 11 Axis Clinicals LLC, USA
- 12 Alex Merchant DMCC, Dubai
- 13 Crest Cellulose Private Limited, India
- 14 East Pharma Technologies, India (Partnership firm)
- 15 Axis Clinicals Latina SA DE CV, Mexico
- 16 Gelcaps Industries, India
- 17 Aurobindo Pharma Foundation(Trust), India
- 18 Alcedo Pharmachem Private Limited, India
- 19 Ambipack Industries, India
- 20 Giyaan Pharma Private Limited, India
- 21 Sathguru Management Consultants Pvt. Ltd., India
- 22 Transaction Square LLP, India
- 23 Shreas Industries Limited, India
- 24 Aurobindo Realty & Infrastructure Private Limited, India
- 25 Aurobindo Pharma Foundation, India



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- 26 Sportz And Live Entertainment Private Limited
- 27 Zoylo Digihealth Private Limited
- 28 Sathguru Software Products Private Limited, India

Key managerial personnel

- 1 Mr. K. Nityananda Reddy, Vice chairman and Managing Director (w.e.f. January 01, 2022)
- 2 Dr. M. Sivakumaran, Whole-time Director
- 3 Mr. M. Madan Mohan Reddy, Whole-time Director
- 4 Mr. P. Sarath Chandra Reddy, Whole-time Director
- 5 Mr. N. Govindarajan, Managing Director (up to December 31, 2021)
- 6 Mr. Santhanam Subramanian, Chief Financial Officer
- 7 Mr. B. Adi Reddy, Company Secretary
- 8 Mr. K. Ragunathan, Non-Executive Chairman and Independent Director
- 9 Mr. M. Sitarama Murty, Independent Director (up to March 31, 2021)
- 10 Dr. (Mrs.) Avnit Bimal Singh, Independent Director
- 11 Mr.P.Venkata Ramprasad Reddy, Non-Executive promoter director
- 12 Mrs.Savitha Mahajan, Independent Director
- 13 Mr.Girish Paman Vanvari, Independent Director (w.e.f. November 05, 2020)

Relatives to key managerial personnel

- 1 Mr. Vishnu M Sriram (Son in law of Dr. M. Sivakumaran, Whole-time Director)

Transactions with related parties

a) Loans given and repayment thereof

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Transactions with subsidiaries and outstanding balances		
APL Healthcare Limited, India		
Receipt against loan and interest	4,076.0	-
Interest accrued	152.7	281.6
Loan given	20.0	1,145.0
Balance receivable	-	3,903.3
AuroZest Private Limited, India		
Interest accrued	31.0	10.1
Loan given	20.0	440.0
Balance receivable	501.1	450.1
Lyfius Pharma Private Limited, India		
Interest accrued	89.0	0.0
Loan given	2,080.0	10.0
Balance receivable	2,179.0	10.0
CurateQ Biologics Private Limited, India		
Receipt against loan and interest	-	1,825.2
Interest accrued	-	25.2
Loan given	-	1,800.0
Auro Cure Private Limited, India		
Interest accrued	24.0	-
Loan given	995.0	-
Balance receivable	1,019.0	-
Qule Pharma Private Limited, India		
Interest accrued	55.4	-
Loan given	1,220.0	-
Balance receivable	1,275.4	-
Eugia Pharma Specialities Limited, India		

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for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest accrued	90.0	-
Loan given	3,150.0	-
Balance receivable	3,240.0	-
Auro Vaccines Private Limited		
Interest accrued	0.0	-
Loan given	15.0	-
Balance receivable	15.0	-

b) Sale of products/purchases, services and other transactions

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
APL Pharma Thai Limited, Thailand		
Sale of products	32.0	34.9
All Pharma (Shanghai) Trading Company Limited, China		
Purchases	5.1	3.6
Reimbursement of expenses	20.3	10.5
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil		
Sale of products	49.5	3.2
Reimbursement of expenses	2.1	1.0
Sales Commission	11.2	26.9
APL Swift Services (Malta) Limited, Malta		
Sale of products	6,667.8	10,048.5
Sales Commission	1.5	2.1
Purchase of services	113.7	564.2
Reimbursement of expenses received	6.7	7.1
Aurobindo Pharma USA Inc., USA		
Sale of products	26,580.0	45,486.1
Reimbursement of expenses received	63.7	36.8
Dividend received	3,760.0	-
Purchase of samples	67.4	50.3
Acrotech Biopharma LLC, USA		
Corporate guarantee fee received	-	8.1
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil		
Sale of products	525.5	665.8
Reimbursement of expenses	17.2	2.7
Auro Pharma Inc., Canada		
Sale of products	2,180.6	3,515.9
Reimbursement of expenses received	6.8	1.5
Reimbursement of expenses	0.7	1.1
Aurobindo Pharma (Pty) Limited, South Africa		
Sale of products	730.9	3,179.4
Pharmacin B.V., The Netherlands (formerly Aurex B.V.)		
Sale of products	34.7	15.2
Sales Commission	0.3	0.4
Aurex B.V., The Netherlands (formerly Pharmacin B.V.)		
Sale of products	-	0.4
Reimbursement of expenses received	-	0.9
Milpharm Limited, UK		
Sale of products	2,361.2	5,283.1



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Reimbursement of expenses	33.4	0.1
Reimbursement of expenses received	0.5	0.5
Aurolife Pharma LLC, USA		
Sale of products	284.2	1,788.4
Purchases	159.4	48.5
Purchase of intangible	-	145.8
Aurobindo Pharma Japan K.K., Japan		
Sale of products	566.5	586.5
Sales Commission	32.9	58.4
Purchases	0.1	-
Aurobindo Pharma (Malta) Limited, Malta		
Reimbursement of expenses	27.9	12.5
Reimbursement of expenses received	1.6	-
Auronext Pharma Private Limited, India		
Sale of products	-	610.8
Purchases	-	8.3
Purchases of Assets	-	0.1
Rent received	-	3.7
Sale of services	-	1.7
Dividend received	749.9	3,074.6
Eugia Pharma Specialities Limited, India		
Sale of products	1,329.6	578.4
Purchases	452.3	15.3
Rent received	4.5	0.7
Sale of services	849.5	5.9
Investment in Compulsorily convertible debentures (CCDs)	-	5,750.0
Sale of property, plant and equipment	156.3	-
Sales of shares (Auro Cure Private Limited – Equity)	442.5	-
Business Transfer under Slump Sales	9,383.2	-
Laboratorios Aurobindo S.L, Spain		
Sale of products	-	72.8
Reimbursement of expenses received	-	0.2
Auro Medics Pharma LLC, USA		
Sale of products	2,945.1	10,595.0
Reimbursement of expenses received	68.2	-
Reimbursement of expenses	2.4	-
APL Healthcare Limited, India		
Sale of products	7,253.4	673.9
Sale of fixed assets	0.2	17.2
Purchases	694.4	89.5
Purchases-MEIS Scrips	68.6	9.3
Corporate guarantee given	-	500.0
Reimbursement of expenses received	747.8	-
Rent received	7.1	-
Business Transfer under Slump sale	13,152.7	-
Investment in Compulsorily convertible debentures (CCDs)	10,500.0	-
Auro Peptides Limited, India		
Rent Received	12.5	11.9

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Reimbursement of expenses received	54.9	55.3
Investment in 9.5% cumulative redeemable preference shares	455.5	120.0
Sale of products	1.7	0.9
Purchases	75.8	192.7
Sale of fixed assets	0.1	-
Aurovida Farmaceutica, SA DE CV, Mexico		
Sale of products	483.2	264.6
Reimbursement of expenses received	1.2	0.6
Reimbursement of expenses	27.1	8.5
Aurobindo Pharma Colombia S.A.S., Colombia		
Sale of products	216.4	382.5
Reimbursement of expenses received	1.0	-
Reimbursement of expenses	1.7	9.7
Arrow Generiques S.A.S., France		
Sale of products	1,353.4	53.4
Purchases	0.1	0.1
Reimbursement of expenses received	0.6	-
Aurobindo Pharma B.V. (formerly Actavis B.V.), The Netherlands		
Sale of products	907.9	533.9
Reimbursement of expenses received	0.5	0.2
Reimbursement of expenses	0.6	0.1
Aurovitas Spain SAS, Spain		
Sale of products	53.2	44.8
Reimbursement of expenses received	0.0	-
Reimbursement of expenses	0.2	0.1
Aurobindo Pharma (Italia) S.r.l, Italy		
Sale of products	52.6	34.1
Reimbursement of expenses	0.3	0.2
Auro Health LLC, USA		
Sale of products	1,597.5	2,318.4
Reimbursement of expenses received	17.7	0.6
Purchases	29.4	9.8
Puren Pharma GmbH & Co., KG, Germany		
Reimbursement of expenses	-	3.9
Reimbursement of expenses received	-	0.5
Aurovitas Pharma Polska, Poland		
Reimbursement of expenses	-	1.2
Reimbursement of expenses received	0.8	-
Generis Farmaceutica SA, Portugal		
Sale of products	87.6	84.0
Reimbursement of expenses	-	0.7
Reimbursement of expenses received	0.2	0.3
Purchases	-	11.6
Helix Healthcare B.V., The Netherlands		
Equity contribution	1,543.2	4,603.6
Corporate guarantee fee received	4.5	8.3
Agile Pharma BV, The Netherlands		
Corporate guarantee fee received	1.3	3.5
Aurobindo Pharma (Romania) S.r.l, Romania		



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for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Reimbursement of expenses	-	0.6
Auro Active Pharma Private Limited		
Equity contribution	229.0	1.0
Reimbursement of expenses received	1.2	-
Rent received	6.4	-
Sale of fixed assets	1.4	-
Apotex Nederland B.V		
Sale of products	-	66.7
Auro Packaging LLC		
Sale of fixed assets	-	0.4
Aurobindo Pharma FZ LLC		
Sale of products	16.0	10.7
Aurovitas Pharma Taizhou Co., Ltd.		
Sale of products	39.6	4.6
Sale of fixed assets	1.4	-
Curateq Biologics Private Limited		
Sale of products	0.2	0.4
Business Transfer under Slump Sales	-	4,256.2
Equity contribution	-	1,000.0
Investment in Compulsory convertible debentures	4,500.0	7,300.0
Corporate guarantee given	-	1,500.0
Corporate guarantee loan outstanding	59.7	-
Reimbursement of expenses received	0.6	-
Auro Cure Private Limited		
Equity contribution	70.0	372.5
Sale of products	3.4	-
Sale of services	2.0	-
Sale of fixed assets	4.1	-
Corporate guarantee given	1,000.0	-
Corporate guarantee loan outstanding	897.7	-
Aurozest Pvt. Ltd.		
Equity contribution	-	1.0
Mviyes Pharma Ventures Private Limited		
Equity contribution	-	2,742.1
Qule Pharma Private Limited		
Equity contribution	-	1.0
Reimbursement of expenses received	0.2	-
Lyfius Pharma Private Limited		
Equity contribution	-	1.0
Corporate guarantee given	-	100.0
Reimbursement of expenses received	1.0	-
Sale of fixed assets	1.6	-
Aurobindo Antibiotics Private Limited		
Equity contribution	9.9	0.1
Reimbursement of expenses received	0.2	-
Wytells Pharma Private Limited		
Purchases	20.7	-
Sale of products	876.2	-

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Reimbursement of expenses received	0.5	-
Business Transfer under Slump Sales	2,941.2	-
Aurobindo Pharma Saudi Arabia Limited		
Sale of products	14.8	-
Aurogen South Africa (PTY) Limited		
Sale of products	6.8	-
Auroscience PTY Limited		
Purchase of fixed assets	14.5	-
Auro Vaccines Private Limited		
Business Transfer under Slump sale	3,275.5	-
Equity contribution	1.0	-
Aurogen South Africa (PTY) Limited		
Sale of products	6.8	-

c) **Sale/purchase of goods, services and other transactions**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Transactions with Joint Venture		
Novagen Pharma (Pty) Limited, South Africa		
Sale of products	169.2	188.2
Raidurgam Developers Limited, India		
Rent expenses including maintenance	302.8	59.5
Rent deposit	0.2	100.6
Investment in optionally convertible debentures	500.0	434.5
Interest accrued	95.3	54.2
Reimbursement of expenses received	0.5	-
Eugia Pharma Specialities Limited, India		
Sale of products	-	50.7
Purchases	-	5.2
Tergene Biotech Private Limited, India		
Investment in 10.5% Cumulative Redeemable Preference shares	37.0	43.5
Luoxin Aurovitas Pharma (Chengdu) Co., LTD. JVC		
Sale of services	313.9	-
Transactions with Associates		
NVNR (Ramannapet I) Power Plant Private Limited, India		
Equity contribution	5.2	-
Investment in optionally convertible debentures	48.6	-
NVNR (Ramannapet II) Power Plant Private Limited, India		
Equity contribution	5.2	-
Investment in optionally convertible debentures	48.6	-



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

d) Transactions with enterprises over which key management personnel or their relatives exercise significant influence

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Pravesha Industries Private Limited, India		
Sale of products	1.5	0.2
Purchases	2,479.4	3,226.6
Sale of service	-	0.5
Purchase of fixed assets	2.5	-
Sri Sai Packaging, India		
Sale of products	0.6	0.4
Purchases	259.7	247.4
Axis Clinicals Limited, India		
Sale of products	0.1	0.3
Purchase of services	1,487.4	1,153.3
Axis Clinicals Latina SA DE CV, Mexico		
Purchase of services	28.2	5.1
Trident Chemphar Limited, India		
Sale of products	0.0	0.3
Purchases	637.1	1,023.2
Purchase of services	85.1	138.6
Pranit Packaging Private Limited, India		
Sale of products	0.0	0.0
Purchases	220.6	257.9
SGD Pharma India Limited (formerly Cogent Glass Limited) up to November 16, 2021		
Purchases	233.2	1,105.1
Reimbursement of expenses received	1.6	-
Orem Access Bio Inc, India		
Sale of products	-	0.1
Purchases	180.7	345.1
Veritaz Healthcare Limited, India		
Sale of products	359.1	187.6
Rent received	0.4	0.4
Crest Cellulose Private Limited, India		
Purchases	88.4	350.3
East Pharma Techonologies, India		
Sale of products	0.1	0
Purchases	44.5	101.6
Sale of services	0.1	-
Gelcaps Industries, India		
Purchases	506.9	507.0
Aurobindo Foundation(Trust), India		
Contribution towards CSR activities	-	152.9
Corporate guarantee given	-	990.0
Aurobindo Pharma Foundation, India (Sec.8 Company)		
Contribution towards CSR activities	570.0	582.1
Equity contribution	-	0.1
Alcedo Pharmachem Private Limited, India		
Purchases	219.7	260.3
Ambipack Industries, India		
Purchases	127.4	140.0
Giyaan Pharma Private Limited, India		
Sale of products	25.9	28.9

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Axis Clinicals LLC, USA		
Purchase of services	-	1.5
Aurobindo Realty & Infrastructure Private Limited		
Purchase of capital goods	246.2	349.9
Sale of products	0.1	-
Shreas Industries Limited		
Purchases	-	0.9
Sathguru Management Consultants Pvt. Ltd.		
Purchase of services	-	1.2
Transaction Square LLP		
Purchase of services	0.1	-
Sportz And Live Entertainment Private Limited		
Purchase of services	0.2	-
Zoylo Digihealth Private Limited		
Purchase of services	0.7	-
Sathguru Software Products Private Limited		
Purchase of services	5.9	-

e) Remuneration to key managerial personnel and their relatives

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term employee benefits	219.3	219.5
Post employment benefits	5.8	6.5
Director sitting fees	11.8	11.4
Commission	62.5	125.0

f) Transactions with key managerial personnel or their relatives

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent expense	3.0	2.8

Notes:

- Managerial remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.
- All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for trade receivable, trade payable and other payables are unsecured, interest free and settlement occurs in cash. The Company has not recorded any impairment of balances relating to amounts owed by related parties during the year ended March 31, 2022 (March 31, 2021), provision for bad and doubtful debts will be made on an aggregate basis i.e. not specific to party. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

g) Loans to subsidiaries - Maximum amount outstanding

Name of the Companies	Closing Balance as at March 31		Maximum outstanding at any time during the year ended March 31	
	2022* ₹	2021* ₹	2022* ₹	2021* ₹
APL Health Care Limited, India	-	3,495.0	3,515.0	3,495.0
Auro Zest Pvt. Ltd., India	460.0	440.0	460.0	440.0
Lyfius Pharma Private Limited, India	2,090.0	10.0	2,090.0	10.0
Auro Cure Private Limited, India	995.0	-	995.0	-
Qule Pharma Private Limited, India	1,220.0	-	1,220.0	-
Eugia Pharma Specialites Ltd., India	3,150.0	-	3,150.0	-
Auro Vaccines Private Limited, India	15.0	-	15.0	-

* Excluding interest on loan

h) Balances with Subsidiaries at the year end (excluding loan balances as mentioned in point a. above)

	As at March 31, 2022	As at March 31, 2021
All Pharma (Shanghai) Trading Company Limited, China		
Trade payable	34.6	13.9
Helix Healthcare B.V., The Netherlands		
Corporate guarantee for loans outstanding	-	4,630.5
Commission receivable	-	1.9
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil		
Trade receivable	9.4	3.2
APL Swift Services (Malta) Limited, Malta		
Trade receivable	4,441.9	9,121.2
Balance payable	45.7	345.1
Aurobindo Pharma USA Inc., USA		
Trade receivable	7,903.2	16,431.1
Balance payable	2.6	18.3
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil		
Trade receivable	106.6	262.5
Balance payable	12.4	4.0
Auro Pharma Inc., Canada		
Trade receivable	1,611.0	2,240.2
Balance payable	4.3	4.2
Aurobindo Pharma (Pty) Limited, South Africa		
Trade receivable	343.5	1,957.5
Pharmacin B.V., The Netherlands (formerly Aurex B.V.)		
Trade receivable	8.8	6.9
Milpharm Limited, UK		
Trade receivable	760.0	2,144.6
Balance payable	7.3	0.6
Aurolife Pharma LLC, USA		
Trade receivable	-	456.1
Balance payable	193.6	195.1
Aurobindo Pharma Japan K.K., Japan		
Trade receivable	195.3	183.4
Balance payable	0.2	1.7
Aurobindo Pharma (Malta) Limited, Malta		
Balance payable	1.0	27.7
Eugia Pharma Specialities Limited, India		

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Balance receivable	1,248.9	236.2
Receivable for Business Transfer	9,383.2	-
Balance payable	2,637.9	8.8
Auromedics Pharma LLC, USA		
Trade receivable	100.2	3,515.6
Balance payable	-	25.1
APL Healthcare Limited, India		
Corporate guarantee for loans outstanding	-	218.8
Balance receivable	4,101.5	644.4
Auro Peptides Limited, India		
Balance receivable	2.2	135.1
Aurovida Farmaceutica, SA DE CV, Mexico		
Balance receivable	401.9	168.0
Balance payable	5.6	-
Aurobindo Pharma B.V., The Netherlands		
Balance receivable	392.8	398.2
Aurobindo Pharma Colombia S.A.S., Colombia		
Balance payable	-	0.4
Balance receivable	56.6	212.9
Arrow Generiques S.A.S., France		
Balance receivable	707.6	5.6
Agile Pharma B.V. The Netherlands		
Corporate guarantee for loans outstanding	-	1,715.0
Balance receivable	-	0.7
Aurobindo Pharma (Italia) S.r.l, Italy		
Balance receivable	25.9	11.6
Balance payable	0.0	0.1
Auro Health LLC, USA		
Balance receivable	636.7	1,697.7
Balance payable	21.8	9.8
Generis Farmaceutica SA, Portugal		
Balance receivable	26.0	40.3
Aurovitas Pharma Polska, Poland		
Balance receivable	-	0.2
Aurovitas Spain SAS, Spain		
Balance receivable	13.5	0.8
Balance payable	-	0.1
Aurex B.V		
Balance receivable	-	1.3
Aurobindo Pharma FZ LLC		
Balance receivable	6.5	10.8
Apotex Nederland B.V		
Balance receivable	-	1.6
Aurovitas Pharma Taizhou Co., Ltd.		
Balance receivable	21.4	4.7
APL Pharma Thai Limited, Thailand		
Balance payable	-	5.1
Curateq Biologics Private Limited		
Balance receivable	-	0.3
Balance payable	0.9	-



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Corporate guarantee outstanding	59.6	-
Auroscience PTY Limited		
Balance payable	15.5	-
Auro Cure Private Limited		
Balance receivable	1.2	-
Corporate guarantee outstanding	897.7	-
Auro Vaccines Private Limited		
Balance receivable (payment made on behalf of)	116.5	-
Receivable for Business Transfer	3,275.5	-
Auro Active Pharma Private Limited		
Balance receivable	0.0	-
Aurobindo Pharma Saudi Arabia Limited		
Balance receivable	1.3	-
Lyfius Pharma Private Limited		
Balance receivable	1.6	-
Wytells Pharma Private Limited		
Balance receivable	646.7	-
Receivable for Business Transfer	2,941.2	-
Aurogen South Africa (PTY) Limited		
Balance receivable	7.6	-

Note: For closing balance of investments and provision for diminution in value of investments, refer note 4.

i. Balances with Joint venture at the year end

	As at March 31, 2022	As at March 31, 2021
Novagen Pharma (Pty) Limited, South Africa		
Balance receivable	46.6	89.6
Raidurgam Developers Limited, India		
Balance receivable	47.8	24.0
Rent deposit Receivable	100.8	100.6
Balance payable	7.4	22.9
Luoxin Aurovitas Pharma(Chengdu) Co.,LTD.JVC		
Balance receivable	317.4	-

j. Balances with enterprises over which key management personnel or their relatives exercise significant influence at the year end.

	As at March 31, 2022	As at March 31, 2021
Pravesha Industries Private Limited, India		
Balance payable	700.6	734.4
Sri Sai Packaging, India		
Balance payable	34.7	44.6
Axis Clinicals Limited, India		
Balance payable	158.0	422.6
Trident Chemphar Limited, India		
Balance payable	53.7	12.4
Pranit Packaging Private Limited, India		
Balance payable	23.3	45.1
SGD Pharma India Limited (formerly Cogent Glass Limited), India (up to November 16, 2021 related)		
Balance payable	-	250.3

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Veritaz Healthcare Limited, India		
Balance receivable	159.6	93.2
Orem Access Bio Inc, India		
Balance payable	37.0	29.2
Crest Cellulose Private Limited, India		
Balance payable	19.8	78.7
East Pharma Technologies, India		
Balance payable	9.1	19.3
Gelcaps Industries, India		
Balance payable	106.7	118.6
Alcedo Pharmachem Private Limited, India		
Balance payable	19.7	-
Ambipack Industries, India		
Balance payable	22.4	28.2
Giyaan Pharma Private Limited, India		
Balance receivable	34.2	27.3
Axis Clinicals Latina S.A. DE C.V.		
Balance payable	4.9	-
Aurobindo Realty & Infrastructure Private Limited		
Balance payable	75.3	73.3
Transaction Square LLP		
Balance payable	0.1	-
Aurobindo Foundation (Trust), India		
Corporate guarantee outstanding	990.0	956.8
Balances with key managerial personnel at the year end		
Mr. N. Govindarajan (up to December 31, 2021)		
Balance payable	62.5	125.0
Mr. K. Nityananda Reddy		
Balance payable	-	0.2

38. HEDGING ACTIVITIES AND DERIVATIVES - DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one week to twelve months.

39. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using 'adjusted net debt to total equity ratio'. For this purpose, adjusted net debt is defined as total borrowings, less cash and cash equivalents and other bank balances.



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The Company's adjusted net debt to total equity was as follows:

	As at March 31, 2022	As at March 31, 2021
Total borrowings	18,186.2	39,533.1
Less: cash and cash equivalents	(482.1)	(3,835.8)
Less: other bank balances	(25.7)	(26.0)
Adjusted net debt	17,678.4	35,671.3
Total equity	171,173.4	159,246.1
Adjusted net debt to total equity ratio	0.1	0.2

40. COVID-19 IMPACT ANALYSIS

The Company has considered the possible effects that may result from the pandemic relating to COVID-19. With a view to ensure minimal disruption with respect to operations including production and distribution activities, the Company has taken several business continuity measures. While the Company has not experienced any significant difficulties with respect to market demand, liquidity, financing capital expansion projects, collections so far, the Company has assessed the financial impact of the Covid 19 situation particularly on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets. The Company has, as at the date of approval of these standalone financial results, used internal and external sources of information, including economic forecasts and estimates from market sources. On the basis of evaluation and current indicators of future economic conditions, the Company believes that it will be in a position to recover the carrying amounts of these assets and does not anticipate any material impact due to impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

41. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

March 31, 2022

Particulars	Notes	Carrying amount			Fair value			
		FVTPL	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Non-current investments in others	4(A)	151.2	-	151.2	-	-	151.2	151.2
Non-current investments in government securities	4(A)	0.2	-	0.2	-	-	0.2	0.2
Current investments	4(B)	0.1	-	0.1	0.1	-	-	0.1
Derivatives – foreign currency forward contracts	7(B)	274.7	-	274.7	-	274.7	-	274.7
		426.2	-	426.2	0.1	274.7	151.4	426.2
Financial assets not measured at fair value								
Non-current investments in subsidiaries and JVs	4(A)	-	31,688.6	31,688.6				
Trade receivables	6(B)	-	39,732.4	39,732.4				
Loans	5(A) & 5(B)	-	8,374.0	8,374.0				
Cash and bank balances	12(A) & 12(B)	-	507.8	507.8				
Other financial assets	7(A) & 7(B)	-	1,660.5	1,660.5				
		-	81,963.3	81,963.3				

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	Notes	Carrying amount			Fair value			
		FVTPL	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value								
Borrowings	15(A), 15(B)	-	18,186.2	18,186.2				
Trade payables	17	-	16,611.5	16,611.5				
Other current financial liabilities	18	-	4,894.3	4,894.3				
Lease liabilities	30(A)	-	762.7	762.7				
		-	40,454.7	40,454.7				
March 31, 2021								
Particulars	Notes	Carrying amount			Fair value			
		FVTPL	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Non-current investments in others	4(A)	151.2	-	151.2	-	-	151.2	151.2
Non-current investments in government securities	4(A)	0.2	-	0.2	-	-	0.2	0.2
Current investments	4(B)	0.2	1,290.2	1,290.4	1,000.4	-	290.0	1,290.4
Derivatives – foreign currency forward contracts	7(B)	190.0	-	190.0	-	190.0	-	190.0
		341.6	1,290.2	1,631.8	1,000.4	190.0	441.4	1,631.8
Financial assets not measured at fair value								
Non-current investments in subsidiaries and JVs	4(A)	-	16,073.0	16,073.0				
Trade receivables	6(B)	-	59,280.1	59,280.1				
Loans	5(A)&5(B)	-	4,135.5	4,135.5				
Cash and bank balances	12(A)&12(B)	-	3,861.8	3,861.8				
Other financial assets	7(A)&7(B)	-	1,651.9	1,651.9				
			85,002.3	85,002.3				
Financial liabilities not measured at fair value								
Borrowings (including current maturities of non-current borrowings)	15(A), 15(B) & 18	-	39,531.0	39,531.0				
Trade payables	17	-	20,609.5	20,609.5				
Other current financial liabilities	18	-	4,704.5	4,704.5				
Lease liabilities	30(A)	-	886.5	886.5				
			65,731.5	65,731.5				



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Equity investments	Discounted cash flow method	Forecast annual revenue growth rate (5%-9%) Forecast EBIT (13%-15%) Terminal growth rate- 5%	- The estimated fair value would increase (decrease) if the EBIT margin were higher (lower) - Generally a change in annual revenue growth rate is accompanied by a directionally similar change in EBIT margin

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2021-22 and no transfers in either direction in 2020-21.

C. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks being faced by the Company, 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. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The 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 adhoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

The Company is exposed primarily to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). The Company uses derivative financial instruments such as forwards to minimise any adverse effect on its financial performance.

i. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and credit worthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. The Company establishes an allowance for doubtful receivables and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Management also evaluates the factors that may influence the credit risk of its customer base, including the default risk and country in which the customers operate. The Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if available, financial statements, credit agency information, industry information and in some case bank references. Sales limits are established for each customer and reviewed quarterly.

The Company's receivables turnover is quick and historically, there was no significant default on account of trade and other receivables. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Set out below is the information about the credit risk exposure of the Company's trade receivables using provision matrix:

Trade receivables	As at March 31, 2022				As at March 31, 2021			
	ECL Rate	Gross carrying amount	ECL simplified approach	Net Carrying Amount	ECL Rate	Gross Carrying amount	ECL simplified Approach	Net carrying Amount
Not due	0.1%	33,784.3	18.0	33,766.3	0.0%	51,767.6	16.6	51,751.0
below 90 days past due	0.5%	4,911.9	22.6	4,889.3	1.9%	4,207.3	77.9	4,129.4
91 to 180 days past due	1.5%	666.9	10.3	656.6	1.2%	2,338.7	28.5	2,310.2
181 to 270 days past due	2.4%	171.7	4.1	167.6	5.1%	385.8	19.5	366.3
271 to 360 days past due	7.0%	127.3	8.9	118.4	4.2%	197.2	8.3	188.9
361 to 450 days past due	6.7%	32.6	2.2	30.4	20.4%	251.1	51.2	199.9
451 to 540 days past due	24.4%	19.2	4.7	14.5	33.6%	331.3	111.2	220.1
541 to 630 days past due	39.9%	34.7	13.8	20.9	54.5%	178.7	97.4	81.3
631 to 720 days past due	42.3%	10.1	4.3	5.8	44.9%	40.9	18.3	22.6
721 to 810 days past due	57.6%	54.2	31.2	23.0	44.8%	17.1	7.7	9.4
811 to 900 days past due	81.2%	91.1	73.9	17.2	64.2%	2.7	1.8	0.9
901 to 990 days past due	83.4%	113.3	94.5	18.8	81.8%	0.8	0.7	0.1
991 to 1081 days past due	91.2%	41.0	37.4	3.6	99.6%	2.3	2.3	-
above 1081 days past due	100.0%	324.0	324.0	-	100.0%	332.2	332.2	-
Total		40,382.3	649.9	39,732.4		60,053.7	773.6	59,280.1

Reconciliation of loss allowance on trade receivables:

Particulars	March 31, 2022	March 31, 2021
Loss allowance as at April 01	773.6	1,159.9
Net remeasurement of loss allowance	(123.7)	(388.6)
Amount written off	-	(2.3)
Loss allowance as at 31 March	649.9	773.6



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Loan given to subsidiaries

Credit risk related to loan given to subsidiaries is not expected to be material.

Other financial assets

The Company maintains exposure in cash and cash equivalents and derivative instruments with financial institutions. The Company has loan receivables outstanding from its wholly owned subsidiaries amounting to **₹8,229.4** (March 31, 2021: ₹4,363.5).

The Company's maximum exposure to credit risk as at March 31, 2022 and March 31, 2021 is the carrying value of each class of financial assets.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at reporting date:

As at March, 2022

	Carrying amount	Contractual cash flows			Total
		< 12 months	1 to 5 years	> 5 years	
Non-derivative financial liabilities*					
Current borrowings	18,186.2	18,207.9	-	-	18,207.9
Trade payables	16,611.5	16,611.5	-	-	16,611.5
Other current financial liabilities	4,894.3	4,894.3	-	-	4,894.3

* Excludes lease liabilities. Refer note 30 for contractual cashflows relating to leases

As at March, 2021

	Carrying amount	Contractual cash flows			Total
		< 12 months	1 to 5 years	> 5 years	
Non-derivative financial liabilities*					
Current borrowings	39,531.0	39,546.7	-	-	39,531.0
Trade payables	20,609.5	20,609.5	-	-	20,609.5
Other current financial liabilities	4,704.5	4,705.8	-	-	4,704.5

* Excludes lease liabilities. Refer note 30 for contractual cashflows relating to leases

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

a) Foreign currency risk:

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The Company is subject to foreign exchange risk primarily due to its foreign currency revenues, expenses and borrowings. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro and GBP against the functional currency of the Company. The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Company has a treasury team which evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks and advises the Management of any material adverse effect on the Company. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on foreign exchange risk from derivative instruments and non derivative instruments is as follows:

The summary of quantitative data about the Company's exposure to currency risk as reported to the management is as follows:

As at March 31, 2022

Particulars	Amount in ₹				
	USD	Euro	GBP	Others	Total
Financial assets					
Trade receivables	18,839.7	6,312.4	759.8	2,232.7	28,144.6
Cash and bank balances	91.3	0.1	34.7	3.9	130.0
Total	18,931.0	6,312.5	794.5	2,236.6	28,274.6
Less:					
Derivatives – foreign currency forward contracts	(5,013.7)	(3,031.9)	(1,212.6)	(1,677.1)	(10,935.3)
Net exposure in financial assets	13,917.3	3,280.6	(418.1)	559.5	17,339.3
Financial liabilities					
Borrowings including current maturities of non-current borrowings	15,825.5	859.9		-	16,685.4
Trade payables (including capital creditors)	4,895.2	386.8	30.5	89.4	5,401.9
Acceptances supplier credit	4,208.7				4,208.7
	24,929.4	1,246.7	30.5	89.4	26,296.0
Less:					
Derivatives – foreign currency forward contracts	(269.7)	(900.1)		(0.0)	(1,169.8)
Net exposure in financial liabilities	24,659.7	346.6	30.5	89.4	25,126.2
Net exposure in respect of recognised assets/(liabilities)	(10,742.4)	2,934.0	(448.6)	470.1	(7,786.9)



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

As at March 31, 2021

Particulars	Amount in ₹			
	USD	Euro	GBP	Others
Total	37,794.0	11,256.0	2,364.6	2,838.6
Financial assets				
Trade receivables	35,869.6	10,511.1	2,144.7	2,831.8
Cash and bank balances	1,924.4	744.9	219.9	6.8
Total	37,794.0	11,256.0	2,364.6	2,838.6
Less:				
Derivatives – foreign currency forward contracts	(5,639.1)	(7,374.5)	(1,772.5)	(2,323.5)
Net exposure in financial assets	32,154.9	3,881.5	592.1	515.1
Financial liabilities				
Borrowings including current maturities of non-current borrowings	36,404.6	2,958.4	171.3	
Trade payables (including capital creditors)	9,157.7	630.2	12.9	87.3
Total	45,562.3	3,588.6	184.2	87.3
Less:				
Derivatives – foreign currency forward contracts		(428.7)		-
Net exposure in financial liabilities	45,562.3	3,159.9	184.2	87.3
Net exposure in respect of recognised (liabilities)/assets	(13,407.4)	721.6	407.9	427.8

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars, GBP and Euro at March 31, would have affected the measurement of financial instruments denominated in US dollars, GBP and Euro and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2022				
USD (5% movement)	(537.1)	537.1	(477.2)	477.2
Euro (5% movement)	146.7	(146.7)	130.3	(130.3)
GBP (5% movement)	(22.4)	22.4	(19.9)	19.9
Others (5% movement)	23.5	(23.5)	20.9	(20.9)
March 31, 2021				
USD (5% movement)	(670.4)	670.4	(497.7)	497.7
Euro (5% movement)	36.1	(36.1)	26.8	(26.8)
GBP (5% movement)	20.4	(20.4)	15.1	(15.1)
Others (5% movement)	21.4	(21.4)	15.9	(15.9)

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to risk of change in market interest rates because it borrows funds at both fixed and floating interest rates. The Company manages its interest rate risk by having a balances portfolio of fixed and variable rate loans and borrowings. As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings including current maturities	16,685.4	40,417.5
Fixed rate borrowings	1,500.8	-
Total borrowings	18,186.2	40,417.5

Sensitivity analysis:

Particulars	Impact on profit and loss				Impact on equity, net of tax			
	March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Variable rate instruments	(157.2)	157.2	(170.5)	170.5	(139.7)	139.7	(126.6)	126.6
Fixed rate instruments	(0.7)	0.7	(0.6)	0.6	(0.6)	0.6	(0.5)	0.5

c) Commodity risk:

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchase of active pharmaceutical ingredients and other raw material components for its products. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2020, the Company had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

42. TRANSFER OF BUSINESS OF UNIT-17 AND R&D-3

The Board of Aurobindo Pharma Limited on June 03, 2020 had approved the transfer of Company's Biosimilar business and related R&D manufacturing facilities (Unit-17 and R&D-3) situated at survey No. 77 & 78, Indrakaran Village, Kandi Mandal, Sanga Reddy District, Telangana to its newly incorporated wholly owned subsidiary CuraTeQ Biologics Private Limited (CuraTeQ), through a slump sale. The above undertaking was transferred at book value amounting to ₹4,256.2.

43. TRANSFER OF BUSINESS OF UNIT-10, UNIT-16, UNIT-4 AND UNIT-18

The Board of Aurobindo Pharma Limited on February 27, 2021 had approved the transfer of its oral formulations business comprised in Unit 10 located at Multiproduct Special Economic Zone, Naidupet, Mandal, SPSR Nellore District, Andhra Pradesh to its wholly-owned subsidiary APL Healthcare Limited through a slump sale. Undertaking was transferred for consideration of ₹13,152.7 million.

The Board of Aurobindo Pharma Limited in their meeting held on May 31, 2021 approved Transfer of business undertaking comprised in Unit-16 of the Company located at TSIC, SEZ, Polepally Village, Jadcherla Mandal, Mahbubnagar district, Telangana, to Wytells Pharma Private Limited, a wholly owned step-down subsidiary of the Company and 100% subsidiary of Eugia Pharma Specialities Limited. Undertaking was transferred for consideration of ₹2,941.2 million.

The Board of Aurobindo Pharma Limited in their meeting held on July 01, 2021 approved the transfer of business undertaking comprised in Unit-4 of the Company located at Pashamylaram, Pattancheru Mandal, Sangareddy district, Telangana, to Eugia Pharma Specialities Limited, a wholly owned subsidiary of the Company. Undertaking was transferred for consideration of ₹9,383.2 million.

Due to the above transfers the Company has recorded a capital gain tax of ₹251.7 million and a reversal of deferred tax amounting to ₹610.7 million.



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The Board of Directors of the Company as part of Company's Verticalisation of Vaccines Business, in its meeting held on December 31, 2021 approved the sale and transfer of Unit 18 of the Company located at Survey No. 69, 70, 71 & 72, Indrakaran Village, Kandi Mandal, Sangareddy District – 502 203, Telangana, to Auro Vaccines Private Limited, a wholly owned subsidiary of the Company. This transfer is aimed at segregation of the vaccines business and subsidiarisation of vaccines business in an special purpose vehicle. The slump sale of Unit 18 is effective from January 01, 2022 for a lumpsum consideration of ₹3,275.5 million(on a cash free basis). Unit 18 is yet to commence commercial operations.

The details of assets and liabilities transferred on above slump sale are as under:

Particulars	Unit-10	Unit-16	Unit-4	Unit-18	Total
Non-current assets	7,288.3	1,855.3	4,091.5	3,214.6	16,449.7
Current assets	12,063.1	1,487.5	6,368.8	238.6	20,158.0
Total assets	19,351.4	3,342.8	10,460.3	3,453.2	36,607.7
Non-current liabilities	-	0.9	3.8	1.2	5.9
current liabilities	6,451.0	188.6	776.8	176.5	7,592.9
Total liabilities	6,451.0	189.5	780.6	177.7	7,598.8
Net assets transferred	12,900.4	3,153.3	9,679.7	3,275.5	29,008.9
Consideration	13,152.7	2,941.2	9,383.2	3,275.5	28,752.6
Gain/(loss)*	252.3	(212.1)	(296.5)	-	(256.3)

* Grouped under other expenses.

44. MERGER OF SUBSIDIARIES

During the financial year 2019-20, the Board of directors of the Company has approved for amalgamation of the five subsidiary Companies with Aurobindo Pharma Limited, the holding company with the appointed date of April 01, 2019. Accordingly, the amounts relating to year ended March 31, 2021 include the impact of the business combination.

45. TITLE DEEDS OF IMMOVABLE PROPERTY NOT HELD IN THE NAME OF THE COMPANY (REFER NOTE 3A)

March 31, 2022

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property plant and equipment	Freehold land located in Telangana admeasuring 15 Acres	2.9	Sri Chakra Remedies Limited	No	Since 2001	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 03, 2001.
Property plant and equipment	Building located in Telangana	35.3	Sri Chakra Remedies Limited	No	Since 2001	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 03, 2001.
Property plant and equipment	Freehold land located in Telangana admeasuring 24.75 Acres	4.4	Ranit Pharma Limited	No	Since 2003	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 09, 2003.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 16 Acres	103.7	Ramky Pharma city (India) Limited and Andhra Pradesh Industrial Infrastructure corporation Limited	No	Since 2005	Agreement of Sale to the Company is completed and fulfillment of conditions to transfer the title deeds is in progress
Property plant and equipment	Freehold land located in Telangana admeasuring 2 Acres	0.3	Senor Organics Private Limited,	No	Since 2007	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated June 21, 2007.
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 1 Acre	97.6	Hyacinths Pharma Private Limited	No	Since 2019	
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 438 Acres	114.5	APL Research Center Limited	No	Since 2019	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the National Company Law Tribunal, Hyderabad dated March 30, 2021
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 4.36 Acres	19.3	Silicon Life Sciences Private Limited	No	Since 2019	
Property plant and equipment	Building located in Andhra Pradesh	213.7	Silicon Life Sciences Private Limited	No	Since 2019	
		591.8				

March 31, 2021

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property plant and equipment	Freehold land located in Telangana admeasuring 15 Acres	2.9	Sri Chakra Remedies Limited	No	Since 2001	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 03, 2001.
Property plant and equipment	Building located in Telangana	35.3	Sri Chakra Remedies Limited	No	Since 2001	



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property plant and equipment	Freehold land located in Telangana admeasuring 24.75 Acres	4.4	Ranit Pharma Limited	No	Since 2003	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated April 09, 2003.
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 16 Acres	103.7	Ramky Pharma city (India) Limited and Andhra Pradesh Industrial Infrastructure corporation Limited	No	Since 2005	Agreement of Sale to the Company is completed and fulfillment of conditions to transfer the title deeds is in progress
Property plant and equipment	Freehold land located in Telangana admeasuring 2 Acres	0.3	Senor Organics Private Limited,	No	Since 2007	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated June 21, 2007.
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 1 Acre	97.7	Hyacinths Pharma Private Limited	No	Since 2019	
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 438 Acres	114.5	APL Research Center Limited	No	Since 2019	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the National Company Law Tribunal, Hyderabad dated March 30, 2021
Property plant and equipment	Freehold land located in Andhra Pradesh admeasuring 4.36 Acres	19.3	Silicon Life Sciences Private Limited	No	Since 2019	
Property plant and equipment	Building located in Andhra Pradesh	213.7	Silicon Life Sciences Private Limited	No	Since 2019	
Property plant and equipment	Freehold land located in Telangana admeasuring 30.338 Acres	19.7	Trident Life Sciences Limited	No	Since 2009	Acquired under the scheme of Amalgamation CP No. 36 and 37 of 2010
		611.5				

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

46. CAPITAL WORK-IN-PROGRESS AGING SCHEDULE (REFER NOTE 3A)

March 31, 2022

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:					
Active Pharma Ingredient (API) Projects	1,483.7	86.7	-	-	1,570.4
Others	617.6	63.5	-	-	681.1
	2,101.3	150.2	-	-	2,251.5
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil

March 31, 2021

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:					
Vaccine Project	647.3	514.9	728.7	85.3	1,976.2
Active Pharma Ingredient (API) Projects	340.1	114.8	367.6	56.9	879.4
Formulation Projects	2,202.2	34.0	24.9	63.0	2,324.1
Others	1,829.6	109.2	29.8	41.9	2,010.5
	5,019.2	772.9	1,151.0	247.1	7,190.2
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil

Note: The Company does not have any capital work-in-progress which is overdue or has exceeded its cost compared to its original plan and hence capital work-in-progress completion schedule is not applicable.

47. INTANGIBLE ASSETS UNDER DEVELOPMENT AGING SCHEDULE (REFER NOTE 3C)

March 31, 2021

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:					
Abbreviated New Drug Application (ANDA) purchase	145.8	-	-	-	145.8
Technology transfer	12.9	-	-	-	12.9
	158.7	-	-	-	158.7

Note: The Company does not have any intangible assets under development which is overdue or has exceeded its cost compared to its original plan and hence capital work-in-progress completion schedule is not applicable.



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

48. NON-CURRENT TRADE RECEIVABLES AGEING SCHEDULE (REFER NOTE 6A)

March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 year - 2 years	2 years - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	4.9	353.7	358.6
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	0	0	0	0	4.9	353.7	358.6

March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 year - 2 years	2 years - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	2.8	330.6	333.4
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	0	0	0	0	2.8	330.6	333.4

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

49. CURRENT TRADE RECEIVABLES AGING SCHEDULE (REFER NOTE 6B)

March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 year - 2 years	2 years - 3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	33,727.6	5,584.6	289.6	68.2	59.3	3.1	39,732.4
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	18.0	32.9	13.0	25.0	199.6	2.8	291.3
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	33,745.6	5,617.5	302.6	93.2	258.9	5.9	40,023.7
Less: loss allowance							291.3
Net trade receivable							39,732.4

March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 year - 2 years	2 years - 3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	51,732.7	6,457.7	555.9	531.9	1.8	0.1	59,280.1
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	16.6	106.4	27.8	278.1	10.2	1.1	440.2
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	51,749.3	6,564.1	583.7	810.0	12.0	1.2	59,720.3
Less: loss allowance							440.2
Net trade receivable							59,280.1



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

50. SHARES HELD BY PROMOTERS AT THE END OF THE YEAR (REFER NOTE 13)

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Particulars	March 31, 2022		March 31, 2021		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
M. Sivakumaran	14,491,360	2.47%	14,491,360	2.47%	-
Kottamanchi Rajeshwari	1,825,500	0.31%	1,825,500	0.31%	-
Penaka Neha Reddy	-	-	130,000	0.02%	-100%
Penaka Suneela Rani	130,000	0.02%	-	-	100%
K. Nityananda Reddy	25,359,572	4.33%	25,359,572	4.33%	-
Prasada Reddy Kambham	301,156	0.05%	301,156	0.05%	-
K. Suryaprakash Reddy	7,380	0.00%	7,380	0.00%	-
M. Sumanth Kumar Reddy	1,600,000	0.27%	1,600,000	0.27%	-
Kirithi Reddy Kambam	20,450,000	3.49%	20,450,000	3.49%	-
Kambam Spoorthi	7,000,000	1.19%	7,600,000	1.30%	-7.89%
Venkata Ramprasad Reddy Penaka	18,000,000	3.07%	18,000,000	3.07%	-
Trident Chemphar Limited	789,537	0.13%	789,537	0.13%	-
Axis Clinicals Limited	658,000	0.11%	658,000	0.11%	-
RPR Sons Advisors Private Limited, Mrs. P. Suneela Rani (jointly holding)	196,376,250	33.51%	196,376,250	33.51%	-
Axis Clinicals Limited, Trident Chemphar Limited, RPR Sons Advisors Pvt. Ltd. (jointly holding)	16,726,716	2.85%	16,726,716	2.85%	-
	303,715,471	51.83%	304,315,471	51.94%	-0.11%

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Particulars	March 31, 2021		March 31, 2020		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
M. Sivakumaran	14,491,360	2.47%	14,491,360	2.47%	-
Kottamanchi Rajeshwari	1,825,500	0.31%	1,975,500	0.34%	-7.6%
Penaka Neha Reddy	130,000	0.02%	130,000	0.02%	-
Penaka Suneela Rani	-	0.00%	-	0.00%	-
K. Nityananda Reddy	25,359,572	4.33%	25,359,572	4.33%	-
Prasada Reddy Kambham	301,156	0.05%	301,156	0.05%	-
K. Suryaprakash Reddy	7,380	0.00%	7,380	0.00%	-
M. Sumanth Kumar Reddy	1,600,000	0.27%	1,600,000	0.27%	-
Kirithi Reddy Kambam	20,450,000	3.49%	20,750,000	3.54%	-1.4%
Kambam Spoorthi	7,600,000	1.30%	7,600,000	1.30%	-
Venkata Ramprasad Reddy Penaka	18,000,000	3.07%	18,000,000	3.07%	-
Trident Chemphar Limited	789,537	0.13%	789,537	0.13%	-
Axis Clinicals Limited	658,000	0.11%	658,000	0.11%	-
RPR Sons Advisors Private Limited, Mrs. P. Suneela Rani (jointly holding)	196,376,250	33.51%	196,376,250	33.51%	-
Axis Clinicals Limited, Trident Chemphar Limited, RPR Sons Advisors Pvt. Ltd. (jointly holding)	16,726,716	2.85%	16,726,716	2.85%	-
	304,315,471	51.94%	304,765,471	52.01%	-0.07%

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

51. TRADE PAYABLES AGING SCHEDULE (REFER NOTE 17)

March 31, 2022

Particulars	Not due*	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
(i) MSME	294.4	4.5				298.9
(ii) Others	11,183.3	5,003.7	62.2	32.3	31.1	16,312.6
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	11,477.7	5,008.2	62.2	32.3	31.1	16,611.5

* Includes unbilled accrued amounts.

March 31, 2021

Particulars	Not due*	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
(i) MSME	113.6	43.5	-	-	-	157.1
(ii) Others	13,668.4	6,640.8	35.1	82.8	25.3	20,452.4
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	13,782.0	6,684.3	35.1	82.8	25.3	20,609.5

* Includes unbilled accrued amounts.

52. ADDITIONAL REGULATORY INFORMATION

The MCA vide notification dated March 24, 2021 has amended Schedule III of Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from April 1, 2021. The Company has incorporated the changes as per the said amendment in the financial statements and has also changed comparative numbers wherever applicable.

Other Statutory Information:

- There are no proceeding initiated or pending against the Company as at March 31, 2022, under Benami Property Transactions Act, 1988 (as amended in 2016).
- The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.
- The Company has recorded all transactions in the books of account that has been surrendered. There are no previously unrecorded incomes and related assets that were considered during the year, no unrecorded incomes were identified as income for tax assessments.
- The Company has not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- All quarterly returns or statements of current assets are filed by the Company with banks or financial institutions and are in agreement with the books of account.



Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- (viii) The loan has been utilised for the purpose for which it was obtained and no short term funds have been used for long term purpose.

(ix) **Ratios**

Ratios	Numerator	Denominator	March 31, 2022	March 31, 2021	Percentage of variance	Reason for variance
(a) Current ratio (in times)	Current Assets	Current liabilities including working capital loans	2.35	1.83	28%	Variance is due to increase in current assets because of receivable on account of business transfers
(b) Debt-equity ratio (in times)	Total debt	Equity and other equity	0.11	0.25	-56%	The variance is on account of decrease in total debt
(c) Debt service coverage ratio (in times)	EBITA (Earning before interest, amortisation and tax)	Interest expenses including interest on lease liabilities	64.51	97.72	-34%	The variance is due to decrease in interest expense excluding interest on lease liabilities
(d) Return on equity ratio (in %)	Profit after tax	Average share holders equity	8.8%	21.5%	-59%	The variance is on account of decrease in profit after tax due to transfer of business of Unit 10, Unit 04 and Unit 16 by slump sale in the current year. Refer note 43
(e) Inventory turnover ratio annulised (in times)	Revenue	Average inventory	2.7	3.39	-20%	
(f) Trade receivables turnover ratio (in times)	Revenue annulised	Average trade receivables	2.28	2.70	-16%	
(g) Trade payables turnover ratio consumed (in times)	Cost of materials	Average trade payables	2.44	3.86	-37%	The variance is on account of decrease in purchases due to transfer of business of Unit 10, Unit 04 and Unit 16 by slump sale in the current year. Refer note 43
(h) Net capital turnover ratio (in times)	Revenue	Working capital (current assets-current liabilities)	2.0	2.84	-30%	The variance is on account of decrease in revenue and working capital due to transfer of business of Unit 10, Unit 04 and Unit 16 by slump sale in the current year. Refer note 43
(i) Net profit ratio (in %)	Profit after tax	Net sales	12.89%	19.67%	-34%	The variance is on account of decrease in revenues and profitability due to transfer of business of Unit 10, Unit 04 and Unit 16 by slump sale in the current year. Refer note 43

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Ratios	Numerator	Denominator	March 31, 2022	March 31, 2021	Percentage of variance	Reason for variance
(j) Return on capital employed (in %)	EBIT (Earning before interest and tax)	Capital employed (Tangible net worth+Total debt+Deferred tax liability)	8.63%	20.80%	-59%	The variance on account of decrease in Earning before interest and tax due to transfer of business of Unit 10, Unit 04 and Unit 16 by slump sale in the current year. Refer note 43
(k) Return on investment (in %)	Dividend and interest on investment	Total investment	7.20%	6.25%	0.95%	

53. EXCEPTIONAL ITEMS

Exceptional items represent the following items which have been debited to statement of profit and loss.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provision for impairment in value of investment in Auro Peptides Limited- subsidiary (includes dividend)*	747.1	-

* Due to uncertain regulatory development and change in business plan, the Company recorded an impairment charge of ₹747.1 million in investment in one of its subsidiary.

54. SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

55. Previous period figures have been re-grouped / re-classified as follows:

	Amounts
(a) to conform to the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021: Interest accrued but not due on borrowings is regrouped to Current Borrowings (note 15) which was earlier grouped under Other Financial Liabilities (note 18);	2.1
(b) Other reclassifications to confirm comparable presentation	
(i) Interest accrued on loans to subsidiaries is regrouped to Loans (note 5(A)), which was earlier grouped under other financial assets (note 7(B)).	418.5
(ii) Right of use assets (ROU) has been reclassified (note 3B) which earlier grouped under property, plant and equipment (note 3A)	1,108.8
(iii) Other non current financial assets (note 7A) has been reclassified to other non current assets (note 10A)	131.6

The accompanying notes are an integral part of the standalone financial statements.

As per our Report of even date attached.

For B S R & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Amit Kumar Bajaj

Partner
Membership No. 218685

Place: Hyderabad
Date: May 30, 2022

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

K. Nithyananda Reddy

Vice Chairman & Managing Director
DIN-01284195

Santhanam Subramanian

Chief Financial Officer

Place: Hyderabad
Date: May 30, 2022

Dr. M. Sivakumaran

Director
DIN-01284320

B. Adi Reddy

Company Secretary
Membership No. 13709



Independent Auditor's Report

To the Members of Aurobindo Pharma Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

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

In our opinion and to the best of our information and according to the explanations given to us, 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, its associates and joint ventures as at March 31, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Description of Key Audit Matter

Key audit matters	How the matter was addressed in our audit
Impairment assessment of goodwill, intangible assets with indefinite useful lives and intangible assets under development: [Refer note 2.2 and 2.3(e) of the statement of significant accounting Policies and note 5 and 6 to the consolidated financial statements] The carrying value of Goodwill, intangible assets with indefinite useful lives and intangible assets under development aggregate to ₹16,360.0 million. These assets are evaluated for impairment when there is a trigger or at least annually for goodwill and intangible assets with indefinite useful lives. The Group performs the annual assessment of the goodwill, intangible assets with indefinite useful lives and intangible assets under development at each cash generating unit (CGU) level to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been derived using discounted cash flow models. These models use several key assumptions, including estimates of future sales volumes, prices, operational costs, terminal value growth rates; expected cost to complete the intangible under development; and the weighted average cost of capital (discount rate). Considering the inherent uncertainty, complexity and judgement involved and the significance of the value of these assets, impairment assessment of goodwill, intangible assets with indefinite useful lives and intangible assets under development has been considered as a key audit matter.	Our audit procedures and the audit procedures performed by the component auditors amongst others included the following: • Testing design, implementation and operating effectiveness of key controls over the impairment assessment process and forecasts and valuation models used by the Group. • Assessing the valuation methodology used by the Group and testing the mathematical accuracy of the impairment models. • Comparing the Group's key assumptions such as the discount rate against a discount range we developed with the assistance of our valuation specialists. • Interviewing key research and development personnel and commercial personnel to assess reasonableness of the assumptions used, such as expected market share, revenue growth, expected margins, probability of success of intangible assets under development. • Challenging the business assumptions used by the Group, such as sales growth and the probability of success of new products based on past performances where relevant. • Performing sensitivity analysis of key assumptions such as future revenue growth rates, costs and the discount rates used in the valuation models. • Evaluating the adequacy of the disclosure made in the consolidated financial statements.

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, its associates and joint ventures 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 MATTERS

Key audit matters are those matters that, in our professional judgement, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report

Key audit matters

Revenue Recognition

Refer to Note 2.3(c) of the summary of significant accounting policies to the consolidated financial statements.

Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers.

The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, net off chargebacks, rebate, trade discounts, other price adjustments and taxes. Sales arrangements in certain jurisdictions lead to significant deductions to gross sales in arriving at revenue.

We identified the recognition of revenue from sale of products as a key audit matter because:

- Revenue is one of the key performance indicators for the Group and there could be a risk of revenue being recognised before the control has been transferred to the customer.
- Variable consideration such as rebates, chargebacks, expected sales returns and other allowances requires significant estimation on the part of the Group and change in these estimates can have a significant financial impact.

Litigations, claims and contingencies

Refer note 2.3(m) of the summary of significant

accounting policies and note 34 to the consolidated financial statements.

The Group is involved in disputes, lawsuits, claims, governmental and / or regulatory inquiries, investigations and proceedings, including patent infringement cases, tax and commercial disputes, arising from time to time in the ordinary course of business.

Most of the claims involve complex legal and regulatory issues. The Group, assisted by their external legal counsel assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation. The Group's conclusions may result in an incorrect disclosure or provision in the books of account considering the aforesaid assessment involves significant judgement to be exercised by the Group based on current developments.

Further, unexpected adverse outcomes could also significantly impact the Group's reported results.

This area is significant to our audit, since the accounting and disclosure for litigations, claims and contingencies is complex and judgemental.

How the matter was addressed in our audit

Our audit procedures and the audit procedures performed by the component auditors amongst others included the following:

- Assessing the Group's revenue recognition policies for compliance with the applicable Ind AS.
- Evaluating the design and implementation and testing the operating effectiveness of the relevant key internal controls over recognition of revenue in accordance with delivery and acceptance terms of the underlying customer contracts and measurement of rebates, chargebacks, Medicaid, expected sales return and other allowances.
- Performing testing of selected statistical samples of revenue transactions recorded during the year by verifying the underlying documents such as sales invoices/ contracts and dispatch/ acknowledged delivery receipts/shipping documents.
- Assessing the adequacy of liability made as at year end for rebates, chargebacks, expected sales return and other allowances. Assessed the overall rebate and chargebacks issued in the current year in comparison with previous year.
- Assessing the Group's analysis of the historical pattern of charge back rates and the inventory information with wholesalers to test the Group's assumption for creation of such liabilities.
- Testing revenue transactions recorded before and after the financial year end date, selected on a sample basis using random sampling, to assess revenue is recognised in the period in which control is transferred.
- Assessing manual journals, sample selected based on specified risk-based criteria posted to revenue to identify unusual items.

Our audit procedures and the audit procedures performed by the component auditors amongst others included the following:

- Evaluating the design and testing the operating effectiveness of controls relating to identification and evaluation of litigation and claims and measurement of provisions, contingent liabilities and disclosures thereof.
- Obtained a list of ongoing litigations from the Group's legal head. We selected a sample of significant litigations and evaluated the Group's assessment thereof by:
 - i) making inquiries with the in-house legal counsel of the Group;
 - ii) obtaining and inspecting board minutes, verifying correspondence, orders and appeals in respect of open litigation; and
 - iii) obtained independent confirmations from external legal counsels where relevant and/ or evaluated legal opinions obtained by the Group. Also assessed the competence and independence of the external legal counsels.
 - iv) evaluated uncertain tax positions with assistance of our tax specialists
- Evaluating the adequacy of provision and disclosures to consolidated financial statements.

**Key audit matters****Inventory Valuation**

Refer to Note 2.3(g) of the summary of significant accounting policies and note 14 to the consolidated financial statements.

The carrying value of inventories comprising of raw materials, packing materials, work-in-progress, finished goods, stores, spares and consumables as at March 31, 2022 is ₹75,538.5 million.

Inventories are valued at lower of cost, determined on weighted average basis and net realisable value.

Raw material costs include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work-in-progress costs include direct material, labour and a proportion of manufacturing overheads based on the normal operating capacity.

We identified inventory valuation as a key audit matter because of:

- the significance of the amount of inventories to the consolidated balance sheet; and
- non-automated environment, likelihood of material misstatement in inventory valuation arising from incorrect alterations to the inventory valuation records, on account of high volume of transactions and stock keeping units.

How the matter was addressed in our audit

Our audit procedures and the audit procedures performed by the component auditors amongst others included the following

- Evaluating the Group's inventory valuation policies and assessing compliance with the relevant accounting standards.
- Evaluating the design and testing the implementation and operating effectiveness of the Group's internal controls over valuation of inventories.
- Evaluating the data inputs by testing samples, selected using statistical sampling, by verifying the underlying records such as purchase invoices, cost sheets, batch records, overhead allocation workings, and capacity utilisation certificates.
- Testing the mathematical accuracy of the valuation models.
- Performing analytical procedures on gross margin analysis (including price and volume changes) to identify unusual variances.

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 terms 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 including its associates and joint ventures 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 and of its associates and joint ventures 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and 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, its associates and joint ventures 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.

Independent Auditor's Report

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on internal financial controls with reference to consolidated financial statements 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, its associates and joint ventures 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, its associates and joint ventures 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 MATTERS

We did not audit the financial statements of 69 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹216,574 million as at March 31, 2022, total revenues (before consolidation adjustments) of ₹122,146 million and net cash flows (before consolidation adjustments) amounting



to ₹10,167 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total net loss after tax of ₹291 million for the year ended March 31, 2022, in respect of seven joint ventures, whose financial statements have not been audited by us. These financial statements 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, joint ventures and associates, 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, joint ventures and associates 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 matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement 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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associates, and joint ventures as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, associate companies and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures, as noted in the "Other Matters" paragraph:
 - (a) The consolidated financial statements disclose the impact of pending litigations as at March 31, 2022 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 34 to the consolidated financial statements.
 - (b) The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2022.
 - (c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate companies and joint venture companies incorporated in India during the year ended March 31, 2022.

Independent Auditor's Report

- (d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 56(v) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, associate companies and joint venture companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies, associate companies and joint venture companies incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 56(v) to the accounts, no funds have been received by the Holding Company or its subsidiary companies, associate companies and joint venture companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies, associate companies and joint venture companies incorporated in India shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.
- (e) The dividend declared or paid during the year by the Holding Company and its subsidiary companies, associate companies and joint venture companies incorporated in India is in compliance with Section 123 of the Act.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint venture 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, associate companies and joint venture 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, associate companies and joint venture 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 & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 116231 W/W-100024

Amit Kumar Bajaj

Partner

Membership No. 218685

ICAI UDIN: 22218685AJWBKI2616

Place: Hyderabad

Date: May 30, 2022



Annexure A

Annexure A to the Independent Auditor's report on the consolidated financial statements of Aurobindo Pharma Limited for the year ended March 31, 2022

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entity	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Eugia Pharma Specialities Limited	U24297TG2013PLC087048	Subsidiary	2(b)

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 116231 W/W-100024

Amit Kumar Bajaj

Partner

Membership No. 218685

ICAI UDIN: 22218685AJWBKI2616

Place: Hyderabad

Date: May 30, 2022

Annexure B

Annexure B to the Independent Auditors' Report on the Consolidated Financial Statements of Aurobindo Pharma Limited for the year ended March 31, 2022.

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Aurobindo Pharma Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture companies (jointly controlled companies), as of that date.

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that

we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture companies (jointly controlled companies) in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.



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

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

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 15 subsidiary companies, two joint venture companies (jointly controlled companies), and two associate companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 116231 W/W-100024

Amit Kumar Bajaj

Partner

Place: Hyderabad

Date: May 30, 2022

Membership No. 218685

ICAI UDIN: 22218685AJWBKI2616

Consolidated Balance Sheet

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(1)	72,204.3	64,731.7
(b) Capital work-in-progress	3(2)	29,375.6	24,288.9
(c) Right-of-use assets	4	5,080.1	4,134.5
(d) Goodwill	5	4,754.2	4,289.0
(e) Other intangible assets	6(1)	23,282.3	20,580.6
(f) Intangible assets under development	6(2)	8,096.4	6,326.4
(g) Investments accounted for using the equity method	7(A)	793.5	947.0
(h) Financial assets			
(i) Investments	7(B)	5,389.5	3,365.2
(ii) Loans	8(A)	63.2	72.6
(iii) Trade receivables	9(A)	-	-
(iv) Other financial assets	10(A)	1,289.2	1,433.0
(i) Deferred tax assets (net)	11(A)	2,885.9	4,526.8
(j) Non-current tax assets (net)	12(A)	3,189.7	1,282.6
(k) Other non-current assets	13(A)	1,586.4	4,326.5
Total non-current assets		157,990.3	140,304.8
Current assets			
(a) Inventories	14	75,538.5	90,265.7
(b) Financial assets			
(i) Investments	7(C)	3,788.5	1,597.9
(ii) Trade receivables	9(B)	40,122.6	35,032.8
(iii) Cash and cash equivalents	15(A)	41,625.1	53,734.7
(iv) Bank balances other than (iii) above	15(B)	275.0	1,008.1
(v) Loans	8(B)	127.1	143.2
(vi) Other financial assets	10(B)	709.1	338.7
(c) Current tax assets (net)	12(B)	2,699.9	789.8
(d) Other current assets	13(B)	15,550.1	14,488.1
Total current assets		180,435.9	197,399.0
Assets held for sale	13(C)	791.0	836.1
TOTAL ASSETS		339,217.2	338,539.9



Consolidated Balance Sheet

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	585.9	585.9
(b) Other equity	17	245,173.9	218,712.8
Equity attributable to owners of the Holding Company		245,759.8	219,298.7
(c) Non-controlling interest		(19.3)	(8.8)
Total equity		245,740.5	219,289.9
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18(A)	2,492.1	1,684.9
(ii) Lease liabilities	21 (A)	3,186.1	2,661.9
(iii) Other financial liabilities	21 (A)	113.5	541.0
(b) Provisions	19(A)	1,717.9	1,571.1
(c) Deferred tax liabilities (net)	11(B)	4,109.6	5,745.6
(d) Other non-current liabilities	22 (A)	297.7	395.0
Total non-current liabilities		11,916.9	12,599.5
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18(B)	21,235.6	48,037.8
(ii) Trade payables	20		
(A) total outstanding dues of micro enterprises and small enterprises		384.7	176.9
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		26,645.8	27,769.9
(iii) Lease liabilities	21 (B)	1,598.9	1,006.2
(iv) Other financial liabilities	21 (B)	17,746.5	20,275.0
(b) Other current liabilities	22 (B)	11,662.4	5,561.9
(c) Provisions	19(B)	1,705.6	1,719.3
(d) Current tax liabilities (net)	23	580.3	2,103.5
Total current liabilities		81,559.8	106,650.5
TOTAL EQUITY AND LIABILITIES		339,217.2	338,539.9
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements.
As per our Report of even date attached.

For B S R & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Amit Kumar Bajaj

Partner
Membership No. 218685

Place: Hyderabad
Date: May 30, 2022

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

K. Nithyananda Reddy

Vice Chairman & Managing Director
DIN-01284195

Santhanam Subramanian

Chief Financial Officer

Place: Hyderabad
Date: May 30, 2022

Dr. M. Sivakumaran

Director
DIN-01284320

B. Adi Reddy

Company Secretary
Membership No.13709

Consolidated Statement of Profit and Loss

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
I INCOME			
Revenue from operations	24	234,554.9	247,746.2
Other income	25	3,203.5	3,808.5
Total income (I)		237,758.4	251,554.7
II EXPENSES			
Cost of materials consumed	26	73,718.3	83,172.6
Purchases of stock-in-trade		19,517.7	23,154.2
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	8,166.8	(7,302.1)
Employee benefits expense	28	34,509.2	35,350.2
Finance costs	29	486.4	744.9
Depreciation and amortisation expense	30	11,265.2	10,553.9
Other expenses	31	54,775.2	60,037.3
Total expenses (II)		202,438.8	205,711.0
III PROFIT BEFORE SHARE OF PROFIT OF JOINT VENTURES, ASSOCIATES, EXCEPTIONAL ITEMS AND TAX (I-II)		35,319.6	45,843.7
IV Share of loss of joint ventures and associates (net of tax)		(312.5)	(553.6)
V PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III+IV)		35,007.1	45,290.1
VI Exceptional items	48	1,279.7	(28,145.8)
VII PROFIT BEFORE TAX (V-VI)		33,727.4	73,435.9
VIII TAX EXPENSE	32		
Current tax		6,628.2	23,218.2
Deferred tax		628.1	(3,120.5)
Total tax expense (VIII)		7,256.3	20,097.7
IX PROFIT FOR THE YEAR (VII-VIII)		26,471.1	53,338.2
X OTHER COMPREHENSIVE INCOME			
(A) Items that will not to be reclassified subsequently to profit or loss:			
(i) Re-measurement of defined employee benefit liability		12.1	(98.0)
(ii) Income-tax relating to items that will not be reclassified to profit or loss		(34.4)	37.0
(iii) Equity investments through other comprehensive income – net change in fair value		81.7	(35.9)
(B) Items that will be reclassified subsequently to profit or loss:			
(i) Exchange differences on translating the financial statements of foreign operations		2,557.1	144.3
(ii) Income-tax on items that will be reclassified subsequently to profit or loss		-	-
Total other comprehensive income for the year (net of tax) (X)		2,616.5	47.4
XI TOTAL COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (IX+X)		29,087.6	53,385.6



Consolidated Statement of Profit and Loss

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Attributable to:			
Owners of the Holding Company		29,098.0	53,395.8
Non-controlling interest		(10.4)	(10.2)
OUT OF THE TOTAL COMPREHENSIVE INCOME ABOVE,			
Profit for the year attributable to:			
Owners of the Holding Company		26,481.5	53,348.4
Non-controlling interest		(10.4)	(10.2)
Other comprehensive income attributable to:			
Owners of the Holding Company		2,616.5	47.4
Non-controlling interest		-	-
XII EARNINGS PER EQUITY SHARE:	35		
(i) Basic (in ₹)		45.19	91.05
(ii) Diluted (in ₹)		45.19	91.05
Nominal value per equity share		1.00	1.00
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements.
As per our Report of even date attached.

For B S R & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Amit Kumar Bajaj

Partner
Membership No. 218685

Place: Hyderabad
Date: May 30, 2022

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

K. Nithyananda Reddy

Vice Chairman & Managing Director
DIN-01284195

Santhanam Subramanian

Chief Financial Officer

Place: Hyderabad
Date: May 30, 2022

Dr. M. Sivakumaran

Director
DIN-01284320

B. Adi Reddy

Company Secretary
Membership No.13709

Consolidated Statement of Changes in Equity

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(A) EQUITY SHARE CAPITAL (REFER NOTE 16)

	Number	Balance
As at April 01, 2020	585,938,609	585.9
Changes in equity share capital during the year	-	-
As at March 31, 2021	585,938,609	585.9
Changes in equity share capital during the year	-	-
As at March 31, 2022	585,938,609	585.9

(B) OTHER EQUITY (REFER NOTE 17)

Particulars	Attributable to the owners of the group									Total
	Reserves and surplus					Items of other comprehensive income		Total attributable to owners of the Group	Attributable to non-controlling interest	
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Equity investments through other comprehensive income – net change in fair value			
Balance as at April 01, 2021	818.9	90.0	4,178.9	8,131.6	201,367.6	4,161.7	(35.9)	218,712.8	(8.8)	218,704.0
Profit for the year	-	-	-	-	26,481.5	-	-	26,481.5	(10.4)	26,471.1
Other comprehensive income (net of tax)	-	-	-	-	(22.3)	2,557.1	81.7	2,616.5	-	2,616.5
Total comprehensive income	-	-	-	-	26,459.2	2,557.1	81.7	29,098.0	(10.4)	29,087.6
Dividend paid	-	-	-	-	(2,636.7)	-	-	(2,636.7)	-	(2,636.7)
Balance at March 31, 2022	818.9	90.0	4,178.9	8,131.6	225,190.1	6,718.8	45.8	245,174.1	(19.3)	245,154.9
Balance at April 01, 2020	818.9	90.0	4,178.9	8,131.6	150,424.0	4,017.4	-	167,660.8	1.4	167,662.2
Profit for the year	-	-	-	-	53,348.4	-	-	53,348.4	(10.2)	53,338.2
Other comprehensive income (net of tax)	-	-	-	-	(61.0)	144.3	(35.9)	47.4	-	47.4
Total comprehensive income	-	-	-	-	53,287.4	144.3	(35.9)	53,395.8	(10.2)	53,385.6
Dividend paid	-	-	-	-	(2,343.8)	-	-	(2,343.8)	-	(2,343.8)
Balance at March 31, 2021	818.9	90.0	4,178.9	8,131.6	201,367.6	4,161.7	(35.9)	218,712.8	(8.8)	218,704.0

Refer note 17(B) for nature and purpose of reserves
As per our Report of even date attached.

For B S R & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Amit Kumar Bajaj

Partner
Membership No. 218685

Place: Hyderabad
Date: May 30, 2022

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

K. Nithyananda Reddy

Vice Chairman & Managing Director
DIN-01284195

Santhanam Subramanian

Chief Financial Officer

Place: Hyderabad
Date: May 30, 2022

Dr. M. Sivakumaran

Director
DIN-01284320

B. Adi Reddy

Company Secretary
Membership No.13709



Consolidated statement of Cash Flows

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

		Year ended March 31, 2022	Year ended March 31, 2021
1. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax		33,727.4	73,435.9
<i>Adjustment to reconcile profit before tax to net cash flows:</i>			
Depreciation and amortisation expense		11,265.2	10,553.9
Loss allowance for doubtful receivables (net)		(61.1)	(291.2)
Liabilities no longer required written back (net)		(137.8)	(534.0)
Product destruction expenses/stock written off		382.8	486.8
Mark-to-market loss/(gain) on derivative financial instruments		(320.2)	(198.2)
Unrealised foreign exchange gain (net)		(251.8)	(1,089.5)
Loss on sale/write-off of property, plant and equipment (net) and intangibles under development		1,350.2	1,411.2
Impairment loss on other intangible assets/intangible assets under development & Goodwill		(396.3)	4,349.2
Share of loss/(profit) of joint ventures		312.5	553.6
Gain on sale and lease back transactions (refer note no. 48)		208.2	-
Profit on sale of subsidiary and acquisition of non-controlling interest (refer note 48)		-	(32,495.0)
Loss on liquidation of Joint venture		26.5	-
Profit on sale of current investments		(290.8)	-
Finance costs		368.4	595.7
Interest income		(316.0)	(223.7)
Effect of exchange rate changes		1,301.5	254.8
Operating profit before working capital changes		47,168.7	56,809.5
<i>Movements in working capital :</i>			
Decrease/(Increase) in inventories		14,975.2	(16,217.4)
(Increase)/Decrease in trade receivables		(4,108.4)	7,440.4
Decrease/(Increase) in other financial assets		140.8	(84.2)
(Decrease)/Increase in other current/non-current assets		(34.9)	179.1
Decrease/(Increase) in loans		25.5	(39.0)
Increase in trade payables		1,106.5	1,265.4
Increase/(Decrease) in provisions		145.2	(1,736.1)
Increase/(Decrease) in other current/non-current liabilities		5,573.1	(1,466.8)
Decrease in other financial liabilities		(2,245.0)	(7.9)
Cash generated from operating activities		62,746.7	46,143.0
Direct taxes paid (net of refunds)		(12,581.9)	(12,852.5)
Net cash generated from operating activities	A	50,164.8	33,290.5
2. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, including movement in capital work-in-progress, capital advances and capital creditors		(20,529.1)	(14,379.4)
Purchase of intangible assets and intangible assets under development		(6,517.3)	(4,358.7)
Proceeds from sale of property, plant and equipment and intangible assets		3,809.4	481.7
Acquisition of business (refer note 38)		(5,813.9)	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired (refer note 37)		-	(2,742.1)
Proceeds from sale of subsidiary, net of tax (refer note 49)		-	31,739.1
Proceeds from liquidation of subsidiary		43.2	-
Proceeds from liquidation of joint venture		249.7	-
Purchase of non-current investments made in joint ventures		(726.5)	(1,536.3)
Purchase of non-current investments		(2,999.2)	(1,540.0)
Purchase of current investments		(5,250.3)	(1,597.8)
Proceeds from sale of current investments		3,264.3	-
Proceeds from sale of non-current investments		1,352.2	-
Margin money deposits not considered as cash and cash equivalents (net)		749.3	(271.1)
Interest received		252.6	191.5
Net cash generated from (used) in investing activities	B	(32,115.6)	5,986.9

Consolidated statement of Cash Flows

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

		Year ended March 31, 2022	Year ended March 31, 2021
3. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from non-current borrowings (refer Note "c" below)		827.3	1,769.8
Repayment of non-current borrowings (refer Note "c" below)		-	(4,681.2)
Repayment of current borrowings (net) (refer Note "c" below)		(26,366.6)	(6,678.2)
Finance costs paid		(185.0)	(493.5)
Repayment of lease liabilities (net)		(1,331.4)	(1,223.2)
Dividends paid on equity shares		(2,637.0)	(2,343.1)
Net cash used in financing activities	C	(29,692.7)	(13,649.4)
Net (Decrease)/Increase in cash and cash equivalents (A + B + C)		(11,643.5)	25,628.0
Cash and cash equivalents at the beginning of the year		53,299.1	27,468.2
Add: Cash and cash equivalents on acquisition of subsidiaries /business (refer note 37)		(32.5)	224.1
Effect of exchange differences on cash and cash equivalents		2.0	(21.2)
Cash and cash equivalents at the end of the year		41,625.1	53,299.1

Notes:

- The above statement of cash flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows".
- Cash and cash equivalents comprise of:

Components of Cash and Cash Equivalents

	Year ended March 31, 2022	Year ended March 31, 2021
Cash on hand	77.9	2.8
Balance with banks		
- on current account	34,913.4	52,841.4
- on cash credit account	336.6	448.4
- on deposit account	6,297.2	6.5
Cash and cash equivalents considered for cash flows (refer note 15(C))	41,625.1	53,299.1

- Reconciliation between the opening and closing balances in consolidated balance sheet for financial liabilities arising from financing activities are given below:

Particulars	As at March 31, 2021	Borrowings taken over upon business combination	Cash flows	Non-cash transactions Foreign exchange loss *	As at March 31, 2022
Non-current borrowings	1,684.9	-	827.3	37.2	2,549.4
Current borrowings	47,602.2	-	(26,366.6)	(57.3)	21,178.3

* Represents unrealised foreign exchange loss on translation of foreign currency denominated accounts

Refer Note 33 (A) for changes in the lease liabilities arising from financing activities.

Summary of significant accounting policies (Refer note 2.3)

The accompanying notes are an integral part of the consolidated financial statements.
As per our Report of even date attached.

For B S R & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Amit Kumar Bajaj

Partner
Membership No. 218685

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

K. Nithyananda Reddy
Vice Chairman & Managing Director
DIN-01284195

Santhanam Subramanian
Chief Financial Officer

Dr. M. Sivakumaran
Director
DIN-01284320

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: May 30, 2022

Place: Hyderabad
Date: May 30, 2022



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Aurobindo Pharma Limited ("APL" or "the Holding Company" or "Holding Company" or "the Company") together with its subsidiaries (collectively termed as "the Group") and joint ventures and associates (collectively termed as "the Consolidated Entities") for the year ended March 31, 2022. Aurobindo Pharma Limited is a public company domiciled in India and was incorporated under the provisions of the Companies Act, 1956 applicable in India. The registered office of the Company is located at Plot No.2, Maithrivi, Ameerpet, Hyderabad - 500038, India and the Corporate office is located at Galaxy, Floors: 22-24, Plot No-1, Survery No.83, Hyderabad Knowledge City, Raidurg Panmaktha, Ranga Reddy District, Hyderabad - 500032, Telangana, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India Limited (NSE).

The Group is principally engaged in manufacturing and marketing of active pharmaceutical ingredients, generic pharmaceuticals and related services. The consolidated financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 30, 2022.

2.1 Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These consolidated financial statements comprise the Consolidated Balance Sheets as at March 31, 2022 and March 31, 2021, the Consolidated Statements of Profit and Loss, Statements of Changes in Equity and the Consolidated Statements of Cash Flows for the year ended March 31, 2022 and for the year ended March 31, 2021, and a summary of the significant accounting policies, notes and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "Financial Statements").

These consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in these consolidated financial statements.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products

and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The consolidated statement of cash flows have been prepared under indirect method.

b) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (₹), which is also the functional currency of the Holding Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. Transactions and balances with values below ₹ one lac have been reflected as "0.0" in the consolidated financial statements.

c) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following;

- certain financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost.
- employee defined benefit assets / liability recognised as the net total of the fair value of plan assets, and actuarial losses/gains, and the present value of defined benefit obligation.
- Investment in joint ventures and associates which are accounted for using the equity method.

d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

recognised in the consolidated financial statements is included in the following notes:

- Note 33 (A) - leases: whether an arrangement contains a lease; lease classification.
- Note 34 - contingent liabilities: Measurement and likelihood of occurrence of provisions and contingencies.
- Note 2.3(q) and 43: Financial instruments
- Note 2.3(j), 11, 12 and 32: Provision for income taxes, related tax contingencies and evaluation of recoverability of deferred tax assets.
- Note 2.3(d), 2.3(e): Useful lives of property, plant and equipment and intangible assets
- Note 36: Assets and obligations relating to employee benefits

Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) *Defined employee benefit plans (Gratuity)*

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality

tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 36.

(ii) *Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See notes 42 and 43 for further disclosures.

(iii) *Depreciation on property, plant and equipment*

Depreciation on property, plant and equipment is calculated on a straight-line basis based on the useful lives estimated by the management. The Group, based on technical assessment and management estimate, depreciates property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and intangible assets though these in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

(iv) *Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

(v) *Impairment of investments, associates and joint ventures*

The Group reviews its carrying value of investments annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(vi) *Intangible assets under development*

The Group capitalises acquired intangible asset under development for a project in accordance with



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

the accounting policy. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The innovative nature of the product gives rise to some uncertainty as to whether the final approval for the products will be obtained.

(vii) Inventories

The Group estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

(viii) Recognition and measurement of other provisions:

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

2.2 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the Acquisition method. The acquisition date is the date on which control is transferred to the acquirer. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are at fair value on the acquisition date. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at fair values on the acquisition date irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(ii) Subsidiaries

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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e. year ended on March 31..

Consolidation procedures:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Holding's investment in each subsidiary and the Holding's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Holding's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(iii) Investment in joint ventures (accounted under equity method)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture and associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture and associates equals or exceeds its interest in the joint venture and associates (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture and associates), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture and associates. If the joint venture or associates subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture and associates is shown on the face of the consolidated statement of profit and loss. The financial statements of the joint ventures and associates are prepared for the same reporting period as the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures and associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint ventures or associates are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and associates and its carrying value, and then recognises the loss as 'Share of profit of a joint venture and associates' in the consolidated statement of profit or loss.

Upon loss of joint control over the joint venture or associates, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture and associates upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of profit or loss.

Group information:

The Consolidated Financial Statements have been prepared on the basis of the financial statements of the following subsidiaries and joint ventures:

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

S. No.	Name of the Consolidated Entities	Country of Incorporation	Nature of Interest	% of equity interest as at	
				March 31, 2022	March 31, 2021
1	Agile Pharma B.V.	The Netherlands	Subsidiary	100%	100%
2	All Pharma (Shanghai) Trading Company Limited	China	Subsidiary	100%	100%
3	APL Healthcare Limited	India	Subsidiary	100%	100%
4	APL Pharma Thai Limited	Thailand	Subsidiary	97.9%	97.9%
5	Auroactive Pharma Private Limited	India	Subsidiary	100%	100%
6	APL Swift Services (Malta) Limited	Malta	Subsidiary	100%	100%
7	Arrow Generiques SAS	France	Subsidiary	100%	100%
8	Aurex B.V. (formerly Pharmacin B.V.)	The Netherlands	Subsidiary	100%	100%
9	Auro AR LLC	USA	Subsidiary	100%	100%
10	Auro Health LLC	USA	Subsidiary	100%	100%
11	Auromedics Pharma LLC	USA	Subsidiary	100%	100%
12	Auro Peptides Limited	India	Subsidiary	95%	95%
13	Auro Pharma Inc.	Canada	Subsidiary	100%	100%
14	Auro Vaccines LLC	USA	Subsidiary	100%	100%
15	Raidurgam Developers Limited (Formerly Aurobindo Antibiotics Ltd)	India	Joint Venture	40%	40%
16	Luoxin Aurovitas Pharma (Chengdu) Co., Ltd	China	Joint Venture	30%	30%
17	Longxiang Pharma Taizhou Co., Ltd. ⁸	China	Joint Venture	57%	57%
18	Novagen BBEE Invest Co. (Pty) Ltd.	South Africa	Joint Venture	24.5%	24.5%
19	Aurobindo Pharma (Italia) S.r.l	Italy	Subsidiary	100%	100%
20	Aurobindo Pharma (Malta) Limited	Malta	Subsidiary	100%	100%
21	Aurobindo Pharma (Pty) Limited	South Africa	Subsidiary	100%	100%
22	Aurobindo Pharma (Romania) s.r.l	Romania	Subsidiary	100%	100%
23	Aurobindo Pharma B.V. (formerly Actavis B.V.)	The Netherlands	Subsidiary	100%	100%
24	Aurobindo Pharma Colombia S.A.S.	Colombia	Subsidiary	100%	100%
25	Aurobindo Pharma GmbH ¹	Germany	Subsidiary	100%	100%
26	Aurobindo Pharma Industria Farmaceutica Ltda	Brazil	Subsidiary	99.97%	99.97%
27	Aurobindo Pharma Japan K.K.	Japan	Subsidiary	100%	100%
28	Aurobindo Pharma Produtos Farmaceuticos Limitada	Brazil	Subsidiary	100%	100%
29	Aurobindo Pharma USA Inc.	USA	Subsidiary	100%	100%
30	Aurogen South Africa (Pty) Ltd.	South Africa	Subsidiary	100%	100%
31	Aurolife Pharma LLC	USA	Subsidiary	100%	100%
32	Auronext Pharma Private Limited	India	Subsidiary	100%	100%
33	Aurovida Farmaceutica SA DE CV	Mexico	Subsidiary	100%	100%
34	Aurovitas Pharma Polska	Poland	Subsidiary	100%	100%
35	Aurovitas Spain SA (formerly Actavis Spain S.A.)	Spain	Subsidiary	100%	100%
36	Eugia Pharma Specialities Limited ²	India	Subsidiary	100%	100%
37	Helix Healthcare B.V.	The Netherlands	Subsidiary	100%	100%
38	Laboratorios Aurobindo, S.L.	Spain	Subsidiary	100%	100%
39	Milpharm Limited	UK	Subsidiary	100%	100%
40	Natrol LLC ³	USA	Subsidiary	100%	100%
41	Novagen Pharma (Pty) Limited	South Africa	Joint Venture	50%	50%
42	Pharmacin B.V. (formerly Aurex B.V.)	The Netherlands	Subsidiary	100%	100%
43	Puren Pharma GmbH & Co., KG (formerly Actavis Deutschland GmbH & Co., KG)	Germany	Subsidiary	100%	100%
44	Tergene Biotech Private Limited	India	Joint Venture	80%	80%
45	1980 Puren Pharma GmbH (formerly Actavis Management GmbH)	Germany	Subsidiary	100%	100%
46	Aurovitas Pharma Ceska Republika s.r.o ⁴	Czech Republic	Subsidiary	100%	100%
47	Generis Farmaceutica S.A.	Portugal	Subsidiary	100%	100%
48	Generis Phar, Unipessoal Lda.	Portugal	Subsidiary	100%	100%
49	Auro Packaging LLC	USA	Subsidiary	100%	100%



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S. No.	Name of the Consolidated Entities	Country of Incorporation	Nature of Interest	% of equity interest as at	
				March 31, 2022	March 31, 2021
50	Aurobindo NV/SA	Belgium	Subsidiary	100%	100%
51	Aurobindo Pharma Saudi Arabia Limited Company	Saudi Arabia	Subsidiary	100%	100%
52	Aurovitas Pharma (Taizhou) Ltd.	China	Subsidiary	100%	100%
53	Auro Logistics LLC	USA	Subsidiary	100%	100%
54	Acrotech Biopharma LLC	USA	Subsidiary	100%	100%
55	Auro Pharma India Private Limited	India	Subsidiary	100%	100%
56	Purple BellFlower (Pty) Ltd	South Africa	Joint Venture	48%	48%
57	Aurobindo Pharma FZ LLC	UAE	Subsidiary	100%	100%
58	CurateQ Biologics GmbH ⁷	Switzerland	Subsidiary	-	100%
59	Auroscience (pty) Ltd	Australia	Subsidiary	100%	100%
60	Auro Science LLC	USA	Subsidiary	100%	100%
61	Apotex Europe B.V.	The Netherlands	Subsidiary	100%	100%
62	Aurovitas Spol s.r.o. (Formerly Apotex (CR) Spol s.r.o.)	Czech Republic	Subsidiary	100%	100%
63	Apotex N.V. ⁵	Belgium	Subsidiary	-	-
64	Aurovitas Nederland B.V. (formerly Apotex Nederland B.V.)	The Netherlands	Subsidiary	100%	100%
65	Sameko Farma B.V.	The Netherlands	Subsidiary	100%	100%
66	Leidapharm B.V.	The Netherlands	Subsidiary	100%	100%
67	Marel B.V.	The Netherlands	Subsidiary	100%	100%
68	Pharma Dossier B.V.	The Netherlands	Subsidiary	100%	100%
69	CurateQ Biologics Private Limited (w.e.f. April 25, 2020) ⁶	India	Subsidiary	100%	100%
70	Auro Cure Private Limited (w.e.f. July 05, 2020) ⁶	India	Subsidiary	100%	100%
71	AuroZest Private Limited (w.e.f. August 06, 2020) ⁶	India	Subsidiary	100%	100%
72	Aurobindo Antibiotics Private Limited (w.e.f. October 06, 2020) ⁶	India	Subsidiary	100%	100%
73	Mviyes Pharma Ventures Private Limited (w.e.f. November 06, 2020) ⁶	India	Subsidiary	100%	100%
74	Lyfius Pharma Private Limited (w.e.f. November 16, 2020) ⁶	India	Subsidiary	100%	100%
75	Qule Pharma Private Limited (w.e.f. November 16, 2020) ⁶	India	Subsidiary	100%	100%
76	Wytells Pharma Private Limited (w.e.f. February 20, 2021) ⁶	India	Subsidiary	100%	100%
77	CurateQ Biologics s.r.o. (w.e.f. July 27, 2021)	Czech Republic	Subsidiary	100%	-
78	Eugia Pharma B.V. (w.e.f. September 08, 2021)	The Netherlands	Subsidiary	100%	-
79	Eugia Pharma (Malta) Limited, Malta (w.e.f. October 14, 2021)	Malta	Subsidiary	100%	-
80	Eugia (UK) Limited (w.e.f. October 21, 2021)	UK	Subsidiary	100%	-
81	Aurosalud SA De CV (w.e.f. July 16, 2021)	Mexico	Subsidiary	100%	-
82	Auro PR Inc (w.e.f. September 22, 2021)	Puerto Rico	Subsidiary	100%	-
83	Eugia Pharma INC, Canada (w.e.f. October 29, 2021)	Canada	Subsidiary	100%	-
84	Eugia Pharma (Australia) PTY Limited (w.e.f. December 15, 2021)	Australia	Subsidiary	100%	-
85	Eugia Pharma Industria Farmaceutica Limitada (w.e.f. December 20, 2021)	Brazil	Subsidiary	100%	-
86	Mylan LLC (acquired w.e.f. December 30, 2021)	Puerto Rico	Subsidiary	100%	-
87	Aurobindo Pharma Ukraine LLC (w.e.f. February 02, 2022)	Ukraine	Subsidiary	100%	-
88	Eugia Pharma Colombia S.A.S. (w.e.f. March 02, 2022)	Colombia	Subsidiary	100%	-
89	Auro Steriles LLC (w.e.f. April 01, 2021)	USA	Subsidiary	100%	-
90	Vespyr Brands, Inc (formerly known as Nurya Brands Inc) (w.e.f. April 28, 2021)	USA	Subsidiary	100%	-
91	Eugia US Manufacturing LLC (w.e.f. August 31, 2021)	USA	Subsidiary	100%	-
92	Eugia Injectable Inc (w.e.f. April 01, 2021)	USA	Subsidiary	100%	-
93	Eugia Inc (w.e.f. February 23, 2022)	USA	Subsidiary	100%	-
94	Auro vaccines Private Limited (w.e.f. November 08, 2021)	India	Subsidiary	100%	-
95	NVNR (Ramannapet I) Power Plant Private Limited	India	Associates	26%	-
96	NVNR (Ramannapet II) Power Plant Private Limited	India	Associates	26%	-

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for the year ended March 31, 2022

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Notes:

1. Merged with Puren Pharma GmbH & Co., KG w.e.f. October 01, 2021.
2. Subsidiary w.e.f. November 06, 2020.
3. Natrol LLC was disposed w.e.f. November 30, 2020.
4. Merged with Aurovitas Spol s.r.o w.e.f. April 01, 2020.
5. Merged with Aurobindo Pharma NV/SA w.e.f. April 01, 2020.
6. Incorporated during the financial year 2020-21.
7. Liquidated w.e.f. October 07, 2021.
8. Liquidated w.e.f. August 31, 2021.

The figures for the subsidiaries have been considered from the date of acquisition/ incorporation/ and up to the date of disposal/liquidation as applicable.

2.3 Statement of significant accounting policies

a) Foreign exchange transactions

The 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. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Initial recognition

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

Conversion

Foreign currency monetary items are reported at functional currency spot rate of exchange at reporting date. 'Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

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 exchange rates prevailing at the dates of the transactions. 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.

Any goodwill / capital reserve arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill / capital reserve or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 01, 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the Holding and no further translation differences occur.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz. April 01, 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

b) Fair value measurement

The Group measures financial instruments, such as, investments other than associates and joint ventures and derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

- Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

The Group's Chief Financial Officer determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and

liability is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group 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.

c) Revenue recognition

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised:

- Sale of goods:** Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, net of trade discounts, volume discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc., where applicable. Invoices are payable within contractually agreed credit period. Any additional amounts based on terms of agreement entered into with customers, is recognised in the period when the collectability becomes probable and a reliable measure of the same is available.
- Rendering of services:** Revenue from sale of dossiers/licenses/services, includes in certain instances, certain performance obligations and based on evaluation of whether or not these obligations are inconsequential or perfunctory, revenue is recognised in accordance with the terms of the contracts with the customers when the related performance obligation is completed at point in time or spread over a period of time, as applicable.
- Contract assets** are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Notes to Consolidated Financial Statements

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- iv) Unearned and deferred revenue ("contract liability"), if any is recognised when there are billings in excess of revenues

Other income

- i) Interest income: Interest income is recognised with reference to the Effective Interest Rate (EIR) method.

The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts through expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

- ii) Dividend income: Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

d) Property, plant and equipment and Depreciation

Freehold land and buildings (property) and other plant and equipment held for use in the production or supply of goods or services, or administrative purposes are stated at cost less accumulated depreciation and accumulated impairment.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Capital work-in-progress is stated at cost less accumulated impairment loss if any.

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. 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 them separately based on their specific useful life. 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 profit or loss as incurred. The present value

of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of the project costs and are capitalised.

Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the Management.

The Group, based on technical assessment and management estimate, depreciates property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. 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. The Group has estimated the following useful life to provide depreciation on its property, plant and equipment:

Freehold land is not depreciated

Nature of the assets	Useful life as estimated by the management (in years)	Useful life as stated in the Companies Act, 2013 (in years)
Leasehold land	10	-
Leasehold buildings	20	10 - 60
Freehold land - development expenditure	25	-
Freehold buildings	5 - 60	10 - 60
Plant and equipment	3 - 20	3 - 40
Furniture and fixtures	5 - 10	10
Vehicles	4 - 8	8
Office equipment	3 - 10	5

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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e) Intangibles

Intangible assets consists of goodwill, licenses, patents, brands and product development costs.

Goodwill

Goodwill represents the excess of purchase consideration over the net book value of assets acquired of the subsidiary companies as on the date of investment. Goodwill on consolidation and acquisition is not amortised but is tested for impairment on a periodic basis and impairment losses are recognised where applicable.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset 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. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

The management has estimated following useful life to amortise intangible assets.

Nature of the assets	Useful life as estimated by the management (in years)
Product development cost	10
Licenses and patents	5 - 10
Brands	10-15

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 consolidated statement of profit or loss when the asset is derecognised.

Intangible assets under development :

Research and development costs:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and use or sell the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the assets for its intended use. Other development expenditure are recognised as an expense in the consolidated statement of profit and loss.

Payments to third parties that generally take the form of upfront/milestone payments are capitalised as per the guidance in Ind AS 38.

Acquired research and development intangible assets that are under development are recognised as Intangible assets under development. These assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the consolidated statement of profit and loss.

Subsequent expenditure on in process research and development project acquired separately and recognised as an intangible asset is:

- recognised as an expense, if it is research expenditure.
- recognised as an expense, if its development expenditure that does not satisfy the criteria for recognition as an Intangible asset; and
- added to the carrying amount of acquired in process research and development project, only when it increases the future economic benefits embodied in the specific asset to which it relates and satisfies the recognition criteria.

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Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the estimated useful lives of the assets or any other basis that reflect the period of expected future benefit. Amortisation expense is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation period and method are reviewed at each reporting date.

Intangible assets relating to products in development and other intangible assets not available for use is tested for impairment annually. The same are derecognised either on disposal or when no future economic benefits are expected. Losses on derecognition are recorded in the consolidated statement of profit and loss, and are measured as difference between the net disposal proceeds and the carrying amount of respective assets.

f) Government grants and subsidies

Government grants are recognised when there is reasonable assurance that the grant will be received, all attached conditions will be complied with and there is no uncertainty on collection. When the grant relates to an expense item, it is deducted from the related expense. When the grant relates to an asset, it is recognised as deferred income and amortised over the useful life of such assets.

Export entitlement from government authorities are recognised in the consolidated profit or loss as other operating revenue when the right to receive is established as per the terms of the scheme in respect of the exports made by the Holding company and its subsidiaries in India with no future related cost and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

g) Inventories

Inventories are valued at lower of cost, calculated on "Weighted average" basis and net realisable value. Cost incurred in bringing each product to its present location and condition are accounted as follows:

Raw materials, packing materials, stores, spares and consumables: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work-in-progress: Cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excludes borrowing costs.

Trading goods: Cost includes cost of purchase and other costs 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 estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

h) Retirement and other employee benefits

Defined contribution plans

Contribution to funds such as provident fund and Employee State insurance Corporation (ESIC) are defined contribution plans. The Group has no obligation, other than the contribution payable to these funds. The Group recognises contribution payable to the fund schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group's contribution towards defined contribution benefit plan is accrued in compliance with the requirements of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are due.

Gratuity

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on



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the net defined benefit liability), are recognised immediately in the Consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to consolidated profit or loss in subsequent periods.

Past service costs are recognised in consolidated profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Compensated absences

Short term compensated absences are provided for based on estimates. The Group treats accumulated leave, as a short-term employee benefit for measurement purposes. Such accumulated leaves are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. The Group presents the entire liability in respect of leave as a current liability in the consolidated balance sheet, since it does not have an unconditional right to defer its settlement beyond twelve months after the reporting date.

i) Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). The Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment terms ranging from 7 days to 90 days are offered. Terms of payment for sale of services are ranging from on presentation of invoice. (Refer note 43 (c)(i)).

j) Taxes

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities is measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the

Group operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:-

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:-

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside Consolidated profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

k) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Assets acquired under leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Where the Group are lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using useful life of right-of-use asset. The estimated useful lives of Right-of-use assets are determined on the same basis as those of property, plant and equipment and underlying lease period. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of consolidated profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero



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and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Where the Group are lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

i) Earnings per share

Basic earnings per share is calculated by dividing the net consolidated profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events such as bonus issue that have changed the number of shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net consolidated profit for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

m) Provision and contingent liabilities

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

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, 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 consolidated statement of profit and loss net of any 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 risks 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.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

n) Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cheques, cash at banks and on hand and short-term deposits with an original maturity of three months or less, 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, net of outstanding bank overdrafts as they are considered an integral part of the Groups cash management.

o) Borrowing cost

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale or capitalised as part of cost of the asset. All other borrowing costs are expensed in the period in which they

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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.

p) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. Impairment losses of continuing operations, are recognised in the consolidated statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

q) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets excluding trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

A 'debt instrument' is classified at the FVTOCI (Fair value through other comprehensive income) if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Subsequent measurement

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:



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- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the consolidated profit or loss. The losses arising from impairment are recognised in the consolidated profit or loss. This category generally applies to trade and other receivables.

Any debt instrument, which does not meet the criteria for categorisation at amortised cost or at FVTOCI, is classified at FVTPL (fair value through profit and loss). In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

Equity investments:

All equity investments in subsidiaries are measured at cost less impairment other than temporary. All equity investments in scope of Ind AS 109 - Financial Instruments are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Group may make an irrevocable election to present in OCI subsequent changes in fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of amounts from OCI to Consolidated Profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group Consolidated balance sheet) when:

- (i) the rights to receive cash flows from the asset have expired, or
- (ii) the Group has transferred its rights to receive cash flows from the asset, and the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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 following financial assets:

- (i) Financial assets that are debt instruments, and are measured at amortised cost, e.g. loans, deposits, debt securities, etc.
- (ii) Trade receivables that result from transactions that are within the scope of Ind AS 115 – Revenue Recognition.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Consolidated statement of profit and loss. This amount is reflected under the head other expenses/other income in the consolidated statement of profit and loss. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e. financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Derecognition

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 consolidated statement of profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated profit or loss when the liabilities are derecognised as well as through the 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 consolidated statement of profit and loss.

The Group enters into supplier credit arrangements (acceptances) whereby lenders such as banks and financial institutions make payments to supplier's banks for import of raw materials. The banks and financial institutions are subsequently repaid by the Group at a later date. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognised as Acceptances under other financial liabilities. Interest borne by the Group on such arrangements is accounted as finance costs.



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Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in consolidated statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

Original classification	Revised classification	Accounting treatment
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to consolidated statement of profit and loss at the reclassification date.

Offsetting of financial instruments

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

r) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge 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. The forward contracts that meet the definition of a derivative under Ind AS 109 are recognised in the consolidated statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated profit or loss.

s) Cash dividend and non cash distribution to equity holders

The Group recognises a liability to make cash and non cash distribution to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Corporate laws in India, a final dividend distribution is authorised when it is approved by the shareholders whereas for interim dividend when authorised by board. A corresponding amount is recognised directly in equity. Non cash distribution are measured at fair value of the assets distributed with fair value re-measurement recognised directly in equity.

t) Non-current assets held for sale

The Group classifies non-current assets and disposal Groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should

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indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal Group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal Groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale/ distribution of the asset or disposal Group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal Group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal Group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Assets held for sale are presented separately in the balance sheet. Property Plant and Equipment and Intangible Assets once classified as held for sale are not depreciated or amortised.

u) Recent accounting pronouncements

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

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

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

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

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

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

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

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

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

3(1). PROPERTY, PLANT AND EQUIPMENT

	Leasehold land	Freehold land	Leasehold buildings and improvements	Freehold buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross Carrying value (at cost)									
As at April 01, 2020	22.3	2,511.7	700.4	22,055.9	56,236.4	1,804.0	265.1	881.1	84,476.9
Additions	-	501.5	83.1	951.6	6,036.6	164.3	126.3	120.1	7,983.5
Disposals / adjustments	22.3	59.4	156.3	(179.3)	878.7	29.2	54.2	55.3	1,076.1
Reclassified to Assets held for sale (refer note 13(C))	-	174.0	-	821.3	-	-	-	-	995.3
Acquisition through business combination (refer note 37 & 38) *	-	92.0	-	1,475.4	3,776.9	60.9	-	18.0	5,423.2
Disposal of Subsidiary (refer note 49)	-	-	90.4	-	680.4	134.8	2.4	62.7	970.7
Other adjustments									
- Foreign currency translation adjustments	-	(11.7)	15.6	(216.5)	(47.2)	(3.6)	0.2	1.1	(262.1)
As at March 31, 2021		2,860.1	552.4	23,624.4	64,443.6	1,861.6	335.0	902.3	94,579.4
Additions	-	3,521.2	13.8	3,131.2	8,645.5	556.5	68.3	228.4	16,164.9
Disposals / adjustments	(53.1)	(62.3)	221.7	1,675.7	328.3	(3.5)	38.1	21.2	2,166.1
Acquisition through business combination (refer note 37 & 38) *	-	-	-	-	-	-	-	-	-
Other adjustments									
- Foreign currency translation adjustments	-	21.7	(9.7)	230.4	140.7	4.2	0.7	5.8	393.8
As at March 31, 2022	53.1	6,465.3	334.8	25,310.3	72,901.5	2,425.8	365.9	1,115.3	108,972.0
Accumulated depreciation									
As at April 01, 2020	7.0	5.7	73.7	2,843.7	19,436.8	716.0	160.9	517.5	23,761.3
Charge for the year	-	-	19.8	888.2	5,535.8	201.4	63.8	164.9	6,873.9
Disposals / adjustments	7.0	5.4	25.1	(20.9)	567.3	27.0	51.2	54.3	716.4
Reclassified to Assets held for sale (refer note 13(C))	-	-	-	159.2	-	-	-	-	159.2
Acquisition through business combination (refer note 37 & 38)	-	-	-	71.4	490.5	9.1	-	5.8	576.8
Disposal of Subsidiary (refer note 49)	-	-	27.2	-	265.2	63.4	1.0	53.6	410.4
Other adjustments									
- Foreign currency translation adjustments	-	(0.2)	0.9	(26.7)	(50.5)	(2.9)	(0.1)	1.2	(78.3)
As at March 31, 2021	-	0.1	42.1	3,638.3	24,580.1	833.2	172.4	581.5	29,847.7



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Leasehold land	Freehold land	Leasehold buildings and improvements	Freehold buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Charge for the year	-	-	8.8	909.7	5,850.4	214.7	65.6	147.1	7,196.3
Disposals / adjustments	-	-	(0.2)	338.2	52.8	(10.7)	22.7	2.6	405.4
Other adjustments	-	-	(0.9)	37.6	85.5	3.5	0.6	2.9	129.2
- Foreign currency translation adjustments	-	-	(0.9)	37.6	85.5	3.5	0.6	2.9	129.2
As at March 31, 2022	-	0.1	50.2	4,247.4	30,463.2	1,062.1	215.9	728.9	36,767.8
Net carrying value									
As at March 31, 2021	-	2,860.0	510.3	19,986.1	39,863.5	1,028.4	162.6	320.8	64,731.7
As at March 31, 2022	53.1	6,465.2	284.6	21,062.9	42,438.3	1,363.7	150.0	386.4	72,204.2

1. The title deeds of land and buildings aggregating gross value of ₹591.8 (March 31, 2021: ₹611.5) are pending transfer to the Company's name
2. Depreciation for the year include ₹0.6 (March 31, 2021: ₹0.3) taken as pre-operative capital expenditure on capital projects pending capitalisation.
3. Details of Right-of-use assets – refer note 33 (A).
4. Refer note 40 for details of capital research and development expenditure.
5. Refer note 18 for charge on property, plant and equipment.

* Excludes capital work-in-progress of ₹ Nil (March 31, 2021: ₹369.5) acquired through business combination.



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

3(2). CAPITAL WORK-IN-PROGRESS

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	24,288.9	16,218.2
Additions during the year	18,743.8	15,221.6
Acquisition through business combination (refer note 37)	-	369.5
Capitalisations	(13,185.5)	(7,085.8)
Written off	(25.4)	(22.2)
Provision for impairment	(950.0)	-
Disposals/Other Adjustment	-	(275.5)
Foreign currency translation adjustments	503.8	(136.9)
	29,375.6	24,288.9

1. Capital work-in-progress as at March 31, 2022 comprises expenditure for the plant in the course of construction and general replacements.
2. Refer note 50 for ageing of Capital work-in-progress.
3. Refer note 18 for charge on Capital work-in-progress.

Capital work-in-progress includes expenditure during construction period pending capitalisation:

	As at March 31, 2022	As at March 31, 2021
Balance brought forward	2,405.2	1,488.7
Add: Incurred during the year		
Salaries, wages and bonus	459.5	383.2
Contribution to provident and other funds	10.4	1.8
Staff welfare expenses	1.0	23.6
Cost of materials consumed	4.6	30.1
Consumption of material for testing	16.8	-
Consumption of stores and spares	76.1	7.6
Chemicals consumed	102.4	66.0
Power and fuel	287.5	213.9
Carriage inward	1.4	1.0
Conversion charges	5.7	18.2
Rates and taxes	35.3	14.8
Printing and stationery	4.0	2.7
Postage and telephones	4.3	0.7
Insurance	7.8	3.3
Legal and professional charges	60.1	6.5
Travelling and conveyance	10.4	7.9
Analytical charges	34.1	-
Depreciation	133.1	0.4
Factory maintenance	61.7	49.7
Software license and implementation expenses	6.6	-
Product development expenses	116.8	-
Miscellaneous expenses	301.8	85.1
	4,146.6	2,405.2
Less: Capitalised to property, plant and equipment during the year	53.3	-
Closing balance	4,093.3	2,405.2

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

4. RIGHT-OF-USE ASSETS

	Amount
Gross carrying value (at cost)	
As at April 01, 2020	5,298.3
Additions	1,644.0
Disposals/adjustments	1,157.1
Other adjustments	
- Foreign currency translation adjustments	(41.3)
As at March 31, 2021	5,743.9
Additions	2,051.8
Disposals/adjustments	905.9
Other adjustments	
- Foreign currency translation adjustments	102.8
As at March 31, 2022	6,992.6
Accumulated depreciation	
As at April 01, 2020	1,065.8
Charge for the year	1,142.5
Disposals/adjustments	583.0
Other adjustments	
- Foreign currency translation adjustments	(15.9)
As at March 31, 2021	1,609.4
Charge for the year	892.6
Disposals/adjustments	611.7
Other adjustments	
- Exchange differences	22.2
As at March 31, 2022	1,912.5
Net carrying value	
As at March 31, 2021	4,134.5
As at March 31, 2022	5,080.1

Depreciation for the year include ₹109.7 (March 31, 2021: ₹Nil) transferred to capital work-in-progress.

5. GOODWILL

	Amount
Gross Carrying value (at cost)	
As at April 01, 2020	9,159.4
Additions	-
Disposals / adjustments	35.5
Acquisition through business combination	2,496.6
Disposal of Subsidiary (refer note 49)	3,244.4
Other adjustments	
- Foreign currency translation adjustments	169.9
As at March 31, 2021	8,546.0
Additions	-
Disposals / adjustments	89.2
Acquisition through business combination	544.8
Other adjustments	
- Foreign currency translation adjustments	(62.1)
As at March 31, 2022	8,939.5
Impairment	
As at April 01, 2020	-



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Amount
Impairment for the year (refer note 48)	4,349.2
Disposals / Adjustments	-
Additions on acquisition	-
Other adjustments	
- Foreign currency translation adjustments	(92.2)
As at March 31, 2021	4,257.0
Impairment for the year (refer note 48)	-
Additions on acquisition	-
Other adjustments	
- Foreign currency translation adjustments	(71.7)
As at March 31, 2022	4,185.3
Net carrying value	
As at March 31, 2021	4,289.0
As at March 31, 2022	4,754.2

For the purpose of impairment testing carrying amount of Goodwill has been allocated to the following Cash Generating Units (CGU) as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Acrotech Biopharma LLC	288.3	278.1
Auro Vaccines LLC	-	86.0
Vespyr Brands, Inc	557.5	-
Generis Farmaceutica, Portugal	906.9	923.4
Milpharm Ltd., UK	232.4	232.4
Aurex BV, Netherlands	75.9	75.9
Aurobindo Pharma Limited	248.7	248.7
Auronext Pharma Private Limited	33.9	33.9
Eugia Pharma Specialities Limited	2,410.6	2,410.6
Total	4,754.2	4,289.0

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

The recoverable amounts of the above cash generating units have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the Company has based its determinations of value-in-use include :

- Estimated cash flows based on internal budgets and industry outlook for a period of five years and a terminal growth rate thereafter.
- A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate ranging from 0% to 4% . This long term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- The after tax discount rates used reflect the current market assessment of the risks specific to a CGU or group of CGU's the discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGU's. After tax discount rate used range from 10% to 12.4%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

6(1) OTHER INTANGIBLE ASSETS

	Brands	Product Development cost	Licences and patents	Total
Gross Carrying value (at cost)				
As at April 01, 2020	17,432.7	213.0	7,832.3	25,478.0
Additions	360.5	634.7	2,510.1	3,505.3
Disposals/adjustments	-	88.5	110.0	198.5
Acquisition through business combination (refer note 37 & 38)*	-	909.6	69.1	978.7
Disposal of Subsidiary (refer note 49)	2,349.8	83.3	-	2,433.1
Other adjustments				
- Foreign currency translation adjustments	(283.8)	0.3	217.1	(66.4)
As at March 31, 2021	15,159.6	1,585.8	10,518.6	27,264.0
Additions	-	690.4	1,967.9	2,658.3
Disposals/adjustments	(10.8)	(644.7)	1,021.7	366.2
Acquisition through business combination (refer note 37 & 38)*	-	-	4,495.6	4,495.6
Other adjustments				
- Foreign currency translation adjustments	328.8	(0.9)	147.1	475.0
As at March 31, 2022	15,499.2	2,920.0	16,107.5	34,526.7
Accumulated amortisation				
As at April 01, 2020	2,869.7	134.8	2,616.3	5,620.8
Charge for the year	1,696.1	144.5	718.3	2,558.9
Disposals/adjustments	-	31.2	44.5	75.7
Acquisition through business combination (refer note 37 & 38)	-	60.3	-	60.3
Disposal of Subsidiary (refer note 49)	1,402.1	83.3	-	1,485.4
Other adjustments				
- Foreign currency translation adjustments	(98.2)	(0.3)	103.0	4.5
As at March 31, 2021	3,065.5	224.8	3,393.1	6,683.4
Charge for the year	1,649.0	432.4	1,205.2	3,286.6
Disposals/adjustments	(6.6)	(471.5)	(697.6)	(1,175.7)
Other adjustments				
- Foreign currency translation adjustments	135.3	(0.3)	(36.3)	98.7
As at March 31, 2022	4,856.4	1,128.4	5,259.6	11,244.4
Net carrying value				
As at March 31, 2021	12,094.1	1,361.0	7,125.5	20,580.6
As at March 31, 2022	10,642.8	1,791.6	10,847.9	23,282.3

1. Refer note 40 for details of capital research and development expenditure.
2. Amortisation for the year include ₹ Nil (March 31, 2021: ₹ 21.1) taken as pre-operative capital expenditure on capital projects pending capitalisation.
3. Include intangible assets with indefinite useful lives amounting to ₹3,509.4 (March 31, 2021 ₹3,573.1)

* Excludes intangibles under development of ₹ Nil (March 31, 2021: ₹3,249.7) acquired through business combination.



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

6(2) INTANGIBLE ASSETS UNDER DEVELOPMENT

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	6,326.4	3,641.2
Additions during the year	4,683.0	1,937.4
Acquisition through business combination (refer note 37)	-	3,249.7
Capitalisations	(2,252.3)	(1,152.3)
Written off	(740.3)	(573.0)
Disposals / Other Adjustment	-	(715.9)
Foreign currency translation adjustments	79.6	(60.7)
	8,096.4	6,326.4

Refer note 51 for ageing of Intangible asset under development

- 6(3) Considering the increased risk on account of the continued impact on account of COVID, specific challenges due to slowdown in certain lines of business and overall decrease in actions, net discounted cash flows have been reassessed. Also, due to the volatile market conditions, the market growth rate as well as the discounting factors have been reassessed in the COVID environment and the resultant impact of carrying value of the intangibles, including the goodwill and Intangibles under development, have been provided in a prudent manner.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

7. INVESTMENTS

	Face value	As at March 31, 2022		As at March 31, 2021	
		Number of shares (% of interest)	Amount	Number of shares (% of interest)	Amount
(A) Investments accounted for using the equity method					
Investments in unquoted equity shares (fully paid, carried at cost, unless stated otherwise)					
In joint ventures (refer note 41)					
Novagen Pharma (Pty) Limited, South Africa	87.82	927,236 (50%)	242.7	927,236 (50%)	268.8
Novagen BBBEE Invest Co (Pty) Ltd., South Africa	3,735.45	245 (24.5%)	0.8	245 (24.5%)	0.8
Luoxin Aurovitas Pharma (Chengdu) Co., Ltd., China		30%	539.6	30%	401.1
Longxiang Pharma Taizhou Co., Ltd., China		57%	-	57%	276.2
Purple BellFlower (Pty) Ltd., South Africa	23.69	480 (48%)	-	480 (48%)	0.1
Tergene Biotech Private Limited, India	₹10	9,040,000 (80%)	-	9,040,000 (80%)	-
Raidurgam Developers Limited, India (formerly Aurobindo Antibiotics Limited, India)	₹10	4,000,000 (40%)	-	4,000,000 (40%)	-
In associates (refer note 41)					
NVNR (Ramannapet I) Power Plant Private Limited	₹10	520,000 (26%)	5.2	-	-
NVNR (Ramannapet II) Power Plant Private Limited	₹10	520,000 (26%)	5.2	-	-
			793.5		947.0
(B) Non-current investments					
In others (carried at fair value through profit and loss)					
Jeedimetla Effluent Treatment Limited, India	₹100	753	0.1	753	0.1
Patancheru Envirotech Limited, India	₹10	103,709	1.0	103,709	1.0
Progressive Effluent Treatment Limited, India	₹100	1,000	0.1	1,000	0.1
Aurobindo Pharma Foundation Pvt. Ltd. (Sec-8 Company)	₹10	10,000(100%)	0.1	10,000(100%)	0.1
Synergy Remedies Private Limited	₹10	10,489,500	150.0	10,489,500	150.0
		A	151.3		151.3
Investments in unquoted preference shares (fully paid, carried at amortised cost, unless stated otherwise)					
In joint ventures					
Tergene Biotech Private Limited, India	₹100	2,110,000	98.9	2,110,000	116.8
(10.5% Cumulative Preference shares redeemable at par within six years from the date of issue)					
		B	98.9		116.8
Investments in unquoted optionally convertible debentures (fully paid, carried at cost, unless stated otherwise)					
In joint ventures					
Raidurgam Developers Limited, India (formerly Aurobindo Antibiotics Limited, India)	₹ 1,000	2,110,000	1,866.0	1,610,000	1,556.9
(Interest of 1.5% to 9.5% over a period of ten years redeemable at par within ten years from date of issue. These are optionally convertible into 100 equity shares per debenture at any time after one year.)					
In Associates					
NVNR (Ramannapet I) Power Plant Private Limited	₹10	4,862,000 (26%)	48.6	-	-
NVNR (Ramannapet II) Power Plant Private Limited	₹10	4,862,000 (26%)	48.6	-	-
		C	1,963.2		1,556.9



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Face value	As at March 31, 2022		As at March 31, 2021	
		Number of shares (% of interest)	Amount	Number of shares (% of interest)	Amount
Unquoted investment in government securities (Carried at fair value through profit and loss)					
National Savings Certificate (includes held by Income tax authorities ₹0.1 (March 31, 2021: ₹0.1))			0.2		0.2
		D	0.2		0.2
Investments in quoted equity shares (fully paid, carried at fair value through other comprehensive income)					
Non current Investments in Stocks and shares (refer note 7(1))			915.9		1,472.2
Investments in quoted bonds (fully paid, carried at amortised cost)					
Non current Investments in quoted bonds (refer note 7(1))			2,260.0		67.8
		E	3,175.9		1,540.0
		A+B+C+D+E	5,389.5		3,365.2
Aggregate value of quoted investments			3,175.9		1,540.0
Aggregate value of unquoted investments			2,213.6		1,825.2
Market value of quoted investments			3,175.9		1,540.0
(C) Current investments					
Investments in unquoted equity shares (fully paid, carried at fair value through profit and loss)					
Citadel Aurobindo Biotech Limited, India	₹100	70,000	7.0	70,000	7.0
(At cost less impairment of ₹7.0 (March 31, 2021: ₹7.0))					
Investments in quoted equity shares (fully paid, carried at fair value through profit and loss)					
Union Bank of India (formerly known as Andhra Bank)	₹10	1,469	0.1	4,520	0.2
Investments in quoted commercial papers (fully paid, carried at amortised cost)					
Current Investments in quoted commercial papers (refer note 7(1))			3,788.4	1,000	7.5
Investment in unquoted fixed deposits with Corporate (fully paid, carried at amortised cost, unless stated otherwise)					
Fixed deposit with LIC Housing Finance Limited	-	-	-		490.0
Fixed deposit with – Bajaj Finance Limited	-	-	-		100
Investment in quoted Bonds (fully paid, carried at amortised cost, unless stated otherwise)					
8.30% Canara Bank Basel III Additional Tier I Bond 2020-21	₹1,000,000	-	-	1,000	1,000.2
Less: Provision for impairment in value of investments			(7.0)		(7.0)
			3,788.5		1,597.9
Aggregate value of unquoted investments			7.0		1,597.2
Aggregate value of quoted investments			3,788.5		7.7
Market value of quoted investments			3,788.5		7.7
Aggregate amount of impairment in value of investments			7.0		7.0

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

7(1) INVESTMENTS

Investments in quoted equity shares (fully paid, carried at fair value through other comprehensive income)	Face value (USD)	As at March 31, 2022		As at March 31, 2021	
		Quantity	Amount	Quantity	Amount
AT&T INC COM USD1 (T)	1.000	102,600.000	183.8	102,600	227.1
MERCK & CO. INC COM (MRK)	0.500	-	-	12,600	71.0
PFIZER INC (PFE)	0.010	-	-	55,000	145.7
LINDE PLC COM EURO.001 (LIN)	0.001	615.000	14.9	2,277	46.6
MEDTRONIC PLC (MDT)	0.000	2,117.000	17.8	594	5.1
TE CONNECTIVITY LTD (TEL)	0.570	1,474.000	14.6	318	3.0
ABBOTT LABORATORIES (ABT)	-	1,612.000	14.5	742	6.5
ADOBE SYSTEMS INCORPORATED COM (ADBE)	0.000	447.000	15.4	1,209	42.0
ALPHABET INC CAP STK CL C (GOOG)	0.001	-	-	81	12.3
ALPHABET INC CAP STK CL A (GOOGL)	0.001	-	-	60	9.0
AMAZON.COM INC (AMZN)	0.010	-	-	98	22.2
AMERICAN ELEC PWR CO INC COM (AEP)	6.500	-	-	610	3.8
AMERICAN WATER WORKS COMPANY INC COM USD0.01 (AWK)	0.010	465.000	5.8	328	3.6
ANALOG DEVICES INC COM USD0.16 2/3 (ADI)	\$0.16 2/3 Par Value	-	-	453	5.1
APPLE INC (AAPL)	0.000	-	-	5,019	44.8
ASTRAZENECA ADR REP 0.5 ORD (AZN)	-	-	-	1,510	5.5
AUTOMATIC DATA PROCESSING INC COM USD0.10 (ADP)	0.100	-	-	281	3.9
BLACKROCK INC COM USD0.01 (BLK)	0.010	186.000	10.8	37	2.0
BLACKSTONE GROUP INC COM (BX)	0.000	-	-	1,273	6.9
BOOKING HOLDINGS INC COM (BKNG)	0.008	-	-	17	2.9
CIGNA CORP NEW COM (CI)	0.250	-	-	244	4.3
CME GROUP INC COM (CME)	0.010	-	-	126	1.9
CHEVRON CORP NEW COM (CVX)	0.750	-	-	388	3.0
CISCO SYSTEMS INC (CSCO)	-	5,171.000	21.9	2,034	7.7
COMCAST CORP (CMCSA)	0.010	-	-	633	2.5
COSTCO WHOLESALE CORP COM USD0.01 (COST)	0.010	-	-	170	4.4
DANAHER CORPORATION COM (DHR)	0.010	-	-	182	3.0
DISNEY WALT CO COM (DIS)	0.010	1,784.000	18.5	222	3.0
DOLLAR GEN CORP NEW COM (DG)	0.875	-	-	210	3.1
ECOLAB INC (ECL)	0.010	-	-	125	2.0
FIDELITY NATL INFORMATION SERVICES COM USD0.01 (FIS)	0.010	2,311.000	17.6	648	6.7
FISERV INC (FISV)	0.010	2,166.000	16.6	727	6.3
HOME DEPOT INC (HD)	0.050	916.000	20.8	413	9.2
HONEYWELL INTERNATIONAL INC COM USD1 (HON)	1.000	2,547.000	37.6	529	8.4
INTERCONTINENTAL EXCHANGE INC COM USD0.01 (ICE)	0.010	-	-	701	5.7
JPMORGAN CHASE & CO (JPM)	1.000	1,945.000	20.1	765	8.5
JOHNSON & JOHNSON COM USD1.00 (JNJ)	1.000	-	-	196	2.4
MICROSOFT CORP (MSFT)	0.000	3,438.000	80.3	3,456	59.6
MONDELEZ INTL INC COM NPV (MDLZ)	-	2,211.000	10.5	437	1.9
NEXTERA ENERGY INC COM USD0.01 (NEE)	0.010	-	-	920	5.1
OTIS WORLDWIDE CORP COM (OTIS)	0.010	2,320.000	13.5	909	4.5
PNC FINANCIAL SERVICES GROUP COM USD5 (PNC)	5.000	1,224.000	17.1	374	4.8
PEPSICO INC (PEP)	-	974.000	12.4	382	4.0
PIONEER NATURAL RESOURCES CO COM USD0.01 (PXD)	0.010	-	-	374	4.3
QUALCOMM INC (QCOM)	0.000	1,299.000	15.0	3,730	36.2
RAYTHEON TECHNOLOGIES CORP COM (RTX)	1.000	-	-	1,228	6.9



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Investments in quoted equity shares (fully paid, carried at fair value through other comprehensive income)	Face value (USD)	As at March 31, 2022		As at March 31, 2021	
		Quantity	Amount	Quantity	Amount
ROPER TECHNOLOGIES INC (ROP)	0.010	-	-	144	4.2
S&P GLOBAL INC COM (SPGI)	1.000	601.000	18.7	1,739	44.9
SALESFORCE.COM INC COM USD0.001 (CRM)	0.001	1,374.000	22.1	330	5.1
SCHWAB CHARLES CORP COM (SCHW)	0.010	3,887.000	24.8	1,537	7.3
STANLEY BLACK & DECKER INC (SWK)	2.500	1,592.000	16.9	337	4.9
STRYKER CORPORATION COM (SYK)	0.100	-	-	269	4.8
TJX COMPANIES INC (TJX)	1.000	1,440.000	6.6	619	3.0
T-MOBILE US INC COM (TMUS)	0.000	-	-	774	7.1
TEXAS INSTRUMENTS INC COM USD1.00 (TXN)	1.000	-	-	320	4.4
THERMO FISHER SCIENTIFIC INC (TMO)	1.000	407.000	18.2	80	2.7
U.S. BANCORP (USB)	0.010	-	-	1,774	7.2
UNION PAC CORP COM (UNP)	2.500	-	-	358	5.8
UNITEDHEALTH GROUP INC (UNH)	0.010	-	-	351	9.5
VISA INC (V)	0.000	-	-	3,228	50.0
ZOETIS INC (ZTS)	0.010	892.000	12.7	3,518	40.5
AMERICAN TOWER CORP COM USD0.01 (AMT)	0.010	482.000	9.2	188	3.3
ACTIVISION BLIZZARD INC COM (ATVI)	0.000	4,963.000	30.1	4,963	33.7
ALARM COM HLDGS INC COM (ALRM)	0.001	-	-	1,456	9.2
AMAZON.COM INC (AMZN)	0.010	-	-	157	35.6
CAESARS ENTERTAINMENT INC NEW COM (CZR)	0.001	-	-	1,251	8.0
CHARLES RIVER LABORATORIES INTERNATIONAL INC (CRL)	0.010	-	-	511	10.8
CHIPOTLE MEXICAN GRILL INC (CMG)	0.010	-	-	335	34.8
DARLING INGREDIENTS INC (DAR)	0.010	-	-	2,173	11.7
DOCUSIGN INC COM (DOCU)	0.000	-	-	1,963	29.1
EPAM SYS INC COM USD0.001 (EPAM)	0.001	-	-	376	10.9
ETSY INC COM (ETSY)	0.001	-	-	429	6.3
INTUITIVE SURGICAL INC (ISRG)	0.001	-	-	186	10.0
INVITAE CORP COM (NVTA)	0.000	-	-	2,909	8.1
LULULEMON ATHLETICA INC COM USD0.005 (LULU)	0.005	-	-	1,488	33.4
MARKETAXESS HOLDINGS INC (MKTX)	0.001	-	-	272	9.9
MASTERCARD INCORPORATED CL A (MA)	0.000	-	-	1,502	39.1
NIKE INC CLASS B COM NPV (NKE)	-	-	-	3,621	35.2
PAYPAL HLDGS INC COM (PYPL)	0.000	-	-	1,720	30.5
PENN NATIONAL GAMING INC (PENN)	0.010	-	-	847	6.5
PLUG POWER INC (PLUG)	0.010	-	-	1,583	4.1
PROOFPOINT INC COM USD0.0001 (PFPT)	0.000	-	-	1,123	10.3
REDFIN CORP COM (RDFN)	0.001	-	-	1,085	5.3
TERADYNE INC COM USD0.125 (TER)	0.125	-	-	740	6.6
ORGANON & CO COMMON STOCK	0.010	1,260.000	3.3	-	-
ISHARES TR ISHS 1-5YR INVS (IGSB)	-	36,566.518	143.5	-	-
DR HORTON INC COM STK USD0.01 (DHI)	0.010	540.000	3.0	-	-
MARTIN MARIETTA MATERIALS INC COM USD0.01 (MLM)	0.010	407.000	11.9	-	-
US BANCORP (USB)	0.010	3,829.000	15.4	-	-
			915.9		1,472.2
Investments in quoted bonds (fully paid, carried at fair value at amortised cost)					
FS KKR CAP CORP NOTE CALL MAKE WHOLE	100.00	-	-	2,500	18.9
PACIFIC GAS & ELEC CO BOND CALL MAKE WHOLE	100.00	-	-	1,000	7.3
INTERNATIONAL LEASE FIN CORP NOTE	100.00	-	-	1,000	7.8
REGENCY ENERGY PARTNERS LP	100.00	-	-	1,500	11.5

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for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Investments in quoted equity shares (fully paid, carried at fair value through other comprehensive income)	Face value (USD)	As at March 31, 2022		As at March 31, 2021	
		Quantity	Amount	Quantity	Amount
MARRIOTT INTL INC NEW SER DD NOTE	100.00	-	-	2,000	14.8
SL GREEN OPER PARTNERSHIP L P NOTE	100.00	-	-	1,000	7.5
AMERICAN EXPRESS CO NOTE	100.00	11,220.00	85.3	-	-
AT&T INC NOTE	100.00	11,210.00	86.1	-	-
BANK AMER CORP BOND PERPETUAL	100.00	11,210.00	87.1	-	-
BANK NEW YORK MELLON CORP SER I	100.00	5,600.00	42.8	-	-
BANK OF MONTREAL MTN	100.00	11,220.00	84.2	-	-
BK OF AMERICA CORP SER N MTN	100.00	11,220.00	83.1	-	-
CENTERPOINT ENERGY INC NOTE	100.00	7,550.00	56.8	-	-
CHARTER COMMUNICATIONS OPER	100.00	11,220.00	86.7	-	-
CIGNA CORP NEW SER B NOTE	100.00	11,200.00	85.5	-	-
CITIGROUP INC NOTE CALL MAKE	100.00	11,210.00	83.7	-	-
COMCAST CORP NEW NOTE CALL MAKE	100.00	11,230.00	85.9	-	-
DEERE JOHN CAPITAL CORP SER H MTN	100.00	5,610.00	42.5	-	-
ENBRIDGE INC MTN CDS- NOTE	100.00	5,620.00	42.6	-	-
GENERAL MILLS INC NOTE	100.00	11,220.00	86.2	-	-
GENERAL MTRS FINL CO INC NOTE	100.00	11,220.00	84.2	-	-
GOLDMAN SACHS GROUP INC NOTE	100.00	16,820.00	127.1	-	-
JPMORGAN CHASE & CO BOND	100.00	11,210.00	83.2	-	-
MORGAN STANLEY SER I MTN	100.00	11,220.00	85.6	-	-
NATIONAL RURAL UTILS COOP FIN SER D	100.00	7,010.00	53.2	-	-
NEXTERA ENERGY CAP HLDGS INC	100.00	11,220.00	84.7	-	-
ROYAL BK CDA SER I MTN	100.00	11,220.00	84.1	-	-
SCHWAB CHARLES CORP BOND	100.00	11,210.00	84.0	-	-
SOUTHERN CALIF EDISON CO SER 2021C	100.00	11,240.00	85.6	-	-
SOUTHERN CO SER 2016B NOTE	100.00	11,200.00	83.8	-	-
STARBUCKS CORP NOTE	100.00	5,920.00	44.9	-	-
THERMO FISHER SCIENTIFIC INC NOTE	100.00	5,700.00	43.2	-	-
TRUIST FINL CORP MTN	100.00	11,370.00	85.3	-	-
VERIZON COMMUNICATIONS INC	100.00	11,230.00	86.5	-	-
DOMINION ENERGY INC SER D NOTE	100.00	8,660.00	65.4	-	-
SHELL INTL.FIN.BV NOTE	100.00	5,340.00	40.7	-	-
			2,260.0		67.8
Current investments					
Investments in quoted commercial papers (fully paid, carried at amortised cost)					
ENSTAR GROUP LIMITED NOTE CALL MAKE WHOLE	100	-	-	1,000	7.50
CIGNA CORP	100	46,000	348.5	-	-
DUKE ENERGY CORP	100	150,000	1,136.4	-	-
PARKER HANNIFIN CORP	100	27,000	204.6	-	-
SYNGENTA WILMINGTON INC	100	250,000	1,894.4	-	-
VERIZON COMMUNICATIONS INC	100	27,000	204.5	-	-
			3,788.4		7.5



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

8. LOANS

	As at March 31, 2022	As at March 31, 2021
(A) Non current		
Loans receivables considered good - unsecured		
Loans to related parties *	-	-
Loans to employees	63.2	72.6
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
	63.2	72.6
* No loans are due from directors or other officers of the Holding Company either severally or jointly with any other person. Refer note 39 for dues from related parties.		
(B) Current		
Loans receivables considered good - unsecured		
Loans to employees	127.1	143.2
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
	127.1	143.2

9. TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
(A) Non-current		
Trade receivables considered good - secured		
Trade receivables considered good - unsecured	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	358.6	333.4
	358.6	333.4
Less: loss allowance	358.6	333.4
	-	-
(B) Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	40,122.6	35,032.8
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	921.3	954.6
	41,043.9	35,987.4
Less: Loss allowance	921.3	954.6
	40,122.6	35,032.8

The details of changes in allowance for credit loss during the year ended March 31, 2022 and March 31, 2021 are as follows:

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1,288.0	1,703.2
Provision made during the year, net of reversals	(22.3)	(572.8)
Bad debts written off	38.8	281.6
Effect of changes in the foreign exchange rates	(24.6)	(124.0)
Balance at the end of the year	1,279.9	1,288.0

No trade receivable are due from directors or other officers of the Holding Company either severally or jointly with any other person.

Refer Note 43(C)(i) for the Group's credit risk management process.

Refer Note 39 for dues from related parties.

Refer Note 52 for ageing of trade receivables

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

10. OTHER FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2022	As at March 31, 2021
(A) Non-current		
Security deposits		
Considered good	1,202.8	1,330.3
Doubtful	0.4	0.4
	1,203.2	1,330.7
Provision for doubtful deposits	0.4	0.4
	1,202.8	1,330.3
Other non-current bank balances (Refer note 15(B)) *	86.4	102.7
	1,289.2	1,433.0
* Margin money deposits given against bank guarantees or performance guarantees (refer note 34(B))		
(B) Current		
Security deposits	59.1	46.5
Derivatives – foreign currency forward contracts	320.2	198.2
Interest accrued on deposits	29.9	70.0
Interest accrued on investments in OCDs	127.5	24.0
Other receivables	172.4	-
	709.1	338.7

11. DEFERRED TAX ASSETS AND LIABILITIES (NET)

	As at March 31, 2022	As at March 31, 2021
(A) Deferred tax assets (net)		
Business loss and unabsorbed depreciation carried forward	3.5	10.0
Provisions	37.2	24.8
Unused tax credits	597.6	35.4
Receivables, financial assets at amortised cost	5.4	1.3
Property plant and equipment	(1,025.3)	(693.2)
Inventories	2,926.9	4,624.6
Others	340.6	523.9
	2,885.9	4,526.8
(B) Deferred tax liabilities (net)		
Property plant and equipment	4,159.0	6,252.1
Business loss and unabsorbed depreciation carried forward	24.7	(205.5)
Receivables, financial assets at amortised cost	(151.7)	(272.1)
Provisions	(214.6)	(291.4)
Inventories	(19.9)	(20.1)
Others	312.1	282.6
	4,109.6	5,745.6



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Movement in deferred tax assets/deferred tax liabilities

	As at April 01, 2021	Recognised in statement of profit and loss	Recognised in OCI	Business Combination	Foreign Currency Translation	As at March 31, 2022
Deferred tax assets						
Business loss and unabsorbed depreciation carried forward	10.0	(6.6)	-	-	0.1	3.5
Provisions	24.8	12.5	-	-	(0.1)	37.2
Unused tax credits	35.4	562.2	-	-	-	597.6
Receivables, financial assets at amortised cost	1.3	4.0	-	-	0.1	5.4
Property plant and equipment	(693.2)	(310.1)	-	-	(22.0)	(1,025.3)
Inventories	4,624.6	(1,752.4)	-	-	54.7	2,926.9
Others	523.9	(198.2)	-	-	14.9	340.6
	4,526.8	(1,688.6)	-	-	47.7	2,885.9
Deferred tax liabilities						
Property plant and equipment	6,252.1	(2,149.6)	74.6	-	(18.1)	4,159.0
Business loss and unabsorbed depreciation carried forward	(205.5)	230.9	-	-	(0.7)	24.7
Receivables, financial assets at amortised cost	(272.1)	120.4	-	-	-	(151.7)
Provisions	(291.4)	92.6	5.1	(19.6)	(1.3)	(214.6)
Inventories	(20.1)	(0.2)	-	-	0.4	(19.9)
Others	282.6	26.4	-	-	3.1	312.1
	5,745.6	(1,679.5)	79.7	(19.6)	(16.6)	4,109.6

	As at April 01, 2020	Recognised in statement of profit and loss	Recognised in OCI	Business Combination	Foreign Currency Translation	As at March 31, 2021
Deferred tax assets						
Business loss and unabsorbed depreciation carried forward	0.3	9.7	-	-	-	10.0
Provisions	(6.7)	30.0	2.6	-	(1.1)	24.8
Unused tax credits	-	35.4	-	-	-	35.4
Receivables, financial assets at amortised cost	(0.1)	1.4	-	-	-	1.3
Property plant and equipment	(0.1)	(701.7)	-	-	8.6	(693.2)
Inventories	1,565.2	3,082.1	-	-	(22.7)	4,624.6
Others	73.4	448.1	-	-	2.4	523.9
	1,632.0	2,905.0	2.6	-	(12.8)	4,526.8
Deferred tax liabilities						
Property plant and equipment	6,907.1	(889.3)	-	219.1	15.2	6,252.1
Business loss and unabsorbed depreciation carried forward	-	89.9	-	(299.3)	3.9	(205.5)
Receivables, financial assets at amortised cost	(375.0)	102.9	-	-	-	(272.1)
Provisions	(462.0)	204.7	(34.4)	(2.4)	2.7	(291.4)
Unused tax credits	(3,150.2)	-	-	-	-	-
Inventories	(91.7)	70.7	-	-	0.9	(20.1)
Others	88.7	170.2	-	-	23.7	282.6
	2,916.9	(250.9)	(34.4)	(82.6)	46.4	5,745.6

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

- (i) The Group's tax jurisdictions are in various countries, primarily in India, USA and Europe. Significant judgements are involved in determining the provision for current tax, including amounts expected to be paid / recovered for uncertain tax positions.
- (ii) Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with the future tax planning strategies.

12. TAX ASSETS (NET)

	As at March 31, 2022	As at March 31, 2021
(A) Non current		
Advance income-tax (net of provision for taxation)	3,189.7	1,282.6
	3,189.7	1,282.6
(B) Current		
Advance income-tax (net of provision for taxation)	2,699.9	789.8
	2,699.9	789.8

Refer note 32 for details of income tax expense

13. OTHER ASSETS

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2022	As at March 31, 2021
(A) Non-current		
Export incentives receivable		
Considered good	-	138.8
Doubtful	73.6	88.2
	73.6	227.0
Provision for doubtful receivables	73.6	88.2
	-	138.8
Export rebate claims receivable	288.8	288.8
Capital advances		
Considered good	1,039.2	2,932.9
Doubtful	1.1	1.1
	1,040.3	2,934.0
Provision for doubtful advances	1.1	1.1
	1,039.2	2,932.9
Advances other than capital advances		
Considered good	38.7	14.4
Doubtful	30.0	32.2
	68.7	46.6
Provision for doubtful advances	30.0	32.2
	38.7	14.4
Balances with government authorities		
Considered good	219.7	951.6
Doubtful	-	38.1
	219.7	989.7
Provision for doubtful receivables	-	38.1
	219.7	951.6
	1,586.4	4,326.5
(B) Current		



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Advances other than capital advances		
Considered good	4,087.6	3,331.5
Doubtful	-	-
	4,087.6	3,331.5
Provision for doubtful advances	-	-
	4,087.6	3,331.5
Export rebate claims receivable	1,845.9	2,906.6
Insurance claim receivable	68.3	-
Export incentives receivable :		
Considered good	1,375.3	1,978.0
Doubtful	-	-
	1,375.3	1,978.0
Provision for doubtful receivables	-	-
	1,375.3	1,978.0
Balances with government authorities	8,173.0	6,272.0
	15,550.1	14,488.1
(C) Assets held for sale		
Assets held for sale-Land and Buildings	791.0	836.1
	791.0	836.1

Assets held for sale represents the Group's manufacturing facility at Lawrenceville, New Jersey comprising of land and building. This property has been classified as non-current assets held for sale upon discontinuation of manufacturing of liquid OTC products at this facility. The Group has received an offer for purchase of the facility at a value higher than its carrying value and the Group management is currently reviewing and negotiating with the prospective buyer. In light of this, the Group management expects the sale to be highly probable and expects to conclude the sale by second quarter of FY 22-23.

14. INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2022	As at March 31, 2021
Raw materials	23,744.4	30,275.8
Packing materials	3,402.7	3,549.8
Work-in-progress	11,978.4	13,024.8
Finished goods	24,634.8	28,207.6
Stock-in-trade	8,910.7	12,978.7
Stores, spares and consumables	2,919.8	2,375.1
Less : Reclassified to intangible assets under development	(52.3)	(146.1)
	75,538.5	90,265.7
Details of material in transit included in inventories above		
Raw materials	268.4	858.0
Finished goods	3,686.2	3,715.9

During the year, the Company recorded inventory (write-up)/write-downs to net realisable value of ₹(320.2) (March 31, 2021: ₹2,742.7). These adjustments were included in cost of material consumed and changes in inventories.

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

15. CASH AND BANK BALANCES

	As at March 31, 2022	As at March 31, 2021
(A) Cash and cash equivalents		
Balances with banks:		
in current accounts	34,913.4	52,841.4
in cash credit accounts	336.6	884.0
in deposit accounts - with original maturity of less than 3 months	6,297.2	6.5
Cash on hand	77.9	2.8
	41,625.1	53,734.7
(B) Bank balances other than cash and cash equivalents		
Balances with banks - deposits with maturity less than 12 months	249.3	982.1
Earmarked balances with banks:		
in unpaid dividend account	25.7	26.0
Margin money deposits - given against bank guarantees/performance guarantees	86.5	102.7
	361.5	1,110.8
Amount disclosed under non-current financial assets (refer note 10(A))	(86.5)	(102.7)
	275.0	1,008.1
(C) For the purpose of statement of cash flows, cash and cash equivalents comprise of following:		
Cash and cash equivalents as above	41,625.1	53,734.7
Less: Cash credit (refer note 18(B))	-	(435.6)
	41,625.1	53,299.1

16. EQUITY SHARE CAPITAL

a) Authorised

	As at March 31, 2022	As at March 31, 2021
1,790,500,000* (March 31, 2021 : 660,000,000) equity shares of ₹1 each	1,790.5	660.0
8,210,000** (March 31, 2021 : 1,000,000) preference shares of ₹100 each	821.0	100.0
	2,611.5	760.0

* Authorised capital increased by 1,130,500,000 equity shares in the current year due to merger of subsidiaries during previous year

** Authorised capital increased by 7,210,000 preference shares in the current year due to merger of subsidiaries during previous year

b) Issued, subscribed and fully paid-up equity shares

	Equity Shares	
	Numbers	Value
As at April 01, 2020	585,938,609	585.9
As at March 31, 2021	585,938,609	585.9
As at March 31, 2022	585,938,609	585.9

c) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

For the year ended March 31, 2022, the amount of interim dividend per share declared as distributions to equity shareholders was ₹4.5 (March 31, 2021: ₹4.0).



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for the year ended March 31, 2022

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In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% total number of equity shares in the Company

	As at March 31, 2021	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.51%
	As at March 31, 2022	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.51%

*As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of shares and the beneficial ownership is with RPR Enterprises, a partnership firm.

Refer note 54 for shares held by promoters

e) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance sheet date.

17. OTHER EQUITY

A. Summary of other equity balance

	As at March 31, 2022	As at March 31, 2021
Capital reserve	818.9	818.9
Capital redemption reserve	90.0	90.0
Securities premium account	4,178.9	4,178.9
General reserve	8,131.4	8,131.6
Retained earnings	225,190.1	201,367.6
Other Comprehensive Income (OCI)	6,764.6	4,125.8
	245,173.9	218,712.8

a) The disaggregation of changes in reserves and surplus and OCI are disclosed in statement of changes in equity.

b) The details of distribution of dividend made are as under:

	As at March 31, 2022	As at March 31, 2021
Cash dividends on equity shares declared and paid during the year	2,636.7	2,343.8
Interim dividend for the year ended March 31, 2022: ₹4.5 per share (March 31, 2021: ₹4.0 per share)	2,636.7	2,343.8

Proposed dividends on equity shares:

Proposed interim dividend for the year ended March 31, 2022: ₹4.5 per share (March 31, 2021: ₹ Nil per share) not recognised as liability.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

B. Nature and purpose of reserves

(a) Capital reserve	Represents capital reserve balances of the acquired entities which are transferred to the Group upon mergers in the earlier years and those arising on acquisition.
(b) Capital redemption reserve	The Holding Company has recognised capital redemption reserve on redemption of non-convertible preference shares. The amount in Capital Redemption Reserve is equal to nominal amount of the non-convertible preference shares redeemed. This reserve will be utilised in accordance with Section 69 of the Companies Act, 2013.
(c) Employee stock options reserve	The fair value of the equity-settled share based payment transactions with employees is recognised in consolidated statement of profit and loss with corresponding credit to Employee Stock Options reserve. This will be utilised for allotment of equity shares against outstanding employee stock options.
(d) Securities premium	The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on the grant date and nominal value of share is accounted as securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.
(e) General reserve	The Holding Company has transferred a portion of its net profit before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. This reserve also includes transferred cumulative translation differences arising from foreign operations forming part of foreign currency translation reserve which were deemed to be zero upon transition to Ind AS as at April 01, 2015.
(f) Retained earnings	Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distribution to share holders.
(g) Other Comprehensive Income (OCI):	Other comprehensive income comprises of: (i) Re-measurement of defined employee benefit plans: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments with in the plans, are recognised in other comprehensive income and subsequently not reclassified in to consolidated statement of profit and loss. (ii) Exchange differences on translation of financial statements of foreign operations: Represents exchange differences arising on account of conversion of foreign operations to Group's functional currency.
(h) Non-controlling interest	Net profit/(loss) attributable to minority shareholders.

18. BORROWINGS

	As at March 31, 2022	As at March 31, 2021
(A) Non-Current borrowings		
Term loans from Banks		
Foreign currency term loans – Secured (refer note (i) below)	2,492.1	1,684.9
	2,492.1	1,684.9
(B) Current borrowings		
Term loans from Banks		
Current maturities of foreign currency term loans (secured) (refer note (i) below)	57.3	-
Foreign currency term loans (unsecured) (refer note (ii) below)	2,528.7	8,069.1
- Cash credit facilities (secured)	-	435.6
- Working capital demand loan (Unsecured) (refer note (iii) below)	1,000.8	-
- Working capital demand loan (Secured) (refer note (iv) below)	500.0	-
- Packing credit loans (Secured) (refer note (v) below)	2,387.5	8,415.0
- Packing credit loans (Unsecured) (refer note (vi) below)	13,901.5	24,582.2
- Bill discounting facility (Unsecured) (refer note (vii) below)	859.8	6,535.9
	21,235.6	48,037.8
(C) Details of secured and unsecured borrowings		
Secured borrowings	5,436.9	10,535.5
Unsecured borrowings	18,290.8	39,187.2
	23,727.7	49,722.7



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- (i) Secured foreign currency term loan amounting to ₹1,398.2 (March 31, 2021: ₹1,065.9) carrying interest rate of 0.80% (March 31, 2021: 0.80%) is secured by buildings and is payable in equal quarterly installments and the last installment is payable in 2023 and secured foreign currency term loan amounting to ₹1,092.3 (March 31, 2021: ₹618.1) is secured by capital work-in-progress, carrying interest rate of 4.90% (March 31, 2021: 4.90%) and is payable in halfyearly installments and the last installment is payable in June 2026.
- (ii) Unsecured short-term foreign currency loans amounting to ₹2,528.7 (March 31, 2021: ₹8,060.5) carry interest in the range of 0.8% (March 31, 2021: 0.592% to 1%).
- (iii) All unsecured working capital demand loans carry interest rate in the range of 4.25% (March 31, 2021: Nil).
- (iv) All secured working capital demand loans are secured by first *pari passu* charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) and carry interest rate in the range of 4% (March 31, 2021: interest of Nil).
- (v) All secured packing credit foreign currency loans carry interest rate in the range of respective LIBOR plus 10 to 25 basis points (March 31, 2021: respective LIBOR plus 25 basis points) with maturity within 6 months.
- (vi) All unsecured packing credit foreign currency loans carry interest rate in the range of respective LIBOR plus (-5) to 25 basis points (March 31, 2021: respective LIBOR plus (-5) to 20 basis points) with maturity within 6 months.
- (vii) All unsecured bills discounted carry interest rate in the range of respective LIBOR Plus (0) to 2 bps (March 31, 2021: respective LIBOR plus (10) to 2 basis points and fixed 30 basis points).
- (viii) Due to phasing out of LIBOR in the current year ended March 31, 2022, Reserve Bank of India has replaced LIBOR with Structured Overnight Finance Rate (SOFR). This change has no impact on carrying value of working capital loans.

19. PROVISIONS

	As at March 31, 2022	As at March 31, 2021
(A) Non-current		
For employee benefits		
Gratuity and other retirement benefits (refer note 36(b))	382.2	299.7
Compensated absences	1,112.9	1,115.7
Other employee benefit obligations	222.8	155.7
	1,717.9	1,571.1
(B) Current		
For employee benefits		
Gratuity and other retirement benefits (refer note 36(b))	148.3	88.8
Compensated absences	163.6	51.0
Provisions for sales returns, cash discount, accrued medical taxes and others	1,393.7	1,579.5
	1,705.6	1,719.3

20. TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	384.7	176.9
Total outstanding dues of creditors other than micro enterprises and small enterprises	26,645.8	27,769.9
	27,030.5	27,946.8

(Refer note 43 (C) (ii) for the Group's liquidity risk management process)

Refer note 39 for the related party payables

Refer note 53 for Trade payables ageing schedule

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

21. OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
(A) Non-current		
Lease liabilities	3,186.1	2,661.9
Others	113.5	541.0
	3,299.6	3,202.9
(B) Current		
Lease liabilities	1,598.9	1,006.2
Capital creditors	2,109.0	4,186.8
Acceptances *	4,276.9	2,120.0
Security deposits	1.6	1.5
Unclaimed dividend	25.7	26.0
Rebates	8,947.0	12,771.9
Others	2,386.3	1,168.8
	17,746.5	20,275.0

* Acceptances includes credit availed by the Holding Company from banks for payment to supplies for raw materials purchased by the Holding Company. The arrangements are interest bearing ranging from 0.15% to 0.24%. These are largely repayable within 180 days. (March 31, 2021: interest bearing ranging from 0.20% to 0.24% p.a. excluding LIBOR)

22. OTHER LIABILITIES

	As at March 31, 2022	As at March 31, 2021
(A) Non-current		
Other payables	297.7	395.0
	297.7	395.0
(B) Current		
Contract liabilities (refer note 24(d))	5,623.0	106.8
Deferred income	55.5	3.5
Statutory liabilities	1,279.4	1,116.2
Employee payables	1,626.2	890.2
Other payables	3,078.3	3,445.2
	11,662.4	5,561.9

23. CURRENT TAX LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Provision for income tax (net of advance tax)	580.3	2,103.5



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

24. REVENUE FROM OPERATIONS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products (Active Pharma Ingredients and Formulations)	231,243.1	244,228.0
Sale of services	2,422.4	1,351.4
Other operating revenue		
Scrap sales	196.8	134.5
Others	379.0	-
Export incentives	313.6	2,032.3
	234,554.9	247,746.2
Details of other contract revenue - sale of services		
Dossier income	6.0	27.5
Service income	2,416.4	1,323.9
	2,422.4	1,351.4
(a) Reconciliation of revenue from sale of products with the contracted price:		
Revenue as per contracted price	480,171.8	487,383.5
Adjusted for:		
Sales returns	(3,753.6)	(3,334.6)
Chargebacks, rebates and discounts	(239,808.7)	(234,816.9)
Profit sharing adjustments	1,233.5	1,735.7
Others adjustments	(6,599.9)	(6,739.7)
Total revenue from contracts with customers	231,243.1	244,228.0

(b) For information on disaggregation of revenue by primary geographical markets, refer note 55

(c) Revenue from sale of products is recognised at point in time as the goods are transferred. Revenues from sale of services recognised over time is insignificant.

(d) The amount of revenue recognised from contract liabilities at the beginning of the year ₹106.8 (March 31, 2021: ₹212.1)

25. OTHER INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income under effective interest rate method		
Bank deposits	155.5	107.6
Security deposits and other receivables	160.5	57.4
Investments in Optionally Convertible Debentures	-	58.7
Dividend income on investments (carried at fair value through profit or loss)	33.7	-
Allowance for doubtful receivables written back	-	291.2
Reversal of impairment loss on intangible assets under development	517.8	-
Liabilities no longer required written back (net)	137.8	534.0
Foreign exchange gain (net)	699.6	1,035.8
Profit on investments (net)	290.8	-
Commission income	61.6	53.2
Miscellaneous income	1,146.2	1,670.6
	3,203.5	3,808.5

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

26. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw material consumed		
Opening stock*	30,275.8	24,344.2
Add: Purchases	58,062.1	78,604.3
	88,337.9	102,948.5
Less: Capitalised as intangible assets under development	(47.6)	(193.1)
Less: Closing stock	(23,744.4)	(30,275.8)
Cost of raw material consumed	64,545.9	72,479.6
Adjustment for fluctuation in exchange rates	158.7	(54.6)
Packing materials consumed **	9,013.7	10,747.6
	73,718.3	83,172.6

* Includes inventories on acquisition of a subsidiary ₹ Nil (March 31, 2021 ₹ 420.6)

Excludes inventories on disposal of a subsidiary ₹ Nil (March 31, 2021 ₹ 1,207.2)

** Includes inventories on acquisition of a subsidiary ₹ Nil (March 31, 2021 ₹ 109.9)

27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year		
Stock-in-trade	12,978.7	8,126.7
Work-in-progress*	13,024.8	13,202.6
Finished goods**	28,207.6	25,388.5
	54,211.1	46,717.8
Inventories at the end of the year		
Stock-in-trade	8,910.7	12,978.7
Work-in-progress	11,978.4	13,024.8
Finished goods	24,634.8	28,207.6
	45,523.9	54,211.1
	8,687.2	(7,493.3)
On account of stock write off	(344.0)	(205.2)
Adjustment for fluctuation in exchange rates	(176.4)	396.4
	8,166.8	(7,302.1)

*Includes inventories on acquisition of a subsidiary ₹ Nil (March 31, 2021 ₹ 50.9)

**Includes inventories on acquisition of a subsidiary ₹ Nil (March 31, 2021 ₹ 29.3)

28. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	30,213.2	30,695.2
Contribution to provident and other funds (refer note 36(a))	1,498.1	1,436.9
Gratuity expense (refer note 36(b))	322.3	310.7
Compensated absences expense	340.7	384.5
Staff welfare expenses	2,134.9	2,436.7
Share based payments	-	86.2
	34,509.2	35,350.2



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29. FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on financial liabilities measured at amortised cost	190.5	452.3
Interest expenses on lease liabilities	177.9	143.4
Other borrowing costs	118.0	149.2
	486.4	744.9

30. DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 3(1))	7,195.7	6,873.6
Depreciation on Right to use Assets (refer note 4)	782.9	1,142.5
Amortisation of intangible assets (refer note 6(1))	3,286.6	2,537.8
	11,265.2	10,553.9

31. OTHER EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Conversion charges	265.7	651.2
Consumption of stores and spares	1,839.5	2,024.8
Chemicals consumed	4,190.4	4,270.3
Power and fuel	6,268.6	5,892.8
Carriage inward	719.1	791.0
Factory maintenance	681.9	690.0
Effluent treatment expenses	426.3	903.8
Repairs and maintenance		
i) Plant and machinery	1,815.4	1,691.0
ii) Buildings	537.9	437.7
iii) Others	534.1	539.9
Rent (refer note 33(A)(a))	1,241.9	1,225.4
Rates and taxes	1,028.9	890.7
Printing and stationery	319.3	339.8
Postage and telephones	354.7	384.5
Insurance	1,126.0	891.0
Legal and professional charges	5,304.9	7,354.2
Directors sitting fees	11.8	11.4
Remuneration to auditors	17.9	25.8
Sales commission	2,800.1	2,447.5
Carriage outwards	7,729.4	8,383.2
Selling expenses	4,437.2	4,811.0
Travelling and conveyance	527.0	473.8
Vehicle maintenance expenses	208.6	204.4
Clinical and analytical charges	4,144.8	5,114.1
Loss Allowance for doubtful trade receivables (net)	(22.3)	281.6
Registration, license and filing charges	3,112.9	2,819.8
Product development expenses	652.4	688.1
Software license and implementation expenses	305.0	319.5
Loss on sale/write-off of property, plant and equipment (net) and intangible assets written off (refer note 3(1) and 6(1))	400.2	1,411.2
Corporate Social Responsibility (CSR) expenditure (refer note below)	626.1	894.3
Miscellaneous expenses	3,169.5	3,173.5
	54,775.2	60,037.3

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Details of CSR expenditure

	For the year ended March 31, 2022	For the year ended March 31, 2021
- Amount required to be spent by the Company during the year	569.9	447.9
- Amount approved by the Board to be spent during the year	569.9	447.9
- Amount spent on:		
i) Construction/acquisition of any asset		
ii) On purposes other than (i) above	569.9	835.7
- Shortfall at the end of the year	-	-
- Total of previous years Shortfall	-	-
- Reason for shortfall	NA	NA
- Nature of CSR activities	Disaster Relief, Education, Skilling, Employment, Entrepreneurship, Health, Wellness and Water, Sanitation and Hygiene, Heritage	
- Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		
Contribution to Aurobindo Pharma Foundation (Section 8 Company) in relation to CSR expenditure	569.9	835.7

32. INCOME TAX

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are

	For the year ended March 31, 2022	For the year ended March 31, 2021
Statement of profit and loss		
Current tax	6,628.2	23,218.2
Deferred tax	628.1	(3,120.5)
	7,256.3	20,097.7
Other comprehensive income		
Deferred tax – net loss on remeasurements of defined benefit plans	(34.4)	37.0
	(34.4)	37.0
Reconciliation of effective tax rate for the year ended March 31, 2022 and March 31, 2021		
Profit before tax	33,727.5	73,435.8
Enacted tax rate in India	25.17%	34.94%
Tax at statutory tax rate	8,488.5	25,661.4
Other than temporary differences		
Tax holidays (Refer Note "a" below)	(755.6)	(3,037.6)
Weighted deduction allowed for research and development expenditure	-	(58.8)
Dividend received from foreign subsidiary charged at special rate of tax	(1,135.1)	-
Differences in tax rates	1,293.1	(4,986.6)
Expenses not deductible for tax purposes *	766.0	1,955.0
Others	(1,400.6)	564.3
Total	(1,232.2)	(5,563.7)
Income tax expense	7,256.3	20,097.7
Effective tax rate	21.51%	27.37%

* Includes impairment of Goodwill not deductible for tax purposes

Notes:

- (a) The Holding Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 01, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five



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years and 50% of such profits or gains for the balance period of five years subject to fulfillment of certain conditions. From April 01, 2011 units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

- (b) During the quarter ended March 31, 2022, the Holding Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company has recognised provision for incometax for the year ended March 31, 2022 and re-measured its deferred tax assets / liabilities based on the rate prescribed in the said Section. The impact of this change has been recognised in the consolidated statement of profit and loss over the period from April 01, 2021 to March 31, 2022.
- (c) Deferred taxes have not been recognised on undistributed earnings of subsidiaries and joint ventures, where it is expected that the profits of its subsidiaries and joint ventures will not be distributed in the foreseeable future. The Group reinvests the profits of its subsidiaries and joint ventures, and accordingly, has not recorded any deferred taxes for the same. Significant judgements are involved in determining provision for current tax and deferred tax on deductible temporary differences. Deferred tax is not recognised on deductible temporary differences, where the Group believes that availability of taxable profits against which such temporary differences can be utilised, is not probable.
- (d) There are no unrecognised deferred tax assets and liabilities as at March 31, 2022 and March 31, 2021

33. COMMITMENTS

A. Leases

a) Operating lease commitments - Group as lessee

The Group has lease contracts for office buildings and land. The lease term generally varies between 4 to 10 years. These contracts include extension and termination options.

Changes in lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	3,668.1	3,753.8
Additions	2,305.0	1,629.4
Deletions	(94.4)	(597.7)
Finance cost	183.4	143.6
Payment of lease liabilities	1,331.3	1,223.1
Forex gain/(loss)	(54.2)	37.9
Closing balance	4,785.0	3,668.1
Non current lease liability	3,186.1	2,661.9
Current lease liability	1,598.9	1,006.2

Cash outflow on leases

Particulars	As at March 31, 2022	As at March 31, 2021
Payment of lease liabilities	1,147.9	1,079.5
Interest on lease liabilities	183.4	143.6
Total cash outflow on leases	1,331.3	1,223.1

Amount recognised in statement of profit and loss

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation	782.9	1,142.5
Interest expense	183.4	143.6
Low value leases and leases with term less than 12 months	1,241.9	1,225.4
Total expense relating to leases	2,208.2	2,511.5

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Contractual maturities of lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	1,666.9	1,097.9
1 to 5 years	2,167.9	2,346.2
above 5 years	987.3	273.5
	4,822.1	3,717.6

The effective interest rate for lease liabilities is 7.62%.

The details of the right-of-use asset held by the Group is as follows:

Particulars	Additions for the year ended March 31, 2022	Net carrying amount as on March 31, 2022	Additions for the year ended March 31, 2021	Net carrying amount as on March 31, 2021
Right-of-use Assets				
Land and land rights	648.6	1,184.1	15.4	601.0
Buildings	470.0	2,036.2	1,334.6	2,019.2
Equipment	676.6	1,307.9	-	926.6
Vehicles	256.6	551.9	294.1	587.7
Total	2,051.8	5,080.1	1,644.1	4,134.5

Depreciation on right-of-use asset is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Right-of-use Assets		
Land	50.7	17.9
Buildings	388.1	446.5
Equipment	211.1	417.3
Vehicles	242.7	260.8
Total	892.6	1,142.5

The Group's exposure to leases not yet commenced to which the Group is committed is ₹ Nil (March 31, 2021 : ₹ Nil).

The Group incurred ₹1,241.9 for the year ended March 31, 2022 (March 31, 2021: ₹1,225.4) towards expenses relating to short-term leases and leases of low-value assets.

Additional information relating to sale and leaseback transaction carried out by the Group during the year :

- a) The Group entered into a sale and leaseback transaction for its property (comprising of land and building) at Dayton, New Jersey to monetise the current market value of the property.
- b) The lease term is for 10 years commencing from December 2021. The Group is restricted from subletting the premises without lessor's prior written consent. Further, upon subletting, it shall pay 50% of the rental in excess of the base rent and any additional rent provided in the agreement between the Group and the lessor.
- c) Cash flow effect of the sale and leaseback transaction in the reporting period is as follows:
 - i) proceeds from sale and leaseback transaction disclosed under cash flows from investing activities – ₹3,240.0
 - ii) payment of lease liabilities with respect to the sale and leaseback transaction disclosed under cash flows from financing activities – ₹31.3



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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

B. Capital and other commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	9,877.1	9,423.4

The Group is a party to contractual arrangements with respect to acquisition of certain intangible assets and intangible assets under development wherein the Group has commitment to make potential future milestone payments and royalties to third parties and the owners of know-how respectively, as defined in the underlying agreements.

34. CONTINGENT LIABILITIES AND LITIGATIONS

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Claims against the Group not acknowledged as debt		
Claims arising from disputes not acknowledged as debts - indirect taxes (excise duty and service tax)*	681.3	198.0
Claims arising from disputes not acknowledged as debts - direct taxes *	493.8	415.2
Claims against the Group not acknowledged as debts - other duties/ claims ^	189.6	187.7

* in respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group. The Group is contesting these demands and the Management, including its advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the demands raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

^ The Group is involved in disputes, claims, Governmental and/or regulatory inspection, inquires, including patents and commercial matters that arise from time to time in the ordinary course of business. The same are subject to uncertain future events not wholly within the control of the Group. The management does not expect the same to have materially adverse effect on its financial position, as it believes the likelihood of any loss is not probable.

In addition to the above, the Holding Company along with a subsidiary is a party to certain pending disputes with regulatory authorities relating to the certain allotment of lands that have taken place in earlier years. During the year 2018-19, pursuant to the order of the Honourable Appellate Tribunal, the lands belonging APL Research Centre Limited (merged with Holding company w.e.f April 01, 2019), subsidiary, which were attached earlier, were released after placing a fixed deposit of ₹131.6 as a security deposit with Enforcement Directorate. While the disposal of the cases are subject to final judgement from the CBI Special Court, in the assessment of the management and as legally advised, the allegations are unlikely to have a significant material impact on the financial statements of the Holding Company.

(B) Guarantees

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding bank guarantees (Performance guarantees)	212.7	607.4

(C) Litigation

Regulatory and Governmental matters

As part of the ongoing industry-wide investigation by Antitrust Division of the United States Department of Justice ("DOJ") pertaining to price fixing and price-collusion allegations the DOJ served a grand jury subpoena on Aurobindo Pharma USA, Inc. requesting certain information and documentation including the pricing of Company products. The scope of the subpoena is from January 01, 2012 through March of 2016. The civil division of the DOJ also subsequently served a Civil Investigation Demand requesting similar information and documentation. The scope of the CID is from January 01, 2009 through May 11, 2018. The subpoena and the CID itself do not assert any claims, actions or allegations of wrongdoing against the Company. Management and counsel continue to cooperate with the DOJ's subpoena and to respond with information requested pursuant to the subpoena. The Company continues to review the issue internally and believes that it has not engaged in any unlawful conduct that would lead to civil or criminal liability.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

35. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Earnings		
Consolidated profit after tax attributable to the owners of the Holding Company considered for calculation of basic and diluted earnings per share	26,481.5	53,348.4
Shares		
Weighted average number of Equity Shares considered for calculation of basic earnings per share	585,938,609	585,938,609
Earnings per share of face value ₹1/-		
- Basic	45.19	91.05
- Diluted	45.19	91.05

36. EMPLOYEE BENEFITS

a) Disclosures related to defined contribution plan

In accordance with Indian law, all eligible employees of APL and its subsidiaries are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. APL and its subsidiaries in India contribute as specified under the law to the Provident Fund:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident fund contribution recognised as expense in the consolidated statement of profit and loss *	630.8	602.5

* Includes ₹9.5 (March 31, 2021: ₹6.5) transferred to capital work-in-progress

b) Disclosures related to defined benefit plan of the Holding Company

The Holding Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity on departure at 15 days last drawn salary for each completed year of service or part thereof in excess of six months.

This defined benefit plan exposes the Holding Company to actuarial risk, such as longevity risk, interest rate risk and market (investment) risk.

The plan is funded with Life Insurance Corporation in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit and loss, the fund status and amounts recognised in the consolidated balance sheet:

Net employee benefit expense (included under employee benefit expenses)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	284.7	246.3
Past service cost	-	-
Interest on defined benefit liability	(11.1)	34.6
Net employee benefit expenses	273.6	280.9

Details of the employee benefits obligations and plan assets are as follows:

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligation	2,189.6	2,095.7
Fair value of plan assets	2,139.3	2,139.4
Net defined benefit liability	50.3	(43.8)



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for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Details of changes in present value of defined benefit obligation are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	2,095.7	1,703.1
Current service cost	284.7	246.3
Past service cost	-	-
Interest on defined benefit obligation	129.5	104.8
Acquisition/Divestiture	(139.3)	(5.0)
Benefits paid	(137.5)	(81.2)
Remeasurement due to:		
Actuarial loss arising from changes in experience	3.6	130.5
Actuarial loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(47.1)	(2.8)
Closing defined benefit obligation	2,189.6	2,095.7

Details of changes in fair value of plan assets are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets	2,139.5	1,071.4
Interest on plan assets	140.6	70.2
Employer Contribution	170.0	1,042.4
Acquisition/Divestiture	(152.2)	7.6
Benefits paid	(137.5)	(81.2)
Remeasurement due to - actual return on plan assets less interest on plan assets	(21.1)	29.1
Closing fair value of plan assets	2,139.3	2,139.5

Sensitivity analysis

The sensitivity of over all plan obligations to changes in key assumptions are as follows:

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation without effect of projected salary growth rate	1,438.1	1,352.0
Add: effect of salary growth rate	751.5	743.7
Defined benefit obligation with effect of projected salary growth	2,189.6	2,095.7
Defined benefit obligation, using discount rate plus 50 basis points	2,121.7	2,027.5
Defined benefit obligation, using discount rate minus 50 basis points	2,261.7	2,168.2
Defined benefit obligation, using salary growth rate plus 50 basis points	2,257.7	2,164.2
Defined benefit obligation, using salary growth rate minus 50 basis points	2,124.4	2,030.2

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Funds managed by Insurers	100%	100%

The principal assumptions used in determining gratuity obligations for the Holding Company's plans are shown below:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Financial assumptions		
Discount rate (p.a.)	6.90%	6.57%
Expected salary increase (p.a)	10% for 2 Years and 7% thereafter	10% for 2 Years and 7% thereafter
Demographic assumptions		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

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Attrition rate	As at March 31, 2022		As at March 31, 2021	
	Age (years)	Rates (p.a)	Age (years)	Rates (p.a)
	21 - 30	16%	21 - 30	16%
	31 - 40	12%	31 - 40	12%
	41 - 50	6%	41 - 50	6%
	51 - 57	23%	51 - 57	23%

Discount rate: The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations

Salary escalation rate: The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other related factors.

Maturity profile of the defined benefit obligation

	As at March 31, 2022	As at March 31, 2021
Weighted average expected future working life (Years)	8.1	8.1
Expected future cash flow of gratuity		
Within 12 months	288.8	249.3
Between 2 and 5 years	949.4	882.4
Beyond 5 years	2,511.4	2,444.0

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The Company expects to contribute ₹288.8 (March 31, 2021: ₹249.3) during the year ended March 31, 2023 to the qualifying insurance policy.
- The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period by varying one actuarial assumption, keeping all other actuarial assumptions constant.

37. ACQUISITION OF SUBSIDIARY

During the previous year effective November 06, 2020, the Holding Company Aurobindo Pharma Ltd. acquired 100% equity in Mviyes Pharma Ventures Private Limited. Mviyes Pharma Ventures Private Limited was holding 29.13% shareholding in Eugia Pharma Specialities Limited, a joint venture company in which the Holding Company, through its wholly owned subsidiary company was holding 70.87%. By this acquisition both Eugia Pharma Specialities Limited and Mviyes Pharma Ventures Private Limited have become wholly owned subsidiaries.

Eugia Pharma Specialities Limited, is engaged in the business of development and manufacturing of oncology and hormonal generic formulations. Eugia Pharma Specialities Limited has its R&D and manufacturing facilities located at Hyderabad. It supplies its products in regulated markets i.e. United States, Europe and Canada along with some other key emerging market countries.

The purchase price of the acquired entity on November 06, 2020 had been allocated based on estimated fair values at the acquisition date, for various assets and liabilities acquired/ assumed under a Sale and Purchase Agreement. The Company determined fair values based on its then estimates and third party technical evaluation for various tangible and intangible assets acquired.

As at March 31, 2021, the consolidated balance sheet reflects the purchase price allocated to the assets acquired and liabilities assumed based on estimated fair values. The final purchase price allocation carried out during the year resulted in goodwill of ₹2,410.6. The following table summarises the allocation of purchase price consideration, for the fair values of the assets acquired and liabilities assumed and the determination of Goodwill.



Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	Amount as on November 6, 2020
Amount paid for acquisition of controlling interest	2,742.1
Group share of fair value on the date of acquisition	5,286.0
Add: Net debts taken over	5,104.2
Total [A]	13,132.3
Liabilities assumed:	
Non current	
Non current Provisions	10.7
Current	
Trade payables	429.2
Other financial liabilities	11.3
Other current liabilities	34.9
Provisions	4.2
Total liabilities assumed [B]	490.3
Fair value of assets acquired:	
Non current	
Property plant and equipment	4,846.4
Capital work-in-progress	369.5
Other intangible assets	849.3
Intangible assets under development	3,249.7
Financial assets	61.3
Deferred Tax Assets	82.6
Non-current tax assets	5.7
Other non-current assets	752.8
Current	
Inventories	564.3
Trade receivables	153.0
Other assets	277.4
Total fair value of assets acquired [C]	11,212.0
Goodwill [A+B-C]	(2,410.6)

The valuation techniques used for measuring the fair value of assets acquired were as follows:

Assets acquired	Valuation technique
Intangible assets and intangible assets under development	The valuation was carried out as per Multi-period Excess Earning Method

- a) **Summary of post acquisition revenue and gain of the acquired entities included in the consolidated statement of profit and loss for the year ended March 31, 2021**

Particulars	For the year ended March 31, 2021
Revenue	858.1
Net loss considered in the consolidated statement of profit and loss	(532.5)

- b) **The consolidated revenue and consolidated net profit of the Group for the current reporting period had the acquisition taken place at the beginning of the accounting period.**

Particulars	For the year ended March 31, 2021
Consolidated revenue from operations	248,733.6
Consolidated profit for the year	52,639.5

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for the year ended March 31, 2022

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c. For acquired receivables:

Particulars	For the year ended March 31, 2021
The gross contractual amounts receivable	153.0
The best estimate at the acquisition date of the contractual cash flows not expected to be collected (provision)	-
Net value	153.0

38. ACQUISITION OF BUSINESS

- (i) Effective April 30, 2021, Vespyr Brands Inc (formerly Nurya Brands Inc, USA), a subsidiary of Auro Health LLC USA., acquired certain rights, title and interest in the assets and liabilities owned by Mylan Consumer Healthcare, Inc., USA for an upfront cash consideration of ₹5,813.9

Particulars	Amount as on April 30, 2021
Purchase consideration [A]	5,813.9
Liabilities assumed:	
Trade payable	82.1
Total fair value of liabilities assumed [B]	82.1
Fair value of assets acquired	
Intangible assets	4,495.6
Inventories	630.8
Accounts receivable	224.8
Total fair value of assets acquired [C]	5,351.2
Goodwill [A+B-C]	544.8

The valuation techniques used for measuring the fair value of assets acquired were as follows:

Assets acquired	Valuation technique
Intangible assets	The valuation was carried out as per Multi-period Excess Earning Method

- a) Summary of post acquisition revenue and profit of the acquired business included in the consolidated statement of profit and loss for the year ended March 31, 2022

Particulars	For the year ended March 31, 2022
Revenue	2,031.2
Net loss considered in the consolidated statement of profit and loss	18.8

- b) The consolidated revenue and consolidated net profit of the Group for the current reporting period had the acquisition taken place at the beginning of the accounting period.

Particulars	For the year ended March 31, 2022
Consolidated revenue from operations	234,655.5
Consolidated profit for the year	26,482.9

- c) For acquired receivables:

Particulars	As at March 31, 2022
The gross contractual amounts receivable	224.8
The best estimate at the acquisition date of the contractual cash flows not expected to be collected (provision)	-
Net value	224.8



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- d) The total amount of goodwill that is expected to be deductible for tax purpose is ₹ 544.8.
- (ii) Effective December 30, 2021, Auro PR Inc, a subsidiary of Helix Healthcare B.V. Netherlands, acquired certain properties including rights, title and interest in the assets and liabilities owned by Mylan LLC USA.

Particulars	Amount as on December 30, 2021
Liabilities assumed:	
Current liabilities	
Other current liabilities *	430.3
Total fair value of liabilities assumed [B]	430.3
Fair value of assets acquired	
Current assets	
Cash and cash equivalents	10.7
Current tax assets (net) *	44.5
Other current assets - Prepaid expenses *	32.1
Other receivable *	343.0
Total fair value of assets acquired [C]	430.3

* The fair value of assets and liabilities on the date of acquisition had been determined on a provisional basis by the management on the basis of its assessment of the nature of business and the underlying assets acquired.

- a) **Summary of post acquisition revenue and profit of the acquired business included in the consolidated statement of profit and loss for the year ended March 31, 2022**

Particulars	For the period ended March 31, 2022
Revenue	863.4
Net loss considered in the consolidated statement of profit and loss	-

- b) **The consolidated revenue and consolidated net profit of the Group for the current reporting period had the acquisition taken place at the beginning of the accounting period.**

Particulars	For the year ended March 31, 2022
Consolidated revenue from operations	241,202.6
Consolidated profit for the year	26,471.1

39. RELATED PARTY DISCLOSURES

- i) Names of related parties and description of relationship

a) Joint ventures

Novagen Pharma (Pty) Limited, South Africa (Joint Venture of a step-down subsidiary, Aurogen South Africa (Pty) Ltd., South Africa)

Eugia Pharma Specialities Limited, India (up to November 06, 2020)

Tergene Biotech Private Limited, India

Raidurgam Developers Limited, India (formerly known as Aurobindo Antibiotics limited, India)

Purple Bellflower (Pty) Ltd., South Africa (Joint Venture of a step-down subsidiary, Aurogen South Africa (Pty) Ltd., South Africa)

Luoxin Aurovitas Pharm (Chengdu) Co. Ltd. (Joint Venture of a subsidiary, Helix Healthcare B.V., The Netherlands)

Longxiang Pharma Taizhou Co. Ltd. (Joint Venture of a subsidiary, Helix Healthcare B.V., The Netherlands) (Liquidated w.e.f. August 31, 2021)

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Novagen BBBEE Invest Co (Pty) Ltd. (w.e.f. November 07, 2019) (Joint Venture of a step-down subsidiary, Aurogen South Africa (Pty) Ltd., South Africa)

b) In Associates

NVNR (Ramannapet I) Power Plant Private Limited, India

NVNR (Ramannapet II) Power Plant Private Limited, India

c) Enterprises over which key management personnel or their relatives exercise significant influence

Pravesha Industries Private Limited, India

Sri Sai Packaging, India (Partnership firm)

Trident Chemphar Limited, India

Auropro Soft Systems Private Limited, India

Axis Clinicals Limited, India

Pranit Packaging Private Limited, India

SGD Pharma India Limited (formerly Cogent Glass Limited), India

Orem Access Bio Inc, India

Veritaz Healthcare Limited, India

Alex Merchant PTE. LTD, Singapore

Axis Clinicals LLC, USA

Alex Merchant DMCC, Dubai

Crest Cellulose Private Limited, India

East Pharma Technologies, India (Partnership firm)

Axis Clinicals Latina SA DE CV, Mexico

Gelcaps Industries, India

Aurobindo Pharma Foundation (Trust), India

Alcedo Pharmachem Private Limited, India

Ambipack Industries, India

Giyaan Pharma Private Limited, India

Sathguru Management Consultants Pvt. Ltd., India

Transaction Square LLP, India

Shreas Industries Limited, India

Aurobindo Realty & Infrastructure Private Limited, India

Aurobindo Pharma Foundation (Section 8 Company), India

Sportz & Live Entertainment Private Limited

Zoylo Digihealth Private Limited

Sathguru Software Products Private Limited, India

d) Key managerial personnel

Mr. K. Nithyananda Reddy, Vice Chairman and Managing Director (w.e.f. January 01, 2022)

Dr. M. Sivakumaran, Whole-time Director

Mr. M. Madan Mohan Reddy, Whole-time Director

Mr. P. Sarath Chandra Reddy, Whole-time Director

Mr. N. Govindarajan, Managing Director (up to December 31, 2021)

Mr. Santhanam Subramanian, Chief Financial Officer

Mr. B. Adi Reddy, Company Secretary

Mr. K. Ragunathan, Non-Executive Chairman and Independent Director

Mr. M. Sitarama Murty, Independent Director (up to March 31, 2021)

Dr. (Mrs.) Avnit Bimal Singh, Independent Director

Mr. P. Venkata Ramprasad Reddy, Non-Executive promoter director

Mrs. Savitha Mahajan, Independent Director

Mr. Girish Paman Vanvari, Independent Director (w.e.f. November 05, 2020)



Notes to Consolidated Financial Statements

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e) Relatives to key managerial personnel

Mr. Vishnu M Sriram (Son in law of Dr. M. Sivakumaran, Wholetime Director)

ii) Transactions with related parties

a) Transactions with joint ventures

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raidurgam Developers Limited, India		
Rent expenses including maintenance	302.8	59.5
Rent Deposit	0.2	100.6
Investment in optionally convertible debentures	500.0	434.5
Interest accrued	95.3	54.2
Reimbursement of expenses received	0.5	-
Novagen Pharma (Pty) Limited, South Africa		
Sale of products	169.2	188.2
Dividend received	-	1.7
Sale of services	37.5	32.6
Purple Bell Flower (Pty) Limited, South Africa		
Dividend received	2.8	2.5
Dividend Paid	-	5.2
Loans and Advances given	0.2	0.1
Eugia Pharma Specialities Ltd., India		
Sale of products	-	54.7
Purchases	-	1,061.6
Tergene Biotech Pvt. Ltd., India		
Investment in 10.5% Cumulative Redeemable Preference shares	37.0	43.5
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd., China		
Equity contribution	154.8	128.9
Sale of Services	313.9	-
Novagen BBBEE Invest Co. (Pty) Ltd., South Africa		
Equity contribution	-	0.8
Options granted	-	0.3

b) Transactions with Associates

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
NVNR (Ramannapet I) Power Plant Private Limited, India		
Equity contribution	5.2	-
Investment in optionally convertible debentures	48.6	-
NVNR (Ramannapet II) Power Plant Private Limited, India		
Equity contribution	5.2	-

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Investment in optionally convertible debentures	48.6	-

c) Transactions with enterprises over which key management personnel or their relatives exercise significant influence

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Pravesha Industries Private Limited, India		
Sale of products	1.5	0.2
Purchase of Fixed assets	2.5	-
Purchases	3,245.2	3,443.1
Sale of Services	-	0.5
Sri Sai Packaging, India		
Sale of products	0.6	0.4
Purchases	282.8	248.1
Axis Clinicals Limited, India		
Sale of products	0.1	0.3
Purchase of services	2,351.5	2,720.8
Purchases	0.8	12.1
Reimbursement of expenses	-	0.5
Axis Clinicals LLC, USA		
Purchase of services	362.3	891.8
Axis Clinicals Latina SA DE CV, Mexico		
Purchase of services	28.2	5.1
Trident Chemphar Limited, India		
Purchases	637.3	1,023.9
Purchase of services	85.1	138.6
Sale of products	0.0	0.3
Pranit Packaging Private Limited, India		
Purchases	287.8	265.8
SGD Pharma India Limited (formerly Cogent Glass Limited), India		
Purchases	774.8	1,244.1
Reimbursement of expenses received	1.6	-
Sale of Products	1.2	-
Orem Access Bio Inc, India		
Purchases	241.0	363.3
Sale of products	-	0.1
Veritaz Healthcare Limited, India		
Sale of products	359.1	187.6
Rent received	0.4	0.4
Purchases	-	119.6
Crest Cellulose Private limited, India		
Purchases	251.1	354.6
East Pharma Techonologies, India		
Purchases	97.6	112.5
Sale of products	0.1	0.1
Sale of Services	0.1	-
Gelcaps Industries, India		
Purchases	657.4	507.0
Sale of products	10.4	3.2
Aurobindo Foundation (Trust), India		
Contribution towards CSR activities	-	152.9



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Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Corporate guarantee given	-	990.0
Aurobindo Pharma Foundation, India (Sec.8 Company)		
Contribution towards CSR activities	570.0	582.1
Equity contribution	-	0.1
Alcedo Pharmachem Private Limited, India	-	-
Purchases	219.7	260.3
Ambipack Industries, India		
Purchases	127.4	140.0
Giyaan Pharma Private Limited, India		
Sale of products	25.9	28.9
Kakinada SEZ Limited		
Purchase of fixed assets	1,121.1	-
Aurobindo Realty & Infrastructure Private Limited		
Purchase of capital goods	246.2	349.9
Sale of Products	0.1	-
Shreas Industries Limited		
Purchases	-	0.9
Sathguru Management Consultants Pvt.Ltd.		
Purchase of services	-	1.2
Sportz & Live Entertainment Private Limited		
Purchase of Services	0.2	-
Transaction Square LLP		
Purchase of Services	2.1	-
Zoylo Digihealth Private Limited		
Purchase of Services	0.7	-
Sathguru Software Products Private Limited, India		
Purchase of Services	5.9	-

d) Remuneration to key managerial personnel and their relatives

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term employee benefits	245.2	245.7
Post employment benefits	5.8	6.5
Director sitting fees	11.8	11.4
Commission	62.5	125.0

e) Transactions with key managerial personnel or their relatives

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent expense	3.0	2.8

Notes:

- Managerial remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.
- All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for trade receivable, trade payable and other payables are unsecured, interest free and settlement occurs in cash. The Group has not recorded any impairment of balances relating to amounts owed by related parties during the year ended March 31, 2022 and March 31, 2021. Provisions for bad and doubtful debts will be made on an aggregate basis i.e, not specific to party. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

iii) Closing balances of related parties

a) Balances with Joint ventures at the year end

	As at March 31, 2022	As at March 31, 2021
Novagen Pharma (Pty) Limited, South Africa		
Balance receivable	57.4	100.0
Dividend receivable	357.0	337.1
Purple Bell Flower (Pty) Limited, South Africa		
Balance receivable	3.1	0.1
Dividend receivable	-	2.7
Raidurgam Developers Limited, India		
Balance receivable	47.8	24.0
Balance payable	7.4	22.9
Rent Deposit Receivable	100.8	100.6
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd.		
Balance receivable	317.4	-

b) Balances with enterprises over which key management personnel or their relatives exercise significant influence at the year end

	As at March 31, 2022	As at March 31, 2021
Pravesha Industries Private Limited, India		
Balance payable	997.2	835.3
Sri Sai Packaging, India		
Balance payable	39.5	46.8
Axis Clinicals Limited, India		
Balance payable	476.1	696.6
Trident Chemphar Limited, India		
Balance payable	53.7	12.4
Pranit Packaging Private Limited, India		
Balance receivable	-	0.3
Balance payable	35.4	48.4
SGD Pharma India Limited (formerly Cogent Glass Limited), India		
Balance payable	314.3	316.2
Veritaz Healthcare Limited, India		
Balance receivable	159.6	93.2
Balance payable	-	25.0
Orem Access Bio Inc, India		
Balance payable	46.9	30.5
Crest Cellulose Private Limited, India		
Balance payable	61.3	79.6
East Pharma Technologies, India		
Balance payable	23.8	22.3
Gelcaps Industries, India		
Balance receivable	-	0.3
Balance payable	139.0	118.6
Axis Clinicals LLC, USA		
Balance receivable	-	28.4
Balance payable	86.2	293.3
Axis Clinicals Latina SA DE CV, Mexico		



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for the year ended March 31, 2022

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	As at March 31, 2022	As at March 31, 2021
Balance payable	4.9	-
Alcedo Pharmachem Private Limited, India		
Balance payable	19.7	-
Ambipack Industries, India		
Balance payable	22.4	28.2
Giyaan Pharma Private Limited, India		
Balance receivable	34.2	27.3
Aurobindo Realty & Infrastructure Private Limited		
Balance payable	75.3	73.3
Transaction Square LLP		
Balance payable	0.1	-

c) Balances with key managerial personnel at the year end

	As at March 31, 2022	As at March 31, 2021
Mr. N. Govindarajan		
Balance payable	62.5	125.0
Mr. K. Nithyananda Reddy		
Balance payable	-	0.2

iv) Details of advances due from private companies in which Holding Company's director is a director.

	As at March 31, 2022	As at March 31, 2021
Pranit Packaging Private Limited, India	-	0.3

Note: Amounts below ₹0.1 has been disclosed as ₹0.0.

40. The amount of research and development expenditure charged to consolidated statement of profit and loss is ₹15,813.8 (March 31, 2021: ₹15,095.5). Further, the amount of capital expenditure incurred towards research and development during the year amounted to ₹1,399.5 (March 31, 2021: ₹897.8)

41. INTEREST IN JOINT VENTURES

The Group has investment in two entities, Eugia Pharma Specialities Limited up to November 06, 2020 and Tergene Biotech Private Limited with a voting share of 67.82% and 80.00% respectively. As a result of a contractual arrangement with the third party partner, the Group has a majority representation on the entity's board of directors. However, the approval of directors represented by the third party partner is required for all major decisions with regard to operating and financing activities. As the Group does not control these entities and the other partners have significant participating rights, the Group's interest in these entities has been accounted under the equity method of accounting under Ind AS 111 – Joint Arrangements (refer note 37).

The Group has invested in an entity, Longxiang Pharma Taizhou Co., Ltd. with a voting share of 57%. As a result of contractual arrangement with third party partners, the Group does not have majority/equal representation on the entity's Board of Directors. However, the approval of directors represented by both the Group and the third party partners is required for all major decisions with regard to operating and financing activities. As the Group jointly controls the entity with the third party partners, the Group's interest in this entity has been accounted under the equity method of accounting under Ind AS 111 – Joint Arrangements.

The Group has invested in one entity, Raidurgam Developers Limited (Formerly Aurobindo Antibiotics Ltd.) with a voting share of 40%. As a result of a contractual arrangement with the third party partner, the Group does not have majority/equal representation on the entity's Board of Directors. However, the approval of directors represented by both the Group and the third party partner is required for all major decisions with regard to operating and financing activities. As the Group jointly controls the entity with the third party partner, the Group's interest in this entity has been accounted under the equity method of accounting under Ind AS 111 – Joint Arrangements.

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The Group has interest in the following joint ventures and associates

	As at March 31, 2022	As at March 31, 2021
Novagen Pharma Pty Ltd, South Africa (Joint venture)	50.00%	50.00%
Eugia Pharma Specialities Limited, India, (Joint venture) (Subsidiary w.e.f. November 06, 2020) (refer note 37)	-	-
Tergene Biotech Private Limited, India (Joint venture)	80.00%	80.00%
Raidurgam Developers Limited (formerly Aurobindo Antibiotics Limited), India (Joint venture)	40.00%	40.00%
Purple BellFlower (Pty) Ltd, South Africa (Joint venture)	48.00%	48.00%
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd. (Joint venture)	30.00%	30.00%
Longxiang Pharma Taizhou Co., Ltd. (Joint venture) (liquidated w.e.f. August 31, 2021)	-	57.00%
Novagen BBBEE Invest Co. (Pty) Ltd. (Joint venture)	24.50%	24.50%
NVNR (Ramannapet I) Power Plant Private Limited (Associates)	26.00%	-
NVNR (Ramannapet II) Power Plant Private Limited (Associates)	26.00%	-

These joint ventures are engaged in manufacture and distribution of pharmaceuticals products except, Raidurgam Developers Limited, which is engaged in construction and infrastructure development. The Group's interest in these joint ventures is accounted using the equity method in the consolidated financial statements. Summarised financial information of the joint ventures, based on its their financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(a) Novagen Pharma Pty Ltd., South Africa

(i) Summarised balance sheet

	As at March 31, 2022	As at March 31, 2021
Current assets	375.4	363.2
Non-current assets	197.4	202.7
	572.8	565.9
Current liabilities	113.4	118.9
Non-current liabilities	757.5	719.6
Equity	(298.1)	(272.6)
	572.8	565.9

(ii) Details of other financial information

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	23.1	84.5
Current financial liabilities	0.2	7.5

(iii) Summarised statement of profit and loss

	As at March 31, 2022	As at March 31, 2021
Revenue	528.9	627.1
Interest income	0.9	2.1
Interest expenses	1.2	3.0
Depreciation	15.8	15.2
Profit before tax	(12.6)	47.7
Income tax expense	(3.5)	(13.8)
Profit for the year	(9.1)	33.9
Total comprehensive income for the year	(9.1)	33.9



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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	As at March 31, 2022	As at March 31, 2021
The Group's share of dividend received	-	1.7

The Group's share of (loss)/profits for the year ended March 31, 2022 and March 31, 2021 was ₹(26.2) and ₹19.9 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2022 and March 31, 2021 was ₹242.7 and ₹268.8 respectively.

(b) Eugia Pharma Specialities Limited, India

(i) Summarised statement of profit and loss

Particulars	For the period April 01, 2020 to November 6, 2020
Revenue	987.4
Interest income	1.5
Loss before tax	(647.9)
Income tax expense	-
Loss for the year	(647.9)
Total comprehensive income for the year	(647.9)

The Group's share of loss for the period ended November 06, 2020 was ₹431.9.

(c) Tergene Biotech Pvt. Ltd., India

(i) Summarised balance sheet

	As at March 31, 2022	As at March 31, 2021
Current assets	67.9	89.4
Non-current assets	60.6	75.2
	128.5	164.6
Current liabilities	142.9	139.2
Non-current liabilities	284.2	255.3
Equity	(298.6)	(229.9)
	128.5	164.6

(ii) Details of other financial information

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	45.9	69.9
Non-current financial liabilities	248.0	211.0
Current financial liabilities	81.7	60.7

(iii) Summarised statement of profit and loss

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	1.5	0.1
Other income	29.8	6.7
Interest expenses	24.8	24.3
Depreciation	15.1	14.0
Loss before tax	(68.8)	(62.8)
Loss for the year	(68.8)	(62.8)
Total comprehensive income for the year	(68.6)	(63.3)

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The Group's share of loss for the year ended March 31, 2022 and March 31, 2021 was ₹54.9 and ₹50.7 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2022 and March 31, 2021 was ₹ Nil and ₹ Nil respectively and investment in Preference shares in the joint venture as at March 31, 2022 and March 31, 2021 was ₹98.9 and ₹116.8 respectively.

(d) Raidurgam Developers Limited (formerly Aurobindo Antibiotics Limited), India

(i) Summarised balance sheet

	As at March 31, 2022	As at March 31, 2021
Current assets	234.8	127.8
Non-current assets	10,701.3	10,173.4
	10,936.1	10,301.2
Current liabilities	728.0	617.1
Non-current liabilities	10,805.0	9,804.2
Equity	(596.9)	(120.1)
	10,936.1	10,301.2

(ii) Details of other financial information

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	158.8	86.9
Non-current financial liabilities	10,804.8	9,804.2
Current financial liabilities	583.5	586.7

(iii) Summarised statement of profit and loss

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	562.1	63.7
Other income	12.9	-
Interest expenses	723.1	167.9
Depreciation	230.1	50.8
Loss before tax	(638.3)	(205.6)
Income tax expense	161.0	4.7
Total comprehensive income for the period	(477.3)	(200.9)

The Group's share of loss for the year ended March 31, 2022 and March 31, 2021 is ₹190.9 and ₹80.4 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2022 and March 31, 2021 is ₹ Nil and ₹ Nil respectively and investment in optionally convertible debentures in the joint venture as at March 31, 2022 and March 31, 2021 is ₹1,866.0 and ₹1,610.0 respectively.

(e) Purple BellFlower (Pty) Ltd., South Africa

(i) Summarised balance sheet

	As at March 31, 2022	As at March 31, 2021
Current assets	6.1	5.7
	6.1	5.7
Current liabilities	6.2	5.8
Equity	(0.1)	(0.1)
	6.1	5.7



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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(ii) Summarised statement of profit and loss

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	5.8	5.2
Profit for the year	5.7	5.2
Total comprehensive income for the period	5.7	5.2

The Group's Share of Dividend received - 2.5

The Group's share of profit for the year ended March 31, 2022 and March 31, 2021 is ₹2.5 and ₹2.5 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2022 and March 31, 2021 is ₹ Nil and ₹0.1 respectively.

(f) Luoxin Aurovitas Pharm (Chengdu) Co. Ltd., China

(i) Summarised balance sheet

	As at March 31, 2022	As at March 31, 2021
Current assets	759.3	386.9
Non-current assets	2,981.9	1,929.4
	3,741.2	2,316.3
Current liabilities	406.8	272.2
Non-current liabilities	848.9	147.8
Equity	2,485.5	1,896.3
	3,741.2	2,316.3

(ii) Details of other financial information

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	754.5	149.2
Non-current financial liabilities	522.5	-
Current financial liabilities	-	218.2

(iii) Summarised statement of profit and loss

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	-	24.4
Other income	6.4	-
Depreciation	1.9	0.5
Profit before tax	(50.5)	0.1
Income tax expenses	(0.8)	1.4
Profit after tax	(49.7)	(1.3)
Total comprehensive income for the period	(49.7)	(1.3)

The Group's share of loss for the year ended March 31, 2022 and March 31, 2021 is ₹14.9 and ₹0.4 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2022 and March 31, 2021 is ₹539.7 and ₹401.1 respectively.

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(g) Longxiang Pharma Taizhou Co. Ltd., China

(i) Summarised balance sheet

	As at March 31, 2021
Current assets	501.5
Non-current assets	2.3
	503.8
Current liabilities	0.8
Equity	503.0
	503.8

(ii) Details of other financial information

	As at March 31, 2021
Cash and cash equivalents	457.8

(iii) Summarised statement of profit and loss

	For the period ended March 31, 2022	For the year ended March 31, 2021
Revenue	-	5.9
Other income	-	0.1
Interest income	-	3.2
Depreciation	-	0.2
Interest expenses	-	-
(Loss) / Profit for the year	(49.9)	(22.2)
Total comprehensive income for the period	(49.9)	(22.2)

The Group's share of loss for the year ended March 31, 2022 and March 31, 2021 is ₹28.5 and ₹12.6 respectively. The entity was liquidated w.e.f. August 31, 2021.

(h) Novagen BBBEE Invest Co. (Pty) Ltd., South Africa

(i) Summarised balance sheet

	As at March 31, 2022	As at March 31, 2021
Current assets	2.2	0.9
Non-current assets	1.1	0.9
	3.3	1.8
Current liabilities	2.0	0.4
Non-current liabilities	0.1	-
Equity	1.2	1.4
	3.3	1.8

(ii) Details of other financial information

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	2.2	0.9
Current Financial Liabilities	2.0	0.4



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(iii) Summarised statement of profit and loss

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	40.7	-
Other income	-	0.1
Interest expenses	0.0	-
Loss for the year	(0.2)	(0.5)
Total comprehensive income for the period	(0.2)	(0.5)

The Group's share of loss for the year ended March 31, 2022 and March 31, 2021 is ₹0.0 and ₹0.1 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2022 and March 31, 2021 is ₹0.8 and ₹0.8 respectively.

(i) NVNR (Ramannapet I) Power Plant Private Limited, India and NVNR (Ramannapet II) Power Plant Private Limited, India

The Holding company has entered into binding agreements to invest in NVNR (Ramannapet I) Power Plant Private Limited, India and NVNR (Ramannapet II) Power Plant Private Limited, India, which are solar power generating companies to avail benefit of captive consumption of solar power. Since these entities have not commenced any commercial operations relevant disclosures are not presented.

42. HEDGING ACTIVITIES AND DERIVATIVES – DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

The Group uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one week to twelve months.

43. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

March 31, 2022

Particulars	Notes	Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments in others*	7(B)	151.3	-	-	151.3	-	-	151.3	151.3
Non current Investments in Stocks and shares (refer note 7(1))	7(B)	-	915.9	-	915.9	915.9	-	-	915.9
Non-current investments in government securities*	7(B)	0.2	-	-	0.2	-	-	0.2	0.2
Current investments in quoted equity shares*	7(C)	0.1	-	-	0.1	0.1	-	-	0.1
Current Investments in quoted bonds	7(C)	-	-	-	-	-	-	-	-
Investment in unquoted fixed deposits with Corporate	7(C)	-	-	-	-	-	-	-	-
		151.6	915.9	-	1,067.5	916.0	-	151.5	1,067.5
Financial assets not measured at fair value									

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	Notes	Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Non-current investments in preference shares	7(B)	-	-	98.9	98.9				
Non current Investments in quoted bonds (refer note 7(1))	7(B)	-	-	2,260.0	2,260.0				
Non current Investments in quoted bonds	7(B)	-	-	3,788.4	3,788.4				
Trade receivables	9(A)&9(B)	-	-	40,122.6	40,122.6				
Loans	8(A)&8(B)	-	-	190.3	190.3				
Cash and cash equivalents	15(A)&15(B)	-	-	41,900.1	41,900.1				
Other financial assets	10(A)&10(B)	-	-	1,678.1	1,678.1				
				90,038.4	90,038.4				
Financial assets measured at fair value									
Derivatives - foreign currency forward contracts	10(B)	320.2	-	-	320.2	-	320.2	-	320.2
		320.2	-	-	320.2	-	320.2	-	320.2
Financial liabilities not measured at fair value									
Borrowings (including current maturities of non-current borrowings)	18(A),18(B)	-	-	23,727.7	23,727.7				
Trade payables	20	-	-	27,030.5	27,030.5				
Lease liabilities	21(A) & 21(B)	-	-	4,785.0	4,785.0				
Other financial liabilities	21(A) & 21(B)	-	-	17,860.0	17,860.0				
		-	-	73,403.2	73,403.2				

March 31, 2021

Particulars	Notes	Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments in others*	7(B)	151.3	-	-	151.3	-	-	151.3	151.3
Non current Investments in Stocks and shares	7(B)	-	1,472.2	-	1,472.2	1,472.2	-	-	1,472.2
Non current Investments in quoted bonds (refer note 7(1))	7(B)	-	67.8	-	67.8	67.8	-	-	67.8
Non-current investments in government securities*	7(B)	0.2	-	-	0.2	-	-	0.2	0.2
Current investments in quoted equity shares*	7(C)	0.2	-	-	0.2	0.2	-	-	0.2



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Particulars	Notes	Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
		151.7	1,540.0	-	1,691.7	1,540.2	-	151.5	1,691.7
Financial assets not measured at fair value									
Non-current investments in preference shares	7(B)	-	-	116.8	116.8	-	-	-	-
Non current Investments in quoted bonds	7(B)	-	-	7.5	7.5	-	-	-	-
Current Investments in quoted bonds (refer note 7(1))	7(C)	-	-	1,000.2	1,000.2	-	-	-	-
Investment in unquoted fixed deposits with Corporate	7(C)			590.0	590.0	-	-	-	-
Trade receivables	9(A)&9(B)	-	-	35,032.8	35,032.8	-	-	-	-
Loans	8(A)&8(B)	-	-	215.8	215.8	-	-	-	-
Cash and cash equivalents	15(A)&15(B)	-	-	54,742.8	54,742.8	-	-	-	-
Other financial assets	10(A)&10(B)	-	-	1,573.5	1,573.5	-	-	-	-
		-	-	93,279.4	93,279.4	-	-	-	-
Financial assets measured at fair value									
Derivatives - foreign currency forward contracts	10(B)	198.2	-	-	198.2	-	198.2	-	198.2
		198.2	-	-	198.2	-	198.2	-	198.2
Financial liabilities not measured at fair value									
Borrowings (including current maturities of non-current borrowings)	18(A), 18(B)	-	-	49,722.7	49,722.7	-	-	-	-
Trade payables	20	-	-	27,946.8	27,946.8	-	-	-	-
Lease liabilities	21(A) & 21(B)	-	-	3,668.1	3,668.1	-	-	-	-
Other financial liabilities	21(A) & 21(B)	-	-	20,816.0	20,816.0	-	-	-	-
		-	-	102,153.6	102,153.6	-	-	-	-

*These are for operational purposes and the Group estimates that the fair value of these investments are not materially different as compared to their cost.

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B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the consolidated balance sheet, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Equity investments	Discounted cash flow method	Forecast annual revenue growth rate (5%-9%) Forecast EBIT (13%-15%) Terminal growth rate- 5%	- The estimated fair value would increase (decrease) if the EBIT margin were higher (lower) - Generally a change in annual revenue growth rate is accompanied by a directionally similar change in EBIT margin

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2021-22 and no transfers in either direction in 2020-21.

C. Risk management framework

The Holding Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks being faced by the Group, 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 Holding company's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Holding Company'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 adhoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

The Group is exposed primarily to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). The Group uses derivative financial instruments such as forwards to minimise any adverse effect on its financial performance.

(i) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.



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Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Management also evaluates the factors that may influence the credit risk of its customer base, including the default risk and country in which the customers operate. The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if available, financial statements, credit agency information, industry information and in some case bank references. Sales limits are established for each customer and reviewed quarterly.

The Group's receivables turnover is quick and historically, there was no significant default on account of trade and other receivables. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Group assesses at each reporting date whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Other financial assets

The Group maintains exposure in cash and cash equivalents, other receivables from bank and derivative instruments with financial institutions.

The Group's maximum exposure to credit risk as at March 31, 2022 and March 31, 2021 is the carrying value of each class of financial assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group sells on an ongoing basis and without recourse, its eligible receivables, to the banker under the accounts receivable purchase agreement, who is conveyed the right to the proceeds of subsequent collection from such customers. The Group de-recognises such receivables from its consolidated balance sheet.

The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at reporting date:

As at March, 2022

	Carrying amount	Contractual cash flows			
		< 12 months	1 to 5 years	> 5 years	Total
Non-derivative financial liabilities					
Non-current borrowings (including current maturities)	2,549.4	105.1	1,635.0	961.2	2,701.3
Current borrowings	21,178.3	21,220.2	-	-	21,220.2
Lease liabilities	4,785.0	1,666.9	2,167.9	987.3	4,822.1
Trade payables	27,030.5	27,030.5	-	-	27,030.5
Other non-current financial liabilities	113.5	-	113.5	-	113.5
Other current financial liabilities	17,746.5	17,746.5	-	-	17,746.5

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As at March, 2021

	Carrying amount	Contractual cash flows			Total
		< 12 months	1 to 5 years	> 5 years	
Non-derivative financial liabilities					
Non-current borrowings	1,684.9	8.3	1,085.6	642.8	1,736.7
Current borrowings	48,037.8	48,116.7	-	-	48,116.7
Lease liabilities	3,668.1	1,097.9	2,346.2	273.5	3,717.6
Trade payables	27,946.8	27,946.8	-	-	27,946.8
Other non-current financial liabilities	541.0	-	541.0	-	541.0
Other current financial liabilities	20,275.0	20,275.0	-	-	20,275.0

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity, commodity rates and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) Foreign currency risk:

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit or loss, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the respective functional currency of each entity. The Group is subject to foreign exchange risk primarily due to its foreign currency revenues, expenses and borrowings. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro and GBP against the functional currency of the Company. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Group has a treasury team which evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks and advises the Management of any material adverse effect on the Group. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on foreign exchange risk from derivative instruments and non derivative instruments is as follows:

The summary of quantitative data about the Group's exposure to currency risk (based on the notional amounts) as reported to the management is as follows:

The foreign currency risk from non-derivative financial instruments as at March 31, 2022 is as follows:

Particulars	USD	Euro	GBP	Others	Total
Financial assets					
Trade receivables	8,520.3	817.5	-	367.2	9,705.0
Cash and cash equivalents	159.6	2.2	42.8	3.9	208.5
Loans	80.9	15.3	3.3	9.3	108.8
Total	8,760.8	835.0	46.1	380.4	10,022.3
Financial liabilities					
Borrowings	15,825.5	859.9	-	-	16,685.4
Trade payables (including capital creditors)	7,117.6	682.1	49.9	106.5	7,956.1
Acceptances supplier credit	4,208.7	-	-	-	4,208.7
Total	27,151.8	1,542.0	49.9	106.5	28,850.2
Net exposure in respect of recognised assets/(liabilities)	(18,391.0)	(707.0)	(3.8)	273.9	(18,827.9)

The foreign currency risk from non-derivative financial instruments as at March 31, 2021 is as follows:



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Particulars	USD	Euro	GBP	Others	Total
Financial assets					
Trade receivables	10,746.0	1,068.3	-	338.0	12,152.3
Cash and cash equivalents	2,037.8	762.3	272.3	201.4	3,273.8
Loans	26.8	443.9	3.4	432.3	906.4
Total	12,810.6	2,274.5	275.7	971.7	16,332.5
Financial liabilities					
Borrowings	36,401.3	2,958.4	171.3	-	39,531.0
Trade payables (including capital creditors)	3.3	-	-	-	3.3
Acceptances supplier credit	10,155.9	759.5	90.0	112.7	11,118.1
Total	46,560.5	3,717.9	261.3	112.7	50,652.4
Net exposure in respect of recognised assets/(liabilities)	(33,749.9)	(1,443.4)	14.4	859.0	(34,319.9)

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or (loss)			
	March 31, 2022		March 31, 2021	
	Strengthening	Weakening	Strengthening	Weakening
USD (5% movement)	919.6	(919.6)	1,687.5	(1,687.5)
Euro (5% movement)	35.4	(35.4)	72.2	(72.2)
GBP (5% movement)	0.2	(0.2)	(0.7)	0.7
Others (5% movement)	(13.7)	13.7	(43.0)	43.0

b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to risk of change in market interest rates because it borrows funds at both fixed and floating interest rates. The Group manages its interest rate risk by having a balances portfolio of fixed and variable rate loans and borrowings. As the Group has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings including current maturities and lease liabilities	28,512.7	53,390.8
Fixed rate borrowings	1,500.8	-
Total borrowings	30,013.5	53,390.8

Sensitivity analysis:

Particulars	Impact of Profit / (Loss) on consolidated Statement of profit and loss			
	March 31, 2022		March 31, 2021	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Variable rate instruments	200.0	(200.0)	(245.0)	245.0
Fixed rate instruments	0.7	(0.7)	(0.6)	0.6

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Particulars	Impact of Profit / (Loss) on consolidated Equity, net of tax			
	March 31, 2022		March 31, 2021	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Variable rate instruments	157.0	(157.0)	(177.9)	177.9
Fixed rate instruments	0.5	(0.5)	(0.4)	0.4

c) **Commodity risk:**

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchase of active pharmaceutical ingredients and other raw material components for its products. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Group's business are generally more volatile. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2022, the Group had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

44. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity' and 'gearing ratio'. For this purpose, adjusted net debt is defined as total borrowings, less cash and cash equivalents and other bank balances.

The Groups adjusted net debt to total equity was as follows :

	As at March 31, 2022	As at March 31, 2021
Total borrowings	23,727.7	49,722.7
Less : Cash and cash equivalents	41,625.1	53,734.7
Less : Other Bank balances *	361.5	1,110.7
Adjusted net debt	(18,258.9)	(5,122.7)
Total Equity	245,740.5	219,289.9
Adjusted net debt to total equity ratio	(0.07)	(0.02)

* includes bank deposits against bank guarantees of ₹86.5 (March 31, 2021 : ₹102.7) classified as Other Non-current financial assets.

45. COVID-19 IMPACT ANALYSIS

The Group has considered the possible effects that may result from the pandemic relating to COVID-19. With a view to ensure minimal disruption with respect to operations including production and distribution activities, the Group has taken several business continuity measures. While the Group has not experienced any significant difficulties with respect to market demand, liquidity, financing capital expansion projects, collections so far, the Group has assessed the financial impact of the COVID-19 situation particularly on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets. The Group has, as at the date of approval of these consolidated financial results, used internal and external sources of information, including economic forecasts and estimates from market sources. On the basis of evaluation and current indicators of future economic conditions, the Group believes that it will be in a position to recover the carrying amounts of these assets and does not anticipate any material impact due to impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions.



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46. ADDITIONAL STATUTORY INFORMATION IN RESPECT OF THE COMPONENTS OF APL AND ITS CONSOLIDATED ENTITIES

Name of the entity	As at and for the year ended March 31, 2022					As at and for the year ended 31, 2021				
	Net Assets, i.e. total assets minus total liabilities	Share in profit / (loss)	Share in other comprehensive income (OCI)	Share in total comprehensive income	Share in total comprehensive income	Net Assets, i.e. total assets minus total liabilities	Share in profit / (loss)	Share in other comprehensive income (OCI)	Share in total comprehensive income	Share in total comprehensive income
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of total comprehensive income	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of total comprehensive income
Holding - Aurobindo Pharma Limited	69.66 %	171,173.5	54.95 %	14,547.1	0.65 %	16.9	50.07 %	14,564.0		
Subsidiaries - Indian										
APL Health Care Limited	3.53 %	8,676.3	15.10 %	3,998.1	152.36 %	3,986.5	27.45 %	7,984.6		
Auronext Pharma Private Limited	0.96 %	2,352.6	(0.26) %	(68.0)	0.00 %	-	(0.23) %	(68.0)		
Auro Peptides Limited	(0.56) %	(1,377.7)	(1.29) %	(342.1)	0.04 %	1.1	(1.17) %	(341.0)		
Auro Pharma India Private Limited	0.00 %	0.7	0.00 %	(0.1)	-	-	0.00 %	(0.1)		
Auroactive Pharma Private Limited	0.09 %	221.9	(0.00) %	(7.9)	-	-	(0.00) %	(7.9)		
Curateq Biologics Private Limited	(0.79) %	(1,932.7)	(0.12) %	(3,120.0)	0.00 %	0.3	(0.11) %	(3,119.7)		
Auro Cure Private Limited	0.18 %	435.7	(0.00) %	(2.2)	-	-	(0.00) %	(2.2)		
Aurozest Private Limited	0.00 %	0.9	-	(0.1)	-	-	-	(0.1)		
Aurobindo Antibiotics Private Limited	0.00 %	9.4	-	(0.5)	-	-	-	(0.5)		
Euglia Pharma Specialities Limited	3.69 %	9,057.1	0.11 %	2,809.7	(0.00) %	(1.7)	0.10 %	2,808.0		
Myres Pharma Ventures Private Limited	0.75 %	1,851.8	-	(0.3)	-	-	-	(0.3)		
Lylius Pharma Private Limited	0.00 %	(2.2)	(0.00) %	(2.8)	-	-	(0.00) %	(2.8)		
Qule Pharma Private Limited	0.00 %	0.6	-	(0.3)	-	-	-	(0.3)		
Wytells Pharma Private Limited	0.03 %	72.3	(0.01) %	(141.4)	(0.00) %	(1.3)	(0.00) %	(142.7)		
Auro vaccines Private Limited	(0.38) %	(945.7)	(0.04) %	(950.0)	0.00 %	3.3	(0.03) %	(946.7)		
Subsidiaries - Foreign										
APL Pharma Thai Limited	0.07 %	173.7	(0.01) %	(1.6)	-	-	(0.01) %	(1.6)		
Aurobindo Pharma Industria Farmaceutica Ltda	0.78 %	1,906.4	2.31 %	611.1	-	-	2.10 %	611.1		
Aurobindo Pharma Produtos Farmaceuticos Ltda	0.09 %	232.4	0.05 %	13.6	-	-	0.05 %	13.6		
All Pharma (Shanghai) Trading Company Limited	0.09 %	226.9	(0.06) %	(15.3)	-	-	(0.05) %	(15.3)		
Helix Healthcare B.V.	10.45 %	25,684.7	1.60 %	424.3	-	-	1.46 %	424.3		
Agile Pharma B.V.	3.39 %	8,319.8	(0.01) %	(2.3)	-	-	(0.01) %	(2.3)		
Auro Pharma Inc.	0.63 %	1,536.3	0.48 %	128.1	-	-	0.44 %	128.1		
Aurobindo Pharma (Pty) Limited	0.11 %	276.7	(0.14) %	(37.2)	-	-	(0.13) %	(37.2)		
Aurobindo Pharma Japan K.K.	0.05 %	128.6	0.08 %	22.1	-	-	0.08 %	22.1		
Laboratorios Aurobindo, S.L.	0.08 %	198.8	0.08 %	22.0	-	-	0.08 %	22.0		
Aurobindo Pharma (Italia) S.r.l	0.11 %	280.0	0.12 %	31.9	-	-	0.11 %	31.9		
Aurobindo Pharma GmbH	0.00 %	-	0.19 %	49.6	-	-	0.17 %	49.6		

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	Net Assets, i.e. total assets minus total liabilities	Share in profit / (loss)	Share in other comprehensive income (OCI)	Share in total comprehensive income	As % of consolidated profit / (loss)	Amount	As % of consolidated profit / (loss)	Amount	Share in other comprehensive income (OCI)	Share in total comprehensive income	As % of consolidated profit / (loss)	Amount
Aurobindo Pharma (Romania) s.r.l	(0.02)% (53.2)	(0.31)% (81.6)	-	(0.28)% (81.6)	-	26.6	0.02 %	10.9	-	-	0.02 %	10.9
Aurovida Farmaceutica S.A. de C.V.	0.18 % 436.4	0.46 % 120.5	-	0.41 % 120.5	-	292.7	0.33 %	177.1	-	-	0.33 %	177.1
Aurobindo Pharma Colombia S.A.S.	0.19 % 466.0	0.26 % 69.2	-	0.24 % 69.2	-	386.4	0.18 %	97.0	-	-	0.18 %	97.0
Pharmacin BV. (formerly Aurex BV)	0.02 % 60.1	0.08 % 21.6	-	0.07 % 21.6	-	39.8	0.02 %	11.5	-	-	0.02 %	11.5
Aurobindo Pharma USA Inc.	21.04 % 51,693.1	11.95 % 3,162.5	0.02	51.5 (343.0)	0.02	51.5	11.05 %	3,214.0	(0.77)	(36.4)	53.16 %	28,379.1
Aurolife Pharma LLC	3.99 % 9,812.6	(1.30)% (343.0)	-	(1.18)% (343.0)	-	9,802.4	(2.76)%	(1,470.7)	-	-	(2.75)%	(1,470.7)
Auromedics Pharma LLC	2.80 % 6,882.8	8.67 % 2,293.9	-	7.89 % 2,293.9	-	4,541.3	1.73 %	923.3	-	-	1.73 %	923.3
Auro Health LLC	0.64 % 1,569.1	1.62 % 427.7	-	1.47 % 427.7	-	1,002.3	0.16 %	85.5	-	-	0.16 %	85.5
Natrol LLC	0.00 % -	0.00 % -	-	0.00 % -	-	7.3	4.67 %	2,493.2	-	-	4.67 %	2,493.2
Auro AR LLC	0.00 % 7.6	-	-	-	-	-	-	-	-	-	-	-
Aurobindo Pharma USA LLC	-	-	-	-	-	-	-	-	-	-	-	-
Auro Vaccines LLC	(1.06)% (2,603.2)	(6.01)% (1,591.5)	-	(5.47)% (1,591.5)	-	(946.7)	(1.72)%	(917.6)	-	-	(1.72)%	(917.6)
AuroLogistics LLC	0.10 % 237.8	0.29 % 76.0	-	0.26 % 76.0	-	158.4	0.08 %	44.3	-	-	0.08 %	44.3
Acrotech Biopharma LLC	1.42 % 3,482.3	4.21 % 1,115.1	-	3.83 % 1,115.1	-	2,316.5	2.07 %	1,102.1	-	-	2.06 %	1,102.1
Auro Science LLC	-	-	-	-	-	-	-	-	-	-	-	-
Auroscience PTY Ltd., Australia	0.03 % 78.8	(2.19)% (579.7)	(0.01)	(16.6) (596.3)	(0.01)	640.3	(0.58)%	(309.1)	4	172	(0.26)%	(137.6)
Auro Packaging LLC	0.05 % 126.7	0.10 % 26.3	-	0.09 % 26.3	-	109.9	0.13 %	66.9	-	-	0.13 %	66.9
Auro Steriles LLC	0.00 % -	0.00 % -	-	0.00 % -	-	-	0.00 %	-	-	-	0.00 %	-
Vespyr Brands, Inc (formerly known as Nurya Brands Inc)	0.01 % 18.8	(0.07)% (18.8)	-	(0.06)% (18.8)	-	-	0.00 %	-	-	-	0.00 %	-
Euglia US Manufacturing LLC	0.00 % -	0.00 % -	-	0.00 % -	-	-	0.00 %	-	-	-	0.00 %	-
Euglia Injectable Inc	0.00 % -	0.00 % -	-	0.00 % -	-	-	0.00 %	-	-	-	0.00 %	-
Euglia Inc	0.00 % 0.8	0.00 % -	-	0.00 % -	-	-	0.00 %	-	-	-	0.00 %	-
Aurex BV. (formerly Pharmacin BV)	0.13 % 314.5	(0.05)% (13.6)	-	(0.05)% (13.6)	-	333.6	0.08 %	42.3	-	-	0.08 %	42.3
Milpharm Limited	0.96 % 2,362.7	1.22 % 322.4	-	1.11 % 322.4	-	2,124.2	0.95 %	509.2	-	-	0.95 %	509.2
Aurobindo Pharma (Malta) Limited	0.26 % 651.2	(0.03)% (7.2)	-	(0.02)% (7.2)	-	670.1	0.01 %	3.6	-	-	0.01 %	3.6
APL Swift Services (Malta) Limited	0.20 % 501.1	0.15 % 40.4	-	0.14 % 40.4	-	470.1	0.24 %	125.5	-	-	0.24 %	125.5
Arrow Generiques SAS	2.11 % 5,176.1	1.99 % 525.9	-	1.81 % 525.9	-	4,748.4	0.22 %	118.8	-	-	0.22 %	118.8
1980 Puren Pharma GmbH (formerly Activis Management GmbH), Germany	0.00 % 4.7	-	0.1	-	-	4.7	0.00 %	-	-	-	0.00 %	-
Puren Pharma GmbH (formerly Activis Deutschland GmbH & Co., KG, Germany)	0.70 % 1,714.4	2.10 % 556.8	-	1.91 % 556.8	-	860.9	0.13 %	67.1	-	-	0.13 %	67.1
Aurovitas Spain SA	0.78 % 1,914.2	0.51 % 135.6	-	0.47 % 135.6	-	1,814.4	0.35 %	186.7	-	-	0.35 %	186.7

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	Net Assets, i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Net Assets, i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount
Aurovitas Pharma Polska	0.33 %	808.7	0.98 %	258.3	-	0.89 %	0.26 %	574.3	0.16 %	86.2	-	0.16 %
Aurobindo Pharma B.V. (formerly Actavis BV)	1.30 %	3,205.0	3.48 %	920.4	-	3.16 %	1.07 %	2,350.1	1.75 %	931.8	-	1.75 %
Generis Farmaceutica S.A.	2.77 %	6,796.7	(1.03)%	(272.2)	-	(0.94)%	3.28 %	7,190.2	(0.76)%	(407.5)	-	(0.76)%
Generis Phar, Unipessoal Lda	0.00 %	0.5	-	-	-	-	0.00 %	0.5	0.00 %	-	-	0.00 %
Aurovitas Pharma Ceska Republica s.r.o	0.00 %	-	0.00 %	-	-	0.00 %	0.00 %	-	0.00 %	-	-	0.00 %
Aurogen South Africa (PTY) Ltd.	0.66 %	1,626.9	0.45 %	117.9	-	0.41 %	0.65 %	1,420.4	0.10 %	55.6	-	0.10 %
Aurobindo Pharma Saudi Arabia Limited Company	0.18 %	445.9	(0.23)%	(60.3)	-	(0.21)%	0.03 %	76.2	(0.06)%	(30.7)	-	(0.06)%
Aurovitas Pharma (Taizhou) Ltd.	1.13 %	2,781.7	(0.15)%	(38.7)	-	(0.13)%	1.20 %	2,632.5	(0.03)%	(18.5)	-	(0.03)%
Aurobindo Pharma FZ LLC	0.01 %	27.9	(0.02)%	(4.2)	-	(0.01)%	0.01 %	31.1	(0.04)%	(21.1)	-	(0.04)%
Aurosulud SA De CV	0.00 %	-	0.00 %	-	-	0.00 %	0.00 %	-	0.00 %	-	-	0.00 %
Auro PR Inc	0.19 %	454.8	0.00 %	-	-	0.00 %	0.00 %	-	0.00 %	-	-	0.00 %
Eugia Pharma INC, Canada	0.00 %	(8.2)	(0.03)%	(8.1)	-	(0.03)%	0.00 %	-	0.00 %	-	-	0.00 %
Eugia Pharma (Australia) PTY Limited	0.00 %	-	0.00 %	-	-	0.00 %	0.00 %	-	0.00 %	-	-	0.00 %
Eugia Pharma Industria Farmaceutica Limitada	0.00 %	-	0.00 %	-	-	0.00 %	0.00 %	-	0.00 %	-	-	0.00 %
Auro PR LLC	0.00 %	-	0.00 %	-	-	0.00 %	0.00 %	-	0.00 %	-	-	0.00 %
Aurobindo Pharma Ukraine LLC	0.00 %	-	0.00 %	-	-	0.00 %	0.00 %	-	0.00 %	-	-	0.00 %
Eugia Pharma Colombia S.A.S.	0.00 %	-	0.00 %	-	-	0.00 %	0.00 %	-	0.00 %	-	-	0.00 %
Apotex N.V.	0.00 %	-	0.00 %	-	-	0.00 %	0.00 %	-	0.00 %	-	-	0.00 %
Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o)	0.26 %	637.2	0.25 %	66.2	-	0.23 %	0.25 %	545.5	(0.25)%	(133.0)	-	(0.25)%
Apotex Europe BV.	0.22 %	535.1	(0.01)%	(1.9)	-	(0.01)%	0.25 %	546.7	0.57 %	303.3	-	0.57 %
Aurovitas Nederland BV	(0.50)%	(1,236.8)	(0.06)%	(16.4)	-	(0.06)%	(0.57)%	(1,243.0)	(1.08)%	(574.1)	-	(1.08)%
Sameko Fama B.V.	-	-	-	-	-	-	-	-	-	-	-	-
Leidapharm B.V.	-	-	-	-	-	-	-	-	-	-	-	-
Marel B.V.	-	-	-	-	-	-	-	-	-	-	-	-
Pharma Dossier BV.	-	-	-	-	-	-	-	-	-	-	-	-
CurateQ Biologics GmbH	0.00 %	-	(0.01)%	(2.9)	-	(0.01)%	0.02 %	45.0	(0.02)%	(11.7)	-	(0.02)%
Aurobindo NV/SA	0.11 %	275.3	0.05 %	13.9	-	0.05 %	0.12 %	266.6	(0.22)%	(118.7)	-	(0.22)%
CurateQ Biologics s.r.o.	0.01 %	36.2	(0.04)%	(11.1)	-	(0.04)%	0.00 %	-	0.00 %	-	-	0.00 %
Eugia Pharma BV.	0.17 %	423.6	(0.03)%	(6.9)	-	(0.02)%	0.00 %	-	0.00 %	-	-	0.00 %
Eugia Pharma (Malta) Limited, Malta	0.15 %	369.5	(0.04)%	(9.6)	-	(0.03)%	0.00 %	-	0.00 %	-	-	0.00 %
Eugia (UK) Limited	0.00 %	-	0.00 %	-	-	0.00 %	0.00 %	-	0.00 %	-	-	0.00 %

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Name of the entity	As at and for the year ended March 31, 2022						As at and for the year ended 31, 2021					
	Net Assets, i.e. total assets minus total liabilities	Share in profit / (loss)	Share in other comprehensive income (OCI)	Share in total comprehensive income	As % of consolidated profit / (loss)	As % of total comprehensive income	Net Assets, i.e. total assets minus total liabilities	Share in profit / (loss)	Share in other comprehensive income (OCI)	Share in total comprehensive income	As % of consolidated profit / (loss)	As % of total comprehensive income
Non-controlling interests in all subsidiaries	(0.01)% (19.2)	(0.04)% (10.4)	-	(0.04)% (10.4)			0.00 % (8.9)	(0.02)% (10.2)	-	(0.02)% (10.2)		
Joint Ventures and associates (accounted under equity method)												
Joint Ventures - Foreign												
Novagen Pharma (Pty) Ltd.	N.A*	(0.10)% (26.2)	N.A*	(0.09)% (26.2)			N.A*	0.04 % 19.9	N.A*	0.04 % 19.9		
Purple Bellflower (Pty) Ltd.	N.A*	0.00 % 2.8	N.A*	0.01 % 2.8			N.A*	- 2.5	N.A*	0.00 % 2.5		
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd.	N.A*	0.00 % (14.9)	N.A*	(0.05)% (14.9)			N.A*	- (0.4)	N.A*	- (0.4)		
Longxiang Pharma Taizhou Co. Ltd.	N.A*	0.00 % (28.5)	N.A*	(0.10)% (28.5)			N.A*	- (12.6)	N.A*	(0.02)% (12.6)		
Novagen BBEE Invest Co. (Pty) Ltd.	N.A*	-	N.A*	-			N.A*	- (0.1)	N.A*	- (0.1)		
Joint Ventures - Indian												
Eugia Pharma Specialities Limited	N.A*	0.00 % -	N.A*	0.00 % -			N.A*	(0.81)% (431.9)	N.A*	(0.81)% (431.9)		
Tergene Biotech Private Limited	N.A*	(0.21)% (54.9)	N.A*	(0.19)% (54.9)			N.A*	(0.10)% (50.7)	N.A*	(0.09)% (50.7)		
Raidurgam Developers Limited (formerly Aurobindo Antibiotics Limited)	N.A*	(0.72)% (190.9)	N.A*	(0.66)% (190.9)			N.A*	(0.15)% (80.4)	N.A*	(0.15)% (80.4)		
Associates - Indian												
NVNR (Ramannapet I) Power Plant Private Limited	N.A*	0.00 % -	0.00 % -	0.00 % -			-	-	-	-		
NVNR (Ramannapet II) Power Plant Private Limited	N.A*	0.00 % -	0.00 % -	0.00 % -			-	-	-	-		
Total	134.53%330,594.2	94.02 %24,855.9	154.42% 4,040.0	99.35%28,895.9			138.59%303,937.4	118.52 %63,220.2	156.35 % 74.1	118.54%63,294.3		
Consolidation adjustments	(34.53%)(84,853.7)	5.98 % 1,615.2	(54.42%)(1,423.5)	0.65 % 191.7			(38.59%)(84,656.4)	(18.54%)(9,892.2)	(56.35%)(26.7)	(18.56%)(9,918.9)		
Net amount	100.00%245,740.5	100.00%26,471.1	100.00% 2,616.5	100.00%29,087.6			100.00%219,289.9	100.00 %53,338.2	100.00 % 47.4	100.00%53,385.6		

* Not Applicable

Notes:

- The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter-company transactions/ profits/ Consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of The Companies Act, 2013.
- Percentages below 0.01% have been disclosed as 0.00%.

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)



Notes to Consolidated Financial Statements

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47. CONTRIBUTION TO POLITICAL PARTIES AS PER SECTION 182 OF COMPANIES ACT, 2013. (INCLUDED IN MISCELLANEOUS EXPENSES)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Donations:		
- Political parties	2.7	-
- Electoral bonds (in accordance with the Electoral Bond Scheme notified by the Government of India)	55.0	-

48. EXCEPTIONAL ITEMS

Exceptional items represent the following items which have been credited/(debited) to consolidated statement of profit and loss.

	For the year ended March 31, 2022
Gain on sale of tangible assets *	1,160.3
Impairment of intangible assets and goodwill **	(1,490.0)
Impairment of capital work-in-progress**	(950.0)
	(1,279.7)

* Gain on sale and lease back of Group's real estate property situated in Dayton, New Jersey, USA.

** Due to uncertain regulatory development and change in business plan certain goodwill, intangible assets, capital work-in-progress relating to certain products, the Group recorded an impairment charge of ₹2,440.0.

	For the year ended March 31, 2021
Gain on disposal of subsidiary including foreign currency translation adjustments of ₹466.5 (refer note 49)	30,966.5
Gain on fair value of assets on acquisition of controlling interest in a joint venture (refer note 37)	1,528.5
Impairment of goodwill (refer note 5)	(4,349.2)
	28,145.8

49. DISPOSAL OF SUBSIDIARY

During the previous year on November 30, 2020 the Group entered into a definitive agreement to dispose of business assets of Natrol LLC United States of America a wholly-owned step down subsidiary as a going concern with related assets, liabilities, products, brands and employees for a cash consideration of USD 550 million.

The following table summarises the sale proceeds and tax thereon:

	For the year ended March 31, 2021
Consideration received	40,640.4
Less: Expenses incurred	1,798.5
Net sale proceeds (A)	38,841.9
Assets sold	
Non-current assets:	
Property, plant and equipment	560.3
Goodwill	3,835.8
Other intangible assets	947.6
Right of use asset	448.7
Others	18.4

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	For the year ended March 31, 2021
Current assets	
Inventories	3,027.9
Trade receivables	1,735.3
Other financial assets	224.5
Other current assets	242.0
Total assets sold (B)	11,040.5
Liabilities transferred	
Lease liability	471.3
Trade payables	355.5
Other financial liabilities	1,817.8
Total liabilities transferred (C)	2,644.6
Net assets (D = B - C)	8,395.9
	30,446.0
Exchange fluctuation (E)	54.0
Net gain on disposal (A-D+E)	30,500.0
Tax	7,102.8

50. CAPITAL WORK-IN-PROGRESS AGEING SCHEDULE (REFER NOTE 3(2))

March 31, 2022

Particulars	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
- Aurobindo Pharma Ltd.	2,093.4	150.2	-	-	2,243.6
- Curateq Biologics Pvt. Ltd. India	622.4	488.5	462.5	2,713.3	4,286.7
- Aurobindo Pharma USA Inc	3,667.5	1,559.8	2,719.2	3,060.0	11,006.5
- Aurovitas Taizhou	1,480.0	2,413.8	901.5	-	4,795.3
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil
Total	7,863.3	4,612.3	4,083.2	5,773.3	22,332.1

For Capital Work-in-Progress, whose completion is overdue compared to its Original Plan

Projects in Progress

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Aurobindo Pharma USA	7,581.9	3,390.6	-	-	10,972.5
Total	7,581.9	3,390.6	-	-	10,972.5

March 31, 2021

Particulars	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
- Aurobindo Pharma Ltd.	5,019.2	772.8	1,151.1	239.1	7,182.2
- Curateq Biologics Pvt. Ltd. India	444.2	500.2	872.2	1,841.1	3,657.7
- Aurobindo Pharma USA Inc	2,320.4	2,383.4	2,324.1	633.3	7,661.2
- Aurovitas Taizhou	2,252.0	841.1	-	-	3,093.1
Projects temporarily suspended					
Total	10,035.8	4,497.5	4,347.4	2,713.5	21,594.2



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for the year ended March 31, 2022

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For Capital Work-in-Progress, whose completion is overdue compared to its Original Plan

Projects in Progress

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Aurobindo Pharma USA Inc.,	-	5,245.6	1,868.9		7,114.5
Total	-	5,245.6	1,868.9	-	7,114.5

Capital Work-in-Progress ageing is being reported only for those components which are material to the group i.e. more than 10% of the total.

51. INTANGIBLE ASSET UNDER DEVELOPMENT AGEING SCHEDULE (REFER NOTE 6(2))

March 31, 2022

Particulars	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
- Eugia Pharma Specialities Limited	622.5	970.8	998.9	584.0	3,176.2
- Aurobindo Pharma USA Inc	2,729.8	325.7	66.1	487.4	3,609.0
Projects temporarily suspended	-	-	-	-	-
Total	3,352.3	1,296.5	1,065.0	1,071.4	6,785.2

March 31, 2021

Particulars	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
- Eugia Pharma Specialities Limited	941.7	998.9	1,156.3	186.7	3,283.6
- Aurobindo Pharma USA Inc	423.5	250.3	449.1	865.1	1,988.0
Projects temporarily suspended					
Total	1,365.2	1,249.2	1,605.4	1,051.8	5,271.6

Intangible asset under development ageing is being reported only for those components which are material to the group i.e. more than 10% of the total.

52. NON-CURRENT TRADE RECEIVABLES AGEING SCHEDULE (REFER NOTE 9(A))

March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 year - 2 years	2 years - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	4.9	353.7	358.6
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	4.9	353.7	358.6

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 year - 2 years	2 years - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	2.8	330.6	333.4
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	2.8	330.6	333.4

CURRENT TRADE RECEIVABLES AGEING SCHEDULE (refer note 9(B))

March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 year - 2 years	2 years - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	29,046.5	9,808.2	410.8	209.7	159.8	169.9	39,804.9
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	12.0	118.2	87.5	110.6	157.9	365.7	851.9
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	317.7	-	-	317.7
(vi) Disputed Trade receivables – credit impaired	-	6.2	-	-	-	63.2	69.4
Total	29,058.5	9,932.6	498.3	638.0	317.7	598.8	41,043.9



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March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 year - 2 years	2 years - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	25,911.5	6,818.3	501.7	881.2	309.9	316.8	34,739.4
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	10.1	62.8	53.3	211.3	42.6	127.7	507.8
(iv) Disputed Trade receivables – considered good	-	-	289.9	1.7	0.3	1.5	293.4
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	0.9	0.2	0.8	12.3	2.2	430.4	446.8
Total	25,922.5	6,881.3	845.7	1,106.5	355.0	876.4	35,987.4

53. TRADE PAYABLES AGEING SCHEDULE (REFER NOTE 20)

March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	368.8	14.6	1.1	0.2	-	384.7
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	21,115.4	5,228.7	204.4	51.7	45.6	26,645.8
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	21,484.2	5,243.3	205.5	51.9	45.6	27,030.5

March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	129.8	47.1	-	-	-	176.9
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	20,794.7	6,652.8	231.3	68.0	23.1	27,769.9
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	20,924.5	6,699.9	231.3	68.0	23.1	27,946.8

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54. SHARES HELD BY PROMOTERS AT THE END OF THE YEAR (REFER NOTE 16)

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Particulars	March 31, 2022		March 31, 2021		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
M. Sivakumaran	14,491,360	2.47%	14,491,360	2.47%	-
Kottamanchi Rajeshwari	1,825,500	0.31%	1,825,500	0.31%	-
Penaka Neha Reddy	-	-	130,000	0.02%	-100.00%
Penaka Suneela Rani	130,000	0.02%	-	-	100.00%
K. Nithyananda Reddy	25,359,572	4.33%	25,359,572	4.33%	-
Prasada Reddy Kambham	301,156	0.05%	301,156	0.05%	-
K. Suryaprakash Reddy	7,380	0.00%	7,380	0.00%	-
M. Sumanth Kumar Reddy	1,600,000	0.27%	1,600,000	0.27%	-
Kirithi Reddy Kambam	20,450,000	3.49%	20,450,000	3.49%	-
Kambam Spoorthi	7,000,000	1.19%	7,600,000	1.30%	-7.89%
Venkata Ramprasad Reddy Penaka	18,000,000	3.07%	18,000,000	3.07%	-
Trident Chemphar Limited	789,537	0.13%	789,537	0.13%	-
Axis Clinicals Limited	658,000	0.11%	658,000	0.11%	-
RPR Sons Advisors Private Limited, Mrs. P. Suneela Rani (jointly holding)	196,376,250	33.51%	196,376,250	33.51%	-
Axis Clinicals Limited, Trident Chemphar Limited, RPR Sons Advisors Pvt. Ltd. (jointly holding)	16,726,716	2.85%	16,726,716	2.85%	-
	303,715,471	51.83%	304,315,471	51.94%	-0.11%

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Particulars	March 31, 2021		March 31, 2020		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
M. Sivakumaran	14,491,360	2.47%	14,491,360	2.47%	-
Kottamanchi Rajeshwari	1,825,500	0.31%	1,975,500	0.34%	-7.59%
Penaka Neha Reddy	130,000	0.02%	130,000	0.02%	-
Penaka Suneela Rani	-	0.00%	-	0.00%	-
K. Nithyananda Reddy	25,359,572	4.33%	25,359,572	4.33%	-
Prasada Reddy Kambham	301,156	0.05%	301,156	0.05%	-
K. Suryaprakash Reddy	7,380	0.00%	7,380	0.00%	-
M. Sumanth Kumar Reddy	1,600,000	0.27%	1,600,000	0.27%	-
Kirithi Reddy Kambam	20,450,000	3.49%	20,750,000	3.54%	-1.45%
Kambam Spoorthi	7,600,000	1.30%	7,600,000	1.30%	-
Venkata Ramprasad Reddy Penaka	18,000,000	3.07%	18,000,000	3.07%	-
Trident Chemphar Limited	789,537	0.13%	789,537	0.13%	-
Axis Clinicals Limited	658,000	0.11%	658,000	0.11%	-
RPR Sons Advisors Private Limited, Mrs. P. Suneela Rani (jointly holding)	196,376,250	33.51%	196,376,250	33.51%	-
Axis Clinicals Limited, Trident Chemphar Limited, RPR Sons Advisors Pvt. Ltd. (jointly holding)	16,726,716	2.85%	16,726,716	2.85%	-
	304,315,471	51.94%	304,765,471	52.01%	-0.07%



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55. SEGMENT INFORMATION

a) Identification of Reportable Segments:

Segments are identified in line with Indian Accounting Standard (Ind AS) 108 "Operating Segments", taking into consideration the internal organisation and management structure as well as the differential risk and returns of each of the segments.

Operating segments are components of the Group whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete information is available.

Based on the Group's ' business model of vertical integration, pharmaceuticals have been considered as a single business segment for the purpose of making decisions on allocation of resources and assessing its performance. Hence, no separate financial disclosures provided in respect of its single business segment.

Operations of the Group are managed from independent locations, which are located in different geographical locations. However each of these operating locations are further aggregated based on the following factors: (a) similarity of economic and political conditions; (b) relationships between operations in different geographical areas; (c) proximity of operations; (d) special risks associated with operations in a particular area; (e) exchange control regulations; and (f) the underlying currency risk. Accordingly, the following have been identified as operating and reportable segments: (a) "India", (b) "USA" (c) "Europe" and (d) "Rest of the World".

The geographic information analyses the Group's revenues and non-current assets by the components' country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of assets.

a) Revenue from external customers

	For the year ended March 31, 2022	For the year ended March 31, 2021
India	26,699.9	20,138.1
USA	105,208.0	121,174.9
Europe	78,812.5	81,221.6
Rest of the world	23,834.6	25,211.6
	234,555.0	247,746.2

b) Non-current assets (other than financial instruments and deferred tax assets)

	For the year ended March 31, 2022	For the year ended March 31, 2021
India	86,673.8	77,573.1
USA	39,921.9	31,912.0
Europe	13,989.6	15,803.9
Rest of the world	7,777.2	5,618.2
	148,362.5	130,907.2

- c) The Group has no external customer which accounts for more than 10% of the Group's total revenue for the year ended March 31, 2022 and March 31, 2021.

56. ADDITIONAL REGULATORY INFORMATION

The MCA vide notification dated March 24, 2021 has amended Schedule III of Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from April 1, 2021. The Group has incorporated the changes as per the said amendment in the financial statements and has also changed comparative numbers wherever applicable.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Other Statutory Information:

- (i) There are no proceeding initiated or pending against the Holding Company or its Indian Subsidiaries as at March 31, 2022, under Benami Property Transactions Act, 1988 (as amended in 2016).
- (ii) The Holding Company or its Indian subsidiaries are not declared a wilful defaulter by any bank or financial Institution or other lender.
- (iii) The Holding Company or its Indian subsidiaries have recorded all transactions in the books of account that has been surrendered. There are no previously unrecorded incomes and related assets that were considered during the year, no unrecorded incomes were identified as income for tax assessments.
- (iv) The Holding Company or its Indian subsidiaries have not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (v) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its Indian subsidiaries 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 lend or invest in party identified by or on behalf of the Holding Company or its Indian subsidiaries (Ultimate Beneficiaries). The Holding Company or its Indian subsidiaries has not received any fund from any party(s) (Funding Party) with the understanding that the Holding Company or its Indian subsidiaries shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Holding Company or its Indian subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Holding Company or its Indian subsidiaries do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vii) All quarterly returns or statements of current assets are filed by the Holding Company or its Indian subsidiaries with banks or financial institutions and are in agreement with the books of account.
- (viii) The loan has been utilised by the Group for the purpose for which it was obtained and no short term funds have been used for long term purpose.

57. Previous period figures have been re-grouped/re-classified as follows:

- (a) to conform to the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021: Current maturities of non-current borrowing is regrouped to Current Borrowings (note 18(B)) which was earlier grouped under Other Financial Liabilities (note 21 (B))
- (b) Other reclassifications for comparable presentation

	For the year ended March 31, 2021
Right of use assets (ROU) has been reclassified (refer note 4) which earlier grouped under property, plant and equipment (refer note 3(1))	4,134.6

As per our Report of even date attached.

For B S R & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Amit Kumar Bajaj

Partner
Membership No. 218685

Place: Hyderabad
Date: May 30, 2022

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

K. Nithyananda Reddy
Vice Chairman & Managing Director
DIN-01284195

Santhanam Subramanian
Chief Financial Officer

Place: Hyderabad
Date: May 30, 2022

Dr. M. Sivakumaran
Director
DIN-01284320

B. Adi Reddy
Company Secretary
Membership No.13709





REGISTERED OFFICE

Plot No. 2, Maithrivihar, Ameerpet
Hyderabad - 500 038
Telangana, India

CORPORATE OFFICE

Galaxy, Floors: 22-24, Plot No. 1, Survey No. 83/1
Hyderabad Knowledge City, Raidurg Panmaktha
Ranga Reddy District, Hyderabad - 500 032
Telangana, India

www.aurobindo.com