AUROBINDO

August 4, 2020

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

Dear Sir,

Sub: Notice of 33rd Annual General Meeting and Annual Report for the financial year 2019-20.

Further to our letter dated 3rd August 2020 intimating the date of 33rd Annual General Meeting (AGM) 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 2019-20 along with Notice convening the 33rd AGM of the Company to be held on Thursday, the 27th August 2020 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 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	- Monday, August 24, 2020 at 9.00 a.m.
Date and time of end of remote e-voting	- Wednesday, August 26, 2019 at 5.00 p.m.
Cut-off date for determining the eligibility to vote by electronic means or in the AGM	- Thursday, August 20, 2020

Please take the information on record.

Thanking you,

Yours faithfully,
For AUROBINDO PHARMA LIMITED

B. R.

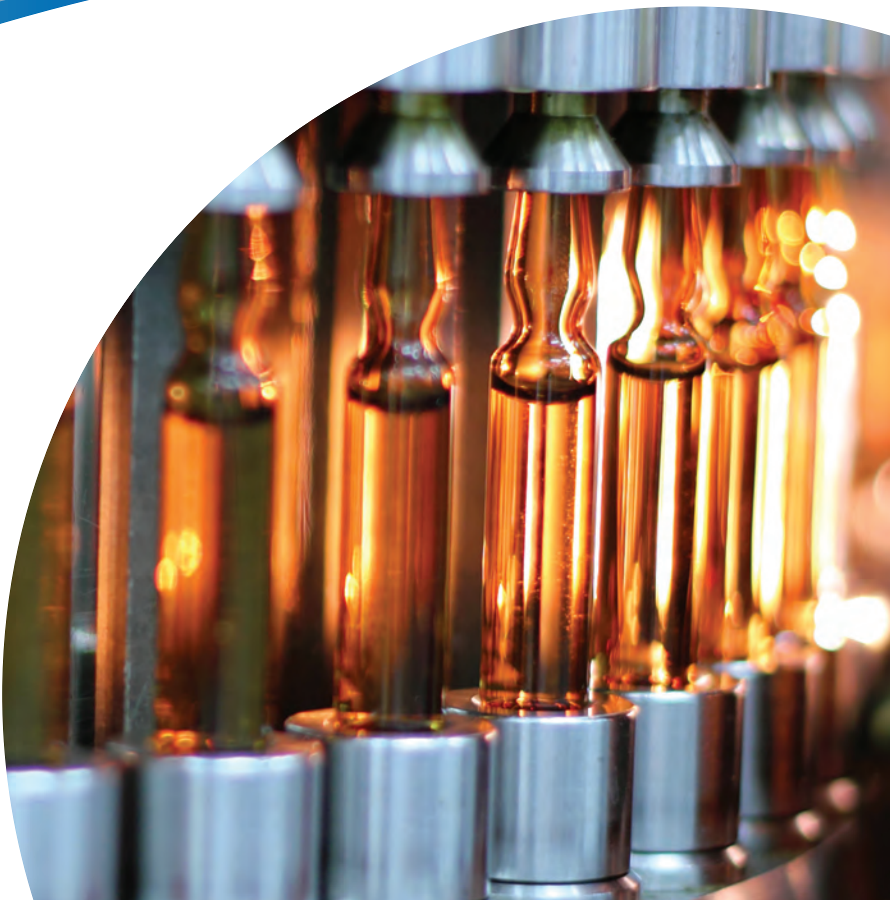
B. Adi Reddy
Company Secretary

AUROBINDO PHARMA LTD. ★ HYDERABAD, INDIA ★

Encl: as above

AUROBINDO

Committed to healthier life!



Driving Sustainable Value

ANNUAL REPORT 2019-20

Table of contents

Our performance in FY20

FINANCIAL

18.1% ▲
Revenues
₹230,985 million

23.1% ▲
EBITDA
₹48,643 million

90bps ▲
EBITDA margin
21.1%

19.7% ▲
Net profit
₹28,310 million

₹439,688 million
Market capitalisation*

₹289,264 million
Balance sheet size

₹168,105 million
Shareholder's fund

SOCIAL

₹486 million
CSR spend

600,000+
Lives impacted

*3 June 2020

▲ Growth in FY20 over FY19

Driving Sustainable Value

Driving sustainable value is at the core of our purpose-driven business, which is dedicated to patient care.

Value build-up is the outcome of how we have nurtured our business from a very modest base. If we take a broad and overarching perspective, we can evaluate how we have, over the years, strengthened our fundamentals in terms of scale, market reach and diversity of our product portfolio.

In little more than three decades, we have transformed into a leading global generic pharmaceutical company with large, state-of-the-art manufacturing facilities conforming to the stringent guidelines of various regulatory authorities across the world. Our expanding market presence is evidenced by the fact that in FY10 only 70% of our revenues accrued from international markets whereas in FY20 that has surged to over 90%. Interestingly, our portfolio mix is complemented by the steady rollout of a complex pipeline of products.

Our future pipeline includes differentiated and margin-accretive products in the realms of oncology, hormones, depot injections, inhalers, biosimilars, vaccines, topicals and patches. Our product pipeline is underpinned by enhanced R&D capabilities, supported by teams with in-depth knowledge of regulatory and intellectual properties.

We have steadily stepped up our strategic investments to fast-track our growth both organically and inorganically. This has translated into a strong growth momentum in FY20 in our core geographies. With improved cash generation, we have reduced our debt significantly last year.

We will continue to remain focused on strengthening our existing businesses, developing a differentiated & specialty product basket and regulatory compliance. FY21 has ushered in unprecedented challenges for societies and businesses. In such a scenario, we are committed to sharpen our risk mapping and response mechanism with focus on business continuity and sustainable growth. That same commitment is reflected in the way we are contributing to patient care, protecting the health and well-being of our employees, their families and all other stakeholders.

Our world is expanding

Leading with confidence

7th
Largest generic company by revenue globally#

2nd
Largest listed Indian pharmaceutical company by revenues*

2nd
Largest generic company by Rx dispensed in the US**

Amongst
Top 10
Generic companies in seven out of 11 countries in Europe@

Building scale

29
Global state-of-the-art manufacturing and packaging facilities

8
R&D Centres

3,810 Dossiers | 3,104 DMFs
Product registrations in other markets (excluding USA)

>36 billion
Diverse dosage forms manufactured in FY20

586
ANDAs filed

254
DMFs filed

#Source: OctavusConsulting;
*As per FY20 revenue;
**Source: IQVIA MAT April 2020 data
@Source: IQVIA Q2 2019

Growing footprint

155+
Countries where we have export presence

35
Countries with frontend presence

Nurturing teams

23,000+
Global workforce

1,600+
R&D team size

Dynamism in our DNA

In a little over three decades, we have deepened our integration across products, processes, compliances and multi-geography capabilities to emerge among the leading manufacturers of Generic Formulations and Active Pharmaceutical Ingredients (API) the world over.

Our investment and acquisitions over the years have always been strategic in nature; and they have steadily fuelled our revenue momentum and acted as a catalyst for us to foray into new geographies, therapeutic areas and dosage forms.

We have several manufacturing facilities for drug intermediates, APIs - oral & sterile formulations. We develop and manufacture a wide range of pharmaceutical products, driven by our commitment to enhance access to high-quality, cost-effective generics to patients in need globally.

Moments that made us proud

1992-2002

- Commencement of API Exports
- Initial Public Offering in 1995
- Began production of formulations

2006

- Acquired UK based Milpharm

2007

- Acquired formulations facility in USA (Aurolife) and Pharmacin in the Netherlands

2010

- Commenced operations of SEZ Unit VII and Aurolife, USA facilities

2012

- First approval of controlled substance formulations in USA
- Set up Auro Peptide to foray into peptides

2013

- Commenced marketing injectable products in USA through AuroMedics
- Building capabilities in Penem, Oncology & Bio-catalysis

We have built a strong presence in key therapeutic segments such as Central nervous system (CNS), cardiovascular (CVS), anti-retroviral (ARV), anti-diabetics, gastroenterology and antibiotics. Also, we are building a diversified pipeline in high-margin specialty generic formulations segment.

We rank among the top two pharmaceutical companies in India in terms of consolidated revenues. With strong R&D focus, we have built a multi-product portfolio with manufacturing facilities in several countries. We have 11 units for APIs / intermediates and 18 units (11 in India, 4 in USA and one each in Brazil, the Netherlands and Portugal) for formulations (including one for formulations packaging), designed to meet the requirements of both advanced as well as emerging markets. We have an extensive export presence across six continents with around 92% of revenues derived from international operations.

Our facilities have been inspected by regulatory agencies such as USFDA, EU GMP, UK MHRA, South Africa-MCC, Health Canada, WHO and Brazil ANVISA. We leverage our in-house R&D for rapid filing of Drug Master Files (DMFs), Abbreviated New Drug Applications (ANDAs) and formulation dossiers for our target markets. We are among one of the largest filers of DMFs and ANDAs/ dossiers from India.

2014

- Acquired Western European commercial operations from Actavis and US dietary supplements company, Natrol

2016

- Forayed into biosimilars and vaccines
- Filed first peptide DMF

2017

- Acquired Generis in Portugal
- Focus on differentiated technology platforms and Specialty Pharmaceuticals
- Commissioned fully-automated distribution centre in US, meeting all track-and-trace requirements, and enhancing supply chain excellence

2018

- Established a Joint Venture with Shandong Luoxin, Pharmaceutical Group Stock Co., Ltd., China to manufacture nebuliser inhalation formulation products
- Unit X, a multi-product oral dosage facility at Naidupet (in Special Economic Zone), India commissioned. Capacity for topical and nasal products added
- Completed at-scale engineering batches for first biosimilar product

2019

- Acquired Apotex Inc's businesses in 5 European countries
- Acquired a portfolio of 7 marketed oncology injectable products from Spectrum Pharmaceuticals Inc.
- Started setting up an oral solid manufacturing facility at Taizhou for China
- Started clinical trials for first biosimilar

2020

- **Completed clinical trials for first metered dose inhaler (MDI)**
- **Acquired vaccine-related R&D assets from Profectus Biosciences**
- **Received approval for first Nasal product**

Business highlights

Steady progress

Formulations

₹200,119 million
Revenue from formulations

24%
Growth in formulation revenue over FY19

86.6%
Contribution to the total revenue pie

USA

₹114,835 million
Revenue from the US

27.2%
Growth in the US revenue over FY19

- Filed 55 ANDAs with USFDA, including 19 injectables and received final approval for 22 ANDAs, including eight injectables
- Filed 586 ANDAs with USFDA and received approval for 425 ANDAs, including 28 tentative* approvals so far (cumulative basis)
- Launched 34 products, including seven injectable products
- As per IQVIA data, our Rx market share has increased to 8.5% for the 12 months ending April 2020 vis-à-vis 7% in the previous year
- Acquired R&D assets of US clinical-stage viral vaccine development firm Profectus BioSciences Inc.
- Contribution of injectables (both branded and generic) in the US revenue increased significantly, primarily driven by strong growth in generic injectable sales and consolidation of acquired portfolio of branded injectables from Spectrum Pharmaceuticals

*includes 8 ANDAs tentatively approved under PEPFAR

EUROPE

₹59,218 million
Revenue from Europe

19.4%
Growth in Europe revenue over FY19

- Growth driven by Spain, UK, Italy and the Netherlands
- Completed integration of acquired Apotex businesses in five countries and started leveraging synergies
- Strengthened foothold across 11 countries with presence across pharmacy, hospital and tender sales infrastructure offering commercialised 450+ INNs

GROWTH MARKETS

₹13,551 million

Revenue from Growth Markets

13.5%

Growth in rest of the world markets over FY19

- Strengthened presence in Brazil, Canada, Columbia and South Africa with robust operations and portfolio
- Launched 13 products and submitted dossier filings for 13 products in Canada
- Target is to build branded generics presence in select markets

ANTI-RETROVIRAL DRUGS (ARVs)

₹12,515 million

Revenue from ARV

28.7%

Growth in the ARV revenue over FY19

- Leveraged early mover advantage in TLD (Tenofovir + Lamivudine + Dolutegravir tablets) in the institution segment
- Started supplies of Dolutegravir single dose and TLD to South Africa

API

₹30,834 million

API revenue

13.4%

Contribution to total revenues

- Made additional investments for capacity creation and capability building
- Reinforced focus on complex products with varying volumes
- Filed 12 DMFs with the USFDA and 27 DMFs (including multiple registration) in Europe in FY20

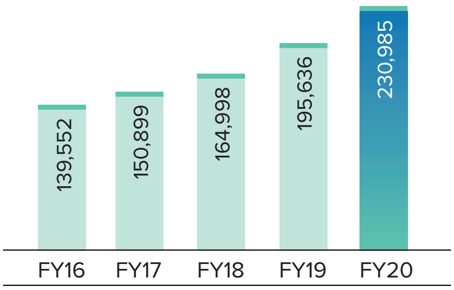
Key performance indicators

Delivering on our commitments

Profit and loss

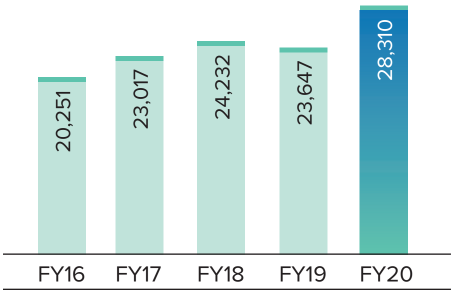
Revenues

13.4% 5-year CAGR
(₹ in Million)



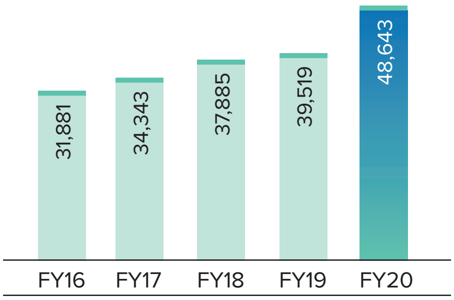
Net profit

8.7% 5-year CAGR
(₹ in Million)



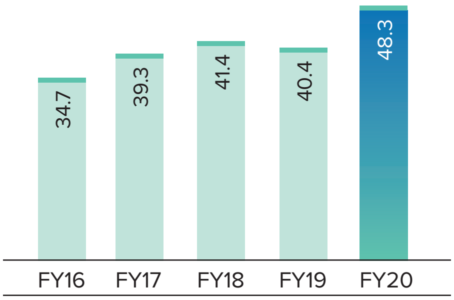
EBITDA

11.1% 5-year CAGR
(₹ in Million)



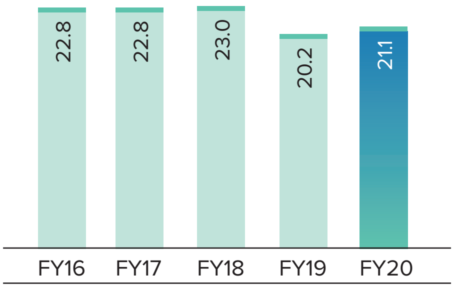
Earnings per share

8.7% 5-year CAGR
(₹)



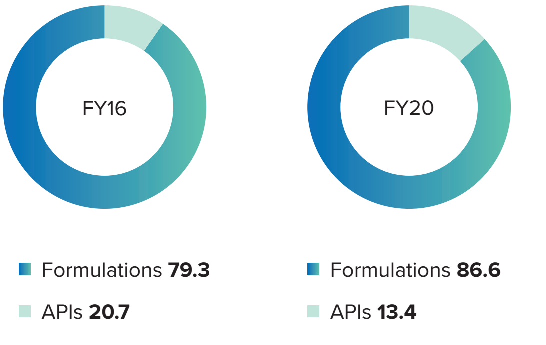
EBITDA margin

(%)



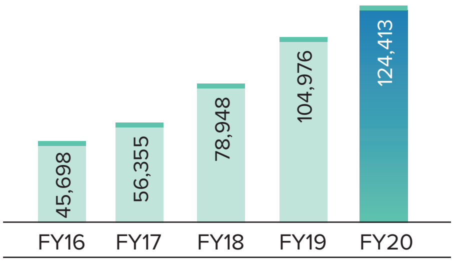
Revenue mix

(%)

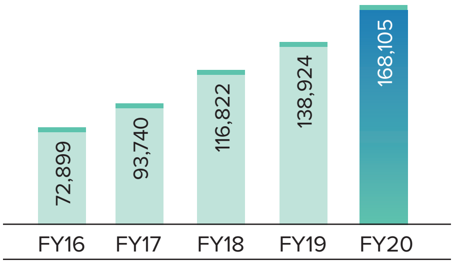


Balance sheet

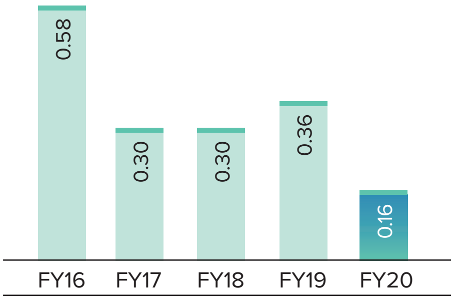
Gross block
(₹ in Million)



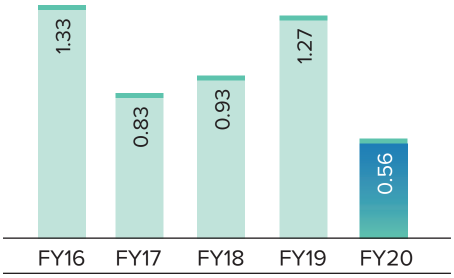
Net worth
(₹ in Million)



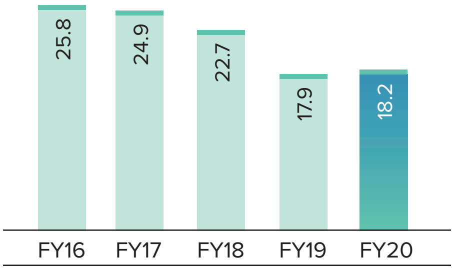
Net debt to equity
(x)



Net debt to EBITDA
(x)



Return on capital employed (ROCE)
(%)



Return on equity (ROE)
(%)

Committed to global patient care

“We are committed to consolidating our capabilities with focus on scale, geographic outreach and portfolio maximisation, while upholding our organisational values and delivering the highest standards of quality, patient care and customer advocacy.”

Dear Shareholders,

We are living in extraordinary times. The entire world is being affected directly and indirectly by the COVID-19 pandemic. The pandemic is not only the most serious global health crisis since the 1918 Great Influenza (Spanish flu) but is also set to become one of the most economically exorbitant pandemics in recent history.

Against this backdrop, the International Monetary Fund (IMF) projects global growth to contract significantly. As a responsible member of the global pharma fraternity, we crafted our own business continuity plan in keeping with the safety protocol mandated by governments. Even as much of the world paused, we operated our facilities to manufacture critical products, fulfilling delivery commitments to our customers globally. We are proud of our employees and other stakeholders for their commitment during the crisis for ensuring business continuity.

FY20 saw us perform without any major supply disruptions. Our procurement teams continuously monitored the supply of APIs and other packaging materials, keeping adequate inventories. Our logistics department followed up with airlines/ocean liners to ensure that commodities were picked up by the first available connection. We have been working to mitigate geographical dependence by identifying alternative suppliers across the world for sourcing raw materials. In effect, we are developing multiple source of supplies.

We ensured the well-being of our workforce through a proactive rollout of pre- and post-lockdown measures around social distancing, personal hygiene, sanitisation and work from home, employee counselling and doctor support, among others.

We also played our part as a responsible corporate by making monetary contributions to various national and state level relief funds. We distributed PPE kits, sanitisers, medicines and food items, among other necessities. Also, we undertook sanitisation activities across several locations.

GROWTH BLUEPRINT

COVID-19 impacted select business segments like generic injectables due to a decline in in-patient volumes and out-patient footfalls in the hospitals. However, we have seen volume improvement in other businesses, which offset the decline. Overall, we have not seen any material impact on our businesses in FY20.

I am happy to report that our revenue from operations grew 18.1% to ₹230,985 million in FY20, compared to ₹195,636 million in FY19. Simultaneously, our EBITDA increased 23.1% to ₹48,643 million in FY20, compared to ₹39,519 million in FY19, with margin at 21.1% (increased from 20.2% in FY19). Our net profit rose by 19.7% to ₹28,310 million in FY20, compared to ₹23,647 million in FY19. Our earnings per share touched ₹48.3 in FY20, compared to ₹40.4 in FY19.

Our international sales now comprise 92% of our total revenue, with the remaining 8% coming from domestic sales. We witnessed growth across all our geographies in the Formulations business. Our diversified product basket has helped us maintain the growth momentum in our core geographies such as USA and Europe. We remained focused on strengthening our existing businesses, developing a differentiated & specialty product basket and regulatory compliance.

We have consistently reduced our net debt in all the four quarters of the year under review. Our net debt to EBITDA came down to 0.56x as on 31 March 2020 from 1.27x in 2019. We are aiming to become a zero net debt company in the next two years.

SANDOZ ACQUISITION UPDATE

During FY19, we entered into a definitive agreement with Sandoz Inc., USA to acquire their dermatology and oral solids businesses. In April 2020, we mutually terminated the agreement with Sandoz Inc. as approval from the US Federal Trade Commission (US FTC) for the transaction was not obtained within the anticipated timelines.

COMPLIANCE COMMITMENT

We remain committed to maintain the highest compliance standards, enabling the supply of quality medicines and promoting healthier lives. As a learning organisation, we are continuously improving our processes by conducting rigorous training on best practices and implementation of those practices.

TEAMWORK COUNTS

We are a team of over 23,000 professionals from 35 countries working at our various divisions - API manufacturing, formulations manufacturing, R&D etc. We nurture a performance culture through continuous capability building and robust performance measurement. We are fostering leadership at all levels through trust, inclusiveness, empowerment and openness for better outcomes. We are proud of each member of our team for her/his steadfast commitment in ensuring business continuity and growth, despite challenges.

SOCIAL ENDEAVOURS

We are driven by the belief of 'giving back to society' and making a positive impact on the lives of people. Aurobindo Pharma Foundation is an expression of the Company's vision towards sustainable and inclusive growth and development globally. As part of our societal commitment, we continue to work on our key priorities of promoting education, supporting preventive healthcare, eradicating hunger, poverty and malnutrition, making safe drinking water available, encouraging environmental sustainability, sustaining ecological balance and conservation of natural resources, encouraging rural sports and helping set up old-age homes.

THE WAY FORWARD

Adversity, they say, is a litmus test for societies and business enterprises. During the year, the pandemic tested the resilience of our supply chains and the commitment of our people to rise above temporary challenges. Our operational teams kept the engine running and ensured continuous supply. We believe there may be some impact on select businesses in FY21 as well.

We are committed to consolidating our capabilities with focus on scale, geographic outreach and portfolio maximisation, while upholding our organisational values and delivering the highest standards of quality, patient care and customer advocacy.

We will continue to strengthen our capabilities and leverage our strategic investments to create long-term value for all stakeholders.

K. Nithyananda Reddy
Vice-Chairman

Managing Director's message

Strong fundamentals delivering growth

Our medium-to-long term focus is to develop and monetise our differentiated product basket.

Dear Shareholders,

We are committed to protecting the health and well-being of our employees, their families and other stakeholders in these testing times and ensuring business continuity so that more patients can have access to life-saving drugs.

BUSINESS-WISE PERFORMANCE

Following a series of acquisitions, we are now in the process of consolidation. We successfully completed the integration of acquired Apotex businesses in five European countries and started leveraging synergies. This was the first full year of operations of acquired branded oncology business by Acrotech Biopharma, where the performance was in line with our expectations.

We maintained our growth momentum despite challenges. This was achieved with improved market share for our existing products, along with new product launches across geographies.

Our formulations revenues increased by 23.9% to ₹200,119 million in FY20 from ₹161,570 million in FY19. The US continues to remain the largest growth driver where our revenues grew by 27.2% from ₹90,307 million in FY19 to ₹114,835 million in FY20. Our Rx market share has significantly improved to 8.5% in FY20 vis-à-vis 7.0% in FY19 as per IQVIA. Our large-scale integrated manufacturing and diversified product basket have supported our growth trajectory. Our dependency on oral solids has further reduced with the acquisition of branded injectables business and improved injectable performance. The Company has launched 34 products in FY20. We currently have over 180 ANDAs awaiting final approval and are in the process of building a differentiated portfolio, which will drive long-term growth for the Company. During the year under review, our Company started monetising the oncology and hormonal pipeline of Eugia.

Our EU revenue posted a growth of 19.4% to ₹59,218 million in FY20 from ₹49,602 million in FY19, driven by steady performance across most countries that we are present in. Our priority with respect to the acquired Apotex's business was to maintain the stock supply, ensure customer satisfaction and also integrate it within the five countries. We have started launching our own products in countries such as Poland and the Czech Republic, where we did not have presence earlier. We have streamlined operations in Spain and the Netherlands. Going forward, we are focusing on filing more products, including our differentiated pipeline, diversifying existing product portfolio, reaching out to critical masses, and streamlining sales, marketing and channels of operation.

The ARV business revenue increased by 28.7% to ₹12,515 million in FY20 from ₹9,725 million in FY19 leveraging early mover advantage in TLD (Tenofovir + Lamivudine + Dolutegravir tablet) single pill regimen, along with rapid transition of TLE (Tenofovir + Lamivudine + Efavirenz tablet) to TLD. Going forward, we will cater to more patients, building on our strong presence in the global HIV segment.

Our revenue from the Growth Markets increased by 13.5% to ₹13,551 million in FY20 from ₹11,937 million in FY19 owing to encouraging performance in Canada. Going forward, we intend to launch oncology and injectables in select markets.

Our API business is an important pivot in our business model. Around 70% of our API requirement is manufactured in-house - a key differentiator in the fiercely competitive global generics markets. During FY20, our API business reported revenue of ₹30,834 million.

RESEARCH AND DEVELOPMENT

We maintained our unwavering focus on Research & Development (R&D) with increased focus on developing more complex and advanced technology products across orals, injectables and other forms. Our R&D investments for the year stood at ₹9,580 million, which is 4.1% of our revenues. In the US, we filed 55 ANDAs and received final approval for 22 ANDAs and tentative approval for six ANDAs from the USFDA during FY20. We have reinforced our position as one of the largest ANDA filers globally, registering over 6% of total ANDA filed with the USFDA (Source: USFDA). We are focused on building a pipeline of high-value products such as biosimilars, depot injection, vaccines, inhalers and patches.

During the year, we acquired R&D assets from Profectus BioSciences, a clinical-stage viral vaccine development company, providing access to proprietary and innovative technology platforms along with a R&D centre. The acquisition will also lead to the enhancement of our R&D capabilities and expertise in developing new vaccines from basic discovery to FDA-approved products. As part of our commitment to patient needs, we have started working on developing a vaccine for COVID-19.

CAPACITIES AND CAPABILITIES

On our pathway to sustainable growth, we have added both capacities and capabilities during the year under review. We have successfully completed the bacterial manufacturing facility for vaccines. We have added capacities for orals, injectables and APIs across various manufacturing facilities. We are also in the process of building capacities for inhalers, patches, topicals and injectables in USA. Also, we have enhanced our capabilities in vaccines with the R&D asset acquisition and also completed clinical trials for the first metered dose inhaler.

CLEAR PRIORITIES

Our priorities are clear to us and we are committed to work on those with sharper focus. Our near-term priority is to resolve all pending regulatory issues and to derive synergies from recent acquisitions. Our medium-to-long term focus remains on developing and monetising our differentiated product basket.

We have delivered another strong performance in a fast-evolving and challenging environment. We have a deep understanding of markets and are growing with our strong fundamentals, scale, compliance, people and a long-term focus on value creation. Looking ahead, we reinforce our commitment to achieve our long-term goals by focusing on strategy, which is centred on research and development.

On behalf of the Board, I would like to thank all our stakeholders for their continued support, and for helping us to perform consistently.

N. Govindarajan
Managing Director

We have always been thought leaders, with disciplined execution, be it in terms of building scale and reaping the benefits of economies or accelerating our R&D pipeline to widen our portfolio spectrum.

We are consolidating our capabilities to drive sustainable value.

Growing scale
Read more on **page 16**

Robust R&D capabilities
Read more on **page 20**

Wide range of product portfolio
Read more on **page 22**

Compliance and quality standards
Read more on **page 28**

Workforce
Read more on **page 30**


AUROBINDO

Enhancing manufacturing capabilities

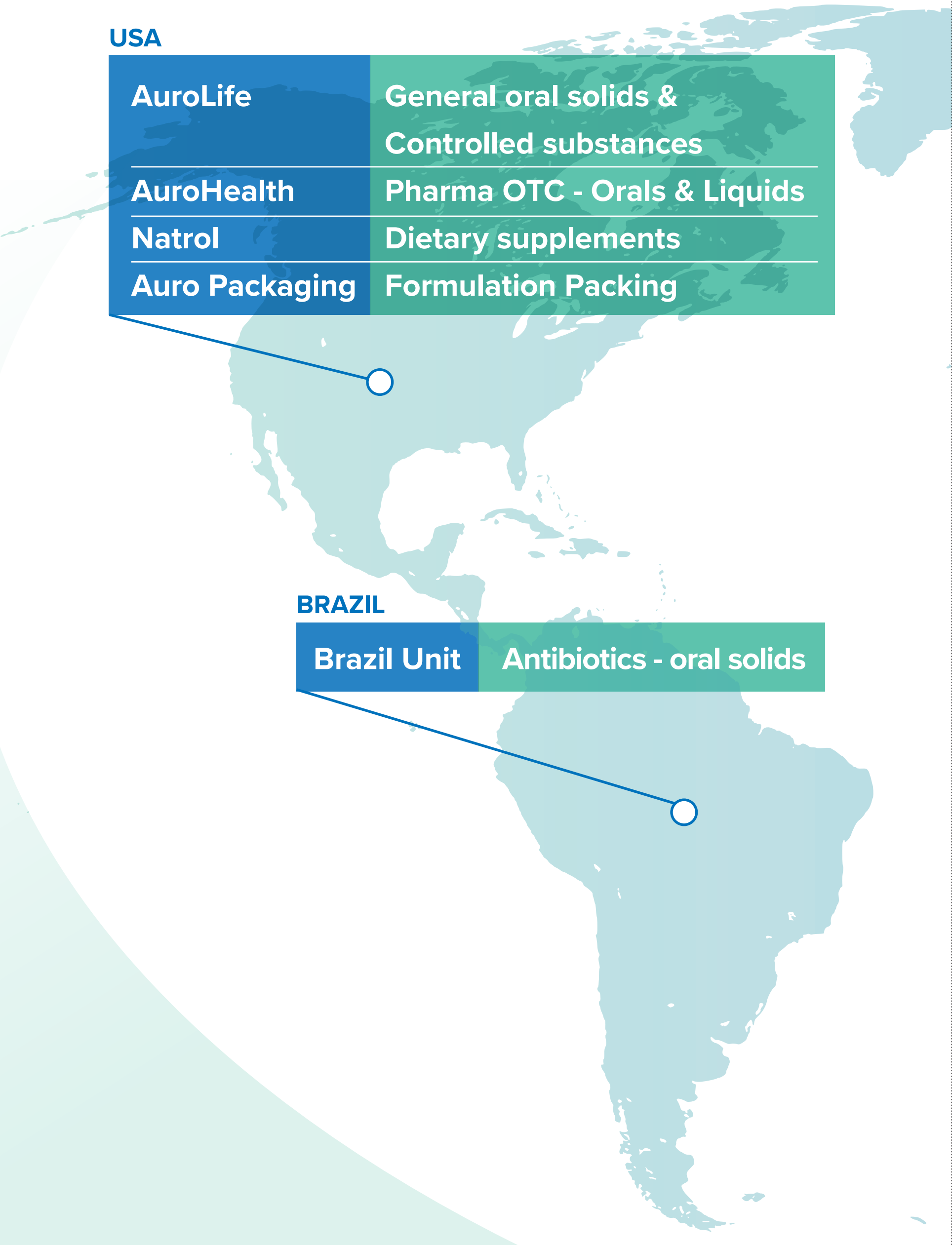
We have vertically integrated our operations from conception to commercialisation. Our manufacturing facilities are inspected by key regulatory agencies, enabling us to cater to our customers globally with a wide portfolio of APIs and Formulations.

We have reliable sourcing and cost-effective manufacturing systems; and we are consistently exploring ways to reduce costs and sharpen competitiveness. Our capacity utilisation is increasing at all production units to launch new products as well as to step up existing product volumes. Our manufacturing plants are regularly audited by key regulators. Our efficient regulatory affairs team is ensuring market compliance across our operating markets.

FORMULATIONS

We are leveraging our global formulation capacities, a mix of cost-competitive operations, best-in-class assets and a talented team. We have successfully and consistently launched a range of affordable products across markets. Also, we are benefiting from our ability across the spectrum - from development to commercialisation.

We are setting up manufacturing facilities for orals in China, injectables and other routes of administration like patches, topicals, inhalers, among others in India and in the US. Also, our biosimilars (Unit XVII) and vaccines facilities (Unit XVIII) are ready for commercialisation.



Formulations facilities

INDIA

Unit III	General oral solids & liquids
Unit IV	General injectables and Ophthalmics
Unit VI B	Cephalosporin orals
Unit VII	General oral solids
Unit XII	Betalactum - orals & injectables
AuroNext	Penem formulations
Eugia	Oncology and Hormones - orals & injectables
Unit X	General oral solids
Unit XV	General oral solids & liquids
Unit XVI	Betalactum Injectables
APL Healthcare	Pharma OTC, oral solids and dermatology
Unit XVII*	Biosimilars
Unit XVIII*	Vaccines

THE NETHERLANDS

Apotex	General oral solids

PORTUGAL

Generis	General oral solids

● Sites ● Product capabilities

*yet to start commercial production

Growing scale

ACTIVE PHARMACEUTICAL INGREDIENTS (API)

Aurobindo Pharma continues to be one of the world's fastest growing API manufacturing companies, driven by cost leadership, flexibility to produce multiple products in the same manufacturing facilities and capabilities in various therapeutic domains.

Our API business has ensured the profitability and growth of our formulations business through seamless vertical integration. Our API business is supported by technologically advanced research and development infrastructure, which develops new products and plays a role in the delivery of products to the market. We have applied for 254 US DMFs and about 3,000+ filings in other countries.

API FACILITIES IN INDIA

Unit I	General APIs, Cephalosporin, Oncology
Unit II	Intermediates for general APIs
Unit V	Betalactum (Sterile and Non-sterile)
Unit VIA	Cephalosporins (Sterile)
Unit VIII	General APIs (Non-sterile)
Unit IX	Intermediates
Unit XI	General APIs
Unit XIV	General APIs
Silicon LS	Penems (Non-sterile)
AuroNext	Penems (Sterile)
AuroPeptide	Peptides

● Sites ● Product capabilities

GROWING OUR OPERATIONAL BANDWIDTH

In FY20, the average capacity utilisation across all our formulation plants was around 68%. To meet the growing demand and longer gestation period for pharmaceutical units, we are expanding some of our facilities. In Unit X, we manufacture oral solids for the US market, with a capacity of 500 million per month. Having reached optimum capacity utilisation, we are increasing the capacity to 750 million per month. We are expanding with the addition of new equipment, which will also give us sufficient buffer to take our capacity to 1 billion per month in the future. Unit X also has a nasal manufacturing block. We are also in the process of filing another six products. Additionally, we are setting up a dedicated block for high-volume and difficult-to-manufacture products. The block is expected to be completed this year.

Our Unit XV, an oral solid manufacturing facility that exclusively caters to Europe and Emerging Markets, has a manufacturing capacity of 400-450 million per month. We are operating at around 70% utilisation. Foreseeing a consistent rise in demand across these markets, we initiated capacity expansion to 750 million per month; and eventually will take it to 1 billion per month. During the year under review, we have added one liquid manufacturing line.

Our Unit IV, a general injectable and ophthalmic facility, manufactures various dosage forms like injectable vials, lyophilised injectables, prefilled syringes, and so on. We have initiated the process to double the capacity for terminal sterilised products. In ophthalmic, we are more than doubling our existing capacity.

At our APL Healthcare facility (a subsidiary company), we are expanding our solid orals capacity from 300 million to 550 million per month to cater to market demand aligned to expected product approvals. During FY20, we commissioned a block for dermatology products. We have started manufacturing small batches.

Our Unit XVI is an injectable facility dedicated to manufacture betalactum injectables. During the year, we introduced a new line in this facility for a complex product which is available in prefilled syringe form. We are planning to set up a new state-of-the-art injectable facility exclusive at Visakhapatnam for Europe and Emerging Markets.

We are also setting up an oral formulation manufacturing facility in China. This facility will cater to China, Europe and the US.

We have commissioned one gas-based cogeneration facility at one of our plants. We are planning to commission a few more wherever there is availability of gas.

Emerging research horizons inspire us

We are consistently sharpening our research and development capabilities to develop quality products for patients in need across geographies. Our R&D helps us maintain a consistent momentum of product filings across regulated and Emerging Markets.

Our R&D teams are developing a wide range of affordable products across multiple therapeutic segments and delivery technologies. Our centres have world-class talent and state-of-the-art infrastructure, supported by qualified and trained regulatory and intellectual property teams. This reflects our commitment to create a diversified, affordable and accessible product portfolio, a knowledge base in chemical synthesis, high-quality generic formulations and development of drug delivery systems.

1,600+
Team of scientists and analysts, globally

R&D CAPABILITIES

Five centres in Hyderabad, India

- Focused on difficult-to-develop APIs including peptides
- Develop contemporary process technologies such as enzyme chemistry
- Dosage Form R&D for developing niche oral, sterile and specialty injectable products
- In Biologics, developing a diverse pipeline of biosimilars in Oncology and Immunology. CHO-GS based cell lines with productivity greater than 4.0 g/L
- Developing PCV vaccine

One centre in Dayton, New Jersey

- Developing depot injectable and tamper/abuse-resistant technology products
- Concentrating on the development of various niche oral formulation and controlled substances

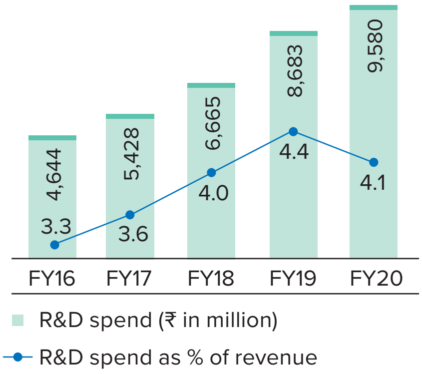
One centre in Raleigh, North Carolina

- Developing various nasal and inhaler products
- Dermal Delivery portfolio, including transdermal and topical products
- Portfolio of 40+ products

One centre in Pearl River, New York

- Developing a wide range of viral vaccines
- Identified four products for development including one for treating COVID-19

R&D investments



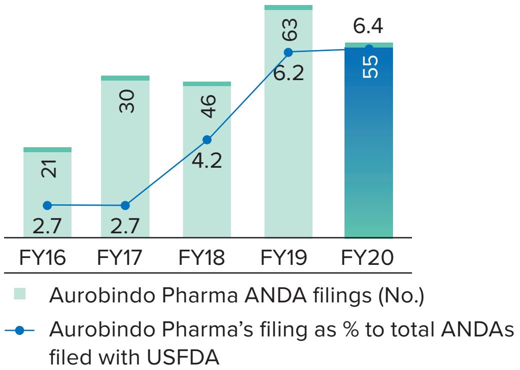
GLOBAL PRODUCT FILINGS

Our strong R&D capabilities have enabled us to maintain a consistent momentum of product filings across regulated and Emerging Markets.

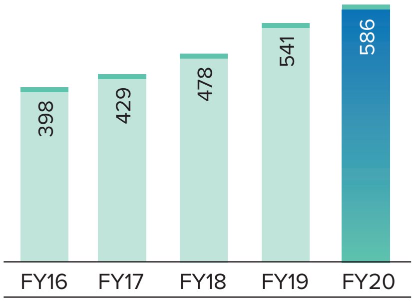
USA

Aurobindo Pharma has filed 215 ANDAs over the last five years, which accounts for 4.4% of total ANDAs filed with USFDA. The Company as on 31 March 2020 has cumulatively filed 586 ANDAs, of which 397 have final approval and 28 have tentative approvals, including eight ANDAs, which are tentatively approved under PEPFAR and the balance 161 ANDAs are under review.

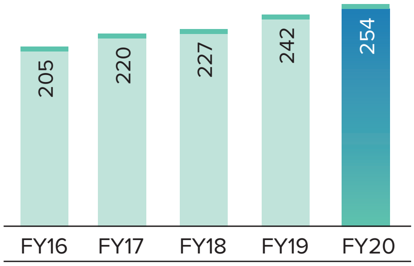
Aurobindo Pharma - ANDA filings



Cumulative ANDA filing trend (No.)



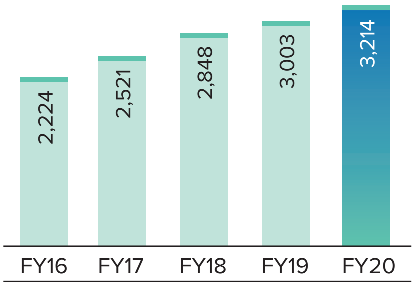
DMF filings (No.)



EUROPE

The Company has currently commercialised 450+ INNs and is building a pipeline of over 250 products.

Europe filing trend (No.)



Includes multiple registration

Providing critical therapy to patients in need

We are creating a diversified product basket by identifying complex molecules across multiple therapeutic areas. Our recent acquisitions have added more products and scale to our portfolio.

On the back of our in-house product development capabilities, we are driving growth through several verticals. Each of the following product groups enhances our business mix and strengthens our market prominence.

ONCOLOGY AND HORMONES

Eugia's product portfolio comprises 84 products that are prescribed for oncology, hormone and immuno-suppressant indications. During FY20, it filed 12 ANDAs for USA, of which nine were injectables. Eugia also filed 11 dossiers for other markets, of which eight were injectables. It filed a total of 34 ANDAs and received approval for 13 products, including tentative approvals for 3 ANDAs as on 31 March 2020.

The manufacturing of oncology products requires specialised preparation and handling due to their toxic nature. Eugia's oncology product portfolio is diverse and used for treating different types of cancer, either in singularity or in combination with other drugs. The market size of Eugia's 74 oncology products, which are under development, stands close to US$40 billion. These products have applications across prostate cancer, lung cancer, multiple myeloma, metastatic melanoma, Hodgkin's lymphoma, acute myeloid leukemia, sickle cell disease and thrombocythaemia.

Current hormonal portfolio includes 10 products with a market size of US$1.1 billion. The hormonal products are prescribed for indications involving pre-term birth, birth control, amenorrhea and hypogonadism.

Eugia's manufacturing facility produces oral solid dosage forms (tablets and capsules) and injectables (wet vials, dry vials and pre-filled syringes). The facility has been commissioned during the year under review and launched the products in USA. During 2020-21, we will be launching oncology and hormonal drugs in Europe.

It is expected to file 10-12 ANDAs (including one hormonal product) with USFDA for approvals and launch over 10 products (subject to approvals) in FY21. Registrations for seven products are underway in Europe and Emerging Markets

Industry wide, the overall oncology spending will reach US$220–250 billion, growing 9-12% by 2023. Moreover, oncology spending is expected to remain the largest contributor to specialty medication, with a projected increase of 51% by 2024.

BIOLOGICS

Aurobindo Pharma's Biologics Division is fully integrated with expertise in cell line development, process and analytical development, bulk manufacturing of both mammalian and microbial products, filling in vials and pre-filled syringes and packaging and dispatch. These in-house capabilities are complemented by quality control, quality assurance, clinical, regulatory and IP.

The Company's mission is to deliver high quality biosimilars across oncology, respiratory, ophthalmology and autoimmune disease segments. Our cGMP manufacturing comprises 140,000 sq ft with segregated facility sections for microbial and mammalian cell culture, bulk drug substance manufacturing, viral filtration suites, filling in pre-filled syringes and vials, visual inspection and packaging sections.

Aurobindo's facility design allows for simultaneous manufacturing of three or more products at any point of time. We use GS-Xceed platform in cell line development, which translates into stable protein expression and high productivity.

The Company has an industry-leading portfolio of 14 biosimilars, which include five molecules acquired from TL Biopharmaceuticals AG. The pipeline caters to oncology, rheumatology and ophthalmology. In the first wave of development, the Company is working on five products. The combined market size of these products is in excess of US$20 billion.

The Company plans to complete Phase-I trial of our lead biosimilar bevacizumab versus US and EU registered reference product. We expect to follow this up with data analysis and proceed to Phase-III trial in NSCLC subjects. Additionally, we received permission to carry out a Phase-III trial for our second oncology biosimilar product. Two of our other biosimilars are also expected to enter clinical trials in the first half of FY21 and we are aiming to complete the clinical trials by end of year and target to file these products in Europe early next financial year.

In the year under review, the Company also strengthened its focus on biologics products that go off-patent post 2024. We believe at least two products from this second wave portfolio will advance to animal toxicity studies in FY21, paving the way for subsequent clinical studies.

Wide range of product portfolio

DERMATOLOGY

The Company is working on both topicals and transdermal opportunities in the Dermatology segment.

Topicals
Aurobindo Pharma is developing several generic treatments in the dermatological therapeutic segment. Unhygienic practices, living conditions and changing lifestyles in developing countries have led to a high prevalence of dermatological diseases, especially acne and head lice in children. In several developing countries throughout the world, poor environmental conditions have also led to skin irritation/ inflammation (atopic dermatitis) that if not treated in a timely manner, can cause serious skin infections, as well as fungal infections in nails and certain areas of the skin.

Vaginal yeast infections are also becoming more prevalent among women in these countries. Exposure to UV radiation from sunlight has led to skin damage that may cause actinic keratosis, a form of pre-cancerous, thick, scaly or crusty skin. The ageing population worldwide has become more susceptible to facial herpes. Also, globally, more than 250 million people had osteoarthritis of the knee, and others suffer from arthritis of the hip, causing severe disability. The availability of generic topical treatments in the form of creams, lotions and ointments will provide an affordable approach to managing these diseases.

We have identified 37 products to develop under the topical products segment. These are developed in both India and US-based R&D centres; currently, 26 products are under development. As on 31 March 2020, we have filed 3 ANDAs with USFDA and received tentative approval for one product. During the year, we successfully completed the development of six products. The global market size of the products under development stands at more than US$4 billion.

We need to perform either clinical trials or Bioequivalence studies for more than 15 products which are under development. During the year under review, we completed exhibit batches for two products; and will be conducting exhibit batches for 10 products in FY21. Two or three products are expected to be filed in FY21.

The Company is in the process of setting up manufacturing facilities in India and USA. These facilities will have the required capability to file all products under development.

Transdermal patches
A transdermal patch is a medicated adhesive patch that is placed on the skin to deliver a specific dose of medication through the skin and into the blood stream. These patches may include pain relievers, nicotine, hormones and drugs to treat angina as well as motion sickness.

As the population ages in both advanced and emerging countries, the incidence of mild/moderate memory loss (dementia) associated with Alzheimer's and Parkinson's diseases is on the rise. This phenomenon, coupled with the shortage of caretakers, necessitates the availability of less expensive generic transdermal patches in helping control memory loss. Similarly, a generic transdermal patch to provide continuous pain medication is a very good alternative to oral opioids, as they will help control opioid abuse.

We have completed the setting up of the Coating and Converting line at the facility in US. Scaling up of batches has been initiated for the first transdermal patch. There is good progress in the development of two more products ready for pilot Bio study. In total, we are developing eight transdermal patches and the global market size of these products is more than US$3 billion. All the products under development either need clinical trials or BE studies.

We expect clinical trials to begin for the first product in FY21. We are planning to take exhibit batches for at least five products and aim to file first ANDA for a transdermal patch in FY21.

Consolidation of capabilities

Wide range of product portfolio

RESPIRATORY

Inhalers
An inhaler is a medical device used for delivering medication into the body through the lungs. Respiratory ailments have been one of the key therapeutic areas where we have been strengthening our presence. Aurobindo is developing respiratory drug products, including metered dose inhalers (MDIs) and dry powder inhalers (DPIs) for the treatment of asthma and Chronic Obstructive Pulmonary Disease (COPD).

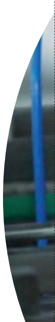
World Health Organisation (WHO) estimates that globally, 339 million people currently suffer from asthma, and it is considered to be the most common non-communicable disease among children. Most deaths caused by asthma, however, occur in older adults.

We are currently working on six MDIs and two DPIs. The estimated current US market size of the products under development is more than US$10 billion. We have taken exhibit batches for one MDI product in FY20; and are planning to take up exhibit batches for another MDI product in FY21.

During the year under review, we have successfully completed clinical trials for the first MDI and expect to file the product in the first half of FY21. We are setting up an inhaler manufacturing facility at North Carolina, USA, which would be ready for production in FY21.

Nasals
Nasals are used to deliver medications locally in one's nasal cavities as substances can be assimilated quickly and directly through the nose. In certain cases, the nasal delivery route is preferred as it turns out to be a good alternative to injection or pills.

We received USFDA approval for the first nasal spray dosage form, Azelastine Hydrochloride Nasal Spray 0.1% (137 mcg per spray) in May 2020. Apart from the approved product, we are currently developing five nasal spray products, out of which, filing for one product has already been done, as on 31 March 2020. We would be filing the remaining products over the course of the next three years. Currently, the market size in the US, for the products under development is estimated to be US$1.3 billion.



DEPOT INJECTIONS

Aurobindo is working on three depot injections on the microsphere and nano suspension technologies. During FY20, we started the scale-up trials at a commercial scale for the microsphere projects. The clinical trials for the first depot injection would begin in the third quarter of FY21; and filing of the first ANDA in the third quarter of FY22. The global market size of these products is US$3.3 billion.

VACCINES

The Company's vaccines pipeline consists of bacterial and viral vaccines. The Company is developing PCV vaccine through its Joint Venture with Tergene biotech and viral vaccines through the wholly-owned subsidiary, Auro Vaccines.

The Company is developing Pneumococcal Conjugate Vaccine (PCV). The global market size of the product is US$6.2 billion. The Company has successfully completed the Phase-I and Phase II studies. Phase-III clinical study is expected to be initiated by December 2020. The final product would be launched by end of FY22.

During the year, we have further strengthened our presence in the vaccines segment through the acquisition of R&D assets from Profectus Biosciences through Auro Vaccines. Using those R&D assets, the team is working on developing several viral vaccines, including a vaccine for COVID-19. Our vaccine candidate underwent an evaluation by BIRAC (Department of Bio Technology, Ministry of Science and Technology in India). BIRAC has evaluated our platform extensively and we have been informed that our vaccine has been shortlisted by BIRAC for funding initial development upto conducting the Phase I/II trial in India.

PEPTIDES

Peptides are short chains of amino acid monomers, linked together by peptide (amide) bonds. The Company has already invested in developing peptide development laboratory and set up four manufacturing sites for its commercial production. The Company has the capability to produce peptides from milligrams to multi-kilogram.

We have developed the process for manufacturing 20 peptides which includes both small and large volume products. As on 31 March 2020, we have filed seven DMFs with USFDA. We are also in the process of filing DMFs for other products. The APIs developed by Auro Peptides are used for developing complex injectables and oral products by the Company.

As on 31 March 2020, we have filed five ANDAs both for injectables and orals using Auro Peptides APIs, which had a market size of ~US$2.5 billion. Besides, we are developing more than 10 formulation products including depot injection, which have a market size of over US$12 billion.

Quality excellence ensures patient safety

Patient safety is non-negotiable for us. Therefore, we place significant emphasis on designing and regularly reviewing our standard operating procedures and compliance standards.

We are accelerating automation to build quality analytics for timely escalation and resolutions. For this purpose, we engage with industry experts for continuous improvement of processes and training on best practices. Driven by a 110+ strong quality compliance team, we continuously upgrade, strengthen and simplify procedures to eliminate in-system redundancies and ensure better compliance.

A CULTURE THAT PRIORITISES QUALITY

Over the years, we have demonstrated an unwavering commitment to quality, reinforcing our quality culture that fosters integrity. We aggressively invest in developing competencies of our colleagues and combining efficiencies with agility.

We have rolled out an organisation-wide programme to enhance Aurobindo's quality and compliance culture. Corporate Quality is the apex body that drives quality governance at Aurobindo. It is responsible for our quality policy and procedures. It conducts internal audits, monthly review of quality metrics of each site and takes timely and necessary actions for course corrections.

AUTOMATED CONTROLS FACILITATE PROCESS IMPROVEMENTS

We have always been ahead of the curve in leveraging technology and automation to ensure compliance, making processes more efficient, flag and pre-empt concerns. We embraced Electronic Laboratory Information Management Systems to further strengthen our compliance and processes.

During the year, we automated processes for a paperless laboratory and implemented a software-based Continued Process Verification programme. This programme enables us to monitor our processes and address aberrations if any.

We have upgraded all manufacturing process equipment to derive real-time manufacturing data parameters and adopted automated vendor qualification processes. We are confident that these steps will further enhance our processes and procedures, going forward.

Quality-focused training programme

At Aurobindo Pharma, we organise specially designed training programmes by industry experts on human-error reduction, airflow visualisation studies using advanced visualisation technology, preparing for USFDA inspections, communications, ethical conduct and quality behaviours and protocols.

COMPLIANCE AND QUALITY EXCELLENCE GO HAND IN HAND

Our internal audits help sharpen our quality and compliance focus; and we undertake these audits with a three-tiered approach. The internal audits are conducted by intra-departmental personnel, inter-departmental auditors and by Corporate Internal Auditors on a quarterly basis.

- Improved quality metrics to make it more meaningful and well-structured to identify and flag emerging trends and put processes in place to provide information to the Senior Management for timely actions and long-term course corrections
- Harmonised best practices in different sites that are applicable to all sites now
- Automated rapid microbiology testing for more accurate and specific testing that cuts down the release timelines of products significantly

WAY FORWARD

Going ahead, we will adopt the use of electronic batch records. Given the unprecedented times, the Company is well prepared on compliance front. We are technologically ready to go through virtual regulatory audits by the regulatory agencies. We are starting to do virtual audits for our vendors.

Nurturing holistic people development

We offer a conducive work environment across the organisation that allows our people to learn, perform and continuously grow. Our focus is to invest in holistic development of our teams; because we believe that they represent our brand to the external world.

Over the years, we have built an esteemed employer brand with a focus on transparency and compliance. With a diverse workforce with people from 30+ nationalities, we are strengthening a talent pool that will enable us to grow as a 'learning organisation'.

CULTURE AT AUROBINDO

We focus on the highest standards of patient safety, quality compliance, customer delight and organisational growth by consistently reinventing how we cater to the ever-evolving regulatory standards, scientific landscape, technological breakthroughs and business model transformation. We offer an agile, progressive, diversified along with an equal opportunity work ambience that resonates with our people. We are leveraging technology and processes to build a performance culture through continuous capability building, performance measurement and value-enrichment.

Diversity and inclusion

We have initiated a Diversity Management Programme and over the last three years, gender diversity has improved at Aurobindo. We are pursuing a holistic approach towards this end and have promoted gender neutrality to be dove-tailed into our recruitment guidelines. We have also introduced the Pink Packing Lines at our Unit X and Unit XV packaging operations that are handled by trained female associates and technical supervisors at dedicated female-managed packing lines.

ONBOARDING THE RIGHT TALENT

At Aurobindo, talent acquisition is focused on cultural alignment, technical capability and resource fulfilment in line with quality standards and organisational growth. We concentrate on hiring the right people and providing them the right tools to hone their skills and grow into leadership roles. Proportion of women employees in the work force is in the range of 10-12%. Aurobindo encourages women leadership at all levels, including at the Board level.

LEARNING AND DEVELOPMENT

Our focus is on enhancing technical skills, supervisory skills and managerial and leadership skills among our people. Our learning leadership culture focuses on the following training programmes to enhance the capabilities of our people:

Organisational capability building

Quality Marshal programme

In this programme, shop floor teams undergo the 'Train the Trainer' programme, wherein post-training they have to impart 20 hours of learning to their team members regarding various quality scenarios to be certified as Quality Marshals. During the year, 180+ Quality Marshals have cascaded key learnings to the tune of 1,900+ person hours across all formulation manufacturing units.

Value champions programme

This programme handpicks people from various teams based on their performance, espoused values and ability to lead, focusing on their capability building. During the year, the programme concentrated on three key value impact initiatives:

- Critical Aseptic Behaviours Pep Talk: Daily pep talks towards strengthening key aseptic behaviours
- Swachh Aurobindo: Focused weekly checklist and score card based on 5S for ensuring a clean, efficient and effective organisation
- Covid Warriors: Execute strategic post-lockdown measures to ensure safety of the workforce

Leadership development

During the year, we flagged off Leadership at its Best, LAB, a focused long-term strategic leadership development programme with the objective of accelerating the performance culture in the organisation. The leadership transformation process is facilitated by KPMG and 37 key leaders were part of this programme.

Digital learning

Aurobindo also has an online leadership programme, Nalanda, aimed at developing global leadership capabilities in line with leadership competency framework, strategic business goals and vision of the organisation. It is led by renowned faculties from the best business schools in the world. The programmes are internally modified according to our requirements. In the last four years, it has recorded 95% learning adoption.

Workforce

Technical skill development

Training Within Industry

We institutionalised Training Within Industry Job Instruction (TWI–JI) training involving technical skill transfer process through algorithm. It maps existing skill levels of the workforce and trains them accordingly. TWI–JI focuses on machine handling skills, process improvement/re-engineering and inter-personal synergy and effectiveness. At Aurobindo, we have 70+ TWI Champions across six key formulation manufacturing facilities.

Operators Skill Development Programme

We conduct on-site technical training in association with Original Equipment Manufacturers (OEMs) to improve technical skills. The training programme offers unit-specific technical training to positively improve operational safety, quality and productivity. A partnership with 15+ OEMs has led to over 400 employees being upskilled in specific machine setting, handling and trouble-shooting skills.

Aurobindo Technical Training and Development Centre (ATDC)

We have set up a training and development centre, equipped to provide in-house pharma technical training with world-class infrastructure comprising an oral solid dosage pilot plant and two well-equipped laboratories with sophisticated analytical instruments. The centre has trained 1,350 people. ATDC fulfils 30% – 40% of annual technical talent of Aurobindo and ensures productivity improvement that is 20–30% higher than lateral recruitment.

Organisational development - change management

This is an Integrated Business Execution System in partnership with Kaizen Institute and KPMG. The programme focuses on three key elements - People Care, Process Care and Asset care which aims to achieve high-quality standards, on-time delivery and accountability. It also focuses on Leadership Competency Development.

SUCCESSION PLANNING AND SECOND LINE DEVELOPMENT (SLD)

We developed a comprehensive SLD model based on analysis and in line with the Leadership Competency Framework of the Company. The identified potential second lines are subjected to a three-pronged developmental approach. Besides, we conduct a future talent-need analysis based on business forecasting, greenfield and brownfield projects and talent movement.

About 82% of the workforce is at the operations band, from which close to 40-50% of the future technical talent need will be catered through ATDC.

REWARD AND RECOGNITION PROGRAMMES

Talent of the Month (TOM)

We motivate our people with our Talent of the Month (TOM) programme, which rewards people who excel in their area of operations – providing a cash reward or certification based on an online evaluation of performance.

Uttam Vyavahar Purashkar (UVP)

We encourage all round development of people with a quarterly programme, where people are evaluated based on their work and other factors. This programe is extended to our entire team, including both permanent employees and the contractual workforce. During the year, we undertook various welfare programmes for our people, encouraging new ideas, team building, knowledge management, accountability & ownership, collaboration and sports & games among other parameters.

Business continuity plan

FY20 saw a global pandemic in the form of an unprecedented health crisis that impacted lives, livelihood, businesses, and economies. Many countries and governments took preventive measures and imposed a stringent lockdown to flatten the COVID-19 curve. We proactively took adequate steps and stepped up the safety requirements across all our offices and manufacturing facilities.

As we publish the report, the situation is still evolving; and our resilience is being tested. We ensured that all stakeholders and employees are safe; and the business is continued without any supply disruptions. Our manufacturing units continued to function at healthy capacity levels by overcoming logistical and supply chain issues.

THE HINDU

HYDERABAD

Aurobindo Pharma staff donate ₹3 cr. to HKMCF

SPECIAL CORRESPONDENT

HYDERABAD, MAY 12, 2020

Employees of Aurobindo Pharma Ltd. and group of sister concerns have donated ₹3 crore to Hare Krishna Movement Charitable Foundation (HKMCF) in support of feeding the poor, underprivileged and unemployed in Telangana and Andhra Pradesh to an extent of 1.85 lakh meals daily in association with GHMC, donors and other municipalities.

PROACTIVE RESPONSE FOR OUR EMPLOYEES

The well-being of our employees is of critical priority. We are committed to take numerous initiatives so that they and their families remain safe.

- Value Champions and Quality Marshals ‘Covid Warriors’ helped execute the strategic post lockdown measures to ensure safe social distancing, disinfection protocol and respiratory hygiene towards a seamless transition to the new normal, resulting in sustained organisational continuity.
- Around 27 online medical webinars with esteemed doctors in the world have been conducted to create hygiene awareness, where employees were able to sit at home and view the webinar.
- COVID-19 response: Post Lock Down (PLM) strategy document that has emerged from operational and regulatory requirements is implemented at all manufacturing locations and other regions with a view to ensure business continuity amidst the pandemic . PLM score card is the outcome of implementation effectiveness being reviewed at the Directors’ level on a weekly basis.
- Over 1,500 employees were enabled with virtual remote access with robust IT infrastructure, enabling uninterrupted work.
- Corporate Office followed an alternate day and night shift-wise working policy.
- Increased bus services to ensure social distancing, while travelling to office and plants and back home.

- Conducting temperature checks and sanitising the vehicles entering into the campus.
- Rolled out contact-free door operation everywhere and use of PPE kits wherever necessary.
- Ensured sanitisation of factory premises twice a day.
- Imparted COVID-19 awareness, social distancing and hygiene standards training through digital platforms.
- Facilitated 'Disha' counselling for employees by psychologists to ease anxiety and fear from their minds.
- Conducting interviews, induction and plant introduction virtually.

Proactive response for the community

As a responsible corporate citizen, we provided monetary and non-monetary essentials.

- Donated over 4,800 high-end Personal Protection Equipment (PPE) kits
- Provided food to vulnerable sections of society like daily wage earners and part-time workers
- Donated around 3 million Azithromycin tablets and Ascorbic Acid (Vitamin C) tablets to Health Departments of Andhra Pradesh and Telangana state governments
- Provided 1,00,000 masks of various types to various state government departments such as Police, Revenue, Health and Collector offices, among others
- Donated 0.13 million sanitisers to various state government departments such as Police, Revenue, Collector offices, Health departments and to several villages in Andhra Pradesh and Telangana
- Contributed to PM CARES Fund, Telangana State Disaster Management Authority and Andhra Pradesh Chief Minister Relief Fund
- Distributed rice, dal, cooking oil, fruits and vegetables to daily wage earners and under privileged people in both states both directly and through NGOs
- Sprayed sodium hypochlorite on main roads, internal roads and at bus stops and other public gathering places in 43 villages of Srikakulam, Vizianagaram and Nellore districts of Andhra Pradesh.
- Established Sanitiser Spray Tunnel in Vizianagaram district. This tunnel was handed over to the Police Department.

Caring for our communities

At Aurobindo, we remain committed to our social responsibilities. We believe it is the core of our sustainable progress. Our community care initiatives are conducted by our philanthropic arm, the Aurobindo Pharma Foundation (APF).

APF enables us to promote quality education, healthcare and sanitation, availability of potable water, environmental protection, road & public safety, rural development projects, rural sportsmanship, animal welfare and geriatric care homes.

During the year, we conducted need-based interventions in our operating areas, reaching out to 600,000+ individuals.

NUTRITION

We are working towards reducing hunger and have funded the construction of three industrial-scale automated kitchens in Srikakulam district, Andhra Pradesh, Hyderabad and Mahboobnagar, Telangana. These feed over one lakh families every day.

Food for the needy

To provide mid-day meals in government schools and free food for underprivileged people, Aurobindo Pharma Foundation has constructed a centralised kitchen and provided kitchen equipment for Akshaya Patra Foundation at Singupuram village, Srikakulam. Through this kitchen, daily free food is provided for 35,000 school children and the needy.

ENABLING UPSKILLING

We have also collaborated with a non-profit organisation to establish a skill development centre that will provide training in journalism and other courses in Guntur district, Andhra Pradesh. The project started in July 2019 and aims to provide employable skills training to 1,000+ unemployed youth every year.

Skill Development Centre for Graduates

APF started a Skill Development Centre in Varisam, Srikakulam that provides training to B.Sc., M.Sc and Pharma graduates. The programme provides certificate training for four months on Quality Assurance and Quality Control. It also offers scholarships, provides free food and transport facilities. Upon completion of the course, 90% students found employment at various locations. Till date, 64 students have completed the course and currently 26 people are undergoing the training.

WOMEN EMPOWERMENT

At APF, we create livelihood opportunities and spread awareness on education, health & hygiene among women. We undertake various courses like computer training, beautician's training weaving, embroidery and tailoring for skill development and offer up-gradation programmes as well. We have helped over 15,600 women under these courses during the year.

Education for underprivileged students

Aurobindo Pharma Foundation has constructed Saraswathi Vidya Mandir High School building with 22 classrooms (ground + first floor) and toilet blocks for boys and girls in Khairatabad, Hyderabad district. Many underprivileged students from surrounding areas come to this school to study. 1,300 students will be benefited by this initiative.

ENCOURAGING QUALITY EDUCATION

We are enabling quality education across Andhra Pradesh and Telangana, by providing salaries for 45 Vidya Volunteers, who teach across government schools in the two states. Additionally, we developed school infrastructure, including buildings and classrooms, constructed toilets and provided a drinking water facility; donated sports equipment; paid fees for children from marginalised households; offered scholarships for meritorious students and supported them in their higher education.

Education for economically backward girl students

To promote education, Aurobindo Pharma Foundation has constructed a new government Zilla Parishad high school for girls (ground + first floor), with 14 classrooms and toilet blocks in Patancheru, Sangareddy district, Telangana. Students from across five surrounding villages come to this school; 850 students will be benefited.

Corporate citizenship

SUPPORTING RURAL SPORTSMANSHIP

APF financially supports rural sportspersons, facilitating training and enabling them to participate in national and international tournaments for sports like badminton, tennis, table tennis, power lifting and gymnastics.

We have also supported the district annual sports meet at Pydibhimavaram, Srikakulam district and helped conduct an inter-state and senior national table tennis championship in Telangana, benefiting 600 students and sportspersons.

APF also assisted in the development of a playground at the Zilla Parishad High School for Girls in Chittoor District, Andhra Pradesh. Now, 330 students have access to this new playground.

Jwala Gutta Sports Academy

We are financially supporting the establishment of the badminton sports academy that will provide free training to aspiring players from rural areas. The state-of-the-art facility will have 14 badminton courts, gymnasium, rehab facilities, weight training, and a physiotherapy room. After completion, the academy will open its doors to 1,200 sportspersons.

Inspiring specially-abled people to take up sports

APF financially contributed to Aditya Mehta Foundation towards participating in the World Disability Day Solidarity Run on 1 December 2019 at People's Plaza, Hyderabad where 10,000 specially abled sportspersons participated.

FACILITATING BETTER HEALTHCARE AND HYGIENE

As part of its healthcare programme, APF conducted several medical camps during the year. We organised a Free Comprehensive Eye Screening and Cataract Surgery programme in Nellore district, Andhra Pradesh. There were nine camps conducted in association with Pushpagiri Eye Hospital, where 1,067 people were screened, 110 cataract surgeries were successfully completed and 719 pairs of spectacles were distributed. Many needy people have benefited from these eye camps. We also organised free health check-up camps and distributed medicines in few of the chosen villages of Telangana and Andhra Pradesh, benefiting 8,000 people.

We also constructed two toilet blocks for Maharani Gosha Government Hospital at Vizianagaram district, Andhra Pradesh that is being used by 500 outpatients every day.

Provided Cancer Equipment to Indian Red Cross Society hospital

APF has provided a Brachytherapy unit to Indian Red Cross Society Cancer hospital at Nellore, Andhra Pradesh. This equipment is used for the treatment of uterus, throat cancer etc. On an average, 45 cancer patients are treated each month with this equipment. Most of these patients hail from economically backward families and free treatment is provided to them.

Potable water

Clean drinking water is an essential part of health. We work towards providing potable water by installing RO water plants that supply drinking water through tankers or underground pipelines in Andhra Pradesh and Telangana. During the year, we fitted 12 new RO plants and maintained 37 other previously installed plants. The project provides 24,340 families access to safe drinking water.

Caring for the special ones

We undertake special programmes for specially-abled individuals. During the year, we delivered mobility solutions for physically challenged people from Srikakulam district and provided school supplies at Saikorian Campus Challenge School, Vizianagaram district.

We also support Hyderabad-based non-profit organisations like Ashray Akruthi and Lekhadeep that work for education and skill development of specially-abled children.

Raising hygiene awareness

We work towards creating awareness on the importance of hygiene and sanitation, reaching out to over 25,000 families in Srikakulam and Vizianagaram districts by donating cleaning supplies to those families.

Aurobindo is also an eager participant in the Swachh Bharat Mission and creates awareness about hygiene. On this front, we have donated garbage bins and pickup vehicles in Sangareddy district. This has helped over 50,000 families in the region.

Swachh Bharat in Government School

As part of Swachh Bharat-Swachh Vidyalaya, Aurobindo Pharma Foundation has constructed new toilets and repaired and renovated old toilets at various government schools in Andhra Pradesh and Telangana. After constructing these toilets, attendance of students has improved in these schools.

Safety for Women and Children

As women's safety has become a long-standing issue in the country, more city and state-level measures are being adopted to address heinous crimes against women and children in Andhra Pradesh. Aurobindo Pharma Foundation has contributed towards construction of Disha Police Station to help women in distress, and demonstrated how women can send SOS through the app which will alert the nearest police vehicle.

OTHER PROGRAMMES

Conserving the environment:

We have participated in green belt development programmes. As a part of the Telangana government's Haritha Haram programme, we planted 15,600 plants and provided 20,000 tree guards to protect these plants.

Support to Industrial Fire Safety Association (IFSA): We provide monthly maintenance expenses for fire tenders at IFSA in Sangareddy and Srikakulam districts. This helps the IFSA to fight any disaster.

Public safety: Apart from helping in the construction of Disha Women Police Station at Vizianagaram district, we also installed CCTV cameras in villages of Sangareddy district, and provided LED screens at a police station in Nellore district. We have also constructed a bus shelter in Nellore district and installed street lights in Sangareddy district, benefiting over 11,000 villagers.

Holistic and sustainable development of villages: We support the Action Research Project for creation of successful models of holistic and sustainable development through enablement of the Gram Panchayat Development Plan in 10 clusters of Andhra Pradesh. These programmes are being implemented by the National Institute of Rural Development (NIRD).

Board of Directors

M M M

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

Chartered Accountant
He is a Chartered Accountant 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, Whole-time Director, a promoter of the Company

Postgraduate in Science from Venkateswara University
He has been associated with our Company since inception. He is well-versed with the manufacturing technology and supervises the overall affairs of the Company.

MR. N. GOVINDARAJAN
Managing Director

B.E. (Mechanical) from Annamalai University
He has more than 27 years of experience across a variety of domains such as active ingredients, CRAMS, finished dosages and biotechnology.

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.

M

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 three decades 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.

C M

MR. M. SITARAMA MURTY
Non-executive, Independent Director

Postgraduate in Electronics from Andhra University
He is a professionally qualified banker and has over three decades of experience in the industry, having served in various important positions in nationalised banks. He retired as the Managing Director & CEO of the State Bank of Mysore in 2003. His specialised areas of interest are international banking, foreign exchange, money markets, funds management, credit management, rural development, computerisation, commercial law and systems.

C C

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

M.B.B.S. degree from RNT Medical College, Udaipur and Postgraduate in Obstetrics and Gynecology from Rajasthan University
She is a medical practitioner and a senior obstetrician/gynecologist based in Hyderabad.

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 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.

- Audit Committee
- Stakeholders Relationship Committee
- Remuneration/Compensation Committee
- Corporate Social Responsibility Committee

C Chairman
M Member

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 33rd Annual General Meeting of the Members of Aurobindo Pharma Limited will be held on Thursday, the 27th day of August 2020 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 31 March 2020 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 31 March 2020 and report of Auditors thereon.

3) To confirm the first interim dividend of ₹1.25 and second interim dividend of ₹1.75, in aggregate ₹3.00 per equity share of ₹1 each, as dividend paid for the financial year 2019-20.

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.

SPECIAL BUSINESS

6) **To revise the remuneration of Mr. K. Nithyananda Reddy (DIN: 01284195), Whole-time Director & Vice Chairman 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 revision in the remuneration of Mr. K. Nithyananda Reddy (DIN: 01284195), Whole-time Director & Vice Chairman of the Company, with effect from 1 April 2020 for the remaining period of his tenure i.e. up to 31 May 2021 as detailed below 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:"

a	Salary	₹1,000,000 per month
b	House Rent Allowance	₹666,666 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	

7) **To revise the remuneration payable to Mr. N. Govindarajan (DIN: 00050482), Managing 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 revise the remuneration by increasing the commission payable to Mr. N. Govindarajan (DIN: 00050482), Managing Director of the Company with effect from the Financial Year 2020-21 to 1% of the net profits of the Company calculated in the manner referred in Section 198 of the Companies Act, 2013 subject to a ceiling of ₹125 million for each financial year as may be decided by the Board of Directors of the Company without changes in other terms and conditions of his appointment subject to the overall remuneration payable to Mr. N. Govindarajan, Managing Director of the Company not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof for the remaining period of his tenure. i.e. up to 31 May 2021."

8) **To revise the remuneration of Dr. M. Sivakumaran (DIN: 01284320), Whole-time Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of 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 revision in the remuneration of Dr. M. Sivakumaran (DIN: 01284320), Whole-time Director of the Company, with effect from 1 April 2020 for the remaining period of his tenure i.e. up to 31 May 2021 as detailed below 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:"

a	Salary	₹1,000,000 per month
b	House Rent Allowance	₹666,666 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	

9) **To revise the remuneration of Mr. M. Madan Mohan Reddy (DIN: 01284266) 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 revision in the remuneration of Mr. M. Madan Mohan Reddy (DIN: 01284266), Whole-time Director of the Company, with effect from 1 April 2020 for the remaining period of his tenure i.e. up to 31 May 2021 as detailed below 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:"

a	Salary	₹2,250,000 per month
b	House Rent Allowance	₹1,500,000 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	

10) **To revise the remuneration of Mr. P. Sarath Chandra Reddy (DIN: 01628013), 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 revision in the remuneration of Mr. P. Sarath Chandra Reddy (DIN: 01628013), Whole-time Director of the Company, with effect from 1 April 2020 for the remaining period of his tenure i.e. up to 31 May 2022 as detailed below 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:"

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	

By Order of the Board

B. Adi Reddy
Company Secretary
Membership No. ACS 13709

Place: Hyderabad
Date: 3 June 2020

NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 33rd 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/ Authorization etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and and cast their votes through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer 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 25 August 2020 to 27 August 2020 (both days inclusive).

7. The Board of Directors of the Company has declared first interim dividend @ 125% i.e. ₹1.25 per share of ₹1 each and second interim dividend @ 175% i.e. ₹1.75 per share of ₹1 each, aggregating to ₹3.00 per share of ₹1 each for the financial year 2019-20 and the same was paid on 4 December 2019 and 2 March 2020 respectively.

8. During the financial year, the unpaid/unclaimed dividend for the financial year 2011-12 was transferred to the Investor Education and Protection Fund (IEPF). The unpaid/unclaimed interim dividend for the financial year 2012-13 was also transferred to the Investor Education and Protection Fund (IEPF) in the month of April 2020. 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 final unpaid/unclaimed dividend for the financial year 2012-13 and interim unpaid/unclaimed dividend for the financial year 2013-14 will be transferred to the Investor Education and Protection Fund of the Central Government on respective due date(s). The shares pertaining to unclaimed final dividend for the financial year 2011-12 and interim dividend for the financial year 2012-13 were also transferred to IEPF. To claim the equity shares and dividend that were transferred to IEPF, Members may file e-Form IEPF 5 with Ministry of Corporate Affairs and submit all the required documents as prescribed under IEPF Rules.

   Members may note that shares as well as unclaimed dividends transferred to IEPF authority can be claimed back from them. Concerned Members / Investors are advised to visit the weblink http://iepf.gov.in/IEPFA/refund.html or contact KFin Technologies Private Limited (formerly M/s. Karvy Fintech Private Limited), the Registrar and Transfer Agent (RTA) of the Company, for lodging claim for refund of shares and / or dividend from IEPF Authority.

The following are the due dates for transfer of unclaimed/unpaid dividend for the financial year 2012-13 and thereafter to IEPF:

Financial year	Dividend	Declaration Date	Due Date
2012-13	Final Dividend	7 August 2013	11 September 2020
2013-14	Interim Dividend	7 November 2013	12 December 2020
2013-14	2nd Interim Dividend	30 May 2014	4 July 2021
2014-15	Interim Dividend	7 August 2014	11 September 2021
2014-15	2nd Interim Dividend	4 February 2015	11 March 2022
2014-15	3rd Interim Dividend	28 May 2015	2 July 2022
2015-16	Interim Dividend	12 August 2015	16 September 2022
2015-16	2nd Interim Dividend	6 November 2015	11 December 2022
2015-16	3rd Interim Dividend	9 February 2016	16 March 2023
2015-16	4th Interim Dividend	30 May 2016	5 July 2023
2016-17	Interim Dividend	14 November 2016	20 December 2023
2016-17	2nd Interim Dividend	29 May 2017	3 July 2024
2017-18	Interim Dividend	9 November 2017	14 December 2024
2017-18	2nd Interim Dividend	7 February 2018	14 March 2025
2018-19	Interim Dividend	12 November 2018	17 December 2025
2018-19	2nd Interim Dividend	7 February 2019	14 March 2026
2019-20	Interim Dividend	12 November 2019	16 January 2027
2019-20	2nd Interim Dividend	6 February 2020	12 April 2027

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 demat 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.

11. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 1 April 2019. Accordingly, the Company & Company's RTAs have stopped accepting any fresh requests for transfer of shares in physical form. Members holding shares in physical form are requested to avail of the facility of dematerialisation before initiating transfer of shares.

    Members holding shares in physical mode are requested to submit their Permanent Account Number (PAN) and bank account details to the Company / KFinTech if not registered with the Company/ KFinTech, as mandated by SEBI, by writing to the Company at ig@aurobindo.com or to 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. SEBI has amended the Listing Regulations disallowing the listed companies from accepting requests for transfer of securities which are held in physical form, with effect from 1 April 2019. The Members who continue to hold shares in physical form even after this date, will not be able to lodge the securities with the Company / its RTA for transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the Company / RTA. Further, the transfer deed(s) once lodged prior to 1 April 2019 and returned due to deficiency in the document may be relodged for transfer even after 1 April 2019.

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. At the 30th AGM held on 31 August 2017, the Members approved appointment of M/s. 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 AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 7 May 2018. Accordingly, no resolution is being proposed for ratification of the appointment of statutory auditors at the 33rd AGM.

15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12 May 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 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 Private Limited, https://www.kfintech..com

16. 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. 20 August 2020, to exercise their right to vote by electronic means on any or all of the agenda items specified in the accompanying Notice of AGM.

17. For receiving all communication (including Annual Report) from the Company electronically:

    a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a scan copy of share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card / Passport / Driving Licence / Election Identity Card to einward.ris@kfintech.com or ig@aurobindo.com for registering email address.

    b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

18. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

19. 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. Nomination and Remuneration / Compensation Committee and the Board of Directors of the Company commend their respective re-appointments. Brief resume of Directors who are proposed to be re-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.

20, Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

21. The Company has appointed M/s KFin Technologies Private Limited, Registrar and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the AGM.

22. Pursuant to the provisions of the circulars of MCA 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.

23. The Members can join the AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

24. Up to 1000 members will be able to join on a first come first serviced basis to the AGM.

25. 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.

A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through video conferencing platform provided by M/s KFin Technologies Private Limited.

   Members will be able to attend the AGM through VC / OAVM or view the live webcast at https://emeetings.kfintech.com by using their e-voting login credentials.

   Members are requested to follow the procedure given below:

   i) Launch the internet browser by typing the URL: https//emeetings.kfintech.com.

   ii) Enter the login credentials (i.e user ID and password provided for e-voting).

   iii) After logging in, click on 'Video Conference' option.

   iv) Then click on 'camera' icon appearing against AGM event of Aurobindo Pharma Limited to attend the Meeting.

2. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice.

3. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

4. Members will be required to allow Camera usage, on their systems and use a good speed internet to avoid any disturbance during the Meeting.

   Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to https://emeetings.kfintech.com and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during Monday, 24 August 2020 (9:00 a.m. IST) to Tuesday, 25 August 2020 (5:00 p.m. IST). Only those members who have registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

6. Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.

7. Members who need assistance before or during the AGM, can contact KFinTech on evoting@kfintech.com or call on toll free numbers 1800-345-4001. Kindly quote your name, DP ID-Client ID / Folio no. and e-voting Event Number in all your communications.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

B. VOTING THROUGH ELECTRONIC MEANS

In terms of the provisions of Section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on **20 August 2020** (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFintech or to vote during the Meeting. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

Further, the facility for voting through electronic voting system will also be made available during the Meeting to be held through VC/OAVM and the members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote during the Meeting.

The details of the process and manner for remote e-voting are given below:

i. Initial password is provided in the body of the email.

ii. Launch internet browser and type the URL: https://evoting.karvy.com in the address bar.

iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.

iv. After entering the details appropriately, click on LOGIN.

v. You will reach the 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.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. You need to login again with the new credentials.

vii. On successful login, the system will prompt you to select the EVENT i.e. Aurobindo Pharma Limited.

viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

x. Cast your votes 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 confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at anderam@rediffmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'AUROBINDO_EVENT No.'

xii. Members can cast their vote online from 24 August 2020 (9.00 a.m.) till 26 August 2020 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.

C. INSTRUCTIONS FOR E-VOTING DURING THE AGM

i. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.

ii. The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.

iii. E-voting during the AGM is integrated with the VC platform and no separate login credentials are required for the same. The Members shall be guided on the process during the AGM.

iv. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of https://evoting.karvy.com or call KFin on 1800 345 4001 (toll free).

The Scrutiniser will, after the conclusion of e-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 forty-eight hours 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.karvy.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., Thursday, 27 August 2020.

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 singed 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 canceled 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 – Revision of remuneration of Mr. K. Nithyananda Reddy (DIN: 01284195), Whole-time Director & Vice Chairman

The Members of the Company at the 31st Annual General Meeting held on 30 August 2018 approved the re-appointment of Mr. K. Nithyananda Reddy (DIN: 01284195) as a Whole-time Director & Vice Chairman of the Company for a period of 3 years w.e.f. 1 June 2018 at a remuneration of ₹13 million per annum and other perquisites with liberty to the Board of Directors to alter and vary the terms and conditions of the re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. K. Nithyananda Reddy, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.

Considering the significant contribution made by him in the growth and development of the Company, it is felt appropriate to revise the remuneration of Mr. K. Nithyananda Reddy to commensurate with his role and responsibilities. Accordingly, it is proposed to revise the remuneration of Mr.K.Nithyananda Reddy from ₹13 million per annum to ₹20 million per annum with effect from 1 April 2020 and other perquisites with no changes in other terms and conditions of his appointment.

The aforesaid revision of remuneration shall be within the ceiling limits as mentioned in Schedule V of the Companies Act, 2013. The proposed revision of remuneration of Mr.K.Nithyananda Reddy was recommended by the Nomination and Remuneration / Compensation Committee of the Company.

No Director, Key Managerial Personnel or their relatives, except Mr. K. Nithyananda Reddy to whom the resolution relates and his relative Mr. P. Sarath Chandra Reddy, Whole-time Director, are interested or concerned in the Resolution.

The Board recommends the Ordinary Resolution set forth at Item No.6 of the Notice for the approval of Members.

Item No.7 – Revision of remuneration of Mr. N. Govindarajan (DIN: 00050482), Managing Director

The Members of the Company at the 31st Annual General Meeting held on 30 August 2018 approved re-appointment of Mr. N. Govindarajan (DIN: 00050482) as a Managing Director of the Company for a period of 3 years w.e.f. 1 June 2018 at a remuneration of ₹40 million per annum and other perquisites with liberty to the Board of Directors to alter and vary the terms and conditions of the re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. N. Govindarajan, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof. In addition to the salary and perquisites, commission will also be payable up to 1% of the net profits of the Company calculated in the manner referred in Section 198 of the Companies Act, 2013 subject to a ceiling of ₹100 million for each financial year, as may be decided by the Board of Directors of the Company. The Members of the Company at the 32nd Annual General Meeting held on 29 August 2019 approved revision of remuneration of Mr. N. Govindarajan from ₹40 million per annum to ₹60 million per annum without any revision in the commission payable to him with effect from 1 April 2019.

Mr. N. Govindarajan, Managing Director is responsible for the overall affairs of the Company. The business operations of the Company are substantially growing and there has been increase in Managing Director's responsibilities. In view of the same, it is felt appropriate to revise the remuneration of Mr. N. Govindarajan, Managing Director of the Company to commensurate with his role and responsibilities. Accordingly, it is proposed to revise the commission payable to Mr.N.Govindarajan, Managing Director up to 1% of the net profits of the Company calculated in the manner referred in Section 198 of the Companies Act, 2013 subject to a ceiling of ₹125 million for each financial year as may be decided by the Board of Directors of the Company with effect from the Financial Year 2020-21 (the ceiling is proposed to be increased from ₹100 million to ₹125 million for each financial year). No revision is proposed in the remuneration other than commission payable to Mr. N. Govindarajan.

The aforesaid revision of remuneration shall be within the ceiling limits as mentioned in Schedule V of the Companies Act, 2013. The proposed revision of remuneration of Mr. N. Govindarajan was recommended by the Nomination and Remuneration / Compensation Committee of the Company.

No Director, Key Managerial Personnel or their relatives, except Mr. N. Govindarajan, to whom the resolution relates, is interested or concerned in the Resolution.

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

Item No.8 – Revision of remuneration of Dr. M. Sivakumaran (DIN: 01284320), Whole-time Director

The Members of the Company at the 31st Annual General Meeting held on 30 August 2018 approved the re-appointment of Dr. M. Sivakumaran (DIN: 01284320) as a Whole time Director of the Company for a period of 3 years w.e.f. 1 June 2018 at a remuneration of ₹13 million per annum and other perquisites with liberty to the Board of Directors to alter and vary the terms and conditions of the re-appointment and / or remuneration as it may deem fit and as may be acceptable Dr. M. Sivakumaran, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.

Considering the significant contribution made by him in the growth and development of the Company, it is felt appropriate to revise the remuneration of Dr. M. Sivakumaran to commensurate with his role and responsibilities. Accordingly, it is proposed to revise the remuneration of Dr. M. Sivakumaran from ₹13 million per annum to ₹20 million per annum with effect from 1 April 2020 and other perquisites with no changes in other terms and conditions of his appointment.

The aforesaid revision of remuneration shall be within the ceiling limits as mentioned in Schedule V of the Companies Act, 2013. The proposed revision of remuneration of Dr. M. Sivakumaran was recommended by the Nomination and Remuneration / Compensation Committee of the Company.

No Director, Key Managerial Personnel or their relatives, except Dr. M. Sivakumaran, to whom the resolution relates, is interested or concerned in the Resolution.

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

Item No.9 – Revision of remuneration of Mr. M. Madan Mohan Reddy (DIN: 01284266), Whole-time Director

The Members of the Company at the 31st Annual General Meeting held on 30 August 2018 approved the re-appointment of Mr. M. Madan Mohan Reddy (DIN: 01284266) as a Whole-time Director of the Company for a period of 3 years w.e.f. 1 June 2018 at a remuneration of ₹23 million per annum and other perquisites with liberty to the Board of Directors to alter and vary the terms and conditions of the re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. M. Madan Mohan Reddy subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof. The Members of the Company at the 32nd Annual General Meeting held on 29 August 2019 further revised the remuneration of Mr. M. Madan Mohan Reddy from ₹23 million per annum to ₹35 million per annum with effect from 1 April 2019.

Considering the significant contribution made by him in the growth and development of the Company, it is felt appropriate to revise the remuneration of Mr. M. Madan Mohan Reddy to commensurate with his role and responsibilities. Accordingly, it is proposed to revise the remuneration of Mr. M. Madan Mohan Reddy from ₹35 million per annum to ₹45 million per annum with effect from 1 April 2020 and other perquisites with no changes in other terms and conditions of his appointment.

The aforesaid revision of remuneration shall be within the ceiling limits as mentioned in Schedule V of the Companies Act, 2013. The proposed revision of remuneration of Mr. M. Madan Mohan Reddy was recommended by the Nomination and Remuneration / Compensation Committee of the Company.

No Director, Key Managerial Personnel or their relatives, except Mr. M. Madan Mohan Reddy, to whom the resolution relates, is interested or concerned in the Resolution.

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

Item No.10 – Revision of remuneration of Mr. P. Sarath Chandra Reddy (DIN: 01628013), Whole-time Director

The Members of the Company at the 32nd Annual General Meeting held on 29 August 2019 approved the re-appointment of Mr. P. Sarath Chandra Reddy (DIN: 01628013) as a Whole-time Director of the Company for a period of 3 years w.e.f. 1 June 2019 at a remuneration of ₹7.5 million per annum and other perquisites with liberty to the Board of Directors to alter and vary the terms and conditions of the 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 or re-enactment thereof.

Considering the increased responsibilities in the growth and development of the Company, it is felt appropriate to revise the remuneration of Mr. P. Sarath Chandra Reddy to commensurate with his role and responsibilities. Accordingly, it was proposed to revise the remuneration of Mr. P. Sarath Chandra Reddy from ₹7.5 million per annum to ₹12.5 million per annum with effect from 1 April 2020 and other perquisites with no changes in other terms and conditions of his appointment.

The aforesaid revision of remuneration shall be within the ceiling limits as mentioned in Schedule V of the Companies Act, 2013. The proposed revision of remuneration of Mr. P. Sarath Chandra Reddy was recommended by the Nomination and Remuneration / Compensation Committee of the Company.

No Director, Key Managerial Personnel or their relatives except Mr. P. Sarath Chandra Reddy to whom the resolution relates and his relatives, Mr. P. V. Ramprasad Reddy, Director and Mr. K. Nithyananda Reddy, Whole-time Director are interested or concerned in the Resolution.

The Board recommends the Ordinary Resolution set forth at Item No.10 of the Notice for the approval of Members.

By Order of the Board

B. Adi Reddy
Company Secretary
Membership No. ACS 13709

Place: Hyderabad
Date: 3 June 2020

Registered Office:
Plot No.2, Maithrivihar, 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 27 August 2020 as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings are as given below:

Particulars	Mr. K. Nithyananda Reddy (DIN:01284195)	Mr. M. Madan Mohan Reddy (DIN: 01284266)
Age	62	60
Qualification	Postgraduate in Science	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.	He held top managerial positions in leading pharmaceutical companies. He has been associated with the Company since 2006. He commands 30 years of experience in the pharmaceutical industry.
Terms and Conditions of Appointment / Re-appointment	As per the resolution at Item No. 4 of the Notice convening Annual General Meeting on 27 August 2020 Mr. K. Nithyananda Reddy is proposed to be re-appointed as a Director on retirement by rotation.	As per the resolution at Item No. 5 of the Notice convening Annual General Meeting on 27 August 2020 Mr. M. Madan Mohan Reddy is proposed to be re-appointed as a Director on retirement by rotation.
Remuneration last drawn (including sitting fees, if any)	₹15.12 million	₹40.67 million
Remuneration proposed to be paid	No change in the remuneration during 2019-20. The proposal is for re-appointment as a director on retirement by rotation. Further at Item No. 6, the revision in remuneration of him as Whole-time Director of the Company is proposed.	During the year, his remuneration has been increased from ₹23 million per annum to ₹35 million per annum with effect from 1 April 2019. The proposal is for re-appointment as a director on retirement by rotation. Further at item No. 9, the revision in remuneration of him as Whole-time Director of the Company is proposed.
Date of first appointment on the Board	26 December 1986	18 September 2006
Shareholding in the Company as on 31 March 2020	25,359,572 equity shares	2,010 equity shares
Relationship with other Directors/Key Managerial Personnel	He is related to Mr. P. Sarath Chandra Reddy, Whole-time Director of the Company	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the year	3	3
Directorships of other Boards as on 31 March 2020	APL Research Centre Limited Hyacinths Pharma Private Limited Auro Peptides Limited Aurozymes Limited APL Healthcare Limited Pattancheru Enverotech Ltd. Raidurgam Developers Limited Auronext Pharma Private Limited Silicon Life Sciences Private Limited	APL Research Centre Limited Crest Cellulose Private Limited Curepro Parenterals Limited Aurozymes Limited Eugia Pharma Specialities Limited Oremsi Plastics Private Limited SGD Pharma India Limited Pravesha Industries Private Limited
Membership / Chairmanship of Committees of other Boards as on 31 March 2020	Member of Audit Committee and Nomination & Remuneration Committee of Auro Peptides Limited Chairman of CSR Committee of Auronext Pharma Private Limited and Silicon Life Sciences Private Limited	–

Board's Report

Dear Members,

Your Directors are pleased to present the 33rd Annual Report of your Company together with the audited accounts for the financial year ended 31 March 2020.

FINANCIAL HIGHLIGHTS

Standalone Financials	(₹ in Million)	
	2019-20	2018-19
Revenue from operations	132,664.8	122,578.9
Profit Before Depreciation, Interest, Tax and Exceptional Items	26,857.5	24,092.9
Depreciation	4,704.8	4,130.3
Finance cost	955.8	1,309.2
Profit Before Tax	23,777.0	19,646.2
Provision for Tax	5,049.6	4,348.9
Net Profit After Tax	18,727.4	15,297.3
Other Comprehensive Income/ (Expense)	(125.5)	(14.1)
Total Comprehensive Income for the period	18,601.9	15,283.2

DIVIDEND

Your Company has paid first interim dividend of 125% i.e. ₹1.25 per equity share of ₹1 and second interim dividend of 175% i.e. ₹1.75 per equity share of ₹1. The total dividend for the financial year 2019-20 comes to 300% i.e. ₹3.00 per equity share of ₹1 against 250% i.e. ₹2.50 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 five hundred 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 has carved a niche for itself in the global pharmaceutical space. Aurobindo is now the 7th largest generic company by sales globally and second largest listed Indian pharmaceutical company by revenues. In the US, your Company is the second largest generic company by Rx dispensed.

After a year of acquisitions, FY20 was a year of continuity, consistency and consolidation for your Company. It successfully and seamlessly integrated Apotex Inc.'s businesses in Europe and also consolidated branded injectable products acquired from Spectrum Pharmaceuticals Inc. During the year, through Auro Vaccines LLC, USA, a wholly owned step down subsidiary of Aurobindo Pharma Limited, India, your Company acquired valuable R&D assets from Profectus BioSciences Inc, USA, which is a clinical stage vaccine development company.

On a standalone basis, your Company's revenue registered a growth of 8.2% reaching ₹132,664.8 million in FY20, compared to ₹122,578.9 million in FY19. The Formulations business witnessed a growth of 14.2% to ₹100,253.4 million led by exports, which are up by 14.3% to ₹99,698.5 million. The API business declined by 6.9% to ₹32,242.1 million due to higher captive consumption. EBITDA for FY20 increased by 11.5% to ₹26,857.5 million vs. ₹24,092.9 million in FY19. Profit before Tax for the year at standalone level was increased by 21% to ₹23,777.0 million. Your Company's net profit (before OCI) increased by 22.4% to ₹18,727.4 million as against ₹15,297.3 million in FY19. The diluted Earnings Per Share stood at ₹31.96 compared to ₹26.11 in FY19.

On a consolidated basis, revenues for FY20 grew by 18.1% from ₹195,635.5 million in the previous year to ₹230,985.1 million. The healthy growth in revenues was driven by new product launches across markets and increased market share of existing products. The Formulations business registered a revenue growth of 23.9% and improved to ₹200,119.3 million from ₹161,570.3 million in the previous year. The Active Pharmaceutical Ingredients (APIs) business sales stood at ₹30,833.7 million down from ₹34,030.3 million in the corresponding previous period.

EBITDA margin was at 21.1% vis-à-vis 20.2% in FY19. EBITDA before forex and other income stood at ₹48,643.1 million, witnessing a 23.1% growth year-on-year. Your Company reported a Net Profit of ₹28,309.7 million, an increase of 19.7% over the corresponding previous period. The Diluted Earnings Per Share stood at ₹48.32 compared to ₹40.36 in FY19.

Your Company's strong performance for the year was driven by healthy growth across key geographies in the Formulations segment. Our Formulations sales increased by 23.9% to ₹200,119.3 million. FY20 is the first full year of consolidation of businesses acquired from Apotex Inc and Spectrum Pharmaceuticals. Excluding the sales from acquired businesses, your Company has witnessed a strong growth in the Formulations segment.

The US is the largest market for your Company and accounted for 49.7% of total revenue. The US business reported 27.2% growth at ₹114,835.4 million. It has a presence across segments such as oral solids, injectables, branded injectables, dietary supplements and over-the-counter (OTC) businesses. With the acquisition of branded injectables from Spectrum Pharmaceuticals, your Company's presence in injectables has significantly increased. The share of injectables (both branded and generic) has grown to 23.3% of US sales in FY20, up from 17.2% of US sales in FY19. The dependency on oral solids has reduced; the share of oral solids at 64.1% in FY20 is down from 69.2% in FY19.

The US business has maintained its growth momentum across business segments. New product launches coupled with an increase in the market share of existing products led to an improvement in the revenues. Your Company has launched 34 products in FY20. The Rx share in USA has increased to 8.5% for the 12 months ending April 2020 from 7.0% for the 12 months ending April 2019, as per IQVIA data.

Acrotech Biopharma successfully transitioned seven USFDA approved hematology-oncology products from Spectrum Pharmaceuticals. It also acquired a well-established and experienced branded commercial infrastructure to continue marketing these brands. The Company is focused on commercialization by strategically differentiating its key brands through various awareness and promotional initiatives.

Your Company continues to strengthen its pipeline for the global markets including US market. As on 31 March 2020, your Company filed 586 Abbreviated New Drug Applications (ANDAs) on a cumulative basis. Of the total count, 397 have received final approvals and 28 have got tentative approvals, including 8 ANDAs, which are tentatively approved under the US President's Emergency Plan for AIDS Relief (PEPFAR), while 161 ANDAs are currently under review.

Your Company registered a 19.4% growth in its Europe formulations business, as revenue touched ₹59,218.3 million in FY20 compared to the previous year's revenue of ₹49,601.7 million on account of an increased portfolio of offerings. Your Company reported healthy performance in Spain, the UK, Italy, the Netherlands and France. The integration of Apotex Inc.'s businesses with Aurobindo, has strengthened its presence in Europe. Your Company now operates in 11 countries and is present across multiple channels including pharmacy (Rx), hospital (Hx) and tender (Tx). Your Company's focus will remain on filing more products on a consistent basis, diversifying its existing product portfolio, reaching out to critical markets, and streamlining of sales, marketing and channels of operation.

Your Company's Formulations sales in Growth Markets including Brazil, Canada, Columbia and South Africa grew by 13.5% to ₹13,550.8 million as compared to ₹11,936.5 million in FY19. In Canada, your Company is the eighth largest generic company in terms of value for the 12 months ended March 2020 as per IQVIA data. During the year, your Company has launched 13 products and submitted dossier filings for 13 products.

The ARV Formulations business reported a growth of 28.7% with revenues of ₹12,514.8 million vis-à-vis ₹9,724.8 million, a year ago. The significant early mover advantage Aurobindo had in TLD (Tenofovir 300mg + Lamivudine 300mg + Dolutegravir 50mg tablet) single pill regimen along with rapid conversion of TLE to TLD in the institution segment has contributed towards this growth. South Africa being the single largest PLHIV market, has adopted the new TLD combination in its National Guideline this year as the first line, and began administering TLD therapy to both new and existing patients taking TEE (Emtricitabine based regimen). Aurobindo has secured a good percentage share in national ARV tender for both - TLD as well as for Dolutegravir single dose. It is expected to generate more sales in the coming two years. The number of patients on TLD is expected to move above 4 million, since the time national procurement for the Dolutegravir regimen began in Q4FY20.

We have been constantly reviewing and upgrading our compliance standards in all our processes and systems to ensure that our products meet the expectations of customers and patient needs.

OUTLOOK

Aurobindo believes a diversified product basket helps to grow the business consistently and continuously. Your Company has identified complex and differentiated products in multiple therapeutic areas from where it will launch the next phase of growth. Aurobindo follows a strategy of filing for select, differentiated products and as the approvals are received, commercialisation leads to market expansion.

Your Company is determined to build a diverse and robust specialty products portfolio comprising oncology & hormonal products, biosimilars, depot injections, vaccines, topicals, transdermal patches, inhalers, nasals and complex peptide products. The recent acquisition of vaccine technologies will add more products and scale to the vaccine portfolio.

The US and Europe are the key geographies for your Company, which is committed to growing all its business segments. In the US, over 180 ANDAs are awaiting for final approval and annual sales as per IQVIA data is US$ 80 billion as on 31 March 2020. Apart from this, over 350 ANDAs are under development, including the differentiated pipeline.

In the Europe, generic penetration continues to improve in countries like Italy, Spain, Portugal and France. Your Company will continue to expand its portfolio through launches of targeted Day 1 products, in the oncology, hormones, injectables and orals segments. Your Company has a pipeline of over 250 products under development. Going forward, Aurobindo will start supplying Eugia Pharma's products in Europe. Your Company will focus on driving topline growth and maintaining strong focus on improving profit margins.

Aurobindo ramped up its ARV capacities in tune with market uptake, thereby achieving a dominant market share in Dolutegravir segment. Majority of the countries are rapidly converting to TLD first-line regimen and this is expected to grow this market in the coming years. Overall, Aurobindo's strong presence in the global HIV space has been growing at a consistent pace and your Company is on track to exceed its objective of helping treat more patients across the globe.

In its API business, Aurobindo will continue to focus on complex products with varying volumes and continuous improvement in manufacturing processes. Your Company has consistently increased production volumes and expects to improve further in the coming years.

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/specialty products.

In financial performance, your Company will focus on improving EBITDA margin driven by operational excellence and scale.

Your Company intends to strengthen cash flow and consistently reduce debt.

RESEARCH AND DEVELOPMENT (R&D)

With research and development being a major focus area, Aurobindo has a committed and talented team comprising more than 1,600 scientists and experts, who work on developing a wide range of medications from generics to complex speciality products. Currently, Aurobindo has eight Research and Development (R&D) centres, of which five are in India and three are in the USA. During FY20, your Company invested 4.1% of its consolidated revenue or ₹9,580 million in research and development.

Aurobindo is developing several specialty 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. Your Company's focus is on developing affordable generic medications and products that would be accessible to all strata of society. Given the increasingly high cost of healthcare worldwide, it is imperative that cost effective, high-quality generics as well as the branded generic products are made available to patients.

Your Company has identified six 505(b)(2) projects (which are orals, injectable and topicals products) for development. These products are developed in your Company's India and North Carolina R&D centres. Most of these products require pre-clinical safety apart from regular clinical studies and formulation development. APIs are being developed in-house wherever possible.

Your Company is also in the process of building manufacturing facilities for topical, transdermal and inhaler products in Hyderabad, India and Aurolife Pharma Unit-II, North Carolina, USA. Besides this, your Company has built a development lab in its Research Centre-II, which is based at Hyderabad.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

Your Company has always been committed towards environmental, health and safety measures. This positive attitude is driven not only by our dedicated EHS Team but also extends to our employees. Besides, it is understood by all of us that the responsibility and accountability for environment, health and safety rests with each individual.

Performing work safely and responsibly starts with our management systems and standards and continues with the expertise and diligence of our employees and associates worldwide. Each day, it is our integrity, attention to detail and concern for the health and safety of personnel and the environment in which we live that enables us to provide consistent superior performance, quality services, cost competitiveness and customer satisfaction.

Protecting our employees, the public and the environment is held as a core value. We take a firm stance that no business objective will take priority over environment, health and safety and no task is so important or urgent that it cannot be completed safely.

Environment

Your Company strongly believes that compliance with environmental regulations is the most important responsibility for an existing business entity. We continuously monitor and regulate emissions as well as discharge of wastes. It is ensured that wastes get segregated at the very source of generation. Besides optimising utilisation of natural resources such as water and coal, we ensure effective and timely treatment, reuse or disposal of wastewater and wastes. We have been quick enough to embrace, and integrate new technologies for collection, storage, treatment and management of wastes. Database development on sustainability performance including environmental and resource utilisation has been initiated. We have initiated a process to increase export shipments by sea and effectively reduce our carbon footprint.

Inorganic solid and hazardous wastes are disposed off to secure landfills whereas organic solid and liquid wastes are disposed off to cement units for co-processing. Biomedical wastes are sent to common biomedical waste treatment and disposal facility (CBWTF) whereas recyclable wastes such as waste oils, e-waste and batteries are sold to authorised vendors or suppliers.

Using the Membrane Bio Reactor (MBR) technology introduced at one of the manufacturing facilities in the year FY19, we have been treating approximately 500 kilolitres per day of wastewater.

At the API manufacturing units, emission control and mitigation practices are scrupulously followed whereas corporate inspections are done on a fortnightly basis. Monitoring and review of all critical environmental management attributes are done daily at the site level as well as at the corporate level.

Greenbelt development across our manufacturing facilities is an ongoing activity. Continuous monitoring and maintenance activities resulted in more than 80% survival of the developed greenbelts. During FY20, we had planted around 11,400 trees. In-house composting of garden waste is also done in some units and the same is used for the greenbelt. Apart from this, we are also involved in state government initiatives for promoting green cover in schools and villages like 'Harithaharam' in Telangana and 'VanamManam' in Andhra Pradesh.

Health

Being an organisation that provides healthcare solutions to the entire world, we believe that it is our responsibility to care for the health and well-being of our employees. Not only do we abide by the mandatory rules and regulations but always strive to go beyond.

We are in collaboration with 'The Access to Medicine Foundation' and are a member of the 'AMR Industry Alliance'. Via this alliance, we have continued our efforts towards aligning several pharmaceuticals, generic, biotech and diagnostic companies towards carrying out research work and curbing antimicrobial resistance.

During FY20, we took up several new initiatives which included setting standard requirements for occupational health monitoring, exceeding the minimum legal requirements, performing trend analysis of employee health data to improve predictability, etc.

Safety

Our fundamental belief is that the employees of Aurobindo Pharma shall be provided a safe and healthy workplace. To that end, we follow global safety guidelines across all our manufacturing units and offices.

As per our safety rules and policies, it is a mandatory requirement that all new projects, be it construction of our office buildings, manufacturing plants or distribution centres, get EHS clearance at the planning stage. Moreover, a review of these constructed assets is done to certify that laid standards have been adhered with.

Safety is a must in all our production processes. The inclusion of our safety guidelines in the Batch Production and Control Record (BPCR) ensures greater workplace safety and prevents the occurrence of any accident in the production process.

Several initiatives taken up during the year to enhance our Company's overall safety levels include enhancing fire fighting systems (sprinkler systems), fire detection systems, automatically activating extinguishing systems, etc. Employee awareness and training was given higher importance so that employees become aware of risk reduction measures and act accordingly. Software modelling was used to perform quantitative risk assessment for flammable solvent storage areas and to ensure adequate risk control.

We have initiated environmental management systems for effective environmental management and as a part of this, 14 units of the company are already certified for ISO 14001:2015, whereas the other units are awaiting ISO 14001:2015 certification which will be completed by the end of the year 2020 except for unit XVII and XVIII where commercial production is yet to begin. Aurobindo has been participating in the 'ECOVADIS Corporate Social Responsibility (CSR) rating system since 2017 and all our customers have access to this assessment score.

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

Aurobindo recognised that AMR is a threat and has taken proactive steps to ensure it is at the forefront of the fight against it. The Company collaborated with The Access to Medicine Foundation and participated in The Antimicrobial Resistance Benchmark 2018 and 2020. Aurobindo has been among the 9 generic medicine manufacturers out of 30 pharma companies that were selected for AMR Benchmark 2020 wherein the companies were evaluated based on R&D, Responsible Manufacturing and Appropriate Access & Stewardship.

During the year 2019, Aurobindo became a member of AMR Industry Alliance, a coalition of over 100 biotechnology, diagnostic, generics and research-based biopharmaceutical companies and trade associations across the world that was formed to drive and measure industry progresses to curb antimicrobial resistance. Aurobindo was one of the 7 generic medicine manufacturers out of 65 Alliance members who participated in the survey report 2020. The Alliance's metrics on combating AMR have been developed across four areas: Research and Science, Access, Appropriate Use, and Manufacturing that formed the basis of 2020 Progress Report published by the Alliance.

As a member of Bulk Drugs Manufacturers Association (India), Aurobindo is contributing to the research studies taken up by the Association on AMR. Aurobindo, as Member of BDMA (I) took participation in all technical interaction sessions/meetings organized by national level environmental regulatory agencies in their attempts to fix environmental standards with regard to antibiotics.

AWARDS AND ACCOLADES

- Indian Pharmaceutical Association (IPA), ACG Worldwide (ACG) & SciTech (SciTech Centre) jointly announced awards for the best innovations in the development of packaging of pharmaceuticals for the year 2018. Aurobindo Pharma Limited won the Best Innovative Packaging Award for solid dosage form.
- The Aurobindo Pharma Foundation has received a Gold Medal from the Hon'ble Governor of Andhra Pradesh & President of the Indian Red Cross Society A.P., for providing the Brachytherapy Unit for cancer treatment.
- UBM India, a multinational media company and global B2B event organiser has announced the INDIAPACK awards. Aurobindo Pharma Limited has been awarded INDIAPACK-2018 by UBM India under the following three categories, which is the highest in terms of number of awards nationwide in the industry:
  - Excellence in Packaging Design Shapes & Structures
  - Excellence in Sustainable Packaging
  - Excellence in Design - POS
- Aurobindo Pharma Ltd has bagged the coveted 14th National BML Munjal Award for 'Business Excellence through Learning & Development' in the Private Sector Manufacturing category from Bharat Ratna Pranab Mukherjee, Former President of India.
- Aurobindo Unit-III has bagged the Special Commendation Award in the Golden Peacock Environmental Management

Awards 2019 from the Institute of Directors (IOD). These awards are regarded as a benchmark of corporate excellence worldwide.

- Aurobindo has been awarded as Best Energy Efficient Organization under Large Scale Industry Category in CII's 4th edition of National Energy Efficiency Circle Competition. With more than 200 best case studies on energy efficiency from business, industry and institutions across India, Aurobindo got national recognition for outstanding contributions made in the area of energy efficiency at Unit-I.

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.

During the year, the following are the changes in the subsidiaries of the Company:

Ceased subsidiaries / JVs

Aurobindo Pharma USA LLC, USA, a wholly owned subsidiary of Aurobindo Pharma USA Inc. was inoperative hence, it was sold w.e.f. 15 November 2019.

New subsidiaries / JVs

Aurobindo NV/SA, Belgium, a wholly owned subsidiary of Agile Pharma B.V., has been incorporated w.e.f. 17 December 2019.

Longxiang Pharma Taizhou Co. Ltd, China, a joint venture under Helix Healthcare B.V. has been incorporated w.e.f. 28 October 2019.

Auro Packaging LLC, USA, a 100% subsidiary of Aurobindo Pharma USA Inc., has been incorporated w.e.f. 1 April 2019.

Luoxin Aurovitas Pharm (Chengdu) Co. Ltd, China, a joint venture of Helix Healthcare B.V., has been incorporated w.e.f. 25 March 2019.

Auroactive Pharma Private limited, India, a wholly owned subsidiary has been incorporated w.e.f. 9 January 2020.

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 31 December 2018, Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from 1 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/wp-content/uploads/2019/04/Code-Fair-Disclosure-PIT-Feb2019.pdf

VIGIL MECHANISM

The Board of Directors has 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 behavior. 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 behavior, actual or suspected fraud or violation of 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 victimization 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/2019/04/Whistle-Blower-Policy-APL-clean.pdf

PREVENTION AND PROHIBITION OF SEXUAL HARASSMENT

Your Company has a policy and framework for employees to report sexual harassment cases at 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 is 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, four Board Meetings and five Audit Committee Meetings were convened and held. The details of the meetings including composition of 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 & KEY MANAGERIAL PERSONNEL

Key Managerial Personnel

Mr. K. Nithyananda Reddy, Whole-time Director and Vice Chairman, Mr. N. Govindarajan, Managing Director, 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 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. K.Ragunathan, Dr(Mrs) Avnit Bimal Singh and Mrs.Savita Mahajan were re-appointed as Independent Directors of the Company. Mr. P.Sarath Chandra Reddy was re-appointed as Whole-time Director of the Company during the year.

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.

Appointments/Re-appointment

As per the provisions of the Companies Act, 2013, Mr. K. Nithyananda Reddy and Mr. M. 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.

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 a 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). 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 recognizes and embraces the importance of a diverse board in its success. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of 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 made 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 done 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 2019-20. 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 questionnaire 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 organization'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 placed on the Company's website: https://www.aurobindo.com/wp-content/uploads/2018/10/Nomination-and-Remuneration-Policy.pdf

TRANSFER TO RESERVES

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

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/2018/10/Related-Party-Transaction-Policy.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 subsection (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.

EXTRACT OF ANNUAL RETURN

As required under Section 134 (3) (a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return prepared in Form MGT-9 is in **Annexure-3** to this report. The Annual Return of the Company is also available on the Company's website: www.aurobindo.com

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-4** to this Report.

RISK MANAGEMENT COMMITTEE

Risk Management Committee of the Company consists of the following Directors viz. Mr. M. Sitarama Murty, Mr. N. Govindarajan and Mr. P. Sarath Chandra Reddy. Mr. M. Sitarama Murty 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 risks which the Company faces in its day-to-day operations. Risk management policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. Risk is an integral part of the Company's business, and sound risk management is critical to the success of the organization. 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 regular basis at the time of review of 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

The statutory auditors' report is annexed to this 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 specifications, reservations, adverse remarks on disclosure 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.

Pursuant to Section 139 (2) of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the Company at its 30th Annual General Meeting (AGM) held on 31 August 2017, had appointed M/s. 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. Further, as per Companies (Amendment) Act, 2017 effective from 7 May 2018, the provisions relating to ratification of the appointment of Statutory Auditors at every AGM are not required to be followed.

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 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 were undertaken and thereby strengthened the controls. Significant audit observations and action plans were presented to the Audit Committee of the Board on quarterly basis.

COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the Company is maintaining the cost records as its business is covered under the regulated sector viz. drugs and pharmaceuticals. Audit of the Company's cost records is not applicable since the Company's revenues from exports, in foreign exchange, exceed 75% of its total revenues.

INTERNAL FINANCIAL CONTROLS

The internal financial controls (IFC) framework institutionalized 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 programs and data, program development and program 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 authorization levels.

In order to further strengthen the existing IFC framework and to 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 & 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 Audit Committee for its review.

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;
- 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 2019-20. The Secretarial Audit Report issued in form MR-3 is in **Annexure-5** to this Report.

There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report. Also, pursuant to Regulation 24A of the SEBI (Listing Regulations), 2015, the Company has obtained 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 CA 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established the Corporate Social Responsibility Committee (CSR Committee). Your Company is striving to help create a healthy, improved life for people in its neighbourhood. Broadly, the initiatives are to execute on the stated CSR policy of 'give back to the society' and make an impact on the lives of people. The activities undertaken during 2019-20 can be summarized under the following heads:

- Promoting education;
- Supporting preventive health care;
- Eradicating hunger, poverty & malnutrition;
- Making available safe drinking water;
- Encouraging environment sustainability;
- Sustaining ecological balance & conservation of natural resources;

- Developing rural sports; and
- Setting up old age homes.

A detailed account of the CSR activities forms part of the annual report and placed on the Company's website at: https://www.aurobindo.com/sustainability/. Report on Corporate Social Responsibility as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is in **Annexure-6** 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-7** 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 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 31 March 2020 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 from the unpaid dividend account to the Investor Education and Protection Fund (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 2019-20 have been provided in the AGM Notice.

SHARE CAPITAL

During the financial year under review, there has been no change in the Authorised Share Capital of the Company. However, the paid-up equity share capital of the Company increased by ₹23,000 during the year consequent to the allotment of 23,000 equity shares of ₹1 each on exercise of stock options under the Employee Stock Option Plan-2006 (ESOP 2006) of the Company. The paid-up share capital of the Company as on

31 March 2020 was ₹585,938,609 divided into 585,938,609 equity shares of ₹1 each. The Company has not issued any debentures, bonds or any non-convertible securities during the financial year under review.

EMPLOYEE STOCK OPTION SCHEME

The Members at the Annual General Meeting of the Company held on 18 September 2006 approved formulation of Employee Stock Option Scheme - 2006 (ESOP 2006) for the eligible employees and Directors of the Company and its subsidiaries. Details of the stock options as on 31 March 2020 are provided on the Company's website: https://www.aurobindo.com/about-us/corporate-governance/governance-policies/. The details of the employee stock options also form part of the notes to accounts of the financial statements in this Annual Report.

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.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

Acquisitions / Disinvestment/ demerger/merger

Acquisition of Certain R&D Assets from Profectus

- The Company during the year through Auro Vaccines LLC, 100% subsidiary of Aurobindo Pharma USA Inc., USA, which in turn is 100% subsidiary of the Company, acquired certain R&D assets from 'Profectus BioSciences Inc'., USA, a clinical-stage vaccine development company in the design and development of preventive and therapeutic vaccines for an upfront cash consideration US$11.29 million with potential earn outs on achieving certain milestones. This acquisition provided access to Proprietary & Innovative technology platforms for Prophylactic use & Therapeutic use along with Global R&D center to develop newer vaccines from basic discovery research into FDA-approved product.

Mutual termination of acquisition of certain assets from Sandoz

- During April 2020, the Company has mutually agreed with Sandoz and terminated the definitive agreement entered into for acquisition of commercial operations and three manufacturing facilities in USA from Sandoz Inc., USA, a Novartis Division since approvals from the U.S. Federal Trade Commission for the transaction was not obtained within anticipated timelines.

Merger Scheme

- During the year, the Board of Directors of the Company at its meeting held on 28 May 2019 has approved the Scheme of Amalgamation for Merger of its wholly owned subsidiaries viz. APL Healthcare Limited, APL Research Centre Limited, Aurozymes Limited, Curepro Parenterals Limited, Hyacinths Pharma Private Limited and Silicon Life Sciences Private Limited (a stepdown wholly owned subsidiary) with the Company. Accordingly, the Company has made application on 7 August 2019 with Hon'ble National Company Law Tribunal, at Hyderabad (NCLT). Pursuant to the orders dated 30 September 2019, the required approvals of the Shareholders and unsecured creditors were obtained at the meetings held on 30 November 2019.

- Subsequently, a joint petition was filed with NCLT on 9 December 2019 which has been admitted. The matter was listed for final hearing on 28 February 2020 and adjourned to 23 March 2020. Due to COVID-19 lockdown restrictions, the matter of sanction of the Scheme is yet to reach the bench of Hon'ble NCLT.

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity in many countries. Suitable measures have been taken to derisk the impact of COVID-19 and lockdowns on the operations of the Company. Your Company being a pharma company, was permitted to operate normally and during the lockdown periods, Company's operations were not majorly impacted.

CREDIT RATING

The Company has obtained the Credit ratings from India Ratings & Research Private Limited and it has assigned IND AA+/ RWE / IND A1+ / RWE on Rating Watch Evolving for Company's fund-based working capital facilities and IND A1+ / RWE on Rating Watch Evolving for Company's non-fund-based working capital limits vide their letter dated 23 October 2019.

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: 3 June 2020

Management Discussion & Analysis

ECONOMIC OVERVIEW

WORLD

Economic activity worldwide slowed down in 2019 for both advanced and emerging economies owing to trade and tariff-related uncertainties between the global powers, along with tepid consumer and investor sentiments.

The US economy is estimated to have grown by 2.3% in 2019, driven by improved consumer spending, employment generation and manufacturing activity.

Global Growth Trends (%)

	Actual	Projections	
Particulars	2019	2020	2021
World Output	2.9	-4.9	5.4
Advanced Economies	1.7	-8.0	4.8
US	2.3	-8.0	4.5
Eurozone	1.3	-10.2	6.0
Japan	0.7	-5.8	2.4
UK	1.4	-10.2	6.3
Other Advanced Economies	1.7	-4.8	4.2
Emerging Markets and Developing Economies	3.7	-3.0	5.9
China	6.1	1.0	8.2

Source: International Monetary Fund (IMF)

Outlook

The International Monetary Fund (IMF) projects that global economic activity will grapple with unprecedented contraction in 2020, owing to the COVID-19-led lockdown and the consequent suspension of economic activity. As per the IMF's April World Economic Outlook, global growth will contract by 4.9% in 2020, vis-à-vis 2.9% growth in 2019, and subsequently, mark a V-shape normalisation to 5.4% growth in 2021, although half of it will come on a lower base. Further, the global trade volume in goods and services will slip into a degrowth of 11% in 2020 from an already sluggish growth of 0.9% in 2019, before growing by 8.4% in 2021.

INDIA

India continued to be one of the most robust and resilient economies of the world in 2019. During FY20, the economy grew by 4.2%, suffering primarily from inadequate credit availability owing to challenges in the financial sector. The combined impact of muted domestic demand and export markets dragged down capacity utilisation of industries.

The Government of India undertook proactive initiatives such as reducing corporate tax rates and offering credit guarantee for financially sound Non-Banking Financial Corporations (NBFCs). The year also witnessed easing of monetary policy by the Reserve Bank of India (RBI) with significant reduction in the repo rate. Driven by fiscal and monetary policy initiatives, the economy began to show early signs of recovery. However, the COVID-19 outbreak in the fourth quarter of the year made recovery an uphill task.

India's growth pattern (%)

FY16	FY17	FY18	FY19	FY20
8.0	8.2	7.2	6.1	4.2

Source: Economic Survey of India 2019-20; Central Statistics Office

Outlook

The Government of India has already announced a significant relief package of ₹20 trillion, aimed at providing a safety net to the most vulnerable sections of society. Targeted relief measures have also been designed for sectors that are hardest hit by the pandemic such as financial services and micro, small & medium enterprises (MSMEs).

The positive indicators are moderate inflation and low crude prices resulting in declining trade deficit. These factors allow the Government of India adequate room for providing additional fiscal and liquidity support to the economy.

INDUSTRY INSIGHT

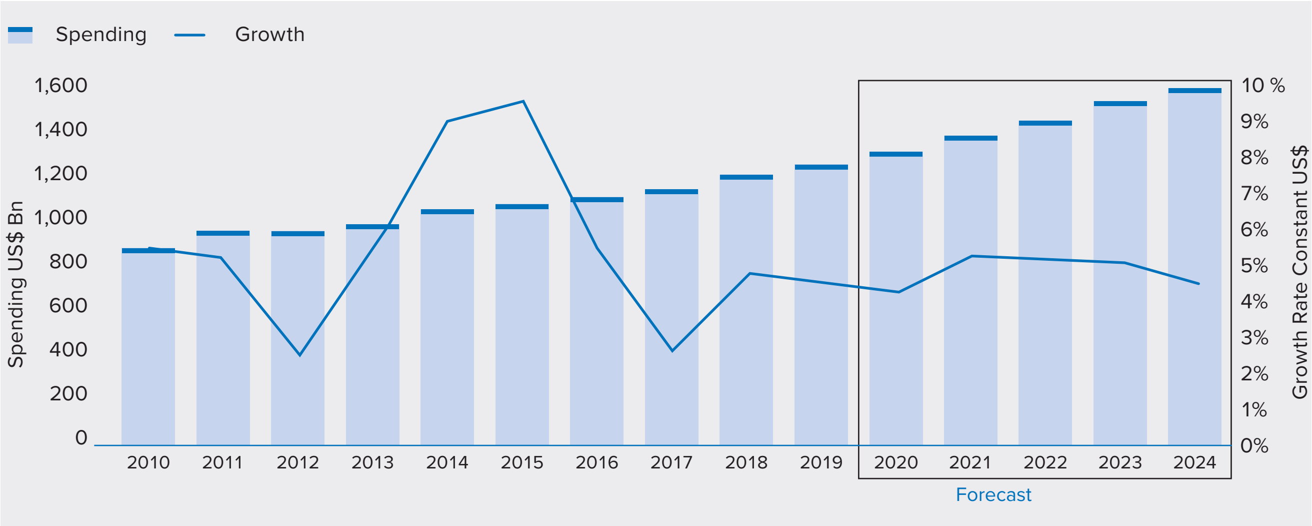
GLOBAL PHARMACEUTICAL INDUSTRY

Globally, the use of medicines has grown considerably in the past decade, particularly in chronic and high-priority segments. The spending for pharmaceuticals registered an invoice value of US$1.25 trillion in 2019, and is expected to grow at 3-6% CAGR through 2024, reaching US$1.5-1.6 trillion. The rise in spending is partly due to increased usage and partly driven by changes in the speciality and innovative product composition of new brands.

Developed markets are expected to see enhanced spending from US$821.6 billion in 2019 to US$985-1,015 billion in 2024, at 2-5% CAGR. On the other hand, pharmerging markets are likely to grow from US$357.7 billion in 2019 to US$475-505 billion in 2024, at 5-8% CAGR.

The front-ranking nations in pharma spending in 2024 are likely to be the US, China, Japan, Germany, Brazil, Italy, France, the UK, India and Spain. (Source: IQVIA)

Global medicine spending and growth 2010-2024



Source: IQVIA Market Prognosis, September 2019; IQVIA Institute, December 2019

Global pharmaceutical spending and growth

US

	2019 (US$ Billion)	2014-2019 CAGR	2024 (US$ Billion)	2020-2024 CAGR
Developed	821.6	3.8%	985-1,015	2-5%
Pharmerging	357.7	7.0%	475-505	5-8%
Rest of the world	71	4.8%	85-95	2-5%
Global	**1,250.4**	**4.7%**	**1,570-1,600**	**3-6%**

Source: IQVIA Market Prognosis, September 2019; IQVIA Institute, December 2019

KEY INDUSTRY TRENDS

Specialty medicines: Specialty drugs are used to treat complex or rare chronic conditions. In developed markets, around 44% of spending in 2019 was focused on specialty products; and is likely to touch 52% in 2024. In pharmerging markets, specialty medicines accounted for 14% of spending in 2019, and are expected to reach 15% in 2024. Of the US$354 billion spent by developed markets on speciality products in 2019, 30% was on oncology products. Oncology spending is likely to be the largest contributor to speciality spending, with a projected increase of 51% through 2024, indicating faster innovation and rapid launch of new pipeline of drugs. Autoimmune therapy spending comprised 17% of total spending in 2019, while HIV accounted for 8% of speciality products; going forward both the segments are likely to witness faster growth.

Biosimilars: Biosimilars are similar versions of biologics, which are made from microorganisms found in plant or animal cells. There has been an ever-increasing demand for pharmaceuticals and for cost effective and more accessible drugs. This makes the biosimilar market an attractive growth proposition in the foreseeable future. The USFDA expects to review more biosimilar applications in 2020, as 66 biologic US patents are expiring within the next five years. This will eventually bolster the growth of the biosimilar segment.

Big data and Artificial Intelligence (AI): Big data and Artificial Intelligence now have a presence in almost every industry. The International Society for Pharmacoepidemiology (ISPE) and its members are working on the roadmap to implement Pharma 4.0 model for the future. Through enhanced digitalisation, Pharma

4.0 will connect the medical fraternity much more cohesively, creating new levels of transparency and speed for a digitalised plant floor. This will not only enable faster decision-making, but also provide in-line and in-time control over business, operations and quality. Robotic technology and Artificial Intelligence (AI) would soon be used to reduce manufacturing floor downtime and product waste. Besides, single-use disposable solutions are gaining momentum, replacing open transfer manufacturing techniques for safer drug storage and transport.

Precision medicine: Precision medicine, also known as personalised medicine, is a process of diagnosing and providing customised medicines and treatment based on an individual's predicted response. Considered niche, these medicines are slowly gaining traction with more and more of such medicines passing the clinical stage and getting ready for the new-age market. In the last five years, investment in personalised medicine has doubled in size and its production is expected to increase by approximately 33% by 2025.

Mergers and acquisitions (M&A): Despite a global slowdown in most other sectors, M&A in the pharma industry remained vibrant throughout 2019. The total value of deals during 2019 stood at US$1.2 trillion. Some of the biggest companies in the industry are consolidating to elevate their position in a highly competitive environment. Increased regulatory pressure from the governments to reduce drug prices and remove potential monopolies is likely to impact margins.

(Source:netscribes.com)

REVIEW OF KEY GLOBAL MARKETS

USA

USA continues to rank at the apex of the world's pharmaceutical spending, contributing about 41% of the total market. The spending is likely to grow from US$510 billion in 2019 to US$ 605-645 billion by 2024, at a CAGR of 3-6%. However, the US market was ranked fourth in overall growth potential, trailing behind high-growth emerging markets such as China, India and Germany. Encouragingly noteworthy is the fact that the country has the highest biological processing quality and is perceived to have the largest growth potential for biologics manufacturing.

With the raging COVID-19 pandemic disrupting supply chains and the government's increased attention on drug pricing, the market is likely to be volatile and margins will be under constant pressure. The US Department of Health and Human Services (HHS) and the USFDA are making concerted efforts to drive speciality product development and expedite regulatory pathways that recognise unmet clinical needs. Besides, support for the generics market will be considerably higher in the forecast period (2020-2024), with the patent expiry of existing drugs.

(Source: IQVIA)

US pharmaceutical spending and growth (US$ billion)

2019	2014-2019 CAGR	2024	2020-2024 CAGR
510	4.3%	605-635	3-6%

Source: IQVIA Market Prognosis, September 2019; IQVIA Institute, December 2019

Europe

In 2019, the total pharma spending in the top five European countries stood at US$174 billion, registering a 4% CAGR over the previous five years. In 2019, the launch of new products in Germany and measures by France to improve biosimilar uptake with an aim to achieve 80% penetration by 2022, have played an important role.

Europe has adopted globally acknowledged standards and the authorities' efforts to seek out new interest to create a more competitive and therefore more accessible market. During the year, the European Union adopted manufacturing waivers to supplementary protection certificates (SPCs), a move supported by generics and biosimilars producers and Active Pharmaceutical Ingredient (API) manufacturers. The manufacturing waiver for SPCs had been a subject of great debate between the generics/biosimilars industry and innovator drug companies. The companies would now be able to start manufacturing under the waiver from July 2022, which provides a positive outlook for the years to come.

EU5 pharmaceutical spending and growth (US$ billion)

2019	2014-2019 CAGR	2024	2020-2024 CAGR
174	4.0%	210-240	3-6%

Source: IQVIA Market Prognosis, September 2019; IQVIA Institute,

Going forward, with a 3-6% CAGR, pharmaceutical spending in the top five European Union (EU5) markets is projected to grow to US$210-240 billion by 2024. The main driver behind this growth would be the launch of latest generation innovative specialty products. However, government led price control initiatives to improve patient access to these specialty products is expected to act as a counter-balancing force to this growth. (Source: IQVIA)

Pharmerging markets

During 2014-19, spending on pharmaceuticals has increased at a CAGR of 7%, reaching US$358 billion by the end of 2019. Pharmerging markets comprised 28% of global pharmaceutical spending in 2019. A significant proportion of this spending and market growth has been driven by enhanced access to chronic and specialty medications, leading to the ramp-up of volumes and adoption of more novel therapies.

Pharmerging markets – Pharmaceutical spending and growth

(US$ billion)

Region/ Country	2019	2014-2019 CAGR	2024	2020-2024 CAGR
Pharmerging markets	358	7.0%	475-505	5-8%
China	142	6.7%	165-195	5-8%
Tier 2*	71	9.4%	90-120	7-10%
Brazil	32	9.9%	45-49	6-9%
India	22	9.5%	31-35	8-11%
Russia	16	8.4%	23-27	8-11%
Tier 3	145	6.2%	195-225	5-8%

Source: IQVIA Market Prognosis, September 2019; IQVIA Institute, December 2019; *Tier 2 includes Brazil, India and Russia

Going forward, pharmaceutical spending in pharmerging markets is expected to account for 30-31% of global pharmaceutical spending in 2024. These markets are expected to continue to grow with a 5-8% CAGR through 2024, as against historical 7% CAGR during the period 2014-19.

The growth in pharmerging markets is likely to be driven by a higher volume growth for branded generics and pure generic medicines. The volume growth would be led by increasing access to the newly introduced medicines by the consumers in these markets. Also, some of the latest generation innovative drugs are likely to be launched in these markets, but expecting that the prices of such products would be high, the rise in their purchases is likely to be limited. (Source: IQVIA)

India

India is now looked upon as the pharmacy of the world. Besides being the largest provider of generic drugs globally, India's pharmaceutical industry meets 50% of the global vaccines demand, 40% of the generic medicine demand in the US and 25% of the entire demand for medicines in the UK.

During 2014-19, the domestic market grew at a CAGR of 9.5% to reach US$22 billion. Presently, over 80% of the antiretroviral drugs being used globally to combat acquired Immunodeficiency syndrome (AIDS), are supplied by Indian pharmaceutical firms. Pharmaceuticals exports from India stood at US$20.6 billion in FY20 up from US$19.1 billion in FY19. Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals.

India's pharmaceutical spending and growth (US$ billion)

2019 (US$ billion)	2014-2019 CAGR	2024 (US$ billion)	2020-2024 CAGR
22	9.5%	31-35	8-11%

Source: IQVIA Market Prognosis, September 2019; IQVIA Institute, December 2019

Government focus on India's healthcare

The Government of India has been taking several steps to reduce costs of medicines and bring down healthcare expenses. Accelerated introduction of generic drugs into the market has remained in focus, which is expected to benefit both the consumers as well as the Indian pharmaceutical companies.

In November 2019, the Union Cabinet approved the extension/renewal of the existent Pharmaceuticals Purchase Policy (PPP), with the same terms and conditions, while adding one additional product namely, Alcoholic Hand Disinfectant (AHD) to the existing list of 103 medicines, till the final closure/strategic disinvestment of the Pharma CPSUs.

In the Union Budget 2020-21, the government allocated US$ 9.30 billion (₹650.1 billion) to the Ministry of Health and Family Welfare and US$4.88 billion (₹341.2 billion) towards the National Health Mission to benefit all sections of the society, especially the economically disadvantaged.

Going forward, India's pharmaceutical industry is expected to grow at 8-11% CAGR to US$31-35 billion by 2024. The country has a good mixture of high-end chemistry skills, cost effective labour and the ability to manufacture quality drugs as per the requirements of international regulatory agencies. In addition, there has been a constant focus on rural health programmes, lifesaving drugs and preventive vaccines by the Government of India. India will continue to be an important player in the global generics market. (Source: IQVIA and IBEF)

ABOUT AUROBINDO PHARMA

Aurobindo Pharma Limited (Aurobindo Pharma) is a leading global pharmaceutical company, producing generic formulations and Active Pharmaceutical Ingredients (APIs). The Company is a vertically integrated generic pharmaceutical company focussed on developing a broad spectrum of products including a complex and differentiated product portfolio. The Company's growth is aided by cost-effective product development and substantial execution capabilities. It leverages India's globally competitive cost base and talented team of scientists to successfully launch affordable products and make them accessible worldwide.

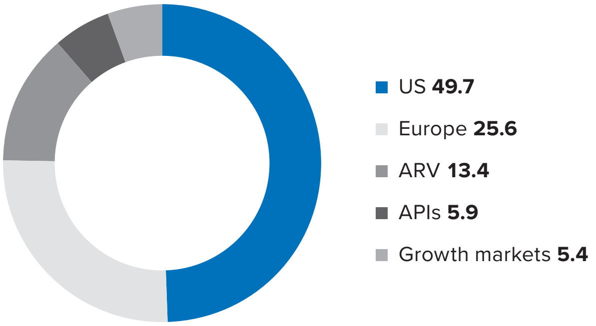
The Company offers a wide range of products and is globally the seventh largest generic company (by revenues) and the second largest listed Indian pharma company (by revenues). It has carved a niche for itself in developing high-quality APIs and finished dosage forms, especially in regulated markets.

With 33 years of experience, eight research facilities and 29 global manufacturing and packaging facilities, Aurobindo enjoys a presence in 155+ markets. Headquartered in Hyderabad, India, it is an Indian MNC that derives 92% of its revenues from international markets.

An empowered workforce of approximately 23,000 people across offices and facilities drives our operations across the globe.

Revenue distribution mix

(%)



Key 2019-20 highlights

- Recorded total growth in revenues by 18.1% y-o-y to ₹230,985 million
- Logged EBITDA of ₹48,643 million, up by 23.1%
- Spent ₹9,580 million (4.1% of revenues) on R&D
- Filed 55 ANDAs with USFDA, of which 19 are injectables and the remaining orals
- Received final approval for 22 ANDAs (including eight injectables) and tentative approval for six ANDAs from the USFDA
- Launched 34 products in the US, including seven injectables
- Filed 12 DMFs with the USFDA, taking cumulative filings to 254 as on 31 March 2020
- Commissioned Eugia Pharma facility for oncology, hormones, injectables and orals
- Started clinical trials for the lead molecule in biosimilar division Bevacizumab and completed clinical trials for the first metered-dose inhaler
- Acquired R&D assets from Profectus BioSicences Inc., USA; the acquisition will provide access to proprietary and innovative technology platforms for prophylactic and therapeutic use, enhancing the Company's research capabilities and expertise in developing newer vaccines from basic discovery research that would culminate in USFDA-approved products.

Formulations business: Integrated manufacturing leverages cost-effective product development

Formulations business contributed 87% to the Company's consolidated revenues in FY20. During the year under review, revenues from this segment clocked in at ₹200,119 million, growing by 23.9% y-o-y.

The Company commands a large portfolio in formulations with 1,200+ products and has 17 formulations manufacturing facilities in India (11), the Netherlands (1), Portugal (1), Brazil (1) and the US (3).

The Company also participates in Antiretroviral (ARV) tenders floated by various independent and government agencies by multi-lateral organisations like United States Agency for International Development (USAID), The President's Emergency Plan for AIDS Relief (PEPFAR) and other health ministries of various countries.

US formulations: Expanding portfolio mix towards differentiated products

As on 31 March 2020, Aurobindo is the second largest generics company in the US in terms of prescriptions (Rx) dispensed as per IQVIA data. The company has significantly strengthened its position over the last five years. The Company's Rx market share increased to 8.5% for 12 months ending April 2020, as against 7% for the 12 months ending April 2019 and 3.8% for the 12 months ending April 2016 as per IQVIA data. The Company has a presence across various segments such as generics (oral, injectable and OTC), branded (injectables) and dietary supplements. During the year, the Company registered a growth of 27.2% at ₹114,835 million.

Filings and approvals in the US

Filings				
FY16	FY17	FY18	FY19	**FY20**
21	30	46	63	**55**

Approvals				
FY16	FY17	FY18	FY19	**FY20**
50	61	50	48	**22**

Oral solids: During FY20, Aurobindo's oral solids segment in the US, reflected a significant growth of 18% that was largely driven by improvement in the volumes of existing products. The oral solid prescription sales increased by 30% (Source:IQVIA data), and the market share of prescription dispensed improved to 9% (Source:IQVIA data), during the financial year. Aurobindo actively markets 190 products, of which 83% rank among the top 4 in the US market. The Company is awaiting final approval for 120 ANDAs as on 31 March 2020, and is in the process of creating an incremental portfolio across the therapies, which will drive growth in the oral solids business.

Injectables: This segment witnessed a robust growth of 31% led by new product launches, pickup in volumes and gain in the market share of existing products. As per IQVIA's 12 months ending March data, the number of eaches have increased by 12% year-on-year. The Company actively markets 47 products, of which 74% rank among the top 4 in the US market. The Company is awaiting final approval for 58 ANDAs as on 31 March 2020. It is on the path of building a future pipeline of complex injectables including depot injections.

Over-the-counter drugs (OTC): The OTC segment recorded a strong growth of 15% and its contribution to the US revenues increased to 3% in 2019-20. Going forward, the switchover of certain medications from Rx to OTC would strengthen the portfolio of branded OTC products.

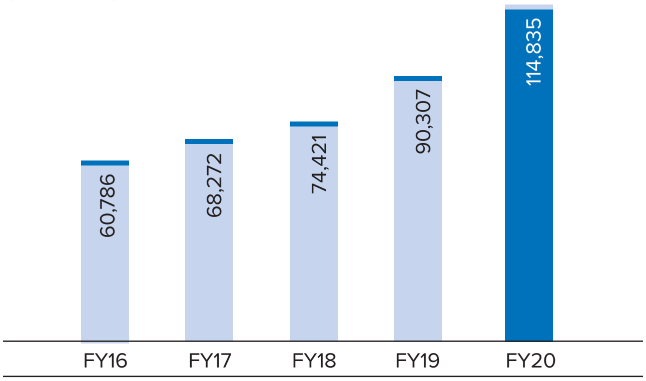
Branded oncology injectable: Aurobindo completed the acquisition of seven marketed branded oncology injectables in March 2019, which allows the Company to enter the branded space with a portfolio of well-known products. Acrotech Biopharma (Aurobindo Pharma's subsidiary) will continue building its commercial infrastructure to maximise the value of its current and future products.

Dietary supplements: Natrol posted a growth of 22% and accounted for 10% of the US revenues. It maintained the growth momentum through new product introduction and geographical expansion.

US formulations revenue trend

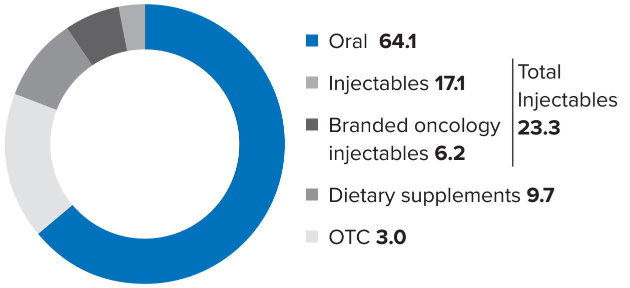
17.2% 5-year CAGR

(₹ in Million)



Revenue mix of the US formulations segment

(%)

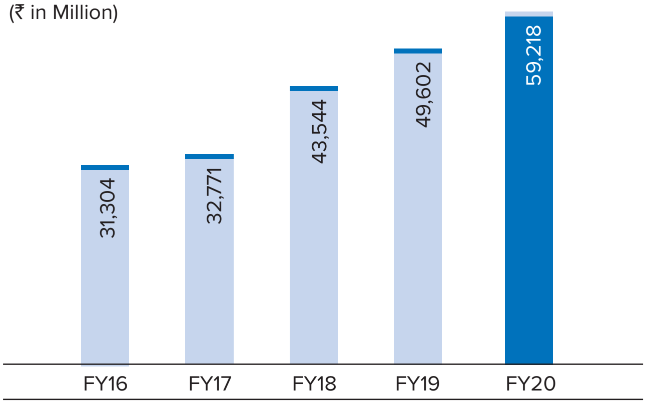


Europe formulations: Deepening the European footprint

Aurobindo is ranked among the top 10 generics companies in 7 out of 11 countries in which it operates. This business vertical delivered a robust performance during the year, with a growth rate of 19% year on year. Its contribution to the total revenues was 26%. The markets of France, the UK, and Italy primarily drove this growth. The Apotex business acquisition has helped the Company to leverage synergies in the European markets. The Company has completed the integration of acquired businesses and is in the process of restructuring the businesses to draw synergies.

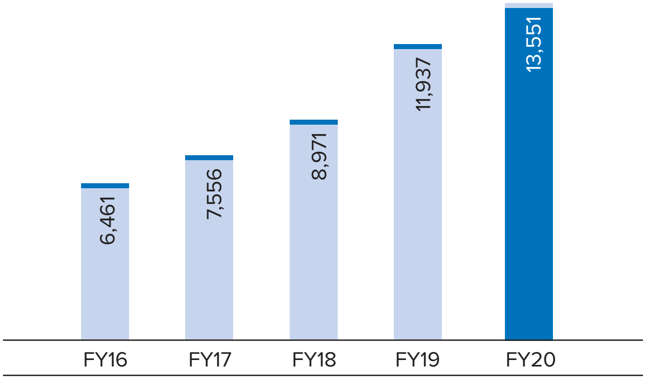
Europe revenue trend

17.3% 5-year CAGR
(₹ in Million)



Growth Markets formulations revenue trend

20.3% 5-year CAGR
(₹ in Million)



Growth Markets formulations

The growth markets formulation business expanded by 14% to reach ₹13,551 million, contributing 5.9% to the Company's total revenues. Key markets include Canada and Brazil. The segment aims to build its presence in branded generics in select growth markets and is deepening its footprint in specific countries, with the Canadian market being the key growth driver.

In Canada, the company has launched 13 products during the year taking total launches to 113. The market share of the Company in value terms increased from 1.7% to 2.4%[1]. During the year under review, the company has filed 13 dossiers and plans to file another 25 products in FY21. Over the next two to three years, the company is aiming to introduce products in Inhalers and Biosimilars.

China is the world's second largest pharmaceutical market with a market size of US$142 billion in 2019 and estimated to reach US$165-195 billion by 2024, indicating a growth of 5-8% (Source: IQVIA). The Company has identified a basket of products for this market and started filing from India. As on 31 March 2020, the Company has filed 15 products. It is also setting up an oral solids formulation facility. The Company has also entered into a joint venture for developing and marketing products.

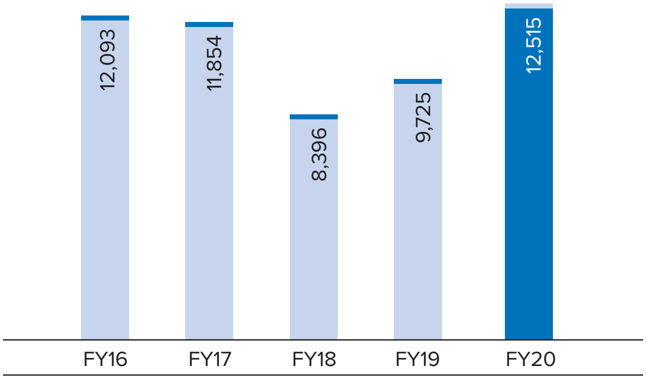
[1]Source: IQVIA

ARV formulations

The Company focuses on global tenders floated by multi-lateral organisations like Global Fund, USAID, PEPFAR and country-specific Ministry of Health tenders. Aurobindo's ARV division delivered a y-o-y growth of 28% in FY20. The segment recorded ₹12,515 million in revenues during the year on the back of its early mover advantage in TLD (Tenofovir + Lamivudine + Dolutegravir) tablets. A growing single-pill regimen, along with rapid conversion of TLE (Tenofovir + Lamivudine + Efavirenz) to TLD in the institution segment, has contributed towards this growth.

ARV revenue trend

(₹ in Million)

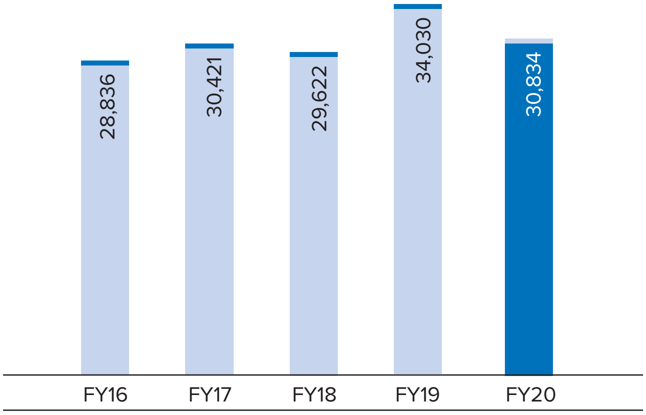


API business: Sustained growth in advanced regulated markets

Aurobindo's API business is a strategic segment in terms of vertical integration and supply reliability. The Company has been investing in this division for capacity creation and capability building. Key customers for this business unit include innovator and large generic companies. The business unit continues to focus on complex products with varying volumes, while continuously improving its manufacturing processes to meet market needs. The Company manufactures and markets Betalactum and non-Betalactum at its 11 API and intermediate facilities. The revenue from the API division was ₹30,834 million and it contributed 13.4% to the consolidated revenues of the Company.

API revenue trend

(₹ in Million)



FINANCIAL REVIEW – CONSOLIDATED

During 2019-20, Aurobindo's consolidated revenues increased by 18% to ₹230,985 million from ₹195,636 million in the previous year. Its EBITDA grew by 23.1% to ₹48,643 million, whereas the EBITDA margin stood at 21.1%. The Company's research and development expenses stood at ₹9,580 million, i.e. 4.1% of its total revenues. Aurobindo reported Profit after Tax (PAT) of ₹28,310 million, an increase of 19.7% year-on-year and Earnings per Share (EPS) of ₹48.32.

Key ratios

	As on 31 March 2020	As on 31 March 2019
Debtors turnover	5.1	4.5
Inventory turnover	3.1	3.0
Interest coverage ratio	24.9	20.9
Current ratio	1.4	1.2
Debt equity ratio	0.16	0.36
Operating profit margin (EBITDA Margin %)	21.1%	20.2%
Net profit margin (%)	12.3%	12.1%
Return on net worth (%)	18.4%	18.4%

Manufacturing review

Aurobindo continues to strengthen its manufacturing operations. Aurobindo has 29 manufacturing and packaging units spread across USA (4), India (22), Portugal (1), the Netherlands (1) and Brazil (1). Its well-equipped production facilities have approvals from international regulatory agencies such as the US Food and Drug Administration (USFDA), UK Medicines and Healthcare products Regulatory Agency (MHRA), World Health Organisation (WHO), Health Canada, EU's European Medicines Agency (EMA), Portugal's INFARMED and Brazil's ANVISA for both APIs and formulations. The Company largely backward integrated and ensures seamless production schedules with on-time availability of raw materials. Going forward, the Company will enhance capacities of its existing units and set up new facilities.

During the year under review, Eugia Pharma's facility has been commissioned. The facility was inspected and approved by various regulatory authorities, including the USFDA, EMA and INFARMED. This unit has a total installed capacity of 6 billion units and can manufacture various dosage forms such as capsules, tablets and injectables. The Company also added capacity at Unit VII and Unit X; and expanded its API capacity in Unit XI and Unit XIV. Aurobindo also invested in expanding its solar power plant capacity in one of the API units.

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, cost effective generics	• Competitors with similar offerings and business structures • High mobility of workforce within the industry • Pricing pressures	• 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	• Audited by regulatory agencies • Earned shelf space on a global scale • Control over raw material sourcing • Dominant API player • In-house R&D capabilities; strong technological implementation in manufacturing and robust marketing infrastructure

PEOPLE AT AUROBINDO

Aurobindo is cognisant of the fact that its success is dependent on the experience, expertise and executional capabilities of its people; and this is why the Company considers them strategic business partners.

The Company's ideology is 'committed to healthier life', and it reiterates the idea in terms of its people policies by promoting work-life balance. Aurobindo offers an empowering and enabling work environment for its people, with various learning and development programmes across almost all functions of the business.

THE COMPANY AIMS TO:

- Attract, build and retain talent
- Create and nurture a performance culture through capability building, performance measurement and leveraging IT
- Foster leadership at all levels through trust, empowerment, inclusion and openness
- Promote a collaborative approach for business excellence
- Encourage a vibrant work culture based on innovation and incentivise people based on their productivity/outstanding performance

Aurobindo's focus on the wellbeing of its people remains steadfast. The Company is ensuring utmost care through the newly developed 'human touch lifecycle' process, to enhance work environment in a post-COVID world.

SUSTAINABLE AT THE CORE

Aurobindo never loses sight of health, safety and the environment while executing its operations. It follows international guidelines, and continuously works towards improving safety across all its facilities and processes. The Company enjoys cordial industrial relations, and is incessantly evolving its systems and processes to enable better work-life for its people.

The Company upgrades its plants and treatment systems every year to remain a frontrunner in promoting sustainability. It continues to work with the Access to Medicine Foundation and is participating in the 2020 AMR Benchmark. Aurobindo has also joined the AMR Industry Alliance.

Aurobindo strives to minimise waste generation, optimise the use of available resources, reduce its carbon footprint and ensure minimal impact of its activities on the environment.

A RESPONSIBLE ORGANISATION

Aurobindo's philanthropic arm Aurobindo Pharma Foundation builds on the organisation's commitment towards sustained excellence. It includes the Company's citizenship efforts that benefits communities.

The Foundation invests a large part of its resources into building social assets like schools, hospitals and toilets that help in improving the quality of life in the society. It works towards providing basic amenities such as potable water and nutritious food to the underprivileged. The Foundation has a team of over 11 people, who monitor the implementation and impact of each project.

The Foundation's key areas of activity for 2019-20 were:

- Promoting quality education
- Supporting preventive healthcare and sanitation
- Sustaining ecological balance and conserving natural resources
- Promoting road safety
- Providing safe drinking water
- Elevating hunger and malnutrition
- Supporting rural sportspersons

Risk Management

OVERVIEW

The objective of the Aurobindo Enterprise Risk Management (ERM) framework is to address all major risks in a proactive manner and to sustain business growth. The Company has an effective and robust ERM function, which enables the achievement of strategic objectives by identifying, assessing, mitigating and monitoring any risk or potential threat to the Company's objectives. While achievement of strategic objectives is the key leading factor, Aurobindo's values, culture, obligation and commitment to customers, investors and regulatory bodies are the foundation on which the ERM framework is developed. Systematic and proactive identification of risks and the mitigation thereof, enables effective and quick decision-making and boosts the Company's performance.

The design of the Aurobindo's ERM framework is based on the internationally recognised standard 'Enterprise Risk Management Integrating with Strategy and Performance' (COSO ERM Framework 2017), developed by the Treadway Commission. The ERM Framework would highlight the importance of considering risk in both the strategy-setting process and in driving performance across all functions. Further, it would focus on integrating risk management practices throughout the organisation and help in enhancing the growth and performance of the Company.

Enterprise Risk Management framework at Aurobindo

Business Objectives | Value Enhancement

Vision and Values	Strategy Development
Governance and culture	• Board of Directors oversight • Audit Committee and Risk Management Committee • Risk Management Teams • Business and Functional Heads
Strategy and objective setting	• Sales forecasts, capital budgets, expense budgets • Manpower and production planning, quality assurance • Defining risk appetite in line with business objectives
Performance	• Identifying risks in strategy execution • Assessing and prioritising risks • Mitigating risks by Functional Heads • Viewing risks in a holistic manner
Review and revision	• Timely performance monitoring to achieve objectives • Assessing significant changes if any, in business processes • Continuous improvement in risk management
Information, communication and reporting	• Leveraging Information Technology • Risk sharing across the organisation • Risk reporting

Implementation and Performance

The Aurobindo ERM Framework begins with an underlying premise that the Company exists to provide value for its stakeholders and faces uncertainty in the pursuit of that value. 'Risk' is considered to be the effect of such uncertainty on the formulation and execution of the business strategy and achievement of business objectives.

As a strategic function, the ERM framework would focus on:

- Providing insight into strategy setting and its execution in line with the Company's vision
- Enhancing alignment between the Company's performance and risk management practices
- Recognising and expanding the globalisation of markets and operations coupled with applying a tailored approach across geographies
- Presenting fresh ways to view risk in the context of greater business complexity
- Expanding risk reporting to address expectations for greater stakeholder transparency
- Leveraging information technologies, automating business processes and using data analytics in supporting decision-making

Risk governance structure

Board of Directors	• Setting and evaluating strategies and risks associated with it • Defining the role of risk management committee (RMC) • Assessing management abilities and performance vis-à-vis Company's objectives
Risk Management Committee (RMC)	• Monitoring the risk management practices for its effectiveness • Evaluating significant risks, impacts and risk mitigations • Providing direction to risk teams and functional heads for improvement
Risk Management Head (RMH)	• Formulating and implementing risk management policies and procedures • Facilitating the execution of risk management practices • Providing periodic updates to MD and CFO and quarterly updates to the RMC on risks to key business objectives and their mitigation • Working closely with functional heads for implementing risk mitigation actions
Business and Functional Heads	• Adhering to risk management policies and procedures of the Company • Identifying and managing risks proactively in respective business functions • Implementing agreed upon risk mitigation actions

Risk categories

Strategy and its execution risks: Arise out of the choices made and key decisions taken in defining the Company's strategies and the risks to the successful execution of these strategies – for example new markets, product & process development, resources, business growth & revenue model, M&A, industry changes, investment model, etc. can impact business objectives. **(Risk ownership: Key management personnel)**

Operational risks: Indicate gaps in existing processes, which could potentially weaken the process and make it vulnerable to exploitation, impacting the business adversely. The gaps could relate to under-utilisation of resources, production capacities, material availability, human safety etc. **(Risk ownership: Operations team)**

Legal and Compliance risks: Arise out of non-compliance with applicable laws, regulations, standards and policies that could impact the Company's reputation and business. **(Risk ownership: Functional heads)**

Financial risks: Include uncertainties and untapped opportunities in effective and efficient utilisation of financial resources as well as uncertainties in currency fluctuation, liquidity & funding, capital management and credit risk. These risks could impact the Company's financials and in turn the transmission of accurate financial information to stakeholders. **(Risk ownership: CFO and Finance & accounts team)**

Information Technology (IT) risks: Could have potential impact on information assets and processing systems. For example: system failures, virus attacks or breach of cyber security. **(Risk ownership: CIO)**

OTHER COMPONENTS OF RISK MANAGEMENT

Risk/Opportunity identification: Risks/opportunities are identified through structured interviews, brainstorming sessions and risk questionnaires. Risk registers are updated for all the risks.

Risk assessment: Scenario-based assessments are done to determine likelihood of risk occurrence and impacts and to prioritise risks and mitigate them. Risk management is the primary responsibility of the respective Business Heads and Functional Heads. The Risk Team is the custodian and facilitator in the risk management process.

Risk mitigation: Risk mitigation actions are undertaken by the Business Heads and the Functional Heads responsible for treating risks appropriately in a time-bound manner and the progress of risk treatment actions reviewed periodically. Risk Teams help identify risks and take necessary steps to mitigate the same.

Risk reporting: Risk reports are submitted to the RMC on a periodic basis for its review. The reports highlight identified key risks, their impact on business and the control measures as well as risk mitigations agreed upon by the Business Heads. The RMC reviews the risk reports, provides direction to the Risk Team and the Functional Heads on risk rating levels and controls measures that are to be undertaken by the Business Heads.

INTERNAL FINANCIAL CONTROLS (IFC) HIGHLIGHTS FOR THE YEAR

In accordance with Section 134 (5) (e) of the Companies Act 2013, the Board of Directors of the Company are responsible for establishing and implementing Internal Financial Controls (IFC), which are adequate and operate effectively. The Company's statutory auditors are required to provide an independent opinion on the adequacy and operating effectiveness of such controls during the financial year. The IFC system encompasses the following elements, which have been properly established across all key business processes:

- Orderly and efficient conduct of business
- Safeguarding of its assets
- Adherence to Company's policies
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records and timely preparation of reliable financial information

Aurobindo is continuously leveraging information technology to enable significant improvement in the business process. The IT teams and business teams continue to work together for automating business processes and to reduce dependency on manual controls. The Company has a strong maker-checker principle of authorising transactions, which reinforces the necessity of initiation and authorisation of every transaction by atleast two individuals. Proper segregation of duties (SOD) is also established in every transaction to prevent and address fraud risks and errors.

Physical verification and reconciliation of fixed assets and inventory are performed on a periodical basis. Management Review Controls (MRC) is conducted by competent key personnel in real-time to ensure that the controls are operating as intended. For example, the comparison of budget to actual, examining reports generated by IT systems, analysing estimates of sales, expenses and project costs.

Process walk-throughs have been carried out during the year 2019-20 to re-assess 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. Also, transaction auditors have tested all the controls for their operating effectiveness during the year.

BUSINESS RISKS AT AUROBINDO

Some of the key existing and emerging risks affecting Aurobindo's business are listed below:

Key business risks emerging from Novel Coronavirus (COVID-19)

The COVID-19 has spread rapidly all over the world, infecting millions of people in several countries, causing great suffering to humanity, and impacting lifestyles, businesses and economies. In the ensuing months, the resultant nationwide lockdown in several countries, including India, led to the shutdown of business operations and logistics systems, while travel movements came to a halt. The situation was further aggravated by demand, supply and liquidity issues. Aurobindo has been proactively managing the risks arising from the COVID-19 situation and made concerted efforts to overcome these challenging times.

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 (over 155 countries), and having 29 manufacturing and packaging facilities worldwide, was also exposed to some significant risks emerging from the COVID-19 pandemic, which have had an adverse impact on operations and revenues.

- **Supply Chain disruption risk:** Raw material shortages in China and other markets including India, extended shutdown of manufacturing facilities
- **Logistics risks:** Severely affected the flow of imports of Key starting materials, Intermediates and APIs, packing material, travel restrictions, airlines cancellations, local transportation constraints etc.
- **Production decline at manufacturing facilities:** Shortage of labour due to local lockdown
- **Demand and Supply risks:** Dependency on certain geographies for raw material imports and price variances
- **Customer delivery risks:** Delays in delivering products to customers, cancellation of orders by customers
- **Sales volumes and cash flow constraints:** Liquidity pressures and loan commitments

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 COVID-19 outbreak could create severe disruption on the entire supply chain process in terms of sourcing, production, inventory management and logistics & distribution.

India is heavily reliant on China for imports of KSMs, intermediates and APIs used in making an array of drugs and medicines. This is largely for drugs like antibiotics – crucial among them being 6 APA (and other products based on it such as amoxicillin and ampicillin), tetracycline and for vitamins such as vitamin C and D. All of these are based on drug ingredients made using a fermentation-based process, an area where China has achieved global dominance. But restrictions on trade and production, in the wake of the outbreak, have majorly curbed supply, sending shock waves through the industry.

Though India is one of the top formulation drug exporters in the world, the Indian Pharma industry relies heavily on imports of KSMs, intermediates and APIs. As per the Confederation of Indian Industry (CII) report, India imported around US$ 3.5 billion worth of KSMs, APIs and Intermediates in FY19 that accounts for approximately 40% of the overall domestic consumption. This is a year-on-year increase of around 30% from FY18. Imports from China have been on a steady rise over the years (from 62% in FY12 to 68% in FY19) due to the low-cost advantage enjoyed by Chinese manufacturers. In FY19, India imported US$ 2.4 billion worth of APIs.

With India's API imports from China averaging almost 70% of its consumption by value, importers are at the risk of supply disruptions and unexpected price movements. For many critical antibiotics dependency on imports from China is close to 100%.

Aurobindo's high dependency on China for raw-material imports could lead to risk of import disruptions, short supplies and production bottlenecks. Out of the total raw-material requirement of Aurobindo India, about 45% of the material is procured from China and 7% is procured from other countries and the remaining 48% is procured from the domestic market, which may have inputs being sourced from China. The creation of a stable sourcing platform is a challenge and critical for the Company in material procurement, and the supply chain team has been taking necessary steps in ensuring long-term supply sustainability.

Mitigation strategy

Supply Chain Management (SCM) teams have managed the supply disruptions effectively over the past few months through available inventory and keeping adequate stock quantities by developing effective 1+3 months rolling plans, considering production requirement and material availability. As China nears a return to full production, raw material supply disruptions should ease out in future. Procurement teams are exploring ways of identifying alternative suppliers globally for procurement of material to minimize geographical concentration risk.

Procurement teams are continuously monitoring supply of key starting material, APIs and other materials from China and other markets to ensure timely supplies. The Company continues to focus on de-risking of single sourced material and reducing geographical concentration risk for raw material, on account of cost escalations and environmental issues.

Aurobindo believes in effective demand planning and takes into consideration the market requirement, existing stock levels, API in-house commitment and external suppliers' commitment. Aurobindo is committed to serving customers as per their requirement and executing the orders 'Just in Time'. The logistics department maintains a good relationship with forwarders to ensure pickups (ground operations) are done on priority, and with airlines and ocean liners to ensure that goods have been picked up by the first available aircraft or vessel.

Merger and Acquisition risks (R&D Investments)

During FY20, the Company has acquired certain business assets used for R&D from Profectus BioSciences Inc. USA, a clinical-stage vaccine development company through Auro Vaccines LLC, a 100% subsidiary of Aurobindo Pharma USA Inc., which in turn is a 100% subsidiary of Aurobindo Pharma Limited, India. The acquisition would provide access to proprietary and innovative technology platforms for prophylactic and therapeutic use, along with a R&D centre.

It is a widely accepted fact that technological expertise and quick innovation are crucial corporate assets for facing increased competition. In order to maintain the current growth rate and gain a strong foothold in the export market, it is imperative that Aurobindo builds a strong product pipeline through continuous investment in R&D. The acquisition of R&D assets would lead to enhancement of R&D capabilities and expertise in developing newer products. However, the return on R&D spending may have longer gestation period. The Company may be unable to realise the anticipated benefits of such acquisitions within the defined period.

Mitigation strategy

Aurobindo has a full-fledged R&D Division, which is continuously engaged in research on new products and process improvement on existing products as part of continuous improvement. The R&D Division has a dedicated team of scientists and analysts, who work on developing a wide range of medications, including specialty products. Innovation is fostered by a different approach towards cost, time, quality and complex product development by adopting cutting-edge technology. The Company's philosophy is to continuously upgrade the technology to provide a broad basket of products, and to manufacture cost effective higher quality products. In order to get returns on the R&D investment, the Company has developed a robust M&A process, which includes focusing on clearly defined areas for acquisitions, exhaustive due diligence and a well-structured integration process.

Aurobindo's focus has been on extending R&D spending into areas that provide opportunities available in the market, particularly those pertaining to untapped medical needs.

Economic and geopolitical risks

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). Aurobindo's products are marketed in most of the international pharma markets including USA, Europe and Emerging markets. Major revenues come from USA and the European countries, which together constitute about 75% of the total revenues of the Company in FY20. Due to the recent COVID-19 pandemic, international trade and the supply chains have been disrupted severely, and these macro-economic uncertainties could affect the Company's revenues coming from the international market.

Due to the onset of the COVID-19 pandemic, there could be issues such as problems of liquidity, cash flow, demand and other issues in the short term within the countries where we are selling our products. The consequences of the health ministry's reducing/cancelling supplies or imposing penalties might also exist.

USA is the largest market for the Company, with around 50% of the revenue generated in FY2019-20. Europe is the second largest market in which the Company sells formulations, accounting for approximately ~26% of revenues in FY20.

The consolidated revenue breakup of the Company for FY20 is as given below:

- International sales constitute about 92% of the Company's total revenue, with the remaining 8% being domestic sales
- The formulations business contributes 87% to the Company's total revenue, while 13% comes from active pharmaceutical ingredients (APIs)
- About 57% of the formulations sales come from USA, about 30% from Europe, 6% from the anti-retroviral (ARV) business segment and the balance 7% from growth markets

Mitigation strategy

Although pharmaceutical companies faced issues related to the COVID-19 pandemic, the challenges faced by the Company would have a short-term impact. Mitigation strategies would include discussions and in the medium-term, with improved conditions and streamlining of supply and demand, the situation would ease out.

As one of India's largest vertically well-integrated pharmaceutical companies with 70% 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, MCC South Africa, and ANVISA Brazil.

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. The sales and marketing team is insisting on a 100% advance payment before shipment from local distributors, and focusing more on the high margin range of products.

Over the years, Aurobindo has been expanding its business presence through business and R&D acquisitions in the USA and Europe markets and is focusing on other untapped and potential markets like Japan, Brazil, Africa, Canada etc.

Competition risks

As there are a large number of competitors present in the generic drugs market of India and abroad, Aurobindo is exposed to tough competition from other pharmaceutical companies in most therapeutic areas. The generic drug competitors can enhance competition by offering more product choices which may impair the Company's competitive advantage and lead to loss of market share.

The pharmaceutical industry is heavily competitive and has become even more in the recent years, both in the branded and generic product segments. 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's R&D team continues to develop innovative processes and specialised products that allow the Company to capitalise on competitive market opportunities. In order to face competition from other pharmaceutical companies, Aurobindo 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
- Market potential forecasting
- Gathering competitor's pricing and product tracking
- Expanding product portfolios through business acquisitions in key markets
- Ensuring timely delivery to customers
- Producing products at competitive costs by developing new processes, upgrading existing processes
- Timely launch of new products
- Enhancing manufacturing facilities with new products to ensure sufficient levels of production by talented R&D teams to build market share

Pricing risks

The drug pricing concerns and pressures in the domestic and global markets due to government regulations and stringent measures to reduce drug prices for customers could have an adverse impact on Aurobindo's business and profits. Customer expectations and competitors' tactics can lead to pricing pressures, which can bring down top-line and operating margins.

Due to generic drug pricing pressures, the drug manufacturers including Aurobindo are facing tougher market conditions, and the pricing concerns are expected to remain in all key markets. The US government is establishing new measures to enhance competition, promote access and lower drug prices. Therefore, it is approving an increased number of generic drug applications.

Further consolidation in distribution channel 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. The Company's net sales realisations could get affected due to discounts offered to customers for benchmarking and competing with the pricing of other competitors.

The Company also 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) and in such an environment, drug prices are marginally controlled and profit margins are affected. 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 in terms of price cuts or increased price controls.

Mitigation strategy

In an environment that is laden with pricing pressures, the Company, as part of its mitigation strategy, continues to adopt negotiation tactics to market and sell products to customers. With a continued focus on stable supplies, day-1 launches, and a diversified product portfolio, the Company is handling pricing pressures by launching value- added products and focusing on other markets where there are better margins.

Moreover, the Company's vertically integrated manufacturing facilities, high quality products and differentiated services, combined with R&D expertise, would help the Company manage pricing pressures. The R&D team continues to develop cost-effective products by alternative production process. The Company is able to cope with price pressures by increasing volumes, improving efficiencies, optimising costs and strengthening its supply chain. The SCM team is continuously putting in efforts to de-risk global procurement issues and is ensuring timely services to important customers in all key markets.

Market risks

Over the years Aurobindo has been doing large business in generics in the USA and Europe markets, and there are many pharmaceutical companies that are competing with Aurobindo in both the markets. The Company might be exposed to significant risk if it is unable to offer a wide range of products across multiple therapeutic segments and bring products to market in a timely manner, which could ultimately affect the business growth strategy. While the Company is significantly dependent on the US and Europe markets for its business, any failure to conduct profitable operations in those markets, could adversely affect the Company's business and financial condition.

With the COVID-19 crisis spreading in all key pharma markets, including the US and European markets, which are badly affected, where the economic impact is larger 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. Any kind of delay in supplying material to customers and deviations in customers' specifications could have an adverse impact on customer relationships and loss of revenues. This would be aggravated by issues like liquidity, cash flow, demand and other issues in the short-term. Also, the situation might lead to reducing/cancelling supplies or imposing of penalties by customers and health ministries.

Any failure to market and cater to key customers in the markets due to this unprecedented situation may also result in reputational damage to the Company.

The EU market has differences across EU member states, and this can influence the Company's revenue strategy. Customer consolidation/integration continues to happen among wholesalers, pharmacists and buying groups, thereby increasing the customer concentration risk for the Company. Therefore, it is imperative for the Company to offer a wide range of products as well as a product pipeline, in order to fulfil customer needs.

Mitigation strategy

The Company continues to enlarge its market share through business acquisitions in the US and European markets, and diversifying its product portfolios. In FY20, the Company has acquired certain business assets used for R&D from Profectus BioSciences Inc. USA, a clinical-stage vaccine development company, which would provide access to proprietary and innovative technology platforms for prophylactic use and therapeutic use along with a R&D centre.

Through continued investment in R&D, the Company is able to constantly build a portfolio of value-added products for the future. Some of the new therapeutic areas are biologics, dermatology, respiratory, peptides, and vaccines. As part of the product portfolio growth strategy, the Company sells dietary supplements in the US and other markets, which enhance revenues. New launches and a well-diversified product portfolio have enabled the Company to maintain steady growth in the US and Europe markets.

As a significant global player, the Company continues to focus on leveraging its market-leading, vertically integrated manufacturing base to enhance market share in untapped markets. Also, to enhance presence in therapeutic areas like oncology and dermatology, the Company is focusing on every product segment in all markets. Such a well-rounded approach would help consolidate the Company's revenues over long-term, thereby spreading the risk portfolio and increasing market share.

In order 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). In the ARV business, customers are government organisations and the Company is necessarily dependent on those customers, as the Company sells ARV products by participating in Global tenders floated by international organisations such as the Global Fund, USAID/PEPFAR and the Ministry of Health (MOH).

In order to minimise the risk of country concentration, the Company continues to spread its business into Europe, Japan and other emerging markets. Aurobindo, with its effective marketing strategy, is able to augment sales volumes in existing markets and continues to widen geographical spread by entering into large potential markets in Latin America and emerging markets. The Company has dedicated commercial and business development teams focusing on developing new partnerships.

Regulatory, Statutory and Legal compliance risks

Large-scale geographical footprints, complex product portfolios and processes could increase Aurobindo's vulnerability to regulatory issues and compliance delays and oversights, including late filings, registrations and ANDA approvals and these vulnerabilities could be further affected by the recent COVID-19 crisis. Compliance deviations in any geography due to changing regulations can lead to business and reputational impact on the Company. It is of utmost importance for the Company to ensure compliance with regulations and applicable laws relating to patient health and safety to avoid legal penalties and to have smooth and continued business operations.

Aurobindo, being part of a highly regulated industry, faces the challenging task of complying with a large number of rules and regulations across all aspects of the business. In recent years, the number and complexity of regulatory requirements has increased substantially, and will become even more stringent in the days to come. The Company is particularly challenged with responding to this ever-changing regulatory environment since non-compliance has a profound effect on cost, reputation, and ultimately the lives of patients.

Various regulatory agencies are constantly overseeing compliance activities in terms of increased scrutiny, sophisticated risk-monitoring techniques across the globe and forcing pharmaceutical companies to identify and correct quality issues upfront before impacting production. Therefore, it is very critical for the Company to have the best compliance practices to conform to changes in regulations and other applicable laws. The regulations require registration, filings and data submission to allow the Company to enter diverse markets. Therefore, the Company continues to establish and strengthen systems and controls to monitor and upgrade registrations, as and when required. The Company continues to take extraordinary care in conducting business in accordance with regulations and applicable laws and maintaining its core values.

Mitigation strategy

The Company strives to maintain the balancing act of driving business innovation and achieving business goals, while simultaneously mitigating compliance risks, if any, and conforming to regulatory and compliance standards to meet stringent requirements of regulators. Robust quality systems and control measures are available to ensure that quality is ensured by process design. The Company continues to adopt an enterprise-wise compliance review and data analytics by senior management in quarterly Quality Review Meetings (QRM), which reduces potential risks. There are separate and dedicated teams which take care of regulatory filings and timely submission of dossiers, besides ensuring timely product availability. The regulatory team do a regular follow-up of pending approvals and queries raised by regulatory authorities.

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. The ethics and integrity driven approach fulfill the needs of the business with the needs of regulators.

Through the 'Compliance Management System' (for statutory) (Vision 360 Tool), the Company continues to ensure compliance with all applicable laws, and it is designed to cover all compliance aspects of key functions in the entire organisation. Periodic compliance updates to the system are made whenever there is a change in any applicable laws. Quarterly compliance declarations, as provided by functional heads and generated electronically from the Vision 360 system, are submitted to the compliance officer of the Company. 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 to correct the deviation.

Aurobindo has a talent pool of over 1,600 scientists and analysts, who have proficiency and experience in handling complex chemistry and filing applications with the regulatory authorities. The strong scientist pool has helped Aurobindo receive a total of 425 ANDA approvals (397 final approvals and 28 tentative approvals) from the USFDA as on 31 March 2020. Cumulative filings totalling to 586 ANDAs.

Similarly, as on 31 March 2020, the team has filed over 3,350 DMFs (multiple registrations) including 254 with the USFDA. So far, 135 patent applications are pending with various authorities and 127 have been granted patents.

Environment, Health and Safety (EHS) risks

Ensuring valid EHS permits and approvals from concerned government authorities on a timely basis is a top priority for Aurobindo. Any failure to obtain, renew or maintain the required permits or approvals may result in the interruption of operations and may have an adverse impact on the Company's business. Aurobindo handles a large number of chemicals with various hazardous properties. Failure to handle chemicals in a safe manner may pose safety and health risks to employees.

Compliance with various terms and conditions of EHS permits and approvals is made part of a structured corporate tracking and review mechanism that includes timely actions for renewals of permits. 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. Aurobindo is collaborating with reputed international agencies like Access to Medicine Foundation, AMR Industry Alliance, etc. The Company is also engaging reputed organisations like Ecovadis for independent EHS evaluation and assessment.

Mitigation strategy

Aurobindo's facilities have already established processes for deactivation of API residues in wastewater. Significant investments were made in the upgradation and expansion of wastewater treatment projects in our facilities for an improved and additional treatment of wastewater. The solid and liquid hazardous wastes are being disposed of to Treatment, Storage and Disposal (TSD) facilities or cement units that mitigate the risk of PiE or AMR effectively.

Extensive and massive plantation, within and around manufacturing facilities, is taken up to offset environmental impact to some extent. The Company is committed to providing 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.

Patent protection risks

Aurobindo's success to a great extent depends upon the Company's ability to obtain IP Rights such as patents and trademarks, protect trade secrets and other proprietary information, and operate without infringing the intellectual property rights of the other companies. Aurobindo's inability to obtain timely ANDA approval and/or launch a product immediately upon approval due to patent litigation issues or due to settlement for a late market entry date may affect the 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 IP 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 to ensure that opportune products are identified for development. 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 31 March 2020, the Company had filed several patent applications, of which 127 patents had been granted and 135 patent applications are pending for prosecution with various authorities globally. Aurobindo takes adequate care to protect its trade secrets, know-how and other proprietary information, and ensures that the employees, vendors and suppliers associated directly or indirectly with the Company sign appropriate confidentiality agreements prior to disclosure of any such confidential information.

Financial risks

In view of the large scale of exports, raw material imports and borrowings, there exists potential financial risks to the Company, which include foreign currency risk, credit risk, liquidity risk and interest rate risk. This could be aggravated by the recent COVID-19 crisis resulting in revenue decline, cash flow constraints, liquidity pressures, loan commitments, currency fluctuations and interest rate changes, all of which could have major impact on operating results and the financial condition of the Company.

In the current COVID-19 crisis, global economic activity and financial markets around the world are on slowdown mode. Since Aurobindo's major share of revenues comes from the US and European countries, which are badly impacted, managing cash pressure are crucial for the Company. This situation could lead to a drop in sales, cash flow constraints, and reduction in cash collections in the short-term, which could result in a liquidity crunch. As a result, the Company would not be able to duly meet its financial obligations, such as making import payments and discharging loan commitments.

The exchange risk arises from its foreign currency revenues, imports and borrowings and major portion of the Company's revenues are in foreign currencies. As the rupee value is presently depreciating, the Company's revenue could increase while the burden of foreign payments towards imports and borrowing may increase. In times of a slowdown, the Company would have to face and overcome interest rate changes to avoid adverse impact on cash flows.

Mitigation strategy

The Company continues to focus on countering the unpredictability of financial markets so as to minimise any adverse impact on financial performance and also effectively uses derivative financial instruments, i.e. forward contracts, to mitigate foreign exchange related exposure. The Company's growing exports and its collections provide natural hedging to imports, loan commitments and working capital against exchange fluctuations. The forex position is reviewed daily by department head and quarterly by audit committee and board.

The Company's credit control policies and procedures are robust enough to mitigate the credit risk relating to sales and customer collections. The treasury team and Business Heads continue to evaluate customer credit worthiness and define credit limits for individual customers which are uploaded in the ERP system. In the event of any customer overdue balances and credit limits being in excess, auto-controls are established in the ERP system to block further sales to such customers. As part of effective financial risk management, the Company's treasury team performs the following tasks:

- Assessing regularly the available cash and liquidity position
- Reviewing periodically the customers' overdue receivables and committed collections and following up with the Sales and Marketing team to expedite the collections process
- Ensuring reduction in borrowing costs by effectively negotiating with banks
- Monitoring day-to-day fund requirements and making timely import payments
- Keeping track of changes in the financial market and taking appropriate decisions on financial instruments to avoid any financial loss
- Establishing strong maker-checker controls and proper segregation of duties within the finance team to ensure that no one person has entire control over processing of financial transactions

People risks

It is essential to establish and promote a culture of excellence in the execution of all operations and processes to support the sustained growth of Aurobindo. The Company may be facing many challenges relating to talent acquisition, strategy setting, employee cost controlling, learning and development, succession planning and employee retention as well as labour compliances and disputes, which can have an adverse impact on operations and revenues.

In the current COVID-19 crisis, the Company's operations at some locations could be disturbed to some extent due to shortage of labour resulting from the local lockdown of respective nations. The pharmaceutical industry is human capital intensive with a high rate of attrition, and it is a challenge for the Company to maintain good industrial and employee relations, especially since any labour unrest could impact the Company's operations.

Mitigation strategy

In response to the mitigation of people risks and to face unforeseen challenges, the Company continues to adopt the following measures:

Process automation

Aurobindo is focusing constantly on process automation and integrating technology with people processes, which makes process effective, streamlines systems and ensures timely execution of projects. The Company as a part of new initiatives has automated the following processes during the year:

- Learning management system to ensure that compliance and behaviour focused programmes are being attended by all employees
- Employee full and final settlement process to ensure accurate and integrated compensation practices
- Contract labour training – RFID based contract labour training – to ensure that only trained contract manpower is authorised to enter into a specific area of operations at the manufacturing plant.

Leadership development

A system of second-line development, an integrated approach with a focus on seamless operations, feedback and competency aspects, has been implemented. All critical positions are mapped, and second-line development plans are being initiated with focus on various plants on a priority basis. An Integrated Business Excellence System to build shop floor capabilities focusing on asset care, process care and people care is being extended to all formulation units. The Company continues to strengthen NALANDA, an online academy that facilitates leadership and talent development, and supports the management philosophy of second-line development, in line with the Company's leadership competency model.

Statutory Compliance and Safety/Health Management

New Social Audit process called the AMFORI Business Social Compliance Initiative is rolled out at some of the Formulation units. More and more manufacturing facilities are coming under the scope of Social Audits to reduce or mitigate the risks associated with HR compliances and safety management. An outcome-based technical training to improve productivity and right handling of sophisticated equipment is provided for operators and supervisors on the shop floor.

Talent engagement and empowerment

The Company is striving to create a culture of employee engagement as a method to retain talent. It is a proactive approach and employees are given both responsibility and authority. Emphasis is on leadership accountability with a clear mandate to develop critical talent and successors for all key roles as part of employee performance models and employees are encouraged to perform to their optimal potential. Regular feedback and counselling are provided to help the personnel update and upgrade their knowledge and skills, so as to minimise operational risks.

Multi-skilling and Quality programmes

The Company continues its focus on its multi-skilling programme, which promotes job enrichment of talent at the operational level. Also, adopting the Quality Marshal program continuously instils a quality culture on the shop floor.

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. Talent risk mitigation features included in Performance Management System (PMS) are Talent identification, Retention and Development, besides helping other talents to scale up their performance.

Harmonious industrial relations

The Company has been able to move the entire grievance handling system online. The system ensures that all concerns are handled in a time-bound manner along with solutions, apart from helping prevent and settle issues in a peaceful manner. The Industrial Relations team works continuously to maintain a cordial relationship with employees with a view to achieve the best performance. Further, the management has established Social Accountability Standards (SA 8000 series) to maintain its commitment towards fair and progressive people management and EHS systems. The Company ensures that there is full adherence to the code of business conduct, and fair business practices are followed by employees.

Information technology (IT) and Cyber security risks

In the current environment of the COVID-19 outbreak, business continuity demands working remotely, that requires additional focus and hardening of the IT infra security as well as Cyber Security. BYOD (Bring your own device) has become a norm, and therefore providing data access remotely in a secured manner is a major requirement. 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.

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

Mitigation strategy

The Company is improving process efficiency by way of controls, automation and internal workflows for ERP Oracle applications and other applications supporting the operations. The Company has robust IT controls related to backup, storage and system access, including role-based access 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). The IT team conducts a periodic evaluation of IT processes, and in the contingency of any gaps and concerns, corrective measures are taken.

The IT Governance Committee continues to review IT-related matters around policies and practices, budgets, proposals for procurement of new applications and hardware, renewal of licenses, process automation to support the business functions etc. and advises the Board for its consideration. The Company has an experienced IT operations team, which ensures smooth day-to-day functioning of IT infrastructure and applications including network infrastructure, server and device management, computer operations, and helpdesk services. Some of the new initiatives taken during the year are given below:

- Implementation of Application object management to automate the process of change management control and object migration and thereby automate the release management for ERP
- Upgrading operating systems, database and applications to latest versions to provide better performance and enhanced features to the business
- Tech refresh of Oracle ERP to Exadata for improved performance
- Implementation of additional user access controls in ERP, in line with Attendance Management System and HR Management system. Resignation process made online in all divisions

Aurobindo leverages industry best standards to secure its IT infrastructure environment. Some of the preventive measures in place are the 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 the Company's cyber security posture and penetration tests to ensure effectiveness. In addition, the following control measures are taken to mitigate cyber security risk.

- Training and awareness sessions for users about common and new cyber vulnerabilities and attacks
- Hardening of IT Infra security by implementing technology solutions
- Regularly reviewing access levels and tracking them appropriately

Monitoring logs related to IT infrastructure – Firewall, Mail gateway, AD server, Proxy server, AV Server, Email Server and ERP Server, besides taking appropriate action on incidences, if any.

Business Responsibility Report

OVERVIEW

Aurobindo Pharma Limited is one of the top 10 global generic pharmaceutical companies with a presence in over 155 countries. It is also the second largest generic pharma company in the USA as per IQVIA's total prescriptions dispensed data for 12 months, ending March 2020. In India, Aurobindo is the second largest pharma company by consolidated revenues.

The Company's mission is to become the most valued pharmaceutical partner to the world by continuously researching, developing and manufacturing a wide range of pharmaceutical products that comply with the highest regulatory standards. The Company has 29 manufacturing and packing facilities across India, USA, Brazil, Portugal and the Netherlands. Aurobindo has an employee base of approximately 23,000 (including all subsidiaries). It exports to over 155 countries across the globe with around 92% revenue from international operations. The key markets for the Company are the US and Europe, which represent 75% of the consolidated revenues.

Over the years, the Company has built a robust product portfolio spread over major therapeutic segments including Anti-Retroviral, Cardio-Vascular (CVS), Central Nervous System (CNS), Gastroenterology, Anti-Allergies, Anti-Diabetics and Antibiotics, supported by outstanding R&D. Apart from small molecules, Aurobindo is also in the process of building a complex and differentiated product pipeline in Biosimilars and Vaccines segments. Leveraging world-class talent in a global team across 8 R&D centres, the Company has successfully launched products across therapeutic areas and delivery technologies.

Social responsibility and community care are at the heart of Aurobindo, as the Company is strongly devoted to its philosophy of 'Committed to Healthier Life'. Aurobindo believes in doing business by realising this ideology. The Company, through its global presence, is spreading care across communities and beyond. 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: Water Mark Building, Plot No. 11, Survey No.9, Kondapur, Hitech City, Hyderabad-500084, Telangana, India

4. **Website**
   www.aurobindo.com

5. **E-mail ID**
   info@aurobindo.com

6. **Financial Year reported**
   1 April 2019 to 31 March 2020

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, Aurobindo's strategy has been to build a diversified product basket. The Company has a robust product portfolio, which is spread across therapeutic segments.

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 35 countries and sold its products globally in over 155 countries.

   (a) **Number of international locations (provide details of major 5):**
   The Company's subsidiaries have manufacturing facilities in New Jersey, Los Angeles, California in USA, one each in Brazil, Netherlands, Portugal, and three 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 16 manufacturing units and three R&D centres. In addition to these, there are two manufacturing units ready for commercialisation. The subsidiaries and joint ventures of the Company have six fully commissioned manufacturing units and 2 R&D centers.

10. **Markets served by the Company – Local/State/National/International:**
The Company sold its products globally in over 155 countries. The US and the EU are the key geographies for the Company. Around 86% of the Company's standalone sales are generated from the International markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up capital (₹):**
₹585.9 million

2. **Total turnover (₹):**
Total Revenue from operations on standalone basis is ₹132,665 million on a standalone basis

3. **Total profit after taxes (₹):**
₹18,727 million on a standalone basis

4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**
The Company has spent ₹486 million during the FY20, which is around 2.6% of the standalone Profit After Tax.

5. **List of activities in which above expenditure has been incurred:**
   - Promotion of education
   - Eradicating hunger, poverty and malnutrition
   - Preventive health care and sanitation, and making available safe drinking water
   - 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 68 subsidiary companies located in India and other countries as on 31 March 2020.

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: 00050482
      - Name: Mr. N. Govindarajan
      - Designation: Managing Director

   b) Details of the BR head

S. No	Particulars	Details
1	DIN Number (if applicable)	00050482
2	Name	Mr. N. Govindarajan
3	Designation	Managing Director
4	Telephone number	040-66725246
5	e-mail ID	secretarial@aurobindo.com

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

a) Details of compliance (Reply in Y/N)

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 focusses 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? Is yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y		Y	Y	Y	Y		Y	
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 at the following link:
**www.aurobindo.com

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 fifth Business Responsibility Report and is part of the FY20 Annual Report.
Business Responsibility Report of the previous year can be accessed from the hyperlink:
www.aurobindo.com/wp-content/uploads/2019/08/APL-Annual-Report-2018-19.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 and Independent Directors, besides covering 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 ending 31 March 2020, the Company has received and resolved 18 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 benefited 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)**

   Oil-Free Refrigeration (OFR) Technology

   Implementation of Oil-Free Refrigeration Technology improves the efficiency of the chilling plant operations by replacing existing compressor oil with newly designed oil for better lubrication and installation of VFD to Compressor for smooth starting and automation of the plant. In addition, magnetic oil separator and catalytic filter with pump removes NH_4OH (water traces in refrigerant) and oil traces in the refrigerant for further improving the efficiency of the chilling plant.

   Molecular Sieve Dehydration System

   This technology works on the principle of absorption in ethanol recovery and replaces the energy intensive pressure swing system. It utilises internal heating and cooling energy, i.e. heat of condensation of dehydrated ethanol for preheating of feed and offers very high cooling efficiency. This initiative eliminated operation of two of the -20°C chilling plants having a cumulative capacity of 150 TR.

   Operational improvements in Utility Systems

   Based on continuous energy assessment results, initiatives like replacement of inefficient evaporators and condensers in the chilling plants, installation of VFD to pumps, cooling tower fans and air compressors, replacement of old energy inefficient motors with premium energy efficient motors and installation of LEDs etc. implemented in utility systems.

   Replacement of Liquid Nitrogen Cooling

   Eliminated the usage of cost intensive Liquid Nitrogen (LIN) cooling with mechanical chillers. Installed -65°C, 50 TR (2 Nos) & -35°C, 75 TR Refrigeration plants and avoided usage of liquid nitrogen due to higher leakages and low retention time. Installed a 500 Nm3/hr nitrogen generation plant for blanketing applications avoiding usage of LIN by Inertisation.

   Online Energy Monitoring Systems (EnMS)

   Implemented Energy Monitoring Systems for all 25 chilling plants for real-time monitoring of performance and identify deviations if any in the operation of chilling plants. Based on daily analysis of operating parameters, the chiller would be operated at close-to-required conditions.

   Due to the above-mentioned initiatives, the following results were achieved:

   The cumulative energy saving accrued by implementation of the said recommendations is 160 lakh kWh per annum, with monetary savings of ₹190 million per annum. The implementation of energy conservation projects avoided 13,280 tonnes of carbon emissions (CO_2 emissions) into the environment.

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

   The Company has laid down a Standard Operating Procedure for the selection and approval of its vendors for sourcing of material. There is a system and a dedicated team in place for evaluating the EHS resources, developing long-term supplier partnerships, vendor development and compliance of key suppliers and vendors for key raw material intermediates and API sourcing.

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 follows a strict sourcing Code of Conduct with respect to compliance and quality. The Company procures goods and services from local vendors, located close to the manufacturing locations, and who fulfill the above key criteria of compliance and quality.

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 FY20, the Company has taken an initiative for recycling 2 solvents – MDC and toluene – in zolpidem tartrate, which reduced the MDC consumption by 66%, and toluene by 80%. Further, recycling of four more high consumption solvents are under proposal.
- 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 60% of the waste was recycled through co-processing.

Principle 3 – Employee Well-being

1. **Please indicate the total number of employees**

The Company has 18,469 employees as on 31 March 2020.

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

The Company has over 12,470 contractual employees as on 31 March 2020.

3. **Please indicate the number of permanent women employees.**

The Company has 907 women employees as on 31 March 2020.

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.**

S. No	Category	No of complaints filed during the financial year	No of complaints pending as on 31 March 2020
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 upgradation 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.
- **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 takes various initiatives to engage with the disadvantaged, vulnerable and marginalised stakeholders. Some of the areas and steps where the Company has taken up the development work nearby and around its plant locations are:

Education: Funded higher education for bright but underprivileged students and provided additional teaching staff in government run schools.

Drinking Water: Installed RO water purifier in many villages and dug borewells

Road Infrastructure: Laid roads across many villages where there were bad and no roads

Sanitization: Undertook sanitization by spraying sodium hypochloride on streets of nearby villages

Environment: Maintenance of green belt by watering the plants and adding manure in regular intervals

Farmer Resource Center: Established a farmer resource centre where we provide fertilisers, seeds and tractors at a nominal cost

For detailed information on the activities undertaken refer to the CSR section in the annual report.

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 stake holders.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   No complaints were received.

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?**
   The Company has a well-defined Environment, Health and Safety (EHS) policy that caters to the employees, group, JVs and the contractors working at the Company's sites. The Company is committed to operating all its units in an environmentally friendly manner, while protecting the health and safety of its employees.

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.**
   The Company being a responsible corporate, and committed towards managing climate change and global warming, is associating with different national and international forums and organisations, in order to address global environmental concerns.

   Some of them include:
   - Member of AMR Industry Alliance; and associates with international forums/organisations, viz., International Federation of Pharmaceutical Manufacturers & Associations, in addressing global environmental concerns such as Pharmaceuticals in Environment, Anti-Microbial Resistance, etc.
   - Participated in AMR Industry Alliance Survey Report 2020 and the report was published in January 2020.
   - Part of the Bulk Drug Manufacturer's Association, India (BDMAI) initiatives to address similar issues at a national level.
   - IFPMA agreed in-principle for the request of Aurobindo for Membership.
   - Participated in the 'Antimicrobial Resistance Benchmark' (2018 and 2020).
   - Participated in the AMR Industry Alliance Survey Report 2020.
   - Participated in the '2020 AMR Benchmark', held by the Access to Medicine Foundation, and the report was published in January 2020.

3. **Does the Company identify and assess potential environmental risks? Y/N**
   Yes. The environmental risks as identified are reviewed by the Risk Management Committee on a periodic basis.

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?**
   At present the Company does not have any project related to the Clean Development Mechanism. However, the Company has implemented 137 energy conservation projects across API and drug formulation units in FY20, thereby avoiding greenhouse gases (GHG) emission by about 13,600 tonnes of CO2e.

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.**
   Solar energy generation in FY20 is about 4000 MWh, thereby avoiding carbon emission by about 32,000 tonnes of CO2e. The Company generated about 13,000 GJ of energy using biomass/briquettes, thus eliminating GHG emission by about 1,300 tonnes of CO2e. Aurobindo has initiated a process for maximising export shipments by sea to effectively reduce the carbon footprint in its supply chain.

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

   Yes. Emissions and discharges are in conformance with the 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.

   However, the Telangana State Pollution Control Board (TSPCB) issued notices to API Units in Telangana in relation to the judgment of National Green Tribunal (NGT) on Patancheru-Bollaram Pollution and batch cases that involved several pharmaceutical industries and other industry sector units. Hence, the notices issued by TSPCB were not in specific relation to Aurobindo facilities. The notices issued by TSPCB were for payment of the corpus fund as outlined in the NGT orders.

   Bulk Drug Manufacturers Association is coordinating with TSPCB for seeking certain clarifications on the notices of TSPCB and Aurobindo is waiting for the decision and advice of BDMA.

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

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)**

   Yes. The Company focusses 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, the Aurobindo Pharma Foundation. 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 Foundation works in nine core areas of developments namely 1) Promotion of Education 2) Eradicating Hunger, Poverty and Malnutrition 3) Preventive Health Care & Sanitation and making available safe drinking water 4) Road and Public safety 5) Promotion of Rural Sports, 6) Rural Development Projects, Environmental Sustainability, Ecological Balance and Conservation of Natural Resources and Animal Welfare 7) Measures for the benefit of armed forces veterans and their dependents, 8) Setting up of old age home and hostel for orphans, 9) Disaster management, including relief, rehabilitation and reconstruction activities.

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 Central 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 from time-to-time and each project has specific deliverables that needs to be met. The internal teams ensure project implementations are undertaken and that the necessary impact is created. Approximately 6,00,140 individuals have been reached through its CSR activities. Of these, the Company's COVID-19 relief activities have benefitted 3,79,000 individuals.

4. **What is your Company's direct contribution to community development projects – Amount in ₹ and the details of the projects undertaken**
Aurobindo has spent ₹486 million on the CSR activities during the year 2019-20. 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 development are promotion of education, eradication of hunger, poverty and malnutrition, preventive health care and sanitation, and making available safe drinking water, road and public safety, promotion of rural sports, rural development projects, environmental sustainability, ecological balance and conservation of natural resources, as well as animal welfare, measures for the benefit of armed forces veterans and their dependents, setting up of old age homes and hostels for orphans, disaster management, including relief, rehabilitation and reconstruction activities.

Promoting education: The Aurobindo Pharma Foundation has taken care of the educational needs of many needy students across various schools, as well as junior and degree colleges.

It has provided dual desks and notebooks to the students, as well as repaired and renovated old classrooms, constructed additional classrooms, constructed new schools, besides taking up painting work in various government schools across Telangana and Andhra Pradesh. More than 1,06,305 students' lives have been touched through various educational programmes in Andhra Pradesh and Telangana.

Eradicating hunger, poverty and malnutrition, preventive health care and sanitation, and making available safe drinking water: The Company firmly believes that improving the health of its citizens can directly result in economic growth of the nation. Healthy people can utilise growth opportunities made available to them in a better way. Lack of basic healthcare facilities has a detrimental impact on the health and well-being of the people. The people at the Aurobindo Foundation have committed themselves to raising the standards of healthcare systems in and around the Company's operational locations to ensure healthy living.

The Foundation is constructing a new cancer Hospital with 2,18,474.50 sq. ft. area for MNJ Institute of Oncology and Regional Cancer Centre at Red Hills, Hyderabad. After completion of the construction of this hospital, many poor cancer patients from Telangana, Andhra Pradesh, border districts in Karnataka and Maharashtra can avail free cancer treatment. More than 2.5 lakh patients will be benefitted. The Aurobindo Pharma Foundation has received a Gold Medal from the Hon'ble Governor of Andhra Pradesh & President of the Indian Red Cross Society A.P., for providing the Brachytherapy Unit for cancer treatment.

The Foundation regularly conducts free comprehensive eye screening, cataract surgery and spectacles distribution programmes at various villages, including adopted villages (Borapatla village in Telangana state and Peyyalapalem village in Andhra Pradesh state), which benefitted many economically backward people. Every year, the Company provides the required materials for hygienic sanitation of 30-40 villages, and also constructed over 230 toilets in the states of Andhra Pradesh and Telangana. The Foundation contributed to the setting up of a Blood Bank by NTR Memorial Trust located at Tirupathi, Chittoor district, Andhra Pradesh.

It also provided Tri-motorcycles to 10 physically challenged people from Srikakulam district of Andhra Pradesh and provided financial support for enabling surgeries for patients from poor families.

As part of the Swachh Bharat Mission, the Aurobindo Pharma Foundation has provided 50,000 plastic garbage bins to various villages located in 6 mandals of Sangareddy District, Telangana state.

The Foundation has been very active in providing safe drinking water by digging bore wells, providing submersible motor pumps, installing RO water plants, constructing 20,000 litre and 40,000 litre overhead tanks and supplying drinking water through water tankers as well as laying underground water pipelines for supply of drinking water in various villages of Andhra Pradesh and Telangana. In FY20, 12 new RO water plants were established in Andhra Pradesh and Telangana. To sustain the quality of drinking water regularity, it provided Annual Maintenance Cost (AMC) to 29 old RO water plants in Srikakulam and Vizianagaram districts of Andhra Pradesh.

Food for the Needy: The Company has provided funds for the construction of three automated kitchens, one each at Srikakulam – Andhra Pradesh, Narsingi – Telangana and Mahabubnagar – Telangana. These three kitchens have a capacity of preparing food for more than 125,000 people per day. The kitchens at Srikakulam and Narsingi have been successfully completed and Mahabubnagar kitchen is ready for inauguration.

Road & Public safety: The Company pays monthly maintenance expenses for maintaining fire tenders at IFSA (Industrial Fire Safety Association's) located at Gundlamachnoor and Pashamylaram villages in Sangareddy District of Telangana state and also at IFSA located at Pydibhimavaram village, Srikakulam district, Andhra Pradesh. The Company has contributed to new and renovated roads in various villages in Andhra Pradesh and Telangana.

Promotion of Rural Sports: The Foundation is financially supporting rural sportsmen and women to take training as well as to participate in district level annual sports meets, besides national and international tournaments.

To encourage sports among physically challenged persons, it contributed financially to the Aditya Mehta Foundation, towards participating in the World Disability Day programme, held on 1 December 2019 in the Gachibowli stadium, Hyderabad, Telangana.

Rural development projects, environmental sustainability, ecological balance and conservation of natural resources and animal welfare: The Aurobindo Pharma Foundation has started the Skill Development Centre in Varisam, Srikakulam District, Andhra Pradesh, which provides training to B.Sc., M.Sc. & Pharma graduates, and also provides scholarships and free food and transport. The training is provided for four months. Till date, 64 students have received course completion certificates on Quality Assurance and Quality Control, and 90% of the students have found employment opportunities in various locations. As part of its efforts towards women empowerment, the Aurobindo Pharma Foundation is enhancing the vocational skills of women by establishing skill development centres in model villages of Andhra Pradesh and Telangana states. The women who have completed courses are now self-employed and have enhanced their income levels.

As part of the Green Belt development initiative, the foundation planted 55,600 plants and provided with 50,000 plastic tree guards in Andhra Pradesh and Telangana. As part of the animal welfare initiative, the Foundation is supporting many Gou shaalas to protect cows in Telangana.

Measures for the benefit of armed forces veterans, war widows and their dependents: The Foundation financially supported war widows by contributing to the PM funds set up for this initiative.

Setting up of old age homes and hostels for orphans: The Aurobindo Pharma Foundation has newly constructed and renovated old age homes and hostels for orphans in Telangana and Andhra Pradesh. More than 500 aged people and more than 5,000 orphaned children have been benefitted through this initiative.

Disaster management, including relief, rehabilitation and reconstruction activities: During the COVID-19 pandemic lockdown, the Company has provided food to more than 10,000 poor and migrant workers at Srikakulam district, Andhra Pradesh per day, over a period of 60 days. The food is being prepared at Hare Krishna Movement Charitable Foundation kitchen at Srikakulam District, Andhra Pradesh. The Company is proud that its employees have also contributed over ₹30 million for this purpose, apart from the contribution from the Foundation, benefitting 1 million needy and poor people in both states. In Andhra Pradesh and Telangana, the Company has provided essential rations like raw rice, oil, dal, atta, vegetables, fruits etc., to the needy and migrant sections. Through the implementation of various COVID-19 relief activities, 379,000 families have been benefitted.

The Company also sprayed sodium hypochloride in various villages of Vizianagaram, Srikakulam and Nellore District of Andhra Pradesh. The Company distributed sanitisers, masks, PPE Kits to the Health Department, Drug Control Department, Police Department, Revenue Departments, District Collectors offices, Women & Child Welfare departments, Electricity Department etc. in both Andhra Pradesh and Telangana. The Company also donated 2.9 million Azithromycin and Vitamin C tablets to the Health Departments of Telangana and Andhra Pradesh.

The Company monetarily supported, with ₹320 million, various government initiatives such as Telangana State Disaster Management Authority and Andhra Pradesh Chief Minister Relief Fund, including the Prime Minister Cares Fund, to strengthen India's fight against the COVID-19 pandemic.

The Company also financially supported families that were affected by a fire mishap, by constructing houses and providing them essential commodities like rice, dal, oil etc., in Andhra Pradesh.

Further details on the Company's CSR projects undertaken during FY20 are mentioned in a separate section of the Annual Report.

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 31 March 2020, 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)**
   Yes.

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 cases as on 31 March 2020.

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

ANNEXURE-1

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 share-holding	Country
1	Helix Healthcare B.V.	Not Applicable	EUR	82.7700	17,980.1	(659.2)	16,663.2	7,872.9	7,947.0	583.6	-	204.6	(239.8)	444.4	-	100%	The Netherlands
2	Agile Pharma B.V.	Not Applicable	EUR	82.7700	4,582.6	3,221.8	8,547.3	18,949.4	18,206.5	-	34.7	636.2	68.4	567.8	-	100%	The Netherlands
3	Laboratorios Aurobindo S.L.	Not Applicable	EUR	82.7700	402.8	(246.3)	563.5	407.0	-	-	549.6	26.7	17.4	9.3	-	100%	Spain
4	Aurex B.V. (formerly known as Pharmacin B.V.)	29 December 2006	EUR	82.7700	1.5	280.0	352.8	71.3	-	-	534.3	82.9	20.8	62.1	-	100%	The Netherlands
5	Milpharm Limited	9 February 2006	GBP	93.5025	336.5	1,189.5	3,679.7	2,153.7	-	-	6,314.8	423.9	82.1	341.8	-	100%	U.K.
6	Aurobindo Pharma (Malta) Ltd	Not Applicable	EUR	82.7700	420.1	223.3	402.5	0.3	241.2	-	-	12.4	-	12.4	-	100%	Malta
7	APL Swift Services (Malta) Ltd	Not Applicable	EUR	82.7700	298.0	35.5	8,261.5	7,928.0	-	-	9,643.3	(41.2)	-	(41.2)	-	100%	Malta
8	Aurobindo Pharma Gmbh Germany	Not Applicable	EUR	82.7700	305.5	160.9	4,865.4	4,399.0	-	-	1,810.4	160.2	60.7	99.4	90.5	100%	Germany
9	Aurobindo Pharma (Romania) s.r.l	Not Applicable	RON	17.0035	346.0	(330.5)	687.8	672.3	-	-	687.8	(60.7)	(4.3)	(56.4)	-	100%	Romania
10	Pharmacin B.V. (formerly known as Aurex B.V.)	Not Applicable	EUR	82.7700	7.4	20.0	101.5	74.1	-	-	240.5	11.0	2.1	8.9	-	100%	The Netherlands
11	Aurovitas Pharma Polska	Not Applicable	PLN	18.0409	165.1	301.9	1,185.2	718.2	-	-	1,887.9	106.2	24.0	82.2	-	100%	Poland
12	Aurovitas Pharma Ceska Republica s.r.o	Not Applicable	CZK	3.0046	270.7	(285.7)	17.5	32.5	-	-	42.8	(251.1)	-	(251.1)	-	100%	Czech Republic
13	Generis Farmaceutica S.A.	1 May 2017	EUR	82.7700	10,759.6	(3,428.6)	11,905.7	4,575.2	0.5	-	7,192.7	(266.7)	152.9	(419.6)	-	100%	Portugal
14	Generis Phar, Unipessoal Lda	1 May 2017	EUR	82.7700	0.4	0.1	0.9	0.4	-	-	-	-	-	-	-	100%	Portugal
15	Aurobindo Pharma (Italia) S.r.l	Not Applicable	EUR	82.7700	2,284.4	(2,108.3)	2,369.8	2,193.7	-	-	2,600.8	83.1	19.8	63.4	-	100%	Italy
16	Arrow generiques SAS	1 April 2014	EUR	82.7700	3,099.3	1,370.2	10,663.8	6,194.3	-	-	16,241.3	569.5	102.8	466.7	-	100%	France

(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 share-holding	Country
17	1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Germany	1 April 2014	EUR	82.7700	2.1	2.4	5.1	0.6	-	-	1.2	-	-	-	-	100%	Germany
18	Puren Pharma GmbH & Co., KG (formerly Actavis Deutschland GmbH & Co., KG)	1 April 2014	EUR	82.7700	2.1	1,115.1	4,969.2	3,852.0	-	-	4,076.6	427.3	76.7	350.6	679.5	100%	Germany
19	Aurovitas Spain SA (formerly Actavis Spain S.A)	1 April 2014	EUR	82.7700	49.5	1,518.5	3,117.0	1,549.0	-	-	4,909.1	660.8	143.6	517.2	-	100%	Spain
20	Aurobindo Pharma B.V. (formerly known as Actavis B.V.)	1 April 2014	EUR	82.7700	419.5	955.6	6,666.0	5,783.9	493.0	-	5,371.3	774.0	196.7	577.3	-	100%	The Netherlands
21	Apotex N.V.	8 February 2019	EUR	82.7700	1,986.2	(1,610.4)	587.7	211.9	-	-	838.0	(44.5)	0.5	(45.0)	-	100%	Belgium
22	Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o.)	8 February 2019	CZK	3.0046	365.4	271.6	1,049.7	412.7	-	-	1,668.5	(134.9)	(5.0)	(129.9)	-	100%	Czech Republic
23	Apotex Europe B.V.	8 February 2019	EUR	82.7700	-	236.9	367.7	130.8	-	-	139.8	(0.8)	-	(0.8)	-	100%	The Netherlands
24	Apotex Polska sp. z.o.o. [1]	8 February 2019	PLN	18.0409	-	-	-	-	-	-	-	-	-	-	-	100%	Poland
25	Apotex Espana SL [2]	8 February 2019	EUR	82.7700	-	-	-	-	-	-	-	-	-	-	-	100%	Spain
26	Apotex Nederland B.V.	8 February 2019	EUR	82.7700	-	(649.4)	5,565.3	6,214.7	-	-	9,069.0	(2,906.4)	-	(2,906.4)	-	100%	The Netherlands
27	Sameko Farma B.V. [3]	8 February 2019	EUR	82.7700	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
28	Leidapharm B.V. [3]	8 February 2019	EUR	82.7700	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
29	Marel B.V. [3]	8 February 2019	EUR	82.7700	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
30	Pharma Dossier B.V. [3]	8 February 2019	EUR	82.7700	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
31	Aurobindo NV/SA [4]	Not Applicable	EUR	82.7700	5.1	(9.8)	7.1	11.8	-	-	-	(9.8)	-	(9.8)	-	100%	Belgium
32	CuraTeQ Biologics GmbH	Not Applicable	CHF	78.2875	78.3	(21.5)	534.8	478.0	-	-	-	(17.1)	-	(17.1)	-	100%	Switzerland
33	APL Pharma Thai Limited [8]	Not Applicable	THB	2.3050	230.5	(53.8)	201.0	24.3	-	-	26.2	(1.8)	-	(1.8)	-	97.92%	Thailand

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

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34	Aurobindo Pharma Industria Farmaceutica Ltd [8]	Not Applicable	BRL	14.3791	145.6	390.6	1,067.0	530.8	-	-	1,627.5	379.3	131.4	247.8	589.8	99.97%	Brazil
35	Aurobindo Pharma Produtos Farmaceuticos Limitada [8]	Not Applicable	BRL	14.3791	1.4	183.0	277.9	93.5	-	-	55.1	(0.9)	1.8	(2.7)	-	100%	Brazil
36	All Pharma (Shanghai) Trading Co Ltd [8]	Not Applicable	RMB	10.6450	53.2	159.5	260.3	47.6	-	-	101.4	17.9	2.0	15.9	-	100%	China
37	Auro Pharma Inc.	Not Applicable	CAD	53.0825	229.7	831.9	5,497.9	4,436.3	-	-	4,129.2	327.7	77.5	250.2	117.7	100%	Canada
38	Aurobindo Pharma (Pty) Ltd	Not Applicable	ZAR	4.2325	177.4	(55.7)	794.5	672.8	-	-	642.6	(46.1)	-	(46.1)	4.9	100%	South Africa
39	Aurobindo Pharma Japan KK	Not Applicable	JPY	0.6963	103.6	43.7	192.2	44.9	-	-	248.7	6.5	2.1	4.3	-	100%	Japan
40	Aurovida Farmaceutica SA DE CV [8]	Not Applicable	MXN	3.1407	476.6	(380.8)	788.8	693.0	-	-	171.4	(162.4)	-	(162.4)	-	100%	Mexico
41	Aurobindo Pharma Colombia S A S [8]	Not Applicable	Cpeso	0.0184	29.4	242.3	515.2	243.5	-	-	649.4	114.2	42.3	71.9	-	100%	Colombia
42	Aurogen South Africa (PTY) Ltd	Not Applicable	ZAR	4.2325	177.4	988.7	1,066.3	147.4	177.4	69.8	605.6	398.9	24.2	374.8	-	100%	South Africa
43	Aurobindo Pharma Saudi Arabia Limited Company	Not Applicable	SAR	20.1500	201.5	(91.3)	114.6	4.4	-	-	-	(32.1)	-	(32.1)	-	100%	Soudi Arabia
44	Aurovitas Pharma (Taizhou) Ltd [8]	Not Applicable	RMB	10.6450	1,590.0	(38.9)	1,844.0	292.9	-	-	-	(9.2)	-	(9.2)	-	100%	China
45	Aurobindo Pharma FZ-LLC	Not Applicable	AED	20.6000	19.7	(13.9)	10.4	4.6	-	-	-	(13.9)	-	(13.9)	-	100%	Dubai
46	Auroscience PTY Ltd, Australia	Not Applicable	USD	75.6650	911.0	(102.8)	799.2	(9.0)	-	-	210.9	12.9	-	12.9	-	100%	Australia
47	Aurobindo Pharma USA Inc.	Not Applicable	USD	75.6650	4,666.6	10,453.1	33,596.2	24,258.1	5,781.6	-	61,603.9	3,554.4	(415.7)	3,970.1	359.4	100%	USA
48	Aurolife Pharma LLC	Not Applicable	USD	75.6650	4,615.6	6,630.4	13,304.1	2,058.1	-	-	8,283.1	(1,051.9)	-	(1,051.9)	-	100%	USA
49	Auromedics Pharma LLC	Not Applicable	USD	75.6650	15.1	3,826.8	9,566.4	5,724.5	-	-	20,960.6	1,510.6	270.5	1,240.1	-	100%	USA
50	Auro Health LLC	Not Applicable	USD	75.6650	18.9	1,062.0	2,180.9	1,100.0	-	-	3,631.1	1,019.1	91.2	927.9	-	100%	USA
51	Natrol LLC	4 December 2014	USD	75.6650	37.8	6,198.1	9,782.2	3,546.3	-	-	11,853.8	2,228.5	301.9	1,926.7	-	100%	USA
52	Aurobindo Pharma USA LLC[5]	Not Applicable	USD	75.6650	-	-	-	-	-	-	-	-	-	-	-	100%	USA

(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 share-holding	Country
53	Auro AR LLC	Not Applicable	USD	75.6650	7.6	-	112.7	105.1	-	-	-	-	-	-	-	100%	USA
54	Auro Vaccines LLC	Not Applicable	USD	75.6650	37.8	(79.7)	2,300.6	2,342.5	-	-	-	(63.4)	-	(63.4)	-	100%	USA
55	AuroLogistics LLC	Not Applicable	USD	75.6650	37.8	87.3	728.6	603.5	-	-	-	58.9	6.5	52.4	-	100%	USA
56	Acrotech Biopharma LLC	Not Applicable	USD	75.6650	37.8	1,415.7	9,602.5	8,149.0	-	-	7,814.2	1,642.0	177.6	1,464.5	-	100%	USA
57	Auro Science LLC	Not Applicable	USD	75.6650	-	-	-	-	-	-	-	-	-	-	-	100%	USA
58	Auro Packaging LLC [6]	Not Applicable	USD	75.6650	37.8	9.3	210.1	163.0	-	-	-	9.6	0.4	9.2	-	100%	USA
59	APL Research Centre Limited	Not Applicable	INR	1.0000	122.6	(3.6)	119.0	-	-	-	-	(0.5)	-	(0.5)	-	100%	India
60	APL Healthcare Limited	Not Applicable	INR	1.0000	2,160.0	(1,338.6)	4,001.7	3,180.3	-	-	976.7	(327.4)	-	(327.4)	-	100%	India
61	Auronext Pharma Private Limited	Not Applicable	INR	1.0000	1,249.8	4,122.2	5,478.5	393.7	287.2	-	6,894.1	4,258.9	1,140.1	3,118.8	-	100%	India
62	Auro Peptides Ltd	Not Applicable	INR	1.0000	1.0	(734.4)	781.4	1,514.8	-	-	130.1	(271.9)	96.3	(368.2)	-	95%	India
63	Curepro parenterals Ltd	Not Applicable	INR	1.0000	133.1	1,759.1	1.8	1,582.5	-	3,472.9	-	(86.2)	-	(86.2)	-	100%	India
64	Hyacinths Pharma Pvt.Ltd	1 October 2013	INR	1.0000	325.0	(5.0)	562.4	242.4	-	-	-	(0.5)	-	(0.5)	-	100%	India
65	Silicon Life Sciences Pvt.Ltd.	11 October 2013	INR	1.0000	448.7	(192.8)	1,322.1	1,066.2	-	-	1,391.6	89.3	24.2	65.1	-	100%	India
66	AuroZymes Limited	Not Applicable	INR	1.0000	0.5	(104.0)	0.7	104.2	-	-	-	(103.1)	-	(103.1)	-	100%	India
67	Auro Pharma India Private Limited	Not Applicable	INR	1.0000	1.0	(0.1)	0.9	-	-	-	-	(0.1)	-	(0.1)	-	100%	India
68	Auroactive Pharma Private Limited[7]	Not Applicable	INR	1.0000	1.0	-	1.0	-	-	-	-	-	-	-	-	100%	India

[1] Apotex Polska sp. z.o.o. merged with Aurovitas Pharma Polska w.e.f. 1 April 2019.

[2] Apotex Espana SL merged with Aurovitas Spain SA w.e.f. 1 April 2019.

[3] The Financial Statements of these entities are consolidated in Apotex Nederland B.V.

[4] Aurobindo NV/SA incorporated on 17 December 2019, results given are from the date of incorporation.

[5] Aurobindo Pharma USA LLC Closed w.e.f. 15 November 2019, results given upto the date of closure.

[6] Auro Packaging LLC incorporated on 1 April 2019, results given are from the date of incorporation.

[7] Auroactive Pharma Private Limited incorporated on 9 January 2020, results given are from the date of incorporation.

[8] The financial year of these companies end on 31 December. However, the results given are as of 31 March 2020.

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: 3 June 2020

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 Joint Venture	Novagen Pharma (Pty) Ltd	Purple BellFlower (Pty) Ltd (w.e.f 23 Aug 2018)	Eugia Pharma Specialities Ltd	Tergene Biotech Pvt.Ltd	Raidurgam Developers Limited	Luoxin Aurovitas Pharm (Chengdu) Co. Ltd. (w.e.f. 25 March 2019)*	Longxiang Pharma Taizhou Co. Ltd (w.e.f. 28 October 2019)*	Novagen BBBEE Invest Co (Pty) Ltd (w.e.f. 7 November 2019)
1. Latest audited Balance Sheet Date	31 March 2020	31 March 2020	31 March 2020	31 March 2020	31 March 2020	31 March 2020	31 March 2020	31 March 2020
2. Shares of Joint Venture held by the company on the year end								
No.	927,236	480	323,556,347	9,040,000	4,000,000	Not applicable	Not applicable	-
Amount of Investment in Joint Venture	69.84	-	3,235.57	90.40	40.00	281.12	302.43	-
Extent of Holding %	50.00%	48.00%	67.82%	80.00%	40.00%	30.00%	57.00%	36.75%
3. Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
4. Reason why the associate/joint venture is not consolidated	Not applicable	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	(127.69)	-	3,191.89	(133.30)	32.37	376.91	286.28	-
6. Profit for the year	62.77	4.88	(244.33)	(54.48)	(5.07)	3.16	4.62	-
i. Considered in Consolidation	31.39	2.34	(165.70)	(43.58)	(2.03)	0.95	2.63	-
ii. Not Considered in Consolidation	31.39	2.54	(78.63)	(10.90)	(3.04)	2.21	1.99	-

*The financial year of these companies end on 31 December. However, the results given are as of 31 March 2020.

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: 3 June 2020

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 Millions)
1	Aurobindo Pharma USA Inc., USA	Wholly owned subsidiary	Sale of products	on going	Based on transfer pricing guidelines	39,829.4
			Reimbursement of expenses received	on going	Based on transfer pricing guidelines	23.7
			Sale of property, plant and equipment	on going	Based on transfer pricing guidelines	19.7
			Corporate guarantee given	on going	Based on transfer pricing guidelines	34,881.6
			Reimbursement of expenses	on going	Based on transfer pricing guidelines	1.1
			Corporate guarantee fee received	on going	Based on transfer pricing guidelines	5.4
			Dividend received	on going	Based on transfer pricing guidelines	338.2

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

For and on behalf of the Board

K. Ragunathan
Chairman
DIN: 00523576

Place: Hyderabad
Date: 3 June 2020

ANNEXURE-3

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31 March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L24239TG1986PLC015190
ii	Registration Date	26 December 1986
iii	Name of the Company	AUROBINDO PHARMA LIMITED
iv	Category / Sub-Category of the Company	Company having share capital
v	Address of the Registered Office and contact details	Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038, Telangana, India Phone:+91 40 23736370 Fax: +91 40 23743740 Email: info@aurobindo.com
vi	Whether listed company Yes/No	Yes. Listed on BSE Ltd and National Stock Exchange of India Ltd.
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Unit: Aurobindo Pharma Limited Selenium, Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Tel : 040-6716 2222 Fax: 040-23001153 Email: einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing generic pharmaceuticals and active pharmaceutical ingredients.	21001/21002	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name & Address of the Company	CIN/ GIN	Holding /Subsidiary / Associate	% of Shares held	Applicable section
1	APL Pharma Thai Limited, 438, Soi Phattanakaran, 30 Phattanakaran, Road, Khweang Suanluang, Khet Suanluang, Bangkok –10250	Foreign Company	Subsidiary	97.92	2(87)
2	All Pharma (Shanghai) Trading Corp Ltd, Room 3304, No.8 Xingly Rd., Shanghai, P.R. China	Foreign Company	Subsidiary	100	2(87)
3	Aurobindo Pharma Industria Farmaceutica Ltda, VP –06-E Qd. 09 Mod 12 a 15, Daia Anapolis, Goias State, Brazil	Foreign Company	Subsidiary	99.97	2(87)
4	Aurobindo Pharma Produtos Farmaceuticos Ltda, 2 Andar Sala 205, Centro, Anapolis, Goias State, Brazil	Foreign Company	Subsidiary	100	2(87)

S. No.	Name & Address of the Company	CIN/ GIN	Holding /Subsidiary / Associate	% of Shares held	Applicable section
5	Luoxin Aurovitas Pharm (Chengdu) Co. Ltd. (w.e.f. 25 March 2019) 1024, Building 1, No.319, Qingpi Avenue, Wenjiang District, Chengdu, PR China	Foreign Company	Joint Venture	30	2(6)
6	LONGXIANG PHARMA TAIZHOU CO., LTD (w.e.f. 28 October 2019) Room 1412, Building C1, Yocheng Avenue, Taizhou Medicals & Hi Tech Industrials Develeopment Zone, East Koutai Road, Taizhou	Foreign Company	Subsidiary	57	2(87)
7	Aurobindo Pharma Japan KK, 9th Floor, Youth Building, 1-3-8 Nihonbashibakuro-cho, Cho-ku, 103-0002, Tokyo Japan	Foreign Company	Subsidiary	100	2(87)
8	Auro Pharma Inc 3700 Steeles Ave. W. Suite # 402,Woodbridge, ON L4L 8K8, Canada	Foreign Company	Subsidiary	100	2(87)
9	Aurobindo Pharma (Pty) Ltd, 53 Phillip Engelbrecht Avenue, Woodhill Office Park, Building No 1,Meyersdal ext 12,1448, Johannesburg, South Africa	Foreign Company	Subsidiary	100	2(87)
10	Novagen Pharma Pty Ltd, 100, Sovereign Drive, Route 21, Corporate Park, Nellmapius Road, Irene, Pretoria, Soth Africa	Foreign Company	Joint Venture	50	2(6)
11	Novagen BBBEE Invest Co (Pty) Ltd (w.e.f. 7 November 2019) 100, Sovereign Drive, Route 21, Corporate Park, Nellmapius Road, Irene, Pretoria, South Africa	Foreign Company	Joint Venture	36.75	2(6)
12	Aurovida Farmaceutica Sa De Cv, Av. Insurgentes sur no. 813, Col. Nápoles, Del. Benito Juárez, C.P. 03810, Ciudad de México	Foreign Company	Subsidiary	100	2(87)
13	Aurobindo Pharma Colombia Sas, Calle 100 N 17A-36 Oficina 1003 Bogota Colombia	Foreign Company	Subsidiary	100	2(87)
14	Aurogen South Africa (Pty) Ltd., 53 Phillip Engelbrecht Avenue, Woodhill Office Park, Building No 1,Meyersdal ext 12,1448, Johannesburg,	Foreign Company	Subsidiary	100	2(87)
15	Purple Bellflower (Pty) Ltd (JV) 36 Lebombo Road,Ashlea Gardens,Menlo Park, Pretoria,Gauteng,0081	Foreign Company	Joint Venture	48	2(6)
16	Aurobindo Pharma Saudi Arabia Ltd Co Plot No. 1C 18, The Industrial Vally, Phase 1. King Abdullah Economic City,Kingdom of Arabia	Foreign Company	Subsidiary	100	2(87)
17	Aurovitas Pharma (Taizhou) Ltd Rm. 9044, Technology Building, No. 1 Yaocheng Rd.(South of Yaocheng Rd., east of Koutai Rd.), Taizhou City	Foreign Company	Subsidiary	100	2(87)

S. No.	Name & Address of the Company	CIN/ GIN	Holding /Subsidiary / Associate	% of Shares held	Applicable section
18	Aurobindo Pharma FZ LLC Dubai Science Park,Premise 1209, Floor-12th, Building HQ Complex- North Tower Dubai, United Arab Emirates	Foreign Company	Subsidiary	100	2(87)
19	CuraTeQ Biologics GmbH Moore Stephens Luzern AG, Obergrundstrasse 61, 6003 Luzern, Switzerland	Foreign Company	Subsidiary	100	2(87)
20	Aurobindo Pharma USA Inc. 279 Princeton Hightstown Road, East Windsor, NJ 08520	Foreign Company	Subsidiary	100	2(87)
21	Aurolife Pharma LLC 2400 Route 130 N, Dayton, NJ 08810, USA	Foreign Company	Subsidiary	100	2(87)
22	Auromedics Pharma LLC 279 Princeton Hightstown Road, East Windsor, NJ 08520	Foreign Company	Subsidiary	100	2(87)
23	Auro Health LLC 2572 Brunswick Pike, Lawrenceville, NJ 08648, USA	Foreign Company	Subsidiary	100	2(87)
24	Natrol LLC 21411 Prairie Street, Chatsworth, CA 91311, USA	Foreign Company	Subsidiary	100	2(87)
25	Auro AR LLC 6 Wheeling Road, Dayton, NJ 08810	Foreign Company	Subsidiary	100	2(87)
26	Aurobindo Pharma USA LLC 279 Princeton Hightstown Road, East Windsor, NJ 08520 (sold w.e.f 12 November 2019)	Foreign Company	Subsidiary	100	2(87)
27	Auro Vaccines LLC 279 Princeton Hightstown Road, East Windsor, NJ 08520	Foreign Company	Subsidiary	100	2(87)
28	AuroLogistics LLC 279 Princeton Hightstown Road, East Windsor, NJ 08520	Foreign Company	Subsidiary	100	2(87)
29	Acrotech Biopharma LLC 279 Princeton Hightstown Road, East Windsor, NJ 08520	Foreign Company	Subsidiary	100	2(87)
30	Auro Science PTY Ltd, Melbourne, Australia	Foreign Company	Subsidiary	100	2(87)
31	Auro Science LLC 251 Little Falls Drive Wilmington, New Castle, Delaware, USA	Foreign Company	Subsidiary	100	2(87)
32	Auro Packaging LLC (w.e.f. 1.4.2019) 251 Little Falls Drive, Wilmington, DL, 19808, USA	Foreign Company	Subsidiary	100	2(87)
33	Helix Healthcare B.V. PrinsBernhardplein 200 ,1097 JB Amsterdam, Post Bag No. 990 1000 AZ, The Netherlands	Foreign Company	Subsidiary	100	2(87)
34	Agile Pharma B.V. PrinsBernhardplein 200 ,1097 JB Amsterdam, Post Bag No. 990 1000 AZ, The Netherlands	Foreign Company	Subsidiary	100	2(87)

S. No.	Name & Address of the Company	CIN/ GIN	Holding /Subsidiary / Associate	% of Shares held	Applicable section
35	Laboratorios Aurobindo S.L Avda. De Burgos, 16D, 5 degPlanta - EdificioEuromor, 28036, Madrid, Spain	Foreign Company	Subsidiary	100	2(87)
36	Pharmacin B.V. Molenvliet103 , 3335 LH Zwinindrecht, The Netherlands.	Foreign Company	Subsidiary	100	2(87)
37	Milpharm Limited Ares Block, Odyssey Business Park, South Ruislip, Middlesex, London, UK	Foreign Company	Subsidiary	100	2(87)
38	Aurobindo Pharma (Malta) Ltd Vault-14, Level-2, Valletta Waterfront, Floriana, Malta	Foreign Company	Subsidiary	100	2(87)
39	APL Swift Services (Malta) Ltd Vault-14, Level-2, Valletta Waterfront, Floriana, Malta	Foreign Company	Subsidiary	100	2(87)
40	Aurobindo Pharma GmbH, Willy-Brandt-Allee 2, 81829 Munchen, Germany	Foreign Company	Subsidiary	100	2(87)
41	Aurobindo Pharma B.V. Baarnschedijk 1, 3741 LN Bsaaarn, The Netherlands.	Foreign Company	Subsidiary	100	2(87)
42	Aurobindo Pharma (Romania) s.r.l BucurestiSectorul 1, Soseaua, Bucuresti - Ploiesti, Nr 42-44, Complex, Baneasa Business & technology Park, Cladirea B, ARIPA B2, Etaj 2, Romania	Foreign Company	Subsidiary	100	2(87)
43	Aurex B.V. Baarnsche dijk 1 3741 LN Baarn,The Netherlands	Foreign Company	Subsidiary	100	2(87)
44	Aurobindo Pharma (Italia) S.r.l Via San Giuseppe, 102, 20147 Saronno (Varese) Italy.	Foreign Company	Subsidiary	100	2(87)
45	Arrow Generiques SAS 26 avenue Tony Garnier 69007 Lyon - France	Foreign Company	Subsidiary	100	2(87)
46	1980 Puren Pharma GmbH Willy-Brandt-Allee 2; D-81829 München, Germany	Foreign Company	Subsidiary	100	2(87)
47	Puren Pharma GmbH & Co. KG Willy-Brandt-Allee 2; D-81829 München, Germany	Foreign Company	Subsidiary	100	2(87)
48	Aurovitas Spain SA Avda. De Burgos, 16D, 5 degPlanta - EdificioEuromor, 28036, Madrid, Spain	Foreign Company	Subsidiary	100	2(87)
49	Aurovitas Pharma Polska ul. SOKRATESA, nr 13D, lok. 27, miejsc. WARSZAWA, kod 01-909, poczta WARSZAWA, kraj POLSKA	Foreign Company	Subsidiary	100	2(87)
50	Generis Farmacêutica SA Rua Joao De Deus , No19, 2700-487 Amadora , LISBON, Portugal	Foreign Company	Subsidiary	100	2(87)
51	Generis Phar, Unipessoal Ld WOS - 100% Rua Joao De Deus , No19, 2700-487 Amadora, LISBON, Portugal	Foreign Company	Subsidiary	100	2(87)

S. No.	Name & Address of the Company	CIN/ GIN	Holding /Subsidiary / Associate	% of Shares held	Applicable section
52	Aurovitas Pharma Ceska Republica s.r.o Branická 213/53, Braník, 147 00 Praha 4, Prague, Czech Republic 14700	Foreign Company	Subsidiary	100	2(87)
53	Apotex N.V. Belgium Avenue E. Demunterlaan 5 bte/bus 8, 1090 Brussels, Belgium	Foreign Company	Subsidiary	100	2(87)
54	Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o.) Praha 1, Na Poříčí 1079/3a, PSC 11 000, Czech republic	Foreign Company	Subsidiary	100	2(87)
55	Apotex Europe B.V. Archimedesweg 2, 2333 CN Leiden, the Netherlands	Foreign Company	Subsidiary	100	2(87)
56	Apotex Nederland B.V. Archimedesweg 2, 2333 CN Leiden, the Netherlands	Foreign Company	Subsidiary	100	2(87)
57	Apotex Polska sp. z.o.o. (Merged with Aurovitas Pharma Polska w.e.f. 01.4.2019) ul. Ostrobramska, nr 95, lok., miejsc. Warszawa, kod 04-118, poczta Warszawa, kraj Polska	Foreign Company	Subsidiary	100	2(87)
58	Apotex Espana SL (Merged with Aurovitas Spain SA w.e.f. 1.4.2019) Caile Calendula 93, Miniparc III, 28109, EL Soto de la Moraleja Madrid, spain	Foreign Company	Subsidiary	100	2(87)
59	Sameko Farma B.V. Archimedesweg 2, 2333 CN Leiden	Foreign Company	Subsidiary	100	2(87)
60	Leida pharm B.V. Archimedesweg 2, 2333 CN Leiden	Foreign Company	Subsidiary	100	2(87)
61	Marel B.V. Archimedesweg 2, 2333 CN Leiden	Foreign Company	Subsidiary	100	2(87)
62	Pharma Dossier B.V. Archimedesweg 2, 2333 CN Leiden	Foreign Company	Subsidiary	100	2(87)
63	Aurobindo NV/SA (w.e.f. 17 December 2019) Burgemeester Etienne Demunterlaan 5 box 8 – 1090 Brussels	Foreign Company	Subsidiary	100	2(87)
64	APL Research Centre Limited Plot No.2, Maithrivihar, Ameerpet, Hyderabad - 500038	U24116TG2006PLC051171	Subsidiary	100	2(87)
65	APL Healthcare Limited Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038	U24239TG2006PLC109591	Subsidiary	100	2(87)
66	Auronext Pharma Private Limited Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038	U74999TG2009PTC191842	Subsidiary	100	2(87)
67	Auro Peptides Limited Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038	U24232TG2012PLC078350	Subsidiary	95	2(87)
68	Raidurgam Developers Limited Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038	U45100TG2012PLC081892	Joint Venture	40	2(6)

S. No.	Name & Address of the Company	CIN/ GIN	Holding /Subsidiary / Associate	% of Shares held	Applicable section
69	Curepro Parenterals Limited Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038	U24232TG2013PLC087101	Subsidiary	100	2(87)
70	Eugia Pharma Specialities Limited Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038	U24297TG2013PLC087048	Subsidiary	67.82	2(87)
71	Hyacinths Pharma Private Limited Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038	U24232TG2010PTC069638	Subsidiary	100	2(87)
72	Silicon Life Sciences Private Limited. Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038	U85100TG2008PTC057669	Subsidiary	100	2(87)
73	AuroZymes Limited Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038	U24232TG2013PLC091383	Subsidiary	100	2(87)
74	Tergene Biotech Private Limited Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038	U24230TG2008PTC113171	Subsidiary	80	2(87)
75	Auro Pharma India Private Limited Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038	U24298TG2017PTC121342	Subsidiary	100	2(87)
76	Auroactive Pharma Private Limited (w.e.f. 09 January 2020) Plot No.2, Maithrivihar, Ameerpet, Hyderabad 500038	U24230TG2020PTC138313	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Cate-Gory Code	Category of Shareholder	No. of shares held at the beginning of the year 01/04/2019				No. of shares held at the end of the year 31/03/2020				% Change During The Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	**Indian**									
(a)	Individual /HUF	72,164,968	0	72,164,968	12.32	72,214,968	0	72,214,968	12.32	0.01
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	213,760,966	0	213,760,966	36.48	214,550,503	0	214,550,503	36.62	0.13
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	285,925,934	0	285,925,934	48.80	286,765,471	0	286,765,471	48.94	0.14
(2)	**Foreign**									
(a)	Individuals (NRIs/ Foreign Individuals)	18,000,000	0	18,000,000	3.07	18,000,000	0	18,000,000	3.07	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	18,000,000	0	18,000,000	3.07	18,000,000	0	18,000,000	3.07	0.00
	Total A=A(1)+A(2)	303,925,934	0	303,925,934	51.87	304,765,471	0	304,765,471	52.01	0.14
(B)	**PUBLIC SHAREHOLDING**									
(1)	**Institutions**									
(a)	Mutual Funds /UTI	78,804,440	0	78,804,440	13.45	70,004,055	0	70,004,055	11.95	-1.50
(b)	Financial Institutions / Banks	293,467	180	293,647	0.05	427,276	30	427,306	0.07	0.02
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	1,120,194	0	1,120,194	0.19	3,174,757	0	3,174,757	0.54	0.35
(f)	Foreign Institutional Investors	125,779,371	0	125,779,371	21.47	130,444,701	0	130,444,701	22.26	0.80
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Others (Qualified Institutional Buyers)	0	0	0	0.00	6,598,632	0	6,598,632	1.13	1.13
	Sub-Total B(1) :	205,997,472	180	205,997,652	35.16	210,649,421	30	210,649,451	35.95	0.79
(2)	**Non-Institutions**									
(a)	Bodies Corporate	16,908,205	47,230	16,955,435	2.89	7,684,349	9,230	7,693,579	1.31	-1.58
(b)	Individuals									
	(i) Individuals holding nominal share capital up to ₹1 lakh	33,721,951	1,547,163	35,269,114	6.02	37,873,125	1,282,753	39,155,878	6.68	0.66
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	14,872,871	0	14,872,871	2.54	15,597,154	0	15,597,154	2.66	0.12
(c)	Others									
	Clearing Members	1,782,653	0	1,782,653	0.30	924,763	0	924,763	0.16	-0.15
	I E P F	605,394	0	605,394	0.10	682,047	0	682,047	0.12	0.01
	Non-Resident Indians	2,247,970	8,000	2,255,970	0.39	1,926,621	0	1,926,621	0.33	-0.06
	NRI - Non-Repatriation	997,210	0	997,210	0.17	1,014,317	0	1,014,317	0.18	0.00
	Trusts	3,253,376	0	3,253,376	0.56	3,529,328	0	3,529,328	0.60	0.05
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2):	74,389,630	1,602,393	75,992,023	12.97	69,231,704	1,291,983	70,523,687	12.04	-0.93
	Total B=B(1)+B(2):	280,387,102	1,602,573	281,989,675	48.13	279,881,125	1,292,013	281,173,138	47.99	-0.14
	Total (A+B):	584,313,036	1,602,573	585,915,609	100.00	584,646,596	1,292,013	585,938,609	100.00	0.00

Cate-Gory Code	Category of Shareholder	No. of shares held at the beginning of the year 01/04/2019				No. of shares held at the end of the year 31/03/2020				% Change During The Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C):	584,313,036	1,602,573	585,915,609	100.00	584,646,596	1,292,013	585,938,609	100.00	

(ii) Shareholding of Promoters

Sl. Nos	Name of the Share Holder	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding during the year.
		No of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	RPR Sons Advisors Pvt.Ltd, Mrs.P.Suneela Rani (Jointly holding)	196,376,250	33.52	0.00	196,376,250	33.52	0.00	0.00
2	Mr. K. Nithyananda Reddy	25,359,572	4.33	0.64	25,359,572	4.33	1.60	0.00
3	Mrs. Kambam Kirthi Reddy	20,700,000	3.53	0.00	20,750,000	3.54	0.00	0.01
4	Mr. Venkata Ramprasad Reddy Penaka	18,000,000	3.07	0.00	18,000,000	3.07	0.00	0.00
5	Axis Clinicals Ltd., Trident Chemphar Ltd., RPR Sons Advisors Pvt.Ltd. (Jointly holding)	16,726,716	2.86	0.53	16,726,716	2.86	0.53	0.00
6	Dr. M. Sivakumaran	14,491,360	2.47	0.00	14,491,360	2.47	0.00	0.00
7	Mrs. Kambam Spoorthi	7,600,000	1.30	0.26	7,600,000	1.30	0.69	0.00
8	Mrs. K. Rajeswari	1,975,500	0.34	0.03	1,975,500	0.34	0.03	0.00
9	Mr. M. Sumanth Kumar Reddy	1,600,000	0.27	0.21	1,600,000	0.27	0.22	0.00
10	Axis Clinicals Ltd.	658,000	0.11	0.11	658,000	0.11	0.11	0.00
11	Mr. Prasad Reddy Kambam	301,156	0.05	0.03	301,156	0.05	0.03	0.00
12	Trident Chemphar Ltd.	0	0.00	0.00	789,537	0.13	0.00	0.13
13	Mrs. Penaka Neha Reddy	130,000	0.02	0.00	130,000	0.02	0.00	0.00
14	Mr.. K. Suryaprakash Reddy	7,380	0.00	0.00	7,380	0.00	0.00	0.00
		303,925,934	51.87	1.81	304,765,471	52.01	3.21	0.14

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Holding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	303,925,934	51.87	303,925,934	51.87
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Purchased on 18.03.2020	130,000	0.02	304,055,934	51.89
	Purchased on 19.03.2020	50,000	0.01	304,105,934	51.90
	Purchased on 19.03.2020	136,000	0.02	304,241,934	51.92
	Purchased on 20.03.2020	298,537	0.05	304,540,471	51.97
	Purchased on 23.03.2020	225,000	0.04	304,765,471	52.01
	At the end of the year			304,765,471	52.01

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the company
1	HDFC SMALL CAP FUND	35,566,536	6.07	35,566,536	6.07
	05/04/2019	-2700	0.00	35,563,836	6.07
	12/04/2019	-465	0.00	35,563,371	6.07
	10/05/2019	-13,894	0.00	35,549,477	6.07
	24/05/2019	2,200,000	0.38	37,749,477	6.44
	31/05/2019	1,000,000	0.17	38,749,477	6.61
	07/06/2019	600,000	0.10	39,349,477	6.72
	14/06/2019	140,000	0.02	39,489,477	6.74
	21/06/2019	23,3000	0.04	39,722,477	6.78
	09/08/2019	24,000	0.00	39,746,477	6.78
	06/09/2019	-2,000	0.00	39,744,477	6.78
	13/09/2019	200,000	0.03	39,944,477	6.82
	20/09/2019	542,000	0.09	40,486,477	6.91
	27/09/2019	705,418	0.12	41,191,895	7.03
	11/10/2019	522,000	0.09	41,713,895	7.12
	18/10/2019	400,000	0.07	42,113,895	7.19
	25/10/2019	1,235,000	0.21	43,348,895	7.40
	01/11/2019	477,000	0.08	43,825,895	7.48
	08/11/2019	805,100	0.14	44,630,995	7.62
	15/11/2019	1,000,000	0.17	45,630,995	7.79
	22/11/2019	1,929,851	0.33	47,560,846	8.12
	29/11/2019	-110,000	-0.02	47,450,846	8.10
	31/01/2020	40,000	0.01	47,490,846	8.11
	14/02/2020	1,439,000	0.25	48,929,846	8.35
	28/02/2020	2,411,700	0.41	51,341,546	8.76
	28/02/2020	-13,000	0.00	51,328,546	8.76
	06/03/2020	555,000	0.09	51,883,546	8.85
	13/03/2020	218,000	0.04	52,101,546	8.89
	20/03/2020	1,016,000	0.17	53,117,546	9.07
	20/03/2020	-383,000	-0.07	527,34,546	9.00
	27/03/2020	-1214,000	-0.21	51,520,546	8.79
	31/03/2020	-16,300	0.00	51,504,246	8.79
	31/03/2020			51,504,246	8.79
2	SBI ARBITRAGE OPPORTUNITIES FUND	9,839,295	1.68	9,839,295	1.68
	05/04/2019	4,219	0.00	9,843,514	1.68
	05/04/2019	-100,000	-0.02	9,743,514	1.66
	12/04/2019	3,328	0.00	9,746,842	1.66
	19/04/2019	2,634	0.00	9,749,476	1.66
	19/04/2019	-5	0.00	9,749,471	1.66
	26/04/2019	503,279	0.09	10,252,750	1.75
	26/04/2019	-5	0.00	10,252,745	1.75
	03/05/2019	5,139	0.00	10,257,884	1.75
	03/05/2019	-746,353	-0.13	9,511,531	1.62
	10/05/2019	7,660	0.00	9,519,191	1.62
	10/05/2019	-353	0.00	9,518,838	1.62
	17/05/2019	10,503	0.00	9,529,341	1.63
	24/05/2019	4,375	0.00	9,533,716	1.63
	24/05/2019	-320,000	-0.05	9,213,716	1.57
	31/05/2019	2,625	0.00	9,216,341	1.57
	31/05/2019	-20,007	0.00	9,196,334	1.57
	07/06/2019	10,012	0.00	9,206,346	1.57
	07/06/2019	-166	0.00	9,206,180	1.57
	14/06/2019	5,923	0.00	9,212,103	1.57
	21/06/2019	4,187	0.00	9,216,290	1.57
	28/06/2019	20,663	0.00	9,236,953	1.58
	28/06/2019	-31	0.00	9,236,922	1.58

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the company
	05/07/2019	14,817	0.00	951,739	1.58
	05/07/2019	-400,000	-0.07	8,851,739	1.51
	12/07/2019	10,642	0.00	8,862,381	1.51
	12/07/2019	-981,000	-0.17	7,881,381	1.35
	19/07/2019	5,459	0.00	7,886,840	1.35
	19/07/2019	-859,346	-0.15	7,027,494	1.20
	26/07/2019	7,734	0.00	7,035,228	1.20
	26/07/2019	-354,456	-0.06	6,680,772	1.14
	02/08/2019	7,853	0.00	6,688,625	1.14
	09/08/2019	4,366	0.00	6,692,991	1.14
	09/08/2019	-907,298	-0.15	5,785,693	0.99
	16/08/2019	3,852	0.00	5,789,545	0.99
	16/08/2019	-332,900	-0.06	5,456,645	0.93
	23/08/2019	159,957	0.03	5,616,602	0.96
	30/08/2019	36,807	0.01	5,653,409	0.96
	06/09/2019	5,340	0.00	5,658,749	0.97
	13/09/2019	5,566	0.00	5,664,315	0.97
	20/09/2019	69,756	0.01	5,734,071	0.98
	27/09/2019	1,698	0.00	5,735,769	0.98
	27/09/2019	-29,301	-0.01	5,706,468	0.97
	30/09/2019	2,180	0.00	5,708,648	0.97
	30/09/2019	-1,166	0.00	5,707,482	0.97
	04/10/2019	5,080	0.00	5,712,562	0.97
	04/10/2019	-1,312	0.00	5,711,250	0.97
	11/10/2019	5,353	0.00	5,716,603	0.98
	11/10/2019	-1,975,807	-0.34	3,740,796	0.64
	18/10/2019	4,128	0.00	3744,924	0.64
	18/10/2019	-390,011	-0.07	3354,913	0.57
	25/10/2019	1	0.00	3354,914	0.57
	01/11/2019	212	0.00	3,355,126	0.57
	01/11/2019	-1,973,000	-0.34	1,382,126	0.24
	08/11/2019	107	0.00	1,382,233	0.24
	08/11/2019	-168,798	-0.03	1,213,435	0.21
	15/11/2019	-234,914	-0.04	978,521	0.17
	22/11/2019	1	0.00	978,522	0.17
	22/11/2019	-4,737	0.00	973,785	0.17
	29/11/2019	65	0.00	973,850	0.17
	06/12/2019	2,901	0.00	976,751	0.17
	13/12/2019	633	0.00	977,384	0.17
	20/12/2019	1,004	0.00	978,388	0.17
	27/12/2019	-3,035	0.00	975,353	0.17
	31/12/2019	-33	0.00	975,320	0.17
	03/01/2020	306	0.00	975,626	0.17
	10/01/2020	752	0.00	976,378	0.17
	17/01/2020	501,525	0.09	1,477,903	0.25
	17/01/2020	-3	0.00	1,477,900	0.25
	24/01/2020	201,075	0.03	1,678,975	0.29
	31/01/2020	-2,616	0.00	1,676,359	0.29
	07/02/2020	1,062	0.00	1,677,421	0.29
	14/02/2020	251	0.00	1,677,672	0.29
	14/02/2020	-395,154	-0.07	1,282,518	0.22
	21/02/2020	423	0.00	1,282,941	0.22
	21/02/2020	-200,000	-0.03	1,082,941	0.18
	28/02/2020	5,164	0.00	1,088,105	0.19
	28/02/2020	-138,988	-0.02	949,117	0.16
	06/03/2020	3,888	0.00	953,005	0.16
	06/03/2020	-18,268	0.00	934,737	0.16
	13/03/2020	6,315	0.00	941,052	0.16

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the company
	20/03/2020	9,750	0.00	950,802	0.16
	20/03/2020	-143,362	-0.02	807,440	0.14
	27/03/2020	1,529	0.00	808,969	0.14
	27/03/2020	-458	0.00	808,511	0.14
	31/03/2020	2	0.00	808,513	0.14
	31/03/2020			808,513	0.14
3	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL	9,288,348	1.59	9,288,348	1.59
	05/04/2019	487,546	0.08	9,775,894	1.67
	05/04/2019	-470,000	-0.08	9,305,894	1.59
	12/04/2019	-311,817	-0.05	8,994,077	1.54
	19/04/2019	898,202	0.15	9,892,279	1.69
	19/04/2019	-1,471,000	-0.25	8,421,279	1.44
	26/04/2019	3,132	0.00	8,424,411	1.44
	26/04/2019	-1,001	0.00	8,423,410	1.44
	03/05/2019	223,000	0.04	8,646,410	1.48
	03/05/2019	-205,575	-0.04	8,440,835	1.44
	10/05/2019	2,552	0.00	8,443,387	1.44
	10/05/2019	-15,000	0.00	8,428,387	1.44
	17/05/2019	213,000	0.04	8,641,387	1.47
	17/05/2019	-173,552	-0.03	8,467,835	1.45
	24/05/2019	521,714	0.09	8,989,549	1.53
	24/05/2019	-821,001	-0.14	8,168,548	1.39
	31/05/2019	6,555	0.00	8,175,103	1.40
	31/05/2019	-228,000	-0.04	7,947,103	1.36
	07/06/2019	-9,795	0.00	7,937,308	1.35
	14/06/2019	505,290	0.09	8,442,598	1.44
	14/06/2019	-56,000	-0.01	8,386,598	1.43
	21/06/2019	3,450	0.00	8,390,048	1.43
	21/06/2019	-457,000	-0.08	7,933,048	1.35
	28/06/2019	-156,507	-0.03	7,776,541	1.33
	05/07/2019	236	0.00	7,776,777	1.33
	05/07/2019	-1,000	0.00	7,775,777	1.33
	12/07/2019	250,445	0.04	8,026,222	1.37
	19/07/2019	272,582	0.05	8,298,804	1.42
	26/07/2019	9,502	0.00	8,308,306	1.42
	02/08/2019	6,982	0.00	8,315,288	1.42
	02/08/2019	-6,000	0.00	8,309,288	1.42
	09/08/2019	477,341	0.08	8,786,629	1.50
	09/08/2019	-973,047	-0.17	7,813,582	1.33
	16/08/2019	399,673	0.07	8,213,255	1.40
	16/08/2019	-1,000,000	-0.17	7,213,255	1.23
	23/08/2019	16,452	0.00	7,229,707	1.23
	30/08/2019	579,860	0.10	7,809,567	1.33
	30/08/2019	-550,000	-0.09	7,259,567	1.24
	06/09/2019	791	0.00	7,260,358	1.24
	06/09/2019	-3,000	0.00	7,257,358	1.24
	13/09/2019	1,582	0.00	7,258,940	1.24
	13/09/2019	-61,000	-0.01	7,197,940	1.23
	20/09/2019	23,791	0.00	7,221,731	1.23
	27/09/2019	-1,46,072	-0.02	7,075,659	1.21
	30/09/2019	1,694	0.00	7,077,353	1.21
	30/09/2019	-11,000	0.00	7,066,353	1.21
	04/10/2019	1,640	0.00	7,067,993	1.21
	04/10/2019	-2,000	0.00	7,065,993	1.21
	11/10/2019	4,620	0.00	7,070,613	1.21
	11/10/2019	-350,001	-0.06	6,720,612	1.15
	18/10/2019	200,110	0.03	6,920,722	1.18

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the company
	18/10/2019	-126,000	-0.02	6,794,722	1.16
	25/10/2019	106,000	0.02	6,900,722	1.18
	25/10/2019	-1,650	0.00	6,899,072	1.18
	01/11/2019	-7,590	0.00	6,891,482	1.18
	08/11/2019	95,040	0.02	6,986,522	1.19
	08/11/2019	-45,508	-0.01	6,941,014	1.18
	15/11/2019	96,000	0.02	7,037,014	1.20
	15/11/2019	-24,524	0.00	7,012,490	1.20
	22/11/2019	212,000	0.04	7,224,490	1.23
	22/11/2019	-5,671	0.00	7,218,819	1.23
	29/11/2019	107	0.00	7,218,926	1.23
	29/11/2019	-29,000	0.00	7,189,926	1.23
	06/12/2019	-28,240	0.00	7,161,686	1.22
	13/12/2019	-9,916	0.00	7,151,770	1.22
	20/12/2019	28,188	0.00	7,179,958	1.23
	27/12/2019	-6,956	0.00	7,173,002	1.22
	31/12/2019	-106	0.00	7,172,896	1.22
	03/01/2020	-212	0.00	7,172,684	1.22
	10/01/2020	276	0.00	7,172,960	1.22
	10/01/2020	-10,000	0.00	7,162,960	1.22
	17/01/2020	-71,664	-0.01	7,091,296	1.21
	24/01/2020	848	0.00	7,092,144	1.21
	24/01/2020	-4,25,096	-0.07	6,667,048	1.14
	31/01/2020	36,756	0.01	6,703,804	1.14
	31/01/2020	-350,001	-0.06	6,353,803	1.08
	07/02/2020	3,074	0.00	6,356,877	1.08
	07/02/2020	-4,000	0.00	6,352,877	1.08
	14/02/2020	212	0.00	6,353,089	1.08
	21/02/2020	280,318	0.05	6,633,407	1.13
	28/02/2020	3,708	0.00	6,637,115	1.13
	28/02/2020	-567,000	-0.10	6,070,115	1.04
	06/03/2020	992	0.00	6,071,107	1.04
	06/03/2020	-68	0.00	6,071,039	1.04
	13/03/2020	36,033	0.01	6,107,072	1.04
	20/03/2020	1,321,718	0.23	7,428,790	1.27
	20/03/2020	-110	0.00	7,428,680	1.27
	27/03/2020	505,586	0.09	7,934,266	1.35
	27/03/2020	-176,000	-0.03	7,758,266	1.32
	31/03/2020	-221,364	-0.04	7,536,902	1.29
	31/03/2020			7,536,902	1.29
4	AMANSA HOLDINGS PRIVATE LIMITED	6,326,203	1.08	6,326,203	1.08
	28/06/2019	380,506	0.06	6,706,709	1.14
	19/07/2019	292,454	0.05	6,999,163	1.19
	26/07/2019	205,628	0.04	7,204,791	1.23
	02/08/2019	191,320	0.03	7,396,111	1.26
	29/11/2019	-548,617	-0.09	6,847,494	1.17
	07/02/2020	88,813	0.02	6,936,307	1.18
	20/03/2020	-3,354,092	-0.57	3,582,215	0.61
	27/03/2020	-3,545,754	-0.61	36,461	0.01
	31/03/2020			36,461	0.01
5	BNP PARIBAS ARBITRAGE	1,791,644	0.31	1,791,644	0.31
	05/04/2019	97,000	0.02	1,888,644	0.32
	12/04/2019	85,063	0.01	1,973,707	0.34
	19/04/2019	27,115	0.00	2,000,822	0.34
	10/05/2019	44,000	0.01	2,044,822	0.35
	17/05/2019	-35,908	-0.01	2,008,914	0.34
	24/05/2019	1,194,257	0.20	3,203,171	0.55
	31/05/2019	-38,000	-0.01	3,165,171	0.54

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the company
	07/06/2019	-293,000	-0.05	2,872,171	0.49
	14/06/2019	361,000	0.06	3,233,171	0.55
	21/06/2019	605,000	0.10	3,838,171	0.66
	28/06/2019	102,601	0.02	3,940,772	0.67
	05/07/2019	608	0.00	3,941,380	0.67
	12/07/2019	-12,000	0.00	3,929,380	0.67
	26/07/2019	189,761	0.03	4,119,141	0.70
	02/08/2019	228,751	0.04	4,347,892	0.74
	09/08/2019	-9,778	0.00	4,338,114	0.74
	16/08/2019	-156,075	-0.03	4,182,039	0.71
	23/08/2019	-191,155	-0.03	3,990,884	0.68
	30/08/2019	-274,128	-0.05	3,716,756	0.63
	06/09/2019	-62,400	-0.01	3,654,356	0.62
	13/09/2019	-140,000	-0.02	3,514,356	0.60
	20/09/2019	-21,622	0.00	3,492,734	0.60
	27/09/2019	-47,378	-0.01	3,445,356	0.59
	30/09/2019	-37,000	-0.01	3,408,356	0.58
	11/10/2019	984,620	0.17	4,392,976	0.75
	18/10/2019	229,969	0.04	4,622,945	0.79
	25/10/2019	63,023	0.01	4,685,968	0.80
	01/11/2019	17,000	0.00	4,702,968	0.80
	08/11/2019	548,325	0.09	5,251,293	0.90
	22/11/2019	969	0.00	5,252,262	0.90
	13/12/2019	-73,000	-0.01	5,179,262	0.88
	20/12/2019	38,935	0.01	5,218,197	0.89
	27/12/2019	-122,000	-0.02	5,096,197	0.87
	31/12/2019	-44,000	-0.01	5,052,197	0.86
	10/01/2020	79,490	0.01	5,131,687	0.88
	17/01/2020	8,244	0.00	5,139,931	0.88
	24/01/2020	478	0.00	5,140,409	0.88
	07/02/2020	3760,312	0.64	8,900,721	1.52
	07/02/2020	-3760,312	-0.64	5,140,409	0.88
	14/02/2020	-4,822	0.00	5,135,587	0.88
	21/02/2020	2,186	0.00	5,137,773	0.88
	06/03/2020	-21,209	0.00	5,116,564	0.87
	13/03/2020	2,440,662	0.42	7,557,226	1.29
	13/03/2020	-1,024,959	-0.17	6,532,267	1.11
	20/03/2020	-86,076	-0.01	6,446,191	1.10
	27/03/2020	-90,324	-0.02	6,355,867	1.08
	31/03/2020	-88,270	-0.02	6,267,597	1.07
	31/03/2020			6,267,597	1.07
6	ABU DHABI INVESTMENT AUTHORITY - BEACON	5347,503	0.91	5,347,503	0.91
	05/04/2019	208,000	0.04	5,555,503	0.95
	26/04/2019	-29,197	0.00	5,526,306	0.94
	28/06/2019	41,206	0.01	5,567,512	0.95
	05/07/2019	339,005	0.06	5,906,517	1.01
	12/07/2019	695,366	0.12	6,601,883	1.13
	19/07/2019	114,634	0.02	6,716,517	1.15
	19/07/2019	-216,633	-0.04	6,499,884	1.11
	04/10/2019	16,614	0.00	6,516,498	1.11
	04/10/2019	-66,330	-0.01	6,450,168	1.10
	18/10/2019	-2,170	0.00	6,447,998	1.10
	25/10/2019	-2,171	0.00	6,445,827	1.10
	15/11/2019	-267,573	-0.05	6,178,254	1.05
	22/11/2019	-51,051	-0.01	6,127,203	1.05
	17/01/2020	-95,594	-0.02	6,031,609	1.03
	24/01/2020	-3,362	0.00	6,028,247	1.03
	07/02/2020	-241,800	-0.04	5,786,447	0.99

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the company
	27/03/2020	245,344	0.04	6,031,791	1.03
	31/03/2020	42,256	0.01	6,074,047	1.04
	31/03/2020			6,074,047	1.04
7	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	5242,917	0.89	5,242,917	0.89
	05/04/2019	-1,247	0.00	5,241,670	0.89
	12/04/2019	452	0.00	5,242,122	0.89
	12/04/2019	-205,800	-0.04	5,036,322	0.86
	19/04/2019	-2,000	0.00	5,034,322	0.86
	26/04/2019	-589,827	-0.10	4,444,495	0.76
	03/05/2019	-364,356	-0.06	4,080,139	0.70
	24/05/2019	112	0.00	4,080,251	0.70
	24/05/2019	-229,746	-0.04	3,850,505	0.66
	31/05/2019	-5,770	0.00	3,844,735	0.66
	07/06/2019	-14,037	0.00	3,830,698	0.65
	14/06/2019	189,500	0.03	4,020,198	0.69
	19/07/2019	872	0.00	4,021,070	0.69
	19/07/2019	-3,400	0.00	4,017,670	0.69
	26/07/2019	109	0.00	4,017,779	0.69
	09/08/2019	216	0.00	4,017,995	0.69
	30/08/2019	84,000	0.01	4,101,995	0.70
	13/09/2019	45,000	0.01	4,146,995	0.71
	13/09/2019	-864	0.00	4,146,131	0.71
	20/09/2019	108	0.00	4,146,239	0.71
	27/09/2019	16,976	0.00	4,163,215	0.71
	27/09/2019	-155,000	-0.03	4,008,215	0.68
	04/10/2019	-1,029	0.00	4,007,186	0.68
	15/11/2019	-148,383	-0.03	3,858,803	0.66
	22/11/2019	-188,593	-0.03	3,670,210	0.63
	29/11/2019	-125,400	-0.02	3,544,810	0.60
	06/12/2019	-40	0.00	3,544,770	0.60
	20/12/2019	-529,655	-0.09	3,015,115	0.51
	03/01/2020	-362,000	-0.06	2,653,115	0.45
	10/01/2020	-155,200	-0.03	2,497,915	0.43
	17/01/2020	105	0.00	2,498,020	0.43
	17/01/2020	-143,000	-0.02	2,355,020	0.40
	24/01/2020	-740,157	-0.13	1,614,863	0.28
	31/01/2020	-324,000	-0.06	1,290,863	0.22
	07/02/2020	306	0.00	1,291,169	0.22
	28/02/2020	49,278	0.01	1,340,447	0.23
	28/02/2020	-671,000	-0.11	669,447	0.11
	13/03/2020	-62,000	-0.01	607,447	0.10
	20/03/2020	-393,000	-0.07	214,447	0.04
	27/03/2020	-175,278	-0.03	39,169	0.01
	31/03/2020	556	0.00	39,725	0.01
	31/03/2020	-14,000	0.00	25,725	0.00
	31/03/2020			25,725	0.00
8	IDFC DYNAMIC EQUITY FUND	4,500,707	0.77	4,500,707	0.77
	05/04/2019	5,000	0.00	4,505,707	0.77
	05/04/2019	-70,000	-0.01	4,435,707	0.76
	19/04/2019	-102,000	-0.02	4,333,707	0.74
	26/04/2019	-513,000	-0.09	3,820,707	0.65
	03/05/2019	218,000	0.04	4,038,707	0.69
	10/05/2019	4,000	0.00	4,042,707	0.69
	17/05/2019	60,000	0.01	4,102,707	0.70
	24/05/2019	21,000	0.00	4,123,707	0.70
	24/05/2019	-193,000	-0.03	3,930,707	0.67
	31/05/2019	-505,000	-0.09	3,425,707	0.58

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the company
	07/06/2019	88,000	0.02	3,513,707	0.60
	07/06/2019	-153,000	-0.03	3,360,707	0.57
	14/06/2019	164,000	0.03	3,524,707	0.60
	14/06/2019	-26,000	0.00	3,498,707	0.60
	21/06/2019	40,000	0.01	3,538,707	0.60
	21/06/2019	-62,000	-0.01	3,476,707	0.59
	28/06/2019	76,000	0.01	3,552,707	0.61
	28/06/2019	-471,382	-0.08	3,081,325	0.53
	05/07/2019	-366	0.00	3,080,959	0.53
	19/07/2019	196,000	0.03	3,276,959	0.56
	26/07/2019	11,000	0.00	3,287,959	0.56
	02/08/2019	-20,000	0.00	3,267,959	0.56
	16/08/2019	50,000	0.01	3,317,959	0.57
	16/08/2019	-8	0.00	3,317,951	0.57
	30/08/2019	31,000	0.01	3,348,951	0.57
	13/09/2019	50,000	0.01	3,398,951	0.58
	13/09/2019	-13,000	0.00	3,385,951	0.58
	20/09/2019	25,000	0.00	3,410,951	0.58
	20/09/2019	-6,000	0.00	3,404,951	0.58
	27/09/2019	11,000	0.00	3,415,951	0.58
	27/09/2019	-110,000	-0.02	3,305,951	0.56
	11/10/2019	-92,000	-0.02	3,213,951	0.55
	18/10/2019	-3,000	0.00	3,210,951	0.55
	25/10/2019	-226,000	-0.04	2,984,951	0.51
	01/11/2019	200,000	0.03	3,184,951	0.54
	08/11/2019	151,000	0.03	3,335,951	0.57
	15/11/2019	41,000	0.01	3,376,951	0.58
	15/11/2019	-200,951	-0.03	3,176,000	0.54
	22/11/2019	13,000	0.00	3,189,000	0.54
	22/11/2019	-250,000	-0.04	2,939,000	0.50
	29/11/2019	-79,582	-0.01	2,859,418	0.49
	13/12/2019	-8,000	0.00	2,851,418	0.49
	20/12/2019	1,000	0.00	2,852,418	0.49
	20/12/2019	-628,800	-0.11	2,223,618	0.38
	03/01/2020	52,493	0.01	2,276,111	0.39
	10/01/2020	-23,000	0.00	2,253,111	0.38
	17/01/2020	34,382	0.01	2,287,493	0.39
	17/01/2020	-24,000	0.00	2,263,493	0.39
	24/01/2020	-233,493	-0.04	2,030,000	0.35
	14/02/2020	-20,000	0.00	2,010,000	0.34
	21/02/2020	85,000	0.01	2,095,000	0.36
	28/02/2020	110,000	0.02	2,205,000	0.38
	13/03/2020	42,000	0.01	2,247,000	0.38
	27/03/2020	-550,000	-0.09	1,697,000	0.29
	31/03/2020	-35,000	-0.01	1,662,000	0.28
	31/03/2020			1,662,000	0.28
9	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4290,281	0.73	4,290,281	0.73
	26/04/2019	-113,066	-0.02	4,177,215	0.71
	09/08/2019	84,933	0.01	4,262,148	0.73
	30/08/2019	75,475	0.01	4,337,623	0.74
	21/02/2020	52,372	0.01	4,389,995	0.75
	06/03/2020	56,205	0.01	4,446,200	0.76
	13/03/2020	62,880	0.01	4,509,080	0.77
	20/03/2020	71,207	0.01	4,580,287	0.78
	27/03/2020	54,752	0.01	4,635,039	0.79
	31/03/2020			4,635,039	0.79

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the company
10	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	4200,238	0.72	4,200,238	0.72
	12/04/2019	9,959	0.00	4,210,197	0.72
	10/05/2019	10,392	0.00	4,220,589	0.72
	21/06/2019	-23,382	0.00	4,197,207	0.72
	28/06/2019	-93,567	-0.02	4,103,640	0.70
	27/09/2019	-94,906	-0.02	4,008,734	0.68
	27/03/2020	-69,365	-0.01	3,939,369	0.67
	31/03/2020			3,939,369	0.67

(v) Shareholding of Directors and Key Managerial Personnel:

	Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors					
1	Mr. K. Ragunathan	---	---	---	---
	At the end of the year	---	---	---	---
2	Mr. K. Nithyananda Reddy	25,359,572	4.33	25,359,572	4.33
	At the end of the year			25,359,572	4.33
3	Mr. N. Govindarajan	---	---	---	---
	At the end of the year	---	---	---	---
4	Dr. M. Sivakumaran	14,491,360	2.47	14,491,360	2.47
	At the end of the year			14,491,360	2.47
5	Mr. M. Madan Mohan Reddy	2,010	0.00	2,010	0.00
	At the end of the year			2,010	0.00
6	Mr. P. V. Ramprasad Reddy	18,000,000	3.07	18,000,000	3.07
	At the end of the year			18,000,000	3.07
7	Mr. M. Sitarama Murty	---	---	---	---
	At the end of the year	---	---	---	---
8	Mr. P. Sarath Chandra Reddy	---	---	---	---
	At the end of the year	---	---	---	---
9	Dr. (Mrs) Avnit Bimal Singh	---	---	---	---
	At the end of the year	---	---	---	---
10	Mrs. Savita Mahajan	---	---	---	---
	At the end of the year	---	---	---	---
Key Managerial Personnel					
1	Mr. S. Subramanian	7,126	0.00	7,126	0.00
	At the end of the year			7,126	0.00
2	Mr. B. Adi Reddy	---	---	---	---
	At the end of the year	---	---	---	---

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

INR in Millions

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	15,944.3	29,253.7	-	45,198.0
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.2	2.7	-	3.9
Total (i+ii+iii)	15,945.5	29,256.4	-	45,201.9
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	2,800.7	5,094.1	-	7,894.8
Net Change	-2,800.7	-5,094.1	-	-7,894.8
Indebtedness at the end of the financial year				
i) Principal Amount	13,143.6	24,159.6	-	37,303.2
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.1	12.6	-	12.6
Total (i+ii+iii)	13,143.7	24,172.2	-	37,315.8

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		K. Nithyananda Reddy	N. Govindarajan	Dr. M. Sivakumaran	Mr. M. Madan Mohan Reddy	Mr. P. Sarath Chandra Reddy	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	13.00	54.80	13.00	35.00	7.50	123.30
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	2.10	10.13	2.10	5.65	1.21	21.19
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	---	---	---	---	---	---
2	Stock Option		---	---	---	---	---
	Sweat Equity	---	---	---	---	---	---
4	Commission	---	---	---	---	---	---
	- as % of profit	---	100.00	---	---	---	100.00
	- others, specify...	---	---	---	---	---	---
5	Others, please specify - Contribution to PF	0.02	3.94	0.02	0.02	0.02	4.02
	Total (A)	15.12	168.87	15.12	40.67	8.73	248.51
	Ceiling as per the Act (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)						2,405.35

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total amount (₹ in million)
1	Independent Directors	Mr. K. Ragunathan	Mr. M. Sitarama Murty	Dr. (Mrs). Avnit Bimal Singh	Mrs. Savita Mahajan	
	Fee for attending board / committee meetings	1.10	0.75	0.65	0.80	3.30
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	Total (1)	1.10	0.75	0.65	0.80	3.30
	4. Other Non-Executive Directors	Mr.P.V. Ramprasad Reddy				
	Fee for attending board / committee meetings	0.40				0.40
	Commission	--				
	Others, please specify	--				
	Total (2)	0.40				0.40
	Total (B)=(1+2)					3.70
	Overall ceiling as per the Act (being 1% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013)					240.53
	Total managerial Remuneration					252.21
	Overall ceiling as per the Act (being 11% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013)					2,645.89

C. Remuneration to key Managerial Personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	Company Secretary	
		Mr. S. Subramanian	Mr. B. Adi Reddy	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	17.01	3.38	20.39
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	2.83	1.14	3.97
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	---	---	---
2	Stock Option	---	---	---
	Sweat Equity	---	---	---
4	Commission			
	- as % of profit	---	---	---
	- others, specify...	---	---	---
5	Others, please specify - Contribution to PF	1.22	0.24	1.46
	Total	21.06	4.76*	25.82

*including leave encashment of earlier years

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Against the Company, Directors and other officers in default under the Companies Act, 2013: None

For and on behalf of the Board

K. Ragunathan
Chairman
DIN: 00523576

Place: Hyderabad
Date: 3 June 2020

ANNEXURE-4

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;

- Improved the performance of chilling plants and running at close to design conditions for conservation of energy. This initiative accrued annual savings of 53.74 lakh kwh in Unit 1, 28.6 lakh kwh in Unit 5, 3.73 lakh kwh in Unit 8 and 1.05 lakh kwh in Unit 9.
- Replacement of old & higher size motors with optimum size motor for pumps, fans and stopping of idle running motors yielded annual energy savings of 3.38 lakh kwh in Unit-1, 0.24 lakh kwh in Unit 2 & 0.44 lakh kwh in Unit 9.
- Optimised the operations of vacuum pumps in Solvent Recovery & Production blocks for conservation of energy. The cumulative savings are 1.13 lakh kwh annually in Unit-1.
- Installed VFD's for RT Pumps for efficient & optimum operations accumulated savings of 1.28 lakh kwh annually in Unit 1, 0.51 lakh kwh annually in Unit 9 & 0.67 lakh kwh for 6 months in Unit 11U.
- Replaced the old lighting with energy efficient LED's and accrued annual energy savings of 0.69 lakh kwh in Unit1, 1.21 lakh kwh in Unit 5, 0.22 lakh kwh in Unit-9, 1.43 lakh kwh in Unit 11 and 0.42 kwh lakh in Unit 11U & 0.067 lakh kwh for 9 months in Unit 2
- Optimised the operation of Cooling Tower fan by installing auto cut off system with temperature control to avoid running during low load on cooling tower. This initiative accrued savings of 0.16 lakh kwh annually in Unit 1, 0.92 lakh kwh annually in Unit 8, 2.04 lakh kwh annually in Unit-9, 0.62 lakh kwh for 9 months in Unit 11 and savings of 4.83 lakh kwh for 7 months in Unit 11U
- Optimised the operations of Vapor Absorption Machines (VAM) and avoided excess running by interconnecting the two systems.This initiative yielded savings of 3.15 lakh kWh for 11 months in Unit 6.
- Optimised the operations of Purified Water Generation systems and avoided excess running by interconnecting the two systems.This imitative accrued savings of 0.15 lakh kWh for 7 months in Unit 6.
- Interchanging of pumps with suitable size pumps in Chilling plants for conservation of energy. The accumulated energy savings are 1.19 lakh kwh annually in Unit 8.
- Avoided idle running of AHU during night hours at RM warehouse for conservation of energy. The anticipated savings are 0.44 lakh kwh annually in Unit 9.
- Improved the performance of air compressors by arresting the leakages to conserve the energy at Unit 9. The achieved energy savings are 0.46 lakh kwh for 3 months.
- Auto cut-off timers for CRT rooms & office room HVAC systems without effect the temperature limits. The accrued energy savings are 0.14 lakh kwh for 9 months in Unit 11.
- Reduced fresh water consumption by using recycled / reject water (from various sources of plant like: - RO plant reject etc.) for cooling towers make-up.
- Improving the steam condensate recovery in the plant and collecting pure Steam condensate from A-Block, SRS & B-Block in Unit 14.
- Unit 15 achieved energy savings of 690units per day by improving chiller efficiency
- 20000 units by replacing with LED lamps saved annually at Unit 6. And at Unit 10 by providing lighting sensors for street lights 2160 units saved annually.
- At Unit 4, optimising the cooling tower fans running, water generation system improvement through temperature controls etc., resulted in about 900 units of power savings per day. At unit 10 from a similar initiative 1860 units per day saved
- At Unit 12, by installation of humidity controllers 1378 units saved per day and another 692 units per day saved by chilled water distribution modification and cooling water pump loop line modification
- 1038MT of coal saved per annum at unit 3 by improving condensate recovery by 5% and by maintaining feed water temperature at 90-95deg C
- 125KL of water per day and 65KL effluent per day saved at Unit 3 by rectifying underground seepages, removal of multiple parallel lines, installation of special nozzles for water taps etc.,
- 32KL of water per day saved at unit 3 by improving chiller efficiency.
- 91KL of water per day saved at Unit 10 by using STP water for gardening, improved condensate recovery and by using nylon spray nozzles for taps. Through multiple initiatives like AHU condensate recovery, water tap filters implementation etc., annually 6600KL water saved at Unit 15.

(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 397.9 Lakh kWh for utilisation of solar energy.
- 8207 KL water saved in the year in Unit 4 through rain water harvesting.
- Daylight initiative at Unit 15 at capex investment resulted in the savings of 118KWH per day. Similar initiative at Unit 10 gives 60KWH savings per day at a capex investment.

(iii) the capital investment on energy conservation equipment;

- Installation of Oil Free Refrigeration (OFR) system in Chilling plants for improving the efficiency. The accumulated energy savings are 1.24 lakh kWh for 3 months against expected savings of 8.35 Lakh kWh annually in Unit 1
- Installation of Dehydrator system in the Solvent Recovery Plant (SRP) for improving the recovery of solvent and energy conservation. The achieved energy savings are 8.16 Lakh kWh for 2 months against target savings of 92.2 lakh kWh annually in Unit 1
- 1152 KL water saved annually at Unit 7 by providing cooling tower conditioners. Further savings will be accrued after completion of the project in all the proposed areas with the capex expenditure of ₹23.4 Lakhs
- About 39000 units of power saved annually at Unit 4 by replacing old lighting system with HPSV lamps.
- High volume low speed fans provided in Warehouse area in the following units that resulted in energy savings of AHUs running U10:774 kwh/day, U12:224kwh/day, U15:1227kwh/day
- In hot water generation system at Unit 15 energy savings of 413 units per day achieved by providing higher RPM motors with the capex investment.
- 1820 units per day saved at Unit 4 by providing VFDs for various AHUs
- At Unit 15, dehumidifier electrical heater bank is replaced by steam coil, resulting energy savings of 427KWH per day
- Steam condensate recovery improved at unit 15 by installing one extra PPPU and steam traps. This has given 3000KL of water savings per annum

(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, 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	2019-20	2018-19
Capital	199.7	595.8
Recurring	7,416.3	6,941.2
Total R&D Expenditure	7,616.0	7,537.0
As a % of total gross turnover	5.74	6.15

(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	2019-20	2018-19
Exports	107,125.9	97,091.2
Others	318.8	225.2
Total	**107,444.7**	**97,316.4**

Foreign Exchange Outgo

₹ in Million

Particulars	2019-20	2018-19
Imports	34,901.7	36,741.3
Others	4,089.3	3,847.8
Total	**38,991.0**	**40,589.1**

For and on behalf of the Board

K. Ragunathan
Chairman
DIN: 00523576

Place: Hyderabad
Date: 3 June 2020

ANNEXURE-5

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 31st March, 2020

To
The Members
Aurobindo Pharma Limited
(CIN: L24239TG1986PLC015190)
Plot No.2, Maithrivihar, Ameerpet,
Hyderabad - 500038

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 year ended 31st March 2020. 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 authorized 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 31 March 2020 (i.e. from 1 April 2019 to 31st March 2020) 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 31st March 2020 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;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   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 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 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 3rd March2009 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 06 September 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 20 June 2018 (AO SCN) was issued by the Adjudication Officer (AO) of SEBI against the promoters and to the Company under Section 15 I of the SEBI Act, 1992. The Company and the promoters have submitted their responses to the aforesaid Show Cause notices.

The Adjudicating Officer (AO) vide order dated 23 September 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.

Meanwhile, the Company and the promoters have made settlement applications on 25 October 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 5 February, 2020. The SEBI on 16 April 2020 has communicated its acceptance to the settlement proposal of the Company and its promoters. Accordingly, on 30 April 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 6 May 2020 disposed of all the enforcement proceedings of SEBI in respect of the aforesaid allegations against the Company and the Promoters and the matter is now closed.

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 Committee 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 accounts 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 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 28 May 2019 has approved the Scheme of Amalgamation for Merger of its wholly owned subsidiaries viz. APL Healthcare Limited, APL Research Centre Limited, Aurozymes Limited, Curepro Parenterals Limited, Hyacinths Pharma Private Limited and Silicon Life Sciences Private Limited (a stepdown wholly owned subsidiary) with the Company. Accordingly, the Company has made application on 7 August 2019 with Hon'ble National Company Law Tribunal, Hyderabad (NCLT). Pursuant to the orders dated 30 September 2019, the required approvals of the Shareholders and unsecured creditors were taken at the meetings held on 30 Novemebr, 2019. Subsequently, a joint Petition was filed with NCLT on 9 December 2019 which has been admitted. The matter was listed for final hearing on 28 February, 2020 and adjourned to 23 March 2020. As on the date of report, the matter of sanction of the Scheme is still pending with the NCLT.

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No: 2147 II COP No: 16660
UDIN: F002147B000311940

Place: Hyderabad
Date: 3 June 2020

This Report is to be read with my letter which is annexed as Annexure and forms an integral part of this report.

ANNEXURE

To
The Members
M/s. Aurobindo Pharma Limited
(CIN: L24239TG1986PLC015190)
Plot No.2, Maithrivihar, Ameerpet,
Hyderabad- 500038

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 Accounts 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 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.

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No: 2147 II COP No: 16660

Place: Hyderabad
Date: 3 June 2020

ANNEXURE-6

Annual Report of Corporate Social Responsibility Activities

1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

   The CSR Policy has been placed on the Company's website at: http://www.aurobindo.com/about-us/corporate-governance

   The Company has established Aurobindo Pharma Foundation for primarily undertaking CSR Activities. Accordingly, the Company has started CSR Activities under the said foundation. Company has undertaken several activities for Promoting Education, Promoting Preventive Health Care, Eradicating Hunger, Poverty & Malnutrition and Preventive Health Care. Making Available Safe Drinking Water, Environment Sustainability, and Ecological Balance & Conservation of Natural Resources. Rural sports and Setting up Old Age Homes etc.

   Annual report on the CSR Activities of the Company during the year are also placed on the Company's website at: http://www.aurobindo.com/social-responsibility/csr-activities

2. Composition of CSR Committee:

Name	Designation
Mr. K. Nithyananda Reddy	Chairman
Mr. K. Ragunathan	Member
Dr. M. Sivakumaran	Member
Mr. P. Sarath Chandra Reddy	Member
Mrs. Savita Mahajan	Member

3. Average net profit (as per section 198 of the Companies Act, 2013) for the past three Financial Years:

₹ in Million

Particulars	2018-19	2017-18	2016-17
Net Profit as per Section 198 of the Companies Act,2013 for the preceding three financial years	19,752.3	23,630.1	21,965.3

₹ in Million

4	Average net profit for three years	21,782.6
	Prescribed CSR expenditure (2% of Average Net Profit)	435.6
	CSR amount unspent as on 31 March 2019	553.6
	Total CSR amount available for spending during the financial year 2019-20	989.2
	Contribution made by the Company to Aurobindo Pharma Foundation for CSR Expenditure during the Financial Year 2019-20	601.1
	CSR amount unspent as on 31 March2020 and carried forward to next year	388.1

₹ in Million

Total amount of CSR activities approved during financial year 2019-20	590.6
Total Amount spent on CSR activities in financial year 2019-20	486.0

Out of Total amount of ₹989.2 million available for CSR activities, an amount of ₹590.6 million has been approved during the Financial Year 2019-20 for various CSR activities. Aurobindo Pharma Foundation has spent an amount of ₹486.0 million on CSR activities during the Financial Year 2019-20, the details of which are provided here under:

Purposes for which the CSR amount was spent during the Financial year 2019-20 are detailed below:

(₹)

Sl. No.	CSR Project or Activity identified	Sector in which the Project is Covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
i	Promoting Education	Covered under Schedule VII for items of (ii) & (v) - “Promoting Education, including special education and employment enhancing vocation skills especially among children, women,elderly and the differently abled and livelihood enhancement projects and art & culture”.	Local Area & Other Sangareddy, Medchal-Malkajgiri, Adilabad, Rangareddy and Hyderabad Districts of Telangana state. Vizianagaram, Srikakulam, Visakhapatnam, Nellore, Chittoor, Krishna & East Godavari districts of Andhra Pradesh state, Haryana & Bihar State.	94,422,335	94,422,335	94,422,335	Direct and through various Implementing agencies like Lekha deep, Nemi Found ation, “Ashray- Akruti “NGO, Interna tional Foundation for Res earch and Educ ation, ABCD Organiz ation, ABV Found ation, Pratham Educa tional Society, Dr.B.R .Ambedkar University, “Sri Kalyana Venkate swara Veda Patha sala Trust”, APMAS an NGO and Avanthi Educational & Rese arch Charitable Trust, Sri Srinivasam Trust, Visalaandhra Vignana Samithi and Living Hearts Charitable Trust.
ii	Eradicating Hunger, Poverty & Malnutrition, Promoting Preventive Health care & Sanitation & Making available safe drinking water, Road & Safety for Public.	Covered under Schedule VII for items of (i) - Eradicating Hunger,Poverty, Malnutrition and Preventive Health care and Sanitation and Making available safe drinking water Road Safety for Public.	Local Area & Other Sangareddy, Rangareddy, Mahboobnagar, Medchal-Malka jgiri, Medak, Nirmal, Hyderabad Districts of Telan gana state. Vizianagaram, Srikakulam, Krishna, Chittoor and Nellore districts of Andhra Pradesh state and Goa state.	217,514,378	217,514,378	217,514,378	Direct and through various implementing agencies like Hare Krishna Movement Charitable Foundation, Commitments Public Trust, Pushpagiri Eye Institute, Sukuki Exnora NGO, Lions club of Narsapur Sneha bandhu charitable trust, Superintendent of Police Vizianagaram district, and Yoga Healing Foundation.

(₹)

Sl. No.	CSR Project or Activity identified	Sector in which the Project is Covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
iii	Promotion of Rural Sports	Covered under Schedule VII for items of (vii) Training to Promote Rural sports, Nationally recognised sports.	Local Area Hyderabad, Sangareddy and Rangareddy District's of Telangana state, Chittoor, Ananth apur, Srikakulam districts of Andhra Pradesh state.	24,028,400	24,028,400	24,028,400	Direct, and through Sudar Educational Society, Telangana State Table Tennis Association and Aditya Mehta Foundation
iv	Rural Development Projects, Environmental Sustainability, ecological balance & conservation of natural resources & Animal Welfare.	Covered under Schedule VII for items of (x), (ii) and (iv) Rural Development Projects, Environmental Sustainability, ecological balance & conservation of natural resources & Animal Welfare.	Local Area Sangareddy, Rangareddy, Medchal-Malkajgiri, Siddipet, Hyderabad, Mahboobnagar, Mahabubabad District's of Telangana State and Srikakulam, Vizianagaram, Visakhapatnam, YSR District, Kurnool, Nellore, Chittoor, Ananthapur and Srikakulam districts of Andhra Pradesh state.	51,335,822	51,335,822	51,335,822	Direct and through implementing NGO's like APMAS, Sri Rama Jeeva Seva Sadan (Go-shala), Sri Venugopala swamy Mandir Goshala, Cornell Sathguru Foundation for Development, Balav ikasa NGO, Nava Chethana Vignana Samithi Nukala Raghunath Reddy Abhinav Reddy for Rural Development Foundation and National Institute of Rural Development & Panchayathi Raj (NIRDPR)
v	Measures for the benefit of armed Forces veterans, War widows and their dependents	Covered under Schedule VII for items of (vi) Measures for the benefit of armed Forces veterans, War widows and their dependents	Other New Delhi.	800,800	800,800	800,800	Direct

(₹)

Sl. No.	CSR Project or Activity identified	Sector in which the Project is Covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
vi	Setting up of Old age home and Hostel for Orphans	Covered under Schedule VII for items of (iii) - "Setting up Old age homes and Hostel for Orphans"	Local Area Guntur, Chittoor District's of Andhra Pradesh state and Hyderabad, Medchal-Malkajgiri, Bhadradri Kothagudem district's of Telangana State.	4,000,000	4,000,000	4,000,000	Direct and through implementing NGOs like CR Foundation, Sri Ganapati Sach idananda Avadhoota Datta Peetha Trust, Kahal Tribal Service Society, Anadha Sharan Charitable Trust and Muvva China Bapi Reddy Charitable Trust
vii	Disaster management, including relief, rehabilitation and reconstruction activities	Covered under Schedule VII for items of (xii) "Disaster management, including relief, rehabilitation and reconstruction activities"	Local area Telangana State.	75,000,000	75,000,000	75,000,000	Direct
viii	CSR Expenditure	CSR Expenditure	Aurobindo Pharma Foundation India Offices and facilities.	18,864,851	18,864,851	18,864,851	Direct
		TOTAL:		**485,966,586**	**485,966,586**	**485,966,586**	

5. The prescribed CSR funds that could not be spent during the year/previous year(s) have been carried forward for spending on CSR projects. Shortfall in spending the prescribed amounts on CSR projects is mainly due to delay in identification of projects and some of the projects are on-going.

6. We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Hyderabad
Date: 3 June 2020

K. Nithyananda Reddy
Chairman of the CSR Committee
DIN: 01284195

N. Govindarajan
Managing Director
DIN: 00050482

ANNEXURE-7

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 & Whole-time Director	31 : 1
b	Mr. N. Govindarajan, Managing Director	341 : 1
c	Dr. M. Sivakumaran, Whole-time Director	31 : 1
d	Mr. M. Madan Mohan Reddy, Whole-time Director	82 : 1
e	Mr. P. Sarath Chandra Reddy, Whole-time Director	18 : 1

(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*	0.00
b	Mr. N. Govindarajan, Managing Director	14.98
c	Dr. M. Sivakumaran, Whole-time Director*	0.00
d	Mr. M. Madan Mohan Reddy, Whole-time Director	52.00
e	Mr. P. Sarath Chandra Reddy, Whole-time Director*	0.00
f	Mr. S. Subramanian, Chief Financial Officer	12.63
g	Mr. B. Adi Reddy, Company Secretary**	10.92

* No increment given during the year 2019-20. The increase in remuneration is due to earned leave encashment.

** Excluding encashment of earned leave of earlier years.

(iii) The percentage increase in the median remuneration of employees in the financial year was 9.87%

(iv) The number of permanent employees on the rolls of the Company as on 31 March 2020 was 18,469.

(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 12.87% as against 10.99% 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

K. Ragunathan
Chairman
DIN: 00523576

Place: Hyderabad
Date: 3 June 2020

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 31 March 2020, the Board consists of ten Directors. Five of them are Executive and five are Non-Executive Directors, including four independent of which two are women. 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 31 March 2020

Name	Category	Number of Board Meetings attended	Attendance at the last AGM held on 29 August 2019	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	4	Yes	5	---	---	---
Mr. K. Nithyananda Reddy	Promoter and Executive	3	Yes	9	---	2	25,359,572
Mr. N. Govindarajan	Executive	4	Yes	---	---	---	---
Dr. M. Sivakumaran	Executive	4	Yes	7	---	---	14,491,360
Mr. M. Madan Mohan Reddy	Executive	3	Yes	8	---	---	2,010
Mr. P. V. Ramprasad Reddy	Promoter and Non-Executive	4	---	2	---	---	18,000,000
Mr. P. Sarath Chandra Reddy	Executive	4	---	8	---	---	---
Mr. M. Sitarama Murty	Non-executive Independent	3	Yes	---	---	---	---
Dr. (Mrs.) Avnit Bimal Singh	Non-executive Independent	4	Yes	---	---	---	---
Mrs. Savita Mahajan	Non-executive Independent	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).

Note:

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).
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.

Video/ teleconferencing facilities are also used to facilitate Directors travelling/residing abroad or at other locations to participate in the meetings of Board and Committees.

During the financial year 2019-20, 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 2019-20, one meeting of the Independent Directors was held on 26 March 2020. 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 2019-20, four 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
28 May 2019	10	9
7 August 2019	10	8
12 November 2019	10	10
6 February 2020	10	10

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 and son-in-law of Mr. K. Nithyananda Reddy, Vice Chairman. Other than Mr. P.Sarath Chandra Reddy, Mr. P.V.Ramprasad Reddy and Mr. K. Nithyananda Reddy, none of the Directors are related to any other Director.

Details about familiarisation program

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 program are placed on the Company's website at: http://www.aurobindo.com/aboutus/corporate-governance

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.
Mr. N. Govindarajan	Executive	He is an Engineer and has more than 27 years of experience across a variety of domains such as bulk drugs, CRAMS, finished dosages and biotechnology.
Dr. M. Sivakumaran	Executive	He has 45 years 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.
Mr. M. Sitarama Murty	Non-executive Independent	He retired as Managing Director & CEO of State Bank of Mysore, Bangalore, in the year 2003. His specialised areas of interest are International Banking, Foreign Exchange, Money Markets, Funds Management, Credit Management, Rural Development, Computerisation, Commercial Law and Systems and Procedures and risk management.
Dr. (Mrs.) Avnit Bimal Singh	Non-executive Independent	She is a doctor by profession and adds value by identifying new and current trends in medication and relevant areas.
Mrs. Savita Mahajan	Non-executive Independent	She has rich experience in overall management, organisation, etc

Statement on Declaration by Independent Directors
Mr. K. Ragunathan, Mr. M. Sitarama Murty, Dr.(Mrs) Avnit Bimal Singh and Mrs. Savita Mahajan are the Independent Directors on the Board of the Company as on 31 March 2020. 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. 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.

As required by SEBI (LODR) Regulations, 2015, a certificate from Practicing Company Secretary 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 Practicing Company Secretary pursuant to Circular dated 08 February 2019 issued by SEBI is also attached to this Report as **Annexure-B**.

Details of Directors proposed for appointment /re-appointment at the Annual General Meeting

Mr. K. Nithyananda Reddy and Mr. M. Madan Mohan Reddy retire by rotation at this Annual General Meeting and being eligible, seek re-appointment.

Details of aforesaid directors seeking appointment/re-appointment 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, 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 judgment 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;
- 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;
- 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 utilized 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;
  - 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) exceeding rupees ₹1,000 million 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances/ investments existing as on 1 April 2019.
  - 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. M. Sitarama Murty, Chairman of the Audit Committee, is a Non-Executive, Independent Director having expertise in accounting and financial management. Mr. K.Ragunathan and Mrs.Savita Mahajan are the members of the Committee.

During the financial year, the Audit Committee met five times on 28 May 2019; 7 August 2019; 12 November 2019; 6 February 2020 and 26 March 2020.

The attendance at the Audit Committee meetings during the financial year 2019-20 is as under:

Name of the Committee Member	No. of Meetings held during his/her tenure	Attended
Mr. M. Sitarama Murty	5	4
Mr. K. Ragunathan	5	5
Mrs. Savita Mahajan	5	5

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;
- 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. M. Sitarama Murty and Mr. K. Ragunathan are the other Members of the Committee. During the financial year, the Nomination and Remuneration/Compensation Committee met three times on 28 May 2019, 7 August 2019 and 26 March 2020.

Meetings and attendance during the financial year

The attendance at the Nomination and Remuneration/ Compensation Committee meetings during the financial year 2019-20 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. M Sitarama Murty	3	2
Mr.K.Ragunathan	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/about-us/corporate-governance/governance-policies/

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 2019-20 are as follows:

a. Executive Directors

(₹)

Name of the Director	Salary	Benefits / Perquisites	Bonus	Pension	Commission	Contribution to PF	Total
Mr. K. Nithyananda Reddy	12,999,996	2,100,004	-	-	-	21,600	15,121,600
Dr. M. Sivakumaran	12,999,996	2,100,004	-	-	-	21,600	15,121,600
Mr. M. Madan Mohan Reddy	34,999,992	5,653,842	-	-	-	21,600	40,675,434
Mr. P. Sarath Chandra Reddy	7,500,000	1,211,539	-	-	-	21,600	8,733,139
Mr. N. Govindarajan	54,795,216	10,132,560	-	-	100,000,000	3,945,177	168,872,953
Total	123,295,200	21,197,949	-	-	100,000,000	4,031,577	248,524,726

Mr. K.Nithyananda Reddy, Dr.M.Sivakumaran, Mr.M.Madan Mohan Reddy and Mr. N. Govindarajan were re-appointed as executive directors w.e.f 1 June 2018 for a period of 3 years and Mr.P.Sarath Chandra Reddy was re-appointed as an executive director w.e.f 1 June 2019 for a period of 3 years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meetings. 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.

Mr. N. Govindarajan, Managing Director was granted options under Employee Stock Option Plan (ESOP) of the Company and all the options were vested and completed exercise of options during the year 2016-17. No other directors were granted options under ESOP.

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 ₹50,000 for each meeting of the Committees of Board of Directors. The sitting for each meeting of the Committees of Board of Directors was revised to ₹100,000 with effect from 12 November 2019. During the year, the sitting fees paid to the Non-executive Directors, was as follows:

Name	Sitting fee (₹)
Mr. M. Sitarama Murty	750,000
Mr. K. Ragunathan	1,100,000
Dr.(Mrs.) Avnit Bimal Singh	650,000
Mrs. Savita Mahajan	800,000
Mr. P.V. Ram Prasad Reddy	400,000

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. M. Madan Mohan Reddy and Mr. P. Sarath Chandra Reddy are the other members of the Committee.

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 of shares, non-receipt of annual reports, dividends, issue of duplicate share certificates 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 31 March 2020, the Company has received and resolved 18 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.

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 constitution of CSR Committee is as under:

Mr. K. Nithyananda Reddy, Chairman
Mr. K. Ragunathan, Member
Dr. M. Sivakumaran, Member
Mr. P. Sarath Chandra Reddy, Member
Mrs. Savita Mahajan, Member w.e.f. November 2019

The purpose of the Committee is to formulate CSR Policy of the Company and monitor its implementation.

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: http://www.aurobindo.com/social-responsibility/csr-activities.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings are as under:

Year	Location	Date	Time	No. of Special Resolutions passed
2017	Hotel Trident, Hyderabad	31 August 2017	3.00 p.m.	Nil
2018	Hotel Trident, Hyderabad	30 August 2018	3.00 p.m.	1
2019	Hotel Trident, Hyderabad	29 August 2019	3.00 p.m.	3

Details of resolutions passed through postal ballot in Financial Year 2019-20 and details of the voting pattern:

No special resolution passed through postal ballot and no special resolution is proposed to be passed through postal ballot.

MEANS OF COMMUNICATION

The Company has a website www.aurobindo.com. 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 leading newspapers in English and 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 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

33rd Annual General Meeting

As mentioned in the Notice, the 33rd Annual General Meeting of the Company will be held on Thursday, the 27th day of August 2020 at 3.30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") pursuant to the MCA Circular dated 5 May 2020 and as such there is no requirement to have a venue for the AGM. For 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 2020-21 is as follows:

Declaration of Financial results for	Declaration on or before
1st Quarter	14 August 2020
2nd Quarter	14 November 2020
3rd Quarter	14 February 2021
4th Quarter	30 May 2021

Payment of Dividend

The Company has paid first interim dividend of 125% (₹1.25 per equity share of ₹1 each) in the month of December 2019 and second interim dividend of 175% (₹1.75 per equity share of ₹1 each) in the month of March 2020, on the equity share capital of the Company for the financial year 2019-20. The total dividend, for the financial year ended 31 March 2020 was 300% (₹3.00 per equity share of ₹1 each) on the equity share capital of the Company. The Board of Directors did not recommend any further dividend for the financial year 2019-20.

Name and address of each stock exchange(s) at which the shares are listed

The Company's equity shares are listed on the following stock exchanges:

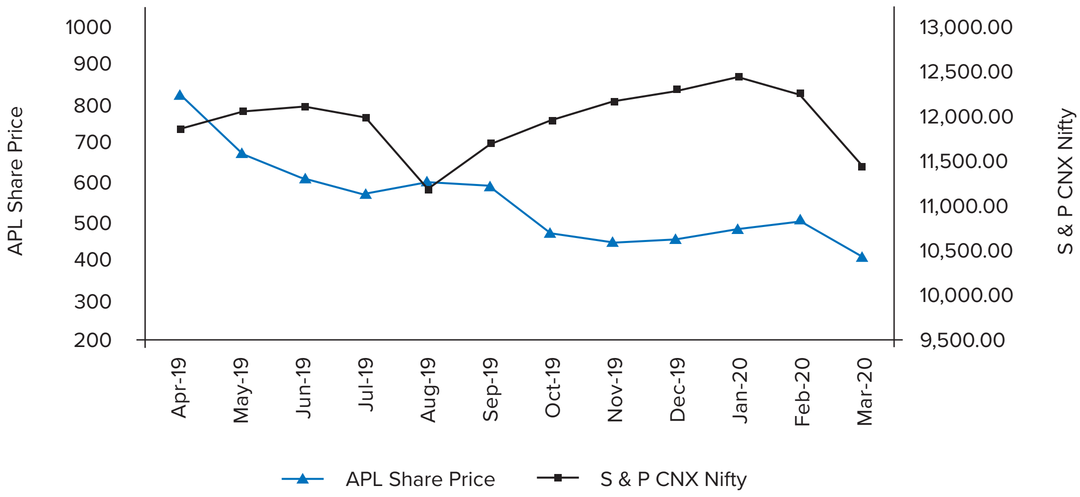
Name and address of the Stock Exchange(s)	Stock Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400 001	524804
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	AUROPHARMA

Listing fees for the financial year 2020-21 has been paid to the above stock exchanges.

ISIN: INE406A01037

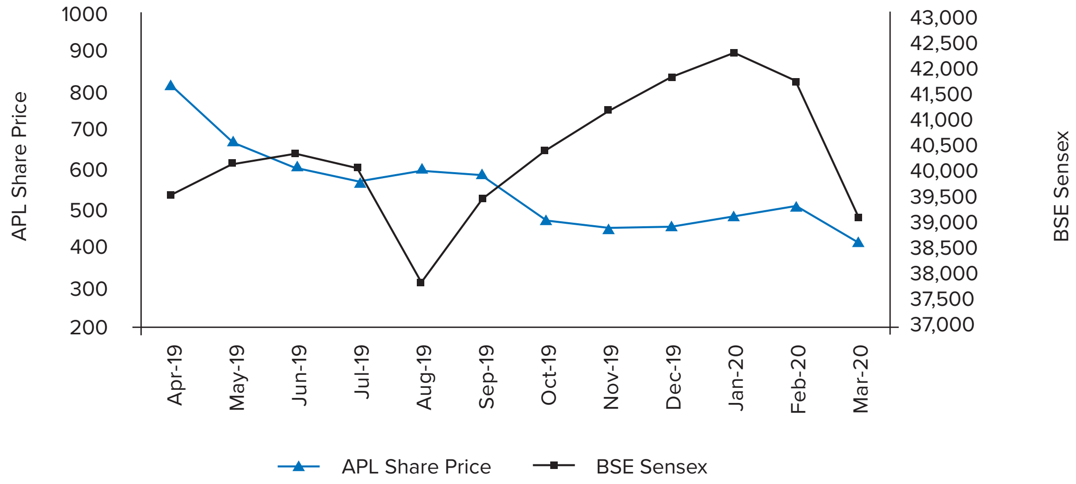
Market Price data:
High, low during each month in last financial year and volume of shares traded on NSE

		NSE Share Price				S & P CNX Nifty	
	Month	High	Low	Close	Volume	High	Low
2019	April	838.00	770.00	819.05	39,221,169	11,856.15	11,549.10
	May	830.00	656.50	672.40	66,182,250	12,041.15	11,108.30
	June	660.85	576.00	608.05	64,810,970	12,103.05	11,625.10
	July	622.00	542.00	571.25	61,648,347	11,981.75	10,999.40
	August	617.60	536.60	600.70	60,321,344	11,181.45	10,637.15
	September	639.30	580.00	589.00	36,881,130	11,694.85	10,670.25
	October	596.50	435.35	469.85	112,434,575	11,945.00	11,090.15
	November	507.50	389.35	449.90	120,675,397	12,158.80	11,802.65
	December	474.45	430.00	456.85	55,731,700	12,293.90	11,832.30
2020	January	518.00	442.00	481.40	73,642,765	12,430.50	11,929.60
	February	617.55	460.20	505.50	146,566,039	12,246.70	11,175.05
	March	534.30	288.85	413.15	109,934,962	11,433.00	7,511.10



High, low during each month in last financial year and volume of shares traded in BSE.

		BSE share price (₹)				BSE Sensex	
	Month	High	Low	Close	Volume	High	Low
2019	April	838.00	769.75	818.65	1,778,289	39,487.45	38,460.25
	May	829.90	656.30	672.75	3,094,312	40,124.96	36,956.10
	June	662.00	575.85	608.10	3,075,728	40,312.07	38,870.96
	July	621.70	542.55	571.75	2,481,525	40,032.41	37,128.26
	August	617.40	537.00	600.70	2,584,515	37,807.55	36,102.35
	September	639.85	580.50	588.80	1,536,599	39,441.12	35,987.80
	October	596.55	435.00	469.75	6,287,932	40,392.22	37,415.83
	November	507.45	389.70	450.20	6,153,233	41,163.79	40,014.23
	December	474.45	430.00	457.20	2,073,126	41,809.96	40,135.37
2020	January	517.50	442.35	481.35	2,630,692	42,273.87	40,476.55
	February	617.00	460.65	505.75	6,444,600	41,709.30	38,219.97
	March	534.10	281.15	413.05	7,272,305	39,083.17	25,638.90



There was no suspension of trading in securities of the Company during the financial year under review.

Registrar and Share Transfer Agent

M/s. KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) is the Registrar and 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:

Ms. C. Shobha Anand
KFin Technologies Private Limited
Unit: Aurobindo Pharma Limited
Selenium, Tower B, Plot No.31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500032
Phone: +91 40 6716 2222 Fax: +91 40 2300 1153
Email: einward.ris@kfintech.com

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 Private Limited (formerly known as Karvy Fintech Private Limited) as its Registrar and Share Transfer Agent and also Depository Transfer Agent. Shares received for physical transfer are generally registered within a period of 15 days from the date of receipt, subject to fulfillment of other legal formalities. The Compliance Officer has been delegated the power to approve the share transfers and the information is placed to the Board in each meeting. Further, the Company has signed a tripartite agreement with NSDL/CDSL and M/s. KFin Technologies Private Limited to facilitate dematerialisation of shares. The Members may contact for the redressal of their grievances either KFin Technologies Private Limited or to the Company Secretary, Aurobindo Pharma Limited. Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialised form with effect from 1 April 2019 and accordingly, considering the benefits of dematerialisation, Members who are still holding the Company's shares in physical form are suggested to dematerialise their holdings in the Company.

Distribution of shareholding

Category	No. of Cases	% of Cases	Total Shares	Amount (₹)	% of Amount
1-5000	210,382	99.12	29,519,125	29,519,125	5.04
5001- 10000	834	0.39	6,154,616	6,154,616	1.05
10001- 20000	321	0.15	4,591,879	4,591,879	0.78
20001- 30000	145	0.07	3,558,463	3,558,463	0.61
30001- 40000	92	0.04	3,230,810	3,230,810	0.55
40001- 50000	50	0.03	2,259,987	2,259,987	0.39
50001- 100000	126	0.06	9,427,514	9,427,514	1.61
100001& Above	296	0.14	527,196,215	527,196,215	89.97
Total:	212,246	100.00	585,938,609	585,938,609	100.00

206,176 Folios comprising of 584,646,596 equity shares forming 99.78% of the share capital are in demat form and 6,070 Folios comprising of 1,292,013 equity shares forming 0.22% of the share capital are in physical form.

Categories of shareholders as on 31 March 2020

Category	No. of Shares	%
Promoters & Directors	304,767,481	52.01
NRIs/FPIs/Foreign Nationals	133,385,649	22.77
FIs / Banks	427,306	0.07
Mutual Funds	70,004,055	11.95
Insurance companies	3,174,757	0.54
Body corporates	7,693,579	1.31
General public and others	66,485,782	11.35
Total	585,938,609	100.00

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.

Plant locations of manufacturing and R&D facilities

Unit No	No. of Shares
Unit-I	Survey No.379, 385, 386, 388 to 396 & 269, Borpatla Village, Hatnoor Mandal, Sangareddy District, 502296, Telangana.
Unit-II	Plot No.103/A & 104/A, SVCIE, Industrial Development Area, Bollaram, Jinnaram Mandal Sangareddy District, 500092, Telangana.
Unit-III	Survey No.313 & 314 Bachupally Village, Bachupally Mandal, Medchal Malkajgiri District, 500090, Telangana.
Unit-IV	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, TSIIC, EPIP, IDA, Pashamylaram, Patancheru Revenue Mandal , Sangareddy District 502307, 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, 502307, 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), TSIIC, Green Industrial Park, Polepally Village, Jedcherla Mandal, Mahaboob Nagar District, 509302, Telangana.
Unit-VIII	Survey No.10 & 13, Gaddapothram, Industrial Development Area – Kazipally Industrial Area, Jinnaram Mandal, Sangareddy District, 502319, Telangana.
Unit-IX	Survey No.305, 369, 370, 371, 372, 373, 374& 377, Gundlamachanoor Village, Hatnoora Mandal, Sangareddy District, 502296, Telangana.
Unit-X	Plot No 16, APIIC, Multi product SEZ at Sy.No.3 (P) to 6(P) & 413(P) & 416(P) Palchur village and 113 Part of Palepalem Village Naidupeta Mandal, PSR Nellore District 524126, Andhra Pradesh.
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, 532409, Andhra Pradesh
Unit-XII	Survey No.314, Bachupally Village, Bachupally Mandal, Medchal Malkajgiri District, 500090, Telangana.
Unit – XIV	JN Pharma City, Plot NO 17, Road No.10,11 & 19,20, E Bonangi Village, Parawada Mandal, Visakhapatnam District, 531021, Andhra Pradesh.
Unit – XV	JN Pharma City, Plot NO 17A, Road No.10,11 & 19,20, E Bonangi Village, Parawada Mandal, Visakhapatnam District, 531021, Andhra Pradesh.
Unit – XVI	Plot No.S-5/B,S-6&S-7, Sy No.408 to 412,418 to 435,437 to 445,452 to 459, TSIIC,SEZ,Polepally-Village, Jadcherla-Mandal, Mahaboobnagar District, -509302 Telangana.
Unit – XVII *	Survey No.77 & 78, Indrakaran Village, Kandi Mandal, Sangareddy District, 502203, Telangana.
Unit – XVIII *	Survey No.69, 70, 71 & 72, Indrakaran Village, Kandi Mandal, Sangareddy District, 502203, Telangana.
APLRC – I @	Survey No. 313 & 314, Bachupally Village, Bachupally Mandal, Medchal Malkajgiri District, 500090, Telangana.
APLRC –II @	Survey No.71 & 72, Indrakaran Village, Kandi Mandal, Sangareddy District, 502203, Telangana.
Bhiwadi Unit	1128, RIICO Phase–III, Bhiwadi – 301 019, Rajasthan (under sub lease to Auronext Pharma Private Limited, a wholly owned subsidiary of the Company)

* Facilities under construction/ development
@ Research and Development Centers

Address for correspondence:

Registered Office	Corporate Office	Name & Designation of Compliance Officer
Aurobindo Pharma Limited (CIN - L24239TG1986PLC015190) Plot No.2, Maithrivihar, Ameerpet Hyderabad - 500038, Telangana Phone: +91 40 2373 6370 Fax: +91 40 2374 7340 Email: info@aurobindo.com	Water Mark Building, Plot No.11, Survey No.9, Kondapur, Hitech City Hyderabad – 500 084, Telangana Phone: +91 40 6672 5000 Fax: +91 40 6707 4044 /4059 Email: info@aurobindo.com	Mr. B. Adi Reddy Company Secretary Aurobindo Pharma Limited, Water Mark Building, Plot No. 11, Survey No. 9, Kondapur, Hitech City, Hyderabad - 500084, Telangana Phone: +91 40 6672 5333 Fax: +91 40 6707 4044 Email: cs@aurobindo.com

Contact address for investor grievances
Email: ig@aurobindo.com

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 23 October 2019

Fund-based working capital limits: IND AA+/ RWE /IND A1+ / RWE
Non-fund-based working capital limits: IND A1+ / RWE

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/about-us/corporate-governance/governance-policies/

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 6 September 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 20 June 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 23 September 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 25 October 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 5 February 2020. The SEBI on 16 April 2020 has communicated its acceptance to the settlement proposal of the Company and its promoters. Accordingly, on 30 April 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 6 May 2020 disposed off all the enforcement proceedings of SEBI in respect of the aforesaid allegations against the Company and the Promoters and the matter is now closed.

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 behavior, 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. The mechanism also lays 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/2019/04/Whistle-Blower-Policy-APL-clean.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 of material subsidiaries. The policy is placed on the Company's website: https://www.aurobindo.com/about-us/corporate-governance/governance-policies/

Recommendations of Committees of the Board
There were no instances during the financial year 2019-20 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.
During the year ended 31 March 2020, fees paid to the Statutory Auditors (B S R & Associates LLP) and its network firms are as follows:

₹ in Million

Fees (including taxes)	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	13.20	--	4.48
Certification & other attest services	1.25	--	--
Non-audit services	-	--	--
Outlays and Taxes	3.26	--	--
Total	17.71	--	4.48

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, prohibition and redressal) Act, 2013:

a. Number of complaints filed during the financial year: Nil

b. Number of complaints disposed of during the financial year: Nil

c. Number of complaints pending as on end of the financial year: Nil

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 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	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 1 April 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 Private Limited.

Risk Management
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. M. Sitarama Murty, as the Chairman of the Committee and Mr. N. Govindarajan and Mr. P. Sarath Chandra Reddy as other members of the Committee. The objectives of the Committee include identifying, measuring monitoring the various risks the Company is exposed to and initiate appropriate mitigating measures on an ongoing basis.

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/about-us/corporate-governance/governance-policies/

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, N. Govindarajan, Managing Director, 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 31 March 2020.

For Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN: 00050482

Place: Hyderabad
Date: 3 June 2020

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 having CIN – L24239TG1986PLC015190 and having registered office at Plot No.2, Maithrivihar, Ameerpet, Hyderabad – 500 038 (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 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 ending on 31 March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr.Kannan Ragunathan	00523576	30.01.2008
2	Mr.Kambam Nityananda Reddy	01284195	26.12.1986
3	Mr.Narayanan Govindarajan	00050482	01.06.2012
4	Dr.Meenakshi Sunderam Sivakumaran	01284320	30.03.1992
5	Mr.Mettu Madan Mohan Reddy	01284266	18.09.2006
6	Mr.Penaka Sarath Chandra Reddy	01628013	27.09.2007
7	Mr.Penaka Venkata Ramprasad Reddy	01284132	26.12.1986
8	Mr.Mandavilli Sitarama Murty	01694236	27.09.2007
9	Dr.(Mrs.) Avnit Bimal Singh	01316166	25.03.2015
10	Mrs. Savita Mahajan	06492679	16.12.2017

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.

Date: 3 June 2020
Place: Hyderabad

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No. 2147 II C. P. No.16660
UDIN: F002147B000311931

ANNEXURE-B

ANNUAL SECRETARIAL COMPLIANCE REPORT OF AUROBINDO PHARMA LIMITED FOR THE YEAR ENDED 31.03.2020

(Pursuant to circular dated 8 February 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, Maithrivihar, 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,

(d) other documents / filings, as are relevant, which have been relied upon to make this certification, for the year ended 31.03.2020 ("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, guidelines issued thereunder; and

  (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, 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 thereunder except the following:

  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 3 March 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 06 September 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 20 June 2018 (AO SCN) was issued by the Adjudication Officer (AO) of SEBI against the promoters and to the Company under Section 15 I of the SEBI Act, 1992. The Company and the promoters have submitted their responses to the aforesaid Show Cause notices.

The Adjudicating Officer (AO) vide order dated 23 September 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.

Meanwhile, the Company and the promoters have made settlement applications on 25 October 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 5 February 2020. The SEBI on 16 April 2020 has communicated its acceptance to the settlement proposal of the Company and its promoters. Accordingly, on 30 April 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 6 May 2020 disposed of all the enforcement proceedings of SEBI in respect of the aforesaid allegations against the Company and the Promoters and the matter is now closed.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended…	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
		Not Applicable		

Date: 18 May 2020
Place: Hyderabad

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No. 2147 II C. P. No.16660
UDIN: F002147B000249229

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 31 March 2020 and that to the best 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 financial reporting.

For Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN: 00050482

S. Subramanian
Chief Financial Officer

Place: Hyderabad
Date: 3 June 2020

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 31 March 2020, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 beset 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.

S. Chidambaram
Practicing Company Secretary
C.P. No. 2286
UDIN: F003935B000312562

Place: Hyderabad
Date: 3 June 2020

Independent Auditors' 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 31 March 2020, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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.

Key audit matters	How the matter was addressed in our audit
Investment in subsidiaries and joint venture [Refer note 2.1(d)(vi) 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 31 March 2020 is ₹25,045.3 million. The Company performs the 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)(vi) of accounting policies to the standalone financial statements. 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 management judgement involved in determining whether there was objective evidence of impairment of investments.	Our audit procedures in respect of impairment of investment in subsidiaries and JV 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 Company. • Assessing the valuation methodology used by the Company and testing the mathematical accuracy of the models. • Challenging the Company's key assumptions such as the discount rate by assessing and comparing the Company's discount range that we developed together with our valuation specialists. • Challenging the business assumptions used by Company, such as sales growth, cost based on past performances where relevant; • Performing sensitivity analysis of key assumptions, future revenue growth rates, costs and the discount rates used in the valuation models. • Evaluating the adequacy disclosure made in the standalone financial statements.

Key audit matters	How the matter was addressed in our audit
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 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 judgment 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.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidence: • 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 enquiries with the in-house legal counsel of the Company; ii. 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. • Evaluating the adequacy of provision and disclosures given in Note 30(C) to Standalone financial statements
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. Revenue is one of the key performance indicators of the Company and there could be a risk of revenue is recognized in the incorrect period or before the control has been transferred to the customer.	Our audit procedures in respect of the recognition of revenue included the following: • Considering the Company's revenue recognition policies and assessed compliance with the applicable accounting standards. • Evaluating the design, tested the implementation and operating effectiveness of the Company's internal controls over recognition and measurement of revenue in accordance with underlying customer contracts. • Performing substantive testing (including cutoff testing procedures) by selecting samples of revenue transactions recorded during the year and for the selected samples, verifying the underlying documents such as sales invoices / contracts and dispatch/shipping documents. • Assessing manual journals posted to revenue to identify unusual items not already covered by our audit testing; • Evaluating adequacy of disclosures given in the standalone financial statements.

Other Information

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

Independent Auditors' Report

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' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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. 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 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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"; and

    g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer 30(C) to the standalone financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

        iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

    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) which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642
ICAI UDIN: 20049642AAAACE3995

Place: Hyderabad
Date: 3 June 2020

Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements

With reference to "Annexure A" referred to in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Company on the audit of standalone financial statements for the year ended 31 March 2020, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the Programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) In our opinion and 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, included in the property, plant and equipment except for the following, are held in the name of the Company. As explained to us, registration of title deeds is in progress in respect of these immovable properties:

Category	No. of instances	Freehold/leasehold	Gross Block as at 31 March 2020 (₹ in million)	Net Block as at 31 March 2020 (₹ in million)
Land	5	Freehold Land	131.2	131.2
Building	1	Freehold Building	35.3	12.8
Total			**166.5**	**144.0**

ii. The inventories, except goods-in-transit and stock lying with third parties, has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material. Inventories lying with third parties as at 31 March 2020 have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

iii. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the Provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.

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. As informed to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are 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. We have not, however, made a detailed examination of the same.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services tax, Cess and any other material statutory dues were in arrears as at 31 March 2020, 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 based on our examination of the records of the Company, there are no disputed dues of Goods and Services tax and Cess. According to the information and explanations given to us, the following dues of Income-tax, Service tax, Duty of Customs, Duty of Excise have not been deposited by the Company on account of disputes:

Nature of the Statue	Nature of Dues	Disputed Amount (₹ in million)	Paid under Protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944 and Customs Act, 1962	Central Excise	21.9	6.3	F.Y 2004-2016	CESTAT*
	Customs	82.9	2.8	F.Y 2002-2015	CESTAT*
	Customs	4.7	3.7	F.Y 2011-2012	Commissioner (Appeals)
	Service tax	676.3	59.6	F.Y 2005-2016	CESTAT*
Income-tax Act, 1961	Income-tax	12.6	-	A.Y 2013-2016	Commissioner (Appeals)

*Customs, Excise and Service Tax Appellate Tribunals

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank. The Company did not have any dues to any financial institution, government or debenture holder during the year.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the provisions of Clause (xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with related parties are in compliance with the provisions of Section 177 and Section 188 of the Act other than few transactions during the year where audit committee approval has been obtained subsequently. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standards.

xiv. Based on our examination of the records of the Company and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause (xiv) of the Order are not applicable to the Company.

xv. 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 entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause (xv) of the Order are not applicable to the Company.

xvi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause (xvi) of the Order are not applicable to the Company.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642
ICAI UDIN: 20049642AAAACE3995

Place: Hyderabad
Date: 3 June 2020

Annexure B

to the Independent Auditors' report on the Standalone Financial Statements of Aurobindo Pharma Limited for the period ended 31 March 2020.

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 financial statements of Aurobindo Pharma Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642
ICAI UDIN: 20049642AAAACE3995

Place: Hyderabad
Date: 3 June 2020

Standalone Balance Sheet

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(A)	43,618.0	41,458.5
(b) Capital work-in-progress	3(A)	7,266.2	7,500.7
(c) Intangible assets	3(B)	28.9	38.5
(d) Intangible assets under development	3(B)	-	389.4
(e) Financial assets			
(i) Investments	4(A)	25,196.8	23,390.4
(ii) Loans	5(A)	4,272.4	1,465.6
(iii) Trade receivables	6(A)	-	-
(iv) Other financial assets	7(A)	1,046.4	982.7
(f) Non-current tax assets (net)	9	831.3	1,381.1
(g) Other non-current assets	10(A)	604.8	716.9
Total non-current assets		82,864.8	77,323.8
Current assets			
(a) Inventories	11	43,145.6	39,712.6
(b) Financial assets			
(i) Investments	4(B)	0.2	0.2
(ii) Trade receivables	6(B)	57,895.7	52,320.7
(iii) Cash and cash equivalents	12(A)	757.2	734.0
(iv) Bank balances other than (iii) above	12(B)	25.3	23.7
(v) Loans	5(B)	121.5	98.2
(vi) Other financial assets	7(B)	307.3	202.5
(c) Other current assets	10(B)	10,228.1	10,991.5
Total current assets		112,480.9	104,083.4
TOTAL ASSETS		195,345.7	181,407.2
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	585.9	585.9
(b) Other equity	14	129,669.7	112,920.3
Total equity		130,255.6	113,506.2
Liabilities			
Non-current liabilities			
(a) Financial liabilities - Lease liability	18(A)	111.4	-
(b) Provisions	16(A)	424.4	226.4
(c) Deferred tax liability (net)	8	955.3	310.0
Total non-current liabilities		1,491.1	536.4
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	37,303.2	45,198.0
(ii) Trade payables	17		
(A) total outstanding dues of micro enterprises and small enterprises and		415.2	328.8
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		18,730.1	18,085.1
(iii) Other financial liabilities	18(B)	4,957.3	1,286.9
(b) Other current liabilities	19	1,044.6	1,500.7
(c) Provisions	16(B)	1,148.6	965.1
Total current liabilities		63,599.0	67,364.6
TOTAL EQUITY AND LIABILITIES		195,345.7	181,407.2
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

Sriram Mahalingam
Partner
Membership No.049642

Place: Hyderabad
Date: 3 June 2020

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: 3 June 2020

Standalone Statement of Profit and Loss

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

		Note	Year ended 31 March 2020	Year ended 31 March 2019
I	**INCOME**			
	Revenue from operations	20	132,664.8	122,578.9
	Other income	21	4,033.7	1,992.2
	TOTAL INCOME (I)		136,698.5	124,571.1
II	**EXPENSES**			
	Cost of materials consumed	22	67,475.5	64,553.0
	Purchases of stock-in-trade		55.1	142.5
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(2,295.3)	(2,898.0)
	Employee benefits expense	24	15,614.7	13,627.7
	Finance costs	25	2,409.4	2,308.6
	Depreciation and amortisation expense	26	4,704.8	4,130.3
	Other expenses	27	24,957.3	23,060.8
	TOTAL EXPENSES (II)		112,921.5	104,924.9
III	**PROFIT BEFORE TAX (I-II)**		23,777.0	19,646.2
IV	**TAX EXPENSE :**	28		
	Current tax		5,058.6	4,266.1
	Deferred tax :			
	Tax credit - Minimum Alternate Tax (MAT)		-	(480.5)
	Other deferred tax		(9.0)	563.3
	TOTAL TAX EXPENSE (IV)		5,049.6	4,348.9
V	**PROFIT FOR THE YEAR (III-IV)**		18,727.4	15,297.3
VI	**OTHER COMPREHENSIVE INCOME (OCI)**			
	Items that will not to be reclassified subsequently to profit or loss:			
	(a) Re-measurement of defined benefit liability		(192.9)	(21.7)
	(b) Income-tax relating to items that will not be reclassified to profit or loss		67.4	7.6
	TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (VI)		(125.5)	(14.1)
VII	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (V+VI)**		18,601.9	15,283.2
VIII	**EARNINGS PER EQUITY SHARE**	29		
	Basic (in ₹)		31.96	26.11
	Diluted (in ₹)		31.96	26.11
	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

Sriram Mahalingam
Partner
Membership No.049642

Place: Hyderabad
Date: 3 June 2020

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: 3 June 2020

Standalone Statement of Changes in Equity

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(A) EQUITY SHARE CAPITAL (Refer Note 13)

	Number	Balance
As at 01 April 2018	585,907,609	585.9
Changes in equity share capital during the year	8,000	0.0
As at 31 March 2019	585,915,609	585.9
Changes in equity share capital during the year	23,000	0.0
As at 31 March 2020	**585,938,609**	**585.9**

(B) OTHER EQUITY

	Reserves and surplus						Items of other comprehensive income	Total
	Capital reserve	Capital redemption reserve	Employee stock options outstanding account	Securities premium	General reserve	Retained earnings	Remeasurements of net defined benefit plans	
Balance at 01 April 2018	91.1	90.0	0.7	3,418.7	7,888.4	87,907.4	(156.4)	99,239.9
Total comprehensive income for the year ended 31 March 2019								
Profit for the year	-	-	-	-	-	15,297.3	-	15,297.3
Other comprehensive income (net of tax)	-	-	-	-	-	-	(14.1)	(14.1)
Total comprehensive income	-	-	-	-	-	15,297.3	(14.1)	15,283.2
Issue of equity shares on exercise of employee stock options	-	-	-	0.6	-	-	-	0.6
Exercise of share options	-	-	(0.1)	0.1	-	-	-	-
Dividend paid	-	-	-	-	-	(1,464.8)	-	(1,464.8)
Dividend distribution tax	-	-	-	-	-	(138.6)	-	(138.6)
Balance at 31 March 2019	91.1	90.0	0.6	3,419.4	7,888.4	101,601.3	(170.5)	112,920.3
Total comprehensive income for the year ended 31 March 2019								
Profit for the year	-	-	-	-	-	18,727.4	-	18,727.4
Other comprehensive income (net of tax)	-	-	-	-	-	-	(125.5)	(125.5)
Total comprehensive income	-	-	-	-	-	18,727.4	(125.5)	18,601.9
Issue of equity shares on exercise of employee stock options	-	-	-	1.9	-	-	-	1.9
Exercise of share options		-	(0.6)	0.6		-		-
Dividend paid	-	-	-	-	-	(1,757.8)	-	(1,757.8)
Dividend distribution tax	-	-	-	-	-	(96.6)	-	(96.6)
Balance at 31 March 2020	**91.1**	**90.0**	**-**	**3,421.9**	**7,888.4**	**118,474.3**	**(296.0)**	**129,669.7**

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

Sriram Mahalingam
Partner
Membership No.049642
Place: Hyderabad
Date: 3 June 2020

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

Place: Hyderabad
Date: 3 June 2020

B. Adi Reddy
Company Secretary
Membership No.13709

Standalone Statement of Cash Flows

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

			Year ended 31 March 2020	Year ended 31 March 2019
1	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net profit before tax		23,777.0	19,646.2
	Adjustments to reconcile profit before tax to net cash flow:			
	Depreciation and amoritsation expense		4,704.8	4,130.3
	Allowances for doubtful receivables (net)		536.7	162.3
	Bad debts		11.6	2.0
	Provisions no longer required written back		(1.1)	(99.9)
	Unrealised foreign exchange gain (net)		(703.1)	(54.0)
	Mark-to-market loss/(gain) on derivative foreign currency forward contracts		22.3	(64.4)
	Loss on sale of property, plant and equipment (net)		24.0	106.2
	Dividend income		(1,259.2)	(790.8)
	Finance costs		913.5	1,266.5
	Interest income		(281.5)	(68.3)
	Operating profit before working capital changes		**27,745.0**	24,236.1
	Movements in working capital:			
	Increase in trade receivables (refer Note "c" below)		(3,138.1)	(8,781.0)
	Increase in inventories		(3,433.1)	(5,620.4)
	Increase in loans		(25.4)	(17.4)
	Increase in other financial assets		(30.1)	(29.9)
	Decrease/(increase) in other current/non-current assets		806.1	(2,082.6)
	Increase in trade payables		3,749.4	2,286.7
	Increase in provision for retirement benefits		188.6	88.5
	Decrease in other financial liabilities		(2.0)	(21.3)
	(Decrease)/increase in other current liabilities		(456.1)	61.4
	Cash generated from operating activities		**25,404.3**	10,120.1
	Income-tax paid (net)		(3,787.0)	(4,821.2)
	Net cash flow generated from operating activities	(A)	**21,617.3**	5,298.9
2	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment including movement in capital work-in-progress, capital advances and capital creditors		(6,552.4)	(8,900.6)
	Sale of intangibles assets under development		389.4	-
	Proceeds from sale of property, plant and equipment		157.7	30.4
	Purchase of non-current investments (refer Note "c" below)		(1,806.3)	(3,581.0)
	Dividend received from subsidiaries		1,289.9	790.8
	Loans made to subsidiaries/ joint venture		(3,239.7)	(1,331.5)
	Loans repaid by subsidiaries/ joint venture		435.0	-
	Interest received		110.7	18.3
	Net cash flow used in investing activities	(B)	**(9,215.7)**	(12,973.6)
3	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from issuance of equity share capital		1.9	0.6
	Repayment of non-current borrowings		-	(651.7)

Standalone Statement of Cash Flows

		Year ended 31 March 2020	Year ended 31 March 2019
(Repayment of)/proceeds from current borrowings (net)		(9,700.6)	9,517.2
Repayment of lease liabilities (net)		(88.2)	-
Interest paid		(884.3)	(1,273.3)
Dividends paid on equity shares		(1,756.1)	(1,460.2)
Tax paid on equity dividend		(96.6)	(138.6)
Net cash flow generated from financing activities	(C)	**(12,523.9)**	5,994.0
Net decrease in cash and cash equivalents	(A+B+C)	(122.3)	(1,680.7)
Cash and cash equivalents at the beginning of the year		687.0	2,399.5
Effect of exchange differences on cash and cash equivalents		29.7	(31.8)
Cash and cash equivalents at the end of the year (refer note 12(C))		**594.4**	687.0

Note:

a) 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"

b) Cash and cash equivalents comprises of:

	As at 31 March 2020	As at 31 March 2019
Components of Cash and cash equivalents		
Cash and bank balances includes :		
Cash on hand	1.3	1.1
Cheques on hand	-	282.7
Balance with banks:		
Current accounts	743.8	403.2
Cash credit accounts	(150.7)	-
Total cash and cash equivalents (refer note 12(C))	594.4	687.0

c) The following items in the nature of non-cash transactions are not included in determining cash flow from investing activities:

Particulars	31 March 2020	31 March 2019
(i) Receivables converted into optionally convertible debentures	-	134.6
Total	-	134.6

d) Reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities are given below:

Particulars	As at 31 March 2019	Cash flows	Non-cash transactions Foreign exchange loss	As at 31 March 2020
Current borrowings	45,151.0	(9,700.6)	1,690.0	37,140.4
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

Sriram Mahalingam
Partner
Membership No.049642

Place: Hyderabad
Date: 3 June 2020

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: 3 June 2020

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, 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 applicable in India. The registered office of the Company is located at Plot No.2, Maitri Vihar, Ameerpet, Hyderabad - 500038, India and the Corporate office is located at The Water Mark Building, Plot No. 11, Survey No. 9, Hi-tech City, Hyderabad - 500084, 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 31 March 2020 were approved by the Board of Directors and authorised for issue on 3 June 2020.

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 31 March 2020 and 31 March 2019, the Statements of Profit and Loss, Statements of Changes in Equity and the Statements of Cash Flows for the year ended 31 March 2020 and for the year ended 31 March 2019, and a summary of the significant accounting policies 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 ₹one lac 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.

- Note 2.2(q) and 43: Financial instruments

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

- Note 2.2(j), 8 and 28: Provision for income taxes, related tax contengencies and evaluation of recoverability of deferred tax assets.

- Note 2.2(d) and 2.2(e): Useful lives of property, plant and equipment and intangible assets.

- Note 31: Share based payments

- Note 32: 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) Share-based payments

The grant date fair value of employee stock options granted is recognised as an employee expense over the period that the employee becomes unconditionally entitled to the options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Black Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 31.

(ii) Defined employee benefit plan (Gratuity)

The cost of the defined benefit gratuity plan and other accumulated leave entitlement 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 32.

(iii) 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 40 and 42 for further disclosures.

(iv) 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. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. 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.

(v) 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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

(vi) **Impairment of investments**

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.

(vii) **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.

(viii) **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.

(ix) **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, 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:

- 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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 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's CFO 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

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

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, excluding 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. 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.

Interest income: Interest income is recognised with reference to the Effective Interest Rate (EIR) method.

Dividend income: Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export benefits, incentives and licenses: Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

d. Property, plant and equipment & Depreciation

Freehold land and buildings (property) 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. Freehold land is not depreciated.

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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, 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 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 fixed assets:

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 buildings	20	10 - 60
Freehold buildings	15- 60	10 - 60
Plant and equipment	5 - 20	3 - 40
Furniture and fixtures	10	10
Vehicles	4 - 8	8
Office equipment	5	5

Assets acquired under finance 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.

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 income statement 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 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 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 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:

Licences - 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 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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, if it is development expenditure that 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 the grant will be received and all attached conditions will be complied with. 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.

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: 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

Provident fund

Retirement benefit in the form of provident fund is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme 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.

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 the defined benefit plan is determined based on actuarial valuation.

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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 long-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.

i. Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in employee stock options reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market based performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest because of non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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 provided using the balance sheet method on 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.

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Taxes paid on acquisition of assets or on incurring expenses which are not subsequently recoverable :

Expenses and assets are recognised net of the taxes paid, except:

(i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

(ii) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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 judgment. 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.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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 on the same basis as those 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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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.

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.

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,

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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 the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. Impairment losses of continuing operations, including impairment on inventories, 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.

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 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.

Subsequent measurement

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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 Company. 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 standalone statement profit and loss. The losses arising from impairment are recognised in the standalone statement profit and loss. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as at the FVTOCI 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 statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

classified as at FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as 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 as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments:

All equity investments in subsidiaries are measured at cost less diminution 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 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 as 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.

(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. 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. 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. 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

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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.

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 as 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 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.

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.

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.

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

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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.

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 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. 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 accounting pronouncements

Standards issued but not yet effective & not early adopted by the Company:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

3 (A). PROPERTY, PLANT AND EQUIPMENT

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

	Leasehold land	Right -of-use assets	Freehold land	Leasehold buildings	Freehold buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying value (at cost)										
As at 01 April 2018	138.0	-	730.0	12.0	8,734.4	31,888.9	939.6	243.2	235.7	42,921.8
Additions	9.0	-	43.6	-	2,393.1	8,977.3	289.3	25.1	49.9	11,787.3
Disposals	-	-	-	-	(1.0)	(275.9)	(0.9)	(17.6)	(0.3)	(295.7)
As at 31 March 2019	147.0	-	773.6	12.0	11,126.5	40,590.3	1,228.0	250.7	285.3	54,413.4
Additions	-	503.4	31.5	-	1,524.7	4,930.4	97.5	63.3	22.3	7,173.1
Disposals	-	-	-	-	-	(252.3)	(0.4)	(65.7)	(5.4)	(323.8)
Reclasified to Right-of-use assets	(147.0)	-	-	(12.0)	-	-	-	-	-	(159.0)
As at 31 March 2020	-	503.4	805.1	-	12,651.2	45,268.4	1,325.1	248.3	302.2	61,103.7
Accumulated depreciation										
As at 01 April 2018	(12.7)	-	-	(3.9)	(859.9)	(7,645.7)	(243.6)	(108.9)	(117.4)	(8,992.1)
Charge for the year	(4.5)	-	-	(1.3)	(394.5)	(3,503.7)	(120.3)	(56.3)	(41.3)	(4,121.9)
Disposals	-	-	-	-	0.1	145.7	0.8	12.3	0.2	159.1
As at 31 March 2019	(17.2)	-	-	(5.2)	(1,254.3)	(11,003.7)	(363.1)	(152.9)	(158.5)	(12,954.9)
Charge for the year	-	(90.8)	-	-	(447.5)	(3,919.9)	(137.0)	(55.3)	(44.8)	(4,695.3)
Disposals	-	-	-	-	-	80.7	-	56.0	5.4	142.1
Reclasified to Right-of-use assets	17.2	-	-	5.2	-	-	-	-	-	22.4
As at 31 March 2020	-	(90.8)	-	-	(1,701.8)	(14,842.9)	(500.1)	(152.2)	(197.9)	(17,485.7)
Net carrying value										
As at 31 March 2019	129.8	-	773.6	6.8	9,872.2	29,586.6	864.9	97.8	126.8	41,458.5
As at 31 March 2020	**-**	**412.6**	**805.1**	**-**	**10,949.4**	**30,425.5**	**825.0**	**96.1**	**104.3**	**43,618.0**

Capital work-in-progress ₹7266.2(31 March 2019 ₹7,500.7) (including expenditure during construction period) (refer note 33)

1. The title deeds of land and buildings aggregating to ₹**166.5** (31 March 2019: ₹166.5) are pending transfer to the Company's name.
2. Depreciation for the year include ₹**0.1** (31 March 2019: ₹1.2) taken as pre-operative capital expenditure on capital projects pending capitalisation.
3. Refer note 30 (A) for details of finance lease.
4. Refer note 36 for details of capital research and development expenditure.
5. Right-of-use assets consist of land and buildings.
6 Refer note 33 for details of expenditure during construction period transferred from capital work-in-progress to property, plant and equipment.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

3(B). INTANGIBLE ASSETS

	Licenses
Gross carrying value (at cost)	
As at 01 April 2018	-
Additions	48.1
Disposals	-
As at 31 March 2019	48.1
Additions	-
Disposals	-
As at 31 March 2020	**48.1**
Accumulated amortisation	
As at 01 April 2018	-
Charge for the year	9.6
Disposals	-
As at 31 March 2019	9.6
Charge for the year	9.6
Disposals	-
As at 31 March 2020	**19.2**
Net carrying value	
As at 31 March 2019	38.5
As at 31 March 2020	**28.9**

Intangible assets under development ₹**Nil** (31 March 2019 ₹389.4). These intangible assets under development has been transferred to Company's wholly owned subsidiary during the year.

4. INVESTMENTS

(A) Non-current investments	Face value	As at 31 March 2020		As at 31 March 2019	
		Quantity	Amount	Quantity	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	145.6	979,200	145.6
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil	Real 1	10,124,795	260.0	10,124,795	260.0
Helix Healthcare B.V., The Netherlands	Euro 10	20,802,957	15,777.3	18,739,068	13,423.6
		represents 100% of paid-in-capital		represents 100% of paid-in-capital	
APL Research Centre Limited, India	₹10	12,260,000	122.6	12,260,000	122.6
APL Health Care Limited, India	₹10	216,000,000	2,160.0	216,000,000	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	2.1	99,000	2.1
Auronext Pharma Private Limited, India	₹10	124,984,028	1,298.6	124,984,028	1,298.6
Auro Peptides Limited, India	₹10	95,000	1.0	95,000	1.0
Curepro Parenterals Limited, India	₹10	13,310,107	1,989.5	13,310,107	1,989.5
Hyacinths Pharma Private Limited, India	₹10	32,500,000	394.9	32,500,000	394.9
AuroZymes Limited, India	₹10	50,000	0.5	50,000	0.5
Auro Pharma India Private Limited, India	₹10	100,000	1.0	100,000	1.0
Auro Active Pharma Private Limited	₹10	100,000	1.0	-	-

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(A) Non-current investments	Face value	As at 31 March 2020		As at 31 March 2019	
		Quantity	Amount	Quantity	Amount
In joint ventures					
Tergene Biotech Private Limited, India	₹10	9,040,000	90.4	9,040,000	90.4
Raidurgam Developers Limited, India	₹10	4,000,000	40.0	4,000,000	40.0
(formerly Aurobindo Antibiotics Limited, India)					
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	₹10	10,489,500	150.0	10,489,500	150.0
			25,295.7		22,941.0
Less: Provision for impairment in value of investments			3,175.0		3,175.0
		A	22,120.7		19,766.0
Investments in unquoted preference shares (fully paid, carried at amortised cost, unless stated otherwise)					
In subsidiaries					
Auro Peptides Limited, India	₹100	10,220,000	1,022.0	9,120,000	912.0
(9.5% Cumulative Preference shares redeemable at par ranging from five years to twenty years from the date of issue)					
Auronext Pharma Private Limited, India	₹100	-	-	10,261,520	1,026.2
(9.5% Cumulative Preference shares redeemable at par ranging from five years to twenty years from the date of issue)					
APL Health Care Limited, India	₹100	600,000	60.0	600,000	60.0
(9.5% Cumulative Preference shares redeemable at par within five years from the date of issue)					
Silicon Life Sciences Private Limited, India	₹100	6,510,000	651.0	6,510,000	651.0
(9.5% Cumulative Preference shares redeemable at par within twenty years from the date of issue)					
In joint ventures					
Tergene Biotech Private Limited, India	₹100	1,675,000	167.5	1,295,000	129.5
(10.5% Cumulative Preference shares redeemable at par within six years from the date of issue)					
		B	1,900.5		2,778.7
Investments in unquoted optionally convertible debentures (fully paid, carried at cost, unless stated otherwise)					
In joint ventures					
Raidurgam Developers Limited, India	₹1000	1,175,463	1,175.4	845,463	845.5
(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 from the date of issue.)					
		C	1,175.4		845.5

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(A) Non-current investments	Face value	As at 31 March 2020		As at 31 March 2019	
		Quantity	Amount	Quantity	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 (31 March 2019: ₹0.1))			0.2		0.2
		D	0.2		0.2
		A+B+C+D	25,196.8		23,390.4
Aggregate value of unquoted investments			25,196.8		23,390.4
Aggregate amount of impairment in value of investments			3,175.0		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 31 March 2020		As at 31 March 2019	
		Quantity	Amount	Quantity	Amount
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 (31 March 2019: ₹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	4,520	0.2	4,520	0.2
			0.2		0.2
Aggregate value of unquoted investments			-		-
Aggregate value of quoted investments			0.2		0.2
Market value of quoted investments			0.2		0.2
Aggregate amount of impairment in value of investments			7.0		7.0

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

5. LOANS

	As at 31 March 2020	As at 31 March 2019
(A) Non current		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured		
Loans to related parties (refer note 39)*	4,215.2	1,410.5
Loans to employees	57.2	55.1
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
	4,272.4	1,465.6
* Loan of ₹4,215.2 (31 March 2019: ₹1,410.5) has been given to wholly owned subsidiaries towards project development cost, at interest rate of 9.5% p.a.		
(B) Current		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured		
Loans to employees	121.5	98.2
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
	121.5	98.2

No loans are due from directors or other officers of the Company either severally or jointly with any other person. Refer note 39 for dues from related parties.

6. TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
(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	250.1	175.6
	250.1	175.6
Less: loss allowance for doubtful receivables	250.1	175.6
	-	-
(B) Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	57,895.7	52,320.7
Trade receivables which have significant increase in credit risk	209.8	-
Trade receivables - credit impaired	700.1	447.7
	58,805.6	52,768.4
Less: loss allowance for doubtful receivables	909.9	447.7
	57,895.7	52,320.7
The details of changes in allowance for credit loss during the year ended 31 March 2020 and 31 March 2019 are as follows:		
Balance at the beginning of the year	623.3	461.0
Provision made during the year, net of reversals	536.7	162.3
Balance at the end of the year	1,160.0	623.3

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Refer note 39 for dues from related parties.

Refer Note 43 for the Company's credit risk management process.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

7. OTHER FINANCIAL ASSETS
(Unsecured, considered good unless stated otherwise)

	As at 31 March 2020	As at 31 March 2019
(A) Non current		
Dividend accrued on investments in preference shares	119.1	149.8
Security deposits		
Considered good *	927.3	832.9
Doubtful	0.4	0.4
	927.7	833.3
Provision for doubtful deposits	0.4	0.4
	927.3	832.9
	1,046.4	982.7
* Non-current deposits include restricted deposits pledged with Enforcement Directorate of ₹131.6 (31 March 2019: ₹131.6). Refer note 30 C.		
(B) Current		
Derivatives - foreign currency forward contracts	-	64.4
Interest accrued on deposits	36.0	37.6
Interest accrued on loans to subsidiaries and investments in OCDs	271.3	100.5
	307.3	202.5

8. DEFERRED TAX LIABILITY (NET)

	As at 31 March 2020	As at 31 March 2019
Deferred tax assets		
Receivables, financial assets at amortised cost	436.4	249.0
Employee benefits	531.1	399.7
Unused tax credits (MAT) *	3,028.3	3,750.0
Deferred tax liability		
Property plant and equipment including lease liability	4,951.1	4,708.7
	(955.3)	(310.0)

Movement in deferred tax liability (net)

	As at 31 March 2019	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March 2020
Deferred tax asset				
Receivables, financial assets at amortised cost	249.0	187.4	-	436.4
Employee benefits	399.7	64.0	67.4	531.1
Unused tax credits	3,750.0	(721.7)	-	3,028.3
Deferred tax liability				
Property plant and equipment including lease liability	4,708.7	242.4	-	4,951.1
	(310.0)	(712.7)	67.4	(955.3)

* The Company based on its business plan along with supporting convincing evidence including future projections of profit believes that the Unused tax credits would be utilised within the stipulated time period as per the Income-tax Act, 1961.

9. NON - CURRENT TAX ASSETS (NET)

	As at 31 March 2020	As at 31 March 2019
Advance income-tax (net of provision for taxation)	831.3	1,381.1
	831.3	1,381.1

Refer note 28 for details of income tax expense

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

10. OTHER ASSETS

(Unsecured, considered good unless stated otherwise)

	As at 31 March 2020	As at 31 March 2019
(A) Non current		
Export incentives receivable		
Considered good	58.4	78.4
Doubtful	19.6	19.6
	78.0	98.0
Provision for doubtful receivables	19.6	19.6
	58.4	78.4
Export rebate claims receivable	288.8	288.8
Capital advances		
Considered good	192.1	261.4
Doubtful	0.8	0.8
	192.9	262.2
Provision for doubtful advances	0.8	0.8
	192.1	261.4
Advances other than capital advances		
Considered good	12.1	12.2
Doubtful	30.1	30.1
	42.2	42.3
Provision for doubtful advances	30.1	30.1
	12.1	12.2
Balance with government authorities		
Considered good	53.4	76.1
Doubtful	38.1	38.1
	91.5	114.2
Provision for doubtful receivables	38.1	38.1
	53.4	76.1
	604.8	716.9
(B) Current		
Export rebate claims receivable	1,876.5	2,105.7
Export incentives receivable	2,416.1	3,113.6
Advances other than capital advances	2,262.7	1,165.0
Balance with government authorities	3,672.8	4,607.2
	10,228.1	10,991.5

(Refer note 39 for transactions with related parties.)

11. INVENTORIES

(Valued at lower of cost and net realisable value)

	As at 31 March 2020	As at 31 March 2019
Raw materials	21,043.8	19,844.8
Packing materials	2,412.5	2,481.4
Work-in-progress	11,016.7	11,314.6
Finished goods (including stock-in-trade)	7,079.9	4,486.7
Stores, spares and consumables	1,592.7	1,585.1
	43,145.6	39,712.6

Details of material in transit included in inventories above

Raw materials	1,324.9	873.4
Finished goods	4,703.3	2,021.3

During the year, the Company recorded inventory write-downs to net realisable value of ₹**1,039.4** (31 March 2019: ₹316.5). These adjustments were included in cost of material consumed and changes in inventories.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

12. CASH AND BANK BALANCES

	As at 31 March 2020	As at 31 March 2019
(A) Cash and cash equivalents		
Balance with banks:		
in current accounts	743.8	403.2
in cash credit accounts	12.1	47.0
Cash on hand	1.3	1.1
Cheques on hand	-	282.7
	757.2	734.0
(B) Bank balances other than cash and cash equivalents		
in unpaid dividend account	25.3	23.7
(C)® For the purpose of statement of cash flows, cash and cash equivalents comprise of following:		
Cash and cash equivalents as above	757.2	734.0
Less: Cash credit (refer note 15(A))	(162.8)	(47.0)
	594.4	687.0

(D) The disclosure regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

13. EQUITY SHARE CAPITAL

	As at 31 March 2020	As at 31 March 2019
a) Authorised		
660,000,000 (31 March 2019: 660,000,000) equity shares of ₹1 each	660.0	660.0
1,000,000 (31 March 2019: 1,000,000) preference shares of ₹100 each	100.0	100.0
	760.0	760.0

b) Issued, subscribed and fully paid-up equity shares

	Equity Shares	
	Numbers	Value
As at 01 April 2018	585,907,609	585.9
Issued during the year under Employees Stock Option Plan (ESOP) (refer note 31)	8,000	0.0
As at 31 March 2019	585,915,609	585.9
Issued during the year under Employees Stock Option Plan (ESOP) (refer note 31)	23,000	0.0
As at 31 March 2020	585,938,609	585.9

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 31 March 2020, the amount of interim dividend per share declared as distributions to equity shareholders was ₹**3.0** (31 March 2019: ₹2.5).

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.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

d) Details of shareholders holding more than 5% total number of equity shares in the Company

	As at 31 March 2019	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.52%
HDFC Trustee Company Limited (through various mutual funds)	35,566,536	6.07%

	As at 31 March 2020	
	Numbers	**% holding**
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	**196,376,250**	**33.51%**
HDFC Trustee Company Limited (through various mutual funds)	**51,504,246**	**8.79%**

*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.

e) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	Numbers
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	
Year ended 31 March 2020	-
Year ended 31 March 2019	-
Year ended 31 March 2018	-
Year ended 31 March 2017	-
Year ended 31 March 2016	291,982,275

f) For details of shares reserved for issue under Employee stock option plan (ESOP) of the Company, refer note 31.

14. OTHER EQUITY

	As at 31 March 2020	As at 31 March 2019
A. Summary of other equity balance		
Capital reserve	**91.1**	91.1
Capital redemption reserve	**90.0**	90.0
Employee stock options outstanding account	**-**	0.6
Securities premium account	**3,421.9**	3,419.4
General reserve	**7,888.4**	7,888.4
Retained earnings	**118,474.3**	101,601.3
OCI	**(296.0)**	(170.5)
	129,669.7	112,920.3

a) For details of employee share based payments refer note 31.

b) The disaggregation of changes in reserves and surplus and OCI are disclosed in statement of changes in equity.

c) The details of distribution of dividend made are as under:

	31 March 2020	31 March 2019
Cash dividends on equity shares declared and paid during the year		
Interim dividend for the year ended 31 March 2020: ₹3.0 per share (31 March 2019: ₹2.50 per share)	**1,757.8**	1,464.8
Dividend distribution tax on interim dividend	**96.6**	138.6
	1,854.4	1,603.4

B. Nature and purpose of reserves

(a) Capital reserve :	Represents capital reserve balances of acquired entities which are transferred to the Company upon mergers in the earlier years.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(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 outstanding account :	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 Outstanding Account. 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.
(g) OCI represents Re-measurement on defined employee benefit plan :	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 within the plans, are recognised in other comprehensive income and subsequently not reclassified into statement of profit and loss.

15. CURRENT BORROWINGS

	As at 31 March 2020	As at 31 March 2019
(A) Loans repayable on demand from Banks - working capital loans		
Cash credit facilities (unsecured)	162.8	-
Cash credit facilities (secured)	-	47.0
Working capital demand loan (secured)	500.0	1,750.0
Working capital demand loan (unsecured)	1,000.0	-
Packing credit loans (secured)	12,643.6	12,900.9
Packing credit loans (unsecured)	21,702.7	28,775.9
Bill discounting (secured)	-	1,246.4
Bill discounting (unsecured)	1,294.1	477.8
	37,303.2	45,198.0

(B) Details of secured and unsecured borrowings

The aggregate amount of borrowing includes:

Secured borrowings	13,143.6	14,697.9
Unsecured borrowings	24,159.6	30,500.1

(C) Terms of borrowings

(i) 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 **6.25%** to **8.75%** (31 March 2019: interest of 8.20%).

(ii) All unsecured working capital demand loans carry interest rate in the range of **6%** to **8.6%** (31 March 2019: Nil).

(iii) All secured cash credit facilities 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 **MCLR + 0 bps to 75bps** (31 March 2019: MCLR + 0 bps to 35 bps).

(iv) All unsecured cash credit facilities carry interest rate in the range of **MCLR + 0 bps to 75bps** (31 March 2019: Nil).

(v) All secured packing credit foreign currency loans carry interest rate in the range of respective **LIBOR plus 45 to 60 basis points.** (31 March 2019: respective LIBOR plus 20 to 60 basis points) with maturity within 6 months.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(vi) All unsecured packing credit foreign currency loans carry interest rate in the range of respective **LIBOR plus 12 to 60 basis points** (31 March 2019: respective LIBOR plus 00 to 65 basis points) with maturity within 6 months.

(vii) All secured bills discounted are secured by pari passu charge on the current assets of the Company both present and future. Secured and Unsecured bills discounted carry interest rate in the range of respective **LIBOR plus 20 to 40 basis points** (31 March 2019: respective LIBOR plus 01 to 50 basis points).

16. PROVISIONS

	As at 31 March 2020	As at 31 March 2019
(A) Non current		
For employee benefits		
Gratuity [refer note 32(b)]	424.4	226.4
	424.4	226.4
(B) Current		
For employee benefits		
Gratuity [refer note 32(b)]	207.3	157.4
Compensated absences	941.3	807.7
	1,148.6	965.1

17. TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 34)	415.2	328.8
Total outstanding dues of creditors other than micro enterprises and small enterprises	18,730.1	18,085.1
	19,145.3	18,413.9

(Refer note 43 for the Company's liquidity risk management process)

18. OTHER FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
(A) Non current		
Lease liability	111.4	-
(B) Current		
Interest accrued but not due on borrowings	17.1	3.9
Unclaimed dividend (refer note 35)	25.3	23.6
Capital creditors (refer note 34)	1,194.0	1,255.9
Acceptances *	3,638.7	-
Security deposits	1.5	3.5
Lease liability	58.4	-
Derivatives - foreign currency forward contracts	22.3	-
	4,957.3	1,286.9

*Acceptances includes credit availed by the Company from banks for payment to suppliers for rawmaterials purchased by the Company. The arrangements are interest bearing ranging from 0.17% to 0.24% p.a above the respective LIBOR. These are largely repayable within 180 days.

19. OTHER CURRENT LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Advance from customers	168.2	61.7
Deferred income	10.1	-
Statutory liabilities	301.0	206.4
Employee payables	565.3	1,232.6
	1,044.6	1,500.7

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

20. REVENUE FROM OPERATIONS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products (net of GST)	129,176.5	119,226.3
Sale of services	168.8	160.7
Other operating revenues		
Scrap sales	148.3	154.7
Export incentives	3,171.2	3,037.2
	132,664.8	**122,578.9**

(a) Reconciliation of revenue from sale of products with the contracted price:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue as per contracted price	124,160.3	116,681.8
Adjusted for:		
Sales returns	(432.6)	(566.1)
Discounts and other sale price adjustments	5,448.8	3,110.6
Total revenue from contracts with customers	**129,176.5**	**119,226.3**

(b) Disaggregation of revenue:

Primary geographical markets	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Realted parties	Non- related parties	Realted parties	Non- related parties
India	601.2	18,404.2	512.9	18,806.3
USA	50,983.2	15,929.4	44,402.7	15,359.6
Europe	11,775.0	16,124.7	11,564.3	13,339.0
Rest of the world	5,196.6	10,162.2	4,479.8	10,761.7

21. OTHER INCOME

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on financials assets (carried at amortised cost)		
Other deposits and receivables	41.9	46.1
Loans to subsidiaries and investments in OCDs	281.5	68.3
Dividend income received from subsidiaries	1,259.2	790.8
Liabilities no longer required written back	1.1	99.9
Foreign exchange gain (net)	2,347.8	896.2
Miscellaneous income	102.2	90.9
	4,033.7	**1,992.2**

22. COST OF MATERIALS CONSUMED

	For the year ended 31 March 2020	For the year ended 31 March 2019
Raw material consumed		
Opening stock	19,844.8	17,967.6
Add: Purchases	60,753.9	59,436.4
	80,598.7	**77,404.0**
Less: Closing stock	21,043.8	19,844.8
Cost of raw material consumed	**59,554.9**	**57,559.2**
Packing materials consumed	7,920.6	6,993.8
	67,475.5	**64,553.0**

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

23. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventories at the end of the year		
Finished goods	7,079.9	4,486.7
Work-in-progress	11,016.7	11,314.6
	18,096.6	15,801.3
Inventories at the beginning of the year		
Finished goods	4,486.7	3,230.1
Work-in-progress	11,314.6	9,399.3
	15,801.3	12,629.4
	(2,295.3)	(3,171.9)
Transferred from capital work-in-progress*	-	273.9
	(2,295.3)	(2,898.0)

* Represents inventories of finished goods and work-in-progress identified on the date of capitalisation of under construction facility

24. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	14,337.5	12,481.0
Contribution to provident and other funds (refer note 32 a)	533.5	455.1
Gratuity expense (refer note 32 b)	210.7	193.2
Compensated absences expense	299.5	281.7
Staff welfare expenses	233.5	216.7
	15,614.7	13,627.7

25. FINANCE COSTS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on financial liabilities measured at amortised cost	913.5	1,266.5
Bank and other financial charges	42.2	42.7
Exchange differences regarded as an adjustment to borrowing costs	1,453.7	999.4
	2,409.4	2,308.6

26. DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment inlcuding Right-of-use assets	4,695.2	4,120.7
Amortisation on intangible assets	9.6	9.6
	4,704.8	4,130.3

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

27. OTHER EXPENSES

	For the year ended 31 March 2020	For the year ended 31 March 2019
Conversion charges	614.9	482.3
Consumption of stores and spares	1,688.9	1,832.0
Chemicals consumed	2,909.5	3,002.2
Power and fuel	5,203.0	5,059.6
Carriage inward	507.1	511.0
Factory maintenance	356.7	346.6
Effluent treatment expenses	284.6	195.1
Repairs and maintenance		
i) Plant and machinery	1,145.0	1,053.2
ii) Buildings	409.2	403.3
iii) Others	134.6	125.6
Rent	8.6	92.1
Rates and taxes	219.4	138.0
Printing and stationery	244.9	239.5
Postage, telegram and telephones	68.5	66.2
Insurance	304.9	155.4
Legal and professional charges	1,822.3	1,245.7
Directors sitting fees	3.7	4.4
Remuneration to statutory auditors (refer note 37)	15.9	14.4
Sales commission	248.4	328.3
Carriage outwards	3,430.2	2,953.6
Selling expenses	198.7	324.3
Travelling and conveyance	240.5	215.1
Vehicle maintenance expenses	8.1	7.5
Analytical charges	1,425.1	1,115.5
Registration and filing charges	1,119.8	969.0
Loss on sale of property, plant and equipment (net)	24.0	106.2
Allowance for doubtful receivables (net)	536.7	162.3
Bad debts	11.6	2.0
Corporate Social Responsibility expenditure (CSR) (refer note below)	601.1	466.0
Miscellaneous expenses	1,171.4	1,444.4
	24,957.3	23,060.8

Note: Details of CSR expenditure as per Section 135 of the Companies Act, 2013

a) Gross amount required to be spent by the Company during the year	435.7	449.3

	in cash	Yet to be paid in cash	Total
b) Amount spent during the year ending on 31 March 2020:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	601.1	-	601.1
Amount spent during the year ending on 31 March 2019:			
i) Construction/acquisition of any asset		-	-
ii) On purposes other than (i) above	466.0	-	466.0

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

28. INCOME TAX

The major components of income tax expense for the year ended 31 March 2020 and 31 March 2019 are :

	For the year ended 31 March 2020	For the year ended 31 March 2019
Statement of profit and loss		
Current tax	5,058.6	4,266.1
Tax credit - Minimum Alternate Tax (MAT)	-	(480.5)
Deferred tax	(9.0)	563.3
	5,049.6	4,348.9
Other comprehensive income		
Deferred tax - net loss on remeasurements of defined benefit plan	67.4	7.6
	67.4	7.6
Reconciliation of effective tax rate for the year ended 31 March 2020 and 31 March 2019		
Profit before tax	23,777.0	19,646.2
Enacted tax rate in India	34.944%	34.944%
Tax at statutory tax rate	8,308.6	6,865.2
Effect of :		
Tax holidays (refer note (a) below)	(2,546.4)	(1,647.1)
Weighted deduction allowed for research and development expenditure	(783.4)	(930.7)
Dividend received from foreign subsidiary charged at special rate of tax	(177.4)	(138.2)
Expenses not deductible for tax purposes	212.9	165.7
Others (net)	35.3	34.0
Total	(3,259.0)	(2,516.3)
Income tax expense	5,049.6	4,348.9
Effective tax rate	21.237%	22.136%

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 01 April 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 01 April 2011 units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

(b) The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Ordinance inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates as per the provisions/conditions defined in the Said section. The Company has evaluated the above Ordinance and based on its evaluation currently the management proposed to continue with the old tax rates.

(c) During the year ended 31 March 2020 and 31 March 2019, the Company has paid dividend to shareholders, this has resulted in payment of dividend distribution tax to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to tax authorities on behalf of shareholders. Hence, dividend distribution tax paid is charged to equity.

(d) There are no unrecognised deferred tax assets and liabilities as at 31 March 2020 and 31 March 2019.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

29. EARNINGS PER SHARE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Earnings		
Profit after taxation considered for calculation of basic and diluted earnings per share	18,727.4	15,297.3
Shares		
Weighted average number of equity shares considered for calculation of basic earnings per share (a)	585,930,565	585,907,719
Effect of dilution on account of Employee Stock Options granted (b)	-	28,219
Weighted average number of equity Shares considered for calculation of diluted earnings per share (a+b)	585,930,565	585,935,938
Earnings per share of face value ₹1		
- Basic	31.96	26.11
- Diluted	31.96	26.11

30. COMMITMENTS AND CONTINGENCIES

A. Leases

Effective 1 April 2019, the Company adopted Ind-AS 116, on all lease contracts existing on 1 April 2019 using the modified retrospective method with Right-of-use assets recognised at an amount equal to the lease liabilities in the balance sheet. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted. On transition, the adoption of the standard resulted in recognition of Right-of-use assets (ROU) of ₹**503.4** (includes reclassification of finance lease assets of ₹136.8 as at 31 March 2019) and lease liabilities of ₹**241.9**. The Right-of-use assets as on 31 March 2020 have been presented as part of Property, plant and equipment.

Changes in lease liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Opening Balance as at 1 April 2019	241.9	-
Finance cost	16.0	-
Payment of lease liabilities	88.1	-
Closing Balance	169.8	-
Non current lease liability	111.4	-
Current lease liability	58.4	-

Cash outflow on leases

Particulars	As at 31 March 2020	As at 31 March 2019
Payment of lease liabilities	72.2	-
Interest on lease liabilities	16.0	-
Total cash outflow on leases	88.2	-

Contractual maturities of lease liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Lessthan one year	75.8	-
1 to 5 years	95.5	-
above 5 years	39.5	-
	210.8	-

B. Capital and other commitments

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	1,678.0	2,398.1

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

C. Contingent liabilities

	As at 31 March 2020	As at 31 March 2019
(A) Claims against the Company not acknowledged as debt		
Claims arising from disputes not acknowledged as debts - indirect taxes (excise duty and service tax)*	212.0	359.2
Claims arising from disputes not acknowledged as debts - direct taxes*	262.1	120.5
Claims against the Company not acknowledged as debts - other duties/claims*^	150.3	150.3
(B) Guarantees		
Corporate guarantees for loans taken by wholly owned subsidiaries**	18,633.1	23,652.1
Outstanding bank guarantees	808.1	681.6

* 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. No expense has been accrued in the standalone financial statements for the demands raised. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

** 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.

^ The Company is involved in disputes, claims, Governmental and /or regulatory inspection, inquires, including patents and commercial maters 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.

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 Honourable 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. SHARE BASED PAYMENTS

Employee Stock Option Plan "ESOP-2006"

The Company instituted an Employee Stock Option Plan "ESOP-2006" for issue of shares to eligible employees of the Company as per the special resolution passed in the 19th Annual General Meeting held on 18 September 2006. The compensation committee of the Board of directors accordingly, granted 3,240,500 options under eight grants of 175,000, 25,000, 90,000, 1,205,000, 300,000, 500,000, 915,500 and 30,000 options to eligible employees on 30 October 2006, 31 July 2007, 31 October 2007, 16 December 2011, 19 June 2012, 09 January 2013, 28 January 2013 and 09 August 2013 respectively. The method of settlement under scheme is by issue of equity shares of the Company and there are no cash settlement alternatives for the employees. Each option comprises of one underlying Equity Share of ₹1 each. The said options vest on an annual basis at 10%, 15%, 25% and 50% over a period of four years and can be exercised over a period of six years from the date of grant of options. The options have been granted at the then prevailing market price of ₹120.70, ₹132.35, ₹114.50, ₹91.60, ₹106.05, ₹200.70, ₹187.40 and ₹161.30 per share respectively. The fair value of share options grants is estimated at the date of grant using Black-Scholes model, taking into account the terms and conditions upon which the share options were granted.

The details of ESOP 2006 Scheme are summarised below:

Grant	Grant date	Number of options granted	Exercise price*	Weighted average fair value of option at grant date*
1st Grant	30 October 2006	175,000	60.35	73.10
2nd Grant	31 July 2007	25,000	66.18	78.82
3rd Grant	31 October 2007	90,000	57.25	68.18
4th Grant	16 December 2011	1,753,800	45.80	54.35
5th Grant	19 June 2012	300,000	53.03	57.42
6th Grant	09 January 2013	500,000	100.35	119.22
7th Grant	28 January 2013	1,483,170	93.70	111.32
8th Grant	09 August 2013	57,000	80.65	96.30

*Adjusted for bonus issue.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

The details of activity under the Scheme ESOP 2006 are summarised below :

	For the year ended 31 March 2020	For the year ended 31 March 2019
Options outstanding at the beginning of the year	23,000	31,019
Granted during the year	-	-
Vested / exercisable during the year	23,000	31,019
Exercised during the year	23,000	8,000
Forfeited during the year subject to reissue	-	19
Options outstanding at end of the year	-	23,000
Exercisable at the end of the year	-	23,000
Weighted average exercise price for all the above options (₹)*	-	80.65
Weighted average fair value of options at the date of grant (₹)*	-	97.00

The details of share options outstanding are summarised below:

	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)
As at 31 March 2020	-	-	-
As at 31 March 2019	80.65	23,000	0.36

The following table lists the assumptions used for the plan:

For the year ended 31 March 2020				
Grant	**Dividend yield**	**Expected volatility**	**Risk-free interest rate**	**Expected life of options granted in years**
8th Grant		NA		

As at 31 March 2019				
Grant	Dividend yield	Expected volatility	Risk-free interest rate	Expected life of options granted in years
8th Grant	0.61%	0.31%	8%	4

32. EMPLOYEE BENEFITS

	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Disclosures related to defined contribution plan		
Provident fund contribution *	516.0	420.2
Contribution to ESI**	27.5	38.9

* Includes ₹**9.7** (31 March 2019: ₹4.0) transferred to capital work in progress
** Includes ₹**0.3** (31 March 2019: ₹0.0) 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 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

Net employee benefit expense (included under employee benefit expenses)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	191.2	173.0
Interest on defined benefit liability	23.3	27.3
Net employee benefit expenses*	**214.5**	200.3

* Includes ₹**3.8** (31 March 2019: ₹7.0) transferred to capital work in progress

Details of the employee benefits obligations and plan assets are as follows:

	As at 31 March 2020	As at 31 March 2019
Present value of funded obligation	1,703.1	1,284.7
Fair value of plan assets	1,071.4	900.9
Net defined benefit liability	631.7	383.8

Details of changes in present value of defined benefit obligation are as follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening defined benefit obligation	1,284.7	1,054.5
Current service cost	191.2	173.0
Interest on defined benefit obligation	92.0	75.7
Benefits paid	(59.2)	(43.7)
Remeasurement due to:		
Actuarial loss arising from changes in experience	36.9	18.6
Actuarial loss arising from changes in demographic assumptions	0.1	-
Actuarial loss/(gain) arising from changes in financial assumptions	157.4	6.6
Closing defined benefit obligation	**1,703.1**	1,284.7

Details of changes in fair value of plan assets are as follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening fair value of plan assets	900.9	628.5
Interest on plan assets	68.7	48.4
Employer Contribution	159.5	264.1
Benefits paid	(59.2)	(43.7)
Remeasurement due to - actual return on plan assets less interest on plan assets	1.5	3.6
Closing fair value of plan assets	**1,071.4**	900.9

Sensitivity analysis

The sensitivity of over all plan obligations to changes in key assumptions are as follows:

	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation without effect of projected salary growth rate	1,119.5	855.3
Add: effect of salary growth rate	583.6	429.5
Defined benefit obligation with effect of projected salary growth	1,703.1	1,284.7
Defined benefit obligation, using discount rate plus 50 basis points	1,648.4	1,244.5
Defined benefit obligation, using discount rate minus 50 basis points	1,761.1	1,327.4
Defined benefit obligation, using salary growth rate plus 50 basis points	1,759.0	1,325.9
Defined benefit obligation, using salary growth rate minus 50 basis points	1,649.8	1,245.4

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at 31 March 2020	As at 31 March 2019
Funds managed by Insurers	100%	100%

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

	As at 31 March 2020	As at 31 March 2019
Financial assumptions		
Discount rate (p.a.)	6.55%	7.62%
Expected salary increase (p.a)	10% for 2 Years and 7% thereafter	10% for first year and 7% thereafter

Demographic assumptions

Mortality rate			IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Attrition rate	As at 31 March 2020		As at 31 March 2019	
	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.

	As at 31 March 2020	As at 31 March 2019
Maturity profile of the defined benefit obligation		
Average expected future working life (Years)	8.06	8.02
Expected future cash flow of gratuity		
Within 12 months	207.3	157.4
Between 2 and 5 years	719.7	575.4
Beyond 5 years	2,052.0	1,644.3

Notes:

1. 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.
2. The Company expects to contribute ₹**207.3** (31 March 2019: ₹157.4) during the year ended 31 March 2021 to the qualifying insurance policy.
3. 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.

33. CAPITAL WORK-IN-PROGRESS INCLUDES EXPENDITURE DURING CONSTRUCTION PERIOD PENDING CAPITALISATION

	As at 31 March 2020	As at 31 March 2019
Balance brought forward	581.2	1,594.9
Add: Incurred during the year		
Salaries, wages and bonus	171.0	289.1
Consumption of material for testing	27.6	100.8
Consumption of stores and spares	88.0	144.9
Carriage inward	0.3	0.2
Power and fuel	217.5	160.0
Conversion charges	22.8	30.6

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

	As at 31 March 2020	As at 31 March 2019
Rates and taxes	6.4	2.7
Printing and stationery	4.8	9.2
Postage, telegram and telephones	0.6	1.0
Insurance	3.0	1.8
Legal and professional charges	1.2	1.5
Travelling and conveyance	2.4	3.7
Depreciation	0.1	1.2
Factory maintenance	44.5	48.3
Miscellaneous expenses	4.2	14.4
	1,175.6	2,404.3
Less: Capitalised to property, plant and equipment during the year	42.1	1,823.1
Balance carried forward	**1,133.5**	**581.2**

34. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT,2006

	As at 31 March 2020	As at 31 March 2019
The principal amount remaining unpaid to any supplier as at the end of each accounting year (including ₹75.6 shown under capital creditors [31 March 2019: ₹13.76])	490.8	342.5
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 Sec 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

35. 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 31 March 2020 (31 March 2019: ₹ Nil).

36. RESEARCH AND DEVELOPMENT EXPENSES

a. 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 31 March 2020	For the year ended 31 March 2019
Material and stores and spares consumption	1,630.5	1,822.5
Power and fuel	157.2	156.8
Repairs and maintenance	84.8	54.3
Employee benefits expense	1,860.8	1,646.7
Analytical charges	1,279.5	1,051.8
Legal and professional charges	1,096.0	909.8
Registration and filing fee	683.6	671.2
Depreciation expense	355.6	342.5
Others	268.2	285.6
Total	**7,416.2**	**6,941.2**

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, 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 31 March 2020	For the year ended 31 March 2019
Buildings	2.3	32.3
Plant and equipment		
- Plant and equipment	23.3	101.5
- Lab equipment	157.3	425.8
- Pipes and valves	1.0	7.8
- Data processing equipment	5.9	11.0
- Electrical installations	0.4	6.2
Office equipment	3.6	4.2
Furniture and fixtures	6.0	7.0
Total	**199.8**	595.8

37. REMUNERATION TO STATUTORY AUDITORS

	For the year ended 31 March 2020	For the year ended 31 March 2019
As Auditors :		
Statutory audit	5.7	8.4
Limited review - standalone	4.5	2.1
Limited review - consolidation	3.0	1.5
Certification	1.3	1.1
Reimbursement of expenses	1.4	1.3
	15.9	14.4

38. CONTRIBUTION TO POLITICAL PARTIES AS PER SECTION 182 OF COMPANIES ACT, 2013. (Included In Miscellaneous Expenses)

	For the year ended 31 March 2020	For the year ended 31 March 2019
To political parties	0.1	1.3
Purchase of Electroral Bonds in accordance with the Electroral Bond Scheme notified by the Government of India	210.0	500.0

39. 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 APL Research Centre Limited, India
10 Auro Pharma Inc., Canada
11 Aurobindo Pharma (Pty) Limited, South Africa
12 Agile Pharma B.V., The Netherlands
13 Auro Healthcare (Nigeria) Limited, Nigeria (liquidated w.e.f.20 March 2019)
14 Aurobindo Pharma Japan K.K., Japan
15 Aurex B.V. (formerly Pharmacin B.V.), The Netherlands
16 Aurobindo Pharma GmbH, Germany
17 Aurobindo Pharma (Portugal) Unipessoal Limitada., Portugal**
18 Laboratorios Aurobindo S.L., Spain
19 Aurobindo Pharma B.V., The Netherlands (formerly known as Actavis B.V.)
20 Aurobindo Pharma (Romania) S.r.l, Romania

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

39. RELATED PARTY DISCLOSURES

21 Aurobindo Pharma (Italia) S.r.l, Italy
22 Aurobindo Pharma (Malta) Limited, Malta
23 APL Swift Services (Malta) Limited, Malta
24 Milpharm Limited, UK
25 Aurolife Pharma LLC, USA
26 Auro Peptides Limited, India
27 Auromedics Pharma LLC, USA
28 Aurovida Farmaceutica S.A. DE C.V., Mexico
29 Curepro Parenterals Limited, India
30 Hyacinths Pharma Private Limited, India
31 Silicon Life Sciences Private Limited, India
32 AuroZymes Limited, India
33 Aurobindo Pharma Colombia S.A.S, Colombia
34 Aurovitas, Unipessoal LDA, Portugal**
35 Arrow Generiques SAS, France
36 Auro Health LLC, USA
37 Pharmacin B.V. (formerly Aurex B.V.), The Netherlands
38 1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Germany
39 Puren Pharma GmbH & Co., KG (formerly Actavis Deutschland GmbH & Co., KG), Germany
40 Aurovitas Spain SA (formerly Actavis Spain SA), Spain
41 Natrol LLC, USA
42 Aurovitas Pharma Polska, Sp. z o o, Poland
43 Aurogen South Africa (Pty) Ltd, South Africa
44 Aurobindo Pharma USA LLC, USA (closed w.e.f. 15 November 2019)
45 Auro AR LLC, USA
46 Auro Vaccines LLC, USA
47 Auro Logistics LLC, USA
48 Acrotech Biopharma LLC, USA
49 Generis Farmaceutica S.A, Portugal
50 Mer Medicamentos, Lda, Portugal **
51 Generis Phar Unipessoal Lda., Portugal
52 Aurobindo Pharma Saudi Arabia Limited Company, Saudi Arabia
53 Auro Pharma India Private Limited, India
54 Aurovitas Pharma Ceska Republica s.r.o , Czech Republic
55 Aurovitas Pharma (Tazihou) Ltd, China
56 Apotex Polska S.p. z.o.o., Poland (w.e.f. 8 February 2019) (Merged with Aurovitas Pharma Polska w.e.f. 01 April 2019)
57 Aurovitas Spol s.r.o (w.e.f. 8 February 2019 Formerly Apotex (CR))
58 APOTEX ESPANA SL, Spain (w.e.f. 8 February 2019, Merged with Aurovitas Spain SA w.e.f. 1 April 2019)
59 Apotex NV, Belgium (w.e.f. 8 February 2019)
60 Apotex Europe B.V., The Netherlands (w.e.f. 8 February 2019)
61 Apotex Nederland B.V., The Netherlands (w.e.f. 8 February 2019)
62 Sameko Farma B.V, The Netherlands (w.e.f. 8 February 2019)
63 Leidapharm B.V, The Netherlands (w.e.f. 8 February 2019)
64 Marel B.V, The Netherlands (w.e.f. 8 February 2019)
65 Pharma Dossier B.V, The Netherlands (w.e.f. 8 February 2019)
66 Curateq Biologics GmbH, Switzerland (w.e.f. 20 March 2019)
67 Aurobindo Pharma FZ-LLC, Dubai (w.e.f. 6 January 2019)
68 Auro Science LLC, U.S.A (w.e.f.28 March 2019)
69 Auro Science (Pty) Ltd, Australia
70 Auroactive Pharma Private Limited, India (w.e.f. 09 January 2020)
71 Auro Packaging LLC, USA (w.e.f 1 April 2019)
72 Aurobindo N.V. Belgium, (w.e.f 17 Decmber 2019)

**Mer Medicamentos, Lda, Portugal, Aurovitas, Unipessoal LDA, Portugal and Aurobindo Pharma (Portugal) Unipessoal Limitada., Portugal were merged with Generis Farmaceutica S.A., w.e.f. 01 April 2018.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

39. RELATED PARTY DISCLOSURES

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
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 (w.e.f. 23 August 2018)
6 Luioxin Aurovitas Pharm (Chengdu) Co, Ltd, China
7 Longxiang Pharma Taizhou Co, Ltd, China (w.e.f.20 October 2019)
8 Novagen BBBEE Invest Co, (Pty) Ltd, South Africa (w.e.f.7 November 2019)

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 Projects Private Limited, India
7 Pranit Packaging Private Limited, India
8 SGD Pharma India Limited (formerly Cogent Glass Limited), India
9 Orem Access Bio Inc, India
10 Veritaz Healthcare Limited, India
11 Alex Merchant PTE. LTD, Singapore
12 Trident Petrochemicals DMCC, Dubai
13 Axis Clinicals LLC, USA
14 Alex Merchant DMCC, Dubai
15 Crest Cellulose Private Limited, India
16 East Pharma Technologies, India (Partnership firm)
17 Axis Clinicals Latina SA DE CV, Mexico
18 Gelcaps Industries, India
19 Aurobindo Foundation, India
20 Alcedo Pharmachem Private Limited, India
21 Ambipack Industries, India
22 Giyaan Pharma Private Limited, India

Key Managerial Personnel

1 Mr. K. Nityananda Reddy, Whole-time Director
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
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
10 Dr. (Mrs.) Avnit Bimal Singh, Independent Director
11 Mr.P.Venkata Ramprasad Reddy, Non Executive promoter director
12 Mrs.Savitha Mahajan, Independent Director

Relatives to Key Managerial Personnel

1 Mr. Vishnu M Sriram (Son in law of Dr. M. Sivakumaran, Whole-time Director)

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

39. RELATED PARTY DISCLOSURES

Transactions with related parties

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a. Loans given and repayment thereof		
Transactions with subsidiaries		
AuroZymes Limited, India		
Interest accrued	7.0	6.6
Loan given	1.0	2.0
Balance receivable	104.0	96.1
Silicon Life Sciences Private Limited, India		
Receipt against loan and interest	357.8	-
Interest accrued	11.7	6.0
Loan given	135.0	245.0
Balance receivable	76.7	287.8
Auronext Pharma Private Limited, India		
Receipt against loan and interest	135.5	-
Interest accrued	1.7	3.8
Loan given	-	130.0
Balance receivable	-	133.8
APL Healthcare Limited, India		
Interest accrued	110.6	16.2
Loan given	1,760.0	590.0
Balance receivable	2,476.7	606.2
Hyacinths Pharma Private Limited, India		
Interest accrued	14.9	3.1
Loan given	113.3	102.0
Balance receivable	233.2	105.1
Curepro Parenterals Limited, India		
Interest accrued	77.2	11.4
Loan given	1,230.4	262.5
Balance receivable	1,581.4	273.9
Transactions with Joint venture		
Raidurgam Developers Limited		
Receipt/Converted into optionally convertible debentures against loan and interest	-	1.8
b. Sale of products/ purchases, services and other transactions		
Transactions with subsidiaries		
APL Pharma Thai Limited, Thailand		
Sale of products	15.4	36.8
All Pharma (Shanghai) Trading Company Limited, China		
Purchases	1.9	0.6
Reimbursement of expenses	15.1	32.6
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil		
Sale of products	96.5	46.4
Reimbursement of expenses	-	0.3
Sales Commission	21.4	19.9
APL Swift Services (Malta) Limited, Malta		
Sale of products	7,883.5	6,819.2
Sales Commission	0.1	1.2
Purchase of services	386.4	48.2
Reimbursement of expenses received	0.4	2.3

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

39. RELATED PARTY DISCLOSURES

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Aurobindo Pharma USA Inc., USA		
Sale of products	39,829.4	33,925.9
Reimbursement of expenses received	23.7	0.2
Sale of property, plant and equipment	19.7	-
Corporate guarantee given	34,881.6	42,253.7
Reimbursement of expenses	1.1	-
Corporate guarantee fee received	5.4	-
Dividend received	338.2	-
Acrotech Biopharma LLC, USA		
Corporate guarantee given	-	7,426.1
Corporate guarantee fee received	7.5	-
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil		
Sale of products	590.0	619.7
Reimbursement of expenses received	0.5	-
Reimbursement of expenses	3.5	6.1
Dividend received	677.0	790.8
Auro Pharma Inc., Canada		
Sale of products	2,905.2	2,471.4
Reimbursement of expenses received	0.5	
Reimbursement of expenses	4.0	0.1
Aurobindo Pharma (Pty) Limited, South Africa		
Sale of products	876.4	223.7
Reimbursement of expenses received	0.5	-
Sales Commission	(1.2)	3.8
Pharmacin B.V., The Netherlands (formerly Aurex B.V.)		
Sale of products	9.7	10.7
Sales Commission	0.7	0.2
Reimbursement of expenses received	0.3	-
Reimbursement of expenses	0.3	-
Aurex B.V., The Netherlands (formerly Pharmacin B.V.)		
Sale of products	-	1.1
Reimbursement of expenses received	0.1	-
Milpharm Limited, UK		
Sale of products	3,800.4	3,700.3
Reimbursement of expenses	20.5	10.6
Reimbursement of expenses received	1.6	-
Aurolife Pharma LLC, USA		
Sale of products	1,227.6	1,152.5
Purchases	5.5	41.9
Aurobindo Pharma Japan K.K., Japan		
Sale of products	112.2	407.1
Sales Commission	37.4	23.1
Reimbursement of expenses received	-	1.9
Aurobindo Pharma (Malta) Limited, Malta		
Reimbursement of expenses	33.8	1.0
Auronext Pharma Private Limited, India		
Sale of products	11.1	96.2
Purchases	7.0	81.0
Investment in 9.5% Cumulative Redeemable Preference shares	-	40.0
Purchases of asset	-	1.4
Rent received	4.1	1.8
Sale of services	9.5	7.4
Dividend received	244.0	-
Laboratorios Aurobindo S.L, Spain		
Reimbursement of expenses	0.7	-
Reimbursement of expenses received	1.7	0.1
Auro Medics Pharma LLC, USA		
Sale of products	9,076.3	8,642.9

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

39. RELATED PARTY DISCLOSURES

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Reimbursement of expenses	-	29.6
APL Healthcare Limited, India		
Sale of products	239.0	117.3
Sale of fixed assets	17.0	5.3
Purchases	95.1	24.9
Purchase of property, plant and equipment	-	1.0
Corporate guarantee given	250.0	200.0
Equity contribution	-	338.5
Auro Peptides Limited, India		
Rent Received	11.3	10.8
Reimbursement of expenses received	54.4	49.8
Investment in 9.5% cumulative redeemable preference shares	110.0	82.0
Sale of products	0.8	1.1
Purchases	66.8	180.7
Silicon Life Sciences Private Limited, India		
Sale of products	154.6	87.3
Purchases	252.2	56.1
Sale of property, plant and equipment	3.5	5.6
Corporate guarantee given	-	250.0
Reimbursement of expenses received	6.9	-
Aurovida Farmaceutica, SA DE CV, Mexico		
Sale of products	138.4	46.7
Reimbursement of expenses received	0.6	-
Reimbursement of expenses	102.5	37.1
Aurobindo Pharma (Portugal) Unipessoal Limitada, Portugal		
Reimbursement of expenses	-	0.2
Aurobindo Pharma Colombia S.A.S., Colombia		
Sale of products	312.9	337.7
Reimbursement of expenses received	0.6	-
Reimbursement of expenses	7.7	4.1
Arrow Generiques S.A.S., France		
Sale of products	2.3	3.2
Reimbursement of expenses received	4.8	0.9
Aurobindo Pharma B.V. (formerly Actavis B.V.), The Netherlands		
Sale of products	-	454.4
Reimbursement of expenses received	5.0	0.5
Reimbursement of expenses	10.6	-
Aurovitas Spain SAS, Spain		
Reimbursement of expenses received	3.0	0.2
Reimbursement of expenses	2.2	-
Aurovitas Unipessol LDA, Portugal		
Reimbursement of expenses received	-	0.1
Aurobindo Pharma GmbH, Germany		
Reimbursement of expenses received	0.9	0.2
Aurobindo Pharma (Italia) S.r.l, Italy		
Sale of products	-	222.0
Reimbursement of expenses	0.3	0.6
Reimbursement of expenses received	3.2	0.7
Auro Health LLC, USA		
Sale of products	849.9	681.4
Puren Pharma GmbH & Co., KG, Germany		
Reimbursement of expenses received	3.2	0.6
Hyacinths Pharma Private Limited, India		
Equity contribution		175.5
Sale of products	0.2	0.0
Aurovitas Pharma Polska, Poland		
Reimbursement of expenses	63.3	188.2
Reimbursement of expenses received	1.3	-

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

39. RELATED PARTY DISCLOSURES

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Generis Farmaceutica SA, Portugal		
Sale of products	79.1	354.0
Reimbursement of expenses	0.4	0.5
Reimbursement of expenses received	2.8	2.0
Helix Healthcare B.V., The Netherlands		
Equity contribution	2,353.5	2,745.0
Corporate guarantee given	6,414.7	4,000.1
Corporate guarantee fee received	10.5	16.9
Agile Pharma BV, The Netherlands		
Corporate guarantee given	4,262.7	4,000.1
Corporate guarantee fee received	3.7	5.2
Curateq Biologics GmbH, Switzerland		
Sale of Intangible Asset	341.8	-
Sale of Intangelble Service	123.1	-
Aurobindo Pharma (Romania) S.r.l, Romania		
Reimbursement of expenses received	0.5	-
Aurovitas Pharma Ceska Republica s.r.o , Czech Republic		
Reimbursement of expenses received	0.2	-
Auro Active Pharma Private Limited		
Equity contribution	1.0	-
c. Sale/purchase of goods, services and other transactions		
Transactions with Joint Venture		
Novagen Pharma (Pty) Limited, South Africa		
Sale of products	149.6	290.4
Raidurgam Developers Limited, India (Joint Venture from 30 November 2017)		
Investment in optionally convertible debentures	330.0	134.6
Interest accrued	30.4	14.4
Eugia Pharma Specialities Limited, India		
Sale of products	15.7	47.3
Sale of property, plant and equipment	0.2	-
Purchases	-	0.1
Purchase of property, plant and equipment	-	0.4
Reimbursement of expenses received	-	-
Tergene Biotech Private Limited, India		
Equity contribution	-	15.4
Investment in 10.5% Cumulative Redeemable Preference shares	38.0	34.5

d. Transactions with enterprises over which key management personnel or their relatives exercise significant influence

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Pravesha Industries Private Limited, India		
Sale of products	-	0.3
Sale of property, plant and equipment	0.4	-
Purchases	3,062.9	2,766.1
Sri Sai Packaging, India		
Sale of products	0.4	0.4
Purchases	243.2	239.4
Axis Clinicals Limited, India		
Purchase of services	1,074.3	759.3
Axis Clinicals Latina SA DE CV, Mexico		
Purchase of services	26.1	6.4
Trident Chemphar Limited, India		
Purchases	1,405.5	1,037.2
Purchase of services	95.4	131.1
Pranit Packaging Private Limited, India		
Purchases	246.7	204.3
SGD Pharma India Limited (formerly Cogent Glass Limited)		
Purchases	1,118.4	1,055.8

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

39. RELATED PARTY DISCLOSURES

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Orem Access Bio Inc, India		
Purchases	305.9	274.8
Veritaz Healthcare Limited, India		
Sale of products	236.2	216.8
Rent received	0.3	0.3
Alex Merchants DMCC, Dubai		
Purchases	-	242.4
Crest Cellulose Private limited, India		
Purchases	377.4	441.9
Sale of property, plant and equipment	-	0.9
East Pharma Techonologies, India		
Purchases	95.9	55.1
Gelcaps Industries, India		
Purchases	438.4	289.5
Aurobindo Foundation, India		
Contribution towards CSR activities	601.1	466.0
Alcedo Pharmachem Private Limited, India		
Purchases	217.5	-
Ambipack Industries, India		
Purchases	128.6	-
Giyaan Pharma Privated Limited, India		
Sale of products	13.6	-
Axis Clinicals LLC, USA		
Purchase of services	8.7	-

e. Transactions with key managerial personnel or their relatives

	For the year ended 31 March 2020	For the year ended 31 March 2019
Mr. K Nityananda Reddy		
Managerial remuneration	15.2	15.1
Rent expense	2.7	2.6
Dr. M Sivakumaran		
Managerial remuneration	15.2	15.1
Mr. M Madan Mohan Reddy		
Managerial remuneration	40.7	26.7
Mr. P Sarath Chandra Reddy		
Managerial remuneration	8.8	8.6
Mr. Vishnu M Sriram		
Remuneration	6.4	5.8
Mr.N Govindarajan		
Managerial Remuneration	168.9	146.3
Mr.Santhanam Subramanian		
Remuneration	21.1	18.7
Mr.B. Adi Reddy		
Remuneration	4.8	3.9
Mr. P.Venkata Ramaprasad Reddy		
Director sitting fees	0.4	0.4
Mr. K.Ragunathan, Non-executive Chairman and Independent Director		
Director sitting fees	1.1	1.2
Mr. M. Sitarama Murty, Independent Director		
Director sitting fees	0.8	1.1
Mrs.Avnit Bimal Singh, Independent Director		
Director sitting fees	0.7	1.0
Mrs.Savitha Mahajan, Independent Director		
Director sitting fees	0.8	0.8

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

39. RELATED PARTY DISCLOSURES

Note:

i) Managerial remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

ii) All transactions with related parties are made on terms equiavalent 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 31 March 2020 (31 March 2019), 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.

f. Loans to subsidiaries - Maximum amount outstanding

Name of the Companies	Closing Balance as at 31 March*		Maximum outstanding at any time during the year ended 31 March*	
	2020 ₹	2019 ₹	2020 ₹	2019 ₹
AuroZymes Limited, India	82.0	81.0	82.0	81.0
Silicon Life Sciences Private Limited, India	75.0	245.0	280.5	245.0
Auronext Pharma Private Limited, India	-	130.0	130.0	130.0
APL Health Care Limited, India	2,350.0	590.0	2,350.0	590.0
Hyacinths Pharma Private Limited, India	215.3	102.0	215.3	102.0
Curepro Parenterals Limited, India	1,492.9	262.5	1,492.9	262.5

* Excluding interest on loan

g. Balances with Subsidiaries at the year end

Particulars	As at 31 March 2020	As at 31 March 2019
APL Pharma Thai Limited, Thailand		
Balance payable	-	8.5
All Pharma (Shanghai) Trading Company Limited, China		
Balance payable	7.7	21.8
Helix Healthcare B.V., The Netherlands		
Corporate guarantee for loans outstanding	7,807.7	9,505.2
Balance receivable	2.5	16.3
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil		
Balance receivable	90.5	21.0
Balance payable	1.7	-
APL Swift Services (Malta) Limited, Malta		
Balance receivable	7,612.8	5,330.7
Balance payable	48.2	17.9
Aurobindo Pharma USA Inc., USA		
Balance receivable	20,835.0	17,847.8
Corporate guarantee for loans outstanding	-	5,878.2
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil		
Balance receivable	402.9	156.1
Balance payable	2.9	-
Auro Pharma Inc., Canada		
Balance receivable	1,984.5	1,943.7
Balance payable	4.0	2.2
Aurobindo Pharma (Pty) Limited, South Africa		
Balance receivable	418.0	41.3
Balance payable	-	6.5
Pharmacin B.V., The Netherlands (formerly Aurex B.V.)		
Balance receivable	8.8	6.3
Balance payable	0.3	-
Milpharm Limited, UK		
Balance receivable	1,897.1	1,488.7

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

39. RELATED PARTY DISCLOSURES

Balance payable	0.3	1.6
Aurolife Pharma LLC, USA		
Balance receivable	797.9	185.8
Balance payable	7.4	1.2
Aurobindo Pharma Japan K.K., Japan		
Balance receivable	46.5	129.6
Balance payable	-	2.8
Aurobindo Pharma (Malta) Limited, Malta		
Balance payable	18.4	0.1
Auronext Pharma Private Limited, India		
Balance receivable	-	379.3
Balance payable	3.4	-
Laboratorios Aurobindo S.L, Spain		
Balance receivable	0.1	-
Balance payable	0.7	0.7
Auromedics Pharma LLC, USA		
Balance receivable	2,698.9	4,221.8
Balance payable	26.0	382.7
APL Healthcare Limited, India		
Corporate guarantee for loans outstanding	304.4	-
Balance receivable	218.2	79.3
Balance payable	6.4	-
Auro Peptides Limited, India		
Balance receivable	82.7	35.8
Silicon Life Sciences Private Limited, India		
Corporate guarantee for loans outstanding	63.4	-
Balance receivable	93.4	223.3
Aurovida Farmaceutica, SA DE CV, Mexico		
Balance receivable	103.8	31.8
Aurobindo Pharma B.V.,The Netherlands		
Balance receivable	11.0	66.0
Balance payable	10.9	-
Aurobindo Pharma Colombia S.A.S., Colombia		
Balance payable	-	4.1
Balance receivable	207.5	245.8
Arrow Generiques S.A.S., France		
Balance receivable	-	1.6
Agile Pharma B.V. The Netherlands		
Corporate guarantee for loans outstanding	3,269.4	3,068.1
Balance receivable	1.0	5.0
Aurobindo Pharma GmbH, Germany		
Balance receivable	0.1	0.1
Aurobindo Pharma (Italia) S.r.l, Italy		
Balance receivable	-	94.2
Balance payable	-	0.3
Puren Pharma GmbH & Co., KG, Germany		
Balance Receivable	1.2	-
Auro Health LLC, USA		
Balance receivable	540.9	407.0
Generis Farmaceutica SA, Portugal		
Balance receivable	40.7	134.6
Aurovitas Pharma Polska, Poland		
Balance payable	-	89.6
Balance receivable	1.4	-
Acrotech Biopharma LLC, USA		
Corporate guarantee for loans outstanding	7,188.2	5,186.6
Balance receivable	2.5	-

Note: For closing balance of investments and provision for diminution in value of investments, refer note 4.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

39. RELATED PARTY DISCLOSURES

Particulars	As at 31 March 2020	As at 31 March 2019
h. Balances with Joint venture at the year end		
Novagen Pharma (Pty) Limited, South Africa		
Balance receivable	43.6	101.1
Raidurgam Developers Limited, India		
Balance receivable	14.4	8.2
Eugia Pharma Specialities Limited, India		
Balance receivable	3.9	39.6
i. Balances with enterprises over which key management personnel or their relatives exercise significant influence at the year end.		
Pravesha Industries Private Limited, India		
Balance payable	935.3	618.4
Sri Sai Packaging, India		
Balance payable	2.7	31.6
Axis Clinicals Limited, India		
Balance payable	205.9	0.2
Trident Chemphar Limited, India		
Balance receivable	738.8	29.3
Pranit Packaging Private Limited, India		
Balance payable	16.0	19.0
SGD Pharma India Limited (formerly Cogent Glass Limited), India		
Balance payable	375.6	220.6
Veritaz Healthcare Limited, India		
Balance receivable	120.7	85.8
Orem Access Bio Inc, India		
Balance payable	81.3	44.7
Crest Cellulose Private limited, India		
Balance payable	87.5	68.6
East Pharma Technologies, India		
Balance payable	15.7	11.1
Gelcaps Industries, India		
Balance payable	90.8	55.0
Alcedo Pharmachem Private Limited, India		
Balance payable	7.0	-
Ambipack Industries, India		
Balance payable	21.5	-
Giyaan Pharma Private Limited, India		
Balance receivable	8.3	-
Axis Clinicals Latina S.A. DE C.V		
Balance payable	23.4	-
Balances with with key managerial personnel at the year end		
Mr.N Govindarajan		
Balance payable	100.0	100.0
Mr. K Nityananda Reddy		
Balance payable	0.2	0.2

40. 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.

41. CAPITAL MANAGEMENT

For the purpose of the Company'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 Company's capital management is to maximise the shareholder value.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

42. 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.

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.

31 March 2020

		Carrying amount			Fair value			
Particulars	Notes	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	-	0.2	0.2	-	-	0.2
		151.6	-	**151.6**	**0.2**	-	**151.4**	**151.6**
Financial assets not measured at fair value								
Non-current investments in preference shares	4(A)	-	1,900.5	1,900.5				
Trade receivables	6(B)	-	57,895.7	57,895.7				
Loans	5(A)&5(B)	-	4,393.9	4,393.9				
Cash and bank balances	12(A)&12(B)	-	782.5	782.5				
Other financial assets	7(A)&7(B)	-	1,353.7	1,353.7				
		-	**66,326.3**	**66,326.3**				
Financial liabilities measured at fair value								
Derivatives - foreign currency forward contracts	18	22.3	-	22.3	-	22.3	-	22.3
		22.3	-	22.3	-	22.3	-	22.3
Financial liabilities not measured at fair value								
Borrowings (including current maturities of non-current borrowings)	15(A) &15(B)	-	37,303.2	37,303.2				
Trade payables	17	-	19,145.3	19,145.3				
Other current financial liabilities	18		5,046.4	5,046.4				
		-	61,494.9	61,494.9				

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

31 March 2019

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	-	0.2	0.2	-	-	0.2
Derivatives - foreign currency forward contracts	7(B)	64.4	-	64.4	-	64.4	-	64.4
		216.0	-	216.0	0.2	64.4	151.4	216.0
Financial assets not measured at fair value								
Non-current investments in preference shares	4(A)	-	2,778.7	2,778.7				
Trade receivables	6(B)	-	52,320.7	52,320.7				
Loans	5(A)&5(B)	-	1,563.8	1,563.8				
Cash and bank balances	12(A)&12(B)	-	757.6	757.6				
Other financial assets	7(A)&7(B)	-	1,120.8	1,120.8				
		-	58,541.7	58,541.7				
Financial liabilities not measured at fair value								
Borrowings (including current maturities of non-current borrowings)	15(A), 15(B) & 18	-	45,198.0	45,198.0				
Trade payables	17	-	18,413.9	18,413.9				
Other current financial liabilities	18		1,286.9	1,286.9				
		-	64,898.8	64,898.8				

*These are for operational purposes and the Company estimates that the fair value of these investments are not materially different as compared to their cost.

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
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

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2019-20 and no transfers in either direction in 2018-19.

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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.

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.

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 ₹**4,215.2** (31 March 2019 : ₹1,410.5).

The Company's maximum exposure to credit risk as at 31 March 2020 and 31 March 2019 is the carrying value of each class of financial assets.

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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 31 March 2020	Carrying amount	Contractual cash flows			
		< 12 months	1 to 5 years	> 5 years	Total
Non-derivative financial liabilities					
Current borrowings	37,303.2	37,439.9	-	-	37,439.9
Trade payables	19,145.3	19,145.3	-	-	19,145.3
Other current and non currentfinancial liabilities	5,046.4	5,130.3	95.5	39.5	5,265.3
Derivative financial liabilities					
Foreign exchange forward contracts	22.3	22.3	-	-	22.3

As at 31 March 2019	Carrying amount	Contractual cash flows			
		< 12 months	1 to 5 years	> 5 years	Total
Non-derivative financial liabilities					
Non-current borrowings	-	-	-	-	-
Current borrowings	45,198.0	45,523.8	-	-	45,523.8
Trade payables	18,413.9	18,413.9	-	-	18,413.9
Other current financial liabilities	1,286.9	1,286.9	-	-	1,286.9

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.

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:

Notes to Standalone Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

The summary of quantitative data about the Company's exposure to currency risk as reported to the management is as follows:

As at 31 March 2020

Amount in ₹

Particulars	USD	Euro	GBP	Others	Total
Financial assets					
Trade receivables	36,001.2	8,002.2	1,893.2	2,285.2	48,181.7
Cash and bank balances	334.6	150.8	158.9	5.7	649.9
Total	**36,335.8**	**8,152.9**	**2,052.1**	**2,290.8**	**48,831.7**
Less:					
Derivatives - foreign currency forward contracts	(6,166.7)	(4,014.3)	(383.4)	(939.1)	(11,503.5)
Net exposure in financial assets	**30,169.1**	**4,138.6**	**1,668.7**	**1,351.8**	**37,328.2**
Financial liabilities					
Borrowings including current maturities of non-current borrowings	32,540.5	2,618.4	481.5	-	35,640.4
Interest accrued but not due on borrowings	12.2			(0.0)	12.2
Trade payables (including capital creditors)	11,317.9	315.3	13.8	43.6	11,690.7
	43,870.6	**2,933.7**	**495.3**	**43.6**	**47,343.3**
Less:					
Derivatives - foreign currency forward contracts	(1,020.5)			-	(1,020.5)
Net exposure in financial liabilities	**42,850.1**	**2,933.7**	**495.3**	**43.6**	**46,322.8**
Net exposure in respect of recognised assets/(liabilities)	**(12,681.0)**	**1,204.9**	**1,173.4**	**1,308.1**	**(8,994.6)**

As at 31 March 2019

Amount in ₹

Particulars	USD	Euro	GBP	Others	Total
Financial assets					
Trade receivables	33,736.5	6,292.4	1,472.3	2,220.9	43,722.1
Cash and bank balances	242.6	52.6	24.1	3.3	322.6
Total	33,979.1	6,345.0	1,496.4	2,224.2	44,044.7
Less:					
Derivatives - foreign currency forward contracts	(0.0)	(1,786.5)	-	(1,025.9)	(2,812.4)
Net exposure in financial assets	33,979.1	4,558.5	1,496.4	1,198.3	41,232.3
Financial liabilities					
Borrowings including current maturities of non-current borrowings	37,016.9	5,116.8	1,267.3	-	43,401.0
Interest accrued but not due on borrowings	2.2	0.5	-	-	2.7
Trade payables (including capital creditors)	8,013.9	323.4	13.8	47.9	8,399.0
	45,033.0	5,440.7	1,281.1	47.9	51,802.7
Less:					
Derivatives - foreign currency forward contracts	(420.5)			-	(420.5)
Net exposure in financial liabilities	44,612.5	5,440.7	1,281.1	47.9	51,382.2
Net exposure in respect of recognised (liabilities) / assets	(10,633.4)	(882.1)	215.3	1,150.4	(10,149.9)

Notes to Standalone Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars,GBP and Euro at 31 March 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
31 March 2020				
USD (5% movement)	634.0	(634.0)	499.4	(499.4)
Euro (5% movement)	(60.2)	60.2	(47.4)	47.4
GBP (5% movement)	(58.7)	58.7	(46.2)	46.2
Others (5% movement)	(65.4)	65.4	(51.5)	51.5
31 March 2019				
USD (5% movement)	531.7	(531.7)	(414.0)	414.0
Euro (5% movement)	44.1	(44.1)	(34.3)	34.3
GBP (5% movement)	(10.8)	10.8	8.4	(8.4)
Others (5% movement)	(57.5)	57.5	44.8	(44.8)

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	31 March 2020	31 March 2019
Variable rate borrowings including current maturities and lease liabilities	35,973.0	43,448.0
Fixed rate borrowings	1,500.0	1,750.0
Total borrowings	**37,473.0**	**45,198.0**

Sensitivity analysis:

Particulars	31 March 2020		31 March 2019	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Variable rate instruments	185.2	(185.2)	(222.3)	222.3
Fixed rate instruments	0.8	(0.8)	(9.4)	9.4

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 31 March 2020, the Company had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

44. 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.

As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642

Place: Hyderabad
Date: 3 June 2020

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: 3 June 2020

Independent Auditors' 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") and its joint ventures which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and its 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 audit reports of the other auditors referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matters	How the matter was addressed in our audit
Carrying value of intangible assets and goodwill: [Refer note 2.2 and 2.3(e) of the statement of significant accounting Policies and note 4 and 5 to the consolidated financial statements] The carrying value of Goodwill and intangible assets aggregate to ₹29,016.6 million. These assets are evaluated for impairment when there is a trigger or at least annually for goodwill and non- amortizable intangible assets. The Group performs the annual assessment of the goodwill and intangible assets 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 and the weighted average cost of capital (discount rate).	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. • Assessing the Group's methodology applied in determining the CGUs to which goodwill is allocated. • Challenging the Group's key assumptions such as the discount rate by assessing and comparing the Group's discount range that we developed together with our valuation specialists.

Key audit matters	How the matter was addressed in our audit
Considering the inherent uncertainty, complexity and judgment involved and the significance of the value of the assets, impairment assessment of intangible assets and goodwill has been considered as a key audit matter.	• 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, 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.
Revenue Recognition Refer note 2.3(c) of the statement of significant accounting policies and note 23 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, excluding 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 of the Group. There could be a risk of revenue being recognized in the incorrect period or before the control has been transferred to the customer; and • Establishing an accrual towards rebate, chargebacks, expected sales return and other allowances requires significant estimation on the part of management and change in these estimates can have a significant financial impact.	Our audit procedures in respect of the recognition of revenue included the following: • Considering the Group's revenue recognition policies and assessed compliance with the applicable accounting standards. • Evaluating the design, tested the implementation and operating effectiveness of the Group's internal controls over recognition of revenue and measurement of accruals for rebates, chargebacks, Medicaid, expected sales return and other allowances. • Performing substantive testing (including cutoff testing procedures) by selecting samples of revenue transactions recorded during and after the year and verifying the underlying documents such as sales invoices/ contracts and dispatch/shipping documents. • Assessing the adequacy of accruals 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 in order to test the Group's assumption for creation of such provisions. • Assessing manual journals posted to revenue to identify unusual items not already covered by our audit testing; • Evaluating adequacy of disclosures given in the consolidated financial statements.
Litigations, claim and contingencies Refer note 2.3(m) of the statement of significant accounting policies and note 33 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.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidence: • 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.

Independent Auditors' Report

Key audit matters	How the matter was addressed in our audit
Most of the claims involve complex issues. The Group, assisted by their external legal counsel in certain situations 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 judgment 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.	• 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 enquiries with the in-house legal counsel of the Group; ii. 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. • Evaluating the adequacy of provision and disclosures given in Note 33 to consolidated financial statements

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon. The holding Company's annual report is expected to be made available to us after the date of this auditors' 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 identified above 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 term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group 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 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its 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 Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as 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 and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements and other financial information of 54 subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of ₹150,342.4 million as at 31 March 2020, total revenues (before consolidation adjustments) of ₹93,468.4 million and net cash outflows (before consolidation adjustments) amounting to ₹4,811.7 million for the year ended on that date, as considered

Independent Auditors' Report

in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax (before consolidation adjustments) of ₹170.5 million for the year ended 31 March 2020, in respect of 8 joint ventures, whose financial statements and other financial information have not been audited by us. These financial statements and financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures 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 and joint ventures is based solely on the audit reports of the other auditors.

Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above 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 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 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 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies and joint ventures incorporated in India is disqualified as on 31 March 2020 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 and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    g) 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 and joint ventures, as noted in the 'Other Matters' paragraph:

        i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and its joint ventures. Refer Note 33 to the consolidated financial statements.

        ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint ventures during the year ended 31 March 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

2. With respect to the matter to be included in the Auditor's report under Section 197(16):

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 and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and joint ventures 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, its subsidiary companies and joint ventures 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) which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642
ICAI UDIN: 20049642AAAACF6116

Place: Hyderabad
Date: 3 June 2020

Annexure A

to the Independent Auditors' Report on the Consolidated Financial Statements of Aurobindo Pharma Limited for the year ended 31 March 2020.

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 31 March 2020, 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 31 March 2020, 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 10 subsidiary companies and 3 joint venture companies (jointly controlled 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 Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642
ICAI UDIN: 20049642AAAACF6116

Place: Hyderabad
Date: 3 June 2020

Consolidated Balance Sheet

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	64,948.1	56,936.5
(b) Capital work-in-progress	3	16,218.2	13,419.4
(c) Goodwill	4	9,159.4	8,325.1
(d) Other intangible assets	5	19,857.2	19,486.9
(e) Intangible assets under development	5	3,641.2	3,265.2
(f) Investments accounted for using the equity method	6(A)	4,096.1	2,475.6
(g) Financial assets			
(i) Investments	6(B)	1,450.8	1,126.4
(ii) Loans	7(A)	58.4	64.6
(iii) Trade receivables	8(A)	-	11.9
(iv) Other financial assets	9(A)	1,170.3	908.6
(h) Deferred tax assets (net)	10(A)	1,632.0	1,832.9
(i) Non-current tax assets (net)	11(A)	831.3	1,688.3
(j) Other non-current assets	12(A)	2,075.5	1,679.2
Total non-current assets		**125,138.5**	111,220.6
Current assets			
(a) Inventories	13	76,998.7	72,456.0
(b) Financial assets			
(i) Investments	6(C)	0.2	0.2
(ii) Trade receivables	8(B)	43,151.5	34,137.8
(iii) Cash and cash equivalents	14(A)	27,637.1	18,837.0
(iv) Bank balances other than (iii) above	14(B)	784.4	734.8
(v) Loans	7(B)	136.8	102.6
(vi) Other financial assets	9(B)	400.8	13,634.6
(c) Current tax assets (net)	11(B)	157.6	38.4
(d) Other current assets	12(B)	14,857.9	13,381.6
Total current assets		**164,125.0**	153,323.0
TOTAL ASSETS		**289,263.5**	264,543.6
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	585.9	585.9
(b) Other equity	16	167,517.9	138,321.9
Equity attributable to owners of the Parent Company		**168,103.8**	138,907.8
(c) Non-controlling interest		1.4	15.9
Total equity		**168,105.2**	138,923.7
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(A)	-	1,799.5
(ii) Lease liabilities	20 (A)	2,644.1	-
(b) Provisions	18(A)	747.1	465.4
(c) Deferred tax liability (net)	10(B)	3,024.8	2,813.1
(d) Other non-current liabilities	21 (A)	874.8	336.2
Total non-current liabilities		**7,290.8**	5,414.2
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(B)	54,223.0	65,732.1
(ii) Trade payables	19		
(A) total outstanding dues of micro enterprises and small enterprises and		427.8	336.1
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		25,022.3	25,185.7
(iii) Other financial liabilities	20 (B)	22,386.9	18,190.0
(b) Other current liabilities	21 (B)	6,358.7	6,915.1
(c) Provisions	18(B)	4,166.4	3,184.0
(d) Current tax liabilities (net)	22	1,282.4	662.7
Total current liabilities		**113,867.5**	120,205.7
TOTAL EQUITY AND LIABILITIES		**289,263.5**	264,543.6
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

Sriram Mahalingam
Partner
Membership No.049642

Place: Hyderabad
Date: 3 June 2020

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: 3 June 2020

Consolidated Statement of Profit and Loss

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

		Note	Year ended 31 March 2020	Year ended 31 March 2019
I	INCOME			
	Revenue from operations	23	230,985.1	195,635.5
	Other income	24	1,918.7	1,553.2
	TOTAL INCOME (I)		232,903.8	197,188.7
II	EXPENSES			
	Cost of materials consumed	25	77,249.8	74,449.9
	Purchases of stock-in-trade		21,121.1	19,432.0
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(1,018.6)	(6,755.5)
	Employee benefits expense	27	32,191.8	25,848.7
	Finance costs	28	3,051.3	2,626.0
	Depreciation and amortisation expense	29	9,667.1	6,679.5
	Other expenses	30	52,797.9	43,141.0
	TOTAL EXPENSES (II)		195,060.4	165,421.6
III	PROFIT BEFORE SHARE OF PROFIT OF JOINT VENTURES, EXCEPTIONAL ITEMS AND TAX (I-II)		37,843.4	31,767.1
IV	Share of (loss) / profit of joint ventures (net of tax)		(151.7)	27.0
V	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III+IV)		37,691.7	31,794.1
VI	Exceptional items	49	261.3	880.6
VII	PROFIT BEFORE TAX (V-VI)		37,430.4	30,913.5
VIII	TAX EXPENSE :	31		
	Current tax		9,569.6	7,120.7
	Deferred tax :			
	Tax credit - Minimum Alternate Tax (MAT)		-	(510.0)
	Other deferred tax		(434.4)	657.8
	TOTAL TAX EXPENSE (VIII)		9,135.2	7,268.5
IX	PROFIT FOR THE YEAR (VII-VIII)		28,295.2	23,645.0
X	OTHER COMPREHENSIVE INCOME (OCI)			
	(A) Items that will not to be reclassified subsequently to profit or loss:			
	(i) Re-measurement of defined employee benefit liability		(195.8)	(26.1)
	(ii) Income-tax relating to items that will not be reclassified to profit or loss		67.2	10.7
	(B) Items that will be reclassified subsequently to profit or loss:			
	(i) Exchange differences on translating the financial statements of foreign operations		2,999.8	(26.6)
	(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)		2,871.2	(42.0)
XI	TOTAL COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (IX+X)		31,166.4	23,603.0
	Attributable to:			
	Owners of the Parent Company		31,180.9	23,605.3
	Non-controlling interest		(14.5)	(2.3)
	OUT OF THE TOTAL COMPREHENSIVE INCOME ABOVE,			
	Profit for the year attributable to:			
	Owners of the Parent Company		28,309.7	23,647.3
	Non-controlling interest		(14.5)	(2.3)
	Other comprehensive income attributable to:			
	Owners of the Parent Company		2,871.2	(42.0)
	Non-controlling interest		-	-
XII	EARNINGS PER EQUITY SHARE	34		
	(i) Basic (in ₹)		48.32	40.36
	(ii) Diluted (in ₹)		48.32	40.36
	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

Sriram Mahalingam
Partner
Membership No.049642

Place: Hyderabad
Date: 3 June 2020

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: 3 June 2020

Consolidated Statement of Changes in Equity

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(A) EQUITY SHARE CAPITAL (Refer Note 15)

	Number	Balance
As at 1 April 2018	585,907,609	585.9
Changes in equity share capital during the year	8,000	0.0
As at 31 March 2019	585,915,609	585.9
Changes in equity share capital during the year	23,000	0.0
As at 31 March 2020	**585,938,609**	**585.9**

(B) OTHER EQUITY (Refer Note 16)

	Attributable to the owners of the group										
	Reserves and surplus						Items of other comprehensive income				
	Capital reserve	Capital redemption reserve	Employee stock options outstanding account	Securities premium	General reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Re-measurements of net defined benefit plans	Total attributable to owners of the Group	Attributable to non-controlling interest	Total
Balance at 31 March 2018	818.9	90.0	0.7	4,175.7	8,131.6	102,117.6	1,044.2	(160.4)	116,218.3	18.2	116,236.5
Profit for the year	-	-	-	-	-	23,647.3	-	-	23,647.3	(2.3)	23,645.0
Other comprehensive income (net of tax)	-	-	-	-	-	-	(26.6)	(15.4)	(42.0)	-	(42.0)
Total comprehensive income	-	-	-	-	-	23,647.3	(26.6)	(15.4)	23,605.3	(2.3)	23,603.0
Issue of equity shares on exercise of employee stock options	-	-	-	0.6	-	-	-	-	0.6	-	0.6
On acquisition of subsudiaries	101.1	-	-	-	-	-	-	-	101.1	-	101.1
Exercise of share options	-	-	(0.1)	0.1		-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(1,464.8)	-	-	(1,464.8)	-	(1,464.8)
Dividend distribution tax	-	-	-	-	-	(138.6)	-	-	(138.6)	-	(138.6)
Balance at 31 March 2019	920.0	90.0	0.6	4,176.4	8,131.6	124,161.5	1,017.6	(175.8)	138,321.9	15.9	138,337.8
Profit for the year	-	-	-	-	-	28,309.7	-	-	28,309.7	(14.5)	28,295.2
Other comprehensive income (net of tax)	-	-	-	-	-	-	2,999.8	(128.6)	2,871.2	-	2,871.2
Total comprehensive income	-	-	-	-	-	28,309.7	2,999.8	(128.6)	31,180.9	(14.5)	31,166.4
Issue of equity shares on exercise of employee stock options	-	-	-	1.9	-	-	-	-	1.9	-	1.9
On acquisition of subsudiary (refer note 38)	(101.1)	-	-	-	-	-	-	-	(101.1)	-	(101.1)
Exercise of share options	-	-	(0.6)	0.6	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(1,757.8)	-	-	(1,757.8)	-	(1,757.8)
Dividend distribution tax	-	-	-	-	-	(127.9)	-	-	(127.9)	-	(127.9)
Balance at 31 March 2020	**818.9**	**90.0**	**-**	**4,178.9**	**8,131.6**	**150,585.5**	**4,017.4**	**(304.4)**	**167,517.9**	**1.4**	**167,519.3**

Refer note 16B 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

Sriram Mahalingam
Partner
Membership No.049642
Place: Hyderabad
Date: 3 June 2020

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: 3 June 2020

Consolidated Statement of Cash Flows

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

			Year ended 31 March 2020	Year ended 31 March 2019
1	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net profit before tax		37,430.4	30,913.5
	Adjustment to reconcile profit before tax to net cash flows:			
	Depreciation and amortisation expense		9,667.1	6,679.5
	Allowance for doubtful receivables, net		615.9	66.3
	Liabilities no longer required written back (net)		(263.2)	(222.3)
	Bad debts/advances written off		69.4	18.8
	Product destruction expenses / stock written off		98.1	30.9
	Mark-to-market loss/(gain) on derivative financial instruments		22.3	(64.4)
	Unrealised foreign exchange gain (net)		(745.6)	(65.8)
	Loss on sale / write-off of property, plant and equipment (net) and intangibles under development		370.4	194.9
	Share of loss / (profit) of joint ventures		151.7	(27.0)
	Finance costs		1,416.3	1,507.8
	Interest income		(209.1)	(137.8)
	Effect of exchange rate changes		(281.6)	158.6
	Operating profit before working capital changes		48,342.1	39,053.0
	Movements in working capital:			
	Increase in inventories		(5,269.8)	(8,860.4)
	Increase in trade receivables		(6,561.2)	(176.1)
	Decrease/(increase) in other financial assets		12,697.9	(5,642.6)
	Increase in other current / non current assets		(1,277.8)	(1,650.0)
	Increase in loans		(28.0)	(26.3)
	Increase/(decrease) in trade payables		2,648.3	(4,992.8)
	Increase in provision for retirement benefits		1,010.4	1,034.0
	(Decrease)/increase in other current/non-current liabilities		(779.2)	1,338.0
	Increase in other financial liabilities		328.1	4,131.2
	Cash generated from operating activities		51,110.8	24,208.0
	Direct taxes paid (net of refunds)		(7,298.0)	(7,698.3)
	Net cash generated from operating activities	(A)	43,812.8	16,509.7
2	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment, including movement in capital work-in- progress, capital advances and capital creditors		(13,827.5)	(14,256.8)
	Purchase of intangible assets and intangible assets under development		(483.4)	(1,334.2)
	Proceeds from sale of property, plant and equipment and intangible assets		190.0	222.0
	Business acquisitions (net of settlement of purchase consideration)		103.5	(12,116.2)
	Acquisition of subsidiaries, net of cash and cash equivalents acquired		-	(1,082.8)
	Purchase of non-current investments made in joint ventures (refer Note "c" below)		(1,791.0)	(463.1)
	Bank balances not considered as cash and cash equivalents (net)		(85.8)	(257.6)
	Interest received (refer Note "c" below)		193.4	125.0
	Dividend received from joint venture		24.4	137.8
	Net cash used in investing activities	(B)	(15,676.4)	(29,025.9)
3	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from issuance of equity share capital		1.9	0.6
	Repayment of non-current borrowings (refer Note "d' below)		(2,169.8)	(3,938.3)

Consolidated Statement of Cash Flows

		Year ended 31 March 2020	Year ended 31 March 2019
(Repayment) / Proceeds from current borrowings (net) (refer Note "d' below)		(13,129.7)	26,242.2
Finance costs paid		(1,266.1)	(1,515.1)
Repayment of lease liabilities (net)		(1,024.1)	-
Dividends paid on equity shares		(1,756.1)	(1,460.2)
Tax paid on equity dividend		(127.9)	(138.6)
Net cash (used) / generated from financing activities	(C)	**(19,471.8)**	19,190.6
Net increase in cash and cash equivalents	(A+B+C)	8,664.6	6,674.4
Cash and cash equivalents at the beginning of the year		18,755.8	12,099.4
Effect of exchange differences on cash and cash equivalents		47.8	(18.0)
Cash and cash equivalents at the end of the year		27,468.2	18,755.8

Notes:

a) 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".

b) Cash and cash equivalents comprise of:

	As at 31 March 2020	As at 31 March 2019
Components of Cash and cash equivalents		
Cash on hand	3.5	3.4
Cheques on hand	-	282.7
Balance with banks		
- on current account	26,349.5	15,913.0
- on cash credit account	(156.8)	(34.2)
- on deposit account	1,272.0	2,590.9
Cash and Cash equivalents considered for cash flows (refer note 14C)	27,468.2	18,755.8

c) The following items in the nature of non-cash transactions are not included in determining cash flow from investing activities:

Particulars	31 March 2020	31 March 2019
(i) Receivables converted into optionally convertible debentures of joint venture	-	134.6
Total	-	134.6

d) Reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities are given below:

	As at 31 March 2019	Cash flows	Non-cash transactions Foreign exchange loss	As at 31 March 2020
Non-current borrowings including current maturities	3,446.7	(2,169.8)	119.8	1,396.7
Current borrowings	65,493.7	(13,129.7)	1,690.1	54,054.1
Summary of significant accounting policies (Refer note 2.3)				

As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642

Place: Hyderabad
Date: 3 June 2020

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: 3 June 2020

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, 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 Parent Company" or "Holding Company" or "the Company") together with its subsidiaries (collectively termed as "the Group") and joint ventures (collectively termed as "the Consolidated Entities") for the year ended 31 March 2020. Aurobindo Pharma Limited is a public company domiciled in India and was incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Plot No.2, Maithrivihar, Ameerpet, Hyderabad - 500038, India and the Corporate office is located at The Water Mark Building, Plot No. 11, Survey No. 9, Hi-tech City, Hyderabad - 500084, 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 31 March 2020 were approved by the Board of Directors and authorised for issue on 3 June 2020.

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 31 March 2020 and 31 March 2019, the Consolidated Statements of Profit and Loss, Statements of Changes in Equity and the Consolidated Statements of Cash Flows for the year ended 31 March 2020 and for the year ended 31 March 2019, and a summary of the significant accounting policies 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 Parent 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 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 venture 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 recognised in the consolidated financial statements is included in the following notes:

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

- Note 32 (A) - leases: whether an arrangement contains a lease; lease classification.
- Note 33 - contingent liabilities: Measurement and likelihood of occurrence of provisions and contingencies.
- Note 2.3(q) and 44: Financial instruments
- Note 2.3(j), 10, 11 and 31: 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 35: Share based payments
- 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 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) Share-based payments

The grant date fair value of employee stock options granted is recognised as an employee expense over the period that the employee becomes unconditionally entitled to the options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Black Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35.

(ii) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and other accumulated leave entitlement 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 36.

(iii) 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 43 and 44 for further disclosures.

(iv) 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. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

(v) 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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.

(vi) Impairment of investments

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.

(vii) Intangible assets under development

The Group 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.

(viii) 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.

(ix) 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 their acquisition date fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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.

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 recognized 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 Parent Company, i.e., year ended on 31 March.

Consolidation procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) 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 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 parent 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 parent'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. 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 equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), 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. If the joint venture 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 is shown on the face of the consolidated statement of profit and loss. The financial statements of the joint venture 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 venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is 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 its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the consolidated statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

Group information:

The Consolidated Financial Statements have been prepared on the basis of the financial statements of the following subsidiaries and joint ventures:

S. No.	Name of the Consolidated Entities	Country of Incorporation	Nature of Interest	% of Interest as at As at 31 March 2020	As at 31 March 2019
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	APL Research Centre Limited	India	Subsidiary	100%	100%
6	Auroactive Pharma Private Limited (w.e.f. 09 January 2020)	India	Subsidiary	100%	-
7	APL Swift Services (Malta) Limited	Malta	Subsidiary	100%	100%
8	Arrow Generiques SAS	France	Subsidiary	100%	100%
9	Aurex B.V. (formerly Pharmacin B.V.)	The Netherlands	Subsidiary	100%	100%
10	Auro AR LLC	USA	Subsidiary	100%	100%
11	Auro Health LLC	USA	Subsidiary	100%	100%
12	Auro Healthcare (Nigeria) Limited [7]	Nigeria	Subsidiary	-	100%
13	Auromedics Pharma LLC	USA	Subsidiary	100%	100%
14	Auro Peptides Limited	India	Subsidiary	95%	95%
15	Auro Pharma Inc.	Canada	Subsidiary	100%	100%
16	Auro Vaccines LLC	USA	Subsidiary	100%	100%
17	Raidurgam Developers Limited (Formerly Aurobindo Antibiotics Ltd)	India	Joint Venture	40%	40%
18	Luoxin Aurovitas Pharm (Chengdu) Co. Ltd. (w.e.f. 25 March 2019) [5]	China	Joint Venture	30%	-
19	Longxiang Pharma Taizhou Co Ltd (w.e.f. 28 October 2019) [1]	China	Joint Venture	57%	-
20	Novagen BBBEE Invest Co (Pty) Ltd (w.e.f. 7 November, 2019)[1]	South Africa	Joint Venture	36.75%	-
21	Aurobindo Pharma (Italia) S.r.l	Italy	Subsidiary	100%	100%
22	Aurobindo Pharma (Malta) Limited	Malta	Subsidiary	100%	100%
23	Aurobindo Pharma (Portugal) Unipessoal Limitada [6]	Portugal	Subsidiary	-	-
24	Aurobindo Pharma (Pty) Limited	South Africa	Subsidiary	100%	100%
25	Aurobindo Pharma (Romania) s.r.l	Romania	Subsidiary	100%	100%
26	Aurobindo Pharma B.V. (formerly Actavis B.V.)	The Netherlands	Subsidiary	100%	100%
27	Aurobindo Pharma Colombia S.A.S.	Colombia	Subsidiary	100%	100%
28	Aurobindo Pharma GmbH	Germany	Subsidiary	100%	100%
29	Aurobindo Pharma Industria Farmaceutica Ltda	Brazil	Subsidiary	99.97%	99.97%
30	Aurobindo Pharma Japan K.K.	Japan	Subsidiary	100%	100%
31	Aurobindo Pharma Produtos Farmaceuticos Limitada	Brazil	Subsidiary	100%	100%
32	Aurobindo Pharma USA Inc.	USA	Subsidiary	100%	100%
33	Aurobindo Pharma USA LLC [4]	USA	Subsidiary	-	100%
34	Aurogen South Africa (Pty) Ltd	South Africa	Subsidiary	100%	100%
35	Aurolife Pharma LLC	USA	Subsidiary	100%	100%
36	Auronext Pharma Private Limited	India	Subsidiary	100%	100%
37	Aurovida Farmaceutica SA DE CV	Mexico	Subsidiary	100%	100%
38	Aurovitas Pharma Polska	Poland	Subsidiary	100%	100%
39	Aurovitas Spain SA (formerly Actavis Spain S.A.)	Spain	Subsidiary	100%	100%
40	Aurovitas Unipessoal LDA [6]	Portugal	Subsidiary	-	-
41	AuroZymes Limited	India	Subsidiary	100%	100%
42	Curepro parenterals Limited	India	Subsidiary	100%	100%
43	Eugia Pharma Specialities Limited	India	Joint Venture	67.82%	67.82%
44	Helix Healthcare B.V.	The Netherlands	Subsidiary	100%	100%
45	Hyacinths Pharma Private Limited	India	Subsidiary	100%	100%
46	Laboratorios Aurobindo, S.L.	Spain	Subsidiary	100%	100%
47	Milpharm Limited	UK	Subsidiary	100%	100%
48	Natrol LLC	USA	Subsidiary	100%	100%

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

S. No.	Name of the Consolidated Entities	Country of Incorporation	Nature of Interest	% of Interest as at As at 31 March 2020	As at 31 March 2019
49	Novagen Pharma (Pty) Limited	South Africa	Joint Venture	50%	50%
50	Pharmacin B.V. (formerly Aurex B.V.)	The Netherlands	Subsidiary	100%	100%
51	Puren Pharma GmbH & Co., KG (formerly Actavis Deutschland GmbH & Co., KG)	Germany	Subsidiary	100%	100%
52	Silicon Life Sciences Private Limited	India	Subsidiary	100%	100%
53	Tergene Biotech Private Limited [3]	India	Joint Venture	80%	80%
54	1980 Puren Pharma GmbH (formerly Actavis Management GmbH)	Germany	Subsidiary	100%	100%
55	Aurovitas Pharma Ceska Republika s.r.o	Czech Republic	Subsidiary	100%	100%
56	Generis Farmaceutica S.A.	Portugal	Subsidiary	100%	100%
57	Mer Medicamentos, Lda.[6]	Portugal	Subsidiary	-	-
58	Generis Phar, Unipessoal Lda.	Portugal	Subsidiary	100%	100%
59	Auro Packaging LLC (w.e.f. 1 April 2019) [1]	USA	Subsidiary	100%	-
60	Aurobindo NV/SA (w.e.f. 17 December 2019) [1]	Belgium	Subsidiary	100%	-
61	Aurobindo Pharma Saudi Arabia Limited Company	Saudi Arabia	Subsidiary	100%	100%
62	Aurovitas Pharma (Taizhou) Ltd	China	Subsidiary	100%	100%
63	Auro Logistics LLC	USA	Subsidiary	100%	100%
64	Acrotech Biopharma LLC	USA	Subsidiary	100%	100%
65	Auro Pharma India Private Limited	India	Subsidiary	100%	100%
66	Purple BellFlower (Pty) Ltd (w.e.f 23 August 2018) [5]	South Africa	Joint Venture	48%	48%
67	Aurobindo Pharma FZ LLC (w.e.f. 6 January 2019) [5]	UAE	Subsidiary	100%	100%
68	CurateQ Biologics GmbH (w.e.f. 20 March 2019) [5]	Switzerland	Subsidiary	100%	100%
69	Auroscience (pty) Ltd (w.e.f. 25 September 2018) [5]	Australia	Subsidiary	100%	100%
70	Auro Science LLC, (w.e.f 28 March 2019) [5]	USA	Subsidiary	100%	100%
71	Apotex Espana SL (w.e.f. 8 February 2019) [5 & 2]	Spain	Subsidiary	-	100%
72	Apotex Europe B.V. (w.e.f. 8 February 2019) [5]	The Netherlands	Subsidiary	100%	100%
73	Apotex Polska sp.z.o.o. (w.e.f. 8 February 2019) [5 & 8]	Poland	Subsidiary	-	100%
74	Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o.) (w.e.f. 8 February 2019) [5]	Czech Republic	Subsidiary	100%	100%
75	Apotex N.V. (w.e.f. 8 February 2019) [5]	Belgium	Subsidiary	100%	100%
76	Apotex Nederland B.V. (w.e.f. 8 February 2019) [5]	The Netherlands	Subsidiary	100%	100%
77	Sameko Farma B.V. (w.e.f. 8 February 2019) [5]	The Netherlands	Subsidiary	100%	100%
78	Leidapharm B.V. (w.e.f. 8 February 2019) [5]	The Netherlands	Subsidiary	100%	100%
79	Marel B.V. (w.e.f. 8 February 2019) [5]	The Netherlands	Subsidiary	100%	100%
80	Pharma Dossier B.V.(w.e.f. 8 February 2019) [5]	The Netherlands	Subsidiary	100%	100%

Notes:

1. Incorporated / Acquired during the financial year 2019-20.
2. Merged with Aurovitas Spain SA w.e.f 1 April 2019.
3. During the financial year 2018-19 Parent Company share holding increased from 76.84% to 80%.
4. Aurobindo Pharma USA LLC was closed w.e.f 15 November 2019.
5. Incorporated / Acquired during the financial year 2018-19.
6. Merged with Generis Farmaceutica S.A. w.e.f. 1 April 2018.
7. Auro Healthcare (Nigeria) Limited Liquidated w.e.f. 20 March 2019
8. Merged with Aurovitas Pharma Polska w.e.f. 1 April 2019.

The figures for the subsidiaries have been considered from the date of acquisition/incorporation/and upto the date of disposal/liquidation as applicable.

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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 Parent 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 (01 April 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 parent 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., 01 April 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 / Consolidated entities measures financial instruments, such as, 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:"

- 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 / Consolidated entities. 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.

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

The Group / Consolidated entities 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 / Consolidated entities 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 CFO 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 / Consolidated entities 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

Effective 1 April 2018, the Group has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Group is insignificant.

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:

i) 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, excluding trade discounts, volume discounts, sales returns, chargeback, medicaid payments, rebates, shelf stock adjustments, penalties for short/non supplies where applicable 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. Any additional amounts based on the terms of agreements entered into with customers, is recognised in the period when the collectability becomes probable and reliable measure of the same is available.

ii) 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.

iii) Interest income: Interest income is recognised with reference to the Effective Interest Rate (EIR) method.

iv) Dividend income: Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

v) Export benefits, incentives and licenses: Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

d. Property, plant and equipment

Freehold land and buildings (property) 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. Freehold land is not depreciated.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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, 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 lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in 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 upto commencement of commercial production are treated as part of the project costs and are capitalized.

Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the Management.

The Group / Consolidated entities, based on technical assessment and management estimate, depreciates certain items of 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 lives to provide depreciation on its fixed assets.

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

Assets acquired under finance 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.

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 income statement 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.

e. **Intangibles**

Intangible assets consists of goodwill, licenses, patents, brands and product development costs.

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

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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.

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.

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

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.

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, if it is development expenditure that 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 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 and all attached conditions will be complied with. 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.

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:

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

Raw materials: 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

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group / Consolidated entities has no obligation, other than the contribution payable to the provident fund. The Group / Consolidated entities recognizes contribution payable to the provident fund scheme 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 recognized 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 recognized 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 / Consolidated Entities 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.

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 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.

Short term compensated absences are provided for based on estimates. The Group / Consolidated entities treats accumulated leave, as a long-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 / Consolidated entities 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.

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 long-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 balance sheet, since it does not have an unconditional right to defer its settlement beyond twelve months after the reporting date.

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

i. Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in employee stock options reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market based performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Parent Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest because of non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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 / Consolidated entities 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 substantially enacted, at the reporting date.

Deferred tax is provided using the balance sheet method on 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 :-

(i) 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.

(ii) 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 utilized, except:-

(i) 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.

(ii) 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.

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

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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.

Taxes paid on acquisition of assets or on incurring expenses which are not subsequently recoverable :
Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

(i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

(ii) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet."

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 judgment. 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. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the Group/Consolidated entities 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. 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 consolidated 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 consolidated 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 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 recognized as an expense on a straight-line basis over the lease term.

Where the Group/Consolidated entities 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.

l. 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/Consolidated entities 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/ Consolidated entities 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.

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/consolidated entities 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 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

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

differences to the extent regarded as an adjustment to the borrowing costs.

p. Impairment of non-financial assets

The Group/Consolidated entities 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/ Consolidated entities 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/Consolidated entities bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group/ Consolidated entities CGUs to which the individual assets are allocated. The budgets and forecast generally cover a period of five years. Impairment losses of continuing operations, including impairment on inventories, 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/Consolidated entities 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 are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through consolidated 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/Consolidated entities commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(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/ Consolidated entities. 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.

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(i) The objective of the business model is achieved both by collecting contractual cashflows and selling the financial assets, and

(ii) The assets contractual cashflows represents 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 recognized in the other comprehensive income (OCI). However, the Group recognizes 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.

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as 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 as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

Equity investments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Group/Consolidated entities may make an irrevocable election to present in OCI subsequent changes in fair value. The Group/Consolidated entities makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group/Consolidated entities decides to classify an equity instrument as 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/Consolidated entities 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 entities Consolidated balance sheet) when:

(i) the rights to receive cash flows from the asset have expired, or

(ii) the Group/Consolidated entities has transferred its rights to receive cash flows from the asset, and the Group/Consolidated entities has transferred substantially all the risks and rewards of the asset, or the Group/Consolidated entities 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/Consolidated entities 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/Consolidated entities follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Group/Consolidated entities 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

assets and risk exposure, the Group/Consolidated entities 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 is the difference between all contractual cash flows that are due to the Group/Consolidated entities 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. 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 Group/Consolidated entities 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) recognized during the period is recognized 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/Consolidated entities does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group/Consolidated entities 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/Consolidated entities 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/ Consolidated entities 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 as 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 recognized 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/ Consolidated entities has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Group/ Consolidated entities. 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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.

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 or loss.

Reclassification of financial assets

The Group/Consolidated entities 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/Consolidated entities 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/Consolidated entities 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 amortized 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.
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 recognized in OCI is reclassified to consolidated statement of profit and loss at the reclassification date.

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 / Consolidated entities 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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 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

Standards issued but not yet effective & not early adopted by the Group:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

3. PROPERTY, PLANT AND EQUIPMENT

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

	Leasehold land	Freehold land	Leasehold Buildings & improvements	Freehold buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Right -of-use assets	Total
Gross carrying value (at cost)										
As at 01 April 2018	160.3	2,170.3	394.7	15,048.1	39,434.3	1,268.9	260.4	471.3	-	59,208.3
Additions	9.0	162.8	18.5	3,322.6	10,457.9	330.3	27.9	160.9	-	14,489.9
Disposals / adjustments	-	-	9.7	93.3	331.6	3.6	22.4	(9.8)	-	450.8
Acquisition through business combination*	-	-	6.4	-	207.0	30.7	245.0	65.6	-	554.7
Other adjustments										
-Foreign currency translation adjustments	-	41.6	(7.5)	285.9	159.5	7.2	(8.6)	3.1	-	481.2
As at 31 March 2019	**169.3**	**2,374.7**	**402.4**	**18,563.3**	**49,927.1**	**1,633.5**	**502.3**	**710.7**	**-**	**74,283.3**
Additions	-	31.5	294.0	2,898.1	6,627.2	188.7	68.3	160.6	5,092.9	15,361.3
Disposals / adjustments	-	0.6	-	-	297.9	39.8	68.6	20.6	72.0	499.5
Other adjustments										
- Reclasified to Right-of-use assets	147.0	-	12.1	-	517.5		236.4	-	-	913.0
- Foreign currency translation adjustments	-	106.1	16.1	594.5	497.5	21.6	(0.5)	30.4	277.4	1,543.1
As at 31 March 2020	**22.3**	**2,511.7**	**700.4**	**22,055.9**	**56,236.4**	**1,804.0**	**265.1**	**881.1**	**5,298.3**	**89,775.2**
Accumulated depreciation										
As at 01 April 2018	18.3	2.8	41.7	1,259.5	9,843.8	351.3	117.3	208.0	-	11,842.7
Charge for the year	5.1	1.1	17.6	759.7	4,544.4	169.7	68.8	120.2	-	5,686.6
Disposals / adjustments	-	-	5.6	39.2	187.4	2.2	12.7	(8.2)	-	238.9
Other adjustments										-
- Foreign currency translation adjustments	-	0.2	(1.0)	9.9	44.9	2.4	(0.4)	0.4	-	56.4
As at 31 March 2019	**23.4**	**4.1**	**52.7**	**1,989.9**	**14,245.7**	**521.2**	**173.0**	**336.8**	**-**	**17,346.8**
Charge for the year	0.7	1.2	23.1	783.1	5,071.6	189.8	57.3	164.6	1,015.6	7,307.0
Disposals / adjustments	-	-	-	0.9	49.4	6.9	59.0	3.2	-	119.4
Other adjustments										-
- Reclasified to Right-of-use assets	17.1	-	5.1	-	82.7	-	10.1	-	-	115.0
- Foreign currency translation adjustments	-	0.4	3.0	71.6	251.6	11.9	(0.3)	19.3	50.2	407.7
As at 31 March 2020	**7.0**	**5.7**	**73.7**	**2,843.7**	**19,436.8**	**716.0**	**160.9**	**517.5**	**1,065.8**	**24,827.1**
Net carrying value										
As at 31 March 2019	145.9	2,370.6	349.7	16,573.4	35,681.4	1,112.3	329.3	373.9	-	56,936.5
As at 31 March 2020	**15.3**	**2,506.0**	**626.7**	**19,212.2**	**36,799.6**	**1,088.0**	**104.2**	**363.6**	**4,232.5**	**64,948.1**

Capital work-in-progress ₹16,218.2 (31 March 2019: ₹13,419.4)

1. The title deeds of land and buildings aggregating to ₹**166.5** (31 March 2019: ₹166.5) are pending transfer to the Company's name.
2. Depreciation for the year include ₹**0.1** (March 31, 2019: ₹1.3) taken as pre-operative capital expenditure on capital projects pending capitalisation.
3. Depreciation for the year excludes ₹**1.6** (March 31, 2019: ₹Nil) reversal of capital expenditure of earlier years.
4. Details of Right-of-use assets - refer note 32 (A).
5. Refer note 37 for details of expenditure during construction period transferred from capital work-in-progress to property, plant and equipment.
6. Refer note 41 for details of capital research and development expenditure.
7. Land of one of the subsidiaries to the extent of 100.44 acres amounting to ₹**99.0** (31 March 2019 ₹99.0) which was attached by the Directorate of Enforcement during the financial year 2012-13 in a legal case pertaining to the Parent Company has been released during the previous year pursuant to the order of the Honourable Appellate Tribunal established under Prevention of Money Laundering Act, 2002 (refer note 33).

* Excludes capital work in progress of ₹**Nil** (31 March 2019: ₹23.0) acquired through business combination.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

4. GOODWILL

	Amount
Gross Carrying value (at cost)	
As at 01 April 2018	8,165.5
Additions	-
Disposals / adjustments	-
Acquisition through business combination	329.7
Other adjustments	
- Foreign currency translation adjustments	(170.1)
As at 31 March 2019	8,325.1
Additions	-
Disposals / adjustments	-
Acquisition through business combination	574.9
Other adjustments	
- Foreign currency translation adjustments	259.4
As at 31 March 2020	**9,159.4**

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 31 March 2020**	As at 31 March 2019
Natrol LLC	3,244.4	3,244.4
Auroscience (pty) Ltd	31.6	55.7
Acrotech Biopharma LLC	287.8	263.1
Generis Farmaceutica, Portugal	4,202.1	3,943.3
Milpharm Ltd, UK	232.4	232.4
Apotex Group	574.9	-
Aurex BV, Netherlands	303.6	303.6
Auronext Pharma Private Limited, India	282.6	282.6
Total	**9,159.4**	8,325.1

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.

The recoverable amounts of the above cash generating untis 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 :

a) Estimated cash flows based on internal budgets and industry outlook for a period of five years and a terminal growth rate thereafter.

b). 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 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.

c). The after tax discount rates used reflect the current market assessment of the risks specific to a CGU are 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 8% to 9.5%

The Group believes that any resonably possible change in the key assumptions on which a reoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

5. INTANGIBLE ASSETS

	Brands	Product Development cost	Licences and patents	Total
Gross Carrying value (at cost)				
As at 01 April 2018	5,466.4	102.9	6,004.7	11,574.0
Additions	-	21.5	584.4	605.9
Disposals / adjustments	-	-	197.8	197.8
Acquisition through business combination *	10,837.7	-	8.3	10,846.0
Other adjustments				
- Foreign currency translation adjustments	(270.3)	3.1	(193.1)	(460.3)
As at 31 March 2019	16,033.8	127.5	6,206.5	22,367.8
Additions	9.0	77.2	299.3	385.5
Disposals / adjustments	12.0	2.2	102.5	116.7
Acquisition through business combination *	-	-	1,244.8	1,244.8
Other adjustments				
- Reclasified to Right-of-use assets	-	-	260.0	260.0
- Foreign currency translation adjustments	1,401.9	10.5	444.2	1,856.6
As at 31 March 2020	**17,432.7**	**213.0**	**7,832.3**	**25,478.0**
Accumulated amortization				
As at 01 April 2018	629.7	83.9	1,184.7	1,898.3
Charge for the year	317.8	2.3	674.1	994.2
Disposals / adjustments	-	-	(7.3)	(7.3)
Acquisition through business combination	-	-	-	-
Other adjustments				
- Foreign currency translation adjustments	34.6	3.7	(57.2)	(18.9)
As at 31 March 2019	982.1	89.9	1,808.9	2,880.9
Charge for the year	1,684.1	35.0	639.5	2,358.6
Disposals / adjustments	4.0	-	(30.9)	(26.9)
Acquisition through business combination	-	-	-	-
Other adjustments				
- Reclasified to Right-of-use assets	-	-	3.0	3.0
- Foreign currency translation adjustments	207.5	9.9	140.0	357.4
As at 31 March 2020	**2,869.7**	**134.8**	**2,616.3**	**5,620.8**
Net carrying value				
As at 31 March 2019	15,051.7	37.6	4,397.6	19,486.9
As at 31 March 2020	**14,563.0**	**78.2**	**5,216.0**	**19,857.2**

Intangible assets under development ₹**3,641.2** (31 March 2019: ₹3,265.2)

Refer note 41 for details of capital research and development expenditure.

* Excludes intangibles under development of ₹**Nil** (31 March 2019: ₹702.0) acquired through business combination.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

6. INVESTMENTS

	Face value	As at 31 March 2020		As at 31 March 2019	
		Quantity	Amount	Quantity	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					
Novagen Pharma (Pty) Limited, South Africa	₹75.32	927,236	250.6	927,236	247.3
Eugia Pharma Specialities Limited, India	₹10	323,556,347	3,261.2	225,221,538	2,199.0
Luoxin Aurovitas Pharma (Chengdu) Co., Ltd China	-	-	267.9	-	-
Longxiang Pharma Taizhou Ltd., China	-	-	288.8	-	-
Purple BellFlower (Pty) Ltd, South Africa	₹0.04	480	0.3	-	-
Tergene Biotech Private Limited, India	₹10	9,040,000	-	9,040,000	-
Raidurgam Developers Limited, India (formerly Aurobindo Antibiotics Limited, India)	₹10	4,000,000	27.3	4,000,000	29.3
			4,096.1		2,475.6
(B) Non-current investments					
Investments in unquoted equity shares (fully paid, carried at cost, unless stated otherwise)					
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
Synergy Remedies Private Limited	₹10	10,489,500	150.0	10,489,500	150.0
		A	151.2		151.2
Investments in unquoted preference shares (fully paid, carried at amortised cost, unless stated otherwise)					
In joint ventures					
Tergene Biotech Private Limited, India	₹100	1,295,000	123.9	1,295,000	129.5
(10.5% Cumulative Preference shares redeemable at par within six years from the date of issue)					
		B	123.9		129.5
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	1,175,463	1,175.5	845,500	845.5

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

	Face value	As at 31 March 2020		As at 31 March 2019	
		Quantity	Amount	Quantity	Amount
(1.5% to 9.5% over a period of ten years redeemable at par within ten years from date of issue, convertible into 100 equity shares per debenture at any time after one year from the date of issue)					
		C	1,175.5		845.5
Unquoted investment in government securities					
(Carried at fair value through profit and loss)					
National Savings Certificate (includes held by Income tax authorities ₹0.1 (31 March 2019: ₹0.1))			0.2		0.2
		D	0.2		0.2
		A+B+C+D	1,450.8		1,126.4
Aggregate value of unquoted investments			1,450.8		1,126.4
(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 (31 March 2019: ₹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	4,520	0.2	4,520	0.2
			7.2		7.2
Less: Provision for impairment in value of investments			7.0		7.0
			0.2		0.2
Aggregate value of unquoted investments			-		-
Aggregate value of quoted investments			0.2		0.2
Market value of quoted investments			0.2		0.2
Aggregate amount of impairment in value of investments			7.0		7.0

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

7. LOANS

	As at 31 March 2020	As at 31 March 2019
(A) Non current		
Loans receivables considered good - unsecured		
Loans and advances to joint ventures	-	8.2
Loans to employees	58.4	56.4
	58.4	64.6
(B) Current		
Loans receivables considered good - unsecured		
Loans to employees	136.8	102.6
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
	136.8	102.6

No loans are due from directors or other officers of the Company either severally or jointly with any other person.

8. TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
(A) Non current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	-	11.9
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	250.1	175.6
	250.1	187.5
Less: loss allowance for doubtful receivables	250.1	175.6
	-	11.9
(B) Current		
Trade receivables considered good - secured (refer note 9(B))		
Trade receivables considered good - unsecured	43,151.5	34,137.8
Trade receivables which have significant increase in credit risk	209.8	-
Trade receivables - credit impaired	1,243.3	813.0
	44,604.6	34,950.8
Less: loss allowance for doubtful receivables	1,453.1	813.0
	43,151.5	34,137.8

The details of changes in allowance for doubtful receivables during the year ended 31 March 2020 and 31 March 2019 are as follows:		
Balance at the beginning of the year	988.6	952.6
Provision made during the year, net of reversals	615.9	66.3
Effect of changes in the foreign exchange rates	98.7	(30.3)
Balance at the end of the year	**1,703.2**	988.6

No trade receivable are due from directors or other officers of the Parent Company either severally or jointly with any other person.

Refer Note 44 (c)(i) for the Group's credit risk management process

Refer Note 40(iii) for dues from related parties.

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

9. OTHER FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

	As at 31 March 2020	As at 31 March 2019
(A) Non current		
Security deposits		
Considered good *	1,115.1	889.6
Doubtful	0.4	0.4
	1,115.5	890.0
Provision for doubtful deposits	0.4	0.4
	1,115.1	889.6
Other non-current bank balances (Refer note 14(B)) **	55.2	19.0
	1,170.3	908.6

* Non-current deposits include restricted deposits pledged with Enforcement Directorate of ₹**131.6** (31 March 2019: ₹131.6), refer note 33.

** Margin money deposits given against bank guarantees or performance guarantees

	As at 31 March 2020	As at 31 March 2019
(B) Current		
Security deposits	44.8	11.6
Derivatives - foreign currency forward contracts		64.4
Interest accrued on deposits	47.4	38.1
Interest accrued on investments in OCDs	14.4	8.2
Escrow account receivable	-	326.1
Other receivables- From bank*	-	13,186.2
Other receivables- Others	294.2	-
	400.8	13,634.6

* Pursuant to the terms of Accounts Receivable Securitization Agreement between a wholly-owned subsidiary and a banker, the Group sells on an ongoing basis and without recourse, its eligible accounts receivables to the banker, who is conveyed the right to the proceeds of subsequent collection from such customers. Under this arrangement, the Group had transferred substantially all the risks and rewards of ownership over such receivables and further the Group did not have any right to pledge such receivables as collateral for any obligations. Accordingly, the receivables sold pursuant to the said arrangement in the previous year were de-recognized from its consolidated balance sheet and trade receivables to the extent not funded by the banker were shown under other financial assets.

10. DEFERRED TAX ASSETS AND LIABILITIES (net)

	As at 31 March 2020	As at 31 March 2019
(A) Deferred tax assets (net)		
Business loss and unabsorbed depreciation carried forward	0.3	95.6
Provisions	(6.7)	3.7
Unused tax credits (MAT)	-	30.1
Receivables, financial assets at amortised cost	(0.1)	2.3
Property, plant and equipment	(0.1)	(25.5)
Inventories	1,565.2	1,722.4
Others	73.4	4.3
	1,632.0	1,832.9
(B) Deferred tax liabilities (net)		
Property, plant and equipment	6,912.1	6,853.4
Business loss and unabsorbed depreciation carried forward	-	(1.3)
Receivables, financial assets at amortised cost	(375.0)	(160.5)
Provisions	(459.8)	(329.3)
Unused tax credits	(3,049.5)	(3,779.5)
Inventories	(91.7)	309.6
Others	88.7	(79.3)
	3,024.8	2,813.1

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

Movement in deferred tax assets/deferred tax liabilities

	As at 01 April 2019	Recognised instatement of profit and loss	Recognised in OCI	On account of business combination	Foreign Currency Translation	As at 31 March 2020
Deferred tax assets						
Business loss and unabsorbed depreciation carried forward	95.6	(94.4)	-	-	(0.9)	0.3
Provisions	3.7	(10.6)	-	-	0.2	(6.7)
Unused tax credits (MAT)	30.1	(30.1)	-	-	-	-
Receivables, financial assets at amortised cost	2.3	(2.3)	-	-	(0.1)	(0.1)
Property, plant and equipment and intangible assets	(25.5)	25.4	-	-	-	(0.1)
Inventories	1,722.4	(157.2)	-	-	-	1,565.2
Others	4.3	67.5	-	-	1.6	73.4
	1,832.9	(201.7)	-	-	0.8	1,632.0
Deferred tax liabilities						
Property, plant and equipment and intangible assets	6,853.4	(88.4)	-	(0.0)	147.1	6,912.1
Business loss and unabsorbed depreciation carried forward	(1.3)	1.3	-	-	-	-
Receivables, financial assets at amortised cost	(160.5)	(214.5)	-	-	-	(375.0)
Provisions	(329.3)	(67.9)	(67.2)	-	4.6	(459.8)
Unused tax credits (MAT)	(3,779.5)	730.0	-	-	-	(3,049.5)
Inventories	309.6	(403.1)	-	-	1.8	(91.7)
Others	(79.3)	162.6	-	-	5.4	88.7
	2,813.1	120.0	(67.2)	(0.0)	158.9	3,024.8

	As at 01 April 2018	Recognised in statement of profit and loss	Recognised in OCI	On account of business combination	Foreign Currency Translation	As at 31 March 2019
Deferred tax assets						
Business loss and unabsorbed depreciation carried forward	96.8	(0.9)	-	-	(0.3)	95.6
Provisions	1.2	(1.2)	3.7	-	-	3.7
Unused tax credits (MAT)	30.1	-	-	-	-	30.1
Receivables, financial assets at amortised cost	-	2.5	-	-	(0.2)	2.3
Property, plant and equipment and intangible assets	(26.3)	0.9	-	-	(0.1)	(25.5)
Inventories	1,486.2	236.2	-	-	-	1,722.4
Others	-	4.5	-	-	(0.2)	4.3
	1,588.0	242.0	3.7	-	(0.8)	1,832.9
Deferred tax liabilities						
Property, plant and equipment and intangible assets	6,077.4	751.9	-	-	24.1	6,853.4
Business loss and unabsorbed depreciation carried forward	(2.1)	0.8	-	-	-	(1.3)
Receivables, financial assets at amortised cost	(145.1)	(15.4)	-	-	-	(160.5)
Provisions	(360.7)	(30.8)	(7.0)	70.7	(1.5)	(329.3)
Unused tax credits (MAT)	(3,269.5)	(510.0)	-	-	-	(3,779.5)
Inventories	73.1	252.5	-	(18.6)	2.6	309.6
Others	(20.3)	(59.2)	-	-	0.2	(79.3)
	2,352.8	389.8	(7.0)	52.1	25.4	2,813.1

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(i) The Parent Company has unused tax credits (Minimum Alternate Tax (MAT)) credit of ₹**3,028.3** as on 31 March 2020 (31 March 2019: ₹3,750.0). The Parent Company based on its business plan along with supporting convincing evidence including future projections of profit believes that the unused tax credits would be utilized within the stipulated time period as per the Income-tax Act, 1961.

(ii) 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.

(iii) 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.

11. TAX ASSETS (net)

	As at 31 March 2020	As at 31 March 2019
(A) Non current		
Advance income-tax (net of provision for taxation)	831.3	1,688.3
	831.3	1,688.3
(B) Current		
Advance income-tax (net of provision for taxation)	157.6	38.4
	157.6	38.4

Refer note 31 for details of income-tax expense

12. OTHER ASSETS

(Unsecured, considered good unless stated otherwise)

	As at 31 March 2020	As at 31 March 2019
(A) Non current		
Export incentives receivable		
Considered good	22.1	78.4
Doubtful	19.6	19.6
	41.7	98.0
Provision for doubtful receivables	19.6	19.6
	22.1	78.4
Export rebate claims receivable	288.8	288.8
Capital advances		
Considered good	1,659.2	1,064.4
Doubtful	0.8	0.8
	1,660.0	1,065.2
Provision for doubtful advances	0.8	0.8
	1,659.2	1,064.4
Advances other than capital advances		
Considered good	38.6	17.2
Doubtful	30.1	30.1
	68.7	47.3
Provision for doubtful advances	30.1	30.1
	38.6	17.2
Balances with government authorities		
Considered good	66.8	230.4
Doubtful	38.1	38.1
	104.9	268.5
Provision for doubtful receivables	38.1	38.1
	66.8	230.4
	2,075.5	**1,679.2**

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

	As at 31 March 2020	As at 31 March 2019
(B) Current		
Export incentives receivable	2,654.1	3,301.1
Export rebate claims receivable	1,883.4	2,274.1
Advances other than capital advances		
Considered good	5,758.6	2,240.8
Doubtful	2.8	9.8
	5,761.4	2,250.6
Provision for doubtful advances	2.8	9.8
	5,758.6	2,240.8
Balances with government authorities	4,561.8	5,565.6
	14,857.9	13,381.6

Refer note 40 for dues with related parties

13. INVENTORIES

(Valued at lower of cost and net realisable value)

	As at 31 March 2020	As at 31 March 2019
Raw materials	25,130.8	23,967.1
Packing materials	3,492.7	3,365.5
Work-in-progress	13,151.7	13,549.9
Finished goods	25,359.2	19,037.5
Stock-in-trade	8,126.7	10,861.5
Stores, spares and consumables	1,737.6	1,674.5
	76,998.7	72,456.0

Details of material in transit included in inventories above

Raw materials	1,324.9	873.4
Finished goods	4,703.3	2,021.3

During the year, the group recorded inventory write-downs to net realisable value of ₹**1,125.6** (31 March 2019: ₹493.4). These adjustments were included in cost of material consumed and changes in inventories..

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

14. CASH AND BANK BALANCES

	As at 31 March 2020	As at 31 March 2019
(A) Cash and cash equivalents		
Balances with banks:		
in current accounts	26,349.5	15,913.0
in cash credit accounts	12.1	47.0
in deposit accounts - with orginal maturity of less than 3 months	1,272.0	2,590.9
Cash on hand	3.5	3.4
Cheques on hand	-	282.7
	27,637.1	18,837.0
(B) Bank balances other than cash and cash equivalents		
Balances with banks - deposits with maturity less than 12 months	759.1	711.1
Earmarked balances with banks:		
in unpaid dividend account	25.3	23.7
Margin money deposits - given against bank guarantees/performance guarantees having maturity more than 12 months	55.2	19.0
	839.6	753.8
Amount disclosed under non-current financial assets (refer note 9(A))	(55.2)	(19.0)
	784.4	734.8
(C) For the purpose of statement of cash flows, cash and cash equivalents comprise of following:		
Cash and cash equivalents as above	27,637.1	18,837.0
Less: Cash credit (refer note 17(B))	(168.9)	(81.2)
	27,468.2	18,755.8

(D) The disclosure regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

15. EQUITY SHARE CAPITAL

	As at 31 March 2020	As at 31 March 2019
a) Authorised		
660,000,000 (31 March 2019: 660,000,000) equity shares of ₹1 each	660.0	660.0
1,000,000 (31 March 2019: 1,000,000) preference shares of ₹100 each	100.0	100.0
	760.0	760.0

b) Issued, subscribed and fully paid-up equity shares

	Equity Shares	
	Numbers	Value
As at 01 April 2018	585,907,609	585.9
Issued during the year under Employees Stock Option Plan (ESOP) (refer note 35)	8,000	0.0
As at 31 March 2019	585,915,609	585.9
Issued during the year under Employees Stock Option Plan (ESOP) (refer note 35)	23,000	0.0
As at 31 March 2020	585,938,609	585.9

c) Terms/rights attached to equity shares

The Parent Company has only one class of equity shares having a par values of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

The Parent 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 31 March 2020, the amount of dividend per share declared as distribution to equity shareholders was ₹**3.0** (31 March 2019: ₹2.5). Refer note 16(c) for details of dividend declared/recognised in the consolidated financial statements.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent 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 Parent Company

	As at 31 March 2019	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.5%
HDFC Trustee Company Limited (through various mutual funds)	35,566,536	6.1%
	As at 31 March 2020	
	Numbers	**% holding**
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	**196,376,250**	**33.5%**
HDFC Trustee Company Limited (through various mutual funds)	**51,504,246**	**8.8%**

*As per records of the Parent 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.

e) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date:

	Numbers
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	
Year ended 31 March 2020	-
Year ended 31 March 2019	-
Year ended 31 March 2018	-
Year ended 31 March 2017	-
Year ended 31 March 2016	291,982,275

f) For details of shares reserved for issue under Employee stock option plan (ESOP) of the Parent Company, refer note 35

16. OTHER EQUITY

	As at 31 March 2020	As at 31 March 2019
A. Summary of other equity balance		
Capital reserve	**818.9**	920.0
Capital redemption reserve	**90.0**	90.0
Employee stock options outstanding account	**-**	0.6
Securities premium	**4,178.9**	4,176.4
General reserve	**8,131.6**	8,131.6
Retained earnings	**150,585.5**	124,161.5
Other Comprehensive Income (OCI)	**3,713.0**	841.8
	167,517.9	138,321.9

a) For details of employee share based payments refer note 35

b) The disaggregation of changes in reserves and surplus and OCI are disclosed in statement of changes in equity.

c) The details of distribution of dividend made are as under:

	31 March 2020	31 March 2019
Cash dividends on equity shares declared and paid during the year		
Interim dividend for the year ended 31 March 2020: ₹3.00 per share (31 March 2019: ₹2.50 per share)	**1,757.8**	1,464.8
Dividend distribution tax on interim dividend	**127.9**	138.6
	1,885.7	1,603.4

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, 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 Parent 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 outstanding account :	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 Outstanding account. This will be utilised for allotment of equity shares against outstanding employee stock options.
(d) Securities premium account :	The amount received in excess of face value of the equity shares is recognised in securities premium reserve. 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 reserve. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.
(e) General reserve :	The Parent 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 1 April 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 into 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.

17. BORROWINGS

	As at 31 March 2020	As at 31 March 2019
(A) Non - Current borrowings		
Term loans from Banks		
Foreign currency term loans (unsecured) (refer note (i) below)	-	1,310.7
From Others - Secured		
Finance lease obligation (refer note 32(A))	-	488.8
	-	1,799.5

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(B) Current borrowings

	As at 31 March 2020	As at 31 March 2019
Term loans from Banks		
Current maturities of foreign currency term loans (unsecured) (refer note (i) below)	1,396.7	2,136.0
Foreign currency term loans (unsecured) (refer note (v) below)	16,913.7	20,191.3
Finance lease obligation (refer note 32(A))	-	157.2
Loans repayable on demand from Banks - working capital loans		
- Cash credit facilities (secured) (refer note (ii) below)	6.1	81.2
- Cash credit facilities (unsecured) (refer note (vi) below)	162.8	-
- Working capital demand loan (secured) (refer note (ii) below)	500.0	1,750.0
- Working capital demand loan (unsecured) (refer note (vi) below)	1,000.0	-
- Packing credit foreign currency loans (secured) (refer note (iii) below)	12,643.6	13,052.3
- Packing credit foreign currency loans (unsecured) (refer note (iii) below)	21,702.7	28,775.9
- Bill discounting facility (secured) (refer note (iv) below)	-	1,246.4
- Bill discounting facility (Unsecured) (refer note (iv) below)	1,294.1	477.8
	55,619.7	67,868.1
Amount disclosed under the head "Other financial liabilities" (refer note 20)	(1,396.7)	(2,136.0)
	54,223.0	65,732.1

	As at 31 March 2020	As at 31 March 2019
(C) Details of secured and unsecured borrowings		
Secured borrowings	13,149.7	16,775.9
Unsecured borrowings	42,470.0	52,891.7
	55,619.7	69,667.6

(D) Terms of borrowings

(i) Unsecured foreign currency term loan amounting to ₹**1,396.7** (31 March 2019: ₹3,446.7) carrying interest rate of **0.91%** (31 March 2019: 0.91%) and is payable in equal quarterly installments and the last installment is payable in December 2021.

(ii) All secured cash credit and 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) of the Parent company and its subsidiaries and carry interest rate of respective **MCLR + 0 bps to 75 bps** and an interest rate of **6.25% to 8.75%** respectively (31 March 2019 : MCLR + 0 bps to 35 bps and 8.20% respectively).

(iii) All secured packing credit foreign currency loans carry interest rate in the range of respective **LIBOR plus 45 to 60 basis points** (31 March 2019: respective LIBOR plus 20 to 60 basis points) with maturity within 6 months. All unsecured packing credit foreign currency loans carry interest rate in the range of respective **LIBOR plus 12 to 60 basis points** (31 March 2019: respective LIBOR plus 00 to 65 basis points) with maturity within 6 months.

(iv) All secured bills discounted are secured by pari passu charge on the current assets of the Parent Company both present and future. Secured and Unsecured bills discounted carry interest rate in the range of respective **LIBOR plus 20 to 40 basis points** (31 March 2019: respective LIBOR plus 01 to 50 basis points).

(v) Unsecured short-term foreign currency loans amounting to ₹**9,725.5** (31 March 2019: ₹9,126.5) carry interest in the range of **0.765% to 1%** (31 March 2019: 0.83% to 1%). Unsecured short term foreign currency loans amounting to ₹**7,188.2** (31 March 2019: ₹11,064.8) repayable by February 2021 carry interest in the range of **1 month Libor plus 75 basis point** (31 March 2019: 1 month LIBOR plus 0.65% to 0.85%).

(vi) All unsecured working capital demand loans and cash credits carry interest rate in the range of **6% to 8.6% and MCLR + 0 bps to 75bps** respectively (31 March 2019: Nil).

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

18. PROVISIONS

	As at 31 March 2020	As at 31 March 2019
(A) Non current		
For employee benefits		
Gratuity and other retirement benefits (refer note 36(b))	721.9	453.7
Compensated absences	25.2	11.7
	747.1	465.4
(B) Current		
For employee benefits		
Gratuity and other retirement benefits (refer note 36(b))	384.9	327.2
Compensated absences	1,118.0	895.3
Other provisions	2,663.5	1,961.5
	4,166.4	3,184.0

19. TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises	427.8	336.1
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,022.3	25,185.7
	25,450.1	25,521.8

(Refer note 44 (c) (ii) for the Group's liquidity risk management process)

20. OTHER FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
(A) Non current		
Lease liability	2,644.1	-
(B) Current		
Current maturities of non-current borrowings (Refer note 17(B))	1,396.7	2,136.0
Capital creditors	1,686.5	1,915.2
Acceptances *	3,638.7	
Security deposits	1.5	3.5
Unclaimed dividend **	25.3	23.6
Interest accrued but not due on borrowings	41.2	3.9
Lease liabilities	1,109.7	-
Derivatives - foreign currency forward contracts	22.3	-
Rebates, claims and chargebacks	13,388.1	13,912.6
Others	1,076.9	195.2
	22,386.9	18,190.0

* Acceptances includes credit availed by the Parent Company from banks for payment to suppliers for rawmaterials purchased by the Parent Company. The arrangements are interest bearing ranging from 0.17% to 0.24% p.a above the respective LIBOR. These are largely repayable within 180 days.

** 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 31 March 2020 (31 March 2019: ₹Nil).

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

21. OTHER LIABILITIES

	As at 31 March 2020	As at 31 March 2019
(A) Non-current		
Other payables	874.8	336.2
	874.8	336.2
(B) Current		
Advances from customers	212.1	1,671.0
Deffered income	10.1	
Statutory liabilities	1,149.3	447.5
Employee payables	862.4	1,317.9
Other payables	4,124.8	3,478.7
	6,358.7	6,915.1

22. CURRENT TAX LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Provision for income-tax (net of advance tax)	1,282.4	662.7

23. REVENUE FROM OPERATIONS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products (net of GST)	226,490.7	191,847.6
Sale of services	888.9	411.7
Other operating revenue		
Scrap sales	149.0	155.3
Export incentives	3,456.5	3,220.9
	230,985.1	195,635.5

(a) Reconciliation of revenue from sale of products with the contracted price:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue as per contracted price	478,175.0	404,302.3
Adjusted for:		
Sales returns	(3,857.8)	(3,442.3)
Chargebacks, rebates and discounts	(237,722.6)	(201,902.3)
Others adjustments	(10,103.9)	(7,110.1)
Total revenue from contracts with customers	226,490.7	191,847.6

(b) For information on disaggregation of revenue by primary geographical markets, refer note 50

24. OTHER INCOME

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on financial assets (carried at amortised cost)		
Bank deposits	132.0	75.3
Other deposits and receivables	43.3	47.1
Investments in OCDs	33.8	15.4
Liabilities no longer required written back (net)	263.2	222.3
Foreign exchange gain (net)	1,056.7	396.6
Commission income	54.5	83.5
Miscellaneous income	335.2	713.0
	1,918.7	1,553.2

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

25. COST OF MATERIALS CONSUMED

	For the year ended 31 March 2020	For the year ended 31 March 2019
Raw material consumed		
Opening stock*	23,967.1	22,280.3
Add: Purchases	68,020.1	67,695.2
	91,987.2	89,975.5
Less: Closing stock	25,130.8	23,967.1
Cost of raw material consumed	66,856.4	66,008.4
Adjustment for fluctuation in exchange rates	248.5	178.3
Packing materials consumed **	10,144.9	8,263.2
	77,249.8	74,449.9

*Includes inventories on acquisition of subsidiaries ₹**Nil** (31 March 2019 ₹208.9)

Includes inventories on acquisition of subsidiaries ₹Nil** (31 March 2019 ₹104.2)

26. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventories at the beginning of the year		
Stock-in-trade*	10,861.5	11,295.6
Work-in-progress**	13,549.9	11,250.5
Finished goods***	19,037.5	13,788.2
	43,448.9	36,334.3
Inventories at the end of the year		
Stock-in-trade	8,126.7	10,861.5
Work-in-progress	13,151.7	13,549.9
Finished goods	25,359.2	19,037.5
	46,637.6	43,448.9
	(3,188.7)	(7,114.6)
Transferred from capital work-in-progress****	-	273.9
On account of stock write off	98.1	30.9
Adjustment for fluctuation in exchange rates	(2,268.2)	(116.1)
	(1,018.6)	(6,755.5)

*Includes inventories on acquisition of subsidiaries ₹**Nil** (March 31, 2019 ₹3,198.5)

Includes inventories on acquisition of subsidiaries ₹Nil** (March 31, 2019 ₹455.8)

***Includes inventories on acquisition of subsidiaries ₹**Nil** (March 31, 2019 ₹401.4)

**** Represents inventories of finished goods and work-in-progress identified on the date of capitalisation of under construction facility

27. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	28,068.1	22,511.6
Contribution to provident and other funds (refer note 36(a))	1,328.5	1,085.0
Gratuity expense (refer note 36(b))	221.1	202.1
Compensated absences expense	316.1	288.8
Staff welfare expenses	2,258.0	1,761.2
	32,191.8	25,848.7

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

28. FINANCE COSTS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on financial liabilities measured at amortised cost	1,416.3	1,507.8
Bank and other finance charges	181.3	118.8
Exchange differences regarded as an adjustment to borrowing costs	1,453.7	999.4
	3,051.3	2,626.0

29. DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 3)	6,292.9	5,685.3
Depreciation on Right to use Assets (refer note 3 & 32(A))	1,015.6	-
Amortisation of intangible assets (refer note 5)	2,358.6	994.2
	9,667.1	6,679.5

30. OTHER EXPENSES

	For the year ended 31 March 2020	For the year ended 31 March 2019
Conversion charges	689.1	507.7
Consumption of stores and spares	1,871.3	1,914.2
Chemicals consumed	3,193.8	3,556.0
Power and fuel	5,876.8	5,567.9
Carriage inward	707.1	694.9
Factory maintenance	488.3	484.7
Effluent treatment expenses	356.5	266.2
Repairs and maintenance		
i) Plant and machinery	1,673.2	1,424.7
ii) Buildings	538.2	564.4
iii) Others	484.1	388.6
Rent	1,141.1	1,540.4
Rates and taxes	1,025.9	842.5
Printing and stationery	362.2	295.6
Postage, telegrams and telephones	281.1	254.2
Insurance	665.8	424.9
Legal and professional charges	5,829.5	3,808.6
Directors sitting fees	3.7	4.4
Remuneration to auditors	20.6	14.4
Sales commission	2,166.7	1,249.3
Carriage outwards	6,833.2	6,176.4
Selling expenses	6,247.6	3,831.9
Travelling and conveyance	865.6	669.8
Vehicle maintenance expenses	238.0	172.9
Analytical charges	1,711.7	1,385.7
Bad debts/advances written off	69.4	18.8
Allowance for doubtful receivables (net)	615.9	66.3
Registration, license and filing charges	2,699.8	2,020.0
Product development expenses	1,217.9	756.3
Software license and implementation expenses	311.6	192.0
Loss on sale/write-off of property, plant and equipment and intangibles under development (net)	370.4	194.9
Corporate Social Responsibility (CSR) expenditure (refer note below)	601.1	466.5
Miscellaneous expenses	3,640.7	3,385.9
	52,797.9	43,141.0

Details of CSR expenditure

	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Gross amount required to be spent by the Company during the year	435.7	449.8

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

	in cash	Yet to be paid in cash	Total
b) Amount spent during the year ending on 31 March 2020:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	601.1	-	601.1
c) Amount spent during the year ending on 31 March 2019:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	466.5	-	466.5

31. INCOME TAX

The major components of income tax expense for the year ended 31 March 2020 and 31 March 2019 are

	For the year ended 31 March 2020	For the year ended 31 March 2019
Statement of profit and loss		
Current tax	9,569.6	7,120.7
Tax credit - Minimum Alternate Tax (MAT)	-	(510.0)
Deferred tax	(434.4)	657.8
	9,135.2	7,268.5
Other comprehensive income		
Deferred tax - net loss on remeasurements of defined benefit plans	67.2	10.7
	67.2	10.7
Reconciliation of effective tax rate for the year ended 31 March 2020 and 31 March 2019		
Profit before tax	37,430.4	30,913.5
Enacted tax rate in India	34.944%	34.944%
Tax at statutory tax rate	13,079.7	10,802.4
Other than temporary differences		
Tax holidays (Refer Note "a" below)	(2,546.4)	(1,647.1)
Weighted deduction allowed for research and development expenditure	(839.6)	(968.9)
Dividend received from foreign subsidiary charged at special rate of tax	177.4	138.2
Expenses not deductible for tax purposes	259.3	210.0
Differences in tax rate	(1,517.4)	(1,028.0)
Others	522.2	(238.1)
Total	(3,944.5)	(3,533.9)
Income tax expense	9,135.2	7,268.5
Effective tax rate	24.406%	23.512%

Notes:

(a) The Parent 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 01 April 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 01 April 2011 units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

(b) The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Ordinance inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates as per the provisions/conditions defined in the said section. The Parent Company has evaluated the above Ordinance and based on its evaluation currently the management proposed to continue with the old tax rates.

(c) During the year ended 31 March 2020 and 31 March 2019, the Parent Company has paid dividend to shareholders, this has resulted in payment of dividend distribution tax to the taxation authorities. The Parent Company believes that dividend distribution tax represents additional payment to tax authorities on behalf of shareholders. Hence, dividend distribution tax paid is charged to equity.

d) 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

32. COMMITMENTS

A. Leases

a. Operating lease commitments - Group as lessee

Effective 1 April 2019, the Group adopted Ind-AS 116, on all lease contracts existing on 1 April 2019 using the modified retrospective method with Right-of-use assets recognized at an amount equal to the lease liabilities in the balance sheet. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted. On transition, the adoption of the standard resulted in recognition of Right-of-use assets (ROU) of **₹4,013.9** (includes reclassification of finance lease assets of ₹1,054.9 as at 31 March 2019) and lease liabilities of **₹3,599.0** (includes reclassification of finance lease obligations of ₹640.0 as at 31 March 2019). The Right-of-use assets as on 31 March 2020 have been presented as part of Property, plant and equipment.

Changes in lease liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Opening Balance as at 1 April 2019	3,599.0	-
Additions	954.4	-
Deletions	(72.0)	-
Finance cost	112.9	-
Payment of lease liabilities	1,024.1	-
Forex gain/(loss)	(183.6)	-
Closing Balance	3,753.8	-
Non current lease liability	2,644.1	-
Current lease liability	1,109.7	-

Cash outflow on leases

Particulars	As at 31 March 2020	As at 31 March 2019
Payment of lease liabilities	911.2	-
Interest on lease liabilities	112.9	-
Total cash outflow on leases	1,024.1	-

Contractual maturities of lease liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Lessthan one year	1,175.3	-
1 to 5 years	2,623.7	-
above 5 years	274.5	-
	4,073.5	-

The details of the right-of-use asset held by the Group is as follows:

Particulars	Additions for the year ended 31 March 2020	Net carrying amount as on 31 March 2020
Right-of-use Assets		
Land and land rights	124.6	594.3
Buildings	537.2	1,591.8
Equipment	-	1,425.2
Vehicles	417.2	621.2
Total	1,079.0	4,232.5

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

Depreciation on right-of-use asset is as follows:

Particulars	For the year ended 31 March 2020
Right-of-use Assets	
Land	16.6
Buildings	387.7
Equipment	385.8
Vehicles	225.5
Total	1,015.6

The Group's exposure to leases not yet commenced to which the Group is committed is ₹**912.6** (31 March 2019 : Nil).

The Group incurred ₹**137.6** for the year ended 31 March 2020 towards expenses relating to short-term leases and leases of low-value assets.

B. Capital and other commitments

	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	5,134.1	5,551.3

33. CONTINGENT LIABILITIES AND LITIGATIONS

	As at 31 March 2020	As at 31 March 2019
(A) Claims against the Group not acknowledged as debt		
Claims arising from disputes not acknowledged as debts - indirect taxes (excise duty and service tax)*	220.3	367.5
Claims arising from disputes not acknowledged as debts - direct taxes *	263.6	120.5
Claims against the Group not acknowledged as debts - other duties/ claims ^	150.3	150.3
(B) Guarantees		
Outstanding bank guarantees	825.6	698.8

* 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 maters 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 likely hood of any loss is not probable.

In addition to the above, the Parent 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, 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 Parent Company.

(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 1, 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 1, 2009 through May 11, 2018. The subpoena and the CID itself do not asset 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 is has not engaged in any unlawful conduct that would lead to civil or criminal liability.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

34. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Earnings		
Consolidated profit after tax attributable to the owners of the Parent Company considered for calculation of basic and diluted earnings per share	28,309.7	23,647.3
Shares		
Weighted average number of Equity Shares considered for calculation of basic earnings per share (a)	585,930,565	585,907,719
Effect of dilution on account of Employee Stock Options granted (b)	-	28,219
Weighted average number of Equity Shares considered for calculation of diluted earnings per share (a+b)	585,930,565	585,935,938
Earnings per share of face value ₹1		
- Basic	48.32	40.36
- Diluted	48.32	40.36

35. SHARE BASED PAYMENTS

Employee Stock Option Plan "ESOP-2006"

The Parent Company instituted an Employee Stock Option Plan "ESOP-2006" for issue of shares to eligible employees of the Group as per the special resolution passed in the 19th Annual General Meeting held on 18 September 2006. The compensation committee of the Board of directors accordingly, granted 3,240,500 options under eight grants of 175,000, 25,000, 90,000, 1,205,000, 300,000, 500,000, 915,500 and 30,000 options to eligible employees on 30 October 2006, 31 July 2007, 31 October 2007, 16 December 2011, 19 June 2012, 09 January 2013, 28 January 2013 and 09 August 2013 respectively. The method of settlement under scheme is by issue of equity shares of the Parent Company and there are no cash settlement alternatives for the employees. Each option comprises of one underlying Equity Share of ₹1 each. The said options vest on an annual basis at 10%, 15%, 25% and 50% over a period of four years and can be exercised over a period of six years from the date of grant of options. The options have been granted at the then prevailing market price of ₹120.70, ₹132.35, ₹114.50, ₹91.60, ₹106.05, ₹200.70, ₹187.40 and ₹161.30 per share respectively. The fair value of share options grants is estimated at the date of grant using Black-Scholes model, taking into account the terms and conditions upon which the share options were granted.

The details of ESOP 2006 Scheme are summarised below:

Grant	Grant date	Number of options granted*	Exercise price*	Weighted average fair value of option at grant date*
1st Grant	30 October 2006	175,000	60.35	73.10
2nd Grant	31 July 2007	25,000	66.18	78.82
3rd Grant	31 October 2007	90,000	57.25	68.18
4th Grant	16 December 2011	1,753,800	45.80	54.35
5th Grant	19 June 2012	300,000	53.03	57.42
6th Grant	09 January 2013	500,000	100.35	119.22
7th Grant	28 January 2013	1,483,170	93.70	111.32
8th Grant	09 August 2013	57,000	80.65	96.30

*Adjusted for bonus issue.

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

The details of activity under the Scheme ESOP 2006 are summarised below :

	For the year ended 31 March 2020	For the year ended 31 March 2019
Options outstanding at the beginning of the year	23,000	31,019
Granted during the year	-	-
Vested / exercisable during the year	23,000	31,019
Exercised during the year	23,000	8,000
Forfeited during the year subject to reissue		19
Options outstanding at end of the year	-	23,000
Exercisable at the end of the year	-	23,000
Weighted average exercise price for all the above options (₹)		80.65
Weighted average fair value of options at the date of grant (₹)		97.00

The details of share options outstanding are summarised below:

	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)
As at 31 March 2020	-	-	-
As at 31 March 2019	80.65	23,000	0.36

The following table lists the assumptions used for the plan:

	As at 31 March 2020			
Grant	**Dividend yield**	**Expected volatility**	**Risk-free interest rate**	**Expected life of options granted in years**
8th Grant	-	-	-	-

The following table lists the assumptions used for the plan:

	As at 31 March 2019			
Grant	Dividend yield	Expected volatility	Risk-free interest rate	Expected life of options granted in years
8th Grant	0.61%	0.31%	8%	4

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 31 March 2020	For the year ended 31 March 2019
Provident fund contribution recognised as expense in the consolidated statement of profit and loss *	537.6	436.1

* Includes ₹**10.8** (31 March 2019: ₹4.0) transferred to capital work in progress

b) Disclosures related to defined benefit plan of the Parent Company

The Parent 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 Parent Company to actuarial risk, such as longevity risk, interest rate risk and market (investment) risk.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Net employee benefit expense (included under employee benefit expenses)		
Current service cost	191.2	173.0
Past service cost	-	-
Interest on defined benefit liability	23.3	27.3
Net employee benefit expenses *	**214.5**	**200.3**

* Includes ₹**3.8** (31 March 2019: ₹7.0) transferred to capital work in progress

Details of the employee benefits obligations and plan assets are as follows:

	As at 31 March 2020	As at 31 March 2019
Present value of funded obligation	1,703.1	1,284.7
Fair value of plan assets	1,071.3	900.9
Net defined benefit liability	**631.8**	**383.8**

Details of changes in present value of defined benefit obligation are as follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening defined benefit obligation	1,284.7	1,054.5
Current service cost	191.2	173.0
Past service cost	-	-
Interest on defined benefit obligation	92.0	75.7
Benefits paid	(59.2)	(43.7)
Remeasurement due to:		
Actuarial loss arising from changes in experience	36.9	18.6
Actuarial loss arising from changes in demographic assumptions	0.1	-
Actuarial (gain)/loss arising from changes in financial assumptions	157.4	6.6
Closing defined benefit obligation	**1,703.1**	**1,284.7**

Details of changes in fair value of plan assets are as follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening fair value of plan assets	900.9	628.5
Interest on plan assets	68.7	48.4
Employer Contribution	159.4	264.1
Benefits paid	(59.2)	(43.7)
Remeasurement due to - actual return on plan assets less interest on plan assets	1.5	3.6
Closing fair value of plan assets	**1,071.3**	**900.9**

Sensitivity analysis

The sensitivity of over all plan obligations to changes in key assumptions are as follows:

	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation without effect of projected salary growth rate	1,119.5	855.3
Add: effect of salary growth rate	583.6	429.5
Defined benefit obligation with effect of projected salary growth	1,703.1	1,284.8
Defined benefit obligation, using discount rate plus 50 basis points	1,648.4	1,244.5
Defined benefit obligation, using discount rate minus 50 basis points	1,761.1	1,327.4
Defined benefit obligation, using salary growth rate plus 50 basis points	1,759.0	1,325.9
Defined benefit obligation, using salary growth rate minus 50 basis points	1,649.8	1,245.4

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at 31 March 2020	As at 31 March 2019
Funds managed by Insurers	100%	100%

The principal assumptions used in determining gratuity obligations for the Parent Company's plans are shown below:

	As at 31 March 2020	As at 31 March 2019
Financial assumptions		
Discount rate (p.a.)	6.55%	7.62%
Expected salary increase (p.a)	10% for 2 Years and 7% thereafter	10% for first year and 7% thereafter

Demographic assumptions

Mortality rate			IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Attrition rate	As at 31 March 2020		As at 31 March 2019	
	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.

	As at 31 March 2020	As at 31 March 2019
Maturity profile of the defined benefit obligation		
Average expected future workings (Years)	8.06	8.02
Expected future cash flow of gratuity		
Within 12 months	207.3	157.4
Between 2 and 5 years	719.7	575.4
Beyond 5 years	2,052.0	1,644.3

Notes:

1. 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.

2. The Parent Company expects to contribute ₹**207.3** (31 March 2019: ₹157.4) during the year ending 31 March 2021 to the qualifying insurance policy.

3. 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

37. CAPITAL WORK-IN-PROGRESS INCLUDES EXPENDITURE DURING CONSTRUCTION PERIOD PENDING CAPITALISATION

	As at 31 March 2020	As at 31 March 2019
Balance brought forward	690.0	1,681.7
Add: Incurred during the year		
Salaries, wages and bonus	250.6	292.6
Contribution to provident and other funds	0.6	-
Staff welfare expenses	3.7	-
Cost of materials consumed	64.2	-
Consumption of material for testing	27.6	100.8
Consumption of stores and spares	89.1	144.9
Chemicals consumed	16.7	-
Power and fuel	0.9	-
Carriage inward	0.3	0.2
Power and fuel	218.4	161.0
Conversion charges	22.8	30.6
Rates and taxes	7.1	3.4
Printing and stationery	5.0	9.2
Postage, telegram and telephones	0.6	1.1
Insurance	3.0	1.8
Legal and professional charges	58.0	1.6
Travelling and conveyance	3.9	5.4
Analytical charges	31.8	-
Depreciation	0.1	1.1
Factory maintenance	54.4	48.3
Software license and implementation expenses	1.1	-
Product development expenses	0.1	-
Miscellaneous expenses	104.6	29.4
	1,654.6	2,513.1
Less: Capitalised to property, plant and equipment during the year	63.1	1,823.1
Balance carried forward	1,591.5	690.0

38. ACQUISITION OF SUBSIDIARY

Effective 8 Februay 2019, the Parent Company through its step-down subsidiary, Aurovitas Pharma Ceska Republica s.r.o, acquired 100% equity of Apotex (CR) Spol s.r.o. ("acquired entity" or "Apotex Czech"), Aurovitas Spain SA, acquired 100% equity of Apotex Espana SL, Aurovitas Pharma Polska acquired 100% equity in Apotex Polska sp. z.o.o., Agile Pharma B.V. acquired 100% equity in Apotex N.V., Aurobindo Pharma B.V. acquired 100% equity of Apotex Europe B.V. and Apotex Nederland B.V. which in turn had the following wholly owned subsidiaries on the date of acquisition.

(i) Sameko Farma B.V.
(ii) Leidapharm B.V.
(iii) Marel B.V.
(iv) Pharma Dossier B.V.

Apotex Group, is engaged in the manufacture of generic and over-the-counter pharmaceutical products and market these through pharmacies, wholesalers as well as food and drug channels in Netherlands, Poland, Spain and Czech Republic. The acquisition includes the productions facility in Netherland mainly producing for the Dutch market.

Synergies are expected from Parent Company's vertical integration and pipeline breadth, improvement in capacity utilization by servicing both local and European markets, and operational advantages.

The purchase price of the acquired entity on 08 February 2019 had been allocated provisionally 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.

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

As at 31 March 2020, the consolidated balance sheet reflects the purchase price allocated to the assets acquired and liabilities assumed based on revised estimated fair values. The final purchase price allocation carried out during the year resulted in goodwill of ₹574.9 as against ₹102.4 of capital reserve in the provisional purchase price allocation. As the change from the provisional purchase price allocation is not material, the Group has not restated comparative consolidated financial statements as required under Ind AS 103- Business Combinations (refer note 4). The following table summarizes the allocation of purchase price consideration, for the fair values of the assets acquired and liabilities assumed and the determination of Capital Reserve during the previous year.

Particulars	Amount as on 8 February 2019
Purchase consideration	2,671.3
Add: Amounts payable to the seller lying in the books of acquired entities	3,927.7
Add: Debts taken over	487.8
Less: Cash and cash equivalents	1,588.5
Total [A]	5,498.3
Liabilities assumed:	
Deferred tax liabilities	53.0
Trade payables	3,178.4
Other liabilties	879.9
Provisions current	58.0
Current tax liabilities	44.9
Total liabilities assumed [B]	4,214.2
Fair value of assets acquired:	
Property plant and equipment	456.6
Capital work-in-progress	1.0
Other intangible assets	474.1
Inventories	4,441.9
Trade receivables	4,233.1
Other financial assets	6.6
Current tax assets	4.2
Other asssets	197.4
Total fair value of assets acquired [C]	9,814.9
Capital Reserve [A+B-C]	102.4

The valuation techniques used for measuring the fair value of assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	Indexation method: The value of the property, plant and equipment has been determined under indexation method
Intangible assets	Relief-from-Royalty method: The relief from royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the licenses and trademarks being owned.
Inventories	Comparative Sales method: Comparative Sales method estimates the expected sales price of the finished goods inventory in the normal course of business less all costs expected to be incurred in its completion or disposition and a profit on those costs. The value derived as per comparative sales method is adjusted for unsaleable inventory in accordance with future volume forecast.

a. Summary of post acquisition revenue and loss of the acquired entities included in the consolidated statement of profit and loss for the year ended 31 March 2019

Particulars	For the year ended 31 March 2019
Revenue	1,990.6
Net loss considered in the consolidated statement of profit and loss	252.2

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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 31 March 2019
Consolidated revenue from operations	206,152.9
Consolidated profit for the year	23,265.2

c. For Acquired Receivables:

Particulars	As at 31 March 2019
The gross contractual amounts receivable	4,233.1
The best estimate at the acquisition date of the contractual cash flows not expected to be collected (provision)	-
Net value	4,233.1

39 ACQUISITION OF BUSINESS

(i) Effective 1 March 2019, Acrotech Biopharma LLC a subsidiary of Aurobindo Pharma USA Inc., acquired portfolio of seven branded oncology injectable products which are currently being marketed from Spectrum Pharmaceuticals Inc for an upfront purchase price of ₹11,241.6 in cash.

As at 31 March 2019, the consolidated balance sheet reflects the purchase price allocated to the assets acquired based on the fair values. The excess of the purchase consideration over fair value of the assets acquired has been allocated to Goodwill. The following table summarizes the allocation of purchase price consideration, for the fair values of the assets acquired and the determination of Goodwill.

Particulars	Amount as on 1 March 2019
Purchase consideration [A]	11,241.6
Fair value of assets acquired	
Intangible assets - Brands	10,371.9
Inventories	600.4
Total fair value of assets acquired [B]	10,972.3
Goodwill [A - B]	**269.3**

The valuation technique used for measuring the fair value of identified business was Multi Period Excess Earning Method.

Assets acquired	Valuation technique
Intangible assets	Income Approach - Multi Period Excess Earning Method
Inventories	Finished Goods are estimated selling price less the sum of cost of disposal and reasonable profit allowance for the selling efforts of the acquiring entity. WIP is valued at estimated selling price of Finished Goods less the sum to complete, cost of disposal and reasonable profit allowance for the selling efforts of the acquiring entity based on profit for similar entity.

a. Summary of post acquisition revenue and loss of the acquired entities included in the consolidated statement of profit and loss for the year ended 31 March 2019

Particulars	For the year ended 31 March 2019
Revenue	561.3
Net loss considered in the consolidated statement of profit and loss	41.3

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 31 March 2019
Consolidated revenue from operations	196,196.8
Consolidated profit for the year	23,774.9

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(ii) Effective 7 December 2018, Auro Science PTY Ltd a subsidiary of Aurobindo Pharma USA Inc., acquired Process Research & Development Product and its related assets and liabilities from Advent Pharmaceuticals Pty. Ltd. for an upfront purchase price of ₹**874.7.**

Particulars	Amount as on 7 December 2018
Purchase consideration [A]	**874.7**
Liabilities assumed:	
Other financial liabilities *	9.9
Total fair value of liabilities assumed [B]	9.9
Fair value of assets acquired	
Tangible assets *	98.0
Capital work in progress *	23.0
Intangible assets under development *	702.0
Other financial assets (current) *	1.2
Total fair value of assets acquired [B]	824.2
Goodwill [A - B - C]	**60.4**

The valuation technique used for measuring the fair value of identified business was Multi Period Excess Earning Method:

Assets acquired	Valuation technique
Intangible assets	Income Approach - Multi Period Excess Earning Method
Tangible Assets and Deposits	Considering the nature of assets comprised, the fair value of the assets may not be significantly different from the book values and hence, have been considered at book values. The security deposit is realizable at book value and hence, the book value is taken as fair value.

* The fair value of assets and liabilites 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. During the year, finalisation of purchase price allocation has not resulted in material change in accounting of assets acquired and liabilities assumed.

Summary of post acquisition revenue and profit of the acquired entities included in the consolidated statement of profit and loss for the year ended 31 March 2019

Particulars	For the year ended 31 March 2019
Revenue	-
Net profit considered in the consolidated statement of profit and loss	4.0

(iii) Effective 7 February 2020, Auro Vaccines, LLC a subsidiary of Aurobindo Pharma USA Inc., acquired certain rights, title and interest in all of the assets owned, leases used or licensed by Profectus BioSciences Inc., US for an upfront cash consideration of ₹**984.1** The acqusition provides access to proprietary and innovative technology platforms for prophylactic use and therapeutic use.

Particulars	Amount as on 7 February 2020
Purchase consideration [A]	**984.1**
Liabilities assumed:	
Other non-current liabilities	356.5
Other financial liabilities *	27.2
Trade payable *	23.5
Total fair value of liabilities assumed [B]	407.2
Fair value of assets acquired	
Intangible assets *	1,244.8
Accounts Receivable *	146.5
Total fair value of assets acquired [C]	1,391.3

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

* The management is currently in the process of allocating the purchase consideration paid to various assets acquired and liabilities assumed and also ascertaining their fair values. In view of the management the significant purchase consideration would be allocated to Intangible assets acquired as at 31 March 2020.

a. Summary of post acquisition revenue and profit of the acquired entities included in the consolidated statement of profit and loss for the year ended 31 March 2020

Particulars	For the period ended 31 March 2020
Revenue	47.1
Net loss considered in the consolidated statement of profit and loss	(35.0)

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 period ended 31 March 2020
Consolidated revenue from operations	231,836.5
Consolidated profit for the year	27,884.5

40 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 (Joint venture of a subsidiary, Curepro Parenterals Limited, India)
Tergene Biotech Private Limited, India
Raidurgam Developers Limited, India (formerly known as Aurobindo Antibiotics limited, India)
Purple Bellflower (Pty)Ltd, South Africa (w.e.f. 23 August 2018) (Joint Venture of a step-down subsidiary, Aurogen South Africa (Pty) Ltd, South Africa)
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd. (w.e.f. 25 March 2019) (Joint Venture of a subsidiary, Helix Healthcare B.V., The Netherlands)
Longxiang Pharma Taizhou Co. Ltd. (w.e.f. 20 October 2019) (Joint Venture of a subsidiary, Helix Healthcare B.V., The Netherlands)
Novagen BBBEE Invest Co (Pty) Ltd (w.e.f. 7 November, 2019) (Joint Venture of a step-down subsidiary, Aurogen South Africa (Pty) Ltd, South Africa)

b) 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 Projects Private 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
Trident Petrochemicals DMCC, Dubai
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 Foundation, India
Alcedo Pharmachem Private Limited, India
Ambipack Industries, India
Giyaan Pharma Private Limited, India

c) Key managerial personnel

Mr. K. Nityananda Reddy, Whole-time Director
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
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
Dr. (Mrs.) Avnit Bimal Singh, Independent Director
Mr.P.Venkata Ramprasad Reddy, Non Executive promoter director
Mrs.Savitha Mahajan, Independent Director

d) Relatives to key managerial personnel

Mr. Vishnu M Sriram (Son in law of Dr. M. Sivakumaran, Whole-time Director)

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

40. RELATED PARTY DISCLOSURES

ii) Transactions with related parties

a. Transactions with joint ventures

	For the year ended 31 March 2020	For the year ended 31 March 2019
Raidurgam Developers Limited		
Loans given and repayment thereof		
Receipt/ converted into optionally convertible debentures against loan and interest	-	1.8
Interest accrued	-	-
Loan given	-	-
Balance receivable	-	-
Other Transactions		
Reimbursement of expenses received	-	-
Investment in optionally convertible debentures	330.0	134.6
Interest accrued	30.4	14.4
Novagen Pharma (Pty) Limited, South Africa		
Sale of products	149.6	290.4
Dividend received	24.4	137.8
Sale of services	34.2	40.4
Purple Bell Flower (Pty) Limited, South Africa		
Dividend received	2.7	-
Dividend paid	5.5	-
Eugia Pharma Specialities Ltd, India		
Sale of products	66.5	50.3
Purchases	1,549.4	0.1
Purchase of property, plant and equipment	0.2	0.4
Sale of services	-	2.7
Sale of Property, plant & equipment	-	0.1
Tergene Biotech Pvt. Ltd, India		
Equity contribution	-	15.4
Investment in 10.5% Cumulative Redeemable Preference shares	38.0	34.5

b. Transactions with enterprises over which key management personnel or their relatives exercise significant influence

	For the year ended 31 March 2020	For the year ended 31 March 2019
Pravesha Industries Private Limited, India		
Sale of products	0.0	0.3
Sale of property, plant and equipment	0.4	-
Purchases	3,278.9	2,965.0
Sri Sai Packaging, India		
Sale of products	0.4	0.4
Purchases	246.8	240.4
Axis Clinicals Limited, India		
Purchase of services	1,444.7	976.0
Purchase of Fixed assets	71.8	57.2
Axis Clinicals LLC, USA		
Purchase of services	292.7	0.7
Purchase of Fixed Assets	-	180.6
Axis Clinicals Latina SA DE CV, Mexico		
Purchase of services	26.1	6.4
Trident Chemphar Limited, India		
Purchases	1,416.0	1,052.0
Purchase of services	95.4	131.1
Pranit Packaging Private Limited, India		
Purchases	246.8	204.3
SGD Pharma India Limited (formerly Cogent Glass Limited), India		
Purchases	1,254.4	1,162.0
Purchase of services	4.2	-

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

40. RELATED PARTY DISCLOSURES

	For the year ended 31 March 2020	For the year ended 31 March 2019
Orem Access Bio Inc, India		
Purchases	342.5	275.3
Veritaz Healthcare Limited, India		
Sale of products	236.2	216.8
Rent received	0.3	0.3
Alex Merchants DMCC, Dubai		
Purchases	-	242.4
Crest Cellulose Private limited, India		
Purchases	391.6	442.1
Sale of property, plant and equipment	-	0.9
Sale of Services	0.0	-
East Pharma Techonologies, India		
Purchases	105.5	63.0
Gelcaps Industries, India		
Purchases	445.2	289.5
Aurobindo Foundation, India		
Contribution towards CSR activities	601.1	466.0
Alcedo Pharmachem Private Limited, India		
Purchases	217.5	-
Ambipack Industries, India		
Purchases	128.6	-
Giyaan Pharma Privated Limited, India		
Sale of products	13.6	-

c. Transactions with key managerial personnel or their relatives

	For the year ended 31 March 2020	For the year ended 31 March 2019
Mr. K Nityananda Reddy		
Managerial remuneration	15.2	15.1
Rent expense	2.7	2.6
Dr. M Sivakumaran		
Managerial remuneration	15.2	15.1
Mr. M Madan Mohan Reddy		
Managerial remuneration	40.7	26.7
Mr. P Sarath Chandra Reddy		
Managerial remuneration	8.8	8.6
Mr. Vishnu M Sriram		
Remuneration	6.4	5.8
Mr.N Govindarajan		
Managerial Remuneration	168.9	146.3
Mr.Santhanam Subramanian		
Remuneration	21.1	18.7
Mr.B. Adi Reddy		
Remuneration	4.8	3.9
Mr. P.Venkata Ramaprasad Reddy		
Remuneration	25.3	24.5
Director sitting fees	0.4	0.4
Mr. K.Ragunathan, Non-executive Chairman and Independent Director		
Director sitting fees	1.1	1.2
Mr. M. Sitarama Murty, Independent Director		
Director sitting fees	0.8	1.1
Mrs.Avnit Bimal Singh, Independent Director		
Director sitting fees	0.7	1.0
Mrs.Savitha Mahajan, Independent Director		
Director sitting fees	0.8	0.8

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

40. RELATED PARTY DISCLOSURES

Note:

i) Managerial remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

ii) 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 31 March 2020 (31 March 2019). 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.

iii) Closing balances of related parties

a. Balances with Joint ventures at the year end

	As at 31 March 2020	As at 31 March 2019
Novagen Pharma (Pty) Limited, South Africa		
Balance receivable	52.2	117.0
Purple Bell Flower (Pty) Limited, South Africa	-	-
Balance payable	4.9	-
Raidurgam Developers Limited, India		
Balance receivable	14.4	8.2
Eugia Pharma Specialities Limited, India	-	-
Balance payable	85.2	-
Balance Receivable	-	44.9

b. Balances with enterprises over which key management personnel or their relatives exercise significant influence at the year end

	As at 31 March 2020	As at 31 March 2019
Pravesha Industries Private Limited, India		
Balance payable	994.9	678.7
Sri Sai Packaging, India		
Balance payable	3.7	31.7
Axis Clinicals Limited, India		
Balance payable	209.4	0.2
Trident Chemphar Limited, India		
Balance receivable	738.8	29.3
Balance payable	1.9	1.8
Pranit Packaging Private Limited, India		
Balance receivable	0.9	0.8
Balance payable	16.1	19.0
SGD Pharma India Limited (formerly Cogent Glass Limited), India		
Balance payable	402.9	236.7
Veritaz Healthcare Limited, India		
Balance receivable	120.7	85.8
Alex Merchants DMCC, Dubai		
Balance receivable	-	-
Orem Access Bio Inc, India		
Balance payable	86.3	45.0
Crest Cellulose Private Limited, India		
Balance receivable	-	-
Balance payable	88.0	68.6
East Pharma Technologies, India		
Balance payable	17.4	12.5
Gelcaps Industries, India		
Balance receivable	-	1.7
Balance payable	91.3	55.0

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

40. RELATED PARTY DISCLOSURES

	As at 31 March 2020	As at 31 March 2019
Axis Clinicals LLC, USA		
Balance receivable	12.8	-
Balance payable	3.3	-
Axis Clinicals Latina SA DE CV, Mexico		
Balance payable	23.4	-
Alcedo Pharmachem Private Limited, India		
Balance payable	7.0	-
Ambipack Industries, India		
Balance payable	21.5	-
Giyaan Pharma Privated Limited, India		
Balance receivable	8.3	-

c. Balances with key managerial personnel at the year end

	As at 31 March 2020	As at 31 March 2019
Mr. N Govindarajan		
Balance payable	100.0	100.0
Mr. K Nityananda Reddy		
Balance payable	0.2	0.2

iv) Details of advances due from private companies in which Parent Company's director is a director.

	As at 31 March 2020	As at 31 March 2019
Pranit Packaging Private Limited, India	0.9	0.8

Note: Amounts below ₹0.1 has been disclosed as ₹0.0.

41 The amount of research and development expenditure charged to consolidated statement of profit and loss is ₹**9,580.2** (31 March 2019: ₹8,682.6). Further, the amount of capital expenditure incurred towards research and development during the year amounted to ₹**315.6** (31 March 2019: ₹1,126.3)

42 INTEREST IN JOINT VENTURES

The Group has investment in two entities, Eugia Pharma Specialities Limited 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.

During the financial year 2018-19 the Group has invested in an entity, Purple BellFlower (Pty) Ltd and Luoxin Aurovitas Pharm (Chengdu) Co. Ltd with a voting share of 48% and 30% respectively. 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.

During the year 2019-20 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.

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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.

The Group has interest in the following joint ventures;

	As at 31 March 2020	As at 31 March 2019
Novagen Pharma Pty Ltd, South Africa	50.00%	50.00%
Eugia Pharma Specialities Limited, India	67.82%	67.82%
Tergene Biotech Private Limited, India	80.00%	80.00%
Raidurgam Developers Limited (formerly Aurobindo Antibiotics Limited), India	40.00%	40.00%
Purple BellFlower (Pty) Ltd, South Africa (w.e.f 23 August 2018)	48.00%	48.00%
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd. (w.e.f. 25 March 2019)	30.00%	-
Longxiang Pharma Taizhou Co., Ltd (w.e.f. 28 October 2019)	57.00%	-
Novagen BBBEE Invest Co (Pty) Ltd (w.e.f. 7 November, 2019) *	36.75%	-

* The Joint venture is not considered material for the group and hence, disclosure as per para 21 of Ind-AS 112, ''Disclosure of Interests in Other Entities" has not been provided.

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 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 31 March 2020	As at 31 March 2019
Current Assets	308.4	430.1
Non-current Assets	180.7	147.7
	489.1	**577.8**
Current liabilities	119.5	239.2
Non-Current liabilities	625.0	-
Equity	(255.4)	338.6
	489.1	**577.8**

(ii) Details of other financial information

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	19.4	-

(iii) Summarised statement of profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue	853.9	1,192.8
Interest income	0.7	2.2
Interest expenses	6.0	0.8
Depreciation	8.9	10.9
Profit before tax	98.9	184.4
Income tax expense	(27.9)	(52.6)
Profit for the year	71.0	131.8
Total comprehensive income for the year	71.0	131.8
The Group's Share of Dividend received	24.4	137.8

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

The Group's share of profits for the year ended 31 March 2020 and 31 March 2019 was ₹**46.4** and ₹64.3 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at 31 March 2020 and 31 March 2019 was ₹**250.6** and ₹247.3 respectively.

(b) Eugia Pharma Specialities Limited, India

(i) Summarised balance sheet

	As at 31 March 2020	As at 31 March 2019
Current Assets	1,342.5	462.5
Non-current Assets	9,452.3	8,170.9
	10,794.8	8,633.4
Current liabilities	1,761.8	596.5
Non-current liabilities	4,326.6	4,773.5
Equity	4,706.4	3,263.4
	10,794.8	8,633.4

(ii) Details of other financial information

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	242.7	190.3
Non-current financial liabilities	4,320.4	4,769.5
Current financial liabilities	1,255.9	185.9
Capital Commitments (Group's Share)	496.4	436.4

(iii) Summarised statement of profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue	1,421.9	-
Interest income	11.7	1.9
Profit before tax	(328.1)	(23.8)
Income tax expense	82.6	-
Loss for the year	(245.5)	(23.8)
Total comprehensive income for the year	(244.3)	(23.8)

The Group's share of loss for the year ended 31 March 2020 and 31 March 2019 was ₹**158.6** and ₹20.9 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at 31 March 2020 and 31 March 2019 was ₹**3,261.2** and ₹2,199.0 respectively.

(c) Tergene Biotech Pvt.Ltd, India

(i) Summarised balance sheet

	As at 31 March 2020	As at 31 March 2019
Current Assets	25.3	21.3
Non-current Assets	90.1	44.6
	115.4	65.9
Current liabilities	61.6	41.6
Non-current liabilities	220.4	136.4
Equity	(166.6)	(112.1)
	115.4	65.9

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(ii) Details of other financial information

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	8.3	7.4
Non-current financial liabilities	167.5	130.0
Current financial liabilities	42.0	30.4
Capital Commitments (Groups Share)	-	1.5

(iii) Summarised statement of profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue	0.3	-
Other Income	19.9	18.7
Interest income	-	-
Interest expenses	20.5	10.4
Depreciation	15.3	4.6
Loss before tax	(54.4)	(58.0)
Loss for the year	(54.4)	(58.0)
Total comprehensive income for the year	(54.4)	(59.1)

The Group's share of loss for the year ended 31 March 2020 and 31 March 2019 was ₹**43.6** and ₹15.4 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at 31 March 2020 and 31 March 2019 was ₹**Nil** and ₹Nil respectively and investment in Preference shares in the joint venture as at 31 March 2020 and 31 March 2019 was ₹**123.9** and ₹129.5 respectively.

(d) Raidurgam Developers Limited (formerly Aurobindo Antibiotics Limited), India

(i) Summarised balance sheet

	As at 31 March 2020	As at 31 March 2019
Current Assets	744.3	729.4
Non-current Assets	6,719.3	3,850.8
	7,463.6	4,580.2
Current liabilities	73.6	52.1
Non-current liabilities	7,309.1	4,442.1
Equity	80.9	86.0
	7,463.6	4,580.2

(ii) Details of other financial information

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	72.3	511.2
Non-current financial liabilities	7,309.1	4,442.1
Current financial liabilities	-	46.1
Capital Commitments (Groups Share)	1,362.6	-

(iii) Summarised statement of profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expenses	-	0.8
Depreciation	0.5	0.5
Loss before tax	(5.1)	(2.4)
Total comprehensive income for the period	(5.1)	(2.4)

The Group's share of loss for the year ended 31 March 2020 and 31 March 2019 is ₹**2.0** and ₹1.0 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at 31 March 2020 and 31 March 2019 is ₹**27.3** and ₹29.3 respectively and investment in optionally convertible debentures in the joint venture as at 31 March 2020 and 31 March 2019 is ₹**1,175.5** and ₹845.5 respectively.

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(e) Purple BellFlower (Pty) Ltd, South Africa

(i) Summarised balance sheet

	As at 31 March 2020	As at 31 March 2019
Current Assets	4.9	-
	4.9	-
Current liabilities	4.9	-
Equity	-	-
	4.9	-

(ii) Details of other financial information

	As at 31 March 2020	As at 31 March 2019
Current financial liabilities	4.9	-

(iii) Summarised statement of profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue	5.5	-
Profit for the year	5.5	-
Total comprehensive income for the period	5.5	-

The Group's share of loss for the year ended 31 March 2020 and 31 March 2019 is ₹**2.7** and ₹Nil respectively. The carrying value of the Group's investment in equity shares in the joint venture as at 31 March 2020 and 31 March 2019 is ₹**0.3** and ₹Nil respectively.

(f) Luoxin Aurovitas Pharm (Chengdu) Co. Ltd, China

(i) Summarised balance sheet

	As at 31 March 2020	As at 31 March 2019
Current Assets	930.2	-
Non-current Assets	417.2	-
	1,347.4	-
Current liabilities	91.0	-
Equity	1,256.4	-
	1,347.4	-

(ii) Details of other financial information

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	625.1	-
Non-current financial liabilities	-	-
Current financial liabilities	71.6	-

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

(iii) Summarised statement of profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue	11.5	
Depreciation	0.2	-
Profit before tax	3.8	-
Tax Expenses	0.8	-
Profit after tax	3.0	
Total comprehensive income for the period	3.0	-

The Group's share of loss for the year ended 31 March 2020 and 31 March 2019 is ₹**0.9** and ₹Nil respectively. The carrying value of the Group's investment in equity shares in the joint venture as at 31 March 2020 and 31 March 2019 is ₹**267.9** and ₹Nil respectively.

(g) Longxiang Pharma Taizhou Co. Ltd, China

(i) Summarised balance sheet

	As at 31 March 2020	As at 31 March 2019
Current Assets	503.3	-
Non-current Assets	0.1	-
	503.4	-
Current liabilities	1.2	-
Equity	502.2	-
	503.4	-

(ii) Details of other financial information

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	461.6	-

(iii) Summarised statement of profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue	6.9	-
Other income	0.2	-
Interest income	0.2	-
Interest expenses	-	-
Profit for the year	4.2	-
Total comprehensive income for the period	4.2	-

The Group's share of loss for the year ended 31 March 2020 and 31 March 2019 is ₹**2.5** and ₹Nil respectively. The carrying value of the Group's investment in equity shares in the joint venture as at 31 March 2020 and 31 March 2019 is ₹**288.8** and ₹Nil respectively.

43 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.

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

44. 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.

31 March 2020

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*	6(B)	151.2	-	151.2	-	-	151.2	151.2
Non-current investments in government securities*	6(B)	0.2	-	0.2	-	-	0.2	0.2
Current investments*	6(C)	0.2	-	0.2	0.2	-	-	0.2
		151.6	**-**	**151.6**	**0.2**	**-**	**151.4**	**151.6**
Financial assets not measured at fair value								
Non-current investments in preference shares	6(B)	-	123.9	123.9				
Trade receivables	8(A)&8(B)	-	43,151.5	43,151.5				
Loans	7(A)&7(B)	-	195.2	195.2				
Cash and bank balances	14(A)&14(B)	-	28,421.5	28,421.5				
Other financial assets	9(A)&9(B)	-	1,571.1	1,571.1				
		-	**73,463.2**	**73,463.2**				
Financial liabilities measured at fair value								
Derivative liabilities	20	22.3	-	22.3	-	22.3	-	22.3
		22.3	-	22.3	-	22.3	-	22.3
Financial liabilities not measured at fair value								
Borrowings (including current maturities of non-current borrowings)	17(A), 17(B) & 20	-	55,619.7	55,619.7				
Trade payables	19	-	25,450.1	25,450.1				
Other current financial liabilities	20(A) & 20(B)	-	23,611.9	23,611.9				
		-	104,681.7	104,681.7				

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

31 March 2019

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*	6(B)	151.2	-	151.2	-	-	151.2	151.2
Non-current investments in government securities*	6(B)	0.2	-	0.2	-	-	0.2	0.2
Current investments*	6(C)	0.2	-	0.2	0.2	-	-	0.2
Financial asset - Receivable from bank*^	9(B)	13,186.2	-	13,186.2	-	-	13,186.2	13,186.2
Derivative assets	9(B)	64.4	-	64.4	-	64.4	-	64.4
		13,402.2	-	13,402.2	0.2	64.4	13,337.6	13,402.2
Financial assets not measured at fair value								
Non-current investments in preference shares	6(B)	-	129.5	129.5				
Trade receivables	8(A)&8(B)	-	34,149.7	34,149.7				
Loans	7(A)&7(B)	-	167.2	167.2				
Cash and bank balances	14(A)&14(B)	-	19,571.8	19,571.8				
Other financial assets	9(A)&9(B)	-	1,292.6	1,292.6				
		-	55,310.8	55,310.8				
Financial liabilities measured at fair value								
Derivative liabilities	20	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Borrowings (including current maturities of non-current borrowings)	17(A), 17(B) & 20	-	69,667.6	69,667.6				
Trade payables	19	-	25,521.7	25,521.7				
Other financial liabilities	20(A) & 20(B)	-	16,054.1	16,054.1				
		-	111,243.4	111,243.4				

*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.

*^ The Group values the accounts receivable subject to a securitization agreement (see note 9) that have been contractually sold but not yet funded by the bank as "Level 3" within the fair value hierarchy, since the Group uses discounted cash flow models, which are considered unobservable inputs. The difference between the fair values and carrying values for such assets is not material as at 31 March 2020 and 31 March 2019 respectively given the short-term duration of the expected term of customer payments to the bank and the underlying credit quality. As such, the requisite disclosures on assumptions (e.g. discount rates and anticipated credit losses) and other inputs are not considered significant.

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

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2019-20 and no transfers in either direction in 2018-19.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

C. Risk management framework

The Parent 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 estabilished 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 parent company's activities. The Group, through its training and managment standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Parent 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 managment 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.

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 31 March 2020 and 31 March 2019 is the carrying value of each class of financial assets.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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 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 31 March 2020	Carrying amount	Contractual cash flows			
		< 12 months	1 to 5 years	> 5 years	Total
Non-derivative financial liabilities					
Non-current borrowings	1,396.7	1,402.4	-	-	1,402.4
Current borrowings	54,223.0	54,468.0	-	-	54,468.0
Lease liabilites	3,753.8	1,175.3	2,623.7	274.5	4,073.5
Trade payables	25,450.1	25,450.1	-	-	25,450.1
Other financial liabilities	19,858.1	19,858.1	-	-	19,858.1
Derivative financial liabilities					
Foreign exchange forward contracts	22.3	22.3	-	-	22.3

As at 31 March 2019	Carrying amount	Contractual cash flows			
		< 12 months	1 to 5 years	> 5 years	Total
Non-derivative financial liabilities					
Non-current borrowings	3,446.7	2,148.2	1,316.1	-	3,464.3
Current borrowings	65,574.9	66,224.3	-	-	66,224.3
Finance lease obligation - Non-current	488.8	-	540.5	-	540.5
Finance lease obligations - Current	157.2	179.6	-	-	179.6
Trade payables	25,521.7	25,521.7	-	-	25,521.7
Other financial liabilities	16,054.1	16,054.1	-	-	16,054.1
Derivative financial liabilities					
Foreign exchange forward contracts	-	-	-	-	-

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:

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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:

As at 31 March 2020

Particulars	USD	Euro	GBP	Others	Total
Financial assets					
Trade receivables	9,832.6	439.1	47.3	213.2	10,532.2
Cash and cash equivalents	645.4	215.4	160.2	14.5	1,035.5
Loans	12.5	13.1	-	0.2	25.8
Other financial assets	-	-	-	2.0	2.0
Total	**10,490.5**	**667.6**	**207.5**	**229.9**	**11,595.5**
Less:					
Foreign exchange forward contracts	(6,166.7)	(4,014.3)	(383.4)	(939.1)	(11,503.5)
Net exposure in financial assets	**4,323.8**	**(3,346.7)**	**(175.9)**	**(709.2)**	**92.0**
Financial liabilities					
Borrowings	32,540.5	2,618.4	481.5	-	35,640.4
Interest accrued but not due	12.2	-	-	-	12.2
Trade payables (including capital creditors)	11,474.4	275.4	23.5	41.7	11,815.0
Provisions	-	-	-	19.0	19.0
Total	**44,027.1**	**2,893.8**	**505.0**	**60.7**	**47,486.6**
Less:					
Foreign exchange forward contracts	(1,020.5)	-	-	-	(1,020.5)
Net exposure in financial liabilities	**43,006.6**	**2,893.8**	**505.0**	**60.7**	**46,466.1**
Net exposure in respect of recognised assets/(liabilities)	**(38,682.8)**	**(6,240.5)**	**(680.9)**	**(769.9)**	**(46,374.1)**

As at 31 March 2019

Particulars	USD	Euro	GBP	Others	Total
Financial assets					
Trade receivables	9,696.8	706.1	(16.2)	121.7	10,508.4
Cash and cash equivalents	611.9	85.1	26.7	3.3	727.0
Loans	36.3	0.1	1.0	-	37.4
Other financial assets	-	-	-	-	-
Total	10,345.0	791.3	11.5	125.0	11,272.8
Less:					
Foreign exchange forward contracts	-	(1,786.5)	-	(1,025.9)	(2,812.4)
Net exposure in financial assets	10,345.0	(995.2)	11.5	(900.9)	8,460.4
Financial liabilities					
Borrowings	37,168.2	5,116.8	1,267.4	-	43,552.4
Interest accrued but not due	2.2	0.5	-	-	2.7
Trade payables (including capital creditors)	8,092.1	264.0	17.9	46.5	8,420.5
Total	45,262.5	5,381.3	1,285.3	46.5	51,975.6
Less:					
Foreign exchange forward contracts	(420.5)	-	-	-	(420.5)
Net exposure in financial liabilities	44,842.0	5,381.3	1,285.3	46.5	51,555.1
Net exposure in respect of recognised assets/(liabilities)	(34,497.0)	(6,376.5)	(1,273.8)	(947.4)	(43,094.7)

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

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)			
	31 March 2020		31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
USD (5% movement)	1,934.1	(1,934.1)	1,724.9	(1,724.9)
Euro (5% movement)	312.0	(312.0)	318.8	(318.8)
GBP (5% movement)	34.0	(34.0)	63.7	(63.7)
Others (5% movement)	38.5	(38.5)	47.4	(47.4)

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	31 March 2020	31 March 2019
Variable rate borrowings including current maturities and lease liabilities	59,373.5	69,667.6
Fixed rate borrowings	1,500.0	1,750.0
Total borrowings	**60,873.5**	71,417.6

Sensitivity analysis:

Particulars	Impact of Profit / (Loss) on consolidated Statement of profit and loss			
	31 March 2020		31 March 2019	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Variable rate instruments	(287.1)	287.1	(231.6)	231.6
Fixed rate instruments	(0.8)	0.8	(9.4)	9.4

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 31 March 2020, the Group had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

45. 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

The Groups adjusted net debt to total equity was as follows :

	As at 31 March 2020	As at 31 March 2019
Total borrowings	55,619.7	69,667.6
Less : Cash and cash equivalents	27,637.1	18,837.0
Less : Other Bank balances *	839.6	753.8
Adjusted net debt	27,143.0	50,076.8
Total Equity	168,103.8	138,907.8
Adjusted net debt to total equity ratio	0.16	0.36

* includes bank deposits against bank guarantees of ₹**55.2** (31 March 2019 : ₹19.0) classified as Other Non-current financial assets.

The Group’s capital gearing ratio, which is total debt divided by total equity plus adjusted net debt was **13.9%** (31 March 2019 : 26.5%).

46. 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.

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

47. 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 31 March 2020								As ar for the year ended 31 March 2019							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		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	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total compre-hensive income	Amount	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total compre-hensive income	Amount
Parent - Aurobindo Pharma Limited	77.48 %	130,255.6	66.19 %	18,727.4	(4.37)%	(125.5)	59.69 %	18,601.9	81.70 %	113,506.2	64.70 %	15,297.2	33.57 %	(14.1)	64.75 %	15,283.1
Subsidiaries - Indian																
APL Research Centre Limited	0.07 %	119.0	0.00 %	(0.5)	-	-	0.00 %	(0.5)	0.09 %	119.5	0.00 %	(0.1)	-	-	0.00 %	(0.1)
APL Health Care Limited	0.49 %	821.3	(1.16)%	(327.6)	0.02 %	0.2	(1.05)%	(327.4)	0.83 %	1,148.7	(1.97)%	(465.4)	4.53 %	(1.9)	(1.98)%	(467.3)
Auronext Pharma Private Limited	3.20 %	5,372.0	11.02 %	3,119.3	(0.02)%	(0.5)	10.01 %	3,118.8	1.62 %	2,253.2	7.88 %	1,863.5	(3.33)%	1.4	7.90 %	1,864.9
Auro Peptides Limited	(0.44)%	(733.4)	(1.30)%	(368.1)	(0.01)%	(0.2)	(1.18)%	(368.3)	(0.26)%	(365.2)	(0.52)%	(122.5)	(0.48)%	0.2	(0.52)%	(122.3)
Curepro Parenterals Limited	1.13 %	1,892.1	(0.30)%	(86.2)	-	-	(0.28)%	(86.2)	1.42 %	1,978.4	(0.05)%	(12.7)	-	-	(0.05)%	(12.7)
Hyacinths Pharma Private Limited	0.19 %	320.0	0.00 %	(0.5)	-	-	0.00 %	(0.5)	0.23 %	320.5	(0.01)%	(2.8)	-	-	(0.01)%	(2.8)
Silicon Life Sciences Private Limited	0.15 %	255.9	0.24 %	67.8	(0.10)%	(2.8)	0.21 %	65.0	0.14 %	190.8	0.37 %	86.5	2.38 %	(1.0)	0.36 %	85.5
AuroZymes Limited	(0.06)%	(103.5)	(0.36)%	(103.1)	-	-	(0.33)%	(103.1)	0.00 %	(0.4)	-	-	-	-	-	-
Auro Pharma India Private Limited	0.00 %	0.8	0.00 %	(0.1)	-	-	0.00 %	(0.1)	0.00 %	0.9	0.00 %	(0.1)	-	-	0.00 %	(0.1)
Auroactive Pharma Private Limited	0.00 %	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiaries - Foreign																
APL Pharma Thai Limited	0.11 %	176.7	(0.01)%	(1.8)	-	-	(0.01)%	(1.8)	0.12 %	168.8	0.00 %	(1.1)	-	-	0.00 %	(1.1)
Aurobindo Pharma Industria Farmaceutica Ltda	0.32 %	536.3	1.05 %	297.2	-	-	0.95 %	297.2	0.78 %	1,078.4	2.53 %	598.0	-	-	2.53 %	598.0
Aurobindo Pharma Produtos Farmaceuticos Ltda	0.11 %	184.4	(0.01)%	(3.2)	-	-	(0.01)%	(3.2)	0.17 %	229.7	0.06 %	13.4	-	-	0.06 %	13.4
All Pharma (Shanghai) Trading Company Limited	0.13 %	212.7	0.05 %	15.2	-	-	0.05 %	15.2	0.14 %	190.2	0.05 %	12.6	-	-	0.05 %	12.6
Helix Healthcare B.V.	10.30 %	17,320.8	1.49 %	422.2	-	-	1.35 %	422.2	9.73 %	13,519.4	0.95 %	224.3	-	-	0.95 %	224.3
Agile Pharma B.V.	4.64 %	7,804.4	1.91 %	539.5	-	-	1.73 %	539.5	4.89 %	6,790.9	3.88 %	916.6	-	-	3.88 %	916.6
Auro Pharma Inc.	0.63 %	1,061.6	0.89 %	250.8	-	-	0.80 %	250.8	0.65 %	902.1	0.52 %	123.8	-	-	0.52 %	123.8
Aurobindo Pharma (Pty) Limited	0.07 %	121.7	(0.18)%	(52.1)	-	-	(0.17)%	(52.1)	0.14 %	194.6	0.58 %	137.5	-	-	0.58 %	137.5
Auro Healthcare (Nigeria) Limited	-	-	-	-	-	-	-	-	-	-	0.00 %	(0.1)	-	-	0.00 %	(0.1)
Aurobindo Pharma Japan K.K.	0.09 %	147.3	0.01 %	4.1	-	-	0.01 %	4.1	0.09 %	128.1	0.01 %	2.9	-	-	0.01 %	2.9
Laboratorios Aurobindo, S.L.	0.09 %	156.5	0.03 %	8.8	-	-	0.03 %	8.8	0.10 %	138.1	0.12 %	28.8	-	-	0.12 %	28.8
Aurobindo Pharma (Italia) S.r.l	0.10 %	176.0	0.21 %	60.2	-	-	0.19 %	60.2	0.03 %	47.5	(0.34)%	(79.4)	-	-	(0.34)%	(79.4)
Aurobindo Pharma GmbH	0.28 %	466.3	0.33 %	94.5	-	-	0.30 %	94.5	0.31 %	429.3	0.37 %	88.3	-	-	0.37 %	88.3
Aurobindo Pharma (Romania) s.r.l	0.01 %	15.5	(0.19)%	(54.8)	-	-	(0.18)%	(54.8)	0.05 %	68.9	(0.30)%	(71.6)	-	-	(0.30)%	(71.6)
Aurovida Farmaceutica S.A. de C.V.	0.06 %	95.8	(0.67)%	(188.5)	-	-	(0.60)%	(188.5)	0.21 %	293.3	(0.51)%	(120.5)	-	-	(0.51)%	(120.5)
Aurobindo Pharma Colombia S.A.S.	0.16 %	271.7	0.29 %	81.6	-	-	0.26 %	81.6	0.17 %	235.7	0.45 %	106.3	-	-	0.45 %	106.3
Pharmacin B.V. (formerly Aurex B.V.)	0.02 %	27.4	0.03 %	8.5	-	-	0.03 %	8.5	0.01 %	17.3	0.01 %	2.0	-	-	0.01 %	2.0
Aurobindo Pharma USA Inc.	8.99 %	15,119.6	13.12 %	3,713.6	-	-	11.92 %	3,713.6	7.44 %	10,329.9	2.41 %	569.0	-	-	2.41 %	569.0
Aurolife Pharma LLC	6.69 %	11,246.0	(3.48)%	(984.0)	-	-	(3.16)%	(984.0)	8.12 %	11,279.2	1.82 %	430.4	-	-	1.82 %	430.4
Auromedics Pharma LLC	2.29 %	3,841.9	4.10 %	1,160.0	-	-	3.72 %	1,160.0	1.76 %	2,448.7	6.20 %	1,466.1	-	-	6.21 %	1,466.1
Auro Health LLC	0.64 %	1,080.9	3.07 %	868.0	-	-	2.79 %	868.0	0.13 %	174.7	3.29 %	777.4	-	-	3.29 %	777.4
Natrol LLC	3.71 %	6,235.9	6.37 %	1,802.2	-	-	5.78 %	1,802.2	2.86 %	3,976.2	5.02 %	1,186.3	-	-	5.03 %	1,186.3
Auro AR LLC	0.00 %	7.6	-	-	-	-	-	-	0.00 %	6.9	-	-	-	-	-	-
Aurobindo Pharma USA LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Auro Vaccines LLC	(0.02)%	(41.9)	(0.21)%	(59.3)	-	-	(0.19)%	(59.3)	0.01 %	19.7	(0.03)%	(8.2)	-	-	(0.03)%	(8.2)
AuroLogistics LLC	0.07 %	125.0	0.17 %	49.0	-	-	0.16 %	49.0	0.05 %	68.9	0.15 %	34.6	-	-	0.15 %	34.6
Acrotech Biopharma LLC	0.86 %	1,453.6	4.84 %	1,369.9	-	-	4.40 %	1,369.9	0.00 %	(6.3)	(0.17)%	(41.3)	-	-	(0.17)%	(41.3)
Auro Science LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Auroscience PTY Ltd, Australia	0.48 %	808.2	0.04 %	12.0	-	-	0.04 %	12.0	0.61 %	840.7	0.02 %	4.0	-	-	0.02%	4.0

Notes to Consolidated Financial Statements
for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

Name of the entity	As at and for the year ended 31 March 2020								As ar for the year ended 31 March 2019							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		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	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total compre-hensive income	Amount	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total compre-hensive income	Amount
Auro Packaging LLC	0.03 %	47.1	0.03 %	8.6	-	-	0.03 %	8.6	-	-	-	-	-	-	-	-
Aurex B.V. (formerly Pharmacin B.V.)	0.17 %	281.5	0.21 %	59.0	-	-	0.19 %	59.0	0.15 %	205.8	0.12 %	29.3	-	-	0.12 %	29.3
Milpharm Limited	0.91 %	1,526.0	1.16 %	328.9	-	-	1.06 %	328.9	0.83 %	1,146.4	0.98 %	232.2	-	-	0.98 %	232.2
Aurobindo Pharma (Malta) Limited	0.38 %	643.4	0.04 %	11.8	-	-	0.04 %	11.8	0.43 %	592.1	(0.14)%	(33.7)	-	-	(0.14)%	(33.7)
APL Swift Services (Malta) Limited	0.20 %	333.5	(0.14)%	(39.2)	-	-	(0.13)%	(39.2)	0.25 %	351.6	0.03 %	6.1	-	-	0.03 %	6.1
Arrow Generiques SAS	2.66 %	4,469.5	1.57 %	443.5	-	-	1.42 %	443.5	2.70 %	3,756.3	3.00 %	709.2	-	-	3.00 %	709.2
1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Germany	0.00 %	4.5	-	-	-	-	-	-	0.00 %	4.2	0.00 %	0.1	-	-	0.00 %	0.1
Puren Pharma GmbH (formerlyActavis Deutschland GmbH & Co., KG, Germany)	0.66 %	1,117.3	1.18 %	333.1	-	-	1.07 %	333.1	0.98 %	1,357.1	2.80 %	662.8	-	-	2.81 %	662.8
Aurovitas Spain SA	0.93 %	1,568.0	1.74 %	491.4	-	-	1.58 %	491.4	0.79 %	1,097.0	1.18 %	278.9	-	-	1.18 %	278.9
Aurovitas Pharma Polska	0.28 %	467.0	0.29 %	83.2	-	-	0.27 %	83.2	0.12 %	172.9	0.03 %	6.2	-	-	0.03 %	6.2
Aurobindo Pharma B.V. (formerly Actavis B.V.)	0.82 %	1,375.1	1.94 %	548.5	-	-	1.76 %	548.5	0.54 %	748.7	1.63 %	384.8	-	-	1.63 %	384.8
Generis Farmaceutica S.A.	4.36 %	7,331.0	(1.41)%	(398.7)	-	-	(1.28)%	(398.7)	5.24 %	7,273.3	(1.79)%	(422.9)	-	-	(1.79)%	(422.9)
Generis Phar, Unipessoal Lda	0.00 %	0.5	-	-	-	-	-	-	0.00 %	0.5	0.00 %	0.3	-	-	0.00 %	0.3
Aurovitas Pharma Ceska Republica s.r.o	(0.01)%	(15.0)	(0.91)%	(256.1)	-	-	(0.82)%	(256.1)	0.17 %	236.4	(0.15)%	(36.0)	-	-	(0.15)%	(36.0)
Aurogen South Africa (PTY) Ltd	0.69 %	1,166.1	1.50 %	424.1	-	-	1.36 %	424.1	0.64 %	891.8	3.11 %	736.2	-	-	3.12%	736.2
Aurobindo Pharma Saudi Arabia Limited Company	0.07 %	110.2	(0.11)%	(30.0)	-	-	(0.10)%	(30.0)	0.09 %	130.3	(0.13)%	(31.1)	-	-	(0.13)%	(31.1)
Aurovitas Pharma (Taizhou) Ltd	0.92 %	1,551.1	(0.03)%	(8.7)	-	-	(0.03)%	(8.7)	0.26 %	367.2	(0.12)%	(29.0)	-	-	(0.12)%	(29.0)
Aurobindo Pharma FZ-LLC	0.00 %	5.8	(0.05)%	(13.0)	-	-	(0.04)%	(13.0)	0.00 %	0.9	-	-	-	-	-	-
Apotex N.V.	0.22 %	375.8	(0.15)%	(42.8)	-	-	(0.14)%	(42.8)	0.28 %	394.9	(0.14)%	(32.8)	-	-	(0.14)%	(32.8)
Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o.)	0.38 %	637.0	(0.47)%	(132.5)	-	-	(0.43)%	(132.5)	0.55 %	767.6	0.03 %	6.5	-	-	0.03 %	6.5
Apotex Europe B.V.	0.14 %	236.9	0.00 %	(0.8)	-	-	0.00 %	(0.8)	0.16 %	223.1	0.01 %	3.0	-	-	0.01 %	3.0
Apotex Polska sp. z.o.o.	-	-	-	-	-	-	-	-	0.34 %	475.4	(0.03)%	(6.4)	-	-	(0.03)%	(6.4)
Apotex Espana SL	-	-	-	-	-	-	-	-	0.10 %	143.3	(0.50)%	(117.8)	-	-	(0.50)%	(117.8)
Apotex Nederland B.V.	(0.39)%	(649.4)	(9.76)%	(2,761.6)	-	-	(8.86)%	(2,761.6)	1.53 %	2,118.0	(0.47)%	(104.6)	-	-	(0.44)%	(104.6)
Sameko Farma B.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leidapharm B.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marel B.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharma Dossier B.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CuraTeQ Biologics GmbH	0.03 %	56.8	(0.06)%	(15.7)	-	-	(0.05)%	(15.7)	0.00 %	(2.5)	(0.02)%	(3.8)	-	-	(0.02)%	(3.8)
Aurobindo NV/SA	0.00 %	(4.7)	(0.03)%	(9.3)	-	-	(0.03)%	(9.3)	-	-	-	-	-	-	-	-
Joint Ventures (accounted under equity method)																
Joint Ventures - Foreign																
Novagen Pharma (Pty) Ltd	N.A*	N.A*	0.16 %	46.4	N.A*	N.A*	0.15 %	46.4	N.A*	N.A*	0.28 %	65.9	N.A*	N.A*	0.28 %	65.9
Purple BellFlower (Pty) Ltd	N.A*	N.A*	0.00 %	2.7	N.A*	N.A*	0.01 %	2.7	N.A*	N.A*	-	-	N.A*	N.A*	-	-
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd.	N.A*	N.A*	0.00 %	0.9	N.A*	N.A*	0.00 %	0.9	N.A*	N.A*	-	-	N.A*	N.A*	-	-
Longxiang Pharma Taizhou Co. Ltd	N.A*	N.A*	0.00 %	2.5	N.A*	N.A*	0.01 %	2.5	N.A*	N.A*	-	-	N.A*	N.A*	-	-
Novagen BBBEE Invest Co (Pty) Ltd	N.A*	N.A*	-	-	N.A*	N.A*	-	-	N.A*	N.A*	-	-	N.A*	N.A*	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

Name of the entity	As at and for the year ended 31 March 2020								As ar for the year ended 31 March 2019							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		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	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total compre-hensive income	Amount	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total compre-hensive income	Amount
Joint Ventures - Indian																
Eugia Pharma Specialities Limited	N.A*	N.A*	(0.56)%	(158.6)	N.A*	N.A*	(0.51)%	(158.6)	N.A*	N.A*	(0.07)%	(16.1)	N.A*	N.A*	(0.07)%	(16.1)
Tergene Biotech Private Limited	N.A*	N.A*	(0.15)%	(43.6)	N.A*	N.A*	(0.14)%	(43.6)	N.A*	N.A*	(0.20)%	(47.3)	N.A*	N.A*	(0.20)%	(47.3)
Raidurgam Developers Limited (formerly Aurobindo Antibiotics Limited)	N.A*	N.A*	(0.01)%	(2.0)	N.A*	N.A*	(0.01)%	(2.0)	N.A*	N.A*	0.00 %	(1.0)	N.A*	N.A*	0.00 %	(1.0)
Minority Interests in all subsidiaries	0.00 %	1.4	(0.05)%	(14.5)	-	-	(0.05)%	(14.5)	0.01 %	15.9	(0.01)%	(2.3)	-	-	-	-
Total	136.49%	229,486.3	103.61 %	29,328.5	(4.48)%	(128.8)	93.69%	29,199.7	140.48%	195,159.9	106.94 %	25,285.0	36.67 %	(15.4)	107.05%	25,267.3
Consolidation adjustments	(36.49)%	(61,381.1)	(3.61)%	(1,033.3)	104.48 %	3,000.0	6.31 %	1,966.7	(40.48)%	(56,236.2)	(6.94)%	(1,640.0)	63.33 %	(26.6)	(7.05)%	(1,664.3)
Net amount	100.00%	168,105.2	100.00%	28,295.2	100.00%	2,871.2	100.00%	31,166.4	100.00%	138,923.7	100.00%	23,645.0	100.00 %	(42.0)	100.00%	23,603.0

* Not Applicable

Note :

1. 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.

2. Percentages below 0.01% have been disclosed as 0.00%.

48 CONTRIBUTION TO POLITICAL PARTIES AS PER SECTION 182 OF COMPANIES ACT, 2013. (Included In Miscellaneous Expenses)

	For the year ended 31 March 2020	For the year ended 31 March 2019
To political parties	0.1	1.3
Purchase of Electoral Bonds in accordance with the Electoral Bond Scheme notified by the Government of India	210.0	500.0

49. EXCEPTIONAL ITEMS

Exceptional items for the current year represent acquisition related costs charged to consolidated statement of profit and loss in accordance with Ind AS 103 - Business Combination.

50. 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 / Consolidated entities’ 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian Rupees in millions, except for share data and where otherwise stated)

Operations of the Group / Consolidated entities 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 31 March 2020	For the year ended 31 March 2019
India	22,415.1	23,128.0
USA	116,782.6	93,242.5
Europe	72,767.6	61,072.9
Rest of the world	19,019.7	18,192.0
	230,985.0	195,635.4

b) Non-current assets (other than financial instruments and deferred tax assets)

	As at 31 March 2020	As at 31 March 2019
India	61,040.0	57,929.0
USA	38,220.2	32,178.2
Europe	18,728.1	15,365.0
Rest of the world	2,838.7	1,804.1
	120,827.0	107,276.3

c) The Group has no external customer which accounts for more than 10% of the Group's total revenue for the year ended 31 March 2020 and 31 March 2019.

As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642

Place: Hyderabad
Date: 3 June 2020

for and on behalf of the Board of Directors of
Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: 3 June 2020

AUROBINDO

Committed to healthier life!

REGISTERED OFFICE

Plot No. 2, Maithrivihar Ameerpet
Hyderabad - 500 038
Telangana, India

CORPORATE OFFICE

Water Mark Building, Plot No. 11, Survey No. 9
Kondapur, Hitech City, Hyderabad - 500 084
Telangana, India

www.aurobindo.com

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