ajanta pharma limited

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15th June 2021

BSE LIMITED Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001 **Scrip Code: BSE – AJANTPHARM 532331**	National Stock Exchange of India, Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 **Scrip Code: NSE AJANTPHARM EQ**

Sub.: Regulation 34 - Annual Report for financial year 2020-21

Dear Sir/Madam,

We hereby inform that the Forty-Second Annual General Meeting ('AGM') of the Company will be held on Wednesday, 14th July 2021 at 11.00 a.m. through Video Conferencing or Other Audio Visual Means.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2020-21 along with Notice of the AGM.

The Annual report and the Notice of AGM are being sent to the members through electronic mode and the same are also uploaded on the Company's website http://www.ajantapharma.com/AnnualReports.aspx.

Kindly take the same on your records.

Yours faithfully,

GAURANG SHAH
VP - Legal & Company Secretary

ajanta pharma limited

Persistent to GROW

Annual Report
2020-21

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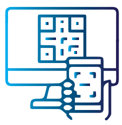
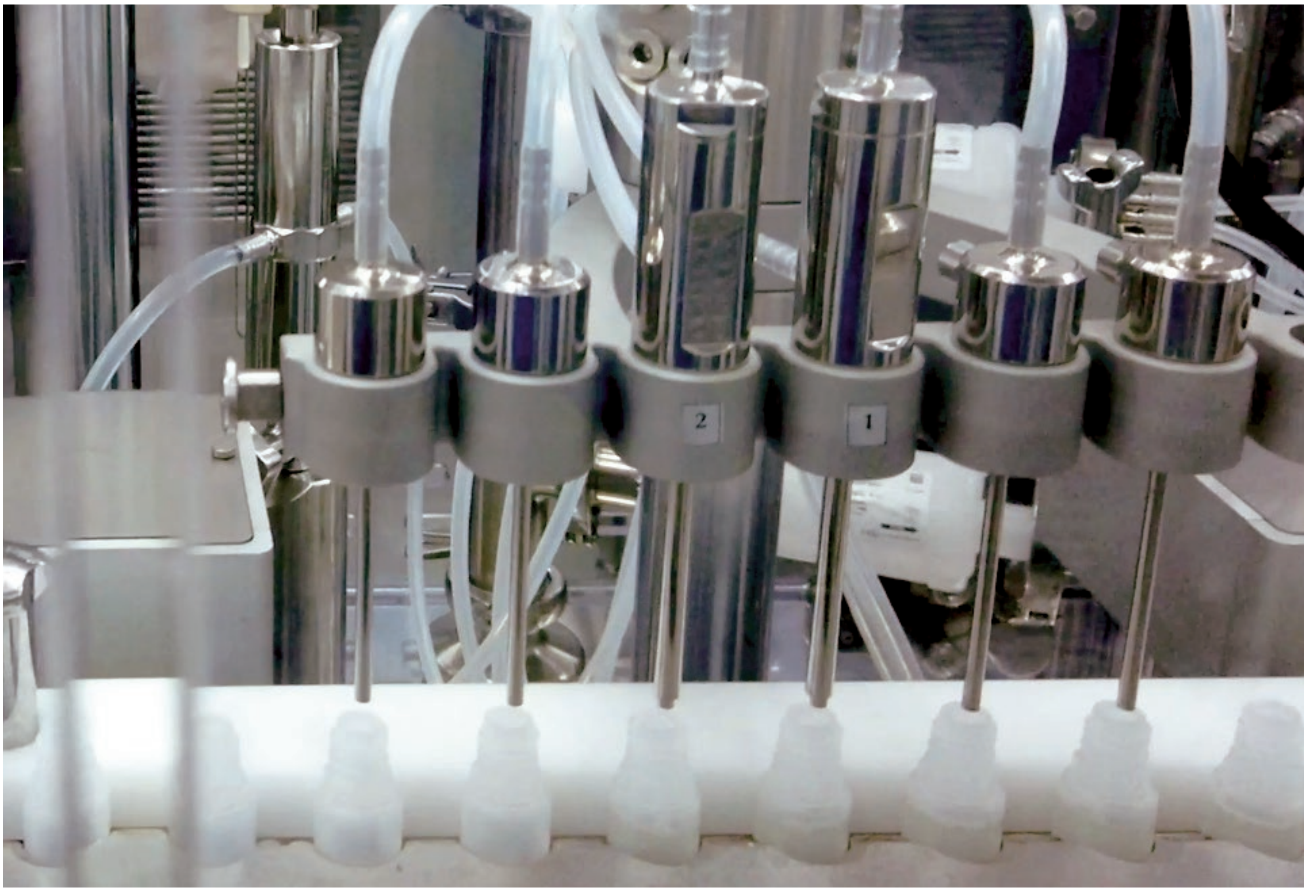


For online version of this annual report, please visit:

http://www.ajantapharma.com

or simply scan

Persistent to Grow



Sterile Eye Drop Production Unit at Guwahati Facility

***Persistent to Grow* is exhibited in our determination to perform despite all odds.**

It was indeed a tough year with COVID-19 pandemic disrupting life and businesses across the world. Our business was disrupted too with the initial lockdowns leading to impact on manufacturing, R&D and marketing activities globally. While the fear of the unknown gripped the world, our proactive preparation with adequate inventory levels of key raw materials, quick transition to digital marketing efforts and preparedness for the work-from-home facility for Ajantaites ensured that we bounce back quickly. The year saw gradual normalization of activities over a long period but we were able to achieve impressive realization of opportunities in various markets.

These pages detail our persistent efforts to grow. We are sincerely determined to maintain our profitable growth trajectory despite various challenges that our business keeps facing.

Letter to Shareholder

WE GENERATED OPERATING FREE CASH FLOW OF ₹ 284 CR. IN THE YEAR.

Yogesh M. Agrawal
Managing Director

Dear Shareholder,

We sincerely hope that all of you are safe and healthy and you have emerged stronger out of the unprecedentedly challenging year. FY 2021 saw the full impact of COVID-19 on life and business. As we were *Persistent to Grow*, we quickly adapted to the new normal for working. We ensured that we service all our customers globally without any interruption or shortages in supply of essential medicines. This has enabled us to achieve once again a remarkable performance in a difficult year.

There were series of measures taken at every level of operations. The beginning was with our complete concentration on keeping the manufacturing operations going, with safety of our employees being the first priority. Immediate steps were taken for our team members to reach our manufacturing facilities and back home safely on daily basis, training to take extra care during pandemic, sanitisation at every stage, social distancing and other measures prescribed from time to time. We are happy to say that we lost minimum production even in the most challenging times of our generation.

Supply chain was another major area where we had to proactively take some difficult decisions. As soon as we realised the possible disruption due to the pandemic, we increased our inventory levels. This not only increased our investment in working capital but also came at little higher cost. Similarly, on the other side of the supply chain, we ensured regular dispatches both in India and globally, in spite of steep increase in freight costs across locations.

The year witnessed our determination to complete the 1st in-house production line for sterile ophthalmic products at our Guwahati facility, despite the challenges.

You will be glad to know that our marketing teams across the globe had quickly adapted to the digital media. Webinars on different subjects, expert talks, interactive meetings, group meeting, etc. became the new normal in terms of our customer relationship management initiatives. Medical professionals, who participated in these events in large numbers, also appreciated our efforts.

Our R&D activities suffered the maximum impact of the lockdowns. Delays in completion of projects resulted in we missing out on many targets for product filings across global markets. However, our team geared up after the operations were allowed. The team is committed to recuperate part of the delays in the coming months.

All these and many more initiatives show our commitment to persistently grow to serve our customers, the stakeholders of the Company, including you, our dear shareholders.

Segment Review

Ajanta's unique positioning of having over 68% of sales coming from branded generics from diversified markets

OUR MARKETING TEAMS ACROSS THE GLOBE HAD QUICKLY ADAPTED TO THE DIGITAL MEDIA.

Rajesh M. Agrawal
Joint Managing Director

of 30 countries across India, Asia and Africa, is a part of our persistent growth plan. As the year exhibited, branded generics business managed to grow at 8% in spite of adversity. India business grew by 6%, whereas the emerging markets branded generics revenue grew by 9%. This is certainly a remarkable achievement considering the circumstances prevailing during the year.

Our generics business in the US achieved a healthy growth of 24% during the year. This was on the back of 12 Abbreviated New Drug Application (ANDA) approvals (including tentative) and 9 product commercialisations during the year.

Our institutional sales in Africa also saw a growth of 11% on the back of confidence reposed in us by the funding agencies and we have been able to retain our market share in this category.

Financial Highlights

Despite the unprecedented challenges, revenue from operations grew by 12% to ₹ 2,890 cr., which reaffirms our determination to achieve growth in spite of all odds. In the first half of the year, our EBITDA margin jumped to 35% from 26% on account of savings in marketing, R&D and other costs due to lockdown in the first half of the year. In the second half of the year, operations began to resume to normalcy, these expenses have resumed to its normal levels. There will certainly be some operating leverage in new manufacturing facilities attributed to higher capacity utilisation, we expect our EBITDA margin to get normalised going forward.

Our net profit for the year grew by 40% to ₹ 654 cr. Our balance sheet position remains pristine with more than ₹ 375 cr. as cash and liquid investments, even after paying back ₹ 250 cr. to shareholders through Buyback (₹ 136 cr. and tax on it ₹ 31 cr.) and dividend (₹ 83 cr.). We generated operating free cash flow of ₹ 284 cr. in the year. We remain prudent on our capital allocation with returning excess cash generated in the business to shareholders.

Ajantaites, the world over, have shown exemplary commitment in the fight against COVID-19, ensuring supply of essential drugs. Despite all the challenges, they exhibited their passion to drive growth, which is reflecting on the Company's achievements. We sincerely congratulate all Ajantaites for the same.

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

Warm Regards,

Yogesh M. Agrawal
Managing Director

Rajesh M. Agrawal
Joint Managing Director

Business Overview

CONSOLIDATED REVENUE FROM OPERATIONS

₹ 2,890 cr.

REVENUE FROM OPERATIONS SPENT ON R&D

5%

AJANTAITES ACROSS THE WORLD

7,000+

Growth Drivers

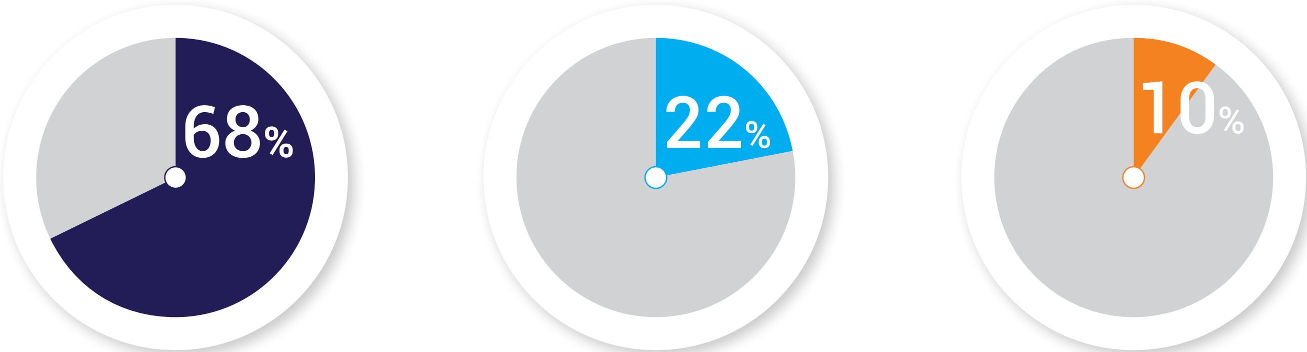
CUSTOMISED
Market specific product portfolio

Many
1ST TO MARKET
products

Leveraging
BRAND POWER
of our key products

10 TO 12 ANDAS
filing in US every year

Sales % by Market Segments



Branded Generics
(India & Emerging Markets)

US Generics

Institution

Vision

Be a niche player in global pharma space and to enhance value for all stakeholders.

Mission

To serve global healthcare needs through empathy, innovation and technology.

Persistent in Action

Expecting the unexpected, though rare, is a part of the business risk management.

FY 2021 was one of those rare years when global pandemic caught businesses off guard. But Ajanta Pharma, like always, remained persistent in action.

Our agile response mechanism built over the years, healthy balance sheet, diversified markets and customised business segments for each market, gave us the strength to persist with the growth despite all odds.

Branded Generics

Branded generics is core to our business and it is the result of us being *Persistent to Grow*. We have been able to grow this business consistently over the years, with carefully cultivated markets and customised product portfolio in India and, across 30 countries. The passion to persistently perform enabled us to take a unique path of having our own ground presence for marketing and promotion in every market, which enabled us to overcome the challenges of the COVID-19 pandemic.

FY 2021 started with the pandemic and its impact was maximum during initial months due to lockdowns imposed across the markets. Initially, there was shock. On one side we had to ensure uninterrupted supply of life-saving medicines, especially looking at the emergency situation, and on the other side, there were challenges on movement of goods and people.

We could, however, overcome this quickly, with better supply chain management and adopting digital media to reach doctors in all the markets where we are present. This helped our overall branded generics business grow by 8% to ₹ 1,937 cr.

India

At ₹ 813 cr. India business contributed 28% of total revenue from operations and 42% of branded generics business. The year was indeed challenging with Indian Pharmaceutical Market (IPM) achieving only marginal growth of 4% as per IQVIA. Ajanta did better with 8% growth as we persisted with our product launches and outreach programmes for doctors through digital means.

We launched 21 new products in the Indian market, out of which, 5 were 1st to Market. These new launches were spread across all our 4 focused therapies of Ophthalmology, Cardiology, Dermatology and Pain Management. These launches provided renewed momentum to our basket of over 300 products in India and they will enable us to persist on our growth path despite challenges.

Emerging Markets

Emerging markets across Asia and Africa largely performed well with a growth of 9% for the year. It was lower than our expectations due to impact of the pandemic in few countries. Like the Indian market, here also, we have focused therapy approach, which is allowing us to remain persistent for growth in these markets.

We continue to add new products (19 in FY 2021) in these markets and also add new therapies to satisfy the unmet medical needs of the patients. Our digital efforts to connect with medical professionals across these markets were appreciated by all and we received very good response from them. We were able to provide latest updates to our customers on our products and therapies through this medium during the ongoing pandemic.

With our persistent efforts, we hope to continue on our growth trajectory in these markets in the coming years.

US Generics

The US Generics business is now the second largest contributor to our revenue from operations, with over 22% share in FY 2021. Despite the lockdown challenges, it grew by 24% for the financial year.

Our strategy, of a selective play in the market with the launch of limited competition products, has helped us achieve this. We received 12 ANDA approvals (including tentative) and commercialised 9 products during the year. With this, we have a total of 36 products on the shelf in the US markets.

Our ANDA filing for the financial year has seen the maximum impact of lockdown with filings of only 2 ANDAs against our planned filing of 10 to 12 ANDAs. We are confident that we will be back on track in FY 2022 in terms of our filing targets. We continue to work with all major customers in the US, with an impeccable service record, which makes us a preferred partner for them in the US market. We expect our growth momentum in the US to continue on the back of new product launches and market share gain by existing products.

Institution

Our anti-malaria institution business now contributes 10% of sales. In the year it grew by 11%.

We maintain our stance on the institutional business being lumpy in nature, as it depends on funding bodies. But our resolve to grow remains intact as we are committed to protect our market share without any compromise.

Persistent Infrastructure

Ajanta Pharma's strength lies in fulfilling the unmet needs of patients through quality products customised for each of the markets we are present in. With the emergent needs of our ever-expanding business, it is critical that our infrastructure also remains persistent in meeting the growing demands.

We have been able to proactively build our infrastructure in the past few years. The latest addition of production line for sterile eye drops at our Guwahati facility is a step in that direction. Now, we have large capacities to make formulation products in different dosage forms.

Our state-of-the-art R&D facility in Mumbai consistently develops products that are differentiated in the market place and files applications with respective health authorities for approval. This enables a regular flow of new products for each of our markets to pursue growth.

We are also committed to clean environment, and in that direction, we are adding the renewable energy portfolio for our captive consumption.

Manufacturing Capabilities

GUWAHATI, ASSAM
Tablets, Capsules, Ointments, Jelly & Sterile Eyedrops

PITHAMPUR, MADHYA PRADESH
Tablets & Capsules

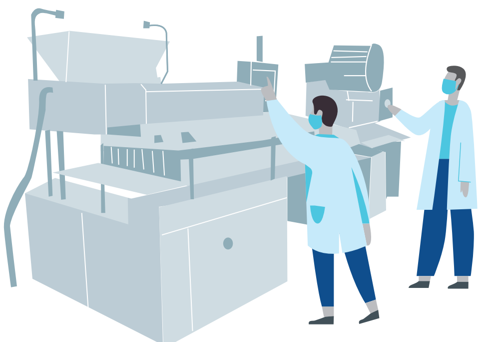
PAITHAN, MAHARASHTRA
Tablets, Capsules & Dry Powder

CHITTEGAON, MAHARASHTRA
Tablets, Capsules, Powder & Jelly

DAHEJ, GUJARAT
Tablets, Capsules, Powder & Jelly

CHIKALTHANA, MAHARASHTRA
Liquid & Capsules

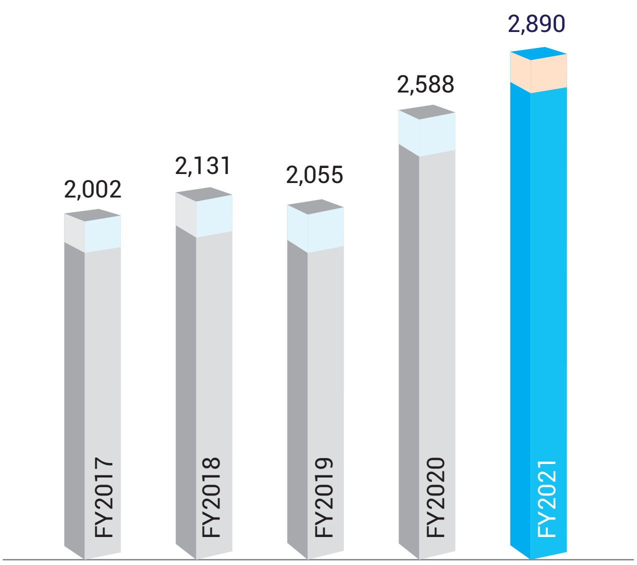
WALUJ, MAHARASHTRA
Active Pharma Ingredient



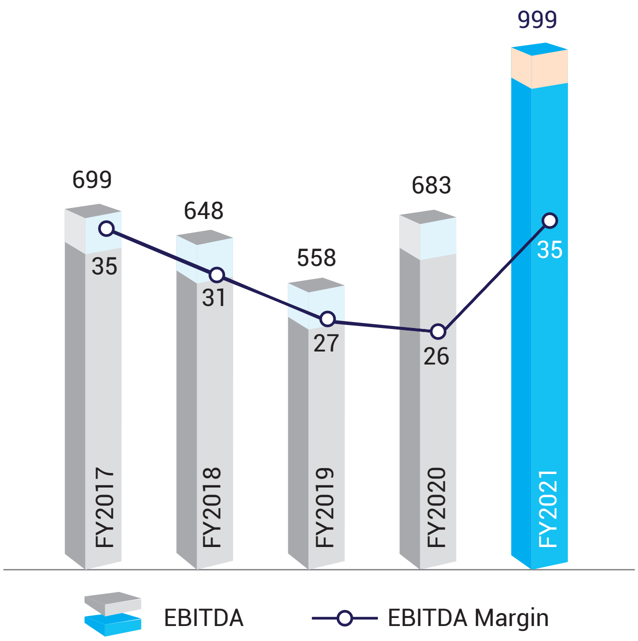
- Formulation Facility
- API Facility (Captive consumption)

Financial Overview

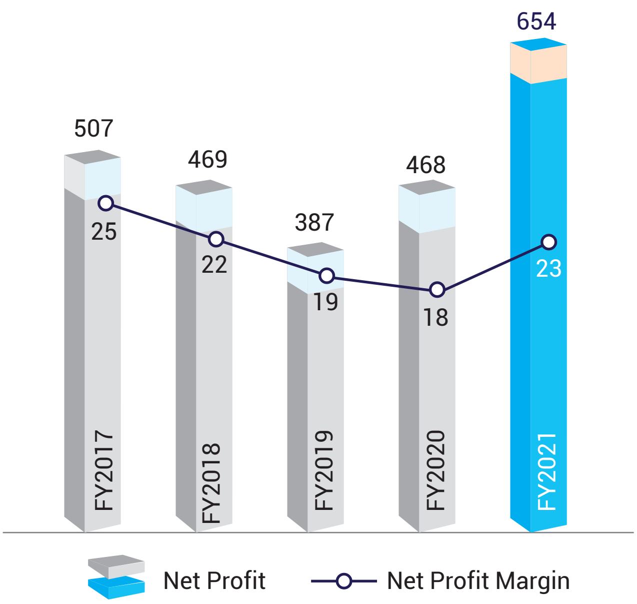
Revenue from Operations (₹ cr.)



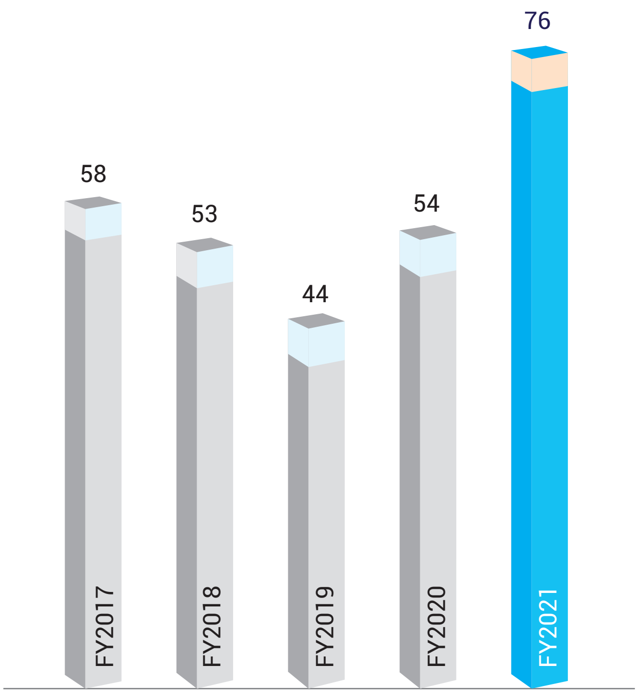
EBITDA (₹ cr.)
EBITDA Margin (%)



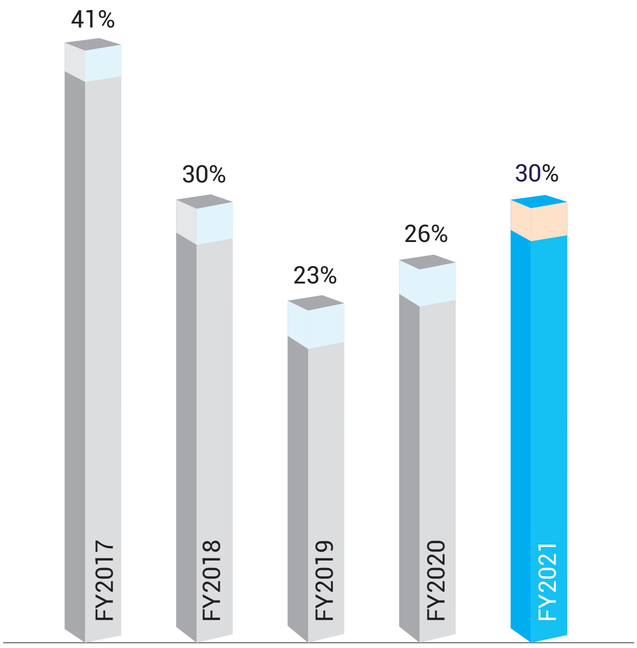
Net Profit (₹ cr.)
Net Profit Margin (%)



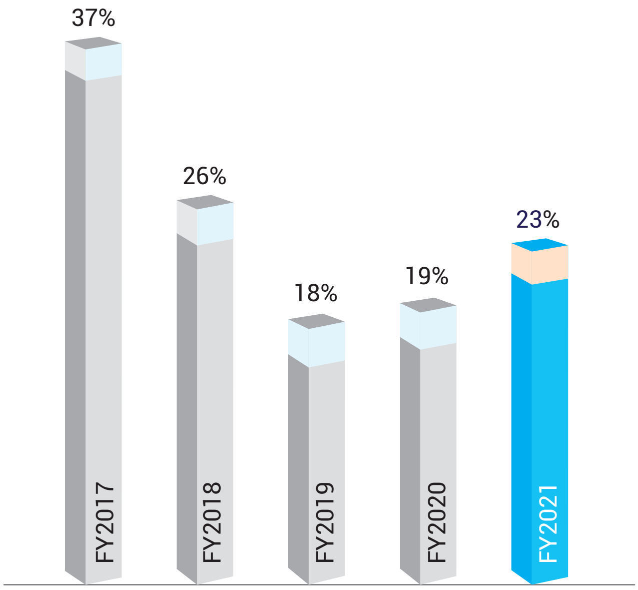
EPS (₹)



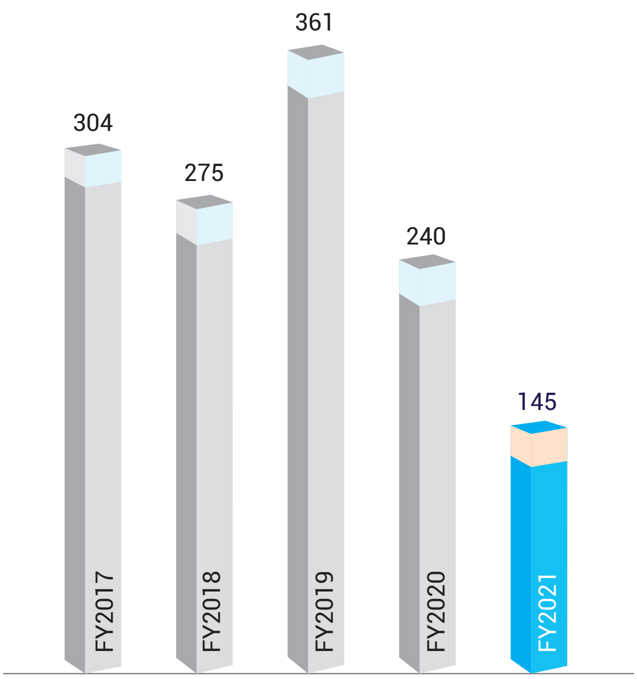
RoCE (%)



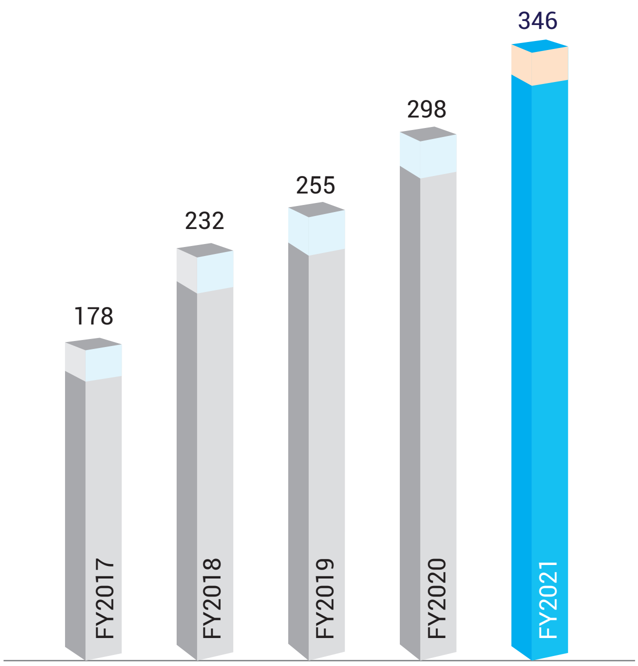
RoNW (%)



Capital Expenditure (₹ cr.)



Book Value per Share (₹)



Corporate Information

Board of Directors

Mannalal B. Agrawal .... *Chairman*

Madhusudan B. Agrawal .... *Vice Chairman*

Yogesh M. Agrawal .... *Managing Director*

Rajesh M. Agrawal .... *Joint Managing Director*

Chandrakant M. Khetan .... *Independent Director*

K. H. Viswanathan .... *Independent Director*

Prabhakar R. Dalal .... *Independent Director*

Dr. Anjana Grewal .... *Independent Director*

Chief Financial Officer

Arvind Agrawal

Company Secretary

Gaurang Shah

Auditors

M/s B S R & Co. LLP

Cost Auditors

M/s Sevekari, Khare & Associates

CIN No.

L24230MH1979PLC022059

Registered Office

Ajanta House, Charkop, Kandivli (West),
Mumbai – 400 067
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Email: info@ajantapharma.com
Website: www.ajantapharma.com

Management Discussion and Analysis

ECONOMIC OVERVIEW AND OUTLOOK

It is over a year since the COVID-19 pandemic hit us hard through public health crisis and economic disruption. Though the accumulating human toll continues to raise concerns, the growing vaccine coverage is lifting sentiments.

In this scenario, high uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. The contraction of activity in 2020 was unprecedented. As per IMF, the global economy contracted -3.3 percent in 2020. IMF now projects the global economy to grow at 6 percent in 2021, and moderating to 4.4 percent in 2022. Over the medium term, global growth is expected to moderate to 3.3 percent.

Thanks to unprecedented policy response, the COVID-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.

Future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage; the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy.

PHARMACEUTICAL SECTOR OVERVIEW

Pharmaceutical has always been one of the significant contributors to the world economy. Its importance has, however, grown beyond its individual contribution to the impact it has on the world economy – amidst the ongoing global COVID-19 pandemic.

As per Global Medicines & Usage Trends to 2025 report by IQVIA in April 2021, the total cumulative spending on COVID-19 vaccine through 2025 is projected to be USD 157 billion, largely focused on the initial wave of vaccinations to be completed by 2022. In later years, booster shots are expected to be required on a biennial basis as the durability of immunity and the continued emergence of viral variants make an endemic virus the most likely outcome.

INVOICE SPENDING AND GROWTH

Despite the unprecedented dynamics at play with the COVID-19 pandemic, medicine spending growth will continue to be driven by traditional factors including patent expiries, launches of new medicines as well as changing volume demand particularly in pharmerging and lower income countries.

As per the IQVIA report, the global medicine spending — the amount spent purchasing medicines from manufacturers before off-invoice discounts and rebates — is expected to reach about USD 1.6 trillion in total market size in 2025, registering 3-6% CAGR. This excludes spending on COVID-19 vaccines. This estimate does not reflect the true spending level net of discounts and rebates; it is more helpful when focused on growth trends or volume metrics.

USD 1.6 trillion

Expected total market size of medicines purchased from manufacturers (excl. discounts and rebates) by 2025

7-10%

CAGR over 2021-25 of invoice spending and growth in pharmerging market

Management Discussion and Analysis

Exhibit 1: Global Invoice Spending and Growth

Invoice Spending and Growth	2020 Spending USD Bn	2016-2020 CAGR	2025 Spending USD Bn	2021-2025 CAGR
Developed	960	3.8%	1,130-1,160	1.5-4.5%
Pharmerging	291	7.4%	415-445	7-10%
Rest of the World	15	3.9%	18-22	3-6%
Global	1,265	4.6%	1,580-1,610	3-6%

Source: IQVIA April, 2021 Report "Global Medicines & Usage Trends to 2025"

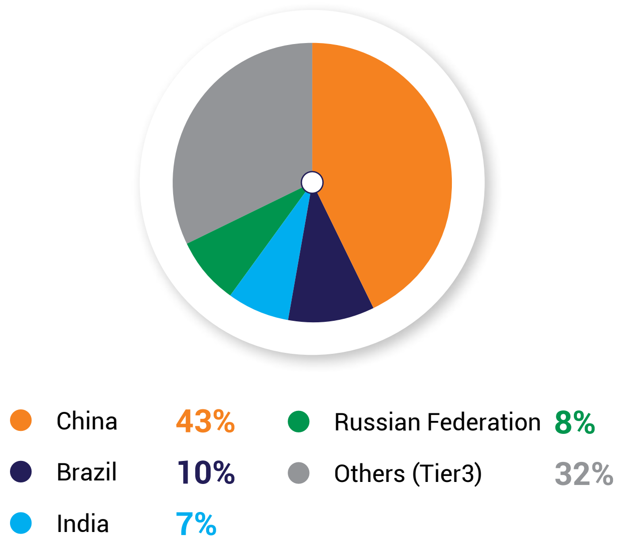
As per IQVIA, USA's share in global invoice spending is projected to increase to USD 605-635 billion in 2025 from USD 527.8 billion in 2019. This will be at a CAGR of 2-5% as compared with 4.2% CAGR in the previous 5 years.

Exhibit 2: Invoice Spending and Growth in Pharmerging Markets

Pharmerging Markets	2020 Spending USD Bn	2016-2020 CAGR	2025 Spending USD Bn	2021-2025 CAGR
China	134	4.9%	170-200	4.5-7.5%
Brazil	29	10.7%	43-47	7.5-10.5%
India	21	9.5%	28-32	7.5-10.5%
Russian Federation	18	10.8%	33-37	11-14%
Others (Tier3)	89	9.6%	120-150	8.5-11.5%
Total Pharmerging	291	7.4%	415-445	7-10%

Source: IQVIA April, 2021 Report "Global Medicines & Usage Trends to 2025"

Estimated share of invoice spending and growth by pharmerging countries by 2025 (in %)



Size of Indian Pharmaceutical Market (IPM) in 2020

Growth in Global Medicine Spending will be lifted by stronger pharmerging market growth through 2025 and offset by developed market losses of exclusivity for original brands. This is in line with the trend over the past 10 years, when the relative spending of countries has shifted. Generally, pharmerging countries have risen while slower-growing, developed markets have dropped.

Most pharmerging market growth has been driven by access expansions, leading to greater volume use and adoption of more novel therapies. These include specialty medicines, which are projected to contribute more to spending than in previous periods. However, most of the products used in these countries are non-original products, which aids in keeping spending low despite expanding volume.

As per the IQVIA, in 2020, the Indian Pharmaceutical Market (IPM) stood at USD 21.1 billion, growing at a 9.5% CAGR in the 2015-20 period. The growth was achieved on the back of rise in volume, price increase and new product launches.

Management Discussion and Analysis

COMPANY OVERVIEW

Ajanta Pharma is a specialty pharmaceutical formulation company engaged in the development, manufacture and marketing of quality finished dosages. The Company has a well-diversified business model in terms of markets, therapies and products to fulfil unmet patient needs. This also helps us de-risk the business to a large extent from possible uncertainties in the business environment. The largest contribution of near 68% of business comes from a wide range of branded generic products in around 30 countries in Asia (including India) and Africa. Each geography has carefully chosen therapies and products to make our business valuable. Additional about 22% comes from generics business in the world's largest market the USA and remaining comes from anti-malaria institutional business in Africa.

In addition to that our focused marketing approach with ground presence in each of our markets makes our business persistent to grow.

PERFORMANCE HIGHLIGHTS

Following analysis and discussion are based on the consolidated financials of the Company for the financial year 2021. It covers different business verticals as well as the consolidated financial position as a whole.

INDIA BUSINESS

The year was indeed challenging due to COVID-19 led lockdowns affecting new prescription generation across multiple therapies. Indian Pharmaceutical Market (IPM) achieved only marginal growth of 4% to ₹ 1,56,797 cr. as per IQVIA.

Ajanta once again surpassed industry with 8% growth, as we persisted with our product launches and outreach programmes for doctors through digital means. This also helped us improve our company ranking in IPM to 28th from 30th last year.

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

(₹ cr.)

Particulars	Mar-21	Mar-20
Indian Pharma	₹ 1,56,797	₹ 1,50,153
Industry Growth	4%	11%
Ajanta Pharma Growth	8%	13%
Ajanta Pharma Rank	28	30
Ophthalmology	₹ 2,826	₹ 2,868
Industry Growth	(1%)	11%
Ajanta Pharma Growth	1%	17%
Ajanta Pharma Rank	2	2
Cardiology	₹ 20,188	₹ 17,452
Industry Growth	13%	12%
Ajanta Pharma Growth	14%	11%
Ajanta Pharma Rank	18	17
Dermatology	₹ 11,884	₹ 11,225
Industry Growth	6%	9%
Ajanta Pharma Growth	8%	6%
Ajanta Pharma Rank	15	14
Pain Management	₹ 11,605	₹ 11,637
Industry Growth	(1%)	12%
Ajanta Pharma Growth	18%	16%
Ajanta Pharma Rank	33	39

Source: IQVIA MAT March 2021

We continue with our efforts to launch differentiated 1st to Market products, with 21 launches this year out of which 5 were 1st to market. Our existing brands also continue to gain market share giving us persistent growth.

21

Products launched in 2020-21

5

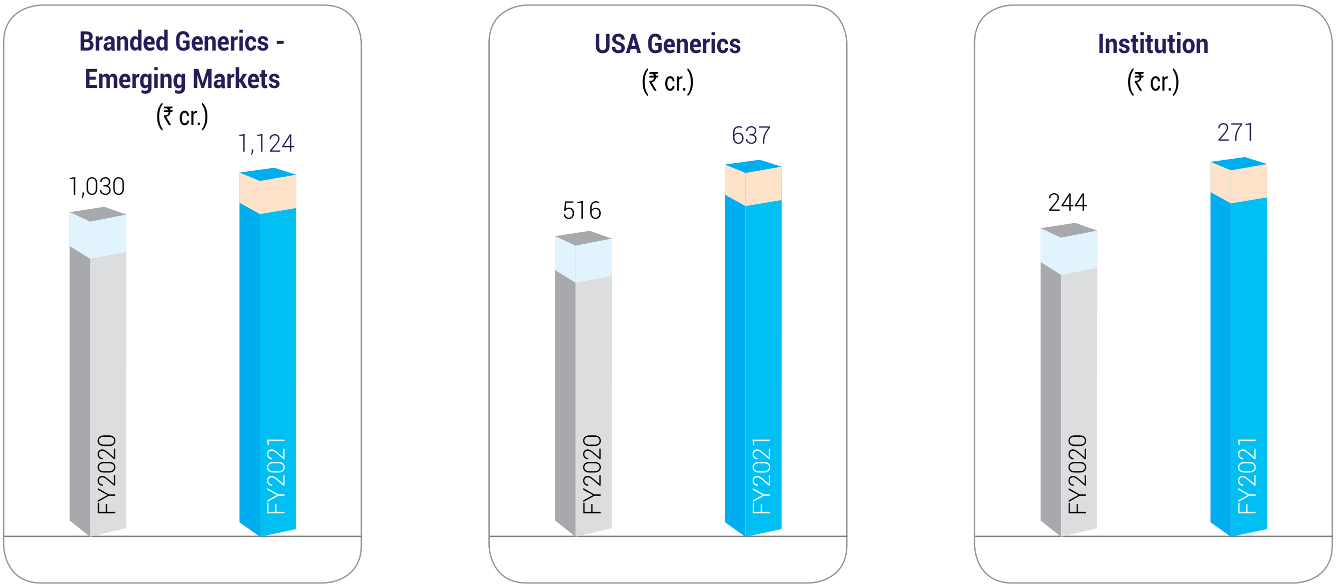
1st to market products launched in 2020-21

Management Discussion and Analysis

INTERNATIONAL BUSINESS

Despite the COVID-19 challenges, international business for FY 2021 grew by 14%. It was backed by robust growth of 9% in branded generics markets of Asia (excluding India) and Africa, 24% growth in the US generics and growth of 11% in anti-malaria institutional business. It is this diversified exposure of exports business that gives us the strength to perform persistently.

Exhibit 4: Exports Bar Graph



Source: Company

OPERATIONAL AND FINANCIAL PERFORMANCE

It was an unprecedentedly challenging year. But our agile management of the business environment and focused approach to fulfilment needs helped us record strong growth.

Exhibit 5: Operational Performance

(₹ cr.)

	FY 2021	*%	FY 2020	*%	% Annual Growth
Export	2,032	70%	1,790	69%	14%
Domestic	813	28%	769	30%	6%
Other Op. Income	44	2%	29	1%	52%
Revenue from Operations	2,890		2,588		12%
EBITDA	999	35%	683	26%	46%
PBT	900	31%	664	26%	36%
PAT	654	23%	468	18%	40%
Total Comprehensive Income	648	23%	473	18%	37%

* - % to Revenue from Operations

Source: Company

Management Discussion and Analysis

Revenue from operations

Revenue from operations stood at ₹ 2,890 cr. in FY 2021 against ₹ 2,588 cr. in FY 2020, registering growth of 12%. Other operating income mainly represents export incentives, some of which have been discontinued from 01 Jan 2021 and hence will have impact going forward.

Material costs

Material cost has seen a major shift during the year, moving from 25% in FY 2020 to 22% in FY 2021, an improvement of 300 basis points. This improvement was due to multiple factors including rupee depreciation, positive product mix, etc.

Employee expenses

Personnel expenses remained unchanged to 19% of revenue from operations in both the years. Total cost stood at ₹ 548 cr. in FY 2021 against ₹ 486 cr. for FY 2020. The increase in absolute amount was on account of annual increments, full year cost of some of the plants compared to part of the year in previous year and additional manpower at the new sections in Guwahati facility.

Other expenses

Other expenses stood at ₹ 698 cr. in FY 2021 (24% of revenue from operations) as against ₹ 763 cr. in FY 2020 (29% of revenue from operations), a 500 basis point improvement over previous year. The reduction was mainly in first half of the year, in marketing and R&D cost due to lockdown. R&D cost came down to 5% of revenue from operations in FY 2021. In absolute amount, it stood at ₹ 139 cr. in FY 2021 against ₹ 164 cr. in FY 2020. These expenses were normalised in second half of the year and expected to remain at that level going forward.

Operating Profit Margin

EBITDA in FY 2021 stood at ₹ 999 cr. registering a 46% growth over ₹ 683 cr. in FY 2020. In terms of percentage to revenue to operations it stood at 35% in FY 2021 against 26% in FY 2020. The increase was mainly due to reduction in other expenses, which was temporary in nature. Going forward, we expect these margins to get normalised to the earlier year levels, though there will be improvement on account of operating leverage in some of the new manufacturing facilities.

Net Profit Margin

Profit After Tax was at ₹ 654 cr. against ₹ 468 cr., a growth of 40% over previous year. Net margins stood at 23% in FY 2021 against 18% in FY 2020.

₹ 654 cr.

Profit After Tax

40%

Growth in Profit after Tax in FY 2020-21

23%

Net profit margin in
FY 2021 compared to 18% in the previous year

Return on Net Worth

Return on Net Worth saw an improvement of 400 basis points at 23% in FY 2021 against 19% in FY 2020.

Balance Sheet

Non-current assets

We have added another ₹ 145 cr. (including depreciation) in property plant and equipment, in line with our plans to build world-class infrastructure for meeting the future growth requirement. This includes the sterile eye drop manufacturing unit at our Guwahati facility in Assam apart from maintenance capex at existing facilities. The non-current assets have gone up to ₹ 1,751 cr. in FY 2021 against ₹ 1,677 cr. in FY 2020.

Management Discussion and Analysis

Current assets

Current Assets came up to ₹ 2,028 cr. in FY 2021 from ₹ 1,642 cr. in FY 2020, mainly because of increase in inventory. Inventory saw a major jump against last year in terms of number of days to sales, where it increased to 98 days in FY 2021 from 71 days in FY 2020. This was a well thought out strategy as a hedge against any supply chain disruptions due to pandemic conditions. The absolute amount stood at ₹ 766 cr. in FY 2021 against ₹ 496 cr. in FY 2020.

Trade Receivables in terms of number of days to sales has improved to 95 days in FY 2021 from 111 days in FY 2020. In absolute amount, it has decreased to ₹ 738 cr. in FY 2021 from ₹ 775 cr. in FY 2020.

Current Ratio for FY 2021 stood at 3.1 against 2.7 in FY 2020.

Shareholders' funds

Shareholders' funds increased to ₹ 2,996 cr. in FY 2021 from ₹ 2,599 cr. in FY 2020. Earnings per share stood at ₹ 75 in FY 2021 from ₹ 54 in FY 2020. During the year, the Company returned ₹ 250 cr. of shareholders' fund to its shareholders through share buyback (including tax) and dividend.

Non-current liabilities

Increase in deferred tax and lease liabilities for ₹ 17 cr. have taken non-current liabilities to ₹ 134 cr. in FY 2021 from ₹ 114 cr. in FY 2020.

Current liabilities

Current liability moved up slightly on account of increased operations at ₹ 649 cr. in FY 2021 from ₹ 606 cr. in FY 2020.

The continuity of COVID-19 challenges has made the year ahead once again challenging and require cautious approach on costs. Efficient operations, cost optimisation and delivery automation will remain to be the key focus areas going into the next year. Our strong balance sheet combined with a focus on cash conservation provides us the confidence that we will emerge stronger and better.

CONSOLIDATED CASH FLOW

Company had a healthy cash flow during FY 2021, the snapshot of this is in Exhibit 6.

Exhibit: 6 Consolidated Cash Flow

(₹ cr.)

Particulars	FY 2021	FY 2020
Opening Cash and Cash Equivalents	202	95
Cash flows from:		
a) Operating Activities	576	457
b) Investing Activities	(282)	(224)
c) Financing Activities	(318)	(129)
Effect of Exchange Rate Changes	-	3
Closing Cash and Cash Equivalents	**178**	**202**

Source: Company

Apart from the above cash balance, the Company has liquid investments of ₹ 175 cr.

EMPOWERED TEAM

The successful performance for the year is attributed to over 7,000 Ajantaites who persisted with their efforts to provide life-saving drugs to needy patients in one of the most challenging environments.

Our manufacturing facilities, Research Centre and Head Office operated with mandatory social-distancing norms. The discipline and dedication of Ajantaites in this testing times is a proof of our purposeful work culture.

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

Management Discussion and Analysis

RISK MANAGEMENT

Uncertainty is always a part of the business environment. It has been over a year since COVID-19 pandemic hit us hard, and we are still dealing with disruptions in many geographies. We hope the situation to improve with vaccine coverage across the world. Our performance in the year is testimony of the strength of our risk management system that helped us sail through the turmoil successfully.

The Company's well-established process of risk management includes identification of design gaps, analysis and assessment of various risks, formulation of risk mitigation strategies and implementation of the same to minimise the impact of such risks on the operations. The process ensures that new risks, which might arise, or the impact of existing risks which might have increased, are identified and a strategy is put in place for mitigating such risks.

The major risks identified by the management are regulatory, competition, supply chain disruption, cyber & data security along with economic and political risks. A review of the risk management policy is carried out annually by the Risk Management Committee and the Board of Directors.

Internal Controls and Adequacy

The Company has a well-defined system of internal audit. It is in place so as to independently review and strengthen the internal controls. The Audit Committee of the Company reviews the reports of the internal auditors quarterly and recommends steps for further improvement of the internal controls. The Company has also implemented an Internal Financial Control (IFC) framework to ensure proper internal controls over financial reporting. These controls ensure that transactions are authorised, recorded and reported on time. They ensure that assets are safeguarded and protected against loss or unauthorised disposal. It is also designed for effectiveness and efficiency of operations, compliance or regulations backed by strong audit framework at all the locations.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include economic and political condition in India and in the countries in which the Company operates, volatility in currency rates, changes in Government regulations and policies, tax laws, statutes and other incidental factors. The Company does not undertake to update these statements.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present their Forty-Second Annual Report and Audited Financial Statements for the Year ended 31 March 2021.

1. FINANCIAL PERFORMANCE

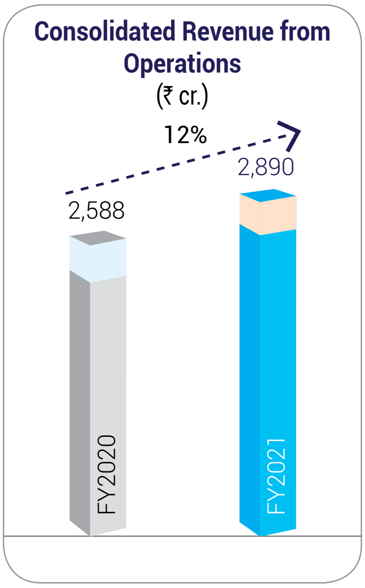
(₹ in cr. except EPS)

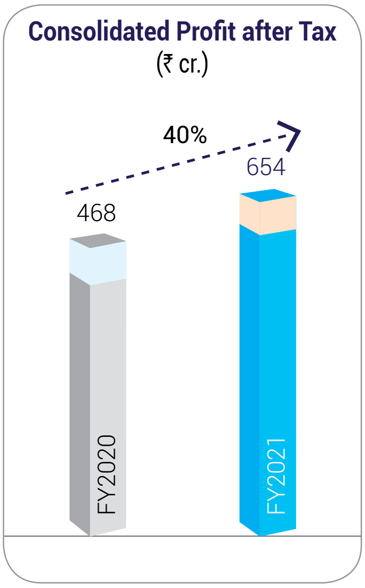
Particulars	Standalone		Consolidated	
Year ended 31 March	**2021**	**2020**	**2021**	**2020**
Revenue from operations	2,719	2,196	2,890	2,588
Other Income	104	184	26	92
Profit before Depreciation, Finance Costs and Tax expense	1,020	717	1,025	776
Profit after Tax	676	441	654	468
Total Comprehensive Income	674	439	647	473
Earning Per Share (EPS) (₹) (Basic)	77.59	50.55	75.09	53.60

2. PERFORMANCE REVIEW

The company achieved a growth of 12% in Consolidated Revenue from Operations over the previous year, while Consolidated Profit After Tax grew at 40% in spite of the challenges faced due to pandemic. Exports contributed around 71% of the business.

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





3. DIVIDEND

At the Board meeting held on 3 November 2020, the Board had declared an interim dividend of ₹ 9.50/- (475%) per equity share in accordance with the Dividend Policy. Total dividend payout was ₹ 82.90 cr. The Board does not recommend any final dividend and accordingly recommends interim dividend to be considered as final dividend for FY 2021. The Dividend Distribution Policy is placed on the website of the Company and its web-link is http://www.ajantapharma.com/AdminData/PolicyCodes/DividendPolicy.pdf

Directors' Report

4. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The company continues to have five overseas subsidiaries, including one step down subsidiary. There has been no material change in the nature of business of subsidiaries. The Company does not have any Associate company or Joint Venture.

All the subsidiaries except Ajanta Pharma Nigeria Limited have contributed positively in the growth and profitability of the Company. Financials of subsidiaries are included in the consolidated financial statements, which forms part of this Annual Report. Statement containing salient features of financials of subsidiaries pursuant to Section 129 of the Companies Act, 2013 ("Act") read with Rule 5 and 8(1) of the Companies (Accounts) Rules, 2014, is annexed as "**Annexure A**" to this Report in the Form AOC-1.

During the year, Company's step-down subsidiary, Ajanta Pharma Mauritius (International) Limited has applied for de-registration as part of reorganising the business operations in Mauritius due to rationalisation of tax structure.

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

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

5. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Annual Audited Consolidated Financial Statements for the financial year ended 31 March 2021, together with Report of Auditors' thereon, forms part of this annual report.

6. SHARE CAPITAL

6.1. Buy-back of shares

During the year, the Company bought back 7,35,000 (Seven lakhs thirty-five thousand only) fully paid-up equity shares of the face value of ₹ 2/- each, representing 0.84% of the total number of equity shares in the subscribed and paid-up equity share capital of the Company, from the existing shareholders / beneficial owners of equity shares of the Company on a proportionate basis, through "Tender Offer" route at a price of ₹ 1,850/- (Rupees One thousand eight hundred and fifty only) per equity share for an aggregate amount of ₹ 135.98 cr. only.

Post Buyback, the paid-up share capital has reduced from 8,72,66,770 to 8,65,31,770 equity shares of ₹ 2/- each. Shareholding pattern post buyback is given in the Corporate Governance Report.

6.2. Employee Stock Option Scheme

The Company has Employee Stock Option Scheme, 2011 ("ESOS 2011") and Ajanta Pharma Share Based Incentive Plan 2019 ("SBIP 2019") that helps the Company to retain and attract the right talent. The Nomination and Remuneration Committee ("NRC") administers the ESOP schemes.

During the year, 5,500 shares were issued against the options exercised and 3,000 new options were granted under the SBIP 2019. Disclosures with regard to Employees' Stock Options Scheme are put up on the Company's website and can be accessed at http://www.ajantapharma.com/AnnualReports.aspx

NEW PROJECTS & CAPEX

Company has completed the work on all its grass root facilities and now carrying on only maintenance capex at all its location to be future ready. During the year, an amount of ₹ 145 cr. was incurred on capex.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

7.1. Retirement by rotation

Mr. Madhusudan B. Agrawal & Mr. Rajesh M. Agrawal, retires by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Resolution seeking continuation of directorship of Mr. Mannalal B. Agrawal beyond 75 years of age is also submitted for Member's approval. The Board recommends their re-appointment/continuation.

7.2. Independent Directors

All the Independent Directors have given declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Act and Rules made there under and under the Listing Regulations. They have registered their names in the Independent Directors data-base. They have also affirmed compliance to the Conduct for Independent Directors as prescribed in Schedule IV of the Act.

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

7.3. Policies on appointment and remuneration of Directors

The Company has laid down "Policy for determining qualifications of directors" and "Policy for remuneration of Directors" as approved by the NRC of the Board of Directors.

The policies are available at:

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

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

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

7.4. Key Managerial Personnel

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

7.5. Board and Directors' evaluation

As per provisions of the Act and Regulation 17(10) of the Listing Regulations, the evaluation process for the performance of the Board, its committees and individual Directors was carried in accordance with the manner specified by Board of Directors, as suggested by the NRC. The evaluation was done in accordance with the framework and criteria laid down by the NRC. Further, at a separate meeting, the Independent Directors evaluated performance of Non-Independent Directors, Board as a whole and of the Chairman of the Board.

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

Manner of evaluation of Board of Directors performance and matters incidental thereto, are detailed in the Report on Corporate Governance, which forms part of this report.

8. BOARD MEETINGS

During the year, 4 Board meetings were held through video-conferencing due to on-going threat of COVID-19 as well as exemptions provided by Ministry of Corporate Affairs and SEBI. Details of the meetings are given in the Report on Corporate Governance.

Directors' Report

9. BOARD COMMITTEES

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

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

10. RELATED PARTY TRANSACTIONS AND POLICY

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

Pursuant to Regulation 23(3) of the Listing Regulations and Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014, the Audit Committee granted omnibus approval to the transactions likely to be entered into by the Company with related parties during the year and are of repetitive nature. The Audit Committee also reviewed all RPTs on quarterly basis. All the RPTs affected during the year are disclosed in the notes to Financial Statements.

There were no materially significant RPTs which could have potential conflict with interest of the Company at large.

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

11. CORPORATE SOCIAL RESPONSIBILITY

During the year, Company continued Corporate Social Responsibility ("CSR") program through various initiatives in the fields of COVID related assistance, Education, Community Welfare, Healthcare and Promoting Sports.

Company contributed significantly for supporting fight against COVID-19 by contributing ₹ 2 cr. to Prime Minister CARES Fund and donating ventilators, thermal thermometers, oximeters, sanitisers and protective gears to various government organisations and amongst the needy. It also distributed food grains and food packets to migrant labourers and daily wage earners across different locations as also in slums. Medicines were also provided free of cost to the needy patients. The Company has received Letter of Appreciation from the Governor of Maharashtra, for the wholehearted support to the government and citizens in tackling the numerous challenges posed by the COVID-19 pandemic situation.

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

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

12. MANAGEMENT DISCUSSION AND ANALYSIS

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

13. REPORT ON CORPORATE GOVERNANCE

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

14. BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report ("BRR") for FY 2021, forms part of the Annual Report and the same has been hosted on the Company's website, which can be accessed at http://www.ajantapharma.com/AnnualReports.aspx. Any Member interested in obtaining a copy of BRR may write to the Company Secretary.

15. CREDIT RATING

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

16. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31 March 2021 is available on the Company's website at http://www.ajantapharma.com/AnnualReports.aspx.

17. AUDITORS AND AUDIT REPORTS

17.1. Statutory Auditors

At the 38th Annual General Meeting held on 5 July 2017, the shareholders had approved appointment of B S R & Co. LLP., Chartered Accountants (ICAI Firm's Registration No. 101248W/W-100022) as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 38th Annual General Meeting until the conclusion of 43rd Annual General Meeting. Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI, in pursuance of the Listing Regulations. The Auditors attend the Annual General meeting of the Company.

Auditor's Report for the year under review forms part of this annual report. It does not contain any qualifications, reservations or adverse remarks.

17.2. Internal Auditors

M/s. Ernst & Young LLP conducted internal audit of important centralised functions. For other locations, viz. factories, C&F agents and warehouses, other Chartered accounting firms having requisite expertise and resources are appointed as internal auditors. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

17.3. Secretarial Auditors

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

Secretarial Audit Report is annexed to this report as **"Annexure C"**. There are no qualifications or reservations or adverse remarks in the Secretarial Audit Report.

17.4. Cost Auditors

The Company maintains cost accounts and records as per the provisions of Section 148(1) of the Act and the same are audited by the Cost Auditors. Cost Audit Report for FY 2020 has been filed with the Ministry of Corporate Affairs on 19 August 2020.

Board has appointed M/s. Sevekari, Khare & Associates, Practicing Cost Accountants to audit the cost records of the Company for FY 2022. The remuneration is subject to ratification by shareholders at the ensuing Annual General Meeting. Accordingly, resolution seeking members' ratification of their remuneration, forms part of the Notice convening the 42nd Annual General Meeting. Board recommends the same for approval of members.

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

18. ANNUAL SECRETARIAL COMPLIANCE REPORT

M/s. Alwyn D'Souza & Co., Practicing Company Secretaries, have issued Secretarial Compliance Report for the year ended 31 March 2021 confirming compliance of SEBI Regulations/guidelines/circulars issued thereunder and applicable to the Company. There are no observations or adverse remarks in their reports.

Directors' Report

19. INTERNAL CONTROL SYSTEM, RISK MANAGEMENT AND COMPLIANCE FRAMEWORK

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

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

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

20. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Company has zero tolerance policy for any form of unethical behaviour. In accordance with Section 177(9) of the Act, Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, Company has formulated vigil mechanism viz., Whistle Blower Policy to encourage the company employees who have knowledge of actual or suspected violation, malpractices, corruption, fraud or unethical conduct, leak of unpublished price sensitive information. The employees can come forward and express their legitimate concerns to the Audit Committee Chairman without any fear of reprimand, victimisation or unfair treatment.

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

The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported by employees/directors till date.

21. MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

There were 7,035 permanent employees of the Company as of 31 March 2021. The information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **"Annexure D"**.

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

22. LOANS, GUARANTEES OR INVESTMENTS

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

23. DIRECTORS' RESPONSIBILITY STATEMENT

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

a. that in the preparation of the annual accounts for the year ended 31 March 2021, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

b. that the directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31 March 2021 and of the profit of the Company for the period;

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

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

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

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

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

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

25. UNCLAIMED DIVIDEND / SHARES

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

26. SECRETARIAL STANDARDS

During FY 2021, the Company has complied with all applicable mandatory Secretarial Standards issued by The Institute of Company Secretaries of India.

27. HUMAN RESOURCE, HEALTH & SAFETY

Company believes that Human resources are invaluable assets and employees are pivotal to all the initiatives that drive to realise its plans.

Ajantaites have uncompromising commitment and ensure that despite challenges, medicines manufactured by the Company were available across the world.

Company takes pride in its human capital, which comprises people from diverse backgrounds and cultures. The organisation's achievements are an outcome of efforts, dedication and conviction demonstrated by its people.

Company maintains highest standards of health and safety in all the plants.

28. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

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

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

29. OTHER DISCLOSURES

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

- Details relating to deposits accepted by the Company;
- The issue of equity shares with differential rights as to dividend, voting or otherwise;
- Provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees;
- Remuneration or commission received by Managing Director from subsidiaries;

Directors' Report

- Revision in the financial statements;
- Change in the nature of company's business;
- Transfer of any amount to reserves during the year under review;
- There were no material changes and commitments affecting financial position of the Company between the end of the financial year and the date of this report.

30. GRATITUDE & ACKNOWLEDGEMENTS

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

For and on Behalf of the Board of Directors,

Mannalal B. Agrawal
Chairman

Mumbai, 30 April 2021

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

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

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

Part "A" - Subsidiaries

₹ cr.

Sl. No.	Name of the Subsidiary	1	2	3	4
		Ajanta Pharma (Mauritius) Limited (Consolidated)	Ajanta Pharma Philippines Inc.	Ajanta Pharma USA Inc.	Ajanta Pharma Nigeria Limited
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 March 2021	31 March 2021	31 March 2021	31 March 2021
	Reporting currency for the subsidiary	Mauritian Rupee	Philippine Peso	US Dollars	Nigerian Naira
1.	Reporting exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries Rupee equivalent of 1 unit of foreign currency as at 31 March 2021 (₹)	1.79	1.51	73.11	0.18
2.	Share Capital	9.44	1.38	6.07	1.37
3.	Reserves & Surplus	95.92	87.45	53.58	(1.43)
4.	Total Assets	120.03	127.86	651.87	0.37
5.	Total Liabilities (excluding Share Capital and Reserves & Surplus)	14.67	39.02	592.22	0.43
6.	Investments	36.68	-	-	-
7.	Turnover	273.22	200.11	636.87	0.10
8.	Profit before taxation	70.20	36.30	24.19	(0.47)
9.	Provision for taxation	2.98	11.41	5.22	0.11
10.	Profit after taxation	67.22	24.88	18.98	(0.58)
11.	Proposed Dividend	-	-	-	-
12.	% of shareholding	100%	100%	100%	100%

Note:

1) Ajanta Pharma (Mauritius) Limited consolidated figures includes its wholly owned subsidiary Ajanta Pharma (Mauritius) International Limited

Part "B" - Associates and Joint Ventures: None

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

Mumbai, 30 April 2021

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

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

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

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

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

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

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

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

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

   During the year, the Company gave CSR contributions to trusts and organisations for funding their various programs and initiatives in the fields of healthcare, education, community welfare and others. There are no projects undertaken or completed after 22 January 2021, for which the impact assessment report is applicable in terms of sub-rule 3 of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

   Not Applicable.

6. **Average net profit of the company as per Section 135(5):** ₹ 524.69 cr.

7. (a) **Two percent of average net profit of the company as per section 135(5):** ₹ 10.49 cr.

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

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

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 10.49 cr.

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

   Total amount spent on CSR during the year was ₹ 12.78 cr. and was more than CSR obligation of the company. Hence there was no unspent amount for the year.

Annexure - “B” to the Directors’ Report - Report on CSR

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

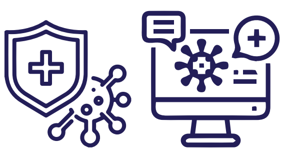
There were no ongoing projects for the financial year and hence this is not applicable.

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

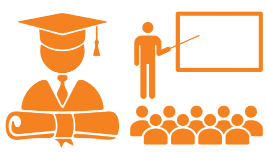
1	2	3	4		5	6	
Sl no.	**Name of the Project / Activity**	**Item from the list of activities in Schedule VII to the Act**	**Local Area (Yes / No)**		**Amount spent for the project (in lakhs)**	**Mode of Implementation - Through Implementing Agency**	
			State	**District**		**Name**	**CSR Registration No.**
1.	COVID related assistance & relief	Promoting health care including preventive health care	All India	40 +	491	SF	CSR00002029
			All India		200	PM Cares Fund	
			All India		77	Others	
2.	Medical Assistance (Eye care, Skin care, Family Planning, food for patients, Hospital Charges etc.)		Mah / MP / Guj	40 +	96	SF	CSR00002029
			Maharashtra		32	BJ	CSR00002156
3.	Improving Education Infrastructure, Educational Activities / assistance in Schools/colleges	Promoting Education, including special education	Maharashtra	Dhule	250	Shirpur Education Society	
			All India		79	Others	
			Maharashtra	30 +	10	SF	CSR00002029
			Maharashtra		5	BJ	CSR00002156
4.	Community Development & Promoting of Sports	Rural development projects, Sports promotion, etc.	Maharashtra		9	SF	CSR00002029
			All India		29	Others	
	Total				**1,278**		

Notes:

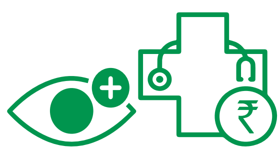
1) Locations of the activities was spread across different parts of the country
2) Mode of implementation was all through agencies and nothing was direct
3) SF - Samta Purushottam Agrawal Memorial Foundation
4) BJ - Seth Shri Bhagwandasji Agrawal Charitable Trust
5) Others – Chief Minister Relief Funds, Ajanta Foundation, Foundation for Promotion of sports (Olympic sports), Krea University, K. K. Wagh Education Society, Maharashtra State Women’s Council, etc.



Covid assistance



Education assistance



Healthcare assistance

Community development

(d) **Amount spent in Administrative Overheads:** Nil

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

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹ 12.78 cr.

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

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

Sl No.	Particulars	Amount (in cr.)
(i)	Two percent of average net profit of the company as per section 135(5)	10.49
(ii)	Total amount spent for the financial Year	12.78
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.29
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.29

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

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** None

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For Ajanta Pharma Limited

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

Yogesh M. Agrawal
Managing Director

Mannalal B. Agrawal
Chairman of the Corporate Social Responsibility Committee

Mumbai, 30 April 2021

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

For The Financial Year Ended 31 March 2021

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

To,

The Members,

Ajanta Pharma Limited

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

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

Based on the verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31 March 2021** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and have required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021 according to the provisions of:

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

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

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

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

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

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) 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 – **Not Applicable to the Company;**

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company;**

(h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable to the Company;**

(i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - **Not applicable to the Company;**

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

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

The Company has complied with specific applicable laws, rules, regulations and guidelines viz., Drugs and Cosmetics Act, 1940 and related Rules; The Pharmacy Act, 1948; Food and Safety Standards Act, 2006; The Drugs (Control) Act, 1950; Food and Drug Administration licensing terms and conditions; Legal Metrology Act,

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

2009 and the applicable Rules and other applicable general laws, rules, regulations and guidelines.

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

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no non-compliances that have come to our knowledge.

We further report that

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

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

The minutes of the Board meetings have not identified any dissent by members of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present.

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

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

1. The Board of Directors of the Company, at its meeting held on 3 November 2020 had approved the proposal for the buyback of 7,35,000 Equity Shares of ₹ 2/- each at a price of ₹ 1,850 per share representing 0.84% of the total number of equity shares in the paid up capital of the Company from the shareholders of the Company in terms of Sections 68, 69, 70 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018. Further, the Company has extinguished 7,35,000 Equity shares comprising of 7,34,948 Equity Shares in dematerialized form and 52 Equity shares in physical form and completed the process of buyback on 30 December 2020.
2. The Company is in the process of de-registering its step down subsidiary in Mauritius viz. Ajanta Pharma Mauritius (International) Limited.
3. Allotment of 5,500 Equity Shares of ₹ 2/- each under Employees Stock Option Scheme - 2011.

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

Alwyn P D'Souza
FCS. 5559
C.P. No. 5137
UDIN: F005559C000217628

Place: Mumbai
Date: 30 April 2021

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

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

ANNEXURE A

To
The Members,
Ajanta Pharma Limited

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

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

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

Alwyn P D'Souza
FCS. 5559
C.P. No. 5137
UDIN: F005559C000217628

Place: Mumbai
Date: 30 April 2021

Annexure - "D" to the Directors' Report

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

1.	Name & Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2021	* % increase / (decrease) in remuneration in the FY 2021
(i)	Mr. Mannalal B. Agrawal	1.25:1	9.72%
(ii)	Mr. Madhusudan B. Agrawal	54:1	21.55%
(iii)	Mr. Yogesh M. Agrawal	342:1	19.55% @
(iv)	Mr. Rajesh M. Agrawal	342:1	19.55% @
(v)	Mr. Chandrakant M. Khetan	2:1	14.45%
(vi)	Mr. K H. Viswanathan	2:1	9.65%
(vii)	Mr. Prabhakar R. Dalal	2:1	9.65%
(viii)	Dr. Anjana Grewal	1:1	3.46%
(ix)	Mr. Arvind Agrawal, Chief Financial Officer	36:1	9.52%
(x)	Mr. Gaurang Shah, Company Secretary	17:1	17.50%
2.	The Percentage increase in the median remuneration of employees in the financial year	8.80%	
3.	The number of permanent employees on the rolls of company	7,035	
4.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration of employee for the FY 2021 was 8.80% against which the average increase in managerial remuneration was 20%. Increase in managerial remuneration was to reward them for the Company's exemplary performance during the challenging times.	
5.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

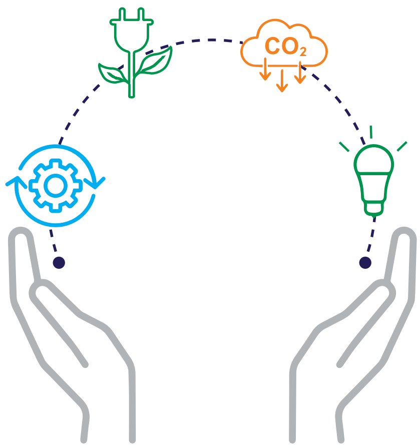
Notes:

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

@ Includes Commission.

Annexure - "E" to the Directors' Report

A. CONSERVATION OF ENERGY



1. Steps taken for conservation of energy:

- Renewable energy utilisation for reduction of CO2 emission.
- Maintaining unity power factor for all sites and energy audit by external agency.
- Energy saving options made compulsory for all new procurement and modifications.
- Targeting zero leakage, implemented well-structured utility leakages management program across all sites.
- Implementation of new technologies and harmonisation of best energy conservation practices across all sites.
- Automation initiatives such as interlocking of dust collectors with HVAC, occupancy sensors for low man movement area, proximity sensors for air curtains, seasonal set point optimisation of chillers, auto water level sensors fixed to ETP, STP, Drinking Water RO Plant, underground & overhead water tanks etc., to reduce electricity wastage.
- Installation of thyristor based electrical heating system for AHUs.
- Use of thermo conductive liquid for centralised chiller to enhance chiller efficiency.
- Replacement of conventional light fittings with LED lights.
- Installation of Variable Speed Drive (VSD) for HVAC, dust collectors, pumps various process machines etc. across all sites.

Impact of the above measures:

- Reduction in energy consumption and cost.
- Reduction in carbon foot print.
- Reduction in per unit production cost.

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

- Enhanced utilisation of green renewable energy.
- Installation of ground mounted solar power plant at Pithampur factory.

3. Capital Investment on energy conservation equipment:

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

B. TECHNOLOGY ABSORPTION

1. Research and Development (R&D):

- Development of robust and cost effective formulations.
- Development of Novel drug delivery systems for existing and newer active drug substances.
- Analytical method development and validation.
- Regulatory affairs services for registration of products.
- Management of Intellectual Property Rights (IPR) for formulations and APIs.
- Ensuring the quality of research work by in-house Quality Assurance team.

Annexure - "E" to the Directors' Report

- Development of Extended-Release / Delayed-Release oral solid dosage form products using Matrix technology.
- Development of products based on solid dispersion technology similar to innovator products.

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

8	New products launched and commercialised in US market.
2	New ANDAs filed with USFDA.
9	Approvals received for ANDAs.
10	Products commercialised in ROW markets
20	Products commercialised for Domestic market
23	APIs successfully developed
5	APIs charged for stability study

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

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

Particulars	**₹ cr.**
Capital Expenditure	2.91
Recurring Expenditure	138.91
Total	**141.82**
Total R&D expenditure as a percentage of total turnover	5.22%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to initiatives taken for increasing exports are discussed in Management Discussion & Analysis in this annual report.
2. Total foreign exchange earned in terms of actual inflow as well as outgo in terms of actual outflow during the year:
   - Earnings in foreign currency ₹ 1,809.65 cr. (previous year ₹ 1,442.05 cr.).
   - Outgo in foreign currency ₹ 231.45 cr. (previous year ₹ 164.22 cr.).

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company firmly believes that robust corporate governance framework and practices are essential for sustained growth and enhanced stakeholder value in long run and is committed to adopt and implement best corporate governance practices. Company strives to ensure that its performance is driven by core values such as:

All our Stakeholders including customers, vendors and communities where we operate, are an integral part of the business and we ensure fairness for every one of them through transparency and accountability, two basic tenets of corporate governance. Company has guiding principles laid down through its Code of Business Conduct duly adopted and adhered to by directors and senior management personnel.

II. BOARD OF DIRECTORS

A. Composition and category of Directors

The Board consists of an optimal combination of Executive, Non-Executive and Independent Directors ("IDs") including an ID Woman Director. Out of eight directors, three are Executive Promoter Directors, one is Non-Executive Promoter Director and four are IDs.

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

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

Executive Directors and management provide strategic management of the Company's businesses within the overall framework and ensures business development and operational excellence in accordance with the business objectives.

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

B. Board Meetings and attendance

The Board / Committee Meetings are held as per the annual calendar set out well in advance with concurrence of all the Directors, to ensure 100% participation in the meetings. Due to ongoing threat of COVID-19 pandemic, meetings were held through video conferencing after giving adequate notice to that effect to the Board. Prior approval of the Board is obtained for circulating the agenda items with shorter notice for matters that are considered to be in the nature of Unpublished Price Sensitive Information.

Agenda and explanatory notes for the Board / Committee Meetings are set out by the Company Secretary in consultation with the Chairman and Managing Director ("MD"). Agenda papers with minutes of previous meeting, committee meetings & meetings of subsidiary companies and other information/proposals with detailed notes/background information with applicable

Report on Corporate Governance

regulatory provisions and requisite disclosures, are circulated at least seven days prior to the meeting, thereby enabling the Board to take decisions on an informed basis.

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

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

Draft Minutes of the Board and Committee meetings are circulated to all the directors and the same are finalised within 15 days. Further, action taken report on all the decisions taken by the Board/Committees is circulated to the Board to keep tab on the actions taken.

During the year, four Board Meetings were held on 20 May 2020; 30 July 2020; 3 November 2020 and 2 February 2021. Composition of Directors, their other directorships & committee memberships and their attendance in Board / Annual General Meeting ("AGM") during the financial year, are given below:

Name of the Director	Category	Attendance		Other Directorships	Committee Membership		Other entities in which person acting as director	Category of other entities directorship
		Board	AGM		Member	Chairman		
Mr. Mannalal B. Agrawal	Promoter, Non-Executive	4	Yes	-	1	1	-	-
Mr. Madhusudan B. Agrawal	Promoter, Executive	4	Yes	3	0	0	Samta Mines and Minerals Limited	Director
							Inspira Infra (Aurangabad) Limited	Managing Director
							Inspira ProjectsLimited	Director
Mr. Yogesh M. Agrawal	Promoter, Executive	4	Yes	-	0	0	-	-
Mr. Rajesh M. Agrawal	Promoter, Executive	4	Yes	-	1	0	-	-
Mr. Chandrakant M. Khetan	Independent Director	4	Yes	3	0	1	The Swastik Safe Deposit and Investments Limited (listed)	Director
							Entremonde Polycoaters Limited	Managing Director
							DGP Securities Limited	Director
Mr. K H. Viswanathan	Independent Director	4	Yes	-	1	0	-	-
Mr. Prabhakar R. Dalal	Independent Director	4	Yes	1	1	1	Tema India Limited	Director
Dr. Anjana Grewal	Independent Director	4	Yes	1	2	0	Fino Paytech Limited	Director

Notes:

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

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

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

(iv) Committee memberships of private companies, Section 8 companies and foreign companies are excluded.

Report on Corporate Governance

C. Re-appointment of Directors retiring by rotation

Brief profile of Directors seeking re-appointment/ continuation of their appointment at the forthcoming AGM, as per Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is annexed to the Notice convening the AGM and forming part of this Annual Report.

D. Independent Director's Familiarisation programme

Familiarisation program for IDs is key to getting best contribution from them in every aspect of Board management.

The Company has put in place comprehensive program to familiarize the IDs on following critical aspects:

COMPREHENSIVE PROGRAMS ON SUBJECTS LIKE:

- Industry updates and development
- Market segments and Product standing
- Manufacturing operations
- R&D
- Risk management
- Business initiatives and plans/projects
- Regulatory updates
- HR initiatives

Further, the Functional Heads and executives from different fields give presentation to the IDs to familiarise them with their functions/concerned areas of operations.

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

E. Core Skills/Expertise/Competencies available with the Board

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. Board has identified the following skills / expertise / competencies fundamental for its effective functioning:

SKILL	DIRECTOR WHO POSSESSES THE SAID SKILL							
	Mannalal Agrawal	Madhusudan Agrawal	Yogesh Agrawal	Rajesh Agrawal	Chandrakant Khetan	Prabhakar Dalal	K H Viswanathan	Dr. Anjana Grewal
Strategy & business acumen	✓	✓	✓	✓	✓			
Sales & marketing		✓	✓	✓				✓
Global business & economy		✓	✓	✓		✓	✓	✓
Manufacturing & quality			✓	✓	✓			
Finance & Accounting	✓		✓	✓	✓	✓	✓	
Risk Management			✓	✓	✓	✓	✓	✓
Corporate Governance		✓	✓	✓	✓	✓	✓	✓

Report on Corporate Governance

F. Independent Directors

All the IDs have fulfilled the independence criteria as per requirement of the Listing Regulations and as per opinion of the Board, they are independent of the management.

G. Performance evaluation of Board, Committees and Directors

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

For the year under review, the evaluation criteria were modified as suggested by NRC in accordance with the policy formed for the purpose. Performance evaluation of Executive Directors, IDs, Chairman, Board as a whole and of the Board Committees was done based on the following parameters:

(i) **Board as a whole:** Composition & diversity, establishment of vision & mission, creating value for stakeholders, effective use of Board powers, corporate governance, providing leadership, directions & strategic input, maintaining operational transparency, etc.

(ii) **Executive Directors:** Skillset & knowledge, performance, statutory compliances, ethical standards, risk mitigation, sustainability, strategy formulation & execution, financial planning & performance, managing human resources & succession plan, interface with industry forums etc.

(iii) **Independent Directors:** Effective participation, ethics & integrity, objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc

(iv) **Chairman:** Knowledge & core competence, leadership effectiveness, providing guidance & counselling, balancing views of Board members, ensuring effectiveness of Corporate Governance practices, promoting continual training & development of Directors, etc.

(v) **Board Committees:** Composition & terms of reference, periodicity of meetings, bringing objectivity, ensuring adherence to company policies, ensuring efficiency of external auditors etc.

Evaluation sheets containing parameters were circulated to the Board members. Performance evaluation was done on the scale of 1 to 5, 1 being Poor and 5 being Excellent.

Performance evaluation of individual directors, Board as a whole and of Board Committees carried out by the Board and performance evaluation of the Board, Chairman and Executive Directors done by the IDs, revealed "Excellent" rating.

H. Independent Directors' Meeting

During the year under review, one meeting of IDs was held on 2 February 2021 and was chaired by lead Independent Director, Mr. Chandrakant M. Khetan and attended by all IDs. The IDs reviewed all the matters as per Schedule IV of the Act.

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

I. Code of Conduct

Board of Directors have laid down Code of Conduct setting forth legal and ethical standards to be followed by Directors and Senior Management ("the Code"). The Code lays emphasis amongst other things, on the integrity at workplace and in business practices, honest and ethical personal conduct, diversity, fairness and respect etc. The code of conduct has been posted on the website of the Company at http://www.ajantapharma.com/AdminData/PolicyCodes/2018CodeofConductforDirectorsandSeniorManagement.pdf

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

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

Report on Corporate Governance

J. Prevention of Insider Trading

Pursuant to the SEBI (Prevention of Insider Trading) Regulations, 2015 ("PIT") as amended the Company has formulated the 'Ajanta's Code of Conduct for Insiders' ("ACCI") and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ("Code of Fair Disclosure").

ACCI includes the obligations and responsibilities of Designated Persons, maintenance of the digital database, mechanism for preventing insider trading and handling of Unpublished Price Sensitive Information (UPSI), disclosure of UPSI for legitimate purpose, prohibited and permitted transactions, consequence for violation etc.

ACCI has been disseminated through the Company's intranet and periodic mailers. Further, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the PIT. A structured digital database is being maintained by the Company, which contains the names and other particulars as prescribed of the persons covered under ACCI drawn up pursuant to the PIT. Policy for disclosures for legitimate purposes as part of Code of Fair Disclosure is also in place. The Company Secretary has been appointed as the Compliance Officer for ensuring implementation of Code of Fair Disclosure and ACCI.

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

III. AUDIT COMMITTEE

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

The Committee comprises of 4 Directors, out of which 3 are Independent Directors. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statements. In the financial year 2020 - 2021 four meetings of the Committee were held on 20 May 2020; 30 July 2020; 3 November 2020 and 2 February 2021. Composition of Committee as on 31 March 2021 and member's attendance at the meetings during the year are as under:

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

The Company Secretary acts as Secretary of the Committee.

Chief Financial Officer, Statutory Auditors and Internal Auditors attend all the meetings as invitees.

IV. NOMINATION AND REMUNERATION COMMITTEE

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

The Committee comprises of 4 Independent Directors. In the financial year 2020 - 2021, three meetings of the Committee were held on 20 May 2020; 30 July 2020 and 31 October 2020. Composition of Committee as on 31 March 2021 and member's attendance at the meeting during the year are as under:

Name	Designation	Meetings attended
Mr. Prabhakar R. Dalal	Chairman	3
Mr. K H. Viswanathan	Member	3
Mr. Chandrakant M. Khetan	Member	3
Dr. Anjana Grewal	Member	3

The Company Secretary acts as Secretary of the Committee.

V. REMUNERATION OF DIRECTORS

Based on the recommendations of the NRC, the Board has formulated Policy for Remuneration of Directors, Key Managerial Personnel ("KMP") & other employees. The policy can be accessed on the following link: http://www.ajantapharma.com/AdminData/PolicyCodes/Policyforremuneration2018.pdf

Report on Corporate Governance

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

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

Remuneration paid to Executive and Non-Executive Directors during the year ended 31 March 2021 was as under:

(Amt. in ₹)

Remuneration to Directors	Salary	Perquisite	PF	Sitting Fees	Commission	Total
Mr. Madhusudan B. Agrawal	1,60,44,000	24,06,600	19,25,280	-	-	2,03,75,880
Mr. Yogesh M. Agrawal	7,51,80,000	1,12,77,000	90,21,600	-	3,27,00,000	12,81,78,600
Mr. Rajesh M. Agrawal	7,51,80,000	1,12,77,000	90,21,600	-	3,27,00,000	12,81,78,600
Mr. Mannalal B. Agrawal	-	-	-	4,68,500	-	4,68,500
Mr. Chandrakant M. Khetan	-	-	-	5,69,500	2,90,000	8,59,500
Mr. Prabhakar R. Dalal	-	-	-	4,33,500	2,20,000	6,53,500
Mr. K H. Viswanathan	-	-	-	4,33,500	2,20,000	6,53,500
Dr. Anjana Grewal	-	-	-	3,32,500	2,20,000	5,52,500

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

VI. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

The Committee comprises of 3 Directors out of which one is Independent. In the financial year 2020 - 2021, one meeting of the Committee was held on 3 November 2020. Composition of Committee as on 31 March 2021 and member's attendance at the meeting during the year are as under:

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

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

Company received 5 complaints during the year and they have been redressed to the satisfaction of investors. No investor grievance remained unattended/pending.

VII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Corporate Social Responsibility ("CSR") stems from the ideology of providing sustainable value to the society in which the Company operates. While upholding the interest of stakeholders, we recognize the importance of contributing towards development of the society in general and upliftment of underprivileged or needy sections of the society, in particular.

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

The CSR Committee comprises of 3 Directors out of which one is Independent. It oversees implementation and execution of CSR Policy and provides guidance on various CSR activities to be undertaken by the Company.

In the financial year 2020 - 2021, four meetings of the Committee were held on 20 May 2020; 30 July 2020; 3 November 2020 and 2 February 2021. Composition of Committee as on 31 March 2021 and member's attendance at the meetings during the year are as under:

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

The Company Secretary acts as Secretary of the Committee.

VIII. EXECUTIVE COMMITTEE

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

Name	Designation	Meetings attended
Mr. Yogesh M. Agrawal	Chairman	7
Mr. Rajesh M. Agrawal	Member	7
Mr. Madhusudan B. Agrawal	Member	6

IX. RISK MANAGEMENT COMMITTEE

Business Risk evaluation and management is an on-going process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimise risks. Board has constituted Risk Management Committee to oversee the risk management framework which encompass risk identification, its likely impact and mitigation plan for the same.

Terms of reference of the Risk Management Committee is as under:

- Identifying various risks associated with the Company and its business segments;
- Assessing the likelihood or materialisation of risks identified and its likely impact on the organisation/ businesses/segments;
- Putting in place policies and procedures for the management of risks identified and mitigation plan;
- Periodic review and revision of the risk management and mitigation plan in light of internal/external factors having bearing;
- Constituting core teams to effectively manage and supervise various risks and concerns and delegating authorities to deal with emergencies so as to minimise the impact;
- Periodically updating the Board on implementation of risk management plan/policy and matters related thereto;
- Review the risks related to cyber security and prepare risk management plan.

In the financial year 2020 - 2021, two meetings of the Committee were held on 23 November 2020 and 18 March 2021. Composition of Committee as on 31 March 2021 and member's attendance at the meeting during the year are as under:

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

The Company Secretary acts as Secretary of the Committee.

X. GENERAL BODY MEETINGS

Annual General Meetings during last 3 years were held on:

AGM	Date	Time	Venue	No. of special resolutions passed
39th	5 July 2018	11.00 a.m.	Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad (West), Mumbai – 400 064	-
40th	18 July 2019	11.00 a.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra West, Mumbai – 400 050	7
41st	30 July 2020	3.00 p.m.	Ajanta House, Charkop, Kandivli (West), Mumbai – 400 067 (through video-conference)	-

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

XI. MEANS OF COMMUNICATION

The Company communicates with its stakeholders through multiple channels such as press releases, meeting analysts and investors, annual reports, half yearly financials and through social media.

Report on Corporate Governance

FINANCIAL RESULTS:

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

PRESS RELEASES, PRESENTATIONS, ETC.:

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

WEBSITE:

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

ANNUAL REPORT:

The Annual Report containing, inter-alia, Audited Standalone Financial Statements, Audited Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. As a part of the green initiative, the Annual Reports are sent by e-mail to shareholders whose e-mail IDs are registered with the Depositories/ Registrar & Transfer Agent ("RTA").

FILING WITH THE STOCK EXCHANGES:

All periodical compliance filings required to be filed with the Stock Exchanges viz., shareholding pattern, corporate governance report, press releases, statement of investor complaints, disclosures under Regulation 30 are filed electronically with the BSE Limited and the National Stock Exchange of India Limited.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. MD, CFO and the Company Secretary have been empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges.

SCORES:

The investor complaints are processed in a centralised web-based complaints redress system. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities, from lodging of a complaint to disposal, are carried out online automatically and the status of every complaint can be checked online at any time.

XII. GENERAL SHAREHOLDERS INFORMATION:

a. 42nd Annual General Meeting to be held on:

Wednesday, 14 July 2021 at 11.00 a.m. through Video-Conferencing or Other Audio Visual Means.

b. Financial Calendar

Financial year: 1 April 2021 to 31 March 2022

Quarterly results will be declared normally in 4th week of following month or in the 1st week of the next succeeding month after the end of financial quarter.

c. Dividend Payment Date: Interim Dividend paid on 26 November 2020 is proposed as final dividend and no further dividend is recommended.

Report on Corporate Governance

d. **Listing on Stock Exchanges:**

i) BSE Limited: 532331

ii) National Stock Exchange of India Limited: AJANTPHARM

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

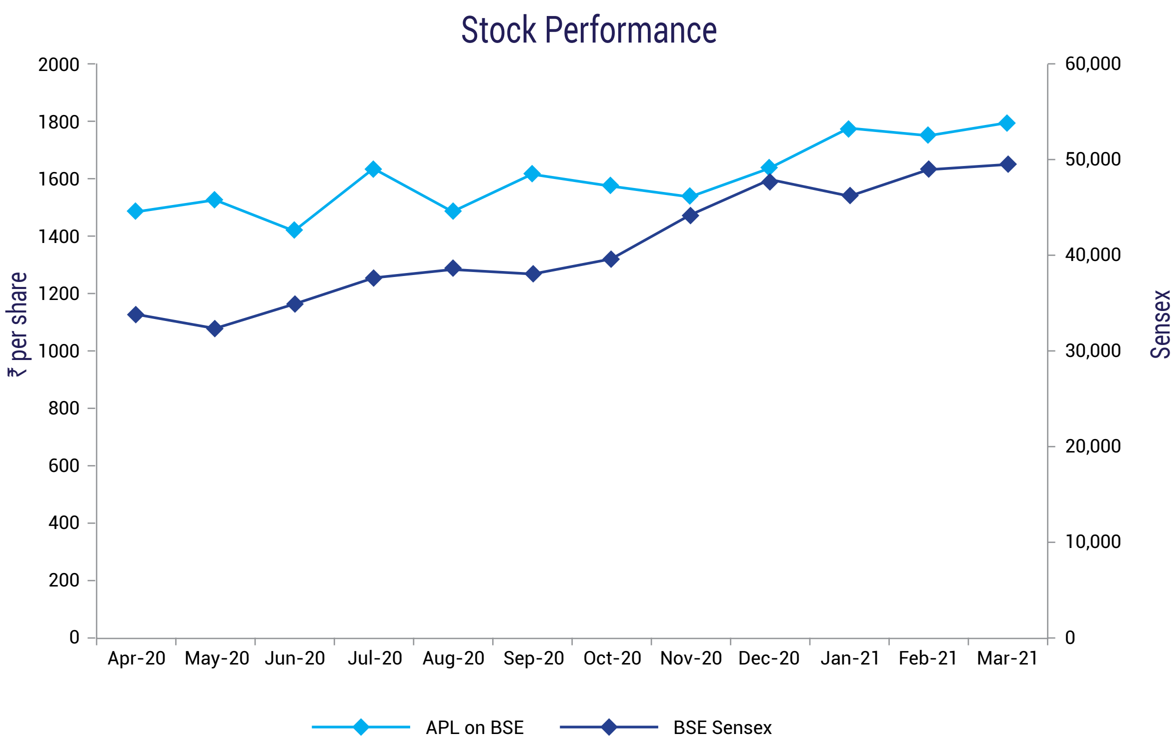
e. **ISIN number for NSDL and CDSL** : INE031B01049

f. **CIN number** : L24230MH1979PLC022059

g. **Stock Market Data:**

Month	Bombay Stock Exchange(BSE)		National Stock Exchange(NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-20	1,550.00	1,258.00	1,549.80	1,235.20
May-20	1,578.10	1,356.10	1,490.00	1,441.10
Jun-20	1,544.15	1,400.00	1,475.00	1,441.85
Jul-20	1,645.00	1,330.00	1,648.00	1,331.00
Aug-20	1,759.35	1,472.00	1,596.45	1,470.00
Sep-20	1,655.00	1,422.15	1,616.00	1,555.20
Oct-20	1,683.05	1,516.00	1,647.60	1,555.10
Nov-20	1,665.45	1,486.95	1,665.00	1,501.05
Dec-20	1,724.40	1,528.70	1,689.40	1,630.00
Jan-21	1,844.10	1,635.00	1,844.90	1,635.00
Feb-21	1,879.45	1,652.95	1,878.00	1,660.00
Mar-21	1,883.00	1,685.55	1,884.55	1,682.30

h. **Performance of Ajanta Pharma's share price in comparison to BSE Sensex:**



Report on Corporate Governance

i. Registrar and Transfer Agents:

Link Intime India Private Limited

Unit: Ajanta Pharma Limited

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

Tel No: +91 022 4918 6000; Fax: +91 022 4918 6060

Email: rnt.helpdesk@linkintime.co.in

j. Share Transfer System:

In terms of Regulation 40(1) of Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from 1 April 2019, except in case of request received for transmission or transposition of securities. Further, Securities and Exchange Board of India ("SEBI"), had fixed 31 March 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to convert their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

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

k. Distribution of Equity Shareholding as on 31 March 2021:

No. of shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 500	43,072	93.99	18,24,219	2.11
501- 1000	1,431	3.12	10,54,805	1.23
1001- 2000	674	1.47	9,47,062	1.09
2001- 3000	180	0.39	4,52,285	0.52
3001- 4000	103	0.23	3,63,680	0.42
4001-5000	51	0.11	2,33,806	0.27
5001-10000	113	0.25	7,89,830	0.91
10001 & above	202	0.44	8,08,66,083	93.45
TOTAL	**45,826**	**100.00**	**8,65,31,770**	**100.00**

l. Pattern of Shareholding:

Sr. No.	Category	As on 31 March 2021	
		No. of shares	% of total no. of shares
1.	Promoters Holding		
	Promoters	6,08,69,823	70.34
	Foreign Promoters	N.A.	N.A.
2.	Mutual Funds	82,45,551	9.53
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	18,24,857	2.11
4.	Private Corporate Bodies	2,81,314	0.33
5.	Indian Public	77,56,447	8.96
6.	NRIs/OCBs/FII's/Foreign Nationals	74,99,255	8.67
7.	In Clearance	54,523	0.06
	TOTAL	**8,65,31,770**	**100.00**

Report on Corporate Governance

m. Dematerialisation of Shares and liquidity:

99.74% of the total equity capital is held in dematerialized form with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as on 31 March 2021. All shares of the company are liquid and traded in normal volume on BSE and NSE. Relevant data for the average daily turnover for the financial year 2020 - 2021 is given below: -

Particulars	BSE	NSE	BSE + NSE
In no. of Shares	8,362	161,857	1,70,219
In value terms ₹	1,33,85,761	25,82,67,944	27,16,53,705

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

The Company has not issued these type of securities.

o. Reconciliation of Share Capital Audit:

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

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

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

Currency risks mainly arise out of exports and overseas operations. Since about 70% of the company's income is by way of exports with major currency exposure being in USD, the company generally does currency hedging up to a maximum period of 6 to 12 months and up to the extent of 50% to 75% of its net foreign exchange earnings. Company hedges its foreign exchange risk exposure by forward exchange contracts as per the decision of Risk Management Committee and as advised by forex consultants.

q. Employees Stock Option Scheme:

During the year 4,500 options were exercised by employees of a subsidiary company, while 1,000 options were exercised by employee of Company. The same were allotted and listed on the Stock Exchanges. Further, 3,000 options were granted to employees of overseas subsidiary company under Ajanta Pharma Share Based Incentive Plan 2019. As on 31 March 2021, no options are due for vesting.

r. Plant Locations:

The Company has 7 manufacturing plants as detailed below:

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

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

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

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

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

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

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

s. R & D Centre is located at Charkop, Kandivli West, Mumbai.

t. Investor Correspondence Address:

(i) For shares held in physical form

Link Intime India Private Limited

Unit: Ajanta Pharma Limited

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

Tel No: +91 022 4918 6000;

Fax: +91 022 4918 6060

Email: rnt.helpdesk@linkintime.co.in

Report on Corporate Governance

(ii) **For shares held in demat form**

Concerned Depository participants of investors

(iii) **Compliance & Nodal officer**

Mr. Gaurang Shah

VP - Legal & Company Secretary

Ajanta House,

Charkop, Kandivli (West),

Mumbai - 400 067

Tel No: +91 022 6606 1000;

E-mail: investorgrievance@ajantapharma.com

Website: http://www.ajantapharma com

u. **Credit Ratings:**

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

v. The company does not have any fixed deposit programme nor has any proposal involving mobilization of funds in India or abroad.

XIII. SUBSIDIARY COMPANIES

Ajanta Pharma USA Inc. is a material subsidiary of the Company pursuant to Regulation 24(1) of the Listing Regulations. Mr. Chandrakant M. Khetan, lead Independent Director of the company has been appointed on the Board of Ajanta Pharma USA Inc.

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

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

XIV. LEGAL COMPLIANCE MANAGEMENT TOOL

The Company has in place legal compliance management tool to monitor and ensure compliance with all applicable laws. The tool generates system driven alerts to the respective owners for complying with the applicable laws and regulations. The tool provides an assurance to the Board on various compliances by the Company.

XV. OTHER DISCLOSURES:

a. The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management or their relatives, subsidiaries etc. that may have a potential conflict with the interests of the Company at large.

b. Transactions with related parties are disclosed in Note no. 54 of the Financial Statements. Weblink of policy dealing with related party transactions is available at http://www.ajantapharma.com/AdminData/PolicyCodes/PolicyonRelatedPartyTransactions2019.pdf

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

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

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

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

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

Report on Corporate Governance

i. Non-Executive Chairman is provided with an office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

ii. Financial performance highlights were sent to shareholders on a half-yearly basis.

iii. The audit report of the Company's Financial Statements for the year ended 31 March 2021 is unmodified.

iv. Internal Auditor reports to the Audit Committee.

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

i. The Company had not raised any funds through preferential allotment of qualified institutional placement.

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

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

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

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

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

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

o. Disclosures have also been received from the senior management that there were no such transactions during the Financial Year 2020 - 2021 having potential conflict with the interests of the Company at large either by them or their relatives.

XVI. UNCLAIMED SHARES & DIVIDEND

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

Sr. No.	Particulars	Shareholders	No. of shares
1.	Outstanding shares at the beginning of the year	29	21,750
2.	Shareholders approached the company for transfer	-	-
3.	Shareholders whose shares were transferred from suspense account	-	-
4.	Shares transferred to IEPF account	-	-
5.	Outstanding shares at the end of the year	29	21,750

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

Report on Corporate Governance

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

Financial year	Amount of unclaimed dividend transferred (₹ lakh)	Number of shares transferred
2012-13	5.72	3,406

During the year, an amount of ₹ 50,930 was also transferred to IEPF on account of sale proceeds of fractional shares arising out of issuance of bonus shares.

No claims shall lie against the Company in respect of the dividend/shares/monies so transferred. Members who have a claim on above dividends and shares may claim the same from IEPF authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5.

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

Financial Year	Date of declaration	Tentative date for transfer to IEPF
2013-14	05.08.2014	10.09.2021
2014-15	04.07.2015	09.08.2022
2015-16 (Interim)	09.03.2017	14.04.2023
2016-17 (1st Interim)	26.10.2016	01.12.2023
2016-17 (2nd Interim)	18.03.2017	23.04.2024
2018-19 (Interim)	31.10.2018	06.12.2025
2019-20 (Interim)	05.11.2019	11.11.2026
2020-21(Interim)	03.11.2020	09.11.2027

Members may also note that underlying Shares on which dividend has remained unclaimed for 7 years i.e. from 2013-14 onwards, will also be transferred to IEPF account during the year and individual notices to that effect are sent to concerned shareholders. Notices in this regard would also be published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority would be uploaded on the Company's website. Shareholders who have not yet encashed their unclaimed/unpaid amounts are requested to correspond with the Company's RTA at the earliest to avoid transfer of dividend and underlying shares to IEPF.

For and on Behalf of the Board of Directors,

Mannalal B. Agrawal
Chairman

Mumbai, 30 April 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

Ajanta Pharma Limited

Ajanta House, 98 Govt. Industrial Area

Charkop, Kandivli (West), Mumbai - 400 067

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Ajanta Pharma Limited** having **CIN L24230MH1979PLC022059** and having registered office at Ajanta House, 98 Govt. Industrial Area, Charkop Kandivli (West) Mumbai - 400 067 (hereinafter referred to as **'the Company'**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause 10(i) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of appointment
1	Mannalal Bhagwandas Agrawal	00073828	Director	31/12/1979
2	Madhusudan Bhagwandas Agrawal	00073872	Whole time Director	31/12/1979
3	Yogesh Mannalal Agrawal	00073673	Managing Director	29/04/2000
4	Rajesh Mannalal Agrawal	00302467	Whole time Director	30/04/2013
5	Chandrakant Mohanlal Khetan	00234118	Director	20/10/2008
6	Prabhakar Ramchandra Dalal	00544948	Director	13/06/2014
7	Viswanathan Hariharan Kalpati	06563472	Director	30/04/2013
8	Dr. Anjana Grewal	06896404	Director	13/06/2014

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

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

Alwyn D'Souza
FCS No. 5559
C. P. No. 5137
UDIN: F005559C000217650

Place: Mumbai
Date: 30 April 2021

Report on Corporate Governance

DECLARATION PURSUANT TO SCHEDULE V OF THE LISTING REGULATIONS

In accordance with Regulation 26 (3) and Schedule V of the Listing Regulations with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31 March 2021.

For **Ajanta Pharma Limited**

Yogesh M. Agrawal
Managing Director

Mumbai, 30 April 2021

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

We, Mr. Yogesh M. Agrawal, Managing Director and Mr. Arvind Agrawal, Chief Financial Officer hereby certify for the financial year ended 31 March 2021 that:

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

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

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

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

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

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

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

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

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

For **Ajanta Pharma Limited**

Yogesh M. Agrawal
Managing Director

For **Ajanta Pharma Limited**

Arvind Agrawal
Chief Financial Officer

Mumbai, 30 April 2021

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of **AJANTA PHARMA LIMITED**,

1. We have examined the compliances of the conditions of Corporate Governance by **AJANTA PHARMA LIMITED** ("the Company") for the financial year ended **31 March 2021**, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations").
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Alwyn D'Souza
FCS No. 5559
C. P. No. 5137
UDIN: F005559C000217661

Place: Mumbai
Date: 30 April 2021

Independent Auditors' Report

To the Members of
Ajanta Pharma Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of **Ajanta Pharma Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Description of Key Audit Matter

Accruals for variable components in revenue recognition

The key audit matter	How the matter was addressed in our audit
Refer note 7.9 of accounting policies and note 65 to the consolidated financial statements The Group has numerous customers operating in multiple geographies and sales contracts with these customers have distinct terms and conditions relating to the recognition of revenue, the right of return and price adjustments. Contractual arrangements as well as regulatory requirements in various geographies result in adjustments to gross sales price. These adjustments arise from the Group's obligations to customers towards chargebacks, rebates, product recalls, Medicaid, allowances, supply penalties and right of return ("variable components").	– Our audit procedures in respect of accruals for variable components in revenue recognition included following: – Assessing the Group's accounting policies for variable components by comparing with applicable accounting standards; – Testing key internal controls with respect to development of assumptions for accrual of these adjustment to sales. These assumptions are developed using accumulated experience, contractual arrangements, the expected level of chargebacks, rebates and product recalls for each product, level of Medicaid for sales made in United States and level of supply penalties-based contract fulfillment;

Independent Auditors' Report

The key audit matter	How the matter was addressed in our audit
As stated in Note 65 to the consolidated financial statements, revenue from the sale of goods is measured after adjusting variable components. Accruals are made for variable components which requires significant judgement and estimation by the Group. These are based on contractual arrangements, market conditions and accumulated experience. The estimation is based on various factors. These factors include, for example level of competition, market conditions, volume of sales to individual customers etc., some of which are beyond the control of the Group. We identified accruals for variable components in revenue recognition as a key audit matter.	– Testing the completeness and accuracy of underlying data of sales and adjustment to sales; – Evaluating the Group's ability to estimate accrual for variable components resulting in adjustment to gross sales; – Selecting samples (using statistical sampling) of revenue transactions and examining variable components. Examining inclusion of these samples in the underlying data used to estimate accruals of variable components; – Examining sample manual journal entries (using statistical sampling) for variable components to verify unusual or irregular items; – Enquiring of any adjusting events subsequent to the year-end requiring adjustments to the accruals of variable components as at 31 March 2021.

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.

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

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

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

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

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditors' Report

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

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

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

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

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

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our 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

Independent Auditors' Report

reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

(a) We did not audit the financial statements / financial information of three subsidiaries whose financial statements/financial information reflect total assets of ₹ 248.26 Crore as at 31 March 2021, total revenues of ₹ 473.44 Crore and net cash outflows amounting to ₹ 46.75 Crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

i. The consolidated financial statements disclose the impact of pending litigations as at

Independent Auditors' Report

31 March 2021 on the consolidated financial position of the Group Refer Note 55 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31 March 2021.

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 financial statements since they do not pertain to the financial year ended 31 March 2021.

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

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

Sreeja Marar
Partner
Membership No: 111410
UDIN: 21111410AAAAAL2645

Mumbai
30 April 2021

Annexure A to the Independent Auditors' report

on the consolidated financial statements of Ajanta Pharma Limited for the year ended 31 March 2021

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

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

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Ajanta Pharma Limited (hereinafter referred to as "the Holding Company"), as of that date.

In our opinion, the Holding Company incorporated in India, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance

Annexure A to the Independent Auditors' report

on the consolidated financial statements of Ajanta Pharma Limited for the year ended 31 March 2021

regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

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

Sreeja Marar
Partner
Membership No: 111410
UDIN: 21111410AAAAAL2645

Mumbai
30 April 2021

Consolidated Balance Sheet
as at 31 March 2021

₹ in Crore

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	8	1,429.20	1,360.19
(b) Capital work-in-progress	8	108.19	131.86
(c) Investment property	8	8.90	9.39
(d) Other Intangible assets	8	10.79	11.71
(e) Right-of-use assets	8	92.22	90.85
(f) Financial assets			
Investments	9	-	12.28
Loans	10	6.47	6.52
Other financial assets	11	9.90	9.09
(g) Deferred tax assets (net)	12	50.10	25.40
(h) Income tax assets (net)	13	21.44	13.83
(i) Other non-current assets	14	13.92	5.86
Total non-current assets		**1,751.13**	**1,676.98**
Current assets			
(a) Inventories	15	766.47	495.68
(b) Financial assets			
Investments	16	175.67	67.14
Loans	17	8.03	9.01
Trade receivables	18	738.43	775.30
Cash and cash equivalents	19	177.51	202.35
Bank balances other than cash and cash equivalents	20	32.10	2.90
Other financial assets	21	5.86	3.08
(c) Other current assets	22	123.52	86.25
Total current assets		**2,027.59**	**1,641.70**
Total assets		**3,778.72**	**3,318.69**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	23	17.39	17.54
(b) Other Equity	24	2,978.24	2,581.33
Total Equity		**2,995.63**	**2,598.87**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Borrowings	25	1.60	0.74
Lease liabilities	26	18.17	11.97
Other financial liabilities	27	1.25	0.46
(b) Other Liabilities	28	3.34	3.67
(c) Provisions	29	17.93	15.65
(c) Deferred tax liabilities (net)	30	92.17	81.16
Total non-current liabilities		**134.46**	**113.65**
Current liabilities			
(a) Financial liabilities			
Borrowings	31	-	42.85
Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	32	16.58	8.99
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	32	357.28	353.35
Other financial liabilities	33	172.22	142.24
Lease liabilities	34	11.50	17.31
(b) Other liabilities	35	30.42	20.57
(c) Provisions	36	11.71	9.16
(d) Income tax liabilities (net)	37	48.92	11.70
Total current liabilities		**648.63**	**606.17**
Total Equity and Liabilities		**3,778.72**	**3,318.69**
Significant accounting policies	1 to 7		
The notes referred to above form an integral part of the consolidated financial statements	8 to 70		

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai
30 April 2021

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

Consolidated Statement of Profit and Loss
for the year ended 31 March 2021

₹ in Crore

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	38	2,889.69	2,587.87
Other income	39	25.98	92.19
Total income		**2,915.67**	**2,680.06**
Expenses			
Cost of materials consumed	40	706.41	560.33
Purchase of stock-in-trade	41	89.54	112.13
Changes in inventories of finished goods/work-in-progress/ stock-in-trade	42	(150.90)	(16.75)
Employee benefits expense	43	548.25	485.59
Finance costs	44	8.27	11.91
Depreciation and amortisation expense	45	116.09	95.72
Other expenses	46	697.83	763.24
Total expenses		**2,015.49**	**2,012.17**
Profit before tax and exceptional items		900.18	667.89
Exceptional Item - Loss on fire		-	3.92
Profit before tax		**900.18**	**663.97**
Tax expense	68		
- Current tax (net)		261.36	186.35
- Deferred tax (net)		(15.05)	9.92
Profit for the year		**653.87**	**467.70**
Other comprehensive income / (loss)			
Items that will not to be reclassified subsequently to profit or loss			
Re-measurements of defined benefit plans		(2.04)	(3.92)
Income tax relating to items that will not be reclassified to profit or loss		0.71	1.37
Net other comprehensive loss not to be reclassified subsequently to profit or loss		**(1.33)**	**(2.55)**
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(5.12)	8.11
Net other comprehensive (loss) / income to be reclassified subsequently to profit or loss		**(5.12)**	**8.11**
Other comprehensive (loss) / income for the year, net of income tax		(6.45)	5.56
Total comprehensive income for the year		**647.42**	**473.26**
Earnings Per Equity Share (Face Value ₹ 2/-)	48		
Basic (₹)		75.09	53.60
Diluted (₹)		**75.09**	**53.60**
Significant accounting policies	1 to 7		
The notes referred to above form an integral part of the consolidated financial statements	8 to 70		

As per our report of even date attached

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Company Secretary
FCS No. 6696

Consolidated Statement of Cash Flow
for the year ended 31 March 2021

₹ in Crore

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	900.18	663.97
	Adjustment for		
	Depreciation and amortisation expense	116.09	95.72
	Loss on sale / retirement of property, plant and equipment (net)	2.21	0.10
	Finance costs	8.27	11.91
	(Gain) on fair value of investment	(12.36)	(6.38)
	Loss on fair value of derivative	-	14.49
	Income from investments and deposits	(1.97)	(3.86)
	Equity settled share based payment	0.02	0.42
	Unrealised Foreign exchange (Gain)	(4.55)	(53.79)
	Loss on fire	-	3.92
	Impairment loss on financial assets	7.56	8.26
	Operating cash flow before working capital changes	**1,015.45**	**734.76**
	Changes in working capital		
	Decrease / (increase) in trade receivables	31.13	(268.38)
	(Increase) / decrease in other current assets	(38.04)	15.69
	Decrease in other current financial assets	9.59	10.30
	(Increase) in other non-current financial assets	(0.81)	(6.44)
	Decrease in non-current financial assets	0.09	0.06
	Decrease in non-current loans	0.04	1.93
	(Increase) in inventories	(271.45)	(58.93)
	Decrease in current loans	0.98	2.65
	Increase in other non-current financial liabilities	0.79	0.13
	Increase in other current liabilities	10.67	60.43
	Increase / (decrease) in other current financial liabilities	33.60	(13.19)
	Increase in non-current provisions	2.28	2.21
	Increase / (decrease) in current provisions	1.23	(2.43)
	Increase in trade payables	11.15	132.81
	Cash generated from operating activities	**806.70**	**611.60**
	Net income tax paid	(230.39)	(154.83)
	Net cash generated from operating activities	**576.31**	**456.77**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Capital expenditure on property, plant and equipment including capital advances	(171.61)	(239.42)
	Proceeds from sale of property, plant and equipment	1.71	5.49
	Bank balances not considered as cash and cash equivalents	(29.20)	2.45
	Insurance claim received against property, plant and equipment	11.00	4.90
	Purchase of current investments	(742.41)	(278.00)
	Proceeds from sale of current investments	633.88	275.60
	Income on investments and deposits	1.97	3.86
	Sale of non-current investments	12.27	0.72
	Net cash used in investing activities	**(282.39)**	**(224.41)**

Consolidated Statement of Cash Flow
for the year ended 31 March 2021

₹ in Crore

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Proceeds of borrowings (net)	(44.02)	9.73
Interest paid	(8.27)	(7.16)
Repayment of lease liability (including interest thereon)	(15.27)	(15.27)
Payment for buyback of shares	(135.41)	-
Payment for expenses for buyback of shares	(32.42)	-
Dividend paid	(82.90)	(113.44)
Dividend distribution tax paid	-	(2.49)
Net cash used in financing activities	**(318.29)**	**(128.63)**
Net (decrease) / increase in cash and cash equivalents	**(24.37)**	**103.74**
Cash and cash equivalents as at the beginning of the year	202.35	95.16
Cash and cash equivalents as at the end of the year (refer note 19)	**177.99**	**198.90**
Reconciliation of cash and cash equivalents with the Balance sheet		
Cash and cash equivalents as per balance sheet	177.51	202.35
Unrealised loss / (gain) on foreign currency cash and cash equivalents	0.48	(3.46)
Cash and cash equivalents as restated as at the end of the year	**177.99**	**198.89**

Figures in brackets indicates outflow.

Note:

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

Particulars	Notes	As at 31 March 2020	Cash Flows	Non-cash changes			As at 31 March 2021
				Acquisition	Foreign exchange movement	Fair value change	
Borrowing	25, 31 & 33	45.70	(44.02)	-	-	-	1.68

4. During the year the Group paid ₹ 13.65 (31 March 2020 ₹ 15.07) towards corporate social responsibility (CSR) expenditure included in corporate social responsibility expenditure Refer note 57)

Significant accounting policies

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

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai
30 April 2021

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

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Managing Director
DIN: 00073673

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Chief Financial Officer

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Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

Consolidated Statement of Changes in Equity
for the year ended 31 March 2021

A. EQUITY SHARE CAPITAL (REFER NOTE 23)

₹ in Crore

Particulars	As at 01 April 2020	Changes in Equity Share Capital during the year	As at 31 March 2021
Authorised	30.00	-	30.00
Issued, Subscribed & Paid up	17.54	(0.15)	17.39

B. OTHER EQUITY (REFER NOTE 24)

₹ in Crore

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings	Other Comprehensive Income		Total	Non-Controlling Interests	Total Equity
						Foreign Currency Translation Reserve	Other items (Re-measurement gains (losses) on defined benefit plans)			
As at 1 April 2019	**2.25**	**-**	**951.18**	**1.10**	**1,265.42**	**6.21**	**(2.58)**	**2,223.58**	**-**	**2,223.58**
Profit for the period	-	-	-	-	467.70	-	-	467.70	-	467.70
Other comprehensive income	-	-	-	-	-	8.11	(2.55)	5.56	-	5.56
Total comprehensive income	**-**	**-**	**-**	**-**	**467.70**	**8.11**	**(2.55)**	**473.26**	**-**	**473.26**
Exercise of Stock Options	-	-	-	(1.05)	-	-	-	(1.05)	-	(1.05)
Exercised Stock Options	-	1.06	-	-	-	-	-	1.06		1.06
Share based payment expenses	-	-	-	0.42	-	-	-	0.42	-	0.42
Dividend Paid	-	-	-	-	(113.44)	-	-	(113.44)		(113.44)
Dividend Distribution Tax	-	-	-	-	(2.50)	-	-	(2.50)		(2.50)
As at 31 March 2020	**2.25**	**1.06**	**951.18**	**0.47**	**1,617.18**	**14.32**	**(5.13)**	**2,581.33**	**-**	**2,581.33**
Profit for the period					653.87			653.87	-	653.87
Other comprehensive income (net of tax)	-	-	-	-	-	(5.12)	(1.33)	(6.45)	-	(6.45)
Total comprehensive income	**-**	**-**	**-**	**-**	**653.87**	**(5.12)**	**(1.33)**	**647.42**	**-**	**647.42**
Exercise of Stock Options	-	-	-	(0.39)	-	-	-	(0.39)	-	(0.39)
Uitilised for buy-back of Equity Shares	-	(1.64)	(134.35)	-	-			(135.99)	-	(135.99)
Uitilised for buy-back of Equity Shares	-	-	-	-	(32.42)			(32.42)	-	(32.42)
Transfer to Capital Redemption Reserve for buyback of Equity Shares	0.15	-	-	-	-	-	-	0.15	-	0.15
Exercised Stock Options	-	0.58	-	-	-	-	-	0.58	-	0.58
Share based payment expenses	-	-	-	0.46	-	-	-	0.46	-	0.46
Dividend Paid	-	-	-	-	(82.90)	-	-	(82.90)	-	(82.90)
As at 31 March 2021	**2.40**	**-**	**816.83**	**0.54**	**2,155.73**	**9.20**	**(6.46)**	**2,978.24**	**-**	**2,978.24**

Consolidated Statement of Changes in Equity
for the year ended 31 March 2021

a) Capital Redemption Reserve

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

b) Securities Premium

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

c) General Reserve

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

d) Employee Stock Option Outstanding

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

e) Retained Earnings

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

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No. 111410

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DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

Statement of Compliance

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

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

These Consolidated Financial Statements for the year ended 31 March 2021 have been reviewed by the Audit Committee and subsequently approved by Company's Board of Directors at it's meeting held on 30 April 2021.

Use of estimates and judgements

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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2021 are as follows:

Property, plant and equipment

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

Recognition and measurement of defined benefit obligations

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

Intangible Assets

Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

Allowance for uncollected accounts receivable and advances

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

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

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. The review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statement for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the group's financial statements.

Recognition of deferred tax assets and income tax

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the group's financial Statements

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective country.

Deferred tax assets are recognised for all 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 upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

Contingencies

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

Insurance claims

Insurance claims are recognised when the Company has reasonable certainty of recovery.

Impairment reviews

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

Determination of functional currency

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3. PRINCIPLES OF CONSOLIDATION

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

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

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

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

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

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

Consolidation procedure

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Non-controlling interests (NCI)

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

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

(iii) Loss of control

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

(iv) Transaction's eliminated on consolidation

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

4. FUNCTIONAL AND PRESENTATION CURRENCY

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

Initial recognition

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

Conversion

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

Group companies

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

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

5. ROUNDING OF AMOUNTS

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

6. CURRENT / NON-CURRENT CLASSIFICATION

An entity shall classify an asset as current when-

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

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

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

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

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

An entity shall classify a liability as current when-

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

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

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

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

An entity shall classify all other liabilities as non-current

Operating Cycle

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

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

7. SIGNIFICANT ACCOUNTING POLICIES

7.1 Property, plant and equipment

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

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

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

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

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

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

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

7.2 Property, plant and equipment

Depreciation for Holding Company

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

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

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

Depreciation for Subsidiaries

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

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

7.3 Intangible Assets

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

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

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

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

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

Research and Development

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

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

Investment Property

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

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

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

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

The fair values of investment property is disclosed in the notes. Fair values is determined by the per square feet value in the locality available publicly.

Impairment on non-financial assets

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

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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

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

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

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

7.4 Financial Instruments

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

Financial Assets

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

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

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

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

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

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

Investment in Equity Instruments

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

Investment in Debt Instruments

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

Derecognition of Financial Assets

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

Impairment of Financial Assets

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when

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the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of Financial Liabilities

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

Derivative Financial Instrument

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

7.5 Inventories

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

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

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

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

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

7.6 Cash and Cash Equivalents

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

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

7.7 Cash Flow Statement

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

7.8 Foreign Currency Transactions

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date.

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

7.9 Revenue Recognition

Sale of Goods

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

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

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

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

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

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

Interest income

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

Dividend income

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

Income from Export Benefits and Other Incentives

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

7.10 Employee Benefits

In case of Holding Company

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

(i) Defined Benefit Plans

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

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

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

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

(ii) Defined Contribution Plans

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

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

(iii) Compensated Absences

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

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

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

(iv) Share-Based Compensation

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

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

In case of Subsidiary at Mauritius

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

In case of Subsidiary at Philippines

Short-term benefits

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

Post-employment benefits

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

Compensated Absences

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

In case of Subsidiary at USA

Short-term benefits

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

Post-employment benefits

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

7.11 Borrowing Costs

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

Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

7.12 Leases

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

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

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

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

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

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

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

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

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

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7.13 Government Grants

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

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

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

7.14 Earnings Per Share

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

7.15 Income Taxes

Income tax expense comprises current and deferred income tax.

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

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

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

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

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

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

7.16 Dividends to Shareholders

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

7.17 Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

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

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

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

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

Contingent liability is disclosed in the case of:

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

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

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

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

Asset Retirement Obligation

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognised in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

7.18 Fair value measurement

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

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

- Derivative financial instruments are measured at fair value received from Bank.
- Mutual Funds are measured at fair values as per Net Asset Value (NAV).
- Employee Stock Option Plan (ESOP) at fair values as per Actuarial Valuation Report.

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

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

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

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

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

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

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

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

7.19 Recent accounting pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the group will evaluate the same to give effect to them as required by law.

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for the year ended 31 March 2021

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

8.1 Current Year

₹ in Crore

Particulars	Gross Block (Cost or Deemed cost)					Accumulated Depreciation/Amortisation					Net Block
	As at 01 April 2020	Exchange Difference	Additions	Disposals	As at 31 March 2021	As at 01 April 2020	Exchange Difference	For the Year	Disposals	As at 31 March 2021	As at 31 March 2021
(A) Property, plant and equipment											
Freehold land **	155.42	0.21	-	-	155.63	-	-	-	-	-	155.63
Leasehold improvement	1.16	0.01	-	-	1.17	0.80	-	-	-	0.80	0.37
Buildings	542.65	1.03	24.81	0.84	567.65	103.15	0.27	17.46	0.26	120.62	447.03
Plant and equipments	979.05	(0.01)	128.37	0.68	1,106.73	273.58	(0.06)	67.24	0.58	340.18	766.55
Furniture and fixtures	82.72	0.20	7.65	4.60	85.97	46.44	0.12	5.29	4.41	47.44	38.53
Vehicles	12.38	0.93	0.38	1.31	12.38	7.61	0.55	1.46	0.81	8.81	3.57
Office equipments	28.41	0.11	2.51	4.84	26.19	19.56	0.10	2.65	4.27	18.04	8.15
Computers	34.40	-	4.30	8.56	30.14	24.86	-	3.99	8.08	20.77	9.37
Total	**1,836.19**	**2.48**	**168.02**	**20.83**	**1,985.86**	**476.00**	**0.98**	**98.09**	**18.41**	**556.66**	**1,429.20**
(B) Other intangible assets											
Computer Software	25.25	0.01	3.82	2.40	26.68	13.54	0.03	4.69	2.37	15.89	10.79
Total	**25.25**	**0.01**	**3.82**	**2.40**	**26.68**	**13.54**	**0.03**	**4.69**	**2.37**	**15.89**	**10.79**
Total (A + B)	**1,861.44**	**2.49**	***171.84**	**23.23**	**2,012.54**	**489.54**	**1.01**	**102.78**	**20.78**	**572.55**	**1,439.99**
(C) Capital work in progress											108.19
(D) Investment property	10.93	-	-	-	10.93	1.54	-	0.49	-	2.03	8.90
Total property, plant and equipment, capital work-in-progress, investment property and other intangible assets (a) + (b) + (c) + (d)											**1,557.08**

* Addition includes ₹ 1.71 Crore used for Research and Development.

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

8.2 Previous Year

₹ in Crore

Particulars	Gross Block (Cost or Deemed cost)					Accumulated Depreciation/Amortisation					Net Block
	As at 01 April 2019	Exchange Difference	Additions	Disposals	As at 31 March 2020	As at 01 April 2019	Exchange Difference	For the Year	Disposals	As at 31 March 2020	As at 31 March 2020
(A) Property, plant and equipment											
Freehold land **	155.42	-	-	-	155.42	-	-	-	-	-	**155.42**
Leasehold improvement	1.16	-	-	-	1.16	0.80	-	-	-	0.80	**0.36**
Buildings	410.59	-	132.06	-	542.65	89.28	-	13.87	-	103.15	**439.50**
Plant and equipments	786.57	-	199.98	7.50	979.05	223.37	-	52.33	2.12	273.58	**705.47**
Furniture and fixtures	73.45	-	9.37	0.09	82.72	41.88	-	4.62	0.06	46.44	**36.28**
Vehicles	10.40	-	2.01	0.03	12.38	6.03	-	1.59	0.01	7.61	**4.77**
Office equipments	25.26	-	3.33	0.18	28.41	17.30	-	2.39	0.13	19.56	**8.85**
Computers	32.06	-	3.50	1.16	34.40	21.65	-	4.26	1.05	24.86	**9.54**
Total	**1,494.91**	**-**	**350.25**	**8.96**	**1,836.19**	**400.31**	**-**	**79.06**	**3.37**	**476.00**	**1,360.19**
(B) Other intangible assets											
Computer Software	16.95	-	8.30	-	25.25	10.30	-	3.24	-	13.54	**11.71**
Total (B)	**16.95**	**-**	**8.30**	**-**	**25.25**	**10.30**	**-**	**3.24**	**-**	**13.54**	**11.71**
Total (A + B)	**1,511.87**	**-**	***358.55**	**8.96**	**1,861.44**	**410.61**	**-**	**82.3**	**3.37**	**489.54**	**1,371.90**
(C) Capital work in progress											**131.86**
(D) Investment property	10.93	-	-	-	10.93	1.05	-	0.49	-	1.54	**9.39**
Total property, plant and equipment, capital work-in-progress, investment property and other intangible assets (a) + (b) + (c) + (d)											**1,513.15**

* Addition includes ₹ 2.12 Crore used for Research and Development. ** Freehold land title deeds are in the name of the Company.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

8. RIGHT-OF-USE OF ASSETS (REFER NOTE 54)

8.3 Current Year

₹ in Crore

Particulars	Gross Block (Cost or Deemed cost)					Accumulated Depreciation/Amortisation					Net Block
	As at 01 April 2020	Exchange Difference	Additions	Disposals	As at 31 March 2021	As at 01 April 2020	Exchange Difference	For the Year	Disposals	As at 31 March 2021	As at 31 March 2021
Leasehold land	67.12	-	12.43	-	79.55	1.00	-	1.13	-	2.13	77.42
Leasehold properties	36.66	(0.03)	3.22	2.09	37.76	11.93	(0.05)	11.68	0.60	22.96	14.80
Total	**103.78**	**(0.03)**	**15.65**	**2.09**	**117.31**	**12.93**	**(0.05)**	**12.81**	**0.60**	**25.09**	**92.22**

8. RIGHT-OF-USE OF ASSETS (REFER NOTE 54)

8.4 Previous Year

₹ in Crore

Particulars	Gross Block (Cost or Deemed cost)					Accumulated Depreciation/Amortisation					Net Block
	As at 01 April 2019	Exchange Difference	Additions	Disposals	As at 31 March 2020	As at 01 April 2019	Exchange Difference	For the Year	Disposals	As at 31 March 2020	As at 31 March 2020
Leasehold land	67.12	-	-	-	67.12	-	-	1.00	-	1.00	66.12
Leasehold properties	35.20	1.46	-	-	36.66	-	-	11.93	-	11.93	24.73
Total	**102.32**	**1.46**	**-**	**-**	**103.78**	**-**	**-**	**12.93**	**-**	**12.93**	**90.85**

9. INVESTMENTS (NON-CURRENT)

₹ in Crore

Particulars			As at 31 March 2021	As at 31 March 2020
A. Long term trade investments				
Unquoted investments				
in Joint Venture				
Turkmenderman Ajanta Pharma Ltd. (Refer Note 63)				
2,00,000 (31 March 2020 2,00,000) Shares of USD 10 each fully paid-up			-	-
In others at fair value				
OPGS Power Gujarat Private Limited				
1,95,000 (31 March 2020 1,95,000) Shares of ₹ 0.19 each			-	-
(31 March 2021 ₹ 37,050, 31 March 2020 ₹ 37,050)				
Total			**-**	**-**
B. Other Investments				
In Mutual Funds (unquoted)	**Face Value ₹**	**No. of Units ***	**Face Value**	
Greenland Global Fund - Sub Fund A - Class B RPS - Series 8	86,269	-	-	3.89
		(450)		
Silverdale Fund SP-1	10,154	-	-	8.39
		(8,263)		
Total			**-**	**12.28**
Note : the Company has made full provision for investment in Turkmenderman Ajanta Pharma Limited in Year 2014-15 and carrying value of investment is considered Nil				
Aggregate value of quoted investments			-	-
Aggregate value of unquoted investments (net of impairment)			-	12.28
Aggregate market value of quoted investments			-	-
Aggregate amount of impairment in value of non current investment			6.95	6.95

* Figures in Brackets are for Previous Years

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

10. LOANS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated		
Security deposits	6.47	6.52
	6.47	**6.52**

11. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated		
Prepaid lease	-	0.67
Financial asset at amortised cost	3.95	3.65
In deposit accounts with banks with maturity of more than 12 months from the balance sheet date		
- Under lien	5.72	4.58
- Others (31 March 2021 ₹ 80,428, 31 March 2020 ₹ 29,084)	-	-
Interest accrued on fixed deposits with banks	0.23	0.19
	9.90	**9.09**

12. DEFERRED TAX ASSETS (NET)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Others	50.10	25.40
	50.10	**25.40**

13. NON CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax paid (net provision ₹ 190.19 (31 March 2020 ₹ 139.36))	21.44	13.83
	21.44	**13.83**

14. OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated		
Capital advances	12.64	4.49
Vat receivable	0.76	0.85
Octroi refund receivable	0.52	0.52
	13.92	**5.86**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

15. INVENTORIES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	291.23	175.03
Packing materials	58.08	48.45
Work-in-progress	48.00	40.60
Finished goods (including in transit ₹ 70.80 Crore, 31 March 2020 ₹ 44.12 Crore)	216.63	146.55
Stock-in-trade (including in transit ₹ 0.89 Crore, 31 March 2020 ₹ 1.95 Crore)	152.53	85.05
	766.47	**495.68**

16. CURRENT INVESTMENTS

Investment at fair value through statement of Profit or Loss

₹ in Crore

Particulars	Face Value ₹	No. of Units*	As at 31 March 2021	As at 31 March 2020
Investment in mutual funds (Unquoted)				
Zero Coupon Bond Aditya Birla Finance Ltd.	1,000,000	-	-	31.14
		(250)		
LC Beacon Fund	7,336	50,000	36.68	-
		(-)		
Zero Coupon Bond Aditya Birla Housing Finance Ltd.	10	-	-	20.66
		(200)		
			36.68	**51.80**
Investment in mutual funds (quoted)				
ABSL Arbitrage Fund Direct Plan - Dividend	10	17,158,517	37.37	15.34
		(7,332,373)		
Shriram Tranpsort Finance Company Limited SR PPML Y-01 BR NCD 02DC22 FVRS10Lac	1,000,000	-	10.48	-
		(-)		
Shriram Tranpsort Finance Company Limited SR PPML Y 02 BR NCD 27AP23 FVRS10Lac	1,000,000	150	15.11	-
		(-)		
Muthoot Fincorp Limited SR VI BR NCD 04AP23 FVRS10LAC	1,000,000	300	30.62	-
		(-)		
L&T Arbitrage Opportunities Fund Direct Growth	10	12,948,527	20.18	-
		(-)		
Invesco India Arbitrage Fund - Direct Plan Growth	10	9,700,040	25.23	-
		(-)		
			138.99	**15.34**
			175.67	**67.14**
Aggregate value of quoted investments and market value			138.99	15.34
Aggregate value of unquoted investments (net of impairment)			36.68	51.80
Aggregate amount of impairment in value of investments			-	-

* Figures in Brackets are for Previous Years

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

17. LOANS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Advances to employees	5.48	7.66
Loan to employees	2.55	1.35
	8.03	**9.01**

18. TRADE RECEIVABLES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated		
Trade Receivables outstanding for a period exceeding		
six months from the date they were due for payment		
- Trade receivable credit impaired	13.57	10.91
Trade receivables considered good	738.43	776.99
Trade receivables credit impaired	**13.57**	**10.91**
Less: Loss allowance		
- Trade receivable considered good	(6.73)	(1.69)
- Trade receivable credit impaired	(6.84)	(10.91)
	(13.57)	**(12.60)**
Total Receivables	**738.43**	**775.30**
Break-up of Security Details		
(i) Trade receivables considered good- Secured	-	-
(ii) Trade receivables considered good- Unsecured	738.43	775.30
(iii) Trade receivables which have significant increase in Credit Risk	-	-
(iv) Trade receivables - credit impaired	13.57	12.60
Total	**752.00**	**787.90**
Loss Allowance	(13.57)	(12.60)
Total Trade Receivables	**738.43**	**775.30**

(There are no other trade receivables which have significant increase in credit risk, Refer note 52 for information about credit risk and market risk of trade receivables).

The loss allowance on trade receivable has been computed on the basis of IND AS 109 Financial Instruments which requires such allowance to be made even for trade receivable considered good on the basis that credit risk exist even though it may be very low. the Company exposure to credit and currency risk and loss allowance related to trade receivable are disclosed in note 52.

19. CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Bank balances		
- In current accounts	106.57	147.36
- In EEFC accounts	70.91	54.96
Cash on hand	0.03	0.03
	177.51	**202.35**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

20. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Earmarked balances with banks		
- Unpaid dividend	0.88	0.77
In Deposit Accounts (original maturity of more than 3 months but expected to mature within 12 months from the Balance Sheet date)		
- Under lien	6.22	2.13
- Others (31 March 2020 ₹ 45,195)	25.00	-
	32.10	**2.90**

21. OTHER CURRENT FINANCIAL ASSETS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Interest receivable	1.76	0.35
Insurance receivable	0.01	2.73
Mark to market derivative asset	4.09	-
	5.86	**3.08**

22. OTHER CURRENT ASSETS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Advances other than capital advances		
Advances to vendors		
- considered good	22.08	20.01
Prepaid expenses	13.84	22.36
Other advances recoverable	3.15	0.30
Balance with Statutory/Govt. Authorities		
GST receivable	52.10	14.28
Export benefits receivable	32.35	29.30
	123.52	**86.25**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

23. EQUITY SHARE CAPITAL

₹ in Crore

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Authorised				
Equity shares of ₹ 2 each	150,000,000	30.00	150,000,000	30.00
Issued, subscribed and paid-up :				
Issued, subscribed and fully paid up Equity shares of ₹ 2 each	86,531,770	17.30	87,261,270	17.45
Add: Share Forfeited (on account of Buyback)	766,500	0.09	766,500	0.09
Total	**87,298,270**	**17.39**	**88,027,770**	**17.54**

23.1 Equity share capital

₹ in Crore

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Equity shares outstanding as at the beginning of the year	87,261,270	17.45	87,253,770	17.45
Add: Equity shares allotted during the year against option's excercised under Employee Stock Option Plan / Scheme (ESOP)	5,500	*	7,500	#
Less: Equity shares extinguished on buy back	(735,000)	(0.15)	-	-
Equity shares outstanding as at the end of the year	86,531,770	17.30	87,261,270	17.45

* ₹ 11,000 # ₹ 15,000

23.2 Rights attached to Equity shares

The Company has only one class of Equity shares with voting rights having a par value of ₹ 2 per share. The Company declares & pays dividend in Indian Rupees. Any interim dividend paid is recognised on the approval by Board of Directors.

The following dividends were declared and paid by the Company during the year ended:

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Interim and final equity dividend were declared and paid for Financial Year 2019-20 at ₹ 13 per equity share	-	113.44
Interim and final equity dividend were declared and paid for Financial Year 2020-21 at ₹ 9.50 per equity share	82.90	-
Dividend distribution tax on the equity dividend paid above	-	2.50
Total	**82.90**	**115.94**

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of Equity shares held by shareholders.

Dividends and tax thereon have not been recognised as liabilities in the year to which they pertain to and is recorded in the year in which they have been approved in the Annual General Meeting.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

23.3 Details of shareholders holding more than 5% Equity shares

₹ in Crore

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Yogesh M Agrawal, Trustee Yogesh Agrawal Trust	12,533,346	14.48	12,639,934	14.49
Rajesh M Agrawal, Trustee Rajesh Agrawal Trust	12,533,345	14.48	12,639,933	14.49
Ravi Purushottam Agrawal, Trustee Ravi Agrawal Trust	12,433,113	14.37	12,545,180	14.38
Aayush Madhusudan Agrawal, Trustee Aayush Agrawal Trust	12,423,429	14.36	12,540,389	14.37
Gabs Investments Private Limited	8,392,262	9.70	8,392,262	9.62

23.4 Equity shares reserved for issuance under Employees Stock Options Scheme 2011 of the Company

Particulars	As at 31 March 2021	As at 31 March 2020
	Number of Shares	Number of Shares
Equity shares	**1,127,750**	**1,133,250**

23.5 Aggregate number of Equity shares issued during last five years pursuant to Employees Stock Options Scheme 2011

Particulars	As at 31 March 2021	As at 31 March 2020
	Number of Shares	Number of Shares
Equity shares	**197,500**	**192,000**

23.6 Equity shares allotted as fully paid up bonus Shares for the period of five years immediately preceding the balance sheet date

Particulars	As at 31 March 2021	As at 31 March 2020
	Number of Shares	Number of Shares
Bonus Shares issued in FY 2013-14	29,292,250	29,292,250
Bonus Shares on allotment of ESOP in FY 2014-15	22,250	22,250
Bonus Shares on allotment of ESOP in FY 2015-16	19,250	19,250
Bonus Shares on allotment of ESOP in FY 2016-17	1,250	1,250

23.7 The Company is not a subsidiary company.

23.8 The Board of Directors of The Company, at its meeting held on 3 November 2020 had approved a proposal to buyback upto 7,35,000 equity shares of The Company for an aggregate amount not exceeding ₹ 135.99 Crore being 0.84% of the total paid up equity share capital at ₹ 1,850 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 735,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought back on 30 December 2020. The Company has utilised its Securities Premium (₹ 1.64 Crore) and General Reserve (₹ 134.35 Crore) for the buyback of its equity shares. Total transaction cost of ₹ 0.78 Crore incurred towards buyback was offset from retained earnings. In accordance with Section 69 of the Companies Act 2013, The Company has created Capital Redemption Reserve of ₹ 0.15 Crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

24. OTHER EQUITY

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Capital redemption reserve		
Balance at the beginning of the year	2.25	2.25
Add : amount transferred upon buyback of shares	0.15	-
Balance as at the year end	**2.40**	**2.25**
Securities premium account		
Balance at the beginning of the year	1.06	-
Add : addition during the year	0.58	1.06
Less: utilisation for buyback of shares	(1.64)	-
Balance as at the year end	**-**	**1.06**
Exchange fluctuation reserve		
Balance at the beginning of the year	14.32	6.21
Add : Addition during the year	(5.12)	8.11
Balance as at the year end	**9.20**	**14.32**
General reserve		
Balance at the beginning and at the end of the year	951.18	951.18
Less: utilised for buyback of shares	(134.35)	-
Balance as at the year end	**816.83**	**951.18**
Employee stock option outstanding		
Balance at the beginning of the year	0.47	1.10
Add : share based payment expenses	0.46	0.42
Less : exercised during the year	0.39	1.05
Balance as at the year end	**0.54**	**0.47**
Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)		
Balance at the beginning of the year	(5.13)	(2.58)
Add : amount transferred	(1.33)	(2.55)
Balance as at the year end	**(6.46)**	**(5.13)**
Retained earnings		
Balance at the beginning of the year	1,617.18	1,269.51
Less: Transition impact of Ind AS 116 (refer note 54)	-	4.09
Restated balance as 1 April 2020	1,617.18	1,265.42
Profit for the year	653.87	467.70
Less: Appropriations		
- Interim Dividend on Equity shares	82.90	113.44
- Corporate Tax on Interim Dividend	-	2.50
- Expense relating to buyback of Equity shares	32.42	-
Balance at the year end	**2,155.73**	**1,617.18**
Total Other equity	**2,978.24**	**2,581.33**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

25. NON-CURRENT BORROWINGS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Vehicle loans (secured)		
From banks (foreign currency)	1.60	0.74
	1.60	**0.74**

25.1 Vehicle loans are secured against vehicles acquired under the scheme & are repayable in equal monthly instalment upto 31 December 2023 & rate of interest is 5.17% to 10% p.a.

26. LEASE LIABILITIES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liabilities (refer note 54)	18.17	11.97
	18.17	**11.97**

27. OTHER FINANCIAL LIABILITIES (NON CURRENT)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits payable	1.25	0.46
	1.25	**0.46**

28. OTHER NON-CURRENT LIABILITIES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Government Grant	3.34	3.67
	3.34	**3.67**

29. PROVISIONS (NON-CURRENT)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (Net)		
Gratuity (Refer Note 50.2)	1.09	2.63
Compensated absences (Refer Note 50.3)	16.84	13.02
	17.93	**15.65**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

30. DEFERRED TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Tax effect of items constituting - Deferred tax liabilities		
Difference in tax base of property, plant and equipment (A)	100.90	89.89
Unrealised gain/loss on securities carried at FVOCI/FVTPL (B)	1.43	1.43
Tax effect of items constituting - Deferred tax assets		
Disallowance under income tax (C)	10.16	10.16
Deferred tax liabilities (net) (A + B - C)		
	92.17	**81.16**

31. BORROWINGS (CURRENT)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Working Capital Loans repayable on demand from banks (Secured)		
Foreign currency loan	-	42.85
	-	**42.85**

31.1 Working capital loans are secured by first charge on inventory and trade receivables of the Company. It is additionally secured by corporate guarantee of Ajanta Pharma Ltd., India (Parent Company).

32. TRADE PAYABLES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises	16.58	8.99
Total outstanding dues of creditors other than micro enterprises and small enterprises	357.28	353.35
	373.86	**362.34**

(Refer Note 62 for disclosure relating to Micro & Small Enterprises)

33. OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Current Maturities of long-term borrowing Vehicle loans (secured) (Refer note 25)	0.09	2.09
Unpaid dividend*	0.81	0.77
Capital creditors	40.16	41.76
Book overdraft	6.39	3.66
Employee benefits payable	14.07	11.75
Mark to market derivative liability	-	14.49
Sales Returns for expired goods (Refer note 58)	110.55	67.61
Other payables	0.15	0.11
	172.22	**142.24**

*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31 March 2021.

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34. LEASE LIABILITIES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liabilities (refer note 54)	11.50	17.31
	11.50	**17.31**

35. OTHER CURRENT LIABILITIES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers	20.66	15.29
Statutory dues payable	9.43	4.95
Deferred government grant	0.33	0.33
	30.42	**20.57**

36. PROVISIONS (CURRENT)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (net)		
Gratuity (Refer Note 50.2)	6.79	5.77
Compensated absences (Refer Note 50.3)	4.92	3.39
	11.71	**9.16**

37. CURRENT TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for tax (net of advance tax ₹ 190.19 Crore (31 March 2020 ₹ 139.36 Crore))	48.92	11.70
	48.92	**11.70**

38. REVENUE FROM OPERATIONS

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Sale of products (Refer note 65)		
Finished goods	2,428.20	1,910.67
Stock-in-trade	417.00	647.85
Other operating revenues		
Export incentives	42.67	26.07
Others	1.82	3.28
	2,889.69	**2,587.87**

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39. OTHER INCOME

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Income on financial assets carried at FVTPL		
Dividend from investments in mutual funds	-	3.35
Gain on fair value of current investment	12.36	6.38
Income on financial assets carried at amortised cost		
Interest on deposits with banks	1.97	0.51
Interest from others	1.54	0.55
Exchange difference (net)	4.51	74.53
Miscellaneous income	5.60	6.87
	25.98	**92.19**

40. COST OF MATERIAL CONSUMED

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Raw material consumed	576.35	442.37
Packing material consumed	130.06	117.96
	706.41	**560.33**

41. PURCHASE OF STOCK-IN-TRADE

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Purchase of stock-in-trade	**89.54**	**112.13**

42. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Inventories at the beginning of the year :		
Work-in-progress	40.60	35.81
Finished goods	146.55	148.59
Stock-in-trade	85.05	57.71
(A)	**272.20**	**242.11**
Inventories at the end of the year :		
Work-in-progress	48.00	40.59
Finished goods	216.63	146.56
Stock-in-trade	152.53	85.05
(B)	**417.16**	**272.20**
Effect of foreign exchange translation (C)	**(5.94)**	**13.34**
Total changes in inventories of finished goods, work-in-progress and stock-in-trade :		
Work-in-progress	(7.43)	(4.80)
Finished goods	(70.16)	2.01
Stock-in-trade	(73.31)	(13.96)
Total changes in inventories of finished goods, work-in-progress and stock-in-trade : (A)-(B)+(C)	**(150.90)**	**(16.75)**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

43. EMPLOYEE BENEFIT EXPENSES

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Salaries, wages and bonus	499.66	446.73
Share based payment expense (refer note 51)	0.66	0.42
Contribution to provident and other funds	28.66	26.20
Gratuity expenses	6.13	4.88
Staff welfare expenses	13.14	7.36
	548.25	**485.59**

44. FINANCE COST

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Interest expenses	8.27	11.91
	8.27	**11.91**

45. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Depreciation on property, plant and equipment (refer note 8)	98.10	79.05
Amortisation on intangible assets (refer note 8)	4.69	3.24
Amortisation on right-of-use assets (Refer note 8)	12.81	12.93
Amortisation on investment property (Refer note 8)	0.49	0.49
	116.09	**95.72**

Notes to the Consolidated Financial Statements

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46. OTHER EXPENSES

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Selling expenses	236.79	303.01
Clearing and forwarding	136.32	109.29
Travelling expenses	33.86	55.83
Processing charges	20.61	18.40
Power and fuel	43.70	38.88
Advertisement and publicity	1.62	1.40
Consumption of stores & spare parts	37.34	34.52
Product registration expenses	23.35	38.30
Rent (refer note 54)	2.43	2.02
Rates and taxes	1.55	1.28
Legal and professional fees	15.79	13.87
Postage and telephone expenses	7.79	6.65
Repairs & maintenance		
Buildings	3.27	3.11
Plant and machinery	26.60	23.87
Computers & others	8.32	6.95
Insurance	14.82	7.79
Donation	0.77	0.15
Impairment loss on financial assets	7.56	8.26
Loss on financial instrument at FVTPL	-	14.49
Loss on sale/discard of property, plant and equipment (net)	2.21	0.10
Clinical and analytical charges	25.47	29.46
Director sitting fees	0.22	0.21
Corporate social responsibility expenses (refer note 57)	12.89	15.07
Commission to directors	6.64	4.08
Miscellaneous expenses	27.91	26.25
	697.83	**763.24**

47. CAPITAL MANAGEMENT

Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return (EBIT) on capital, as well as the level of dividends to equity shareholders. Group's target is to achieve a return on capital above 30% in 2020-21 the return was 30% and in 2019-20 the return was 26%.

Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as debt less cash and cash equivalents and current investments. Adjusted equity comprises all components of equity.

Group's policy is to keep the Net Debt Equity ratio below 1.00 and its adjusted net debt to equity ratio at 31 March 2021 was as follows.

₹ in Crore

Particulars		As at 31 March 2021	As at 31 March 2020
Borrowings		1.69	45.68
Less: Cash and Cash Equivalents and current investments		(353.18)	(269.49)
Adjusted net debt	A	(351.49)	(223.81)
Equity	B	2995.63	2598.87
Adjusted net debt to equity ratio	A/B	(0.12)	(0.09)

Notes to the Consolidated Financial Statements

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48. BASIC AND DILUTED EARNINGS PER SHARE IS CALCULATED AS UNDER

The numerator and denominator used to calculate Basic and diluted earnings per share:

₹ in Crore

Particulars		Year Ended 31 March 2021	Year Ended 31 March 2020
Profit after non-controlling interest attributable to Equity shareholders- for Basic EPS (₹ in Crore)	A	653.87	467.70
Add: Dilutive effect on profit (₹ in Crore)*	B	-	-
Profit attributable to Equity shareholders for computing Diluted EPS (₹ in Crore)	C=A-B	653.87	467.70
Weighted Average Number of Equity Shares outstanding - for Basic EPS	D	8,70,78,285	8,72,58,770
Add: Dilutive effect of option outstanding- Number of Equity Shares *	E	3,994	6,488
Weighted Average Number of Equity Shares for Diluted EPS	F=D+E	8,70,82,279	8,72,65,258
Face Value per Equity Share (₹)		2	2
Basic Earnings Per Share (₹)	A/D	75.09	53.60
Diluted Earnings Per Shares (₹)	C/F	75.09	53.60

* On account of Employee Stock Option Scheme (ESOS) - (Refer note 51).

49. CONSOLIDATED FINANCIAL STATEMENTS PRESENT THE CONSOLIDATED ACCOUNTS OF THE HOLDING COMPANY AND FOLLOWING SUBSIDIARY COMPANIES

49.1 Details of subsidiaries of the Group are as under:

₹ in Crore

Particulars	Country of Incorporation	% voting power held as at 31 March 2021
Ajanta Pharma (Mauritius) Limited ("APML")	Mauritius	100%
Ajanta Pharma (Mauritius) Intl. Limited ("APMIL") (Wholly owned Subsidiary of APML)	Mauritius	100%
Ajanta Pharma USA Inc. ("APUI")	U.S.A.	100%
Ajanta Pharma Philippines Inc. ("APPI")	Philippines	100%
Ajanta Pharma Nigeria Limited ("APNL")	Nigeria	100%

49.2 The financial statements of the subsidiaries used for consolidation are for the period from 1 April 2020 to 31 March 2021.

50. EMPLOYEE BENEFITS IN RESPECT OF THE HOLDING COMPANY

As required by Ind AS 19 'Employee Benefits' the disclosures are as under:

50.1. Defined contribution plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The Company does not have any liability beyond depositing these amounts in to government administered fund. During the year, the Company has made the following contributions:

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Provident Fund and Employee's Pension Scheme	25.19	23.29
Employees State Insurance and others	3.32	2.91
Total	**28.51**	**26.20**

50.2. Defined benefit plans:

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

50.2.1. On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service with a maximum limit of ₹ 0.20 Crore

50.2.2. On the death in service:

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the Balance Sheet date:

₹ in Crore

	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
i)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	36.57	28.52
	Current service cost	5.77	4.64
	Interest cost	2.11	1.83
	Actuarial loss / (gain)		
	- Changes in financial assumptions	0.54	1.46
	- Changes in demographic assumptions	*	*
	- Experience adjustments	1.48	2.40
	Past service cost	-	-
	Benefit (paid)	(2.96)	(2.28)
	Closing defined benefit obligation	**43.51**	**36.57**
ii)	**Changes in value of Plan Assets**		
	Opening value of plan assets	28.18	22.93
	Interest Income	1.75	1.59
	Return on plan assets excluding amount included in Interest Income	(0.02)	(0.05)
	Contributions by employer	8.68	5.98
	Benefits (paid)	(2.96)	(2.28)
	Closing value of plan assets	**35.63**	**28.17**
iii)	**Amount recognised in the Balance Sheet**		
	Present value of funded obligations as at year end	43.51	36.57
	Fair value of the plan assets as at year end	(35.63)	(28.17)
	Net liability recognised as at the year end	**7.88**	**8.40**
iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	5.77	4.64
	Net Interest cost	0.36	0.24
	Net expenses recognised in the Statement of Profit and Loss	**6.13**	**4.88**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
	Expenses recognised in the Statement of Other comprehensive income		
	Net actuarial loss/(gain) recognised in the current year		
	- Changes in financial assumptions	0.54	1.46
	- Changes in demographic assumptions	-	*
	- Experience adjustments	1.48	2.40
	Return on plan assets excluding amounts included in interest income	0.02	0.05
	Net Expenses recognised in the Statement of Other comprehensive income	**2.04**	**3.91**
v)	**Asset information**		
	Insurer Managed Funds (100%)	100%	100%
	(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)		
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	6.25%	6.45%
	Salary growth rate (p.a.)	9.00% for next 1 year and 7.00% thereafter	9.00% for next 1 year and 7.00% thereafter
	Average Remaining Service (years)	6.32	6.07
	Withdrawal Rate (%):		
	Age Band		
	25 and below	40	40
	26 to 35	24	24
	36 to 45	12	12
	46 and above	8	8
vii)	**Estimate of amount of contribution in immediate next year**	6.79	5.77

* (31 March 2021: ₹ Nil, 31 March 2020: ₹ (32,538))

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in Crore

Particulars	Year Ended 31 March 2021		Year Ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	42.20	44.91	35.51	37.70
Salary growth rate (0.5% movement)	44.70	42.35	37.53	35.63

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of assumptions. The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

50.3 Leave Encashment:

The Holding Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly, ₹ 21.76 Crore (31 March 2020 ₹ 16.41 Crore) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

Employee retirement and other benefit obligations in respect of the subsidiary at Mauritius:

For employees who are not covered by a pension plan, the net present value of severance allowances payable is provided for aggregating ₹ 0.56 Crore (31 March 2020 ₹ 0.55 Crore).

Employee retirement and other benefit obligations in respect of the subsidiary at Philippines:

Short term benefits include salaries and wages and other government contributions which are due within 12 months after the end of the period in which employee renders the related service. The Company's short-term employee benefits amounted to ₹ 0.02 Crore (31 March 2020 ₹ 0.12 Crore). The Company did not yet set up a retirement plan since it does not have more than ten employees who had served at least five years.

Employee retirement and other benefit obligations in respect of the subsidiary at USA:

Short term benefits include salaries and wages and other government contributions which are due within 12 months after the end of the period in which employee renders the related service. The Company's short-term employee benefits amounted to ₹ 2.10 Crore (31 March 2020 ₹ 2.43 Crore).

51. SHARE BASED PAYMENTS

The Holding Company has established "Employees Stock Option Scheme 2011" ('ESOS – 2011') as approved in earlier years by the shareholders of the Company and Compensation committee of Board of Directors for the key employees of the Company. The options issued under the above scheme vest in a phased manner.

During the year 3,000 option have been granted by the Company under the aforesaid Share based Incentive Plan 2019 to the employees of the Company.

Grant Date	No. of Option Granted	No. of Option Cancelled	Exercise price	Vesting Period
20 May 2020	3,000	-	2	22 August 2021

The options are granted at an exercise price which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each. The particulars of the options under ESOS 2011 and Share based Incentive Plan 2019 are as under:

Particulars	As at 31 March 2021 Nos.	As at 31 March 2020 Nos.
Option outstanding as at the beginning of the year	6,500	13,500
Add: Option granted during the year	3,000	500
Less: Option exercised during the year	5,500	7,500
Less: Option lapsed/cancelled during the year	-	-
Option outstanding as at the year end	4,000	6,500

Particulars	As at 31 March 2021 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Option outstanding as at the beginning of the year	6,500	2.0	2.0	0.70
Add: Option granted during the year	3,000	2.0	2.0	0.30
Less: Option exercised during the year	5,500	2.0	2.0	NA
Less: Option lapsed/cancelled during the year	-	-	-	-
Option outstanding as at the year end	4,000	2.0	2.0	0.39

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Particulars	As at 31 March 2020 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Option outstanding as at the beginning of the Year	13,500	2.0	2.0	0.90
Add: Option granted during the Year	500	2.0	2.0	2.00
Less: Option Exercised during the Year	7,500	2.0	2.0	NA
Less: Option lapsed/cancelled during the Year	-	-	-	-
Option outstanding as at the Year End	6,500	2.0	2.0	0.70

Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information:

Variables	**Weighted Average Information**						
Plan	**ESOS 2011 / Share Based Incentive Plan 2019**						
Particulars	**1,000 option**	**3,000 option**	**3,000 option**	**1,500 option**	**5,000 option**	**500 option**	**3,000 option**
Grant date	8 May 2015	26 July 2016	26 July 2016	22 August 2017	31 October 2018	27 September 2019	20 May 2020
Last date for acceptance	8 June 2015	26 August 2016	26 August 2016	22 September 2017	30 November 2018	27 October 2019	19 June 2020
Risk free rate (%)	8.00	7.30	7.30	7.50	7.40	5.20	5.20
Expected Life (years)	1 to 3	3 to 4	1 to 3	1 to 4	2	2	1
Volatility (%)	31.70	20.23	20.23	17.20	13.43	13.74	14.67
Dividend yield (%)	1.50	0.53	0.53	0.43	0.50	0.55	0.71
Price of the underlying share in the market at the time of option grant (₹)	1,264	1,478	1,703	1,153	1,058	1,055	1,439
Fair value of options (₹)	1,189	1,453	1,453	1,142	1,043	1,041	1,425
Exercise price (₹)	2	2	2	2	2	2	2

The particulars of the options under ESOS 2011 and Share based Incentive Plan 2019 granted to Employees of Subsidiary are as below:

Variables	**Weighted Average Information**					
Plan	**ESOS 2011 / Share Based Incentive Plan 2019**					
Particulars	**3,000 option**	**3,000 option**	**1,500 option**	**4,000 option**	**500 option**	**3,000 option**
Grant date	26 July 2016	26 July 2016	22 August 2017	31 October 2018	27 September 2019	20 May 2020
Last date for acceptance	26 August 2016	26 August 2016	22 September 2017	30 November 2018	27 October 2019	19 June 2020
Risk free rate (%)	7.30	7.30	7.50	7.40	5.20	5.20
Expected Life (years)	3 to 4	1 to 3	1 to 4	2	2	1
Volatility (%)	20.23	20.23	17.2	13.43	13.74	14.67
Dividend yield (%)	0.53	0.53	0.43	0.5	0.55	0.71
Price of the underlying share in the market at the time of option grant (₹)	1,478	1,702	1,153	1,058	1,055	1,439
Fair value of options (₹)	1,453	1,453	1,142	1,043	1,041	1,425
Exercise price (₹)	2	2	2	2	2	2

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Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk-free interest rates. They key inputs and assumptions used are as follows:

Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise price is the price to be paid by the employee for the exercising the options granted to him, as determined by the NRC.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

Risk free interest rate: The risk-free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock-based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period of each separately vesting portion of the award as if the award was, in-substance, multiple awards.

52. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT

A. Fair value measurements

₹ in Crore

Financial instruments by category	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Mark to market derivative asset	4.09	-	-	-
Investments in Bonds	-	-	51.80	-
Investments in NCDs	56.21	-	-	-
Investments in mutual funds	119.46	-	27.62	-
Investment in unquoted equity shares (31 March 2021 ₹ 37,050, 31 March 2020 ₹ 37,050)	-	-	-	-
Trade receivables	-	738.43	-	775.30
Non-current loans	-	6.47	-	6.52
Other non-current financial assets	-	9.90	-	9.09
Cash and cash equivalents	-	177.51	-	202.35
Bank balances other than cash and cash equivalents	-	32.10	-	2.90
Current loans	-	8.03	-	9.01
Export benefits receivable	-	32.35	-	29.30
Insurance receivable	-	0.01	-	2.73
Interest receivable	-	1.76	-	0.35
Total Financial assets	**179.76**	**1,006.56**	**79.42**	**1,037.55**

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Financial instruments by category	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Liabilities				
Borrowings and book overdraft	-	8.08	-	49.34
Other non-current financial liabilities	-	1.25	-	0.46
Non-current lease liabilities	-	18.17	-	11.97
Capital creditors	-	40.16	-	41.76
Other current financial liabilities	-	111.51	-	68.49
Employee benefits payable	-	14.07	-	11.75
Current lease liabilities	-	11.50	-	17.31
Mark to market derivative liability	-	-	14.49	-
Trade payables	-	373.86	-	362.34
Total Financial liabilities	**-**	**578.60**	**14.49**	**563.42**

Fair value measurement of lease liabilities is not required.

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ in Crore

Financial assets and liabilities measured at fair value	As at 31 March 2021			As at 31 March 2020		
	Level			Level		
	I	II	III	I	II	III
Financial assets						
Recurring fair value measurement						
Mark to market derivative asset	-	4.09	-	-	-	-
Investments in Bonds	-	-	-	-	51.80	-
Investments in NCDs	56.21	-	-	-	-	-
Investments in mutual funds	82.78	36.68	-	15.34	12.28	-
Total Financial assets	**138.99**	**40.77**	**-**	**15.34**	**64.08**	**-**
Financial liabilities						
Mark to market derivative liability	-	-	-	-	14.49	-
Total Financial liabilities	**-**	**-**	**-**	**-**	**14.49**	**-**

Level 1 – Level 1 Hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have declared buyback NAV. The mutual funds are valued using the closing NAV.

Level 2 – The fair value of financial instruments that are not traded in an active market (like Mark to Market Derivative) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Measurement of fair values

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

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Type	Valuation Technique	Significant unobservable Inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

B. Financial risk management

Group has exposure to following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk

Risk management framework

Group's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

Group's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Group, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Group's Audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

i. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and mutual funds, foreign exchange transactions and other financial instruments.

Impairment:

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

Particulars	As at 31 March 2021		
	Carrying amount	Weighted average loss rate	Loss allowance
Not due	438.63	0.00%	-
Past due upto 180 days	303.03	2.22%	6.73
Past due 181-365 days	4.04	19.55%	0.79
Past dues 366 - 730 days	0.64	60.94%	0.39
Past dues 731 - 1096 days	0.72	100.00%	0.72
More than 1096 days	4.94	100.00%	4.94
	752.00		**13.57**

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Particulars	As at 31 March 2020		
	Carrying amount	Weighted average loss rate	Loss allowance
Not due	508.05	0.00%	-
Past due upto 180 days	266.35	0.69%	1.84
Past due 181-365 days	1.98	12.46%	0.25
Past dues 366 - 730 days	1.35	25.22%	0.34
Past dues 731 - 1096 days	1.64	100.00%	1.64
More than 1096 days	8.53	100.00%	8.53
	787.90		**12.60**

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non-interest bearing, are mainly from stockists, distributors and customers and are generally on 14 days to 270 days credit term. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

As at 31 March 2021, Group had 59 customers (31 March 2020 : 72 customers) that owed the Company more than ₹ 0.50 Crore each and accounted for approximately 93% and 98% of the total outstanding as at 31 March 2021 and 31 March 2020 of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Sales to certain jurisdictions are either based on advance payments or restricted to certain limits to contain exposures to credit risk.

Expected credit loss assessment

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Gross Carrying amount	752.00	787.90
Average Expected loss rate	1.80%	1.60%
Carrying amount of trade receivables (net of impairment)	738.43	775.30

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	12.60	5.00
Impairment loss recognised (net)	7.56	8.26
Amounts written off	6.59	0.66
Balance as at the year end	13.57	12.60

Notes to the Consolidated Financial Statements
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The impairment loss at 31 March 2021 related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

b. Financial instruments

Group limits its exposure to credit risk by investing in liquid securities issued by mutual funds having a credit ranking of at least 3 and above from CRISIL or equivalent rating agency. Group monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties.

ii. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to outflows is 0.59 at 31 March 2021 (0.47 at 31 March 2020).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

₹ in Crore

As at 31 March 2021	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade payables current	373.86	373.86	373.86	-	-	-
Other financial liabilities	173.47	173.47	172.22	1.25	-	-
Lease liabilities	29.67	29.67	11.50	18.17	-	-
Borrowings	1.60	1.60	-	1.60	-	-
Total	**578.60**	**578.60**	**557.58**	**21.02**	**-**	**-**

₹ in Crore

As at 31 March 2020	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade payables current	362.34	362.34	362.34	-	-	-
Other financial liabilities	128.21	128.21	127.75	0.46	-	-
Lease liabilities	29.28	29.28	17.31	11.97	-	-
Borrowings	43.59	43.59	42.85	0.74	-	-
Mark to market derivative liability - outflow	14.49	14.49	14.49	-	-	-
Total	**577.91**	**577.91**	**564.74**	**13.17**	**-**	**-**

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iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group uses derivative financial instruments such as foreign exchange contracts to manage its exposures to foreign exchange fluctuations. All such transactions are carried out within the guidelines set by the risk management committee.

iv. Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group. The currencies in which these transactions are primarily denominated are US Dollars, Euro, Mauritian Rupee, Philippine Peso and Nigerian Naira.

At any point in time, the Group covers foreign currency risk by taking appropriate percentage of its foreign currency exposure, as approved by risk management committee in line with the laid down policy approved by the Board. The Group uses forward exchange contracts to mitigate its currency risk, most with a maturity of less than one year from the reporting date. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The following table analyses foreign currency risk as of 31 March 2021:

₹ in Crore

Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Niara	Total
Bank balances	86.90	15.31	13.83	12.31	0.18	128.53
Trade receivables	611.52	3.82	9.92	56.80	-	682.06
Payables	(70.01)	(4.93)	(14.23)	(7.87)	(0.39)	(97.43)
Borrowings	-	-	-	(1.69)	-	(1.69)
Net assets / (liabilities)	**628.41**	**14.20**	**9.52**	**59.55**	**(0.21)**	**711.47**

The following table analyses foreign currency risk as of 31 March 2020:

₹ in Crore

Particulars	US Dollars	Euro	Mauritian Rupee	Philippine Peso	Nigerian Niara	Total
Bank balances	99.21	0.07	29.08	43.94	0.06	172.36
Trade receivables	621.85	0.33	32.91	66.12	-	721.21
Payables	(45.53)	(1.22)	(11.32)	(11.84)	(0.20)	(70.11)
Borrowings	(42.85)	-	-	(2.84)	-	(45.69)
Net assets / (liabilities)	**632.68**	**(0.82)**	**50.67**	**95.38**	**(0.14)**	**777.77**

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For the year ended 31 March 2021 every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Group's incremental profit before tax as per below:

₹ in Crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	6.28 / (6.28)
Euro	+1% / (-1%)	0.14 / (0.14)
Mauritian Rupee (MUR)	+1% / (-1%)	0.10 / (0.10)
Philippine Peso (PHP)	+1% / (-1%)	0.60 / (0.60)
Nigerian Naira (NN)	+1% / (-1%)	0.00 / (0.00)

For the year ended 31 March 2020 every percentage point depreciation / appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in Crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	6.33 / (6.33)
Euro	+1% / (-1%)	0.01 / (0.01)
Mauritian Rupee (MUR)	+1% / (-1%)	0.51 / (0.51)
Philippine Peso (PHP)	+1% / (-1%)	0.95 / (0.95)
Nigerian Niara (NN)	+1% / (-1%)	0.00 / (0.00)

53. NOTE ON FOREIGN CURRENCY EXPOSURES ON ASSETS AND LIABILITIES:

During the year, the Group has entered into forward exchange contract, being derivative instruments to mitigate foreign currency risk, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. The following are the outstanding foreign currency forward contracts entered into by the Group:

Particulars	As at 31 March 2021	As at 31 March 2020	Buy or Sell	Cross Currency
	Foreign Currency Amt in Crore	Foreign Currency Amt in Crore		
EURO	0.10	-	Sell	INR
USD	9.46	5.13	Sell	INR

The year-end foreign currency exposures that have not been mitigated by a derivative instrument or otherwise are as below:

Particulars	₹ in Crore	₹ in Crore	Foreign Currency Amt in Crore	Foreign Currency Amt in Crore	Foreign Currency
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	
Amount Receivable	37.11	366.70	0.51	4.85	USD
	27.33	36.48	0.32	0.44	EURO
	0.01	-	$	-	CHF
	0.09	-	*	-	GBP
Amount Payable	129.23	101.78	1.77	1.35	USD
	14.92	32.74	0.17	0.40	EURO

$ CHF 12,000 * GBP 744

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt interest obligations. Further, the Group engages in financing activities at market linked rates, any changes in the interest rates environment may impact future rates of borrowing.

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The interest rate profile of the Group's interest-bearing financial instruments as reported to management is as follows.

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Foreign Currency Term Loan	1.69	2.84
Foreign Currency Working Capital Loan	-	42.85

A reasonably possible change of 100 basis points in interest rates at the reporting date would have impacted profit before tax as per below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Increase in interest rate by 100 basis points	(0.02)	(0.44)
Decrease in interest rate by 100 basis points	0.02	0.44

54. DISCLOSURE FOR OPERATING LEASES UNDER IND AS 116 - "LEASES":

The Group have taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

The interest rate applied to lease liabilities as at 1 April 2019 is 8.50%.

Right-of-use assets

₹ in Crore

As at 31 March 2021	Buildings	Land	Total
Cost			
As at 1 April 2020	36.66	67.12	103.78
Additions	3.19	12.43	15.62
Disposals	(2.09)	-	(2.09)
Balance at 31 March 2021	**37.76**	**79.55**	**117.31**
Accumulated depreciation and impairment			
As at 1 April 2020	11.93	1.00	12.93
Depreciation	11.63	1.13	12.76
Impairment loss	-	-	-
Eliminated on disposals of assets	(0.60)	-	(0.60)
Balance at 31 March 2021	**22.96**	**2.13**	**25.09**

As at 31 March 2020	Buildings	Land	Total
Cost			
As at 1 April 2019	35.20	67.12	102.32
Additions	1.46	-	1.46
Disposals	-	-	-
Balance at 31 March 2020	**36.66**	**67.12**	**103.78**
Accumulated depreciation and impairment			
As at 1 April 2019	-	-	-
Depreciation	11.93	1.00	12.93
Impairment loss	-	-	-
Eliminated on disposals of assets	-	-	-
Balance at 31 March 2020	**11.93**	**1.00**	**12.93**

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Carrying amounts	
As at 1 April 2020	**117.32**
Balance at 31 March 2021	**92.22**
As at 1 April 2019	103.78
Balance at 31 March 2020	90.85

Breakdown of lease expenses

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Short-term lease expense	2.43	2.02
Low value lease expense	-	-
Total lease expense	**2.43**	**2.02**

Cash outflow on leases

₹ in Crore

	Year Ended 31 March 2021	Year Ended 31 March 2020
Repayment of lease liabilities	(15.27)	(15.27)
Total cash outflow on leases	**(15.27)**	**(15.27)**

Maturity analysis

₹ in Crore

Particulars	Less than 1 year	Over 1 years	Weighted average effective interest rate %
As at 31 March 2021			
Lease liabilities	11.50	18.17	8.50
As at 31 March 2020			
Lease liabilities	17.31	11.97	8.50

The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Not later than one year	0.33	1.01
Later than one year but not later than five years	-	0.33
Less than five years	-	-
Total	**0.33**	**1.34**

55. CONTINGENT LIABILITIES AND COMMITMENTS:

Contingent Liabilities

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
i. Claims against the Company not acknowledged as debt	0.61	0.61
ii. Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation	5.55	1.19
iii. Disputed Octroi Amount paid under protest and included under "Other Current Assets" ₹ 0.52 Crore (31 March 2020 ₹ 0.52 Crore)	0.52	0.52
iv. Excise duty, Service tax, VAT & GST disputed by the Company	3.11	2.41
v. Financial Guarantee	73.11	45.40

The Company has para 4 non-infringing litigation as on 31 March 2021 as well as 31 March 2020. No liability is expected to arise from these litigations.

Notes to the Consolidated Financial Statements
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The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Future cash outflows in respect of liability under clause (i) is dependent on terms agreed upon with the parties, in respect of clauses (ii) to (iv) is dependent on decisions by relevant authorities of respective disputes, clause (v) financial guarantee.

Supreme Court Judgement on computation of provident fund contribution

There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

Commitments:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 86.08 Crore (31 March 2020 ₹ 132.28 Crore).

b) Other Commitments – Non-cancellable operating leases (Refer note 54).

56. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW:

A) Relationships:

Category I - Directors, Key Management Personnel:

Mannalal B. Agrawal	Chairman
Madhusudan B. Agrawal	Executive Vice Chairman
Yogesh M. Agrawal	Managing Director
Rajesh M. Agrawal	Joint Managing Director
Chandrakant M Khetan	Independent Director
K. H. Viswanathan	Independent Director
Prabhakar Dalal	Independent Director
Dr. Anjana Grewal	Independent Director
Arvind Agrawal	Chief Financial Officer
Gaurang Shah	Company Secretary

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

Gabs Investment Private Limited

Seth Bhagwandas Agrawal Charitable Trust

Ganga Exports being represented by Yogesh Agrawal, Rajesh Agrawal &
Ravi Agrawal

Mannalal Agrawal Trust, Trustee – Mannalal B. Agrawal

Yogesh Agrawal Trust, Trustee - Yogesh M. Agrawal

Rajesh Agrawal Trust, Trustee - Rajesh M. Agrawal

Ravi Agrawal Trust, Trustee - Ravi P. Agrawal

Aayush Agrawal Trust, Trustee - Aayush M. Agrawal

Ajanta Pharma Limited Group Gratuity Trust

Samta Purushottam Agrawal Memorial Foundation

Mamta and Madhusudan Agrawal Memorial Foundation

Manisha Yogesh Agrawal Foundation

Smriti Rajesh Agrawal Foundation

Ajanta Foundation

Notes to the Consolidated Financial Statements
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Category III - Others (Relatives of Key Management Personnel):

Tanya Agrawal – Daughter of Managing Director

A) Following transactions were carried out with related parties:

₹ in Crore

Sr. No.	Particulars	Category	Year Ended 31 March 2021	Year Ended 31 March 2020
1.	**Compensation to Key Management & Others:**			
	Short Term Employee Benefits			
	Madhusudan B. Agrawal	I	2.04	1.68
	Yogesh M. Agrawal	I	9.55	8.38
	Rajesh M. Agrawal	I	9.55	8.38
	Arvind Agrawal	I	1.31	1.24
	Gaurang Shah	I	0.64	0.54
	Tanya Agrawal	III	0.07	0.06
	Post-employment benefits	I	0.37	0.28
2.	**Commission and Sitting Fees to Non-Executive Director**			
	Mannalal B. Agrawal	I	0.05	0.04
	Chandrakant M Khetan	I	0.09	0.08
	K. H. Viswanathan	I	0.07	0.06
	Prabhakar Dalal	I	0.07	0.06
	Dr. Anjana Grewal	I	0.06	0.05
3.	**Commission to Executive Director**			
	Yogesh M. Agrawal	I	3.27	2.34
	Rajesh M. Agrawal	I	3.27	2.34
4.	**Dividend Paid**			
	Key Management Personnel	I	0.03	0.04
	Others	II	58.45	79.98
5.	**Corporate Social Responsibility Expense**			
	Seth Bhagwandas Agrawal Charitable Trust	II	0.45	0.34
	Samta Purushottam Agrawal Memorial Foundation	II	6.06	9.40
	Manisha Yogesh Agrawal Foundation	II	-	0.05
	Smriti Rajesh Agrawal Foundation	II	-	0.05
	Ajanta Foundation	II	0.06	-
6.	**Contribution made to Group gratuity trust through premium paid to LIC :**			
	Premium paid	II	8.79	6.01
7.	**Donation**			
	Mamta and Madhusudan Agrawal Memorial Foundation	II	0.56	-
	Manisha Yogesh Agrawal Foundation	II	0.10	-
	Smriti Rajesh Agrawal Foundation	II	0.10	-
8.	**Buyback of Equity Share**			
	Yogesh M Agrawal, Trustee Yogesh Agrawal Trust	III	19.72	-
	Rajesh M Agrawal, Trustee Rajesh Agrawal Trust	III	19.72	-
	Ravi P Agrawal, Trustee Ravi Agrawal Trust	III	20.73	-
	Aayush M Agrawal, Trustee Aayush Agrawal Trust	III	21.64	-
	Ganga Exports being represented by Yogesh Agrawal, Rajesh Agrawal & Ravi Agrawal	III	8.62	-

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B) Amount outstanding as on 31 March 2021

₹ in Crore

Sr. No.	Particulars	Category	As at 31 March 2021	As at 31 March 2020
1.	**Commission Payable to Non-Executive Director**			
	Chandrakant M Khetan	I	0.03	0.02
	K. H. Viswanathan	I	0.02	0.02
	Prabhakar Dalal	I	0.02	0.02
	Dr. Anjana Grewal	I	0.02	0.02
2.	**Commission Payable to Executive Director**			
	Yogesh M. Agrawal	I	3.27	2.34
	Rajesh M. Agrawal	I	3.27	2.34

Based on the internal and external transfer pricing review and validation, the Group believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle and are in normal course. Details related to Corporate Guarantee and ESOP given to Employees of Subsidiary provided in note 55 and 51 respectively.

57. CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The particulars of CSR expenditure are as follows:

a) Gross amount required to be spent by the Group during the year is ₹ 10.49 Crore (31 March 2020: ₹ 10.89 Crore).

b) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
a.	Construction/ acquisition of asset	-	-	-
b.	On purposes other than (i) above	12.89	-	12.89

*including paid to related parties ₹ 6.57 Crore (Refer note 56)

c) Amount spend during the 31 March 2020 on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
a.	Construction/ acquisition of asset	-	-	-
b.	On purposes other than (i) above	15.07	-	15.07

*including paid to related parties ₹ 9.84 Crore (Refer note 56)

58. PROVISION FOR ANTICIPATED RETURN OF EXPIRED GOODS SUBSEQUENT TO SALE

Provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 115 estimated by management based on past trends.

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	67.61	17.30
Add: Provisions made during the year	110.55	67.61
Less: Amount written back/utilised during the year	67.61	17.30
Balance at the end of the year	**110.55**	**67.61**

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59. OPERATING SEGMENTS

A. Basis for segmentation

The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprise of pharmaceutical products only.

The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments, etc.) on a periodic basis.

B. Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

a. Revenue from external customers

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
India	812.93	768.70
Emerging Market	1,124.21	1,029.93
Africa Institution	271.21	244.39
USA	636.85	515.50
	2,845.20	**2,558.52**

b. Non-current assets (other than financial instruments and deferred tax assets)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
India	1,677.95	1,615.45
Africa	7.70	20.76
Asia	5.12	5.51
USA	10.26	9.85
	1,701.03	**1,651.57**

60. REMUNERATION TO AUDITORS OF THE COMPANY AND ITS SUBSIDIARIES (EXCLUDING GST)

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
- Audit Fees	0.25	0.19
- Limited Review	0.28	0.28
- For Certification and other matters (including OPE)	0.19	0.07
Local Statutory of Subsidiaries		
- For audit	0.27	0.28
- For Certification and other matters (including OPE)	-	0.01

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

61. RESEARCH AND DEVELOPMENT EXPENDITURE:

A unit of the Company has been recognised by DSIR as in house research and development unit. The Company claim 150% exemption under Sec. 35(2AB) of Income Tax Act 1961 for expenditure incurred on in house R&D activities.

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Amount in respect to		
Capital Expenditure	2.91	2.12
Revenue Expenditure	138.91	164.17
Total	**141.82**	**166.29**

62. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

₹ in Crore

	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
i.	The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principle amount due to micro and small enterprises	16.58	8.99
	Interest due on above	0.01	-
ii.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act 2006.	-	-
iv.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act 2006.	-	-

63. The Company had entered into a Joint Venture ('JV') with JV Turkmenderman Ajanta Pharma Limited (TDAPL) where it had management control during the first 10 years of this contractual arrangement. However, in terms of the JV agreement, the Company subsequently surrendered the management control in favour of the local partner and since then ceased to have any control on the operations of the JV. Further, TDAPL operates under severe restrictions that significantly impairs its ability to transfer the funds. Consequently, the Company had impaired its entire investment in TDAPL and considers this as an unrelated party. The Company is also unable to obtain reliable and accurate financial information in respect of the said JV.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

64. Expenses capitalised during the year represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same were capitalised on completion of projects and commencement of commercial operations. The details of expenses capitalised are:

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	11.79	7.56
Add: Incurred during year		
Employee Benefit Expenses	0.68	6.14
Professional fees	-	0.05
Travelling expenses	-	0.45
Others	0.44	7.52
Total	**12.91**	**21.72**
Less: Capitalised to Tangible Assets	12.91	9.93
Closing Balance	**-**	**11.79**

65. DISAGGREGATION OF REVENUE

The operations of the Group are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Group is not significant.

Primary Geographical Markets

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
India	812.93	768.70
Emerging Market	1,124.21	1,029.93
Africa Institution	271.21	244.39
USA	636.85	515.50
Total revenue from contract with customers	**2,845.20**	**2,558.52**
Timing of revenue recognition	2,845.20	2,558.52
Goods transferred at a point in time	-	-
Services transferred over time		

Variable components such as discounts, late delivery charges etc. continues to be recognised as revenue deductions in compliance with Ind AS 115. There is no customer who contributes more than 10% of the Group's revenue.

₹ in Crore

Revenue Break-up	Year Ended 31 March 2021	Year Ended 31 March 2020
Revenue as per contracted price	5,174.13	4,781.18
Adjusted for:		
Sales Return (including provisions)	59.86	157.38
Chargeback, rebates and discounts	2,185.21	1,925.68
Others	83.86	139.60
Total	**2,328.93**	**2,222.66**
Net Sale	**2,845.20**	**2,558.52**

The Company normally sells goods on credit which varies from 14 to 21 days for domestic sales and 180 to 270 days in case of export sales. This does not involve any significant financing element.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

66. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY

As at 31 March 2021

Name of Enterprise	Net assets i.e total assets minus total liabilities		Share in profit (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore
Holding Company								
Ajanta Pharma Limited	96.3%	2,884.97	103.3%	675.67	20.6%	(1.33)	104.2%	674.34
Foreign Subsidiaries								
APML	3.5%	105.35	10.2%	67.22	112.1%	(7.22)	9.3%	60.00
APPI	3.0%	88.83	3.8%	24.88	(44.8%)	2.89	4.3%	27.77
APUI	2.0%	59.65	2.9%	18.98	12.2%	(0.78)	2.8%	18.19
APNL	0.0%	(0.06)	(0.1%)	(0.58)	0.1%	(0.01)	(0.1%)	(0.58)
Total Eliminations/ Adjustments	(4.5%)	(133.89)	(20.1%)	(132.30)	0.0%	-	(20.4%)	(132.30)
Exchange difference on translation of foreign operations	(0.3%)	(9.22)	0.0%	-	0.0%	-	0.0%	-
Total		**2,995.63**		**653.87**		**(6.45)**		**647.42**

As at 31 March 2020

Name of Enterprise	Net assets i.e total assets minus total liabilities		Share in profit (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore	As % of total	Amount ₹ in Crore
Holding Company								
Ajanta Pharma Limited	94.7%	2,461.30	94.3%	441.13	(45.9%)	(2.55)	92.7%	438.58
Foreign Subsidiaries					0.0%			
APML	3.8%	98.39	16.8%	78.57	(57.0%)	(3.17)	15.9%	75.40
APPI	3.5%	91.24	7.2%	33.56	162.6%	9.04	9.0%	42.60
APUI	1.6%	40.84	3.2%	14.95	40.1%	2.23	3.6%	17.18
APNL	0.0%	0.52	(0.1%)	(0.62)	0.2%	0.01	(0.1%)	(0.61)
Total Eliminations/ Adjustments	(3.0%)	(79.10)	(21.4%)	(99.89)	0.0%	-	(21.1%)	(99.89)
Exchange difference on translation of foreign operations	(0.6%)	(14.32)	0.0%	-	0.0%	-	0.0%	-
Total		**2,598.87**		**467.70**		**5.56**		**473.26**

Refer Annexure "B" of Director's Report for salient features of the financial statements of subsidiaries

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

67. LOSS DUE TO FIRE AT GUWAHATI PLANT IN PREVIOUS YEAR 2019-20

Pursuant to an incident involving fire on 31 August 2019 at Guwahati plant, certain property, plant and equipment (PPE) and inventory were damaged. The Company has assessed the loss of inventory and PPE due to the said incident aggregating to ₹ 9.11 Crore for inventory and ₹ 26.07 Crore in respect of PPE. The Company had a valid insurance contract with respect to these assets and has accordingly lodged a claim with the insurance company. The Company has received amounts aggregating to ₹ 31.26 Crore toward claims from the Insurance company. The claim has been settled and there is no further loss on this account.

68. INCOME TAX

Income tax (expense) / benefit recognised in the income statement consists of the following:

a. Current tax

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Current tax on profit for the year	269.74	185.44
Adjustment for current tax of prior periods	(8.38)	0.91
Total Current Tax expenses	261.36	186.35
Deferred tax expense/(benefit)		
Origination and reversal of timing difference	(13.09)	9.92
MAT Credit Entitlement	(1.96)	-
Total Deferred Tax expenses	(15.05)	9.92
Total income tax recognised in the income statement	**246.31**	**196.27**

b. Reconciliation of effective tax rate

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
The following is a reconciliation of the Group's effective tax rate		
Accounting profit before income taxes	900.18	663.96
Enacted tax rate in India (%)	34.94%	34.94%
Computed expected tax (benefit) / expenses	314.55	232.00
Tax effect due to non-taxable income for India tax purpose	0.68	(17.92)
Overseas taxes	19.73	17.99
Effect of non-deductible expenses	5.71	10.04
Effect of exempt non-operating income	-	(1.17)
Temporary difference which is reversed during the Tax Holiday period	(1.14)	(6.99)
Tax effect which is chargeable at different rate	(1.77)	(17.73)
Additional deduction on R&D Expenses	-	(20.16)
Other deductible expenses	(38.74)	(0.70)
Adjustment for current tax of prior periods	(10.34)	0.91
Deduction for Tax Holiday Unit	(42.37)	-
Income tax expenses	**246.31**	**196.27**
Effective tax rate	**27.36%**	**29.56%**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

c. Recognised deferred asset and liability

₹ in Crore

Particulars	Deferred tax asset		Deferred tax liabilities		Net deferred tax asset/(liabilities)	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Property, Plant and equipment	-	-	115.88	98.96	(115.88)	(98.96)
Gain on Investment at FVTPL	-	-	0.61	1.43	(0.61)	(1.43)
Leave Encashment	7.53	5.73	-	-	7.53	5.73
Provision for Expired Goods	11.57	9.10	-	-	11.57	9.10
Diminution in the value of investments	0.48	-	-	-	0.48	-
Provision for Loss Allowance	4.74	4.40	-	-	4.74	4.40
Temporary difference related to subsidiaries	24.79	24.93	-	-	24.79	24.93
Others	25.31	0.47	-	-	25.31	0.47
Net deferred tax asset/(liabilities)	**74.42**	**44.63**	**116.49**	**100.39**	**(42.07)**	**(55.76)**

d. Movement in deferred tax balances 31 March 2021

₹ in Crore

Particulars	Net balance as at 1 April 2020	Recognised in Profit and loss	Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and equipment	(98.96)	(16.92)	(115.88)	-	(115.88)
Gain on Investment at FVTPL	(1.43)	0.82	(0.61)	-	(0.61)
Leave Encashment	5.73	1.80	7.53	7.53	-
Provision for Expired Goods	9.10	2.47	11.57	11.57	-
Diminution in the value of investments	-	0.48	0.48	0.48	-
Provision for Loss Allowance	4.40	0.34	4.74	4.74	-
Temporary difference related to subsidiaries	24.93	(0.14)	24.79	24.79	-
Others	0.47	24.84	25.31	25.31	-
Net deferred tax asset/(liabilities)	**(55.76)**	**13.69**	**(42.07)**	**74.42**	**(116.49)**

e. Movement in deferred tax balances 31 March 2020

₹ in Crore

Particulars	Net balance as at 1 April 2019	Recognised in Profit and loss	Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and equipment	(87.18)	(11.78)	(98.96)	-	98.96
Gain on Financial Instrument at FVTPL	(2.34)	2.34	-	-	-
Gain on Investment at FVTPL	(0.45)	(0.98)	(1.43)	-	1.43
Leave Encashment	5.42	0.31	5.73	5.73	-
Provision for Expired Goods	3.73	5.37	9.10	9.10	-
MAT Credit Entitlement	20.18	(20.18)	-	-	-
Provision for Loss Allowance	1.75	2.65	4.40	4.40	-
Temporary difference related to subsidiaries	31.67	(6.74)	24.93	24.93	-
Others	0.14	0.33	0.47	0.47	-
Net deferred tax asset/(liabilities)	**(27.08)**	**(28.68)**	**(55.76)**	**44.63**	**100.39**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

The charge relating to temporary differences during the year ended 31 March 2021 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences, MAT credit entitlement. The credit to temporary differences during the year ended 31 March 2020 are primarily on account of Property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, compensated absences, provision for loss allowance. Current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

69. INVESTMENT PROPERTIES

Rental income recognised in profit or loss for investment properties aggregates to ₹ 0.16 Crore (31 March 2020 ₹ 0.37 Crore). Maintenance and other expenses aggregating to ₹ 0.02 Crore (31 March 2020 ₹ 0.03 Crore)

Estimation of fair value

Fair value of Investment Properties aggregates to ₹ 14 Crore approximately. The fair valuation of the assets is based on the perception about the macro and micro economic factors presently governing the construction industry, location of property, existing market conditions, degree of development of infrastructure in the area, demand supply conditions, internal amenities, common amenities, etc. This value is based on general market rate prevalent for similar properties in respective area.

70. IMPACT OF COVID – 19 (GLOBAL PANDEMIC)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai
30 April 2021

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

Independent Auditors' Report

To the Members of
Ajanta Pharma Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of **Ajanta Pharma Limited** ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, 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 *Auditors' 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.

Description of Key Audit Matter

Fraud risk and accrual for sales returns in revenue recognition

The key audit matter	How the matter was addressed in our audit
Refer note 6.9 of accounting policies and note 51 to the standalone financial statements. As stated in Note 6.9 of accounting policies to the standalone financial statements, revenue from sale of products is recognised at a point in time when control of the products is transferred to the customer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable after adjusting variable components like sales returns. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered into with customers. The Company has a large number of customers operating in various geographies and sales contracts with these customers have distinct terms and conditions relating to the recognition of revenue and right of return.	Our procedures in respect of recognition of revenue included the following: – Testing the appropriateness of revenue recognition accounting policies by comparing with applicable accounting standards; – Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT application as well as manual controls over the Company's financial reporting systems which govern recording of revenue in the correct period; – Performing substantive testing by selecting samples of revenue transactions recorded during the year-end using statistical sampling and verifying sales invoices/contracts and shipping documents for those transactions;

Independent Auditors' Report

The key audit matter	How the matter was addressed in our audit
Revenue is a key performance indicator for the Company. Accordingly, there could be pressure to meet the expectations of investors / other stakeholders and / or to meet revenue targets stipulated in performance incentive schemes for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition before control has passed. Accordingly, we identified period end recognition of revenue from sale of products as a key audit matter.	– Analysing and testing manual journals posted to revenue on a sample basis to identify any unusual items; – Testing the sales return data and key considerations used to dertmine the accrual for sales returns including the past trend of returns, impact of COVID on the market conditions and impact of new products and expected returns in future.

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.

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' 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.

AUDITORS' 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 auditors' 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:

Independent Auditors' Report

- 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 auditors' 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 auditors' 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. (A) As required by Section 143(3) of the Act, we report that:

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

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

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

    e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the

Independent Auditors' Report

directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

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

(B) With respect to the other matters to be included in the 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 2021 on its financial position in its standalone financial statements - Refer Note 53 to the standalone financial statements.

ii. The Company does not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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 2021.

(C) 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 & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410
UDIN: 21111410AAAAAL2645

Mumbai
30 April 2021

Annexure A to the Independent Auditors' Report

31 March 2021 (Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this 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. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed / share certificate / other documents evidencing title, we report that the title deeds of immovable properties of land and building which are freehold, as disclosed in Note 8 to the standalone financial statements, are held in the name of the Company. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right of use assets in Note 8 to the standalone financial statements, the lease agreements are in the name of the Company.

(ii) The inventory, except goods-in-transit and goods lying with third parties, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties at year end, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) In our opinion and 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 Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section185 and 186 of the Act, in respect of investments made and guarantee provided as applicable. The Company has not granted any loans or security on behalf of the parties covered under Section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under Section 148 (1) of the Act for drugs and pharmaceutical products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(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 income-tax, duty of customs, provident fund, employees' state insurance, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in few payments of professional tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditors' Report

31 March 2021 (Referred to in our report of even date)

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales Tax, Value added tax, Service tax, duty of Customs, duty of Excise, Goods and Service tax and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as stated below.

₹ in Crore

Name of the Statute	Nature of dues	Amount Demanded	Amount not deposited under dispute	Amount deposited under dispute	Period to which the amount relates	Forum where dispute is pending
Central Goods & Service Tax Act, 2017	GST	0.26	0.25	0.01	FY 2017-18	Joint Commissioner (Appeals), Hyderabad
Central Goods & Service Tax Act, 2017	GST	0.01	0.01	-	FY 2017-18	Assistant Commissioner, Palghar
Central Excise Act 1944	Excise duty	0.20	0.20	-	FY 2010-11 to FY 2015-16	CESTAT, Bengaluru
Central Excise Act 1944	Excise duty	0.05	0.05	-	FY 2006-07 to FY 2010-11	CESTAT, Mumbai
Kerala VAT Act	VAT	1.83	1.63	0.20	FY 2012-13	Deputy Commissioner (Appeals) SGST, Ernakulam
Central Sales Tax Act	CST	0.04	0.03	0.01	FY 2012-13	Deputy Commissioner (Appeals) SGST, Ernakulam
Gujarat VAT Act	CST	0.02	0.02	-	FY 2015-16	Assistant Commissioner, Ahmedabad
Assam VAT Act	CST	0.01	0.01	-	FY 2016-17	Superintendent of Taxes, Guwahati
Kerala VAT Act	VAT	0.37	0.37	-	F.Y 2014-15	Deputy Commissioner, SGST, Ernakulam
Gujarat VAT Act	CST	0.16	0.14	0.02	FY 2016-17	Assistant Commissioner, Ahmedabad
Gujarat VAT Act	CST	0.02	0.02	-	FY 2017-18	Assistant Commissioner, Ahmedabad
Central Goods & Service Tax Act, 2017	GST	0.14	-	0.14	FY 2020-21	Assistant Commissioner, Agra

(viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records, 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 to 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, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in

Annexure A to the Independent Auditors' Report

31 March 2021 (Referred to in our report of even date)

compliance with the provisions of Sections 177 and 188 of the Act, where applicable and the details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act read with the relevant rules issued thereunder.

(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

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

Sreeja Marar
Partner
Membership No: 111410
UDIN: 21111410AAAAAL2645

Mumbai
30 April 2021

Annexure B to the Independent Auditors' report

on the standalone financial statements of Ajanta Pharma Limited for the period ended 31 March 2021

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

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

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Ajanta Pharma Limited ("the Company") as of 31 March 2021 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 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Annexure B to the Independent Auditors' report

on the standalone financial statements of Ajanta Pharma Limited for the period ended 31 March 2021

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

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

Sreeja Marar
Partner
Membership No: 111410
UDIN: 21111410AAAAAL2645

Mumbai
30 April 2021

Balance Sheet

as at 31 March 2021

₹ in Crore

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,413.53	1,343.74
Capital work-in-progress	8	108.19	131.06
Investment property	8	8.90	9.39
Other intangible assets	8	7.52	10.57
Right-of-use assets	8	88.84	85.62
Financial assets			
(i) Investments	9	17.89	18.63
(ii) Loan	10	6.25	6.28
(iii) Other non-current financial assets	11	9.90	9.09
Non current tax assets (net)	12	21.44	13.83
Other non-current assets	13	13.39	5.86
Total non-current assets		**1,695.85**	**1,634.07**
Current assets			
Inventories	14	634.22	436.19
Financial assets			
(i) Investments	15	138.99	67.14
(ii) Trade receivables	16	782.30	734.24
(iii) Cash and cash equivalents	17	119.88	84.95
(iv) Bank balances other than cash and cash equivalents	18	32.10	2.90
(v) Loan	19	5.74	6.28
(vi) Other financial assets	20	5.86	3.09
Other current assets	21	117.12	80.29
Total current assets		**1,836.21**	**1,415.08**
Total assets		**3,532.06**	**3,049.15**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	22	17.39	17.54
Other equity	23	2,867.59	2,443.76
Total equity		**2,884.98**	**2,461.30**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	24	16.30	11.97
(ii) Other financial liabilities	25	1.25	0.46
Provisions	26	17.93	15.65
Deferred tax liabilities (net)	27	92.17	81.16
Other liabilities	28	3.34	3.67
Total non-current liabilities		**130.99**	**112.91**
Current liabilities			
Financial liabilities			
(i) Trade payables	29		
(a) total outstanding dues of micro enterprises and small enterprises		16.58	8.99
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		300.62	293.78
(ii) Other financial liabilities	30	94.66	98.57
(iii) Lease liabilities	31	9.61	11.52
Other liabilities	32	48.05	43.19
Provisions	33	11.71	9.16
Current tax liabilities (net)	34	34.86	9.73
Total current liabilities		**516.09**	**474.94**
Total equity and liabilities		**3,532.06**	**3,049.15**
Significant accounting policies	1 to 7		
The notes referred to above form an integral part of standalone financials statements	8 to 66		

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai
30 April 2021

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Arvind Agrawal
Chief Financial Officer

Gaurang Shah
Company Secretary
FCS No. 6696

Statement of Profit and Loss
for the year ended 31 March 2021

₹ in Crore

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	35	2,718.59	2,196.42
Other income	36	103.57	184.20
Total income		**2,822.16**	**2,380.62**
Expenses			
Cost of materials consumed	37	704.09	556.22
Purchase of stock-in-trade	38	100.59	98.73
Changes in inventories of finished goods/ work-in-progress/stock-in-trade	39	(74.60)	9.02
Employee benefits expense	40	498.11	437.82
Finance costs	41	6.90	9.10
Depreciation and amortisation expense	42	111.49	91.29
Other expenses	43	573.49	561.85
Total expenses		**1,920.07**	**1,764.03**
Profit before tax and exceptional items		**902.09**	**616.59**
Exceptional Item - Income (Expense)			
Exceptional Item - Loss on fire	62	-	(3.92)
Profit before tax		**902.09**	**612.67**
Tax expense :	64		
- Current tax (net)		216.68	168.09
- Deferred tax (net)		9.77	3.45
Profit for the year		**675.64**	**441.13**
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit plans		(2.04)	(3.92)
Income tax relating to items that will not be reclassified to profit or loss		0.71	1.37
Net other comprehensive loss that will not be reclassified subsequently to profit or loss		**(1.33)**	**(2.55)**
Other comprehensive loss for the year (net of income tax)		**(1.33)**	**(2.55)**
Total comprehensive income for the year		**674.31**	**438.58**
Earnings per equity share (Face Value ₹ 2/-)	45		
Basic (₹)		77.59	50.55
Diluted (₹)		77.59	50.55
Significant accounting policies	1 to 7		
The notes referred to above form an integral part of standalone financials statements	8 to 66		

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai
30 April 2021

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Arvind Agrawal
Chief Financial Officer

Gaurang Shah
Company Secretary
FCS No. 6696

Statement of Cash Flow
for the year ended 31 March 2021

₹ in Crore

Particulars		Year Ended 31 March 2021	Year Ended 31 March 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	902.09	612.67
	Adjustment		
	Depreciation and amortisation expense	111.49	91.29
	Loss on sale / retirement of property, plant and equipment (net)	1.96	0.10
	Finance cost	6.90	9.10
	Dividend from subsidiaries	(83.21)	(101.30)
	Gain on fair value of investment	(7.66)	(4.86)
	(Gain) / Loss on fair value of derivative	(4.09)	14.49
	Income from investments & deposits	(1.97)	(3.86)
	Equity settled share based payment	0.02	0.05
	Unrealised foreign exchange Loss / (Gain)	4.70	(53.79)
	Loss on fire	-	3.92
	Impairment of Investment in Subsidiary	1.37	-
	Impairment loss on financial assets	7.56	8.26
	Operating cash flow before working capital changes	**939.16**	**576.07**
	Changes in working capital :		
	(Increase) in other non-current financial assets	(0.81)	(6.43)
	Decrease in non current loans	0.03	1.91
	Decrease in non current assets	0.62	0.06
	(Increase) in inventories	(198.03)	(21.93)
	Decrease / (Increase) in current loans	0.54	(0.25)
	(Increase) in trade receivables	(59.48)	(268.46)
	Decrease in other current financial assets	1.32	3.92
	(Increase) / Decrease in other current assets	(36.86)	16.88
	Increase in non current other financial liabilities	0.79	0.13
	(Decrease) in non current other liabilities	(0.33)	-
	Increase in non current provisions	2.28	2.21
	Increase in trade payables	11.90	112.17
	(Decrease) in other current finanical liabilities	(9.37)	(13.14)
	Increase in other current liabilities	11.92	38.70
	Increase / (Decrease) in current provisions	1.22	(2.43)
	Cash generated from operating activities	**664.90**	**439.41**
	Net income tax paid	(197.91)	(138.53)
	Net cash from operating activities	**466.99**	**300.88**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Capital expenditure on property, plant and equipment including capital advances	(166.97)	(236.37)
	Insurance claim received against property, plant and equipment	11.00	4.90
	Proceeds from sale of property, plant and equipment	1.50	5.49
	Bank balances not considered as cash and cash equivalents	(29.20)	2.45
	Dividend from subsidiaries	83.21	101.30
	Purchase of current investments	(742.41)	(278.00)
	Proceeds from sale of current investments	678.22	280.46
	Income on investments and deposits	1.97	3.86
	Net cash used in investing activities	**(162.68)**	**(115.91)**

Statement of Cash Flow
for the year ended 31 March 2021 (Contd.)

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(4.37)	(4.35)
Payment of lease liability	(13.23)	(13.71)
Payment for buyback of shares	(135.98)	-
Payment for tax on buyback of shares	(31.64)	-
Payment of expenses for buyback of shares	(0.78)	-
Dividend paid	(82.90)	(113.44)
Dividend distribution tax paid	-	(2.50)
Net cash used in financing activities	**(268.90)**	**(134.00)**
Net Increase in cash and cash equivalents	**35.41**	**50.97**
Cash and cash equivalents as at the beginning of the year	84.95	30.52
Cash and cash equivalents as at the end of the year (Refer Note 17)	**120.36**	**81.49**
Reconciliation of cash and cash equivalents with the Balance sheet		
Cash and cash equivalents as per balance sheet	119.88	84.95
Unrealised loss / (gain) on foreign currency cash and cash equivalents	0.48	(3.46)
Cash and cash equivalents as restated as at the end of the year	**120.36**	**81.49**

Figures in brackets indicates outflow.

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS 7) "Statement of Cash Flow" under Section 133 of the Companies Act 2013.
2. Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).
3. During the year the Company paid ₹ 12.78 Crore (31 March 2020 ₹ 14.97 Crore) towards corporate social responsibility (CSR) expenditure included in corporate social responsibility expenditure (Refer note 55).

Significant accounting policies	1 to 7
See accompanying notes forming part of the standalone financial statements	8 to 66

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai
30 April 2021

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

Statement of Changes in Equity

for the year ended 31 March 2021

A. EQUITY SHARE CAPITAL (REFER NOTE 22)

₹ in Crore

Particulars	Balance as at 01 April 2020	Changes in Equity Share Capital during the year	Balance as at 31 March 2021
Authorised	30.00	-	30.00
Issued, Subscribed & Paid up	17.54	(0.15)	17.39

B. OTHER EQUITY (REFER NOTE 23)

₹ in Crore

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Options Outstanding Account	Retained Earnings	Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)	Total Equity
As at 1 April 2019	**2.25**	**-**	**879.62**	**1.10**	**1,244.15**	**(2.58)**	**2,124.53**
Transition impact of Ind AS 116	-	-	-	-	(3.85)	-	(3.85)
Restated balance as at 1 April 2019	**2.25**	**-**	**879.62**	**1.10**	**1,240.30**	**(2.58)**	**2,120.68**
Profit for the year	-	-	-	-	441.13	-	441.13
Other comprehensive income (net of tax)	-	-	-	-	-	(2.55)	(2.55)
Total comprehensive income	**-**	**-**	**-**	**-**	**441.13**	**(2.55)**	**438.58**
Exercised stock options	-	1.05	-	(1.05)	-	-	-
Share based payment expense	-	-	-	0.42	-	-	0.42
Dividend paid	-	-	-	-	(113.44)	-	(113.44)
Dividend distribution tax	-	-	-	-	(2.48)	-	(2.48)
As at 31 March 2020	**2.25**	**1.05**	**879.62**	**0.46**	**1,565.51**	**(5.13)**	**2,443.76**
Profit for the year	-	-	-	-	675.64		675.64
Other comprehensive income (net of tax)	-	-	-	-	-	(1.33)	(1.33)
Total comprehensive income	**-**	**-**	**-**	**-**	**675.64**	**(1.33)**	**674.31**
Utilised for buy-back of Equity Shares (Refer note 22.8)	-	(1.63)	(134.35)	-	-	-	(135.98)
Payment of Expenses for buyback of shares (Refer note 22.8)	-	-	-	-	(0.78)	-	(0.78)
Transfer to Capital Redemption Reserve for buyback of Equity Shares (Refer note 22.8)	0.15	-	-	-	-	-	0.15
Exercised stock options	-	0.58	-	0.07	-	-	0.65
Share based payment expense	-	-	-	0.02	-	-	0.02
Dividend paid	-	-	-	-	(82.90)	-	(82.90)
Tax on buyback of equity shares (Refer note 22.8)	-	-	-	-	(31.64)	-	(31.64)
As at 31 March 2021	**2.40**	**-**	**745.27**	**0.55**	**2,125.83**	**(6.46)**	**2,867.59**

NATURE OF RESERVES

a) Capital redemption reserve

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

b) Securities premium

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

Statement of Changes in Equity
for the year ended 31 March 2021 (Contd.)

c) General reserve

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

d) Employees stock options outstanding account

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

e) Retained earnings

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

Significant accounting policies	1 to 7
See accompanying notes forming part of the standalone financial statements	8 to 66

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai
30 April 2021

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

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Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

1. CORPORATE INFORMATION

Ajanta Pharma Limited ("Company") is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchanges and National Stock Exchange. The Registered office of Company is located at Ajanta House, Charkop, Kandivali (West), Mumbai.

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

2. BASIS OF PREPARATION

- Statement of Compliance

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

The standalone financial statements for the year ended 31 March 2021 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 30 April 2021.

- Use of estimates and judgements:

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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2021 are as follows:

Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Recognition and measurement of defined benefit obligations

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

Intangible Assets

Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

Allowance for uncollected accounts receivable and advances

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

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

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Allowances for inventories

Management reviews the inventory age listing on a periodic basis. The review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the standalone financial statement for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Recognition of deferred tax assets and income tax

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

Contingencies

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

Insurance claims

Insurance claims are recognised when the Company has reasonable certainty of recovery.

Impairment reviews

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

3. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Indian Rupees ('INR' or 'Rupees' or 'Rs.' or '₹') which is the functional currency for the Company.

4. ROUNDING OF AMOUNTS

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

5. CURRENT / NON-CURRENT CLASSIFICATION

An entity shall classify an asset as current when-

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

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

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

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

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

An entity shall classify a liability as current when-

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

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

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

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

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

Notes to the Standalone Financial Statements

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Operating Cycle

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

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

6. SIGNIFICANT ACCOUNTING POLICIES

6.1. Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

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

6.2. Intangible Assets

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

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

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

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

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

Research and Development

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

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

6.3. Investment Property

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

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

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

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

The fair values of investment property is disclosed in the notes. Fair values is determined by the per square feet value in the locality available publicly.

Impairment on non financial assets

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

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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

Notes to the Standalone Financial Statements

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6.4. Financial Instruments

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

Financial Assets:

Classification:

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

Initial recognition and measurement:

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

Subsequent measurement:

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

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

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

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

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

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

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

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

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

Investment in Subsidiary:

Investment in equity instruments of Subsidiaries are measured at cost. In the financial statements, investment in subsidiaries is carried at cost. The carrying amount is reduced to recognise any impairment in the value of investment.

Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

Investment in Debt Instruments:

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

Derecognition of Financial Assets:

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

Impairment of Financial Assets:

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

Financial Liabilities:

Classification:

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

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

Initial recognition and measurement:

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

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

Subsequent measurement:

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

Derecognition of Financial Liabilities:

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

Derivative Financial Instrument:

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

6.5. Inventories

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

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

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

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

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

6.6. Cash and Cash Equivalents

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

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

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6.7. Cash Flow Statement

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

6.8. Foreign Currency Transactions

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are not translated. Foreign currency exchange differences are generally recognised in the statement of profit and loss.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Financial Statements are recognised in the Standalone Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in Other Comprehensive Income, any exchange component of that gain or loss is recognised in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognised in Standalone Statement of Profit and Loss, any exchange component of that gain or loss is recognised in Standalone Statement of Profit and Loss.

6.9. Revenue Recognition

Sale of Goods

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

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

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

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

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

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

Interest income

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

Dividend income

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

Income from Export Benefits and Other Incentives

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

6.10. Employee Benefits

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

(i) Defined benefit plans

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested

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employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

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

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

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

(ii) Defined contribution plans

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

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

(iii) Compensated absences

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

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

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

(iv) Share-based compensation

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

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

6.11. Borrowing Costs

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

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6.12. Leases

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

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

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

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

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

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

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

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

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

6.13. Government Grants

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

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

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

6.14. Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit

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

6.15. Income Taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognised in net profit in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the balance sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

6.16. Dividends to Shareholders

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

6.17. Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

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

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

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

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

Notes to the Standalone Financial Statements
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Contingent liability is disclosed in the case of:

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

Contingent liabilities are not recognised but disclosed in the standalone financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

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

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

Asset Retirement Obligation

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognised in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

6.18. Fair value measurement

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

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

- Derivative financial instruments are measured at fair value received from Bank.
- Mutual Funds are measured at fair values as per Net Asset Value (NAV).
- Employee Stock Option Plan (ESOP) at fair values as per Actuarial Valuation Report.

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

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

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

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

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

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

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

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

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

7. RECENT ACCOUNTING PRONOUNCEMENTS

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to the Standalone Financial Statements
as at 31 March 2021

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

8.1 Current Year

₹ in Crore

Particulars		Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation loss				Net block
		As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	For the year	Disposals	As at 31 March 2021	As at 31 March 2021
(A)	**Property, plant and equipment**									
	Freehold land	153.75	-	-	153.75	-	-	-	-	153.75
	Buildings	535.92	24.81	0.84	559.89	101.22	17.11	0.26	118.07	441.82
	Plant and equipments	812.72	120.66	0.68	932.70	214.74	53.48	0.58	267.64	665.06
	Laboratory equipment	150.53	7.61	-	158.14	48.09	13.56	-	61.65	96.50
	Furniture and fixtures	79.74	7.64	4.60	82.78	44.24	5.06	4.41	44.89	37.89
	Vehicles	3.84	0.38	0.52	3.70	2.57	0.22	0.49	2.30	1.40
	Office equipments	24.36	2.41	4.84	21.93	15.81	2.58	4.27	14.12	7.81
	Computers	34.39	4.22	8.56	30.05	24.83	3.98	8.08	20.73	9.32
	Total	**1,795.25**	**167.73**	**20.04**	**1,942.94**	**451.50**	**96.00**	**18.09**	**529.41**	**1,413.53**
(B)	**Other Intangible assets**									
	Computer Software	23.76	1.03	2.40	22.39	13.19	4.05	2.37	14.87	7.52
	Total	**23.76**	**1.03**	**2.40**	**22.39**	**13.19**	**4.05**	**2.37**	**14.87**	**7.52**
	Total (A) + (B)	**1,819.01**	*** 168.76**	**22.44**	**1,965.33**	**464.69**	**100.05**	**20.46**	**544.28**	**1,421.05**
(C)	**Investment Property**	10.93	-	-	10.93	1.54	0.49	-	2.03	8.90
(D)	**Capital work in progress**									108.19
	Total Property, Plant and Equipment, Capital Work-in -Progress and Other Intangible Assets (A) + (B) + (C) + (D)									**1,538.14**

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

8.2 Previous Year

₹ in Crore

Particulars		Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation loss				Net block
		As at 1 April 2019	Additions	Disposals	As at 31 March 2020	As at 1 April 2019	For the year	Disposals	As at 31 March 2020	As at 31 March 2020
(A)	**Property, plant and equipment**									
	Freehold land	153.75	-	-	153.75	-	-	-	-	153.75
	Buildings	403.86	132.06	-	535.92	87.68	13.54	-	101.22	434.70
	Plant and equipments	631.00	184.53	2.81	812.72	176.00	39.30	0.56	214.74	597.97
	Laboratory equipment	140.60	14.62	4.69	150.53	37.03	12.62	1.56	48.09	102.44
	Furniture and fixtures	70.52	9.32	0.09	79.74	39.96	4.34	0.06	44.24	35.51
	Vehicles	3.52	0.35	0.03	3.84	2.37	0.21	0.01	2.57	1.27
	Office equipments	21.38	3.16	0.18	24.36	13.63	2.31	0.13	15.81	8.55
	Computers	32.05	3.50	1.16	34.39	21.62	4.26	1.05	24.83	9.56
	Total	**1,456.68**	**347.54**	**8.96**	**1,795.25**	**378.28**	**76.59**	**3.37**	**451.50**	**1,343.74**
(B)	**Other Intangible assets**									
	Computer Software	16.72	7.05	-	23.76	10.07	3.12	-	13.19	10.57
	Total	**16.72**	**7.05**	**-**	**23.76**	**10.07**	**3.12**	**-**	**13.19**	**10.57**
	Total (A) + (B)	**1,473.40**	*** 354.59**	**8.96**	**1,819.01**	**388.35**	**79.71**	**3.37**	**464.69**	**1,354.31**
(C)	**Investment Property**	10.93	-	-	10.93	1.05	0.49	-	1.54	9.39
(D)	**Capital work in progress**									131.06
	Total Property, Plant and Equipment, Capital Work-in -Progress and Other Intangible Assets (A) + (B) + (C) + (D)									**1,494.76**

* Addition includes ₹ 2.12 Crore used for Research and Development.

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Right-of-use assets
8.3 Current year

₹ in Crore

Particulars	Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation loss				Net block
	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	For the year	Disposals	As at 31 March 2021	As at 31 March 2021
Right-of-use assets									
Right-of-use (leasehold properties)	29.59	3.22	2.08	30.73	10.09	9.82	0.60	19.31	11.42
Right-of-use (leasehold land)	67.12	12.43	-	79.55	1.00	1.13	-	2.13	77.42
	96.71	**15.65**	**2.08**	**110.28**	**11.09**	**10.95**	**0.60**	**21.44**	**88.84**

8.4 Previous year

₹ in Crore

Particulars	Gross block (Cost or deemed cost)				Accumulated depreciation/amortisation loss				Net block
	As at 1 April 2019	Additions	Disposals	As at 31 March 2020	As at 1 April 2019	For the year	Disposals	As at 31 March 2020	As at 31 March 2020
Right-of-use assets									
Right-of-use (leasehold properties)	28.14	1.45	-	29.59	-	10.09	-	10.09	19.50
Right-of-use (leasehold land)	67.12	-	-	67.12	-	1.00	-	1.00	66.12
	95.26	**1.45**	**-**	**96.71**	**-**	**11.09**	**-**	**11.09**	**85.62**

9. INVESTMENTS (NON-CURRENT)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Unquoted (At cost)		
Investment in equity instruments at amortised cost		
In Subsidiary Companies		
Ajanta Pharma (Mauritius) Limited		
6,13,791 (31 March 2020 6,13,791) Ordinary Shares of Mauritian Rupees 100 each fully paid up	9.44	9.44
Ajanta Pharma USA Inc		
10,000 (31 March 2020 10,000) Common Stock of USD 100 each fully paid up	7.07	6.44
Ajanta Pharma Philippines Inc		
20,00,000 (31 March 2020 20,00,000) Ordinary Shares of Philippines Peso 100 each fully paid up	1.38	1.38
Ajanta Pharma Nigeria Ltd		
6,00,00,000 (31 March 2020 6,00,00,000) Ordinary Shares of Nigerian Naira 1 each fully paid up	1.37	1.37
Less: Impairment in the value of investments (Refer note 65)	(1.37)	-
In Joint Venture		
Turkmenderman Ajanta Pharma Limited (Refer Note 60)		
2,00,000 (31 March 2020 2,00,000) Shares of USD 10 each fully paid-up	-	-
Less: Impairment in the value of investments (Refer note 60)	-	-
In Others at fair value		
OPGS Power Gujarat Private Limited		
1,95,000 (31 March 2020 1,95,000) Shares of ₹ 0.19 each	-	-
(Current Year ₹ 37,050, 31 March 2020 ₹ 37,050)		
Aggregate value of unquoted investments	**17.89**	**18.63**
Aggregate value of unquoted investments (net of impairment)	17.89	18.63
Aggregate market value of quoted investments	-	-
Aggregate amount of impairment in value of non current investment	8.32	6.95

The Company has made full provision for investment in aggregate value of unquoted investments in Turkmenderman Ajanta Pharma Limited in FY 2014-15 and the carrying value of investment is considered as Nil. In the current year the Company has made full provision for investment in aggregate value of unquoted investment in Ajanta Pharma Nigeria Limited and the carrying value of investment is considered as Nil.

Notes to the Standalone Financial Statements
as at 31 March 2021

10. LOANS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated		
Security deposits	6.25	6.28
	6.25	**6.28**

11. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured, considered good unless otherwise stated)		
Financial asset at amortised cost	3.95	4.32
In deposit accounts with banks with maturity of more than 12 months from the balance sheet date		
- Under lien	5.72	4.58
- Others (Current Year ₹ 80,428, 31 March 2020 ₹ 29,084)	-	-
Interest accrued on fixed deposits with Banks	0.23	0.19
	9.90	**9.09**

12. NON CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax paid (net provision ₹ 190.19 Crore, 31 March 2020 ₹ 139.36 Crore)	21.44	13.83
	21.44	**13.83**

13. OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured, considered good unless otherwise stated)		
Capital advances	12.64	4.49
Vat receivable	0.23	0.85
Octroi refund receivable	0.52	0.52
	13.39	**5.86**

14. INVENTORIES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	287.68	173.88
Packing materials	57.47	47.85
Work-in-progress	47.80	39.95
Finished goods (including in transit ₹ 70.80 Crore, 31 March 2020 ₹ 44.12 Crore)	215.55	145.53
Stock-in-trade (including in transit ₹ 0.89 Crore, 31 March 2020 ₹ 1.95 Crore)	25.72	28.98
	634.22	**436.19**

Notes to the Standalone Financial Statements
as at 31 March 2021

15. CURRENT INVESTMENTS (Fair value through statement of profit or loss)

₹ in Crore

Particulars	Face Value ₹	No. of Units *	As at 31 March 2021	As at 31 March 2020
Unquoted				
Zero Coupon Bond Aditya Birla Finance Limited	1,000,000	-	-	31.14
		(250)		
Zero Coupon Bond Aditya Birla Housing Finance Limited	1,000,000	-	-	20.66
		(200)		
			-	**51.80**
Investments in mutual funds				
Quoted				
Aditya Birla Sun Life Arbitrage Fund Growth-Direct	10	17,158,517	37.37	15.34
		(7,332,373)		
L&T Arbitrage Opportunities Fund Direct Growth	10	12,948,527	20.18	-
		(-)		
Invesco India Arbitrage Fund - Direct Plan Growth	10	9,700,040	25.23	-
		(-)		
Investments in Non Convertible Debentures				
Quoted				
Shriram Tranpsort Finance Company Limited SR PPML Y-01 BR NCD 02DC22 FVRS10 lakhs	1,000,000	100	10.48	-
		(-)		
Muthoot Fincorp Limited SR VI BR NCD 04AP23 FVRS10 lakhs	1,000,000	300	30.62	-
		(-)		
Shriram Tranpsort Finance Company Limited SR PPML Y 02 BR NCD 27AP23 FVRS10 lakhs	1,000,000	150	15.11	-
		(-)		
			138.99	**15.34**
Aggregate value of current investments			**138.99**	**67.14**
* Figures in Brackets are for 31 March 2020				
Aggregate value of unquoted investments (net of impairment)			-	51.80
Aggregate value of quoted investments and market value			138.99	15.34
Aggregate amount of impairment in value of investments			-	-

Notes to the Standalone Financial Statements
as at 31 March 2021

16. TRADE RECEIVABLES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured, considered good unless otherwise stated)		
-Trade receivables considered good	782.30	735.93
-Trade receivables credit impaired	13.57	10.91
	795.87	**746.84**
Less: Loss allowance		
-Trade receivables considered good	(6.73)	(1.69)
-Trade receivables credit impaired	(6.84)	(10.91)
	(13.57)	**(12.60)**
Total Trade receivables	**782.30**	**734.24**
Break-up of security details		
(i) Trade receivables considered good- Secured	-	-
(ii) Trade receivables considered good- Unsecured	782.30	734.24
(iii) Trade receivables which have significant increase in Credit Risk	-	-
(iv) Trade receivables - credit impaired	13.57	12.60
Total	**795.87**	**746.84**
Loss Allowance	(13.57)	(12.60)
Total Trade receivables	**782.30**	**734.24**

There are no other trade receivables which have significant increase in credit risk, Refer note 48 B for information about credit risk and market risk of trade receivables

The loss allowance on trade receivable has been computed on the basis of Ind AS 109, Financial Instruments which require such allowance to be made even for trade receivable considered good on the basis that credit risk exists even though it may be very low. The Company exposure to credit and currency risk and loss allowance related to trade receivable are disclosed in note 48

Trade receivables includes debts due from subsidiary companies (Current Year ₹ 492.74 Crore, 31 March 2020 ₹ 475.17 Crore) refer note 54

17. CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents (as per Ind AS-7 - "Statement of cash flows")		
Bank Balances		
- In Current Accounts	48.95	29.96
- In EEFC Accounts	70.91	54.96
Cash on hand	0.02	0.02
	119.88	**84.95**

Notes to the Standalone Financial Statements
as at 31 March 2021

18. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Earmarked balances with banks		
- Unpaid dividend	0.88	0.77
In deposit accounts (with original maturity of more than 3 months but expected to mature within 12 months from balance sheet date)		
- Under lien	6.22	2.13
- Others (31 March 2020 ₹ 45,195)	25.00	-
	32.10	**2.90**

19. LOANS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured, considered good unless otherwise stated)		
Advance to employees	3.19	4.93
Loan to employees	2.55	1.35
	5.74	**6.28**

20. OTHER CURRENT FINANCIAL ASSETS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Interest receivable	1.76	0.36
Mark to market derivative asset	4.09	-
Insurance receivable	0.01	2.73
	5.86	**3.09**

Notes to the Standalone Financial Statements
as at 31 March 2021

21. OTHER CURRENT ASSETS

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Advances other than capital advances		
Advance to vendors		
- considered good	20.73	17.68
Prepaid expenses	8.85	18.72
Other advances recoverable	3.15	0.31
Balance with Statutory/Govt. Authorities		
GST receivable	47.84	11.77
Custom duty receivable	4.26	2.51
Export benefits receivable	32.29	29.30
	117.12	**80.29**

22 EQUITY SHARE CAPITAL

₹ in Crore

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Authorised				
Equity shares of ₹ 2 each	150,000,000	30.00	150,000,000	30.00
Issued, subscribed and paid-up :				
Issued, subscribed and fully paid up Equity shares of ₹ 2 each	86,531,770	17.30	87,261,270	17.45
Add :- Shares Forfeited	766,500	0.09	766,500	0.09
Total	**87,298,270**	**17.39**	**88,027,770**	**17.54**

22.1 Movement in equity share capital

₹ in Crore

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Equity shares outstanding at the beginning of the year	**87,261,270**	**17.45**	**87,253,770**	**17.45**
Add: Equity shares allotted during the year against option's exercised under employee stock option plan	5,500	0.00*	7,500	0.00#
Less: Equity Shares extinguished on buyback of shares (Refer note 22.8)	(735,000)	(0.15)	-	-
Equity Shares outstanding at the end of the year	**86,531,770**	**17.30**	**87,261,270**	**17.45**

* ₹ 11,000 # ₹ 15,000

Notes to the Standalone Financial Statements
as at 31 March 2021

22.2 Rights attached to Equity shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 2 per share. The Company declares and pays dividends in Indian Rupees. Any interim dividend paid is recognised on the approval by Board of Directors.

The following dividends were declared and paid by the Company during the year ended:

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Interim and final equity dividend were declared and paid for financial year 2019-20 at ₹ 13 per equity share	-	113.44
Dividend distribution tax on the equity dividend paid above	-	2.50
Interim and final equity dividend were declared and paid for financial year 2020-21 at ₹ 9.50 per equity share	82.90	-
Total	**82.90**	**115.94**

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by shareholders.

Dividends and tax thereon have not been recognised as liabilities in the year to which they pertain to and is recorded in the year in which they have been approved in the Annual General Meeting.

22.3 Details of shareholders holding more than 5% equity shares

₹ in Crore

Name of Shareholders	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Yogesh M Agrawal, Trustee Yogesh Agrawal Trust	12,533,346	14.48	12,639,934	14.49
Rajesh M Agrawal, Trustee Rajesh Agrawal Trust	12,533,345	14.48	12,639,933	14.49
Ravi Purushottam Agrawal, Trustee Ravi Agrawal Trust	12,433,113	14.37	12,545,180	14.38
Aayush Madhusudan Agrawal, Trutstee Aayush Agrawal Trust	12,423,429	14.36	12,540,389	14.37
Gabs Investments Private Limited	8,392,262	9.70	8,392,262	9.62

22.4 Equity shares reserved for issuance under Employee Stock Options Scheme 2011 of the Company

Particulars	As at 31 March 2021	As at 31 March 2020
	Number of Shares	Number of Shares
Equity shares	1,127,750	1,133,250

22.5 Equity shares reserved for issuance under Share based Incentive Plan 2019 of the Company

Particulars	As at 31 March 2021	As at 31 March 2020
	Number of Shares	Number of Shares
Equity shares	500,000	500,000

Notes to the Standalone Financial Statements
as at 31 March 2021

Equity shares movement during the 5 years preceding 31 March 2021

22.6 Aggregate number of equity shares issued during last five years pursuant to Employee Stock Options Scheme 2011

Particulars	As at 31 March 2021 Number of Shares	As at 31 March 2020 Number of Shares
Equity shares	197,500	192,000

22.7 Equity Shares allotted as fully paid up bonus shares during the period of five years immediately preceding the balance sheet date

Particulars	As at 31 March 2021 Number of Shares	As at 31 March 2020 Number of Shares
Bonus Shares on allotment of ESOP in F.Y. 2015-16	19,250	19,250
Bonus Shares on allotment of ESOP in F.Y. 2016-17	1,250	1,250

22.8 The Board of Directors of the Company, at its meeting held on 3 November 2020 had approved a proposal to buyback upto 7,35,000 equity shares of the Company for an aggregate amount not exceeding ₹ 136 Crore being 0.84 % of the total paid up equity share capital at ₹ 1,850 per equity share. A Letter of Offer was made to all eligible shareholders. the Company bought back 735,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought back on 30 December 2020. The Company has utilised its Securities Premium (₹ 1.63 Crore) and General Reserve (₹ 134.35 Crore) for the buyback of its equity shares. Total transaction cost of ₹ 0.78 Crore incurred towards buyback and tax of ₹ 31.64 Crore was offset from retained earnings. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of ₹ 0.15 Crore equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

22.9 Equity shares extinguished on buy-back

The Company bought back 7,69,230 equity shares for an aggregate amount not exceeding of ₹ 100 Crore being 0.87% of the total paid up equity share capital at ₹ 1,300 per equity share. The equity shares bought back were extinguished on 26 March 2019.

The Company bought back 7,35,000 equity shares for an aggregate amount not exceeding of ₹ 136 Crore being 0.84% of the total paid up equity share capital at ₹ 1,850 per equity share. The equity shares bought back were extinguished on 30 December 2020.

Notes to the Standalone Financial Statements
as at 31 March 2021

23. OTHER EQUITY

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Capital redemption reserve		
Balance at the beginning of the year	2.25	2.25
Add : amount transferred upon buyback of shares	0.15	-
Balance as at the year end	**2.40**	**2.25**
Securities premium		
Balance at the beginning of the year	1.05	-
Add : addition during the year	0.58	1.05
Less: utilisation for buyback of shares	(1.63)	-
Balance as at the year end	**-**	**1.05**
General reserve		
Balance at the beginning of the year	879.62	879.62
Less: utilised for buyback of shares	(134.35)	-
Balance as at the year end	**745.27**	**879.62**
Employee stock options outstanding account		
Balance at the beginning of the year	0.47	1.10
Add : share based payment expense	0.02	0.42
Less : exercised during the year	0.06	(1.05)
Balance as at the year end	**0.55**	**0.47**
Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)		
Balance at the beginning of the year	(5.13)	(2.58)
Add : amount transferred	(1.33)	(2.55)
Balance as at the year end	**(6.46)**	**(5.13)**
Retained earnings		
Balance at the beginning of the year	1,565.51	1,244.15
Transition impact of Ind AS 116	-	(3.85)
Net balance	**1,565.51**	**1,240.30**
Profit for the year	675.64	441.13
Less: Appropriations		
-Interim dividend on equity shares	82.90	113.44
-Corporate tax on interim dividend	-	2.48
-Expense relating to buyback of shares	0.78	-
-Tax on buyback of shares	31.64	-
Balance at the year end	**2,125.83**	**1,565.51**
Total	**2,867.59**	**2,443.76**

24. LEASE LIABILITY

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liability	16.30	11.97
	16.30	**11.97**

Notes to the Standalone Financial Statements
as at 31 March 2021

25. OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits payable	1.25	0.46
	1.25	**0.46**

26. PROVISIONS (NON-CURRENT)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (net)		
Gratuity (Refer note 46.2)	1.09	2.63
Compensated absences (Refer note 46.3)	16.84	13.02
	17.93	**15.65**

27. DEFERRED TAX LIABILITIES (NET)

₹ in Crore

Particulars		As at 31 March 2021	As at 31 March 2020
Tax effect of items constituting - Deferred tax liabilities			
Difference in tax base of property, plant and equipment	(A)	115.88	89.89
Unrealised gain/loss on securities carried at FVTOCI/FVTPL	(B)	0.61	1.43
Tax effect of items constituting - Deferred tax assets			
MAT credit entitlement	(C)	-	-
Disallowance under income tax	(D)	24.32	10.16
Deferred tax liabilities (net)	(A+B)-(C+D)		
		92.17	**81.16**

28. OTHER NON CURRENT LIABILITIES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred government grant	3.34	3.67
	3.34	**3.67**

29. TRADE PAYABLES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises	16.58	8.99
Total outstanding dues of creditors other than micro enterprises and small enterprises	300.62	293.78
	317.20	**302.77**

Notes to the Standalone Financial Statements
as at 31 March 2021

30. OTHER CURRENT FINANCIAL LIABILITIES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Unpaid dividend*	0.81	0.77
Capital creditors	40.16	41.76
Book overdraft	6.39	3.66
Employee benefits payable	14.07	11.76
Sales returns for expired goods (Refer note 51.2)	33.10	26.04
Mark to Market derivative liability	-	14.49
Other payables	0.13	0.09
	94.66	**98.57**

*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31 March 2021.

31. LEASE LIABILITIES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liabilities	9.61	11.52
	9.61	**11.52**

32. OTHER CURRENT LIABILITIES

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers	38.29	37.91
Deferred government grant	0.33	0.33
Statutory dues payable	9.43	4.95
	48.05	**43.19**

33. PROVISIONS (CURRENT)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (net)		
Gratuity (Refer note 46.2)	6.79	5.77
Compensated absences (Refer note 46.3)	4.92	3.39
	11.71	**9.16**

34. CURRENT TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for tax (net of advance tax ₹ 190.19 Crore (31 March 2020 ₹ 139.36 Crore))	34.86	9.73
	34.86	**9.73**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

35. REVENUE FROM OPERATIONS

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Sale of products (Refer note 51)		
Finished goods	2,415.31	1,892.25
Stock-in-trade	258.79	274.82
Other operating revenues		
Export incentives	42.67	26.07
Others	1.82	3.28
	2,718.59	**2,196.42**

36. OTHER INCOME

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Dividend from subsidiary companies	83.21	101.30
Income from financial assets carried at FVTPL		
Dividend from investments in mutual funds	-	3.35
Gain on investment at FVTPL	7.66	4.86
Gain on financial instrument at FVTPL	4.09	-
Income on financial assets carried at amortised cost		
Interest on deposits with banks	1.97	0.51
Interest From others	1.48	0.45
Exchange difference (Net)	-	66.95
Miscellaneous income	5.16	6.78
	103.57	**184.20**

37. COST OF MATERIAL CONSUMED

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Raw material consumed	574.60	438.92
Packing material consumed	129.49	117.30
	704.09	**556.22**

38. PURCHASE OF STOCK-IN-TRADE

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Purchase of stock-in-trade	**100.59**	**98.73**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

39. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Inventories at the beginning of the year :		
Finished goods	145.53	148.05
Work-in-progress	39.95	35.31
Stock-in-trade	28.98	40.12
(A)	**214.46**	**223.48**
Inventories at the end of the year :		
Finished goods	215.55	145.53
Work-in-progress	47.80	39.95
Stock-in-trade	25.72	28.98
(B)	**289.07**	**214.46**
Changes in inventories :		
Finished goods	(70.02)	2.52
Work-in-progress	(7.85)	(4.64)
Stock-in-trade	3.26	11.14
(A) - (B)	**(74.60)**	**9.02**

40. EMPLOYEE BENEFITS EXPENSE

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Salaries, wages and bonus	455.16	404.25
Contribution to provident and other funds	26.41	24.82
Gratuity expense	6.13	4.88
Share based payment expense (Refer note 47)	0.02	0.06
Staff welfare expenses	10.39	3.81
	498.11	**437.82**

41. FINANCE COST

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Interest expenses	6.90	9.10
	6.90	**9.10**

42. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Depreciation on property, plant and equipment (Refer note 8)	96.00	76.59
Amortisation on intangible assets (Refer note 8)	4.05	3.12
Amortisation on right-of-use assets (Refer note 8)	10.95	11.09
Amortisation on investment property (Refer note 8)	0.49	0.49
	111.49	**91.29**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

43. OTHER EXPENSES

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Selling expenses	154.91	157.84
Clearing and forwarding	92.17	66.20
Travelling expenses	32.59	50.20
Processing charges	20.61	18.40
Power and fuel	43.42	38.56
Advertisement and publicity	1.62	1.40
Consumption of stores and spare parts	37.34	34.52
Rent (Refer note 52)	2.10	1.72
Rates and taxes	1.55	1.28
Legal and professional fees	14.48	13.41
Postage, telephone and stationery expenses	5.32	5.63
Repairs and maintenance		
- Buildings	3.26	3.10
- Plant and machinery	26.38	23.69
- Computers and others	8.31	6.79
Insurance	12.27	5.95
Donation	0.77	0.15
Exchange Rate Difference (Net)	13.66	-
Impairment loss on financial assets	7.56	8.26
Impairment of Investment in Subsidiary (Refer note 65)	1.37	-
Directors sitting fees	0.22	0.21
Clinical and analytical charges	25.47	29.46
Loss on sale/discard of property, plant and equipment (net)	1.96	0.10
Product registration expenses	23.35	38.30
Corporate social responsibility expenses (Refer note 55)	12.78	14.97
Commission to directors	6.64	4.76
Loss on financial instrument at FVTPL	-	14.49
Miscellaneous expenses	23.38	22.46
	573.49	**561.85**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

44. CAPITAL MANAGEMENT:

Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return (EBIT) on capital, as well as the level of dividends to equity shareholders. Company's target is to achieve a return on capital above 30%; in 2020-21 the return was 32% and in 2019-20 the return was 25%.

45. BASIC AND DILUTED EARNINGS PER SHARE IS CALCULATED AS UNDER:

The numerator and denominator used to calculate basic and diluted earnings per share:

Particulars		Year Ended 31 March 2021	Year Ended 31 March 2020
Profit attributable to equity shareholders for Basic EPS (₹ in Crore)	(A)	675.64	441.13
Add: Dilutive effect on profit (₹ in Crore)	(B)	-	-
Profit attributable to equity shareholders for Diluted EPS (₹ in Crore)	(C=A+B)	675.64	441.13
Weighted average number of equity shares outstanding for Basic EPS	(D)	8,70,78,285	8,72,58,770
Add: Dilutive effect of option outstanding number of equity shares*	(E)	3,994	6,488
Weighted average number of equity shares for Diluted EPS	(F=D+E)	8,70,82,279	8,72,65,258
Face value per equity share (₹)		2	2
Basic earnings per share (₹)	(A/D)	77.59	50.55
Diluted earnings per share (₹)	(C/F)	77.59	50.55

* On account of Employee Stock Option Scheme (ESOS)-(Refer note 47).

46. EMPLOYEE BENEFITS

As required by Ind AS 19 'Employee Benefits' the disclosures are as under:

46.1 Defined contribution plans

The Company offers its employees defined contribution plans in the form of provident fund (PF) and Employees' pension scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The Company does not have any liability beyond depositing these amounts in to the government administered fund.

During the year, the Company has made the following contributions:

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Provident fund and employee's pension scheme	25.19	23.29
Employees state insurance and others	1.22	1.53
	26.41	**24.82**

46.2 Defined benefit plans

Gratuity:

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

On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service with a maximum limit of ₹ 0.20 Crore.

Notes to the Standalone Financial Statements
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On the death in service:

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the Balance Sheet date:

₹ in Crore

	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
i)	**Changes in Defined Benefit Obligation**		
	Opening defined benefit obligation	36.57	28.52
	Current service cost	5.77	4.64
	Interest cost	2.11	1.83
	Actuarial loss / (gain)		
	-changes in financial assumptions	0..54	1.46
	-changes in demographic assumptions	*	*
	-experience adjustments	1.48	2.40
	Past service cost	-	-
	Benefit (paid)	(2.96)	(2.28)
	Closing defined benefit obligation	**43.51**	**36.57**
ii)	**Changes in Value of Plan Assets**		
	Opening value of plan assets	28.17	22.93
	Interest Income	1.76	1.59
	Return on plan assets excluding amounts included in Interest Income	(0.02)	(0.05)
	Contributions by employer	8.68	5.98
	Benefits (paid)	(2.96)	(2.28)
	Closing value of plan assets	**35.63**	**28.17**
iii)	**Amount recognised in the Balance Sheet**		
	Present value of funded obligations as at year end	43.51	36.57
	Fair value of the plan assets as at year end	(35.63)	(28.17)
	Net liability recognised as at the year end	**7.88**	**8.40**
iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	5.77	4.64
	Net Interest cost	0.36	0.24
	Net expenses recognised in the Statement of Profit and Loss	**6.13**	**4.88**
	Expenses recognised in the Statement of Other Comprehensive Income		
	Net actuarial loss/(gain) recognised in the current year		
	- changes in financial assumptions	0.54	1.46
	- change in demographic assumption	-	*
	- experience adjustments	1.48	2.40
	Return on plan assets excluding amounts included in Interest Income	0.02	0.05
	Net Expenses recognised in the Statement of Other Comprehensive Income	**2.04**	**3.91**
v)	**Asset information**		
	Insurer Managed Funds (100%) (Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	100%	100%

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
vi)	**Principal actuarial assumptions used**		
	Discount rate (p.a.)	6.25%	6.45%
	Salary growth rate (p.a.)	9.00% for next 1 year and 7.00% thereafter	9.00% for next 1 year and 7.00% thereafter
	Average Remaining Service (Years)	6.32	6.07
	Withdrawal Rate (%)		
	Age Band		
	25 and below	40	40
	26 to 35	24	24
	36 to 45	12	12
	46 and above	8	8
vii)	**Estimate of amount of contribution in immediate next year**	**6.79**	**5.77**

* (Current year ₹ (Nil), ₹ (32,538) for 31 March 2020)

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in Crore

Particulars	Year Ended 31 March 2021		Year Ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	42.20	44.91	35.51	37.70
Salary growth rate (0.5% movement)	44.70	42.35	37.53	35.63

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of assumptions. The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

46.3 Leave Encashment

The Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly, ₹ 21.76 Crore (Previous Year ₹ 16.41 Crore) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

47. SHARE BASED PAYMENTS

Company has established "Employees Stock Option Scheme 2011" ('ESOS – 2011') as approved in earlier years by the shareholders of the Company and Compensation committee of Board of Directors for key Employees of the Company. The options issued under the above scheme vest in a phased manner.

During the year 3,000 option have been granted by the Company under the Share based Incentive Plan 2019 to the employees of the Company.

Grant Date	No. of Option Granted	No. of Option Cancelled	Exercise price	Vesting Period
20 May 2020	3,000	-	2	22 August 2021

The options are granted at an exercise price which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

The particulars of the options under ESOS 2011 and Share based Incentive Plan 2019 are as below:

Particulars	As at 31 March 2021 Nos.	As at 31 March 2020 Nos.
Option outstanding as at the beginning of the year	6,500	13,500
Add: Option granted during the year	3,000	500
Less: Option exercised during the year	5,500	7,500
Less: Option lapsed/cancelled during the year	-	-
Option outstanding as at the year end	4,000	6,500

Particulars	As at 31 March 2021 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the Year	6,500	2.0	2.0	0.70
Add: Options granted during the Year	3,000	2.0	2.0	0.30
Less: Options exercised during the Year	5,500	2.0	2.0	NA
Less: Options lapsed/cancelled during the Year	-	-	-	-
Options outstanding as at the Year End	4,000	2.0	2.0	0.39

Particulars	As at 31 March 2020 Nos.	Range of Exercise Prices (₹)	Weighted Average Exercise Prices (₹)	Weighted Average Contractual life (Years)
Options outstanding as at the beginning of the Year	13,500	2.0	2.0	0.90
Add: Options granted during the Year	500	2.0	2.0	2.00
Less: Options exercised during the Year	7,500	2.0	2.0	NA
Less: Options lapsed/cancelled during the Year	-	-	-	-
Options outstanding as at the Year End	6,500	2.0	2.0	0.70

Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information:

Variables	Weighted Average Information						
Plan	ESOS 2011 /Share Based Incentive Plan 2019						
Particulars	1,000 option	3,000 option	3,000 option	1,500 option	5,000 option	500 option	3,000 option
Grant date	8 May 2015	26 July 2016	26 July 2016	22 August 2017	31 October 2018	27 September 2019	20 May 2020
Last date for acceptance	8 June 2015	26 August 2016	26 August 2016	22 September 2017	30 November 2018	27 October 2019	19 June 2020
Risk free rate (%)	8	7.3	7.3	7.5	7.4	5.2	5.2
Expected Life (years)	1 to 3	3 to 4	1 to 3	1 to 4	2	2	1
Volatility (%)	31.7	20.23	20.23	17.2	13.43	13.74	14.67
Dividend yield (%)	1.5	0.53	0.53	0.43	0.5	0.55	0.71
Price of the underlying share in the market at the time of option grant	₹ 1,264	₹ 1,478	₹ 1,702	₹ 1,153	₹ 1,058	₹ 1,055	₹ 1,439
Fair value of options	₹ 1,189	₹ 1,453	₹ 1,453	₹ 1,142	₹ 1,043	₹ 1,041	₹ 1,425
Exercise price	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

The particulars of the options under ESOS 2011 and Share based Incentive Plan 2019 granted to Employees of Subsidiary are as below:

Variables	Weighted Average Information					
Plan	ESOS 2011 /Share Based Incentive Plan 2019					
Particulars	3,000 option	3,000 option	1,500 option	4,000 option	500 option	3,000 option
Grant date	26 July 2016	26 July 2016	22 August 2017	31 October 2018	27 September 2019	20 May 2020
Last date for acceptance	26 August 2016	26 August 2016	22 September 2017	30 November 2018	27 October 2019	19 June 2020
Risk free rate (%)	7.3	7.3	7.5	7.4	5.2	5.2
Expected Life (years)	3 to 4	1 to 3	1 to 4	2	2	1
Volatility (%)	20.23	20.23	17.2	13.43	13.74	14.67
Dividend yield (%)	0.53	0.53	0.43	0.5	0.55	0.71
Price of the underlying share in the market at the time of option grant	₹ 1,478	₹ 1,702	₹ 1,153	₹ 1,058	₹ 1,055	₹ 1,439
Fair value of options	₹ 1,453	₹ 1,453	₹ 1,142	₹ 1,043	₹ 1,041	₹ 1,425
Exercise price	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2	₹ 2

Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise price is the price to be paid by the employee for the exercising the options granted to him, as determined by the NRC.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock-based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period of each separately vesting portion of the award as if the award was, in-substance, multiple awards.

The Company has issued ESOP option to Employees of Subsidiary wherein amount has been transferred to equity investment in Subsidiary.

48. FINANCIAL INSTRUMENT- FAIR VALUES AND RISK MANAGEMENT

A. Fair value measurements

₹ in Crore

Financial instruments by category	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Mark to market derivative asset	4.09	-	-	-
Investment in subsidiaries	-	17.89	-	18.63
Investments in mutual funds/Bonds/NCDs	138.99	-	67.14	-
Investment in unquoted equity shares (current year ₹ 37,050, previous year ₹ 37,050)	-	-	-	-
Trade receivables	-	782.30	-	734.24
Non-current loans	-	6.25	-	6.28
Other non-current financial assets	-	9.90	-	9.09
Cash and cash equivalents	-	119.88	-	84.95
Bank balances other than cash and cash equivalents	-	32.10	-	2.90
Current loans	-	5.74	-	6.28
Insurance receivable	-	0.01	-	2.73
Export benefit receivable	-	32.29	-	29.30
Interest receivable	-	1.76	-	0.36
Total financial assets	**143.08**	**1,008.12**	**67.14**	**894.76**
Financial liabilities				
Book overdrafts	-	6.39	-	3.66
Other non-current financial liabilities	-	1.25	-	0.46
Non-current lease liabilities	-	16.30	-	11.97
Capital creditors	-	40.16	-	41.76
Unpaid dividend	-	0.81	-	0.77
Employee benefits payable	-	14.07	-	11.76
Current lease liabilities	-	9.61	-	11.52
Sales return for expired goods	-	33.10	-	26.04
Mark to market derivative liability	-	-	14.49	-
Other payables	-	0.13	-	0.09
Trade payables	-	317.20	-	302.77
Total financial liabilities	**-**	**439.02**	**14.49**	**410.80**

Fair value measurement of lease liabilities is not required.

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

₹ in Crore

Financial assets and liabilities measured at fair value	As at 31 March 2021			As at 31 March 2020		
	Level			Level		
	I	II	III	I	II	III
Financial assets						
Recurring fair value measurements						
Mark to Market Derivative Asset	-	4.09	-	-	-	-
Investment in Bonds	-	-	-	-	51.80	-
Investment in Mutual Funds	82.78	-	-	15.34	-	-
Investment in NCDs	56.21	-	-	-	-	-
Non-Recurring fair value measurements						
Total Financial Assets	**138.99**	**4.09**	**-**	**15.34**	**51.80**	**-**
Financial liabilities						
Non-Recurring fair value measurements						
Mark to Market Derivative Liability	-	-	-	-	14.49	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**14.49**	**-**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have declared buyback NAV. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (like Mark to Market Derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

Type	Valuation Technique	Significant unobservable Inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

B. Financial risk management

Company has exposure to following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk
- currency risk

Risk management framework

Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

Company's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Company, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Company's Audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

i. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and mutual funds, foreign exchange transactions and other financial instruments.

Impairment:

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

₹ in Crore

Particulars	As at 31 March 2021		
	Carrying amount	Weighted average loss rate	Loss allowance
Group Debtors	492.74	0.29%	1.42
Past due upto 180 days	292.79	1.81%	5.31
Past due 181- 365 days	4.04	19.46%	0.79
Past dues 366 - 730 days	0.64	61.38%	0.39
Past dues 731 - 1096 days	0.72	100.00%	0.72
More than 1096 days	4.94	100.00%	4.94
	795.87		**13.57**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

₹ in Crore

Particulars	As at 31 March 2020		
	Carrying amount	Weighted average loss rate	Loss allowance
Group Debtors	475.17	*	*
Past due upto 180 days	258.78	0.71%	1.84
Past due 181-365 days	1.37	17.96%	0.25
Past dues 366 - 730 days	1.35	25.22%	0.34
Past dues 731 - 1096 days	1.64	100.00%	1.64
More than 1096 days	8.53	100.00%	8.53
	746.84		**12.60**

*Figures consist of customers which are wholly owned subsidiaries of the Company and management does not anticipate any credit risk for creating any loss allowance.

(a) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non-interest bearing, are mainly from stockists, distributors and customers and are generally on 14 days to 270 days credit term excluding wholly owned subsidiaries. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

As at 31 March 2021, Company had 26 customers, excluding wholly owned subsidiaries (31 March 2020: 32 customers) that owed the Company more than ₹ 0.50 Crore each and accounted for approximately 29% and 28% respectively of the total outstanding as at 31 March 2021 and 31 March 2020.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

62% of total receivables is from wholly owned subsidiaries.

Sales to certain jurisdictions are either based on advance payments or restricted to certain limits to curtail exposures to credit risk.

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Gross Carrying amount	795.87	746.84
Average Expected loss rate	1.71%	1.69%
Carrying amount of trade receivables (net of impairment)	782.30	734.24

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	12.60	5.00
Impairment loss recognised (net)	7.56	8.26
Amounts written off	6.59	0.66
Balance as at the year end	13.57	12.60

The impairment loss at 31 March 2021 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

(b) Financial instruments

Company limits its exposure to credit risk by investing in liquid securities issued by mutual funds having a credit ranking of at least 3 and above from CRISIL or equivalent rating agency. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties.

ii. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The ratio of cash and cash equivalents and other highly marketable debt investments to outflows is 0.51 at 31 March 2021 (0.32 at 31 March 2020).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

₹ in Crore

As at 31 March 2021	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables Current	317.20	317.20	317.20	-	-	-
Other Financial Liabilities	95.91	95.91	94.66	1.25	-	-
Lease Liability	25.91	25.91	9.61	16.30	-	-
Mark to Market Derivative Liability						
- Outflow	-	-	-	-	-	-
Total	**439.02**	**439.02**	**421.47**	**17.55**	**-**	**-**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

₹ in Crore

As at 31 March 2020	Carrying Amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables Current	302.77	302.77	302.77	-	-	-
Other Financial Liabilities	84.54	84.54	84.08	0.46	-	-
Lease Liability	23.49	23.49	11.52	11.97	-	-
Mark to Market Derivative Liability						
- Outflow	14.49	14.49	14.49	-	-	-
Total	**425.29**	**425.29**	**412.86**	**12.43**	**-**	**-**

iii. **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange contracts to manage its exposures to foreign exchange fluctuations. All such transactions are carried out within the guidelines set by the risk management committee.

iv. **Currency risk**

Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of Company. The currencies in which these transactions are primarily denominated are US dollars and Euro.

At any point in time, Company covers foreign currency risk by taking appropriate percentage of its foreign currency exposure, as approved by risk management committee in line with the laid down policy approved by the Board. Company uses forward exchange contracts to mitigate its currency risk, most with a maturity of less than one year from the reporting date. In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The following table analyses foreign currency risk as of 31 March 2021:

₹ in Crore

Particulars	US Dollars	Euro	Total
Bank balances	55.60	15.31	70.91
Trade receivables	722.93	3.82	726.75
Trade Payables	23.12	4.93	28.05
Net assets / (liabilities)	**755.41**	**14.20**	**769.61**

The following table analyses foreign currency risk as of 31 March 2020:

₹ in Crore

Particulars	US Dollars	Euro	Total
Bank balances	54.89	0.07	54.96
Trade receivables	679.78	0.33	680.11
Trade Payables	9.13	1.22	10.35
Net assets / (liabilities)	**725.54**	**(0.82)**	**724.72**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

For the year ended 31 March 2021 every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Company's incremental profit before tax as per below:

₹ in Crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	7.55 / (7.55)
Euro	+1% / (-1%)	0.14 / (0.14)

For the year ended 31 March 2020 every percentage point depreciation/appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as per below:

₹ in Crore

Particulars	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+1% / (-1%)	7.25 / (7.25)
Euro	+1% / (-1%)	(0.01) / 0.01

49. NOTE ON FOREIGN CURRENCY EXPOSURES ON ASSETS AND LIABILITIES:

Disclosure on foreign currency forward contracts

During the year, the Company has entered into forward exchange contract, being derivative instruments to mitigate foreign currency risk, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables.

The following are the outstanding foreign currency forward contracts entered into by the Company:

Particulars	As at 31 March 2021	As at 31 March 2020	Buy or Sell	Cross Currency
	Foreign Currency Amt in Crore	Foreign Currency Amt in Crore		
EURO	0.10	-	SELL	INR
USD	9.46	5.13	SELL	INR

50. NOTE ON FOREIGN CURRENCY EXPOSURES ON ASSETS AND LIABILITIES:

Disclosure on foreign currency exposures on assets and liabilities

The year-end foreign currency exposures that have not been mitigated by a derivative instrument or otherwise are as below:

Particulars	₹ in Crore	₹ in Crore	Foreign Currency Amt in Crore	Foreign Currency Amt in Crore	Foreign Currency
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	
Amount Receivable	91.87	291.47	1.26	3.85	USD
	27.70	0.33	0.32	*	EURO
	0.09	-	$	-	CHF
	0.01	-	"	-	GBP
Amount Payable	51.69	9.13	0.71	0.12	USD
	14.92	1.22	0.17	#	EURO

$ CHF 12,000 "GBP 744 *Euro 39,777 # 147,037

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

51. DISAGGREGATION OF REVENUE

The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

51.1 Revenue

Primary geographical markets

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
India	812.93	768.71
Emerging Market	975.55	718.59
Africa Institution	271.21	244.39
USA	614.41	435.38
Total revenue from contract with customers	**2,674.10**	**2167.07**
Timing of revenue recognition		
Goods transferred at a point in time	2,674.10	2167.07
Services transferred over time	-	-

Variable components such as discounts and rebates continue to be recognised as deduction from revenue in compliance with Ind AS 115.

₹ in Crore

Revenue Break-up	Year Ended 31 March 2021	Year Ended 31 March 2020
Revenue as per contracted price	2,669.78	2,331.02
Adjusted for:		
Trade Discounts	37.80	38.79
Sales Return (including provisions)	-	36.60
Others	(42.12)	88.56
	(4.32)	**163.95**
Net Revenue	**2,674.10**	**2167.07**

The Company normally sells goods on credit which varies from 14 to 21 days for domestic sales and 180 to 270 days in case of export sales. This does not involve any significant financing element.

More than 10% of Company's Revenue is from its subsidiary Ajanta Pharma USA Inc. for ₹ 614.43 Crore.

51.2 Provision for anticipated Return of Expired Goods subsequent to Sale:

Provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 115 estimated by management based on past trends.

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	26.04	10.66
Add: Provisions made during the year	33.10	26.04
Less: Amount written back/utilised during the year	26.04	10.66
Balance at the end of the year	**33.10**	**26.04**

52. DISCLOSURE FOR OPERATING LEASES UNDER IND AS 116 -"LEASES":

Company has taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

The interest rate applied to lease liabilities as at 1 April 2019 is 8.50%.

Right-of-use assets

₹ in Crore

Particulars	Land and Buildings	Leasehold land	Total
Cost			
As at 1 April 2020	29.59	67.12	96.71
Additions	3.22	12.43	15.65
Disposals	(2.08)	-	(2.08)
Balance at 31 March 2021	**30.73**	**79.55**	**110.28**
Accumulated depreciation and impairment			
As at 1 April 2020	10.09	1.00	11.09
Depreciation	9.82	1.13	10.95
Impairment loss	-	-	-
Eliminated on disposals of assets	(0.60)	-	(0.60)
Balance at 31 March 2021	**19.31**	**2.13**	**21.44**

₹ in Crore

Particulars	Land and Buildings	Leasehold land	Total
Cost			
As at 1 April 2019	28.14	67.12	95.26
Additions	1.45	-	1.45
Disposals	-	-	-
Balance at 31 March 2020	**29.59**	**67.12**	**96.71**
Accumulated depreciation and impairment			
As at 1 April 2019	-	-	-
Depreciation	10.09	1.00	11.09
Impairment loss	-	-	-
Eliminated on disposals of assets	-	-	-
Balance at 31 March 2020	**10.09**	**1.00**	**11.09**

₹ in Crore

Carrying amounts	
As at 1 April 2020	85.62
Balance at 31 March 2021	**88.84**

₹ in Crore

Carrying amounts	
As at 1 April 2019	96.71
Balance at 31 March 2020	**85.62**

Breakdown of lease expenses

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Short-term lease expense	2.10	1.72
Total lease expense	**2.10**	**1.72**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

Cash outflow on leases

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Repayment of lease liabilities	(13.23)	(13.71)
Total cash outflow on leases	**(13.23)**	**(13.71)**

Maturity analysis

₹ in Crore

	Less than 1 year	Over 1 years	Weighted average effective interest rate %
As at 31 March 2021			
Lease liabilities	9.61	16.30	8.50
As at 31 March 2020			
Lease liabilities	11.52	11.97	8.50

The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Not later than one year	0.33	1.01
Later than one year but not later than five years	-	0.33
Later than five years	-	-
Total	**0.33**	**1.34**

53. CONTINGENT LIABILITIES AND COMMITMENTS:

Contingent Liabilities

₹ in Crore

	Particulars	As at 31 March 2021	As at 31 March 2020
i.	Claims against the Company not acknowledged as debt	0.61	0.61
ii.	Custom Duty on import under Advance License Scheme, pending fulfilment of Exports obligation.	5.55	1.19
iii.	Disputed Octroi. Amount paid under protest and included under "Other Current Assets" ₹ 0.52 Crore (Previous Year ₹ 0.52 Crore)	0.52	0.52
iv.	Excise duty, Service Tax, VAT and GST disputed by the Company	3.11	2.41
v.	Financial Guarantee	73.11	45.40

The Company has para 4 non-infringing litigation as on 31 March 2021 as well as 31 March 2020. No liability is expected to arise from these litigations.

The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Future cash outflows in respect of liability under clause (i) is dependent on terms agreed upon with the parties, in respect of clauses (ii) to (iv) is dependent on decisions by relevant authorities of respective disputes, clause (v) is a financial guarantee.

Notes to the Standalone Financial Statements
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Supreme Court Judgement on computation of provident fund contribution

There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

Commitments

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 86.08 Crore (Previous Year ₹ 132.28 Crore).

b) Other Commitments – Non-cancellable operating leases (Refer note 52).

54. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW: -

A) Relationships:

Category I- Subsidiaries:

Ajanta Pharma (Mauritius) Limited	(APML)
Ajanta Pharma Mauritius International Limited	(APMIL)
Ajanta Pharma Nigeria Limited	(APNL)
Ajanta Pharma USA Inc	(APUI)
Ajanta Pharma Philippines Inc	(APPI)

Category II- Directors and Key Management Personnel:

Mannalal B. Agrawal	Chairman
Madhusudan B. Agrawal	Executive Vice-Chairman
Yogesh M. Agrawal	Managing Director
Rajesh M. Agrawal	Joint Managing Director
Chandrakant M. Khetan	Independent Director
K. H. Viswanathan	Independent Director
Prabhakar Dalal	Independent Director
Dr. Anjana Grewal	Independent Director
Arvind Agrawal	Chief Financial Officer
Gaurang Shah	Company Secretary

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

Gabs Investments Private Limited

Seth Bhagwandas Agrawal Charitable Trust

Ganga Exports being represented by Yogesh M. Agrawal

Rajesh M. Agrawal and Ravi P. Agrawal

Mannalal Agrawal Trust, Trustee - Mannalal B. Agrawal

Yogesh Agrawal Trust, Trustee - Yogesh M. Agrawal

Rajesh Agrawal Trust, Trustee - Rajesh M. Agrawal

Ravi Agrawal Trust, Trustee – Ravi P. Agrawal

Aayush Agrawal Trust, Trustee - Aayush M. Agrawal

Ajanta Pharma Limited Group Gratuity Trust

Samta Purushottam Agrawal Memorial Foundation

Notes to the Standalone Financial Statements
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Mamta and Madhusudan Agrawal Memorial Foundation

Manisha Yogesh Agrawal Foundation

Smriti Rajesh Agrawal Foundation

Ajanta Foundation

Category IV- Others (Relatives of Key Management Personnel):

Tanya Agrawal - Daughter of Managing Director

B) The following transactions were carried out with related parties:

₹ in Crore

Sr. No	Particulars	Category	Year Ended 31 March 2021	Year Ended 31 March 2020
1.	**Sale of Goods**			
	APML	I	181.80	105.10
	APPI	I	142.52	105.77
	APMIL	I	0.45	4.23
	APUI	I	614.43	434.96
	APNL	I	-	(2.42)
2.	**Dividend from Subsidiary Companies**			
	APML	I	53.03	84.05
	APPI	I	30.18	17.25
3.	**Expenses Reimbursement to**			
	APUI	I	3.23	5.81
	APNL	I	0.50	0.60
4.	**Compensation to Key Management and Others**			
	Short Term Employee Benefits			
	Madhusudan B. Agrawal	II	2.04	1.68
	Yogesh M. Agrawal	II	9.55	8.38
	Rajesh M. Agrawal	II	9.55	8.38
	Arvind Agrawal	II	1.31	1.24
	Gaurang Shah	II	0.64	0.54
	Tanya Agrawal	IV	0.07	0.06
	Post-employment benefits	II	0.37	0.28
5.	**Commission to executive director**			
	Yogesh M. Agrawal	II	3.27	2.34
	Rajesh M. Agrawal	II	3.27	2.34
6.	**Commission and Sitting Fees to Non-Executive Director**			
	Mannalal B. Agrawal	II	0.05	0.04
	Chandrakant M. Khetan	II	0.09	0.08
	K. H. Viswanathan	II	0.07	0.06
	Prabhakar Dalal	II	0.07	0.06
	Dr. Anjana Grewal	II	0.06	0.05
7.	**Dividend Paid**			
	Key Management Personnel	II	0.03	0.04
	Others	III	58.45	79.98
8.	**Commission from Subsidiary on Corporate Guarantee**			
	APUI	I	0.46	0.22
9.	**Corporate Social Responsibility Expense**			
	Seth Bhagwandas Agrawal Charitable Trust	III	0.45	0.34
	Samta Puroshattam Agrawal Memorial Foundation	III	6.06	9.40
	Manisha Yogesh Agrawal Foundation	III	-	0.05
	Smriti Rajesh Agrawal Foundation	III	-	0.05
	Ajanta Foundation	III	0.06	-

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

₹ in Crore

Sr. No	Particulars	Category	Year Ended 31 March 2021	Year Ended 31 March 2020
10.	**Contribution made to Group gratuity trust towards premium paid to LIC**			
	Premium paid	III	8.79	6.01
11.	**Investment in subsidiary**			
	APUI	I	0.63	0.37
12.	**Other Income from subsidiary**			
	APUI	I	0.17	-
13.	**Donation**			
	Mamta and Madhusudan Agrawal Memorial Foundation	III	0.56	-
	Manisha Yogesh Agrawal Foundation	III	0.10	-
	Smriti Rajesh Agrawal Foundation	III	0.10	-
14.	**Buyback of Equity Share**			
	Yogesh M. Agrawal, Trustee Yogesh Agrawal Trust	III	19.72	-
	Rajesh M. Agrawal, Trustee Rajesh Agrawal Trust	III	19.72	-
	Ravi P. Agrawal, Trustee Ravi Agrawal Trust	III	20.73	-
	Aayush M. Agrawal, Trustee Aayush Agrawal Trust	III	21.64	-
	Ganga Exports being represented by Yogesh M. Agrawal, Rajesh M. Agrawal and Ravi P. Agrawal	III	8.62	-

C) Amount outstanding as at end of the year

₹ in Crore

Sr. No	Particulars	Category	As at 31 March 2021	As at 31 March 2020
1.	**Trade receivables**			
	APPI	I	29.32	43.78
	APUI	I	463.42	431.20
	APNL	I	-	0.19
2.	**Investments in**			
	APML	I	9.44	9.44
	APPI	I	1.38	1.38
	APUI	I	7.07	6.44
	APNL	I	1.37	1.37
	Less: Impairment of Investment in Subsidiary		(1.37)	-
3.	**Trade payables**			
	APUI	I	1.28	1.61
	APNL	I	-	0.08
4.	**Advance received**			
	APML	I	16.29	19.92
	APMIL	I	-	2.69
5.	**Other receivables**			
	APUI	I	0.31	0.02
6.	**Commission payable to executive director**			
	Yogesh M. Agrawal	II	3.27	2.34
	Rajesh M. Agrawal	II	3.27	2.34
7.	**Commission payable to non-executive director**			
	Chandrakant M. Khetan	II	0.03	0.02
	K. H. Viswanathan	II	0.02	0.02
	Prabhakar Dalal	II	0.02	0.02
	Dr. Anjana Grewal	II	0.02	0.02

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

Based on the internal and external transfer pricing review and validation, the Company believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle and are in normal course. Details related to Corporate Guarantee and ESOP given to Employees of Subsidiary provided in note 53 and 47 respectively.

55. CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY ("CSR"):

As per section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised during the year on the activities which are specified in schedule VII of the Act. The utilisation is done by way of direct and indirect contribution towards various activities.

The particulars of CSR expenditure are as follows:

a) Gross amount required to be spent by the Company during the year is ₹ 10.49 Crore (Previous year: ₹ 10.89 Crore)

b) Amount spent during the year on:

₹ in Crore

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of asset	-	-	-
(ii)	On purposes other than (i) above	12.78	-	12.78

*includes paid to related parties ₹ 6.57 Crore (Refer note 54)

c) Amount spend during the previous year on:

₹ in Crore

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of asset	-	-	-
(ii)	On purposes other than (i) above	14.97	-	14.97

*includes paid to related parties ₹ 9.84 Crore (Refer note 54)

56. The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclosures related to segments are presented in this standalone financial statements.

57. REMUNERATION TO AUDITORS (EXCLUDING GST):

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
- Audit Fees	0.25	0.19
- Limited review	0.28	0.28
- For Certification and other matters (including OPE)	0.19	0.07

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

58. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

₹ in Crore

	Particulars	As at 31 March 2021	As at 31 March 2020
a.	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	16.58	8.99
	Interest due on above	0.01	-
b.	The amount of interest paid by the buyer as per Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act 2006.	-	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act 2006.	-	-

59. RESEARCH AND DEVELOPMENT EXPENDITURE:

A unit of the Company has been recognised by DSIR as in-house research and development unit. The Company has claimed 150% exemption under Sec. 35(2AB) of Income Tax Act 1961 for expenditure incurred on in house R&D activities till March 2020.

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Amount in respect to		
Capital Expenditure	2.91	2.12
Revenue Expenditure	138.91	164.17
Total	**141.82**	**166.29**

60. The Company had entered into a Joint Venture ('JV') with Turkmenderman Ajanta Pharma Limited. (TDAPL) where it had management control during the first 10 years of this contractual arrangement. However, in terms of the JV agreement, the Company subsequently surrendered the management control in favour of the local partner and since then ceased to have any control on the operations of the JV. Further, TDAPL operates under severe restrictions that significantly impairs its ability to transfer the funds. Consequently, the Company had impaired its entire investment in TDAPL and considers this as an unrelated party. The Company is also unable to obtain reliable and accurate financial information in respect of the said JV.

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

61. Expenses capitalised during the year represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same were capitalised on completion of projects and commencement of commercial operations. The details of expenses capitalised are:

₹ in Crore

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	11.79	7.56
Add: Incurred during the year		
Employee Benefit Expenses	0.68	6.14
Professional fees	-	0.05
Travelling expenses	-	0.45
Others	0.44	7.52
Total	**12.91**	**21.72**
Less: Capitalised to Tangible Assets	12.91	9.93
Closing Balance	**-**	**11.79**

62. LOSS DUE TO FIRE AT GUWAHATI PLANT IN PREVIOUS YEAR 2019-20

Pursuant to an incident involving fire on 31 August 2019 at Guwahati plant, certain property, plant and equipment (PPE) and inventory were damaged. The Company has assessed the loss of inventory and PPE due to the said incident aggregating to ₹ 9.11 Crore for inventory and ₹ 26.07 Crore in respect of PPE. The Company had a valid insurance contract with respect to these assets and has accordingly lodged a claim with the insurance company. The Company has received amounts aggregating to ₹ 31.26 Crore toward claims from the Insurance company. The claim has been settled and there is no further loss on this account.

63. INVESTMENT PROPERTIES

Rental income recognised in profit or loss for investment properties aggregates to ₹ 0.16 Crore (previous year ₹ 0.37 Crore). Maintenance and other expenses aggregating to ₹ 0.02 Crore (previous year ₹ 0.03 Crore).

Estimation of fair value

Fair value of Investment Properties aggregates to ₹ 14 Crore approximately. The fair valuation of the assets is based on the perception about the macro and micro economic factors presently governing the construction industry, location of property, existing market conditions, degree of development of infrastructure in the area, demand supply conditions, internal amenities, common amenities, etc. This value is based on general market rate prevalent for similar properties in respective area.

64. INCOME TAX

Amount recognised in statement of profit and loss

₹ in Crore

	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
a.	**Current income tax**		
	Current tax on profit for the year	225.06	167.18
	Adjustment for current tax of prior periods	(8.38)	0.91
	Total Current tax expenses	**216.68**	**168.09**
	Deferred tax expense/(benefit)		
	Origination and reversal of timing difference	11.73	3.45
	MAT Credit Entitlement	(1.96)	-
	Total Deferred Tax expenses	**9.77**	**3.45**
	Total Income tax expense recognised in the income statement	**226.45**	**171.54**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

b. Reconciliation of effective tax rate

The following is a reconciliation of the Company's effective tax rate

₹ in Crore

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Accounting profit before income taxes	902.09	612.67
Enacted tax rate in India (%)	34.94	34.94
Computed expected tax expenses	315.23	214.09
Effect of non-deductible expenses	5.71	10.04
Effect of exempt non-operating income	-	(1.17)
Temporary difference which is reversed during the Tax Holiday period	(1.14)	(6.99)
Tax effect which is chargeable at different rate	(1.77)	(17.73)
Additional deduction on R & D Expenses	-	(20.16)
Others deductible expenses	(38.87)	(7.45)
Adjustment for current tax of prior periods	(10.34)	0.91
Deduction for Tax Holiday Unit	(42.37)	-
Income tax expenses	226.45	171.54
Effective tax rate	25.10%	28.00%

c. Recognised deferred tax asset and liability

₹ in Crore

Particulars	Deferred tax asset		Deferred tax liabilities		Net deferred tax asset/(liabilities)	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Property, Plant and equipment	-	-	115.88	98.96	(115.88)	(98.96)
Gain on Financial Instrument at FVTPL	-	-	-	-	-	-
Gain on Investment at FVTPL	-	-	0.61	1.43	(0.61)	(1.43)
Leave Encashment	7.53	5.73	-	-	7.53	5.73
Provision for Expired Goods	11.57	9.10	-	-	11.57	9.10
Diminution in value of Investment	0.48	-	-	-	0.48	-
Provision for Loss Allowance	4.74	4.40	-	-	4.74	4.40
Net deferred tax asset/(liabilities)	**24.32**	**19.23**	**116.49**	**100.39**	**(92.17)**	**(81.16)**

d. Movement in deferred tax balances 31 March 2021

₹ in Crore

Particulars	Net balance as at 31 March 2021	Recognised in Profit and loss	Net	Deferred tax asset	Deferred tax liabilities
Property, plant and equipment	(98.96)	(16.92)	(115.88)	-	115.88
Gain on Financial Instrument at FVTPL	-	-	-	-	-
Gain on Investment at FVTPL	(1.43)	0.82	(0.61)	-	0.61
Leave Encashment	5.73	1.80	7.53	7.53	-
Provision for Expired Goods	9.10	2.47	11.57	11.57	-
Diminution in value of Investment	-	0.48	0.48	0.48	-
Provision for Loss Allowance	4.40	0.34	4.74	4.74	-
Net deferred tax asset/(liabilities)	**(81.16)**	**(11.01)**	**(92.17)**	**24.32**	**116.49**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

e. Movement in deferred tax balances 31 March 2020

₹ in Crore

Particulars	Net balance as at 31 March 2020	Recognised in Profit and loss	Net	Deferred tax asset	Deferred tax liabilities
Property, plant and equipment	(87.18)	(11.78)	(98.96)	-	98.96
Gain on Financial Instrument at FVTPL	(2.34)	2.34	-	-	-
Gain on Investment at FVTPL	(0.45)	(0.98)	(1.43)	-	1.43
Leave Encashment	5.42	0.31	5.73	5.73	-
Provision for Expired Goods	3.73	5.37	9.10	9.10	-
MAT Credit Entitlement	20.18	(20.18)	-	-	-
Provision for Loss Allowance	1.75	2.66	4.40	4.40	-
Net deferred tax asset/(liabilities)	**(58.90)**	**(22.26)**	**(81.16)**	**19.23**	**100.39**

The charge relating to temporary differences during the year ended 31 March 2021 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences. The credit to temporary differences during the year ended 31 March 2020 are primarily on account of property plant and equipment and gain on investment at FVTPL partially offset by provision for expired goods, provision for loss allowance, compensated absences. Current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

65. IMPAIRMENT OF INVESTMENT IN SUBSIDIARY

The Company has made full provision for investment in aggregate value of unquoted investment in Ajanta Pharma Nigeria Limited and the carrying value of investment is considered as Nil.

66. IMPACT OF COVID – 19 (GLOBAL PANDEMIC)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

As per our report of even date attached

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai
30 April 2021

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

Yogesh M. Agrawal
Managing Director
DIN: 00073673

Arvind Agrawal
Chief Financial Officer

Rajesh M. Agrawal
Joint Managing Director
DIN: 00302467

Gaurang Shah
Company Secretary
FCS No. 6696

ajanta pharma limited

(CIN No. L24230MH1979PLC022059)
Regd. Office: "Ajanta House", Charkop, Kandivli (West), Mumbai – 400 067
Tel No.: +91 022 6606 1000; Website: www.ajantapharma.com; email: investorgrievance@ajantapharma.com

Notice

NOTICE is hereby given that **Forty-Second** Annual General Meeting of the Members of Ajanta Pharma Limited will be held on Wednesday, 14 July 2021 at 11.00 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March 2021 together with the Reports of the Board of Directors and the Auditors thereon; and
   b. the Audited Consolidated Financial Statements of the Company for the Financial year ended 31 March 2021 together with the Report of the Auditors thereon.
2. To confirm the interim dividend of ₹ 9.50/- per share, as final dividend for the year ended 31 March 2021.
3. To appoint a Director in place of Mr. Madhusudan B. Agrawal (DIN: 00073872), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajesh M. Agrawal (DIN: 00302467), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. 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 Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, consent of the members be and is hereby accorded for continuation of Directorship of Mr. Mannalal B. Agrawal (DIN: 00073828) as a Non-Executive & Non-Independent Director of the Company liable to retire by rotation, notwithstanding that on 26 March 2022, he attains the age of 75 years."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, remuneration of ₹ 5.50 lakhs plus Goods & Services Tax and reimbursement of actual travel and out-of-pocket expenses, fixed by the Board for M/s. Sevekari, Khare & Associates, Cost Accountants, for audit of cost records maintained by the Company for the financial year ending 31 March 2022, be and is hereby ratified."

By order of the Board of Directors

Gaurang Shah
VP – Legal & Company Secretary

30 April 2021
Registered office:
"Ajanta House", Charkop,
Kandivli (West),
Mumbai – 400 067

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), which sets out details relating to Special Business at the meeting, is annexed hereto.
2. Due to on-going threat of COVID -19 pandemic, the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") have vide various circulars, allowed companies:
   (i) to send the annual reports to shareholders who have registered their email ID with the Company / Depositories only on email; and
   (ii) to hold Annual General Meeting ("AGM") through VC or OAVM without the physical presence of members at a common venue.

Notice

Hence, in accordance with these Circulars, the 42nd AGM of the Members of the Company is being held through VC / OAVM. The venue of the Meeting shall be deemed to be the registered office of the Company. The detailed procedure for participating in the meeting through VC / OAVM is annexed herewith and available at the Company's website www.ajantapharma.com.

3. **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 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. However, in pursuance of Section 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their votes through e-voting.

4. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.

5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF/ NRI, etc.) are required to send a scanned copy (PDF / JPG format) of its Board or governing body resolution / authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution / authorisation shall be sent to the Scrutiniser by email through its registered email address to scrutinizer@ajantapharma.com with a copy marked to helpdesk.evoting@cdslindia.com, at least 48 hours before the commencement of AGM.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 14 July 2021. Members seeking to inspect such documents can send an email to investorgrievance@ajantapharma.com

7. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Director seeking re-appointment and proposal for continuation of directorship of Mr. Mannalal B. Agrawal beyond 75 years of age, forms part of this notice and is appended to the notice.

8. Members are requested to address all correspondence in connection with shares held by them, to the Company's Registrar & Transfer Agent ("RTA") viz., Link Intime India Private Limited, C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083 by quoting their Folio number or their DPID and Client ID number, as the case may be.

9. In accordance with the provisions of the Income Tax Act, 1961 as amended read with the provisions of the Finance Act, 2020, w.e.f. 1 April 2020, dividend declared and paid by the Company is taxable in the hands of its member and the company is required to deduct Tax at Source (TDS) from dividend paid to the members at the applicable rates. As such, whenever dividend is declared an email will be sent to the registered email ID of the members intimating about detailed process to be followed for submission of documents/ declarations.

   Sufficient time will be provided for submitting the documents /declarations by the members who would be desiring to claim beneficial tax treatment.

10. Members are requested to do following, if not done yet:

    (i) Provide / update details of their bank accounts indicating the name of the bank, branch, account number and the nine-digit MICR code and IFSC code (as appearing on the cheque) along with photocopy of the cheque / cancelled cheque, self- attested identity proof and address proof, for remittance of dividend through ECS / NEFT and prevent fraudulent encashment of dividend warrants.

    (ii) Dematerialise the shares held by them in physical form.

    (iii) Update Permanent Account Number (PAN) against folio / demat account as also for deletion of name of deceased holder, transmission / transposition of shares.

(iv) Members holding shares in dematerialised form are requested to intimate / update all particulars of bank mandates, PAN, nominations, power of attorney, change of address, e-mail address, contact numbers etc. to their Depository Participants (DPs). Members holding shares in physical form are requested to intimate such details to the RTA and file nomination form SH- 13.

11. NRI Members are requested to inform the RTA immediately:

(i) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier and

(ii) Change in their residential status and address in India on their return to India for permanent settlement.

12. In terms of Sections 124 of the Act, any dividend remaining unpaid for a period of seven years from the due date of payment and underlying shares thereon are required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the unpaid dividend lying in dividend account of the year 2013-2014 and underlying shares thereon will be transferred to IEPF in September / October 2021 on due date. Shareholders can visit the Company's website www.ajantapharma.com to get the details of unclaimed dividend under the Investors' section and claim the same timely to avoid transfer of the same and underlying shares thereon to IEPF account.

13. Pursuant to provisions of section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all the underlying shares on which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to IEPF authority as notified by the Ministry of Corporate Affairs. In view thereof, after complying with the prescribed procedure, 3,406 shares on which dividend remained to be unclaimed for seven consecutive years, were transferred to IEPF account in 2020. Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF - 5 available on www.iepf.gov.in

14. To support the green initiative and as per relaxation given by the Government, only electronic copy of the Annual report for the year ended 31 March 2021 and notice of the 42nd AGM are being sent to the members whose mail IDs are available with your Company / DP(s). Physical copy of the report is not sent to anyone. Annual Report and the notice of the 42nd Annual General Meeting are also posted on the website www.ajantapharma.com for download.

The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

The AGM Notice is also disseminated on the website of Central Depository Services (India) Limited ("CDSL") (agency for providing the remote e-voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

15. To disseminate all the communication promptly, members who have not registered their email IDs so far, are requested to register the same with DP / RTA for receiving all the communications including Annual Reports, Notices etc. electronically.

(i) Registration of email ID for shareholders holding physical shares:

Members holding Equity Shares of the Company in physical form and who have not registered their email addresses may get their email addresses registered with RTA, Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their website www.linkintime.co.in at the Investor Services tab by choosing the email / bank registration heading and follow the registration process as guided therein. Members are requested to provide details such as Name, folio number, certificate number, PAN, mobile number and email ID and also upload the image of share certificate in PDF or JPEG format (upto 1 MB).

On submission of the shareholders details a OTP will be received by the shareholder which needs to be entered in the link for verification.

(ii) For temporary registration for demat shareholders:

Members of the Company holding Equity Shares of the Company in demat form and who have not registered their email addresses may temporarily get their email addresses registered with Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their website www.linkintime.co.in at the Investor Services tab by choosing the email registration heading and follow the registration

Notice

process as guided therein. The members are requested to provide details such as Name, DPID / Client ID, PAN, mobile number and email ID. This email ID will be used for sending annual report, notices for general meetings and other corporate communications as permitted.

16. At the thirty-eighth AGM held on 5 July 2017, the members had approved appointment of B S R & Co. LLP., Chartered Accountants (Firm's Registration No. 101248W/W-100022) as Statutory Auditors of your Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the forty-third AGM.
17. Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map is not attached to this Notice.
18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulation (as amended), and MCA Circulars dated 8 April 2020, 13 April 2020, 5 May 2020 and 13 January 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorised e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
19. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
20. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
21. **Instructions for Shareholders for Remote e-voting are as under.**

    (i) The remote e-voting period begins on Sunday, 11 July 2021 at 9.00 A.M. and ends on Tuesday, 13 July 2021 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 7 July 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

    Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he / she is already registered with CDSL for remote e-voting then he /she can use his / her existing User ID and password for casting the vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under

    "Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

    (ii) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

    (iii) Pursuant to Regulation 44 of the Listing Regulations and SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Notice

(iv) Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

Pursuant to above said SEBI Circular, Login method for remote e-voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Existing users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login of Easi / Easiest the user will be also able to see the e-voting Menu. The Menu will have link of ESP i.e. CDSL portal. Click on CDSL to cast your vote. 3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/Easi Registration. 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. CDSL where the e-voting is in progress.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or ESP i.e. CDSL and you will be re-directed to ESP website for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Then please follow steps given in point no 1 above. 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or ESP name and you will be redirected to ESP website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or ESP - CDSL and you will be redirected to e-voting website of CDSL for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting.

Notice

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

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022 - 23058738 or 022 - 23058542/43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 or 1800 22 44 30

(v) Login method for e-voting and joining virtual meeting for **shareholders other than individual shareholders & physical shareholders.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID;
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with your Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd / mm / yyyy format) as recorded in your demat account or in your Company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach your Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN of the Company **210603001** on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Facility for Non–Individual Shareholders and Custodians – Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

- Alternatively Non Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to scrutinizer@ajantapharma.com with a copy marked to helpdesk.evoting@cdslindia.com

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to your Company at the email address viz.; scrutinizer@ajantapharma.com & investorgrievance@ajantapharma.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

22. **Instructions for Shareholders attending the AGM through VC/OAVM & e-voting during Meeting are as under:**

i. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

ii. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.

iii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

iv. Further shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

v. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

Notice

vi. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance from Friday, 9 July 2021 (9:00 a.m. IST) to Monday, 12 July 2021 (5:00 p.m. IST) **prior to meeting** mentioning their name, demat account number / folio number, email id, mobile number, PAN at investorgrievance@ajantapharma.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number / folio number, email id, mobile number, PAN at investorgrievance@ajantapharma.com. These queries will be replied to by your Company suitably by email.

vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM.

viii. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

ix. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Process for those Shareholders whose email addresses are not registered with the Company/RTA/Depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice - Please refer to serial no. 15 of the AGM Notice.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022 - 23058738 or 022 - 23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call on 022 - 23058542/43.

23. Mr. Alwyn D'Souza, a Practicing Company Secretary, Mumbai (Membership No. 5559 & Certificate of Practice No. 5137) has been appointed as the Scrutiniser to scrutinise the voting and remote e-voting process in a fair and transparent manner.

24. The Scrutiniser will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the Stock Exchanges, CDSL and RTA and will also be displayed on your Company's website, www.ajantapharma.com

By order of the Board of Directors

Gaurang Shah
VP – Legal & Company Secretary

30 April 2021
Registered office:
"Ajanta House", Charkop,
Kandivli (West),
Mumbai – 400 067

Notice

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

Item no. 5

Mr. Mannalal B Agrawal, 74 years, is currently Non-Executive & Non-Independent director of the company. He will be attaining the age of 75 years on 26 March 2022. As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, directorship of any person as a Non-Executive Director who has attained the age of 75 years can't be continued, unless a special resolution to that effect is passed by the members.

Mr. Mannalal B Agrawal has been associated with the company since inception and has contributed immensely for the growth and development of the company. He continues to contribute with his core competencies in the fields of Taxation, Finance, Accounting and also provides wise counsels to the management in the business affairs.

He is having sound mental and physical health and it would be in the interest of the company to continue to avail his valuable expertise and core competence. He has expressed his willingness to continue as Non-Executive Director beyond 75 years of age.

Mr. Mannalal B. Agrawal, Mr. Madhusudan B. Agrawal, Mr. Yogesh M. Agrawal and Mr. Rajesh M. Agrawal, are deemed to be concerned or interested in the resolution set out at Item no. 5. No other directors and/or Key Managerial Personnel of the Company and their relatives, are deemed to be concerned or interested in the resolution, financially or otherwise.

The Board recommends the special resolution at item no. 5 of accompanying notice for approval of members of the company.

Item no. 6

As per Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall, based on the recommendation of the Audit Committee appoint a cost accountant in practice, for auditing cost records of your Company and fix their remuneration. The remuneration of Cost Auditors approved by the Board shall be subject to ratification by the shareholders.

In pursuance thereof, on the recommendation of Audit Committee, the Board has at its meeting held on 30 April 2021 considered and approved appointment of M/s. Sevekari, Khare & Associates, Cost Accountants, for Cost Audit of the cost records maintained by the Company for the financial year ending 31 March 2022, at a remuneration of ₹ 5.50 lakhs plus GST as applicable and reimbursement of actual travel and out-of-pocket expenses, subject to ratification by the members.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board recommends the Resolution at Item No. 6 of the accompanying Notice for approval of the Members of the Company.

By order of the Board of Directors

Gaurang Shah
VP – Legal & Company Secretary

30 April 2021
Registered office:
"Ajanta House", Charkop,
Kandivli (West),
Mumbai – 400 067

Notice

Details of the Director seeking appointment / re-appointment at Forty-Second Annual General Meeting (pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings).

Name of Director	**Mr. Rajesh M. Agrawal**
Date of Birth	31 March 1976
DIN No.	00302467
Date of Appointment	30 April 2013
Expertise in Specific Functional Area	Business acumen & vision; strategic thinking; Industry knowledge; sector knowledge; international business knowledge; general management; leadership skills, understanding of regulatory framework; human resource management.
Qualifications:	
(i) Educational	MBA
(ii) Experience in years	20+
No. of shares held in your Company	1,25,33,345
Relationship with other Directors and Key Managerial Personnel	Brother of Mr. Yogesh M. Agrawal and son of Mr. Mannalal B. Agrawal, Directors
No. of Board meetings attended during FY 2021	Four
Other Directorships in Companies	Gabs Investments Private Limited Ajanta Pharma Philippines Inc. SBFC Finance Private Limited
Membership of committees	**Ajanta Pharma Limited:** Stakeholders' Relationship Committee (Member) Risk Management Committee (Member) Executive Committee (Member) **SBFC Finance Private Limited:** Audit Committee (Member) Risk Management Committee (Member) Nomination and Remmuneration Committee (Member)
Terms and conditions of appointment	Liable to retire by rotation
Details of remuneration sought to be paid	N.A.

Name of Director	**Mr. Madhusudan B. Agrawal**
Date of Birth	29 March 1955
DIN No.	00073872
Date of Appointment	31 December 1979
Expertise in Specific Functional Area	Business acumen & vision; industry knowledge; international business; general management; leadership & people management; networking & public relation etc.
Qualifications:	
(i) Educational	B.Sc.
(ii) Experience in years	40+
No. of shares held in your Company	Nil
Relationship with other Directors and Key Managerial Personnel	Brother of Mr. Mannalal B. Agrawal
No. of Board meetings attended during FY 2021	Four
Other Directorships in Companies	1. Inspira Projects Limited 2. Inspira Infra (Aurangabad) Limited 3. Ajanta Pharma USA Inc. 4. Samta Mines and Minerals Limited 5. Lenexis Foodworks Private Limited 6. Vyata Space Concepts Private Limited 7. Kwera Lands Private Limited 8. Gencrest Private Limited 9. Agarwal Global Foundation
Membership of committees	Executive Committee (Member) of Ajanta Pharma Limited

Notice

Name of Director	**Mr. Madhusudan B. Agrawal**
Terms and conditions of appointment	Liable to retire by rotation
Details of remuneration sought to be paid	N.A.

Name of Director	**Mr. Mannalal B. Agrawal**
Date of Birth	26 March 1947
DIN No.	00073828
Date of Appointment	31 December 1979
Expertise in Specific Functional Area	Business management, industry knowledge, administration, taxation, finance and accounting.
Qualifications:	
(i) Educational	B.Com
(ii) Experience in years	40+
No. of shares held in your Company	Nil
Relationship with other Directors and Key Managerial Personnel	Father of Mr. Yogesh M. Agrawal & Mr. Rajesh M. Agrawal and brother of Mr. Madhusudan B. Agrawal
No. of Board meetings attended during FY 2021	Four
Other Directorships in Companies	None
Membership of committees	**Ajanta Pharma Limited:** Audit Committee (Member) Corporate Social Responsibility Committee (Chairman) Stakeholders' Relationship Committee (Chairman)
Terms and conditions of appointment	Non-Executive Director, continuing directorship on attaining 75 years of age
Details of remuneration sought to be paid	Sitting fees and commission as may be approved by the Board of Directors in accordance with applicable provisions

Letter of appreciation from Governor of Maharashtra

BHAGAT SINGH KOSHYARI
GOVERNOR OF MAHARASHTRA

सत्यमेव जयते

RAJ BHAVAN
Malabar Hill
Mumbai 400 035
Tel. : 022-2363 2660
Fax.: 022-2368 0505

13 July 2020

MESSAGE

I am pleased to know that Ajanta Pharma and Samta Foundation are extending their wholehearted support to the government and citizens in tackling the numerous challenges posed by the COVID-19 pandemic situation.

It is indeed gratifying to note that under the leadership of Shri Madhusudan Agrawal ji, Co- founder and Vice Chairman of Ajanta Pharma and Trustee of Samta Foundation, Ajanta Pharma and Samta Foundation have setup a 30,000 sq.ft. tented COVID hospital for 300 beds at Race Course and 30 ICU beds at 4000 sq.ft. at Dome in Worli, Mumbai.

Activities of the Foundation such as distribution of 2.5 lakh meals and ration bags to the ordinary people affected by lockdown and Cyclone Nisarg in Raigad district, donation of Ventilators to Thane Municipal Corporation, donation of other life-saving medicines and medical equipment to hospitals, provision of PPE Kits, gloves, eyewear and sanitizers to doctors, nurses and Mumbai Municipal staff and swab collection booths to civic hospitals are much appreciated. The Ajanta Group, Samta Foundation and its volunteers deserve our compliments for making a handsome contribution to the PM CARES and CM Relief Fund.

I congratulate the entire team of Ajanta Pharma and Samta Foundation and more particularly Agrawal family for their exemplary working during the challenging situation for the nation and wish them Godspeed in their future endeavours.

(Bhagat Singh Koshyari)

ajanta pharma limited

(CIN No. L24230MH1979PLC022059)

Redg. Office: "Ajanta House", Charkop,
Kandivli (West), Mumbai – 400 067

Tel No. 022 6606 1000

Website: www.ajantapharma.com
Email: investorgrievance@ajantapharma.com