ANNUAL REPORT
2020-21

AUROBINDO
Committed to healthier life!

Strengthening Capabilities Focused on Execution

Report contents

Our growing prominence in the global pharma landscape

7th

Largest generics company globally (by revenue)#

2nd

Largest listed Indian pharmaceutical company (by revenues)^

#1

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

Amongst

Top 10

Generics companies in seven out of 11 countries in Europe@

Source: Octavus Consulting | ^ as per FY21 revenues | ** Source: IQVIA MAT January-March 2021 data | @ Source: IQVIA MAT Q4 2020; Europe covers EU/UK

Strengthening **Capabilities** Focused on **Execution**

Expanding scale, presence across geographies, diversified product portfolio, talented pool of scientists, emphasis on a high level of compliance and quality standards have made us a reliable contributor to the global pharma value chain.

We have strengthened these capabilities through strategic investments over the years. As a result, we have a vertically integrated business model with large capacities, with requisite flexibility to cater to our core markets.

In addition, our strong balance sheet, steady and growing cashflows as well as healthy return ratios are a testimony of an execution-focused business.

Divestment of our dietary supplements business (Natrol) helped monetise the business at an attractive value for our stakeholders, delivering significant ROI on our initial investments. This bolstered our balance sheet strength by making it net cash surplus and helped us prioritise investments towards our future growth drivers. Our business has continued to evolve over the decades with the shifting trends of the pharmaceutical industry.

In a challenging FY21, our execution machinery ensured improved market share for our existing products, along with new product launches across our key markets.

OUR PRIMARY GROWTH ENABLERS FOR FY22 AND BEYOND

Capacity and capability expansion
Pg. 22

Research and development
Pg. 26

Product portfolio
Pg. 30

Compliance and quality
Pg. 38

PERFORMANCE HIGHLIGHTS, FY21

Achieving higher benchmarks

Financial

7%
Revenues
₹**247,746 million**

10%
EBITDA
₹**53,334 million**

40 bps
EBITDA margin
21.5%

88%
Net profit*
₹**53,338 million**

27.5%
Return on Equity

17%
Balance sheet size
₹**338,539 million**

Environmental

5.16%
Reduction in energy consumption (**338,332 GJ** reduction compared to FY20)

5.5%
Reduction in carbon emissions (**52,725 tCO2e** reduction compared to FY20)

7.9%
Water recycled/ re-used
273,815 KL

4.9%
Renewable energy used in operation
305,093 GJ

Social

18
Training hours per employee

9%
Women in workforce

0.92 million
Lives impacted through CSR interventions

Governance

45%
Independent Directors on our Board, including two women members

6
Non-executive Directors including Chairman

5
Executive Directors

↗ y-o-y growth ↘ y-o-y de-growth *including gains from Natrol divestment

CORPORATE IDENTITY

Sharp strategy, effective execution

Ever since we began our journey, the global pharma landscape has evolved considerably, and so have we. Today, we rank among the largest global pharmaceutical companies, ensuring our generic formulations, specialty products and Active Pharmaceutical Ingredients (APIs) meet patient needs directly, or through our customers.

We have consistently stepped up our investments and team strength to build a robust R&D infrastructure. Our strength also lies in our vertically integrated business model with huge capacity, unrivalled by most peers worldwide. We have also forayed into branded specialty products in the US, adding another pillar to sustain our pursuit for profitable growth. Our divestment of the dietary supplements business enables greater focus on execution of our future growth levers.

Our products conform to high quality standards and offer cost-effective solutions to patients globally on the strength of our extensive global reach. We have multiple manufacturing facilities capable of handling diverse dosage forms which are approved by leading regulatory agencies including the USFDA, EDQM, UK MHRA, South Africa-MCC, Health Canada, WHO and Brazil ANVISA.

With manufacturing scale, global reach, diversified product portfolio and over three decades of experience, we are equipped to contribute more effectively to the global pharmaceutical industry as a credible supplier.

₹15 billion

Spend on Research & Development (**6.1%** of revenues) in FY21

Our Vision

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

Our Mission

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

Our Businesses

In formulations, we have large manufacturing capabilities approved by key regulators for a diversified product portfolio with technology and expertise. Our operations are integrated from conception to commercialisation. We have 15 formulation facilities (10 in India, 3 in the US, 1 in Brazil, and 1 in Portugal). We are also setting up manufacturing facilities for biosimilars and vaccines.

₹216,860 million

Revenue from formulations in FY21

8%

Growth in formulations revenue over FY20

88%

Contribution to total revenue

In API, we have 11 high specification manufacturing plants approved by key regulators and equipped with site dedicated control laboratories in India. Our API plants have particle size modification systems to supply compacted and micronised materials. We offer the complete array of products in penicillin, cephalosporins, anti-retroviral, anti-infective and other non-beta lactams. We also offer sterile and non-sterile anti-biotics.

₹30,859 million

Revenue from API in FY21

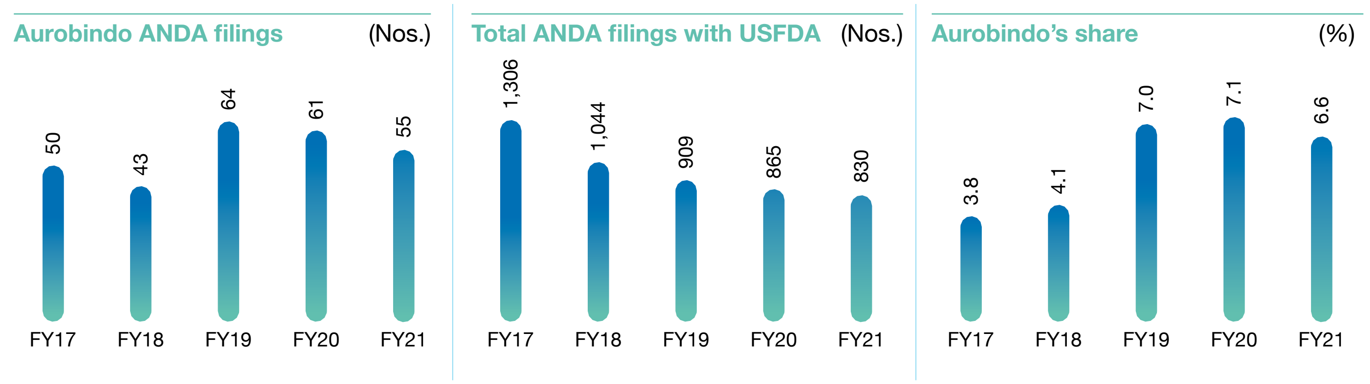
12%

Contribution to total revenue

Our Research and Development

We have one of the largest R&D facilities and capabilities across five research centres in India and three R&D centres in the US. Our in-house R&D drives rapid filing of Drug Master Files (DMFs), Abbreviated New Drug Applications (ANDAs) and formulations dossiers worldwide. We are among the largest filers of DMFs and ANDAs with the USFDA.

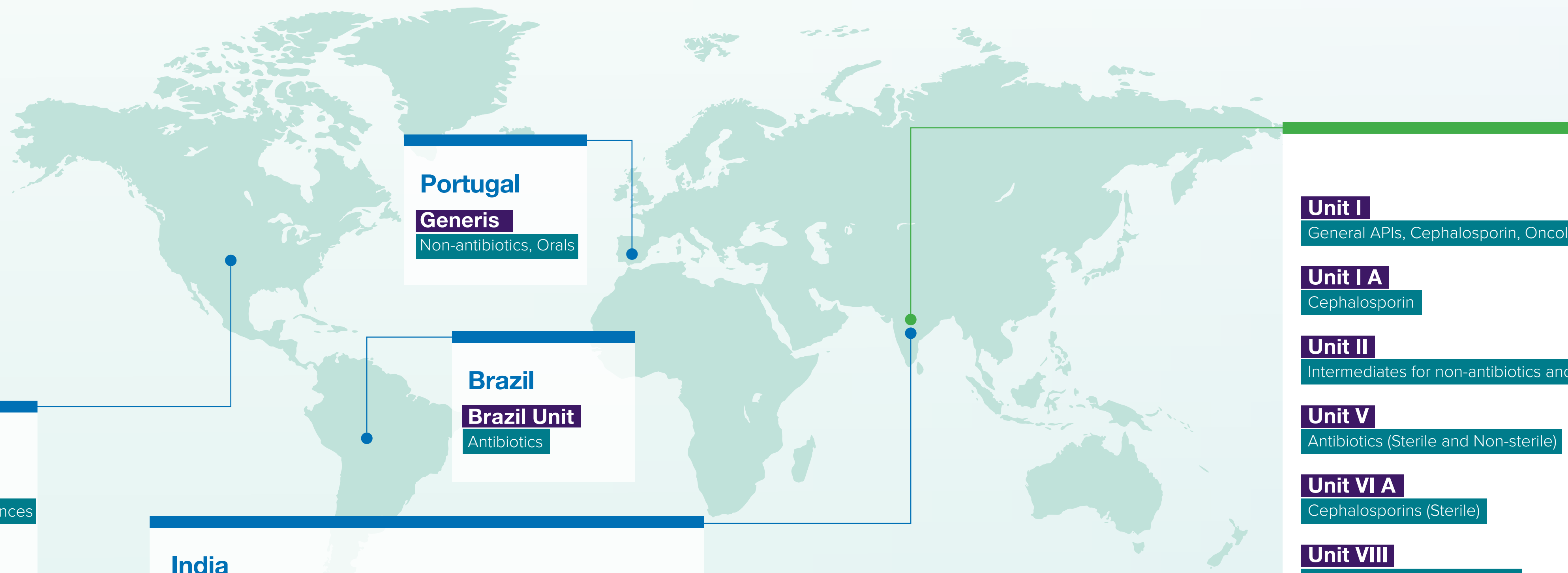
ANDA filings



GLOBAL FOOTPRINT

Wide expanse of operations

Our manufacturing facilities are diversified across advanced and emerging markets, and we adhere to a high compliance curve.



Portugal

Generis
Non-antibiotics, Orals

Brazil

Brazil Unit
Antibiotics

USA

AuroLife
Non-antibiotics and controlled substances

AuroHealth
Pharma OTC / Orals and Liquids

AuroPackaging
FDF Packaging

India

Unit III
Non-antibiotics, ARVs / Orals

Unit IV
Injectables (Non-antibiotics) and Ophthalmics

UNIT VI B
Cephalosporin / Orals

Unit VII
Non-antibiotics, ARVs / Orals

Unit XII
Antibiotics, injectables and Orals

Eugia II
(formerly known as AuroNext)

Eugia (India)
Oncology and Hormones

APL Healthcare Unit IV*
Non-antibiotics, Solid Orals

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

Unit XVI (India)
Antibiotics, Injectables

APL Healthcare (India)
Pharma OTC, Solid Orals

Curateq**
Biosimilars

Unit XVIII
Vaccines

* Formerly known as Unit X
**Formerly known as Unit XVII
Curateq and Unit XVIII are yet to start commercial production (integrated facilities with both drug substance and drug product capabilities)

Unit I
General APIs, Cephalosporin, Oncology

Unit I A
Cephalosporin

Unit II
Intermediates for non-antibiotics and Penems

Unit V
Antibiotics (Sterile and Non-sterile)

Unit VI A
Cephalosporins (Sterile)

Unit VIII
ARV, CVS, CNS (Non-sterile)

Unit IX
Intermediates

Unit XI
Non-antibiotics

Unit XIV
CVS, Antifungal

Unit XVII
(Formerly known as Silicon LS)

Penems
(Non-sterile)

AuroNext
Penems (Sterile)

AuroPeptide
Peptides

Finished dosage formulations (FDF) units

Active Pharmaceutical Ingredients (API) units

Research & Development footprint

Five R&D centres in **Hyderabad, India** with over
1,600
scientists and analysts

One R&D centre in **Dayton, New Jersey** with over
25
scientists and analysts

One R&D centre in **Raleigh, North Carolina** with over
40
scientists and analysts

One R&D centre in **Pearl River, New York** with over
40
scientists and analysts

BUSINESS HIGHLIGHTS

Momentum across global markets

Formulations

US

₹123,245 million
Revenue

7%
y-o-y growth

16%
5-year CAGR

50%
Contribution to total revenues

- Among top 3 with over 60% of commercial portfolio in the US* in terms of prescriptions
- Our Rx market share stood at 6.8% for the year ended March 31, 2021, as per IQVIA data (achieved #1 in January-March 2021 quarter, on Rx dispensed).
- Possess a large portfolio@ comprising 639 ANDAs filed, 439 with final approval, 29 tentative approval#, and 171 under review
- Launched 53 products, including 21 injectable products during FY21
- Orals and injectables were the major revenue drivers contributing 66.9% and 15% of US formulations revenue, respectively
- Expanding portfolio mix towards differentiated products including oncology, hormones, depot injections, inhalers, biosimilars, topicals and patches

*Source: IQVIA QTR Mar 2021 I @ As on 31st March 2021 I # Tentative approvals include 8 ANDAs approved under PEPFAR

Europe

₹60,608 million
Revenue

2%
y-o-y growth

17%
5-year CAGR

24%
Contribution to total revenues

- Ranked among the top 10 generics companies in 7 countries including four of Top-5 EU countries
- France, UK, Portugal and Germany are our top four markets in Europe
- Robust presence across multiple channels including pharmacy (Gx), hospital (Hx) and tender (Tx)
- Our acquired Apotex business improved on its profitability, following integration with existing businesses, streamlined sales and shift of sourcing to cost effective manufacturing locations like India
- Driving portfolio expansion through targeted Day 1 product launches in oncology, hormonal, niche low volume injectables and orals
- 250+ products under development

Growth Markets

₹14,379 million
Revenue

6%
y-o-y growth

17%
5-year CAGR

6%
Contribution to total revenues

- Reinforced prominence in Canada with a robust product pipeline with 150+ registered products
- Strengthening operations and portfolio in specific identified countries
- Started filing products from our facility in China
- Received our first product approval for China market, from our Indian facility

Antiretroviral Drugs (ARVs)

₹18,628 million
Revenue

49%
y-o-y growth

12%
5-year CAGR

8%
Contribution to total revenues

- Leveraged significant early-mover advantage in TLD (Tenofovir 300mg + Lamivudine 300mg + Dolutegravir 50mg tablet) single pill regimen, along with the rapid conversion of TLE (Tenofovir 300mg + Lamivudine 300mg + Efavirenz 350mg tablet) to TLD in the institutional segment
- Supplied life-saving ARVs to ~3 million HIV patients across 125+ countries
- Filed over 1,100 ARV dossiers for registrations across the globe

APIs

₹30,859 million
Revenue from API

12%
Contribution to total revenues

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

- Filed 15 DMFs with the USFDA and 23 DMFs (including multiple registrations) in Europe
- Additional investments being made for new capacity creation and capability building
- Continued focus on development and commercialisation of complex products with varying volumes to capture market opportunities
- Aim to capitalise on the PLI scheme announced by the Government of India, having received approval for 3 products

Note: CAGR period - FY17 to FY21

BUSINESS MODEL

Valued partner of global pharma fraternity

What are our strengths?

Growth capital
We have a strong balance sheet and a high liquidity buffer.

₹219,290 million
Shareholders' fund

₹8,260 million
Net Cash

Figures as on March 31, 2021

Manufacturing assets
Large manufacturing facilities inspected and approved by the USFDA, EMA, and other regulatory agencies.

27
State-of-the-art manufacturing and packaging facilities globally

Research and development
Dedicated, cutting-edge global R&D centres for diverse technology platforms and APIs

8
R&D Centres worldwide

Scale
Unwavering commitment to enhance access of high-quality generics to patients globally.

3,907 dossiers | **3,264 DMFs**
Product registrations in other markets (excluding USA)

639
ANDAs filed

252
US DMFs

24,000+
Strong global team

1,700+
R&D scientists and analysts

Market presence
Established robust global presence across developed and emerging markets.

How we create value?

Our value chain
- Research and Development
- Filing and Registration
- Supply chain management
- Robust manufacturing
- Effective sales and marketing

Our key therapeutic segments
- Central nervous systems (CNS)
- Antiretrovirals (ARVs)
- Cardiovascular (CVS)
- SSP – Orals and Sterile
- Anti-infectives
- Anti-diabetics
- Cephalosporins – Orals

Our growth enablers
- Capacity and capability expansion
- Research and Development
- Product portfolio
- Compliance and quality

What are the outcomes?

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

40+ billion
Diverse dosage forms manufactured

Sustainable earnings growth and return for shareholders

₹4 per share
Dividend declared in FY21 (Face value ₹1 per share)

Improved health and quality of life for patients across geographies

155+
Countries where we have export presence

Uplifting lives in the communities where we operate

₹588 million
Investment in CSR initiatives FY21

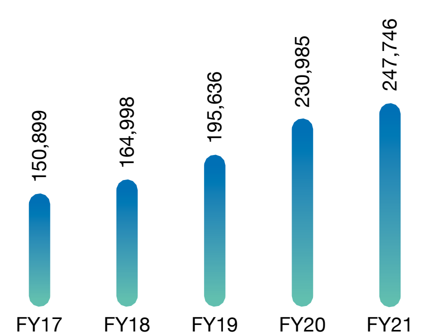
KEY PERFORMANCE INDICATORS

Strengthened financial position in a challenging year

Profit and loss metrics

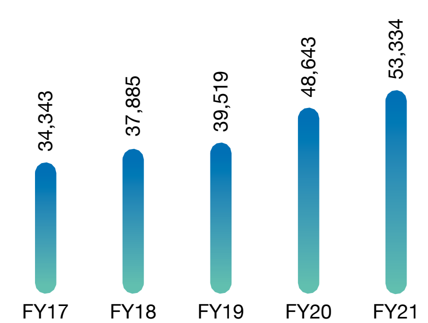
Revenues (₹ in million)

13% ↗

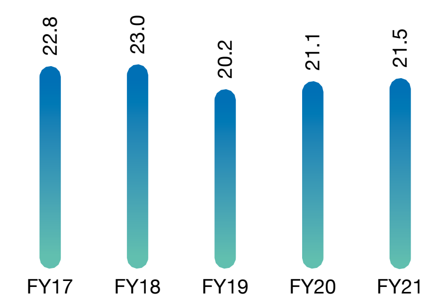


EBITDA (₹ in million)

12% ↗

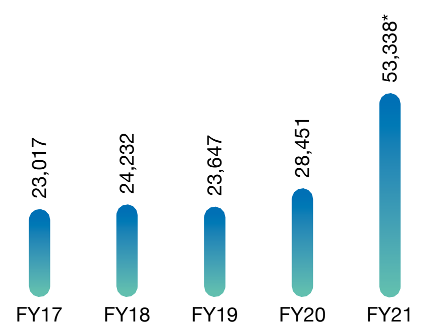


EBITDA Margin (%)



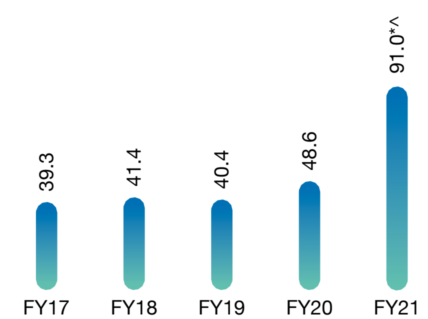
Net Profit (₹ in million)

23% ↗

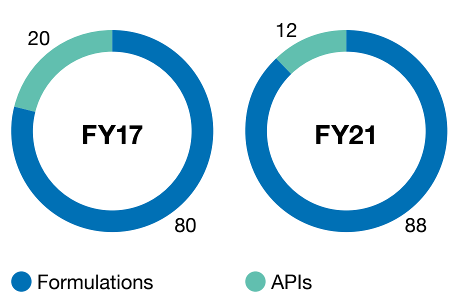


Earnings per share (₹)

23% ↗



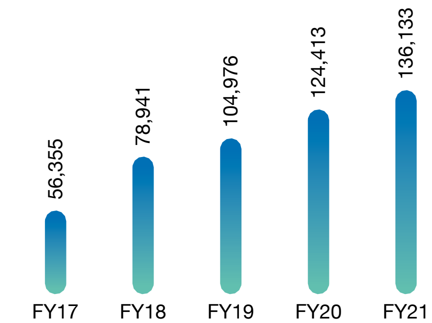
Revenue Mix (%)



Balance sheet metrics

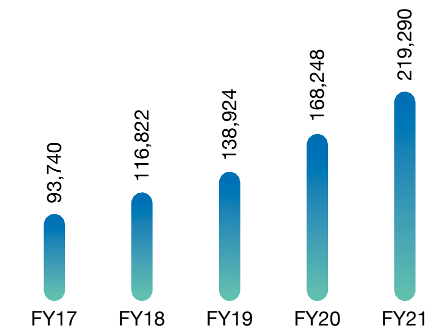
Gross Block (₹ in million)

25% ↗



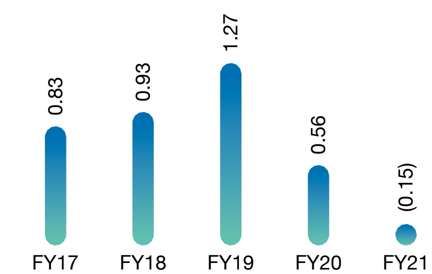
Networth (₹ in million)

24% ↗

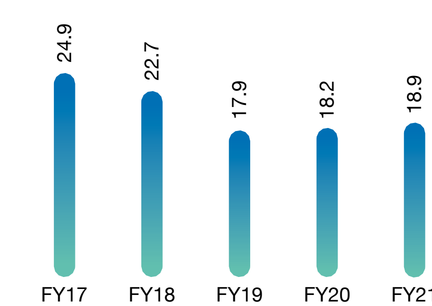


Net debt to Equity (x)

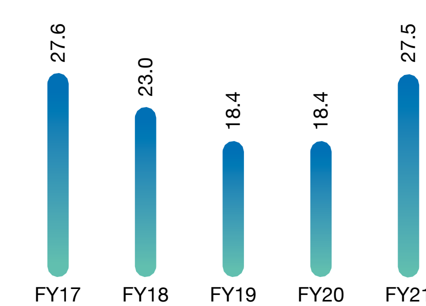
Net debt to EBITDA (x)



Return on Capital Employed (ROCE) (%)



Return on Equity (ROE) (%)



*Includes exceptional gain of ₹23,397 million (net of tax) on sale of Natrol
^Excluding exceptional items, EPS for FY21 stood at ₹51.6 per share
Note: Data above pertains to consolidated financials

↗ 5-year CAGR

VICE CHAIRMAN'S MESSAGE

Capable and committed to help save lives

"We are now targeting products with higher complexity, making inroads into the specialty segment in the US and have firm plans to expand in the second largest pharma market (China). We are also reinforcing our prominence in the EU market and other key growth markets (Canada and South Africa) and Brazil. Our commitment to provide healthier and happier lives to patients globally remains abiding.

Dear Stakeholders,

FY21 was a challenging year for the world. Despite the ferocity of the first and subsequent waves of the pandemic, economies and businesses across the world demonstrated remarkable resilience, aided by the support measures of governments and central banks. With the rapid rollout of effective vaccines that modern science and the pharmaceutical industry have delivered at unimaginable speed, humanity is hopeful of surviving the pandemic, looking forward to a bright future. Today, the world has adapted to new ways of living, based on experiential learning, and these patterns of adaptation and adjustment will build our resilience to thrive in the future.

We, at Aurobindo, have also evolved in the decades of our existence, based on our understanding of the pharmaceutical markets around the world, investing in high-impact areas and steadily moving up the value chain. We have now built a diversified product portfolio, with generics formulations, complex generic formulations and specialty drugs acting as our future growth pivots. We have the appropriate scale with the right emphasis on emerging areas of research. In FY21, we spent over 6% of our revenue (₹1,510 crore) for driving up our R&D engine, the highest ever for our company.

6%

Of our revenue was spent on R&D in FY21 (₹1,510 crore)

We are sharpening our focus on critical high-potential businesses, and hence decided to monetise our stake in the dietary supplements business at an attractive valuation.

We are now targeting products with higher complexity, making inroads into the specialty segment in the US and have firm plans to expand in the second largest pharma market (China). We are also reinforcing our prominence in the EU market and other key growth markets (Canada and South Africa) and Brazil. Our commitment to provide healthier and happier lives to patients globally remains abiding.

Strategic moves

We are sharpening our focus on critical high-potential businesses, and hence decided to monetise our stake in the dietary supplements business at an attractive valuation. We signed a definitive agreement with New Mountain Capital and its affiliate Jarrow Formulas to divest the 'Natrol' business (wholly owned step-down subsidiary) as a going concern with related assets, liabilities, products, brands and employees for a cash consideration of US$550 million (₹4,048 crore).

The proceeds enabled us to strengthen our balance sheet and become a net cash surplus company with improved return ratios. We are committed to evaluating and concluding strategic options towards focused portfolio enhancement with the ultimate objective of enhancing stakeholder value.

Future growth engines

Injectables

We see the injectables business as one of our key growth levers. We have built a strong presence in injectables across delivery systems such as liquid and lyophilised vials, bags, ampoules, and prefilled syringes and have robust manufacturing and execution capabilities as well. We completed the construction of an injectable facility in the US, which will be a dedicated unit to manufacture high-value and low-volume products. We are also setting up another injectables facility in Visakhapatnam for Europe and Growth Markets, which is expected to be ready for commercial production in the next 15-18 months. We are optimistic about the growth trajectory of this business and looking forward to executing the extensive pipeline through our commercial reach.

VICE CHAIRMAN'S MESSAGE CONTD.

Biosimilars

We are making steady progress in building our biosimilars portfolio with a product portfolio targeting a market opportunity of US$50+ billion. Our focus remains on oncology, opthalmology and immunology. We are developing products for patients suffering from debilitating, painful and chronic rheumatology and dermatology diseases. Another area we are initiating work on is immuno-oncology, which ensures a strategic continuity of our products portfolio in a critical therapeutic segment with anti-PD1s. We are developing 15 biosimilars, which reflects our commitment to build a sustainable biosimilars business over the medium term.

Vaccines

In Bacterial Vaccines, we are developing a novel Pneumococcal Conjugate Vaccine (PCV) through our subsidiary Tergene Biotech. I am happy to share that we completed the phase II clinical trials for this vaccine and would commence phase III trials soon.

In Viral Vaccines, we are channelising our efforts to develop capabilities to commercialise COVID-19 vaccine. We have already entered into an exclusive license agreement with Vaxxinity, a US-based company to develop, commercialise and manufacture UB-612, a Multitope Peptide-based vaccine for COVID-19. Vaxxinity's phase II trials are ongoing in Taiwan and EUA and expected to be completed by 2Q FY22. Moreover, Vaxxinity has applied for phase II/III clinical trials in India. Our viral vaccine facility will be ready for commercial production by the end of July 2021.

We are making steady progress in building our biosimilars portfolio with a product portfolio targeting a market opportunity of US$50+ billion

API

We received approval from the Government of India for setting up capacities for three fermentation-based products under the Production Linked Incentive (PLI) Scheme. Currently, supplies of these products are largely dependent on imports from China. This backward integration and the control of the entire supply chain would result in better margins and provide us a formidable position in the fermentation product basket. Our past experience in these products gives us the ability to emerge as a competitive player in this space. Once these capacities come on-stream, we can meet a significant part of the global demand for these products and our captive requirement as well.

We are expanding capacities to further increase supplies to external parties. Moreover, we are strengthening our capabilities to develop and commercialise more complex APIs.

Responsible approach

We are committed towards sustained excellence with constant focus on delivering on our environmental, social and governance (ESG) priorities.

We have a two-pronged approach towards decarbonising our operational footprint, helping us achieve overall reduction in energy consumption and maximising the use of renewable energy across our operations. We have implemented various initiatives, enabling a reduction of 52,725 tCO2e in FY21.

We have highly talented individuals in our global teams, who are dedicated to our mission. We are building the capabilities of our people and to align their career aspirations with the larger objectives of the organisation. By leveraging technology and processes

we are building a high-performance culture through continuous capability building, performance measurement and values addition.

We are fostering leadership development at all levels through trust, accountability, empowerment, and transparency. As a responsible corporate, we ensured disinfection protocols at the workplace. We provided masks, gloves, company-aided travel with social distancing, medical awareness programmes, wellness counselling, essential vitals screening and technology-enabled remote working facility.

Our business priorities have never overshadowed our community efforts. In fact, our business has always served as a catalyst for social advancement and empowerment. Our corporate citizenship programmes focus on promoting education, eradicating malnutrition, skill building, women empowerment, encouraging rural sportsmanship and healthcare and hygiene, among others. During the year, we helped the community with funds, essential commodities, and medical supplies.

Our Board is committed to upholding the highest standards of ethics, transparency, and good corporate governance, while pursuing sustainable value creation. With the aim of achieving a balanced economic, social and environmental performance, the Board supports efforts to ensure the long-term sustainability of the business.

We are in the process of releasing our first Sustainability Report which will provide a detailed perspective of our societal commitments.

While downside macro risks persists, we are confident of yet another year of resilient performance on the strength of our product pipeline, global reach and the commitment to make a difference in patient's lives by being a valued partner of the global pharma fraternity.

In conclusion, I must show my appreciation to all our people for their hard work, commitment and perseverance and helping us deliver excellent results in these challenging times.

K. Nithyananda Reddy
Vice Chairman

MANAGING DIRECTOR'S REVIEW

A well-oiled execution engine

> We became a net cash surplus company in FY21 through our consistent efforts to improve our cashflow and divestment of our dietary supplements business. Our agile supply chain and efficient manufacturing operations ensured timely delivery of critical pharmaceutical products globally, in a disruptive environment, exemplifying our execution prowess. We ramped up our R&D spend significantly to invest in our future, yet enhanced our profitability, reflecting operating leverage in our business. Going forward, we intend to fund our ongoing and upcoming capex through internal accruals and execute our growth strategy.

Dear Stakeholders,

We witnessed disruption in our business across supply chain, operations, R&D and other key areas during the reporting year owing to the pandemic. However, the resolute efforts of our workforce enabled us to sail through with year-on-year growth across all key performance metrics. Our team effort backed by meticulous planning along with prudent strategic intervention enabled us to fulfil our delivery commitments. All our manufacturing units continued to function at healthy capacity levels by overcoming challenges associated with the pandemic.

We express our gratitude to all our employees for their commitment and support in these testing times. Our principal priority during the year was to ensure the safety and well-being of our employees and their families. From medical assistance, vaccination, mental well-being programmes to awareness initiatives, we implemented a wide range of measures for our people globally.

We made good progress on our pipeline efforts to focus more on differentiated and complex generics opportunities and reached important milestones during the year.

Consistent progress

During FY21, our revenue from operations grew by 7% to ₹247,746 million from ₹230,985 million in FY20. Due to the pandemic, the movement of people was restricted, which resulted in lower footfalls in hospitals and pharmacies. Despite these short-term developments, we raised our performance standards owing to our diversified product portfolio and consistent product launches, with a sizable presence in the US and Europe.

Our earnings before interest, depreciation and tax (EBITDA) for the year stood at ₹53,334 million vis-à-vis ₹48,643 million in FY20, reflecting a 10% growth. Our EBITDA margin for the year stood at 21.5%, a ~40 bps increase from that of the previous year. Notably, this was achieved despite ~200 bps increase in our R&D spend. Our net profit stood at ₹53,338 million vis-à-vis ₹28,437 million in FY20, growing by 87.6% year on year which includes one-time gain of ₹23,397 million from the Natrol stake sale.

In FY21, our revenue from international operations stood at 93% and our key markets remained the US and Europe, which represents around 74% of our consolidated revenues. Both these geographies are critical for us to sustain the growth momentum in the medium to long term. We significantly increased our investments for expanding capabilities and capacities during the year, which positions us well to execute our growth plans.

During FY21, we acquired controlling stake in our joint venture Eugia, making it our wholly owned subsidiary. This helped us to further consolidate our position in hormonal and oncology generic formulations.

In FY21, we signed an exclusive agreement with Vaxxinity, a US-based company, to commercialise its COVID-19 vaccine candidate in India and UNICEF's markets. Moreover, we completed the Phase II trials for our Pneumococcal Conjugate Vaccine (PCV) and initiated the process for conducting the Phase III trials in India. In Biosimilars, we completed the Phase I trials for the lead molecule and initiated Phase III studies while clinical trials for three more molecules were also initiated.

Gaining prominence across core markets

Leveraging our experience and expertise, we have successfully created a wide range of formulation products which are accessible across the globe. Our revenue from formulations increased by 8% y-o-y to ₹216,860 million in FY21.

₹247,746 million
Revenue from operations in FY21

₹53,338 million
Net profit in FY21

Our US formulations business contributed 50% to the overall formulations revenue during the year. In the highly competitive US market, we attained leadership position in volume supplies (as per IQVIA QTR Mar 2021 TRx data). Revenue from the US business grew by 7% to ₹123,245 million in FY21 from ₹114,835 million in FY20 as our supplies to customers remained largely unaffected. The acquired portfolio of seven branded oncology injectable products from Spectrum Pharmaceuticals (Acrotech Biopharma LLC) is gaining momentum. We received final approval for 42 ANDAs including 17 injectables and launched 53 products including 21 injectables during the year under review.

To ensure sustained growth momentum, we have created a strong product pipeline of 200 ANDAs including 54 ANDAs for injectables pending approval along with a robust launch pipeline in FY22. In addition, the complex generics space is fast gaining traction and we are looking to enhance our presence gradually by focusing on biosimilars, inhalers, transdermal patches, topicals and vaccines. Collectively, a strong new product pipeline, focus on injectables business and a gradual strengthening of complex generics portfolio will be the key growth drivers for our business over the medium term.

MANAGING DIRECTOR'S REVIEW CONTD.

In Europe, we reported a marginal growth of 2%, to reach revenues of ₹60,608 million in FY21 from ₹59,218 million in FY20. The business was impacted due to partial lockdown restricting patient inflows to hospitals. We consolidated our operations in 11 countries with full-fledged pharmacy, hospital and tender sales infrastructure with commercialised 550+ INNs. Our Apotex acquisition which provided inroads into untapped Eastern European markets has opened up multiple avenues for revenue growth and cost synergies.

We expect the business in the Europe to improve backed by resumption of doctor OPDs and increasing patient footfalls as the vaccination in the key European countries gather pace. Future growth potential for us in countries like France, Portugal, UK, Italy and Spain will improve with greater generics penetration.

Our revenues from Growth Markets increased by 6% to ₹14,379 million in FY21 from ₹13,551 million in FY20. Canada continues to be an important geography for us, and our Canadian subsidiary is the 8th largest generics company in the market in revenue terms with a market share of ~3%. We intend to launch oncology and general injectables in our key Growth Markets. During the year, we received our first product approval for the Chinese market and expect a greater number of approvals from FY22 onwards. China will be an important market for us going ahead.

Our antiretroviral (ARV) product segment grew by 49%, to reach revenues of ₹18,628 million in FY21 from ₹12,515 million in FY20 driven by increased conversion to TLD (Tenofovir + Lamivudine + Dolutegravir tablet) from TLE (Tenofovir + Lamivudine + Efavirenz tablet) across geographies. We are well positioned to help increase patient coverage by offering affordable medicines at a large scale for global tenders.

Our revenue from API remained at ₹30,859 million in FY21 due to increase in internal consumption and moderation in offtake of anti-infective products. We are undertaking additional investments for capacity creation to improve our supply volumes available for external customers. We are also backward integrating for certain key API products which will improve the stability of the business. We aim to double the external API sales in the next 4-5 years.

Owing to the pandemic, we await the resumption of USFDA inspection in some of our plants, which continue to have unresolved regulatory status. Some of these facilities have been inspected and subsequently cleared by other regulatory agencies like EDQM, PMDA, ANVISA.

Research endeavours

We continue our research and development (R&D) endeavours on difficult to manufacture, differentiated complex generics. During the year, we achieved key milestones including filing our first meter dose inhaler product, initiated clinical trials for three biosimilars, completed Phase II trials for PCV vaccine. We also strengthened our product pipeline by filing 55 ANDAs in the US and 140 dossiers (multiple registrations) in European markets.

Elevating compliance curve

We have created systems and processes that ensure the highest levels of compliance and quality across all our plants. Our strength lies in embracing advanced technology and automation and the agility in implementing them. We have created a 360-degree compliance culture, ensuring that we are prepared for a regulatory audit at any given point of time.

Our priorities

We remain committed to ensuring business continuity so that our products reach the patients worldwide. We look forward to executing our key growth pillars and sustain profitable growth.

Our near-term key focus areas:

1) Resolve the regulatory issues for the facilities awaiting reinspection
2) Completion of Phase III clinical trials for pneumococcal vaccine (PCV) in India
3) Filing the first set of biosimilars with EMA
4) Launch of Covid-19 vaccine in India and UNICEF markets
5) Start the construction activities for products awarded under PLI scheme

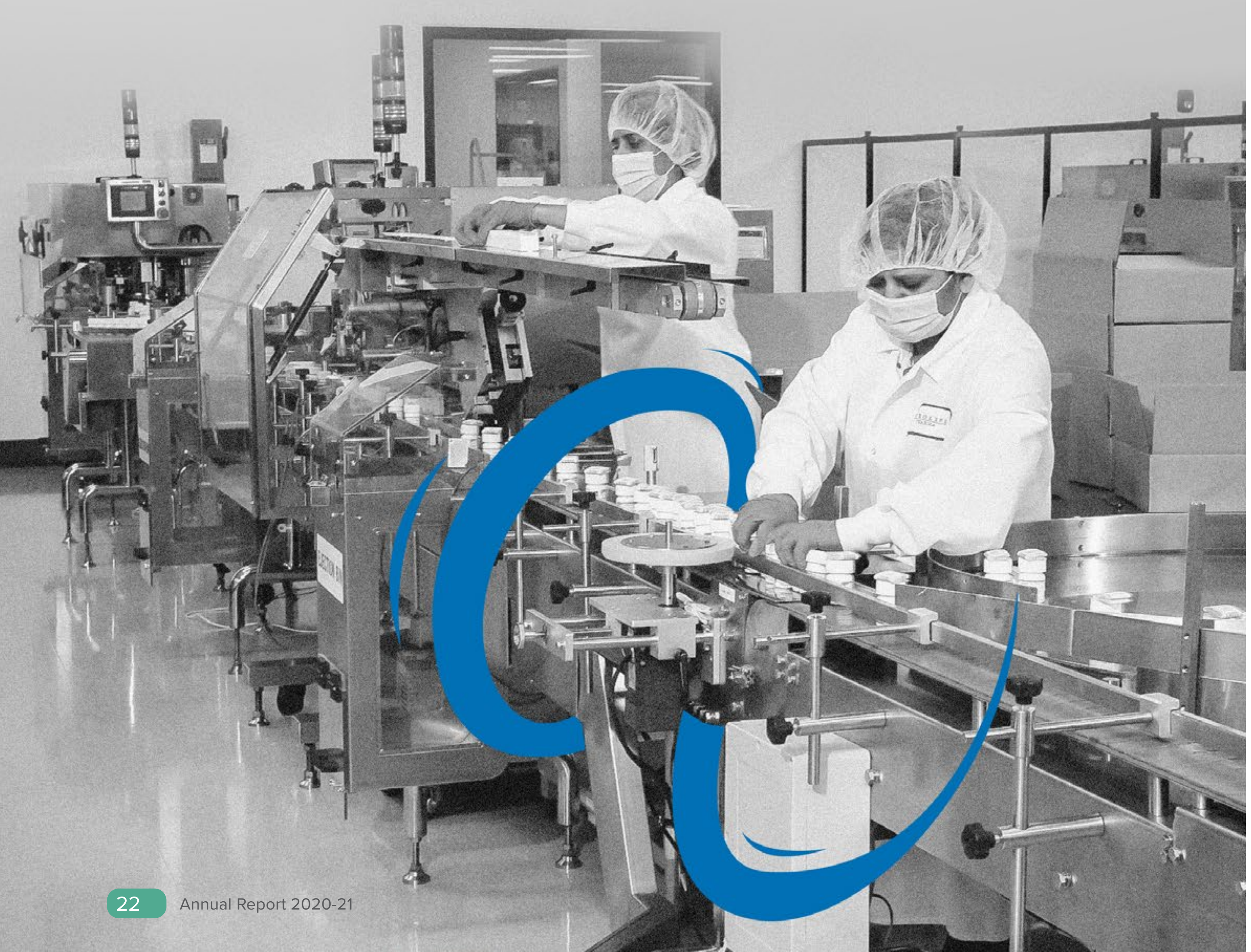
Before concluding, I express my deepest gratitude to all frontline workers for their efforts to help save millions of lives by putting their own lives at risk.

N. Govindarajan
Managing Director

CAPACITY AND CAPABILITY EXPANSION

Scale helps us capitalise on structural growth opportunities

Over the years, we have built one of the most enduring generics ecosystem (vertically integrated model with low product concentration) in the global pharma landscape. We will continue to strengthen our ecosystem further through proactive investments.



Our manufacturing facilities adhere to the highest standards of quality controls and compliance. We are consistently investing in expanding our formulations and API compliance aligned to our market demand.

Formulations

Key achievements in FY21

- Started filing through our China facility
- Increased ophthalmic capacity by 200%
- Added 1 Dry Powdered Inhaler (DPI) line in APL Healthcare Unit III

We are progressively shifting our portfolio mix in favour of differentiated and complex products across markets. We have sustained our filing momentum with continued improvement in the quality of filings. With expected approvals, growing portfolio and sustained demand from customers, we are strengthening our capacities suitably through strategic greenfield and brownfield expanions.

Greenfield expansions

We completed the construction of manufacturing facility in China for oral formulations. This plant will cater to the Chinese market as well as Europe and Growth Markets. During FY21, we started filing products from the China facility. We are planning to roll out the first validation batch in the second half of FY22. We have initiated the transfers of a few products for Europe to the China facility.

Our Unit IV, a general injectables and ophthalmic facility, manufactures various dosage forms like injectable vials, lyophilised injectables, prefilled syringes and other sterile forms. We have initiated the process to double the capacity for terminally sterilised products. In the ophthalmic space, we are more than doubling our existing capacity. Our dedicated injectables facility at Visakhapatnam for EU/UK and Growth Markets would be ready for commercial production in the next 15 to 18 months. This would enable us to increase our market penetration for injectables in the EU/UK and Growth Markets.

At APL Healthcare (a wholly owned subsidiary company), we commissioned a new facility for dermatology products within a span of nine months. We are eligible for SEZ benefits as the project was completed before March 31, 2021. We have started manufacturing small batches from the facility and will await regulatory inspection once the situation normalises and subsequently begin commercial production. We also added a line for manufacturing dry powder inhaler (DPI) devices, one of the new additions in our product range.

CAPACITY EXPANSION CONTD.

Our biosimilars (Unit XVII) and vaccines facilities (Unit XVIII) are ready for commercial batch production. Our viral vaccine facility will be ready for commercial production in July 2021.

Brownfield expansions

At our Unit X, we manufacture oral solids for the US market, with an annualised capacity of 6 billion units. We are increasing the capacity to over 10 billion units. We are adding scalable new equipment, which will also provide a sufficient buffer to expand our capacity to 12 billion units in the future.

At our AuroNext facility, where we are manufacturing a range of Penem injectables, we have more than doubled our installed capacity. We are also adding a new product capability and have invested in a specialised manufacturing setup for the same.

At our Unit XVI injectables facility, we have added one pre-filled syringe product which would be one of the key products going forward.

We have filed 252 US DMFs (Drug Master Files) and 3,264 filings for other global markets across therapeutic segments

Active Pharmaceutical Ingredients (API)

We are one of the largest manufacturers of API in the country, with capacity being consistently added to provide support to our rapidly growing formulations business. Our flexible manufacturing operations and cost leadership also positions us as a preferred supplier to external customers. We remain a vertically integrated company focused on delivering cost-effective offerings to our customers worldwide.

During the year, we augmented capacities by 20% in our key API manufacturing units at Unit I and Unit XI. We continue to invest in analytical resources to stay abreast with evolving requirements from the regulatory agencies. We also help our vendors to stay in sync with the changing requirements.

Continued adoption of industry-leading practices to improve yields and profitability along with a robust and dedicated research and development infrastructure has helped us stay in sync with market requirements. We have filed 252 US DMFs (Drug Master Files) and 3,264 filings for other global markets across therapeutic segments, widening our product offerings for our customers and lending support to execution of our future growth opportunities in formulations.

Efficiency initiatives

- Maintained the capacity utilisation across our key formulation plants at an aggregate level around 70% plus, despite pandemic-induced challenges
- Continuously evaluate possibilities of alternative API sources across product categories to ensure supply risk diversification as well as long-term sustainability
- Started extensive automation of logbook entries to enhance our compliance framework
- Invested in process efficiencies, solid recoveries, yield improvement and automation which helps us remain competitive
- Focused on better inventory control through prudent supply chain planning

RESEARCH AND DEVELOPMENT

Investing for our future growth

Our focus is on developing intellectual property in non-infringing processes and resolving complex chemistry challenges. We are also developing new drug delivery systems, new dosage formulations and applying new technology for improved processes to make products of high quality.

1,700+
Expert scientists and analysts globally

8
R&D centres

Our eight R&D centres are supported by world-class scientific talent pool, modern infrastructure and trained regulatory and intellectual property teams.

Our R&D activities continued with increased vigour and intensity during the year as our investments in this critical area reached an all-time high. Our outlay towards building a robust future pipeline stood at ₹15,096 million, up 58% y-o-y and about 6.1% of our total revenues (vs 4.1% in FY20). The increase was directed towards advancing our biosimilars pipeline, one of our key future growth drivers. This was in line with our firm commitment to continue investing in our future as we strengthen our capabilities for driving sustainable growth across our key markets.

Our broader approach for product development is to ensure that the pipeline can be leveraged across our global markets, which aids economies of scale and efficient project management with optimal costs. The major focus areas during FY21 were the development of a complex portfolio of finished dosage forms in orals, liquids, topicals, biosimilars, nasal and parenteral products. The focus area in complex parenteral products is on suspensions, emulsions and pen device-based projects.

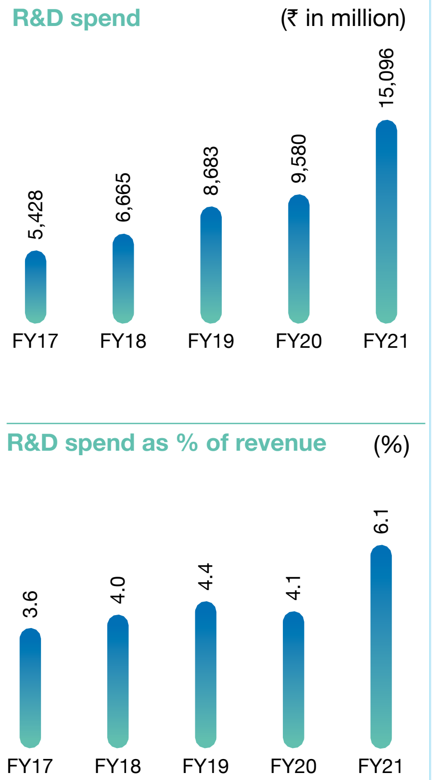
During FY21, we built a specialised characterisation centre with state-of-the-art equipment at our Hyderabad research centre. The centre has been established to meet the characterisation requirements in accordance with US FDA guidelines for peptides, proteins and complex generics.

Key achievements in FY21

- Successfully filed 55 ANDAs for the US market, which includes FTFs and complex generics
- Initiated proof of concept and animal studies for two 505(b)(2) products
- Three pen device projects are in different stages of product development. We expect one ANDA to be filed in FY22 and the remaining two products are slated for filing in FY23
- DPI product development is in progress and expect to commence filing in the next two years

RESEARCH AND DEVELOPMENT CONTD.

Rising R&D investments



Filings

#The number of filings in South Africa has come down from 436 as on March 31, 2020 to 348 as on March 31, 2021 due to SAHPRA backlog clearance programme. As per the programme, long pending dossiers are now resubmitted and some of the dossiers are withdrawn.

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

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

PRODUCT PORTFOLIO

Building a future-ready pipeline

We are strengthening our product pipeline and building a diversified portfolio especially in the specialty complex generics segment. While we will continue to fortify our pipeline in oral solids, liquids, suspension, we will continue to evolve our portfolio towards products with entry barriers to ensure sustainable growth.

Oncology and Hormones

Eugia's portfolio comprises 79 products that fall under oncology, hormone and immunosuppressant indications. During FY21, Eugia filed 8 ANDAs in the US, of which 7 were injectables. Eugia also filed 7 dossiers in Europe, of which 5 were injectables.

Achievements so far

- Filed 41 ANDAs in the USA and received approvals for 18 products, including tentative approvals for 3 ANDAs
- 18 dossiers have been filed in the EU and approvals received for 10 products
- 19 dossiers have been filed in emerging markets and approvals received for 5 products

*As on March 31, 2021

Eugia's oncology and immunosuppressant product portfolio is diverse and being developed for the oncology therapeutic segment including combination with other drugs. The current addressable market size for Eugia's 69 oncology and immunosuppressant products (both filed and under development) in the pipeline stands close to US$36 billion. These products have applications across 20+ indications including but not limited to breast cancer, prostate cancer, non-small cell lung cancer, multiple myeloma, metastatic melanoma, Hodgkin's lymphoma, acute myeloid leukaemia, sickle cell disease and thrombocythemia.

Our current hormonal portfolio includes 10 products targeting an addressable market size of ~US$1 billion. The hormonal products are prescribed for indications involving preterm birth, birth control, amenorrhea and hypogonadism. Eugia's manufacturing facility produces oral solid dosage forms (tablets, soft gel and hard gel capsules) as well as injectables (wet vials, dry vials and pre-filled syringes). During FY21, the Company launched 5 products each in the US and Europe (all oncology products) and 3 products (2 oncology and 1 hormonal drug) in Growth Markets.

In FY22, we plan to file 9-10 ANDAs with USFDA and launch 10 more products (subject to approvals). Registrations for nearly 20 products are underway in Europe and in various emerging markets.

Oncology landscape

Global oncology spending was US$164 billion in 2020, growing at a CAGR of 14.3% from 2015, and is expected to reach US$260 billion by 2025, growing at 9-12% (Source: IQVIA 2021). Moreover, oncology spending is expected to remain the largest contributor to the specialty medication segment, with a projected increase of 51% by 2024. The manufacturing of oncology products requires specialised preparation and containment infrastructure and has capacity constraints for high-quality products needed for developed markets.

PRODUCT PORTFOLIO CONTD.

Biosimilars

During FY21, we completed a successful Phase I clinical trial for one of our leading monoclonal antibody programmes and are moving ahead to Phase III clinical trials. In addition, three of our biosimilars are in licensure clinical trials. Two of our Wave 2 programmes have entered the milestone of non-human primate studies and we see both the programmes advancing to the next logical milestone i.e. Phase 1 clinical trial in FY22. Considering the pandemic times, related headwinds are expected in terms of recruitment of subjects for clinical trials, regulatory review procedures etc. We are trying to address these through constant and proactive engagement with the CROs and regulators. With a focus on microbial-based products, we are adding a production line in our microbial products bulk drug substance manufacturing facility.

On the commercial front, we have entered into a distribution arrangement with a partner in certain regulated markets in Europe where we do not have a commercial footprint.

15
Biosimilars in portfolio covering market size of US$50 billion

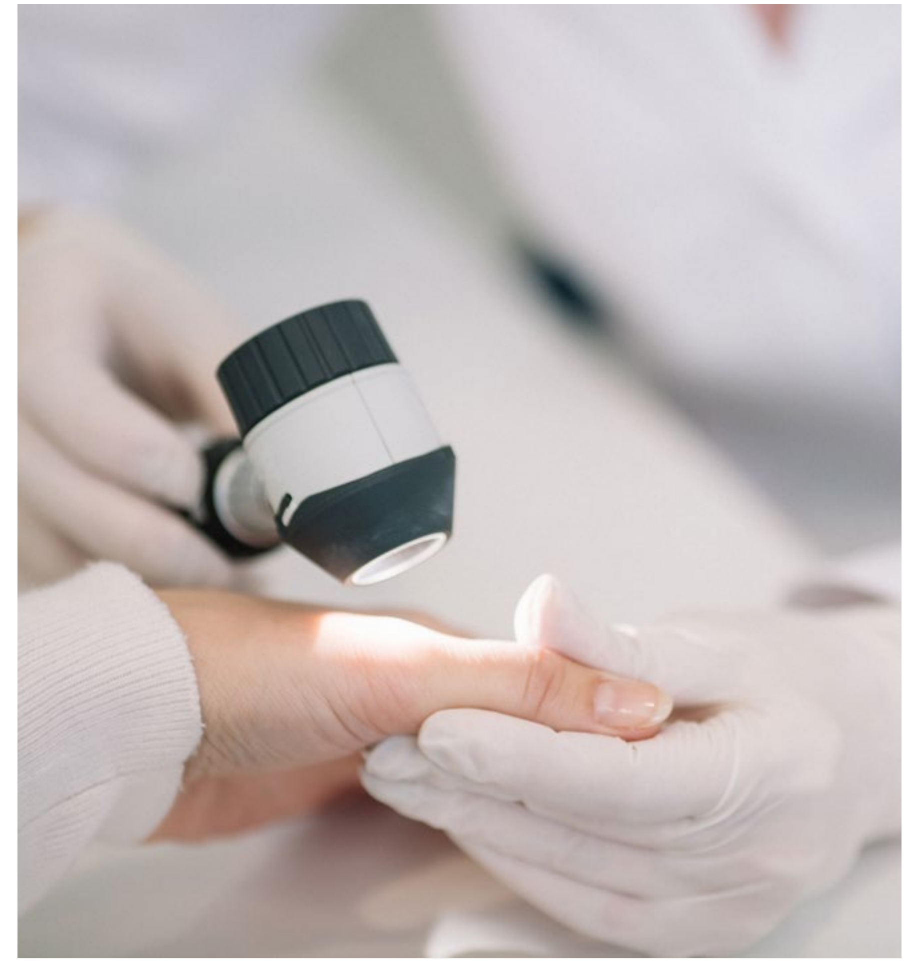
Dermatology

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

33 Topical

9 Transdermal

Products identified for development



Topicals

Our dermatology products are being developed in our R&D centres in India and the US. A total of 33 products are in the pipeline at various stages of development (ANDA filed for 2 products, 25 products are under development, development to be initiated for another 6 products). At least half of the products that are under development need either clinical or BE (bioequivalence) studies. We are planning to start the first clinical trial in FY22. Exhibit batches are likely to be prepared for 11 products in FY22. These products will be manufactured in our Indian and US facilities.

We are planning to take exhibit batches for at least four products and aim to file the first transdermal patch ANDA in FY22.

Transdermal patches

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

We are working on developing 9 transdermal patches. Total market size for the products under development exceeds US$3 billion. We submitted technical data packages for two products and started exhibit batches for the third product during FY21. Endpoint studies will commence for the first set of products in FY22. Pilot study for two products were delayed by three months owing to pandemic-related challenges. We are planning to take exhibit batches for at least four products and aim to file the first transdermal patch ANDA in FY22.

We are setting up a dedicated state-of-the-art manufacturing facility for this product line in North Carolina, US which will be ready for commercial production by the second half of FY22.

PRODUCT PORTFOLIO CONTD.

Respiratory

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

17
Respiratory products identified for development

Nasal sprays

Nasal sprays are used to deliver medications locally in one's nasal cavities as substances can be assimilated quickly and directly through the nose. In certain cases, the nasal delivery route is preferred over injections or pills. It can be a form of either topical administration or systemic administration, as the drugs thus locally delivered can go on to have either purely local or systemic effects.

During FY21, two nasal spray ANDAs azelastine hydrochloride nasal spray 0.1% (137 mcg per spray) and azelastine hydrochloride nasal spray 0.15% (205.5 mcg per spray) were commercialised in the US market. We also successfully filed our third nasal spray ANDA in March 2021.

We have identified 9 products, of which 3 have already been filed and the remaining 6 are under development. The addressable market size estimated for these 6 products in the US is likely to be ~US$1.2 billion.

Going forward, we will be filing the remaining six nasal spray products over the next three years including one more ANDA filing in FY22.

Inhalers

An inhaler is a medical device used for delivering medication into the body through the lungs. Respiratory ailments have been one of the key therapeutic areas where we have been strengthening our presence. Typically, development of drug-device combination has a high entry barrier owing to stringent clinical trial requirements and difficulty in establishing sameness to the RLD.

In our dedicated R&D centre in North Carolina, we are developing respiratory drug products, including metered dose inhalers (MDIs) and dry powder inhalers (DPIs) for the treatment of asthma and Chronic Obstructive Pulmonary Disease (COPD). World Health Organization (WHO) estimates that, globally, 262 million people were affected by asthma in 2019 and it is the most common non-communicable disease among children. Most deaths caused by asthma, however, occur in older adults. According to WHO, 15 million disability-adjusted life-years are lost and 250,000 asthma deaths are reported worldwide annually.

We are currently working on six MDIs and two DPIs. The estimated current US market size of the products under development is more than US$10 billion

We are currently working on six MDIs and two DPIs. The estimated current US market size of the products under development is more than US$10 billion. During FY21, we successfully filed our first MDI ANDA. We also completed pilot pharmacokinetic (pk) studies and exhibit batches of our first MDI. We are planning to file our second ANDA in FY22

We are setting up a state-of-the-art manufacturing facility with a high-speed filling machine in North Carolina, US which will be commissioned in the calendar year 2021.

Depot injections

We are working on three depot injections based on the microsphere and nano suspension technology platform developed in-house. During the year under review, we successfully scaled-up sterile API conversion, finished product manufacturing and filling in PFS (pre-filled syringe) at a commercial scale. The exhibit batches for two products will commence in the near-term and clinical trials will start for the first depot injection in the first half of FY22. We target to file the first product by end of current fiscal or early next fiscal. The global addressable market size for these products is US$3.3 billion.

Vaccines

Our vaccines pipeline consists of bacterial and viral vaccines. We are developing PCV (Pneumococcal Conjugate Vaccine) through our subsidiary Tergene Biotech. Viral vaccines are being developed in our R&D Centres at Hyderabad, India and in the US (Auro Vaccines).

Bacterial vaccine

Our lead candidate in bacterial vaccine is the PCV. The PCV helps to protect against various types of pneumococcal bacteria that most commonly cause serious infections in children and older adults.

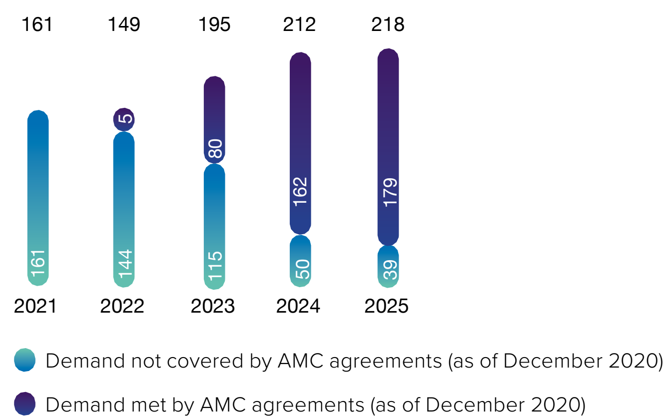
3
Depot Injections with a global market size of US$3.3 billion

US$6.2 billion
Global market size of Pneumococcal Conjugate Vaccine (PCV)

PRODUCT PORTFOLIO CONTD.

During the year under review, we successfully produced commercial scale batches in our dedicated vaccine facility (Unit XVIII). The Central Drugs Laboratory of Central Drugs Standard Control Organisation (CDSCO) reviewed and certified all the batches, lending credibility to our manufacturing process and quality. We also received permission to conduct Phase III clinical trials of PCV from the CDSCO. The clinical trial will commence in Q2 FY22 and is expected to be completed by Q4 FY22. We are aiming to apply for market approval along with Phase III clinical trials results by Q4 FY22 and target entering the market with our commercial product in the first half of FY23.

Figure 3: PCV demand forecast for Gavi73 (in millions of doses)



Source: PCV Advance Market Commitments 1 Jan – 31 Dec 2020
Global Alliance for Vaccines and Immunisations (GAVI)

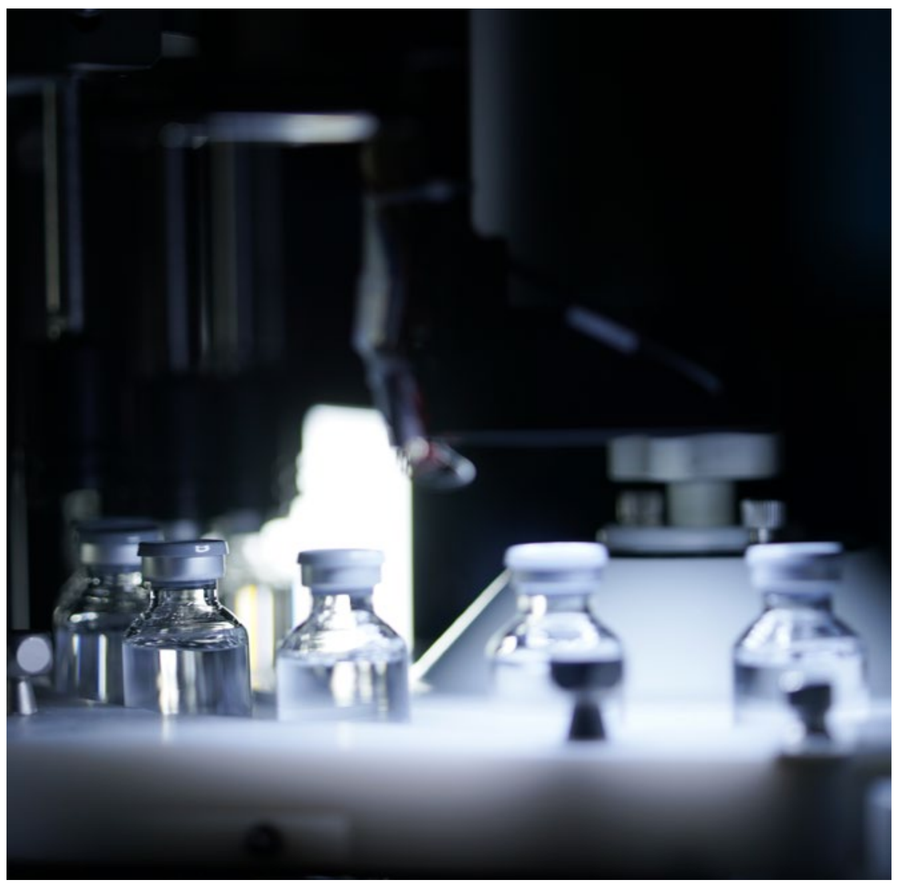
Viral vaccines

We are developing three viral vaccines. For COVID-19, several vaccines are under development leveraging the inherent execution capabilities and collaborative strengths.

We entered into an exclusive license agreement with Vaxxinity, a US-based company to develop, commercialise and manufacture UB-612, a multitope Peptide-based Vaccine for COVID-19 in the India market and for the United Nations Children's Fund (UNICEF) aided markets.

Phase I trials conducted by Vaxxinity in Taiwan have shown promising results for safety and immunogenicity. Vaxxinity's Phase II trials are ongoing in Taiwan and EUA (Emergency Use Authorization) is expected by H1 FY22. Vaxxinity has also applied for Phase II/III clinical trials to be conducted in India.

We have also collaborated with the Council of Scientific and Industrial Research (CSIR) to develop multiple other vaccine candidates for COVID-19.



Peptides

Peptides are strings of aminoacids, which are the building blocks of proteins. Some of them are used in therapeutic segments like endocrinology, oncology etc. Our R&D team has developed process for synthesising complex peptides and later scaled it up for commercial production. To cater to future demand, we are planning to set up a second manufacturing unit at Hyderabad, which would be ready for commercial production by Q2 FY22.

We have developed the process of manufacturing 22 peptides which includes both small and large volume products. We have filed 11 DMFs with the USFDA and are in the process of filing other DMFs to further strengthen our peptide-based product offerings.

The APIs developed by Auro Peptides are used for developing complex injectables and oral products. As on March 31, 2021, we had filed seven ANDAs both for injectables and orals using Auro Peptide APIs, which had a market size of US$5 billion. Besides, we are developing 14 formulation products including depot injection, which has a market size of over US$12 billion.

22

Peptides products under development, filed 7 ANDAs with USFDA

COMPLIANCE AND QUALITY

Adhering to best practices

We are committed to ensuring the highest standards of quality and compliance. We are doing this by proactively embracing automation in our processes, systems and procedures to minimise human intervention and integrate operations.

We have automated quality systems through implementation of enterprise software applications. We have harmonised procedures for key processes so that the quality practices are uniformly carried out throughout the organisation and timely upgrades are implemented at all sites in a seamless manner. We rolled out intensive training programmes by industry experts on areas that require heightened focus, i.e. investigations, human error reduction and quality by design.

Key achievements in FY21

- Launched quality culture excellence programme
- Developed quality culture policy and procedures
- Received Establishment Inspection Report (EIR) for Units IV, X and XII

Quality governance model

We conduct monthly quality review meetings which are also held under the supervision of our Senior Management. Our internal audits are conducted at regular intervals and surprise inspections are made from time-to-time to ensure systems and processes are effective at all times. The critical observations are reviewed by the Senior Management.

Building Quality Culture

- Conducted a certification training programme on investigation, Corrective Action Preventive Action (CAPA) System and Human Errors Reduction by a US-based subject matter expert
- Conducted a certification training programme on quality by design for R&D, technology transfer team, manufacturing site production team and QA personnel by an external subject matter expert
- Harmonised key standard operating procedures (SOPs) from all sites into common procedure for better productivity with minimum errors
- Extended our learnings and actions from regulatory inspection at one site to all other sites in our global network
- Launched a quality culture excellence programme throughout our network and our subsidiaries. Training for Senior Management and Site Leadership has been completed and training is being continued for all levels in the organisation
- Developed a quality culture policy and procedures with the help of a US-based subject matter expert
- Further strengthened the Laboratory Information Management System (LIMS) by integrating the laboratory instruments thereby gradually going paperless in the quality control laboratory
- Upgraded eResidue Pro software for cleaning validation

Highlights FY21

- Received establishment Inspection Report (EIR) for USFDA inspections at Aurobindo Pharma Units IV, X and XII
- Successful completion of EU regulatory inspection at Unit XII
- Improved the presentation of SOPs for easy understanding of users through implementation of information mapping methodology
- In continuation to implementation of Scan RDI (rapid sterility testing) at Unit XVI, the rapid sterility testing was implemented at Unit XII

ENVIRONMENT

Minimising our environmental footprint

We are committed to reducing our emissions and paving a low-carbon pathway for the business. Achieving resource efficiency and contributing to a circular economy are critical priorities for us.

Renewable energy

In FY21, we generated ~40,000 MWh electricity from our solar power plant. Along with renewable energy, we also procure biomass as a fuel in our captive power plants. The energy consumption from biomass contributed to ~3% of our total energy consumption in FY21. We understand the potential of biomass to replace non-renewable fuels. We have a 30MW captive power plant at one of our facilities in Andhra Pradesh. Going forward, we will continue to evaluate adoption of renewable power sources across our facilities.

40,000 MWh

Power generated from solar power sources in our plants

Reducing carbon footprint

Climate change is one of the most pressing challenges for society today, affecting quality of life and the planet as a whole. We have implemented various initiatives to minimise energy consumption in our operations. These initiatives contributed to a reduction of 52,725 tCO2e in FY21. The energy efficiency projects include upgradation of the technology to minimise consumption, energy optimisation initiatives in existing equipment operations and savings achieved through change in equipment operation.

52,725 tCO2e

Reduction in carbon emissions in FY21

Responsible waste management approach

Our organic solid and liquid wastes of high calorific values are sent to cement units for co-processing, thereby achieving zero incineration and a significant reduction in waste ending up in landfills. Other solid hazardous wastes of less calorific value are disposed to Treatment, Storage and Disposal (TSD) facilities, effectively mitigating the risk of Pharmaceuticals in Environment (PiE). The biomedical waste is sent to a common biomedical waste treatment and disposal facility (CBWTF). Recyclable wastes such as waste oils, e-waste and batteries are disposed to authorised recyclers.

Anti-Microbial Resistance (AMR)

Since 2015, there has been an intense focus by the international media on policy-level discussions over Anti-Microbial Resistance (AMR). Aurobindo recognises AMR as a serious global concern that needs to be tackled through a comprehensive and multi-pronged strategy.

We conducted a mass balance estimation of antibiotics, manufactured at Aurobindo Pharma Limited, as part of the AMR industry alliance framework commitment. We also established procedures to ensure the presence of antibiotics in the environment below the Predicted No-Effect Concentration (PNEC) level as defined by the AMR industry framework.

Plantation drive

We planted over 60,000 trees over a period of 5 years of a variety of indigenous species, providing much needed green cover and ecological balance, and helping in carbon sequestration. We ensured continuous monitoring and maintenance activities that resulted in more than 80% survival of the developed greenbelts. We also have captive composting of garden waste in some units and the same is used for the greenbelt's enrichment.

60,000+

Trees planted over a period of 5 years

COMBATING COVID

Tough times call for a resilient response

To safeguard our employees from COVID-19, we have developed a series of safety protocols. We were able to navigate the first and second waves of the pandemic with minimal disruption in our operations. However, we are prioritising vaccination of our employees to ensure that we can withstand further surge in COVID-19 infections in the future. We have also taken necessary steps to ensure the safety of our employees, suppliers and other stakeholders.

Protecting our employees

Since the onset of the pandemic, we have continually taken measures to ensure the safety of our employees and their families. Some of the key initiatives include:

- **Constitution of Apex Medical Council:** We constituted an Apex Medical Council by appointing a Chief Medical Officer to extend medical support to not only the employees but to their family members as well. The Apex medical team consists of 18-20 qualified medical fraternity who counsel all Covid-19 infected employees and family members and provide medical support on 24X7 basis.
- **Covid-19 Health Care Centre:** We established a well-equipped Covid-19 Health Care Centre with all infrastructure including Oxygen concentrators and ICUs to take care of mild to moderate Covid-19 infected patients under the overall supervision of senior medical doctor and paramedical staff.
- **Medical Awareness Programme:** We have raised awareness about coronavirus, personal hygiene, family care, mental health, testing, and treatment protocols through multiple channels internally. The medical awareness initiative was launched in collaboration with the Cognitive Care NGO and Continental Hospitals, a leading hospital in Hyderabad. This programme has already benefited more than 1,600 employees and their families.
- **Medical Education Programme:** We introduced an essential clinical education initiative in response to the increased number of infections following the second COVID wave. Vaccination protocols, post-vaccination care and vital medical information on infection prevention were all included in this medical education initiative.

- **Disha Counselling Programme:** In collaboration with Silver Oak Health, we launched Disha Counselling Programme for the emotional well-being of our employees and their family. We are conducting this programme with well trained and experienced psychological counsellors to help our employees alleviate emotional distress and anxiety which helps in boosting immunity.
- **Post Lockdown Measures (PLM):** We have introduced a framework to implement Post Lockdown Measures (PLM) in compliance with all state and central government directives. The PLM strategy focuses on three key domains i.e., Disinfection Protocols, Respiratory Protocols, and Safety & Hygiene Protocols. The above protocols include the following preventive measures for our employees post pandemic.
- **Social Distancing Protocol:** Social distancing measures are strictly observed, while traveling in the company bus, at the canteen with diagonal seating arrangements, at the workplace with contactless hand-sanitising, virtual meetings, and so on.
- **Protective Equipment Distribution:** Personal protective equipment that includes face masks to all employees, face shields for security personnel and analytical lab personnel, (QC), and PPE suits for vehicles and plant premise disinfection, additional head covers for kitchen service staff were provided.
- **Disinfection Protocol:** Cleaning and disinfection of workplace washrooms is being done every 2 hours with high pressure pumps. Common instruments are routinely disinfected to ensure hygiene and safety.
- **OHC Protocol:** Within the factory premises, we have established an Occupational Health Centre (OHC) for medical screening of people returning from hotspots or containment zones. People coming from Red Zones or hotspots undergo screening for 6 days, while those returning from Yellow Zones are screened for 3 days. The OHC is enhanced with Pulse Oximeters.
- **AuroSetu:** A digital platform to ensure a safe and secure workplace by online self-declaration for facilitating personnel entry into the work premises.

Community commitments

- We provided 50,000 cubic metres of medical grade oxygen (through tankers) to Gandhi Hospital, Telangana Institute of Medical Science and Research Hospital and Mahathma Gandhi Memorial Hospital, Warangal during the second wave of COVID in early 2021
- Provided ventilators and oxygen concentrators to needy patients. We also supplied face masks, Vitamin C and Zinc tablets, and sanitisers
- Distributed essential groceries to infected and affected families in Nellore district of Andhra Pradesh and Sangareddy district of Telangana
- Hired 10 Ambulances and provided them to the Government for the transport of COVID-19 patients in Visakhapatnam district
- We also provided financial support to COVID-19 infected patients from underprivileged families
- With these efforts, we helped 663,463 people by different means during the COVID-19 pandemic
- As a group, we committed ₹588 million towards various CSR measures, which includes contribution towards COVID emergency support to Telangana, Andhra Pradesh governments, and PM CARES Fund

WORKFORCE

Fostering an inclusive workplace

We follow a people-first approach that provides an inclusive workplace for the overall growth and development of our employees. We provide the right environment to foster leadership, promote diversity, accountability, and equality in the workplace.

Our Employee Value Proposition (EVP)

Our employees are our greatest asset. In this competitive and changing world, we focus on leveraging our human capital for better performance through:

- Organisational culture that fosters continuous learning and upskilling
- Recognition of exceptional performance through structured appraisal process
- Digital learning through in-house Leadership Academy
- Opportunity to work with world-class Quality Management System and Manufacturing Excellence System
- Empowerment right from grassroots level through participative forums

24,000+
Global workforce

34
Average age (in years)

Learning & Development (L&D)

At Aurobindo, we conduct several programmes for the holistic development of our employees in partnership with different training organisations. We focus on critical aspects such as management skills, technical skills, behavioural management, productivity, and overall development of our workforce.

L&D dashboard

Employee Categories		FY21
Middle Management (Senior Manager to Deputy General Manager)	Participants	370
	Hours	1,302
Junior Management (Assistant Manager, Deputy Manager and Manager)	Participants	943
	Hours	5,164
Staff (Executives, Assistants and Trainees)	Participants	1,296
	Hours	3,936

Sankarman Programme

The programme is aimed at training first-time managers. The two-day programme focuses on two important aspects i.e., human resource management and business orientation. More than 140 first-time managers were trained under this programme in FY21.

Sarathi Programme

Focuses on building mentoring skills in partnership with Pragati Leadership and CoachMantra. The objective of this programme is to create cross-functional relationships by cascading subject matter experts across the organisation. This programme started this year with a select group of 35 mentors who provided training for 25-30 hours on Mentor Development Programme over 2 months. Over the next five years, more than 1,000 mentors will be developed through this programme.

Quality Marshal Programme

Instituted in 2015 with the objective of strengthening and sustaining the 'Culture of Quality & Compliance' at the shop floor. Over the past five years, the programme has grown to more than 200 quality marshals. This year the quality marshals cascaded key learnings to the tune of over 1,600 man-hours across all formulations manufacturing units.

Digital Learning

We also have a technology-enabled online programme for developing global leadership capabilities through Nalanda Online Academy. The platform provides highly engaging content to enable virtual learning paths for corporate leaders, department heads, and human resources in collaboration with some of the best professors from world-class business schools. More than 850 leaders have participated in this programme since 2016 with a 95% learning adoption rate in the last two years.

WORKFORCE CONTD.

Technical skill development

Training within Industry: A technical skill transfer programme to migrate skill level of shop floor associates in performing technical operations without supervisory assistance is initiated through TWJI methodology. This initiative addresses skill availability and overcomes the basic challenges of technical skill shortage for a specific operation. We have developed 150+ TWI champions so far who have trained over 600 operators, technicians, and analysts.

Original Equipment Manufacturer (OEM) Partnership: In collaboration with 15+ OEM partners, we upskilled over 400 employees on operational safety, quality, productivity, and troubleshooting skills.

Aurobindo Training & Development Centre (ATDC): We developed well-furnished world class classrooms and laboratories with sophisticated analytical instruments to provide integrated learning and holistic development. ATDC helped us to keep the attrition rate well below 5% and improved productivity by 20%-30%.

Organisational development and change management

We are running an integrated programme in collaboration with Kaizen Institute and KPMG. The programme focuses on strengthening on-time across all customer delivery; high quality standards, a no tolerance culture on patient care and regulatory standards; and accountability through clear and measurable goals and expectations across the manufacturing unit.

The programme is also useful for deploying KPIs at critical levels of the organisation. Under this programme, more than 3,100 employees are covered that helped in improving projects resulting in ₹30+ crore savings.

Diversity and Inclusion

We initiated a Diversity Management Programme that improved gender neutrality and increased the number of women in the workforce from 310 to 433 over the last three years. The programme also focuses on providing employment opportunities to talents irrespective of their socio-economic and cultural background. This holistic approach to a considerable extent promotes talent availability, irrespective of competitive challenges outside, for attracting and retaining the right talent, particularly at the operational level.

Pink Packing Lines

Empowering female workers under which the packaging operations are being handled by trained female associates and supervisors at two manufacturing units.

Employee communication forums

We have formed various teams, committees and forums in different manufacturing locations to promote employee communication. There are meetings arranged for different purposes from time to time on a daily, weekly and monthly basis. There are also real-time online grievance management systems for the workers.

Second Line Development

We have created a comprehensive Second Line Development (SLD) model based on Aurobindo's Leadership Competency framework, which focuses on building a complementary team for future company needs which is assessed quarterly by the Board members.

For future talent acquisition, analysis is done based on business forecasting, new projects, existing projects and talent movements. Approximately 82% of the workforce is employed in operations. The Aurobindo Technical and Development Center will cater to 40-50% of future technical talent requirements, while the rest will be filled through lateral hiring.

COMMUNITY

Rendering services to the community

A total of approximately 150 different CSR projects and activities were undertaken during FY21. Community engagement forms the central approach of our projects which helps them to be self-sustainable even after our active involvement gets over.

CSR impact

9.2 lakh
Beneficiaries in FY21

18,000
Students empowered with education

Helping eradicate malnutrition

By providing nutritious food to those in need, we strive to break the vicious cycle of malnutrition and poverty. Our concerted efforts towards nutrition and health have led to many indirect outcomes and improved quality of life and the Human Development Index.

We have been working with the Hare Krishna Movement Charitable Foundation and built three full-fledged automated kitchens as part of the nutrition initiative in Narsingi (Hyderabad), Mahbubnagar, and Singupuram village, Srikakulam district across Telangana and Andhra Pradesh. These three kitchens provided over 1.1 lakh healthy meals per day to children, rural people, women and stranded communities, among others.

Our mid-day meal programme has been improving the health status and immunity system of children, rural women, infants, and underprivileged people. More than 7.85 crore meals were provided to school children, rural communities and other needy people that helped them to sustain through floods and unforeseen situations like the COVID-19 pandemic.




Enabling skill building

We facilitated preparation and training for pharma and chemistry graduates by establishing a Skill Development Centre (SDC) at Varisam village, Srikakulam district, Andhra Pradesh in 2018. This SDC has benefitted 89 unemployed students through the 6-month programme designed in line with the requirements of the pharma and allied industries. The programme provides quality training to the youth, which is contemporary and relevant.

The training and skill development programme helped students become gainfully employed. Among the 89 students, 63 of them found employment in various industries. Apart from that, APF is funding for the establishment of a skill development centre to provide training for competitive exams through Makineni Basava Punnaiah Vignana Kendram, Vijayawada, Krishna district, Andhra Pradesh since 2019. Under this programme, more than 1,500 rural unemployed youth became employable.


Driving women empowerment

We conducted several women empowerment programmes in adopted model villages including Peyyalapalem village in Nellore district, Andhra Pradesh state and Borapatla village in Sangareddy district, Telangana state. This is to provide training programmes for women on tailoring courses to help them increase their income levels. In FY21, women of Peyyalpalem village converged with the Indira Kranthi Pathakam scheme of the Government of Andhra Pradesh to make masks to prevent the spreading of COVID-19.

These programmes enhanced the income levels of 194 women during the COVID-19 pandemic in FY21. It helped them to become self-reliant and earn more in these challenging times.

COMMUNITY CONTD.

Encouraging rural sports

We provide financial assistance to children with potential and skills to progress in their sports career. In addition, APF provided funding to the Jwala Gutta Sports Academy, Moinabad, Hyderabad which provides sports training to rural sportspersons. The APF-funded Academy has provided training to more than 1,200 sportspersons for national and international events.

Overall, around 1,500 sportspersons benefitted from our rural sports sponsorship programme.

Empowering through education

We collaborate with schools, colleges, and universities to provide education to the underprivileged. We funded scholarships to 17 underprivileged students at the Ashoka University, Haryana and sponsored education fees for 11 poor students in various educational institutions in Andhra Pradesh and Telangana. We also supported 15 Vidya Volunteers who are teaching in various government schools in Telangana through monthly remuneration. As a result, we created a positive impact by providing quality education to almost 18,000 students in various schools, colleges, universities, and Trust-based schools. To facilitate better education, the Aurobindo Pharma Foundation (APF) also worked with 45 schools in Andhra Pradesh and Telangana and built 30 classrooms.

Apart from this, we ensured supply of drinking water and funded infrastructure development of various schools and colleges. We have also funded the American India Foundation (AIF) to facilitate digital learning tools in 10 district government schools in Andhra Pradesh. We provided funds to Room to Read (NGO) for setting up libraries in various villages of Telangana. The digital learning system of the AIF will benefit 1,750 students annually while the library project of Room to Road will help 1,767 students in Srikakulam, Vizianagaram and Sangareddy districts.

Bettering healthcare and hygiene

To fulfil the basic rights of health and well-being for the rural poor and needy people, Aurobindo Pharma Foundation has been providing advanced healthcare equipments. We provided Ultrasound machines with convex robes to the Government Community Health Centre at Buchireddypalem village, Nellore district, Andhra Pradesh for growth monitoring of unborn babies. In addition to that, we provided financial support to cancer, heart, and lung patients for life saving surgeries. These support programmes benefitted around 2,119 patients directly.

We provided funding to Pushpagiri Vitreo Retina Institute for eye care equipment that will facilitate 1000 to 1500 speciality eye care services to rural communities at no cost in Kadapa district of Andhra Pradesh. APF has collaborated with CARE NGO to improve health and nutrition related services that may impact 2 lakh rural communities in Nellore, Srikakulam and Vizianagaram districts, Andhra Pradesh. We are also funding the construction of a new 'hi-tech' cancer hospital at MNJ Institute of Oncology, Red Hills, Hyderabad that will come into operation from 2022.

About 9 rural drinking water systems through RO water plants in Andhra Pradesh and Telangana are indirectly ensuring health of about 67,577 rural communities.

Driving sustainable agriculture and environment programme

We formed a couple of Farmer Producer Organisations (FPOs) with 602 shareholder farmers from Pileru (Chittoor district, Andhra Pradesh) and 200 shareholder farmers from Borapatla (Sangareddy district, Telangana) along with 600 indirect beneficiary farmers from the same village, to empower and engage the farming communities to drive them towards best agriculture practices.

The comprehensive sustainable agriculture programme will positively impact 1,402 farmers across several villages in Andhra Pradesh and Telangana.

Towards environment sustainability, the APF in collaboration with state government schemes of Andhra Pradesh and Telangana, planted 216,751 saplings of various species to develop social forestry.

Other initiatives

The APF donated to the Disaster Relief Fund of Telangana for flood affected areas. Many affected people were supplied with essential commodities and groceries.

We also provided funding to the Industrial Fire Safety Association in Telangana and Andhra Pradesh.

BOARD OF DIRECTORS

M M M M M

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

Chartered Accountant

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

M C

MR. K. NITHYANANDA REDDY
Vice Chairman, Whole-time Director, Promoter

Postgraduate in Science from Venkateswara University

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

M

MR. N. GOVINDARAJAN
Managing Director

B.E. (Mechanical) from Annamalai University

He has more than 28 years of experience across a variety of domains such as active ingredients, CRAMS, finished dosages and biotechnology.

M

DR. M. SIVAKUMARAN
Whole-time Director

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

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

MR. M. MADAN MOHAN REDDY
Whole-time Director

Postgraduate in Science (Organic Chemistry) from Bhopal University

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

M M

MR. P. SARATH CHANDRA REDDY
Whole-time Director

Graduate in Business Administration

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

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

Postgraduate in Commerce from Venkateswara University

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

C M M M C

MR. GIRISH P VANVARI
Non-executive, Independent Director

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

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

C C M

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

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

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

M M M

MRS. SAVITA MAHAJAN
Non-executive, Independent Director

MBA, IIM Ahmedabad

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

- Audit Committee
- Nomination & Remuneration / Compensation Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

C Chairperson   M Member

AUROBINDO
Committed to healthier life!

Aurobindo Pharma Limited

(CIN - L24239TG1986PLC015190)
Regd. Office: Plot No.2, Maithrivihar, Ameerpet, Hyderabad – 500 038. Telangana, India
Tel No. +91 40 2373 6370, 2374 7340, Fax No. +91 40 2374 1080, 2374 6833
E-mail: info@aurobindo.com; Website: www.aurobindo.com

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the Members of Aurobindo Pharma Limited will be held on **Thursday, the 26th day of August 2021 at 3.30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS

1) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 and reports of Directors and Auditors thereon.

2) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 and report of Auditors thereon.

3) To confirm the first interim dividend of ₹1.25, second interim dividend of ₹1.25 and third interim dividend of ₹1.50 in aggregate ₹4.00 per equity share of ₹1 each, as dividend paid for the financial year 2020-21.

4) To appoint a Director in place of Dr. M. Sivakumaran (DIN: 01284320) who retires by rotation at this Annual General Meeting and being eligible, seeks re-appointment.

5) To appoint a Director in place of Mr. P. Sarath Chandra Reddy (DIN: 01628013) who retires by rotation at this Annual General Meeting and being eligible, seeks re-appointment.

SPECIAL BUSINESS

6) To re-appoint Mr. K. Nithyananda Reddy (DIN: 01284195) as Whole-time Director designated as Vice Chairman and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents/approvals as may be required, Mr. K. Nithyananda Reddy (DIN: 01284195) be and is hereby re-appointed as Whole-time Director of the Company designated as Vice Chairman for a period of three years with effect from June 1, 2021, whose term of office shall be liable to determination by retirement of directors by rotation at a remuneration and perquisites as detailed below with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. K. Nithyananda Reddy, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

a	Salary	₹1,000,000 per month
b	House Rent Allowance	₹666,666 per month
c	Medical Reimbursement	i) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years. ii) Mediclaim insurance as per rules of the Company.
d	Leave Travel Concession	For self & family once in a year as per the rules of the Company
e	Personal Accident Insurance	Premium not exceeding ₹25,000 per annum
f	Club Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
g	Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.	
h	Provision of Company's car with driver.	
i	Provision of free telephone at residence.	
j	Encashment of leave as per the rules of the Company	

7) **To re-appoint Mr. N. Govindarajan (DIN: 00050482) as Managing Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents/approvals as may be required, Mr. N. Govindarajan (DIN: 00050482) be and is hereby re-appointed as Managing Director of the Company for a period of three years with effect from June 1, 2021, whose term of office shall not be liable to determination by retirement of directors by rotation, at a remuneration and perquisites as detailed below with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. N. Govindarajan, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

a	Salary	₹2,739,706 per month
b	House Rent Allowance	₹1,826,562 per month
c	Medical Reimbursement	i) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
		ii) Mediclaim insurance as per rules of the Company.
d	Leave Travel Concession	For self & family once in a year as per the rules of the Company
e	Other Allowances	₹1,281,200 per annum
f	Personal Accident Insurance	Premium not exceeding ₹25,000 per annum
g	Club Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
h	Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.	
i	Provision of Company's car with driver.	
j	Provision of free telephone at residence.	
k	Encashment of leave as per the rules of the Company	

"**RESOLVED FURTHER THAT** in addition to the above salary and perquisites, commission will also be payable up to 1% of the net profits of the Company calculated in the manner referred in Section 198 of the Companies Act, 2013 subject to a ceiling of ₹125 million for each financial year, as may be decided by the Board of Directors of the Company, subject to the overall remuneration payable to Mr. N. Govindarajan, Managing Director of the Company not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents/approvals as may be required, Dr. M. Sivakumaran (DIN: 01284320) be and is hereby re-appointed as Whole-time Director of the Company for a period of three years with effect from June 1, 2021, whose term of office shall be liable to determination by retirement of directors by rotation at a remuneration and perquisites as detailed below with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Dr. M. Sivakumaran, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

a	Salary	₹1,000,000 per month
b	House Rent Allowance	₹666,666 per month
c	Medical Reimbursement	i) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
		ii) Mediclaim insurance as per rules of the Company.
d	Leave Travel Concession	For self & family once in a year as per the rules of the Company
e	Personal Accident Insurance	Premium not exceeding ₹25,000 per annum

f	Club Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
g	Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.	
h	Provision of Company's car with driver.	
i	Provision of free telephone at residence.	
j	Encashment of leave as per the rules of the Company	

9) To re-appoint Mr. M. Madan Mohan Reddy (DIN: 01284266) as Whole-time Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents/approvals as may be required, Mr. M. Madan Mohan Reddy (DIN: 01284266) be and is hereby re-appointed as Whole-time Director of the Company for a period of three years with effect from June 1, 2021, whose term of office shall be liable to determination by retirement of directors by rotation at a remuneration and perquisites as detailed below with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. M. Madan Mohan Reddy, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

a	Salary	₹2,250,000 per month
b	House Rent Allowance	₹1,500,000 per month
c	Medical Reimbursement	i) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
		ii) Mediclaim insurance as per rules of the Company.
d	Leave Travel Concession	For self & family once in a year as per the rules of the Company
e	Personal Accident Insurance	Premium not exceeding ₹25,000 per annum
f	Club Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
g	Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.	
h	Provision of Company's car with driver.	
i	Provision of free telephone at residence.	
j	Encashment of leave as per the rules of the Company	

10) To appoint Mr. Girish Paman Vanvari (DIN: 07376482) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), rules framed thereunder and Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Girish Paman Vanvari (DIN: 07376482), who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 5, 2020, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of two consecutive years commencing from November 5, 2020 to November 4, 2022."

By Order of the Board

B. Adi Reddy
Company Secretary
Membership No. ACS 13709

Place: Hyderabad
Date: May 31, 2021

NOTES

1. In view of the continuing COVID-19 pandemic, for maintaining social distancing norms and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020, and January 13, 2021, respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020, and January 15, 2021, respectively, issued by the Securities and Exchange Board of India (collectively referred to as "Circulars"), companies are permitted to hold the AGM through VC/OAVM, without the physical presence of the members at a common venue. In compliance with aforesaid Circulars, provisions of the Companies Act,2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 34th AGM of the Company is being held through VC. The deemed venue for the 34th AGM shall be the Corporate office of the Company i.e. Galaxy, Floors: 22-24, Plot No-1, Survey No.83, Hyderabad Knowledge City, Raidurg Panmaktha, Ranga Reddy District, Hyderabad - 500 032, Telangana, India

2. Pursuant to the provisions of the Act, generally a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Institutional/Corporate Members (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or Governing Body Resolution / Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and cast it's votes through e-voting. The said Resolution / Authorisation shall be sent to the Scrutiniser by email through its registered email address to anderam@rediffmail.com with a copy marked to evoting@kfintech.com.

4. The Explanatory Statement setting out all material facts pursuant to Section 102 of the Act with respect to the Special Business set out in the Notice, is annexed and forms part of the Notice.

5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@aurobindo.com.

6. The Register of Members and Share Transfer Books of the Company will remain closed from August 24, 2021 to August 26, 2021 (both days inclusive).

7. The Board of Directors of the Company has declared first interim dividend of ₹1.25, second interim dividend of ₹1.25 and third interim dividend of ₹1.50, aggregating to ₹4.00 per share of ₹1 each for the financial year 2020-21 and the same was paid on September 4, 2020, December 4, 2020 and March 4, 2021 respectively.

8. During the financial year, the unpaid / unclaimed final dividend for the financial year 2012-13 and interim dividend for the financial year 2013-14 were transferred to the Investor Education and Protection Fund (IEPF). The Company has uploaded the details of the unpaid and unclaimed dividend amounts of the previous years' on the website of the Company (www.aurobindo.com) and also on the website of Ministry of Corporate Affairs. The Second Interim unpaid / unclaimed dividend for the financial year 2013-14 and interim unpaid / unclaimed dividend for the financial year 2014-15 will be transferred to the Investor Education and Protection Fund of the Central Government on respective due date(s) along with shares. The shares pertaining to unclaimed final dividend for the financial year 2012-13 and interim dividend for the financial year 2013-14 were also transferred to IEPF. To claim the equity shares and dividend that were transferred to IEPF, Members may file e-Form IEPF 5 with the Ministry of Corporate Affairs and submit all the required documents as prescribed under IEPF Rules. The concerned members / Investors are advised to file Web based e-Form IEPF 5 with the Ministry of Corporate affairs using the web link https://www.mca.gov.in/mcafoportal/login.do or contact KFin Technologies Private Limited (formerly M/s. Karvy Fintech Private Limited), the Registrar and Transfer Agent (RTA) of the Company or send mail to ig@aurobindo.com, for assistance/ clarification in regard to claim for refund of shares and / or dividend from IEPF Authority.

The following are the due dates for transfer of unclaimed / unpaid dividends for the financial year 2013-14 and thereafter to IEPF:

Financial year	Dividend	Declaration Date	Due Date
2013-14	2nd Interim Dividend	May 30, 2014	July 4, 2021
2014-15	Interim Dividend	August 7, 2014	September 11, 2021
2014-15	2nd Interim Dividend	February 4, 2015	March 11, 2022
2014-15	3rd Interim Dividend	May 28, 2015	July 2, 2022
2015-16	Interim Dividend	August 12, 2015	September 16, 2022
2015-16	2nd Interim Dividend	November 6, 2015	December 11, 2022
2015-16	3rd Interim Dividend	February 9, 2016	March 16, 2023
2015-16	4th Interim Dividend	May 30, 2016	July 5, 2023
2016-17	Interim Dividend	November 14, 2016	December 20, 2023
2016-17	2nd Interim Dividend	May 29, 2017	July 3, 2024
2017-18	Interim Dividend	November 9, 2017	December 14, 2024
2017-18	2nd Interim Dividend	February 7, 2018	March 14, 2025
2018-19	Interim Dividend	November 12, 2018	December 17, 2025
2018-19	2nd Interim Dividend	February 7, 2019	March 14, 2026
2019-20	Interim Dividend	November 12, 2019	January 16, 2027
2019-20	2nd Interim Dividend	February 6, 2020	April 12, 2027
2020-21	Interim Dividend	August 12, 2020	October 17, 2027
2020-21	2nd Interim Dividend	November 11, 2020	January 16, 2028
2020-21	3rd Interim Dividend	February 19, 2021	April 16, 2028

9. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's RTA. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).

10. In terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the Members. Accordingly, Members holding securities in dematerialised mode are requested to update their bank details with their depository participants. Members holding securities in physical form may send a request updating their bank details to the Company's Registrar and Transfer Agent.

11. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company & Company's RTAs have stopped accepting any fresh requests for transfer of shares in physical form. Members holding shares in physical form are requested to avail the facility of dematerialisation before initiating transfer of shares. Members holding shares in physical mode are requested to submit their Permanent Account Number (PAN) and bank account details to the Company / KFintech if not registered with the Company/ KFintech, as mandated by SEBI, by writing to the Company at ig@aurobindo.com or to KFintech at einward.ris@kfintech.com along with the details of Name & Folio no., self-attested copy of PAN card, self-attested scanned copy of Aadhaar Card / Passport / Driving Licence / Election Identity Card, bank details viz. name of the Bank and branch address, Bank account number, IFSC & MICR details and a cancelled cheque and also further advised to register nomination in respect of their shareholding in the Company. Non-Resident Indian Members are requested to inform KFintech / respective DPs, immediately of any change in their residential status on return to India for permanent settlement by submitting particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not already furnished.

12. SEBI has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 disallowing the listed companies from accepting requests for transfer of securities which are held in physical form, with effect from April 1, 2019. The Members who continue to hold shares in physical form even after this date, will not be able to lodge the securities with the Company / its RTA for transfer. They will need to convert them to dematerialise compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the Company / RTA. Further, the transfer deed(s) lodged prior to April 1, 2019 and returned due to deficiency in the document and re-lodged for transfer after April 1, 2019 were accepted by the Company up to March 31, 2021 in accordance with SEBI Circular dated September 7, 2020.

13. Pursuant to Section 72 of the Act, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-13, to the RTA of the Company. Further, Members desirous of cancelling/ varying nomination pursuant to rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the RTA of the Company.

14. At the 30th AGM held on August 31, 2017, the Members approved appointment of M/s. B S R & Associates LLP, Chartered Accountants, (Firm Registration No. 116231W/ W-100024) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 35th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of the appointment of Statutory Auditors at the 34th AGM.

15. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www. aurobindo.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Private Limited, https://www.kfintech.com (https://evoting.kfintech.com)

16. In terms of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing the facility to its Members holding shares in physical or dematerialised form as on the cut-off date, i.e. August 19, 2021, to exercise their right to vote by electronic means on all of the agenda items specified in the accompanying Notice of AGM.

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

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

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

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

19. In terms of the provisions of Section 152 of the Act, Dr. M. Sivakumaran and Mr. P. Sarath Chandra Reddy, Directors retire by rotation at this AGM. Mr. K Nithyananda Reddy, Mr. M Madan Mohan Reddy, Dr. M. Sivakumaran are proposed to be re-appointed as Whole-time Directors and Mr. N. Govindarajan as Managing Director of the Company, as their tenure expiring on May 31, 2021. Also, appointment of Mr. Girish Paman Vanvari as an Independent Director of the Company for a period of two years with effect from November 5, 2020 is placed for the approval of the Members in the AGM. Nomination and Remuneration / Compensation Committee and the Board of Directors of the Company recommend their respective appointments/ reappointments. Brief resume of Directors who are proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and membership/chairmanships of Board Committees and shareholding in the Company as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by ICSI are forming part of the Notice and appended to the Notice.

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

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

22. Pursuant to the provisions of Circulars on the VC/OVAM, Members can attend the AGM through login credentials provided to them to connect to Video conference. Physical attendance of the Members at the AGM venue is not required.

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

24. Up to 2,000 Members will be able to join on a first come first serviced basis to the AGM.

25. No restriction is applicable for joining into the AGM in respect of large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

Procedure for Remote E-Voting

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting facility to be provided by listed entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

ii. Further, the facility for voting through electronic voting system will also be made available at the AGM ("Insta Poll") and Members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote during the AGM through Insta Poll.

iii. The Company has engaged the services of KFintech as the agency to provide e-Voting facility.

iv. However, pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility to be 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.

v. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

vi. The remote e-Voting period commences on August 23, 2021 (9.00 a.m.) and ends on August 25, 2021 (5 p.m.).

vii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date (i.e., August 19, 2021).

viii. Any person holding shares in physical form and non-individual shareholders, who acquire 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 evoting@ Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

ix. In case of individual shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode."

x. The detailed process and manner for remote e-Voting and e-AGM are explained herein below:

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

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

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

DETAILS ON STEP 1 ARE MENTIONED BELOW:

Login method for remote e-Voting for individual shareholders holding shares in demat mode:

Type of shareholders	Login Method
Individual shareholders holding shares in demat mode with NSDL	**1. User already registered for IDeAS facility may follow the following procedure:** I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on Company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. V. Click on "Active E-voting Cycles" option under E-voting. VI. You will see Company Name: "Aurobindo Pharma Limited" on the next screen. Click on the e-Voting link available against Aurobindo Pharma Ltd or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication. **2. User not registered for IDeAS e-Services may follow the following procedure:** I. To register click on link: https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed to complete registration using your DP ID, Client ID, Mobile Number etc. IV. After successful registration, please follow steps given under point 1 above, to cast your vote. **3. Alternatively the users may directly access the e-Voting website of NSDL** I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. 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. IV. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e., KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual shareholders holding shares in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest may follow the following procedure:** I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. You will see Company Name: "Aurobindo Pharma Limited" on the next screen. Click on the e-Voting link available against Aurobindo Pharma Ltd or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication. Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest may follow the following procedure:** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed to complete registration using your DP ID-ClientID (BO ID), etc. III. After successful registration, please follow steps given under point 1 above to cast your vote. **3. Alternatively, by directly accessing the e-Voting website of CDSL** I. Visit URL: www.cdslindia.com II. Provide your Demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account. IV. After successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Aurobindo Pharma Ltd or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.

Type of shareholders	Login Method
Individual shareholders login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against Aurobindo Pharma Ltd or e-Voting service provider – KFintech and you will be redirected to e-Voting page of KFintech to cast your vote during the remote e-Voting period without any further authentication.

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

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

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

DETAILS ON STEP 2 ARE MENTIONED BELOW:

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

(A) Members whose email IDs are registered with the Company / Depository Participant(s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

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

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote. If required, please visit https://evoting.kfintech.com or contact toll-free numbers 1-800-309-4001 (from 9:00 a.m. to 6:00 p.m. on all working days) for assistance on your existing password.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

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

vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Aurobindo Pharma Ltd- AGM" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

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

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email id anderam@rediffmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_EVEN No."

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

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions could not be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

DETAILS ON STEP 3 ARE MENTIONED BELOW:

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

i. Members will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open at least 15 minutes before the commencement of the AGM.

iii. Members are encouraged to join the AGM through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at ig@aurobindo.com. Questions /queries received by the Company till August 24, 2021 shall only be considered and responded during the AGM.

vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting during the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote cast during the AGM shall be treated as invalid.

viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2,000 Members on first come first served basis.

ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

I. **Speaker Registration:** The Members who wish to speak during the AGM may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' which will be opened from Sunday August 22, 2021, 9.00 a.m. IST to August 24, 2021, 5.00 p.m. IST. Members shall be provided a 'queue number' before the AGM. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. **Post your Question:** The Members who wish to post their questions prior to the AGM can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the email received from KFintech. On successful login, select 'Post Your Question' option which will be opened from August 22, 2021 to August 24, 2021.

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Mrs. C. Shobha Anand, Deputy General Manager, at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on August 19, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:
2. MYEPWD <SPACE> IN12345612345678
3. Example for CDSL:
4. MYEPWD <SPACE> 1402345612345678
5. Example for Physical:
6. MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

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

Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the AGM, i.e., August 26, 2021.

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

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

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

Item No. 6 – To re-appoint Mr. K. Nithyananda Reddy (DIN: 01284195) as Whole-time Director designated as Vice Chairman

Mr. K. Nithyananda Reddy (DIN: 01284195) was re-appointed as Whole-time Director designated as Vice Chairman of the Company with effect from June 1, 2018 for a period of 3 years which was approved at the 31st Annual General Meeting of the Company held on August 30, 2018. Mr. K. Nithyananda Reddy is one of the promoters of the Company. The Board considering the significant contribution made by him in the growth and development of the Company and based on the recommendation of Nomination and Remuneration/ Compensation Committee, re-appointed Mr. K. Nithyananda Reddy as Whole-time Director designated as Vice Chairman of the Company with effect from June 1, 2021 for a period of three years, subject to the approval of Members at the general meeting.

The terms of re-appointment of Mr. K. Nithyananda Reddy and remuneration payable to him are as set out in Item No.6 of the Notice. Presently, Mr. K. Nithyananda Reddy is drawing a remuneration of ₹20 million p.a. and other perquisites.

Additional information in respect of Mr. K. Nithyananda Reddy pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings is appended to the Notice.

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

The Board recommends the Ordinary Resolution set forth in Item 6 of the Notice for approval of the Members.

Item No.7 – To re-appoint Mr. N. Govindarajan (DIN: 00050482) as Managing Director

Mr. N. Govindarajan (DIN: 00050482) was re-appointed as Managing Director of the Company with effect from June 1, 2018 for a period of 3 years which was approved at the 31st Annual General Meeting of the Company held on August 30, 2018. The Board, considering the significant contribution made by him in the growth and development of the Company and based on the recommendation of the Nomination and Remuneration/ Compensation Committee, re-appointed Mr. N. Govindarajan as Managing Director of the Company with effect from June 1, 2021 for a period of three years, subject to the approval of Members at the general meeting.

The terms of re-appointment of Mr. N. Govindarajan and remuneration payable to him are as set out in Item 7 of the Notice. Presently, he is drawing remuneration of ₹60 million per annum, and other perquisites and also being paid a commission up to 1% of the net profits of the Company calculated in the manner referred in Section 198 of the Companies Act, 2013 subject to a ceiling of ₹125 million for each financial year.

Additional information in respect of Mr. N. Govindarajan pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings is appended to the Notice.

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

The Board recommends the Ordinary Resolution set forth in Item 7 of the Notice for approval of the Members.

Item No.8 – To re-appoint Dr. M. Sivakumaran (DIN: 01284320) as Whole-time Director

Dr. M. Sivakumaran was re-appointed as Whole-time Director of the Company with effect from June 1, 2018 for a period of 3 years which was approved at the 31st Annual General Meeting of the Company held on August 30, 2018. The Board considering the significant contribution made by Dr. M. Sivakumaran in the growth and development of the Company and based on the recommendation of Nomination and Remuneration/ Compensation Committee, reappointed Dr. M. Sivakumaran as Whole-time Director of the Company with effect from June 1, 2021 for a period of three years, subject to the approval of Members at the general meeting.

Dr. M. Sivakumaran is responsible for the technological evolution of the Company. He looks after research and development, new product development and total quality management. Dr. M. Sivakumaran attained the age of 78 years. Considering his long association with the Company and the pivotal role being played on the technical front, the Board justifies the proposal of his re-appointment.

The terms of re-appointment of Dr. M. Sivakumaran and remuneration payable to him are as set out in Item No.8 of the Notice. Presently, Dr. M. Sivakumaran is drawing a remuneration of ₹20 million p.a. and other perquisites.

Additional information in respect of Dr. M. Sivakumaran pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings is appended to the Notice.

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

The Board recommends the Special Resolution set forth in Item 8 of the Notice for approval of the Members.

Item No. 9 – To re-appoint Mr. M. Madan Mohan Reddy (DIN: 01284266) as Whole-time Director

Mr. M. Madan Mohan Reddy was re-appointed as Whole-time Director of the Company with effect from June 1, 2018 for a period of 3 years which was approved at the 31st Annual General Meeting of the Company held on August 30, 2018. The Board considering the significant contribution made by him in the growth and development of the Company and based on the recommendation of Nomination and Remuneration/ Compensation Committee, re-appointed Mr. M. Madan Mohan Reddy as Whole-time Director of the Company with effect from June 1, 2021 for a period of three years, subject to the approval of Members at the general meeting.

The terms of re-appointment of Mr. M. Madan Mohan Reddy and remuneration payable to him are as set out in Item No.9 of the Notice. Presently Mr. M. Madan Mohan Reddy is drawing a remuneration of ₹45 million p.a. and other perquisites.

Additional information in respect of Mr. M. Madan Mohan Reddy pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings is appended to the Notice.

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

The Board recommends the Ordinary Resolution set forth in Item 9 for approval of the Members.

Item No. 10 – To appoint Mr. Girish Paman Vanvari (DIN: 07376482) as an Independent Director

The Board of Directors appointed Mr. Girish Paman Vanvari as an Additional Director categorised as Independent Director of the Company with effect from November 5, 2020, and accordingly, he holds office up to the ensuing Annual General Meeting of the Company. In terms of Sections 149 and 152 and the Rules made there under read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by Mr. Girish Paman Vanvari that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Board is of the view that the association of Mr. Girish Paman Vanvari would benefit the Company given the knowledge and experience of Mr. Girish Paman Vanvari. The Board is of the opinion that he fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is independent of the management. Based on the recommendation of the Nomination and Remuneration/Compensation Committee, it is proposed to appoint Mr. Girish Paman Vanvari as an Independent Director of the Company as per the provisions of the Companies Act, 2013.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member of the Company, proposing the candidature of Mr. Girish Paman Vanvari for the office of Independent Director.

The resolution seeks the approval of the Members for appointment of Mr. Girish Paman Vanvari as an Independent Director of the Company for two consecutive years starting from November 5, 2020 up to November 4, 2022 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

The terms and conditions of appointment shall be open for inspection electronically by Members from the date of circulation of this Notice up to the date of AGM and will also be available electronically for inspection by the Members during the AGM.

Additional information in respect of Mr. Girish Paman Vanvari pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings is appended to the AGM Notice.

No Director, Key Managerial Personnel or their relatives, except Mr. Girish Paman Vanvari, to whom the Resolution relates, is interested or concerned in the Resolution.

The Board recommends the Ordinary Resolution set forth in Item 10 for approval of the Members.

By Order of the Board

B. Adi Reddy
Company Secretary
Membership No. ACS 13709

Place: Hyderabad
Date: May 31, 2021

Registered Office:

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

DETAILS OF THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED AT THE AGM SCHEDULED TO BE HELD ON AUGUST 26, 2021 AS REQUIRED UNDER REGULATION 26(4) AND REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA ARE AS GIVEN BELOW:

Name	Mr. K. Nithyananda Reddy (DIN:01284195)	Mr. N. Govindarajan (DIN: 00050482)
Age	63	53
Qualification	Postgraduate in Science	BE (Mechanical)
Experience (including expertise in specific functional area)/ Brief Resume	He has been associated with the Company from the initial days as a promoter, and is well versed with manufacturing technologies, systems, processes and controls.	He has more than 28 years of experience across a variety of domains in the pharmaceutical industry such as active pharmaceutical ingredients, CRAMS, Finished Dosages, Biotechnology and Vaccines. Mr. N. Govindarajan is overseeing active pharmaceutical ingredients operations and CRAMS development business of the Company and also vaccines.
Terms and Conditions of Appointment / Reappointment	As per the resolution at Item No. 6 of the Notice convening Annual General Meeting on August 26, 2021 read with explanatory statement thereto, Mr. K. Nithyananda Reddy is proposed to be re-appointed as Whole-time Director of the Company designated as Vice Chairman	As per the resolution at Item No. 7 of the Notice convening Annual General Meeting on August 26, 2021 read with explanatory statement thereto, Mr. N. Govindarajan is proposed to be re-appointed as Managing Director
Remuneration last drawn (including sitting fees, if any)	₹23.30 million	₹193.94 million
Remuneration proposed to be paid	As per resolution at item No.6 of the Notice convening Annual General Meeting on August 26, 2021 read with explanatory statement thereto	As per resolution at item No.7 of the Notice convening this Annual General Meeting read with explanatory statement thereto
Date of first appointment on the Board	December 26, 1986	May 29, 2012
Shareholding in the Company as on March 31, 2021	25,359,572 equity shares	Nil
Relationship with other Directors/Key Managerial Personnel	He is related to Mr. P. Sarath Chandra Reddy, Whole-time Director of the Company	Not related to any Director /Key Managerial Personnel
Number of meetings of the Board attended during the year	7	7
Directorships of other Boards as on March 31, 2021	Auro Peptides Limited APL Healthcare Limited Pattancheru Envirotech Ltd. Raidurgam Developers Limited Aurobindo Pharma Foundation	Nil
Membership/ Chairmanship of Committees of other Boards as on March 31, 2021	Member of Audit Committee and Nomination & Remuneration Committee of Auro Peptides Limited	Nil

Name	Dr. M. Sivakumaran (DIN: 01284320)	Mr. M. Madan Mohan Reddy (DIN: 01284266)
Age	78	61
Qualification	Postgraduate in Science and PhD	Postgraduate in Science
Experience (including expertise in specific functional area)/ Brief Resume	He has about 46 years of experience in the pharmaceutical industry. He is responsible for the technological evolution of the Company. Dr. M. Sivakumaran looks after research and development, generic product development and total quality management.	He held top managerial positions in leading pharmaceutical companies. He has been associated with the Company since 2006. He commands more than 30 years of experience in the pharmaceutical industry.
Terms and Conditions of Appointment / Reappointment	As per the Item No. 4 of the Notice convening Annual General Meeting on August 26, 2021 read with explanatory statement thereto, Dr. M. Sivakumaran is proposed to be re-appointed as a Director on retirement by rotation and as per Item No. 8 he is proposed to be re-appointed as Whole-time Director of the Company	As per the resolution at Item No. 9 of the Notice convening Annual General Meeting on August 26, 2021 read with explanatory statement thereto, Mr. M. Madan Mohan Reddy is proposed to be re-appointed as Whole-time Director of the Company.
Remuneration last drawn (including sitting fees, if any)	₹23.31 million	₹52.34 million
Remuneration proposed to be paid	As per resolution at item No.8 of the Notice convening this Annual General Meeting on August 26, 2021 read with explanatory statement thereto	As per resolution at item No.9 of the Notice convening Annual General Meeting on August 26, 2021 read with explanatory statement thereto
Date of first appointment on the Board	March 30, 1992	September 18, 2006
Shareholding in the Company as on March 31, 2021	14,491,360 equity shares	2,010 equity shares
Relationship with other Directors/Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the year	7	7
Directorships of other Boards as on March 31, 2021	Curateq Biologics Private Limited Tergene Biotech Private Limited Auroactive Pharma Private Limited Auro Peptides Limited APL Healthcare Limited Auro Cure Private Limited Aurobindo Pharma Foundation	Crest Cellulose Private Limited Eugia Pharma Specialities Limited SGD Pharma India Limited Pravesha Industries Private Limited Curateq Biologics Private Limited Auro Cure Private Limited Aurozest Private Limited Wytells Pharma Private Limited Auronext Pharma Private Limited
Membership/ Chairmanship of Committees of other Boards as on March 31, 2021	–	Chairman of CSR Committee of Auronext Pharma Private Limited

Name	Mr. P. Sarath Chandra Reddy (DIN: 01628013)	Mr. Girish Paman Vanvari (DIN: 07376482)
Age	36	49
Qualification	Graduate in Business Administration	Fellow member of the Institute of Chartered Accountants of India.
Experience (including expertise in specific functional area)/ Brief Resume	He is a second generation entrepreneur experienced in general management and has expertise in project executions, IT, procurement, etc.	He has over 27 years of consulting experience and he is the Founder of Transaction Square, Tax, Regulatory and Business Advisory Firm. Prior to his entrepreneurial venture, Mr. Girish had a 13 year stint with KPMG wherein he was the National Leader for Tax at KPMG India. Prior to KPMG, Mr. Girish Paman Vanvari was at Arthur Andersen for over a decade.
Terms and Conditions of Appointment / Reappointment	As per the Item No. 5 of the Notice convening Annual General Meeting on August 26, 2021, Mr. P. Sarath Chandra Reddy is proposed to be re-appointed as a Director on retirement by rotation	As per the resolution at Item No. 10 of the Notice convening Annual General Meeting on August 26, 2021 read with explanatory statement thereto, Mr. Girish Paman Vanvari is proposed to be appointed as an Independent Director of the Company.
Remuneration last drawn (including sitting fees, if any)	₹14.60 million	₹1.10 million
Remuneration proposed to be paid	During the year, his remuneration as Whole-time Director of the Company, has been increased from ₹7.5 million per annum to ₹12.5 per annum with effect from April 1, 2020. The proposal is for re-appointment as a Director on retirement by rotation.	No remuneration other than sitting fee for attending Board/Committee meetings is payable.
Date of first appointment on the Board	September 27, 2007	November 5, 2020
Shareholding in the Company as on March 31, 2021	Not holding any shares directly but a beneficial owner.	Nil
Relationship with other Directors/Key Managerial Personnel	He is related to Mr. P. V. Ramprasad Reddy and Mr. K. Nithyananda Reddy, Directors of the Company	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the year	6	3
Directorships of other Boards as on March 31, 2021	Curateq Biologics Private Limited Tergene Biotech Private Limited Auro Peptides Limited APL Healthcare Limited Auro Cure Private Limited Auro Pharma India Private Limited Shreas Industries Limited PVR Holdings Private Limited Auronext Pharma Private Limited Aurobindo Pharma Foundation	Nil
Membership/ Chairmanship of Committees of other Boards as on March 31, 2021	Nil	Nil

Board's Report

Dear Members,

Your Directors are pleased to present the 34th Annual Report of your Company together with the audited accounts for the financial year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

(₹ in Million)

	2020-21	2019-20
Revenue from operations	158,236.8	133,707.7
Profit before depreciation, interest, tax and Exceptional items	41,198.3	26,978.7
Depreciation	4,880.0	4,733.3
Finance cost	286.8	979.1
Profit before tax	41,930.1	23,700.5
Provision for tax	10,801.0	4,931.7
Net profit after tax	31,129.1	18,768.8
Other Comprehensive Income/ (Expense)	(64.2)	(127.0)
Total Comprehensive income for the period	31,064.9	18,641.8

DIVIDEND

Your Company has paid first interim dividend of 125% i.e. ₹1.25 per equity share of ₹1, second interim dividend of 125% i.e. ₹1.25 per equity share of ₹1 and third interim dividend of 150% i.e. ₹1.50 per equity share of ₹1. The total dividend for the financial year 2020-21 comes to 400% i.e. ₹4.00 per equity share of ₹1 against 300% i.e. ₹3.00 per equity share of ₹1 paid in the previous year.

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

Performance Review

Your Company is the leading generic pharma company globally and now ranks as 7th largest generic company by sales and second largest listed Indian pharmaceutical company by revenues. Your Company has become the largest supplier in the USA by volume in last quarter of the financial year. Your Company maintained its growth momentum in revenue and profitability despite headwinds caused by the pandemic.

On a standalone basis, your Company's revenue witnessed a growth of 18.3% reaching ₹158,236.8 million in FY21, as against ₹133,707.7 million in the corresponding previous period. The Formulations business registered a growth of 23.5% to ₹123,853.0 million driven by strong growth in exports, which are up by 23.6% to ₹123,186.1 million. The API business witnessed a growth of 3.0% to ₹34,269.3 million despite sales of weaker sales of anti-infective products which was impacted by the pandemic. EBITDA for the year increased by 52.7% to ₹41,198.3 million vs. ₹26,978.7 million in the corresponding previous period. Gross Profit margin improved by 340 bps to 54.2% of revenue (vs. 50.8% revenue in FY20), which led EBITDA margin for the year to improve by 580 bps to 26.0% of revenue (vs. 20.2% of revenue in FY20). Profit before Tax for the year increased by 76.9% to ₹41,930.1 million. Your Company's net profit (before Other Comprehensive Income) increased by 65.9% to ₹31,129.1 million as against ₹18,768.8 million in FY20. The diluted Earnings Per Share stood at ₹53.13 compared to ₹32.03 in FY20.

On a consolidated basis, the revenues increased by 7.3% to ₹247,746.2 million. The Company attained a healthy growth inspite sales from select therapies being impacted due to the pandemic. The growth was driven by new product launches across markets and increase in market share of existing products. The Formulations business posted a growth of 8.4% to ₹216,859.7 million from ₹200,119.3 million in the corresponding previous period. The Active Pharmaceutical Ingredients (APIs) business remained flat at ₹30,859 million. The growth in API segment led by strong growth of 25.0% in Non Betalactam segment to ₹13,557.6 million. EBITDA margin improved 40 bps to 21.5% vis-a-vis 21.1% in FY20 despite 200 bps increase in R&D expenses. R&D expenditure for the year was ₹15,095.7 million or 6.1% of revenue, increased from ₹9,580.2 million or 4.1% of revenue in FY20. EBITDA before forex and other income stood at ₹53,334.1 million, witnessing a 9.6% growth year-on-year. Your Company reported a Net Profit of ₹53,338.4 million, an increase of 87.6% over the corresponding previous period, including one off gains from the sale of Natrol business (refer below). The Diluted Earnings Per Share (reported) stood at ₹91.05 compared to ₹48.56 in FY20.

During the year, your Company divested Natrol LLC, the dietary supplements business in the USA, for US$ 550 million consideration and acquired the balance stake in its Joint Venture Company, Eugia Pharma Specialities Limited and also provided a goodwill write-off with respect to earlier acquisitions done by the Company. As a result of all these, the Company received an exceptional gain (net of the tax) of ₹20,658.3 million. Adjusted net profit for the year was ₹32,683.3 million, an increase of 13.8%.

Your Company's performance excluding Natrol and exceptional items stood as follows – Revenue increased by 7.7% to ₹236,807.5 million. EBITDA before Forex and Other income increased by 8.6% to ₹49,971.0 million and net profit increased by 12.1% to ₹30,364.7 million.

The US is the largest market for your Company and accounted for 49.8% of the total revenue. US business reported a growth of 7.3% growth at ₹123,244.7 million. The business witnessed a growth despite headwinds such as reduction in elective surgeries and sales of select therapies getting impacted due to COVID-19. New product launches coupled with an increase in the market share of existing products led to an improvement in the revenues. Your Company has launched 53 products in FY21. The TRx share in the USA for the quarter ending March 2021 stands at 8.7%, positioning us as the largest player, as per IQVIA data.

Your Company continues to strengthen its pipeline for the global markets including the US market. As on March 31, 2021, your Company filed 639 Abbreviated New Drug Applications (ANDAs) on a cumulative basis. Of the total count, 439 have received final approvals and 29 have got tentative approvals, including 8 ANDAs, which are tentatively approved under the US President's Emergency Plan for AIDS Relief (PEPFAR), while 171 ANDAs are currently under review.

Your Company registered a marginal 2.3% growth in its Europe formulations business to ₹60,607.9 million in FY21 compared to the previous year's revenue of ₹59,218.3 million on account of stock-up at the start of pandemic in Q4FY20. Your Company now operates in 11 countries in EU/UK and is present across multiple channels including pharmacy (Gx), hospital (Hx) and tender (Tx). Despite headwinds, Your Company's performance in France, Germany, UK and Italy led to overall growth in Europe. Your Company's focus during the year was to improve the profitability of the acquired Apotex business.

The ARV Formulations business reported a robust growth of 48.8% with revenues of ₹18,627.7 million. The significant early mover advantage Aurobindo had in TLD (Tenofovir 300mg + Lamivudine 300mg + Dolutegravir 50mg tablet) single pill regimen along with rapid conversion of TLE to TLD in the institution segment has contributed towards this growth.

Growth Markets, which includes Brazil, Canada, Columbia and South Africa grew by 6.1% to ₹14,379.4 million.

OUTLOOK

Your Company posted healthy performance in FY21 despite challenges faced by the industry due to partial lockdown across the globe. The inherent strength of your Company is a diversified product basket and launching of new products consistently. With vaccination progressing well across our key markets such as the USA and Europe, the pickup in elective surgeries and footfall in pharmacies are expected to improve. This would improve demand for some of the therapeutic segments which were impacted during the pandemic.

Your Company is working on complex and differentiated products in multiple areas comprising oncology & hormonal products, biosimilars, depot injections, vaccines, topicals, transdermal patches, inhalers, nasals and complex peptide products which will drive the next phase of growth. Your Company is also in the process of commissioning the capacities for some of the complex therapeutic areas. The viral vaccine facility will be ready for commercial production by end of July'2021.

Your Company is committed to grow in its key geographies i.e. USA and Europe. In the US, around 200 ANDAs are awaiting final approval and annual sales as per IQVIA data is US$ 95 billion as on March 31, 2021. Apart from this, over 300 ANDAs are under development, including the differentiated pipeline. Your Company is in the process of expanding the capacity in Unit X (APL Healthcare Unit IV), the oral solid manufacturing facility dedicated for the US market. It also completed the construction of injectable facility in USA which is used to manufacture high value and low volume products.

For Europe markets, more than 250 products are under development in general oral and oncology product categories, which will be launched in the next two to three years. Your Company is also building a dedicated injectable facility for Europe and Growth Markets to strengthen its presence in the Hospital segment in Europe. The facility will be commissioned in the next 12-18 months.

In the ARV space, your Company has achieved a dominant market share in Dolutegravir segment. The Company aims to retain large portion of the market share achieved by it in the respective products in the ARV segment.

In Growth Markets; Canada, South Africa and China are the key geographies for your Company. In Canada, your Company has a robust product pipeline with over 150 products registered. The Company is in the process of launching over 50 products in the next two years which include both orals and injectables. China will be an important geography for your Company going ahead. It is in the process of completing construction of its an oral solid manufacturing facility in China. So far we have filed 28 products from the China facility.

In its API business, Aurobindo has been working towards making products more competitive. Your Company is expanding capacities to cater to external sales. Recently, your Company has been awarded for setting up capacities for 3 fermentation based products from the Government of India under the PLI scheme. Aurobindo is in the process of executing these projects. Once these capacities are on-stream, it can meet a significant part of the global demand for these products.

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

RESEARCH AND DEVELOPMENT (R&D)

Aurobindo over the years has consistently invested in R&D for improving capabilities and adding talented people across the globe. Your Company now has a team of comprising of more than 1,700 scientists and analysts. This enables the Company to develop a wide range of medications from generics to complex speciality products. Currently, Aurobindo has eight Research and Development (R&D) centres, of which five are in India and three are in the USA. The R&D centres are equipped with cutting edge technologies where the talented scientists develop generics and difficult-to-develop products and strive to improve productivity. During FY21, your Company invested 6.1% of its consolidated revenue or ₹15,100 million as against ₹9,580 million or 4.1% of its consolidated revenue in FY20 in research and development.

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

During the year, your Company has achieved some key milestones such as filing its first inhaler with the USFDA. It strengthened its Nasal spray portfolio by adding one more product to the pipeline. It also completed its phase II clinical trials for its PCV vaccine and would commence phase III trials soon. Apart from this the specialty pipeline including depot injections, patches, topicals etc. are progressing well.

Your Company has made progress in setting up the manufacturing facility for topical, transdermal and inhalers in North Carolina, USA where it has completed a validation batch for 1 inhaler product out of 3 and clinical studies have been initiated. For topicals, 2 manufacturing plants are in place, one in North Carolina and one in Hyderabad, India. So far, 3 products have been taken for validation batches and more than 27 products are in the pipeline for development. Besides this, your Company has built a development lab in its Research Centre-II, which is based at Hyderabad at AuroHealth.

Your Company has made substantial progress in Biosimilars with completing Phase I study of the lead molecule and proceeding to conduct Phase III clinical trials. With a focus on microbial based products the company has decided to expand one more bioreactor line (microbial). The Company has entered into a distribution partnership in certain regulated markets in Europe where we do not have presence.

Awards & Accolades

- Regional award (Telangana) for Promoting Health in the workplace & Innovative HR Practices in the Pharma space by World HRD congress
- National Best Employer of the Year 2020 by World HRD Congress & Economic times
- Innovation in Employee Engagement & Most Collaborative Hiring Team by Transformance Forums
- Aurobindo Pharma Limited has won 3 awards in India Packaging Award-2020 conducted by Innopack Pharma Confex (formerly known as UBM India Private Limited)
    - Award- 1: Integrated Drug Delivery System
    - Award- 2: Packaging Design Shapes & Structures
    - Award- 3: Sustainable Packaging- Solid Dosage Form
    - Aurobindo Pharma Limited has won Indiastar Award 2020 for Integrated Drug Delivery System from Indian Institute of Packaging
- The Energy Cell of Corporate Engineering Department, participated in the CII's "21st National Award for Excellence in Energy Management 2020" and was awarded as "Energy Efficient Unit" under Pharma & Bulk Drugs category. In the last three financial years, APL Unit-1 has implemented 52 energy saving projects by investing ₹244.5 million, which have resulted in electricity savings of 21.66 million kWh; thermal energy savings of 21.83 MCal; and financial savings of ₹286.8 million
- In recognition of Aurobindo's flagship program on nutrition (providing meals to underprivileged), the World CSR day Organisation along with Asia HRD Congress, Mumbai awarded Aurobindo Pharma Foundation with "Telangana CSR Leadership Awards 2020" under Concern for Health and Nutrition category.

SUBSIDIARIES/JOINT VENTURES

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

The Company has formulated a policy for determining material subsidiaries. The policy is available on the Company's website and can be accessed at https://www.aurobindo.com/wp-content/uploads/2019/04/Policy-Material-Subsidiary-March-2019.pdf.

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

Ceased subsidiaries / JVs

During the period under review:

Aurovitas Pharma Ceska Republica S.r.o, a wholly owned step-down subsidiary of Agile Pharma B.V. merged with Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o.) w.e.f. April 1, 2020.

Apotex N.V merged with Aurobindo NV/SA w.e.f. April 1, 2020

Natrol LLC ceased to be step-down subsidiary of the Company w.e.f. November 30, 2020

New subsidiaries / JVs

During the period under review, following subsidiaries companies were incorporated/acquired:

- Curateq Biologics Private limited, India, a wholly owned subsidiary was incorporated w.e.f. April 25, 2020
- Auro Cure Private Limited was incorporated as a wholly owned subsidiary w.e.f. July 5, 2020
- Aurobindo Pharma Foundation was incorporated as a wholly owned subsidiary Ltd under Section 8 of the Companies Act 2013 w.e.f. July 20, 2020.
- AuroZest Private Limited was incorporated as a wholly owned subsidiary w.e.f. August 6, 2020
- Aurobindo Antibiotics Private Limited was incorporated as a wholly owned step-down subsidiary w.e.f. October 6,2020
- Lyfius Pharma Private Limited was incorporated as a wholly owned step-down subsidiary w.e.f. November 16, 2020
- Qule Pharma Private Limited was incorporated as a wholly owned step-down subsidiary w.e.f. November 16, 2020
- MviYes Pharma Ventures Private Limited became a wholly owned subsidiary of the Company w.e.f. November 7, 2020 by virtue of this, Eugia Pharma Specialities has become wholly owned subsidiary of the Company
- Wytells Pharma Private Limited was incorporated as a wholly owned subsidiary to Eugia Pharma Specialities Limited w.e.f. February 20, 2021.
- Auro Steriles LLC was incorporated as a wholly owned subsidiary of Aurobindo Pharma USA Inc w.e.f. April 1, 2021.
- Eugia Injectable Inc was incorporated as a wholly owned subsidiary of Eugia Pharma Specialities Limited w.e.f. April 1, 2021.
- Nurya Brands Inc, was incorporated on April 28, 2021 in the USA as a subsidiary to Auro Health LLC.
- NVNR (Ramannapet I) Power Plant Private Limited and NVNR (Ramannapet II) Power Plant Private Limited in which the Company is holding 26% each became associate companies w.e.f. May 12, 2021.

CONSOLIDATED FINANCIAL STATEMENTS

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

CODE FOR PREVENTION OF INSIDER TRADING

On December 31, 2018, Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from April 1, 2019. In line with the amendments, your Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct is amended from time to time in line with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website at https://www.aurobindo.com/wp-content/uploads/2019/04/Code-Fair-Disclosure-PIT-Feb2019.pdf

VIGIL MECHANISM

The Board of Directors has adopted the Whistle Blower Policy which is in compliance with Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Whistle Blower Policy aims to conduct the affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. All employees and Whole-time directors of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics and leak of price sensitive information under the Company's Code of Conduct formulated for regulating, monitoring and reporting by Insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Whistle Blower Policy is available on the Company's website https://www.aurobindo.com/wp-content/uploads/2021/07/Whistle-Blower-Policy-APL.pdf

PREVENTION AND PROHIBITION OF SEXUAL HARASSMENT

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

MEETINGS OF THE BOARD

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

DETAILS OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Key Managerial Personnel

Mr. K. Nithyananda Reddy, Whole-time Director and Vice Chairman, Mr. N. Govindarajan, Managing Director, Dr. M. Sivakumaran, Whole-time Director, Mr. M. Madan Mohan Reddy, Whole-time Director, Mr. P. Sarath Chandra Reddy, Whole-time Director, Mr. Santhanam Subramanian, Chief Financial Officer and Mr. B. Adi Reddy, Company Secretary are the key Managerial Personnel of the Company in accordance with the provisions of Section(s) 2(51), and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. During the year, Mr. Girish Paman Vanvari was appointed as an Additional Director categorised as Independent Director of the Company.

None of the directors of the Company are disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Independent Directors have provided confirmations as contemplated under section 149(7) of the Act. As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, forms part of Corporate Governance Report as **Annexure-A**

Appointments/Re-appointment

As per the provisions of the Companies Act, 2013, Dr. M. Sivakumaran and Mr. P. Sarath Chandra Reddy will retire as directors at the ensuing Annual General Meeting and being eligible, seek re-appointment. The Board recommends their re-appointment.

The re-appointment of Mr. K. Nithyananda Reddy as Whole-time Director designated as Vice Chairman, Mr. N. Govindarajan as Managing Director, Dr. M. Sivakumaran as Whole-time Director and Mr. M. Madan Mohan Reddy as Whole-time Director are being proposed. The appointment of Mr. Girish Paman Vanvari as Non-executive Independent Director is also being proposed at the ensuing Annual General Meeting for the approval of Members.

Cessation

Mr. M. Sitarama Murty ceased to be Director of the Company w.e.f. April 1, 2021 as his tenure as Independent Director of the Company was completed on close of business hours of March 31, 2021. The Board expressed its gratitude to Mr. Murty for his service on the Board as Director, for his sound business advice and valued counsel and for all that he has contributed to the Board of Directors and to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

b. appropriate accounting policies have been selected and applied consistently. Judgement and estimates which are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of your Company as at the end of the financial year and of the profit of your Company for the year;

c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts have been prepared on a going concern basis;

e. proper internal financial controls have been laid down to be followed by your Company and such internal financial controls are adequate and are operating effectively; and

f. proper systems to ensure compliance with the provisions of all applicable laws have been devised, and such systems are adequate and are operating effectively.

DECLARATION FROM INDEPENDENT DIRECTORS

The Independent Directors have submitted the declaration of independence stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 as well as clause (b) of sub-regulation(1) of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and confirmed that they have registered their names in the Independent Directors' Databank. In terms of Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

BOARD DIVERSITY

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

BOARD EVALUATION

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

The Annual Performance Evaluation was conducted for all Board Members, for the Board and its Committees for the financial year 2020-21. This evaluation was led by the Nomination and Remuneration / Compensation Committee of the Company. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017. The Board evaluation was conducted through questionnaires designed with qualitative parameters and feedback based on ratings.

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

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters are adopted as per the provisions of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the nomination and remuneration policy of the Company. The nomination and remuneration policy as adopted by the Board is placed on the Company's website: https://www.aurobindo.com/wp-content/uploads/2018/10/Nomination-and-Remuneration-Policy.pdf.

TRANSFER TO RESERVES

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

LOANS, GUARANTEES AND INVESTMENTS

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. All related party transactions are mentioned in the Notes to the Financial Statements. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions. A statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company https://www.aurobindo.com/wp-content/uploads/2018/10/Related-Party-Transaction-Policy.pdf.

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

There were no materially significant related party transactions which could have potential conflict with the interests of the Company at large.

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

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

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2021 is available on the Company's website and can be accessed at: https://www.aurobindo.com/wp-content/uploads/2021/07/AnnualReturn202021.pdf

RISK MANAGEMENT COMMITTEE

Risk Management Committee of the Company consists of the following Directors viz. Mr. M. Sitarama Murty, Mr. N. Govindarajan, Mr. P. Sarath Chandra Reddy, Mr. K. Ragunathan and Mr. Girish Paman Vanvari as on March 31, 2021. Mr. M. Sitarama Murty ceased to be member and Chairman of Risk Management Committee w.e.f. April 1, 2021 on his retirement as an Independent Director of the

Company. Mr. Girish Paman Vanvari, was appointed as a Chairman of Risk Management Committee w.e.f. April 1, 2021. The Company has established a separate department to monitor the enterprise risk and for its mitigation. The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which the Company faces in its day-to-day operations. Risk management policy of the Company outlines a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee; measures for risk mitigation including systems and processes for internal control of identified risks; and Business continuity plan. Risk is an integral part of the Company's business, and sound risk management is critical to the success of the organisation. The Company has adequate internal financial control systems and procedures to combat the risk. The risk management procedure is reviewed by the Audit Committee and Board of Directors on a regular basis at the time of review of quarterly financial results of the Company. A report on the risks and their management is enclosed as a separate section forming part of this report.

AUDITORS & AUDITORS' REPORT

Pursuant to Section 139 (2) of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the Company at its 30th Annual General Meeting (AGM) held on August 31, 2017, had appointed M/s. B S R & Associates LLP, Chartered Accountants as Statutory Auditors for a period of 5 years i.e. up to the conclusion of the 35th AGM to be held in the year 2022. Further, as per Companies (Amendment) Act, 2017 effective from May 7, 2018, the provisions relating to ratification of the appointment of Statutory Auditors at every AGM are not required to be followed. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

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

INTERNAL AUDITORS

Ernst & Young LLP are the internal auditors of the Company and to maintain its objectivity and independence, the Internal Auditors report to the Chairman of the Audit Committee. The scope and authority of the Internal Audit function is clearly defined by the Audit Committee of the Board. The Internal Auditors monitor and evaluate the efficacy and adequacy of the internal control system of the Company, its compliance with applicable laws/regulations, accounting procedures and policies. Based on the reports of the Internal Auditors, corrective actions were undertaken and thereby strengthened the controls. Significant audit observations and action plans were presented to the Audit Committee of the Board on quarterly basis.

COST AUDIT

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

INTERNAL FINANCIAL CONTROLS

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

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

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

The IFC framework at Aurobindo ensures the following:

- Establishment of policies & procedures, assignment of responsibility, delegation of authority, segregation of duties to provide a basis for accountability and controls;
- Physical existence and ownership of assets at a specified date;
- Enabling proactive anti-fraud controls and a risk management framework to mitigate fraud risks to the Company;
- Recording of all transactions occurred during a specific period. Accounting of assets, liability, and revenue and expense components at appropriate value;
- Preparation of financial information as per the timelines defined by the relevant authorities.

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

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. A. Mohan Rami Reddy, a Company Secretary in Practice to undertake the secretarial audit of the Company for the financial year 2020-21. The Secretarial Audit Report issued in form MR-3 is in **Annexure- 4** to this Report.

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

CORPORATE SOCIAL RESPONSIBILITY

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

The Board on the recommendation of CSR Committee, adopted a CSR Policy. The same is available on Company's website at https://www.aurobindo.com/wp-content/uploads/2021/07/CSR-policy-cleaned-May2021-Reviewed.pdf. The CSR objectives are designed to serve societal, local and national goals in the locations that we operate in, creating a significant and sustained impact on local communities. During the financial year 2020-21, the Company's CSR efforts included COVID-19 relief works over and above its usual CSR commitments.

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

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

PARTICULARS OF EMPLOYEES

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

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

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, on the recommendation of the Nomination and Remuneration/Compensation Committee approved the Policy for Selection, Appointment of Directors, KMPs and Senior Management persons. The said Policy provides a framework to ensure that suitable succession plan is in place for appointment of Directors on the Board and other management personnel. The Policy also provides for selection and remuneration criteria for appointment of Directors and senior management persons. The Company affirms that the remuneration is as per the remuneration policy of the Company.

INSURANCE

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments in the business operations of the Company from the financial year ended March 31, 2021 to the date of signing of the Board's Report.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

DEPOSITS

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

INDUSTRIAL RELATIONS

Industrial relations at all the units of the Company have been harmonious and cordial. The employees are motivated and have shown initiative in improving the Company's performance even during the prevalence of COVID-19 pandemic challenges. Your Board would like to express its gratitude to the employees for demonstrating high level of commitment and perseverance during the pandemic.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNT TO IEPF

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

Accordingly, the dividends that remain unclaimed for seven years and also the corresponding shares have been transferred to the IEPF account on due dates. The details of amount of unclaimed unpaid dividend and corresponding shares transferred to the IEPF during the financial year 2020-21 have been provided in the AGM Notice.

SHARE CAPITAL

During the financial year under review, there has been no change in the Authorised and Paid-up Share Capital of the Company. The paid-up share capital of the Company as on March 31, 2021 was ₹585,938,609 divided into 585,938,609 equity shares of ₹1 each. The Company has not issued any shares, debentures, bonds or any non-convertible securities during the financial year under review.

BUSINESS RESPONSIBILITY REPORT

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

OTHER DISCLOSURES

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

Secretarial Standards

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

Acquisitions / Disinvestment / Demerger / Merger

Acquisition of 100% ownership of Eugia Pharma Specialities Limited

The Company had entered into a share purchase agreement to acquire 100% equity share capital of MViyeS Pharma Ventures Private Limited (MViyeS). MViyeS was holding 32.18% shareholding in Eugia Pharma Specialities Limited, a joint venture company in which the Company was holding 67.82%. By this acquisition, both Eugia Pharma Specialities Limited and MViyeS Pharma Ventures Private Limited have become 100% subsidiaries of the Company. The said acquisition was completed on November 6, 2020.

Acquisition of 26% ownership in two solar power generating companies

The Company had entered into a binding agreement to invest ₹53.8 million each in NVNR (Ramannapet I) Power Plant Private Limited and NVNR (Ramannapet II) Power Plant Private Limited, Hyderabad based solar power generating companies, aggregating to ₹107.6 million by subscribing to equity shares and other securities of the said solar power generating companies to avail the benefit of captive consumption of Solar Power. After making the said investments, the Company is holding 26% of the share capital in each of the aforesaid solar power generating companies.

Disposal of Natrol LLC, a wholly owned step-down subsidiary in the USA

Aurobindo Pharma USA Inc, a wholly owned subsidiary of the Company had entered into a definite agreement with New Mountain Capital LLC, NY and its affiliate Jarrow Formulas Inc., and its entire holding in Natrol LLC for a sale consideration of US$ 550 million.

Merger Scheme

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

Subsequently, a Joint Company Petition No. C. P. (CAA) No.51/230/HDB/2020 has been filed on December 9, 2019 for obtaining the sanction of the Hon'ble Tribunal to the Scheme of Amalgamation and the same has been allowed by the Hon'ble Tribunal at its hearing held on January 24, 2020 with directions to issue necessary paper publications seeking objections, if any, from the general public, and to serve the notices with various statutory authorities, income tax, stock exchanges, etc., and listed for final hearing on February 28, 2020. Compliance memo was filed on March 18, 2020 with the Hon'ble NCLT and thereafter the Company in its Board meeting held on August 12, 2020 authorised the Restructuring Committee to look into the exclusion of APL Healthcare Limited from the purview of the Scheme and the Restructuring Committee in its meeting held on September 7, 2020, has approved to exclude APL Healthcare Limited and filed a joint Interlocutory Application (IA) before the NCLT and necessary reports of Regional Director and Official Liquidator are filed, arguments were completed and in the hearing that took place on February 1, 2021, the Hon'ble Bench has heard from OL & RD that they didn't have any objections and accordingly, directed OL & RD to file their no objections in writing and posted the matter for hearing on February 8, 2021. The matter was heard on February 8, 2021 and February 24, 2021.

The NCLT on March 30, 2021 approved the Scheme of Amalgamation. The certified copy of the order was issued by the NCLT on April 7, 2021. The District Registrar, Hyderabad (South) & Collector under Indian Stamp Act-1899 has made endorsement in the Order that the Order issued by the NCLT is not chargeable to stamp duty under Indian Stamp Act, 1899. The Order was filed by Aurobindo and the subsidiary companies with the Registrar of Companies on April 29, 2021 which was subsequently approved.

CREDIT RATING

The Company has obtained the Credit ratings from India Ratings & Research Private Limited and it has assigned IND AA+/Stable/IND A1+ for Company's fund based working capital facilities and IND A1+ for Company's non-fund-based working capital limits vide their letter dated July 3, 2020.

ACKNOWLEDGEMENTS

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

For, and on behalf of the Board,

K. Ragunathan
Chairman
DIN: 00523576

Place: Hyderabad
Date: May 31, 2021

Management Discussion and Analysis

ECONOMIC PERSPECTIVE

WORLD

The year 2020 saw the global economy contract following the worst humanitarian and health crisis unleashed by COVID-19 in over a hundred years. Economic activities across the world were impacted for several months owing to complete lockdown and restricted mobility imposed by governments to flatten the COVID-19 curve. As a result, the global output declined 3.3% in 2020 (Source: IMF). To combat the overwhelming challenge, governments and central banks provided unprecedented fiscal and monetary support to protect economies, businesses and support the vulnerable sections of the population.

In terms of the global economic recovery, the IMF forecasts a stronger revival in 2021 and 2022 than its earlier predictions, with a 6% growth in 2021 and 4.4% growth in 2022.

Global growth forecast

(%)

Particulars	Actual	Projections	
	2020	2020-21	2022
World output	**(3.3)**	**6.0**	**4.4**
Advanced economies	(4.7)	5.1	3.6
US	(3.5)	6.4	3.5
Eurozone	(6.6)	4.4	3.8
Japan	(4.8)	3.3	2.5
UK	(9.9)	5.3	5.1
Other Advanced Economies	(2.1)	4.4	3.4
Emerging market and developing economies	(2.2)	6.7	5.0
China	2.3	8.4	5.6

Source: IMF April 2021

Outlook

A strong economic recovery depends on rapid and effective vaccination rollout with stronger policy support. The IMF has projected a global economic outlook of 6% for 2021, owing to additional policy support from a few large economies and the expected vaccine-powered recovery. The IMF recommends a tailored approach for each economy based on the pandemic scenario, recovery rate, along with social and economic capabilities.

INDIA

The Indian economy was also impacted by the COVID-19 pandemic in 2020. Among sectors, services and manufacturing sectors including trade, travel, transportation registered the highest degrowth. As a result, the economy contracted by 24% in the first quarter of FY20.

In response to the massive decline in the first quarter, the Government of India (GoI) and the Reserve Bank of India (RBI) proactively took several stimulus measures (comprising both fiscal and monetary measures) to support the economy. On January 16, 2021 India, also launched the first phase of its vaccination programme to inoculate its population.

The combination of support measures, vaccination rollout, pent-up demand and gradual restarting of economic activity after Q2 FY21 enabled the GDP to record 0.4% growth in the third quarter and 1.6% growth in the fourth quarter of FY21. Overall, India's GDP shrank by 7.3% in FY21.

Outlook

Although the overall outlook for the Indian economy is positive, continued pace of vaccination of larger segment of population and containment of further surge in infections would be critical for the economy's growth. Encouragingly, the agricultural sector has been resilient throughout the crisis, and with normal monsoon predicted even in the current fiscal, the agriculture sector is poised to support the economy.

Due to sequential lockdowns and localised mobility restrictions in various states across the country in the wake of COVID 2.0, the aggregate demand conditions may be temporarily affected. The effect of these lockdowns, according to the RBI, is not as severe in the manufacturing and services sectors as it was a year ago, and consumer demand is also gradually picking up.

INDUSTRY INSIGHT

GLOBAL PHARMACEUTICAL INDUSTRY

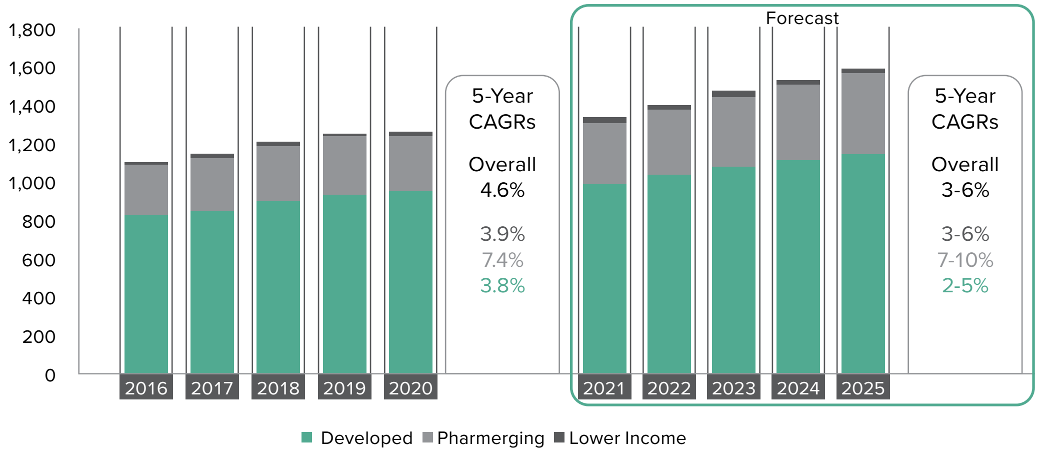
In 2020, the worldwide pharmaceutical industry was valued at US$ 1.27 trillion and is expected to reach US$ 1.6 trillion by 2025 with a compounded annual growth rate (CAGR) of 3-6%, excluding the expenditure on COVID-19 vaccines. The spending will be driven by the higher growth in pharmerging markets and the continued adoption of new products in developed markets.

The spending pattern was divergent across the world in 2020, which is expected to continue till 2022. The spending in developed countries is likely to rebound in 2021 and can potentially surpass the pre-pandemic outlook in the medium term. Even though the spending in pharmerging markets were disrupted, there was demand for new treatments and COVID-19 vaccines. In the next five years, the global spending of COVID-19 vaccines is expected to reach US$ 157 billion.

From 2016 to 2020, the pharmaceutical markets in the developed world expanded at a ~4% CAGR and are expected to grow at 1.5-4.5% CAGR to reach US$ 1,130-1,160 billion by 2025. The adoption of new treatments, patent life-cycles impact, new generics launches and increased adoption of biosimilars competitions will be the growth drivers.

On the other hand, the pharmerging markets recorded a growth in spending at 7.4% CAGR in spending between 2016 and 2020, reaching US$ 290.8 billion in 2020 and it is expected to see a growth in spending through 2025. The larger pharmerging countries (Brazil, India, and Russia) are expected to grow at 7% to 10%, while smaller emerging markets may outperform with a CAGR of 8.5% to 11.5% between 2020 and 2025.

Global pharmaceutical industry growth: 2016-25



Source: IQVIA Market Prognosis

Global pharmaceutical market growth

(US$ billion)

Regions	2020	2016-2020 CAGR	2025	2021-2025 CAGR
Developed	959.5	3.8%	1,130-1,160	1.5-4.5%
Pharmerging	290.8	7.4%	415-445	7-10%
Lower income countries	15.0	3.9%	18-22	3-6%
Global	1,265.3	4.7%	1,580–1,610	3-6%

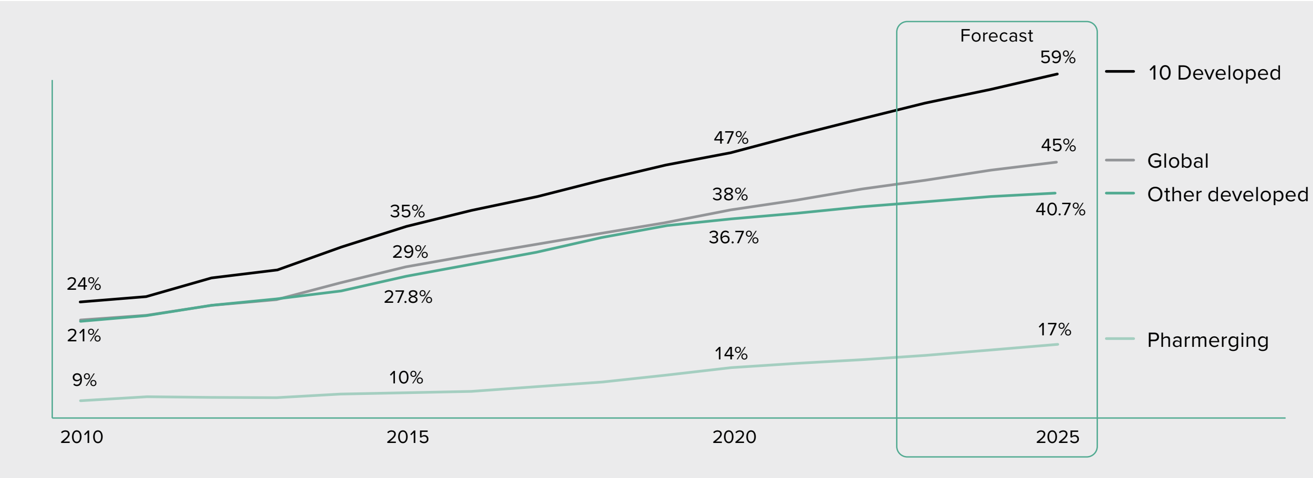
Source: IQVIA Market Prognosis, September 2020; IQVIA Institute, March 2021

KEY INDUSTRY TRENDS

Specialty drugs: Specialty drugs are those that treat chronic, complex or rare diseases and require detailing to the physicians or specialists by a dedicated field-force and are typically expensive. Specialty drugs will represent nearly half of the global spending in 2025 and almost 60% of total spending in developed markets. The 10 largest developed countries and other high and upper middle-income countries are witnessing consistent increase in their spending share on specialty drugs. Over the next five years, an average of 54-63 new active substances (NAS) are expected to be launched globally every year, totalling 290-315 over five years. This scenario is expected to contribute to a rising number of new product launches in the Specialty segment.

Source: IQVIA Global Medicines Spending and Usage Trends Outlook to 2025

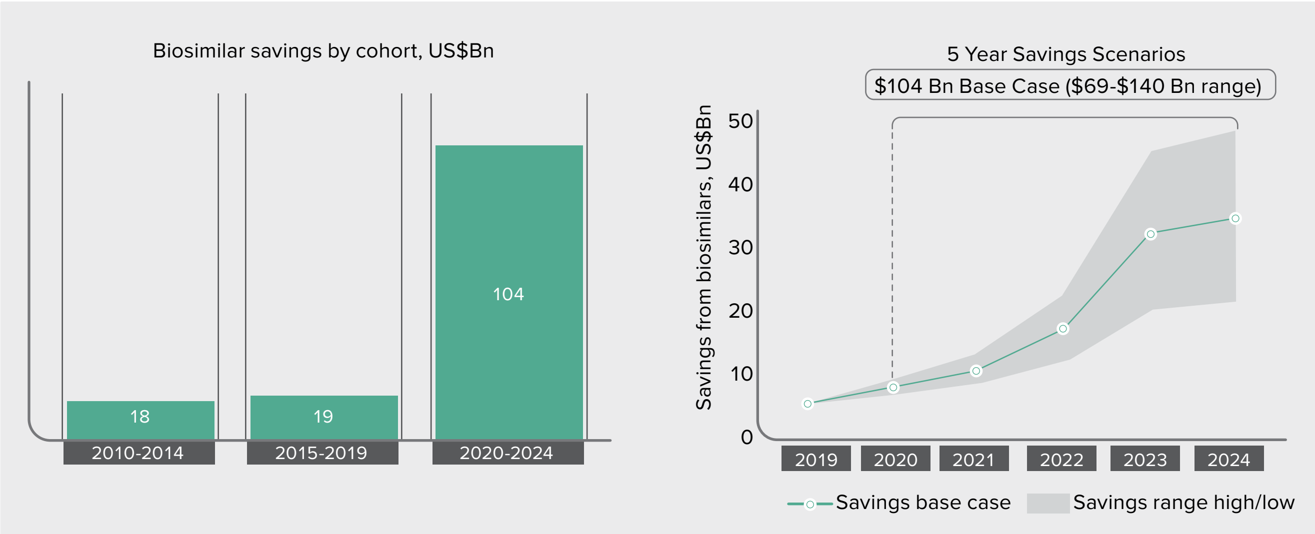
Spending pattern on specialty drugs



Source: IQVIA Institute, February 2021

Biosimilars: With the changing regulatory landscape and increasing penetration of biosimilars, a robust growth is likely in the segment with US$ 90 billion worth of biologics is expected to lose exclusivity, as per industry estimates. The total number of biosimilars approved by USFDA is 29 out of which three biosimilars were approved in the US in 2020 and the total number of biosimilars approved in Europe is 69 out of which 13 were approved in 2020. Biosimilars and its originator products accounted for US$ 40 billion in spending in 2019 in key therapy areas where further biosimilars entry would significantly reduce healthcare costs.

The promise of future biosimilar market is the potential for substantial savings in healthcare costs, particularly in developed nations. Biosimilar spending is expected to reach US$ 16–36 billion by 2024 as more biosimilars products get commercialised. Cumulative savings are projected to exceed US$ 100 billion over the next five years (below figure).



Source: IQVIA National Sales Perspectives, Jun 2020; IQVIA Institute, Sep 2020

Generics: Generics have witnessed an attractive, lucrative development path for over three decades. The global generic drugs market was valued at US$ 387.92 billion in 2020, and it is expected to grow at 5.7% CAGR till 2030 (Source: http://www.globenewswire.com).

Mergers and acquisitions (M&A): The global economy faced headwinds resulting in slowdown in most of the sectors. The M&A activities in the sector was quiet on the megadeal front and the needle swung towards the mid and small size deals where companies sought to restore pipelines rather than transform via large deals which was dominant in the last year. The total value of deals during 2020 stood at US$700 billion. Some of the global companies altered their strategy to an opportunistic approach where they look at small deals and where there are research-based pipeline acquisition opportunities, which is likely to complement or diversify their portfolios. Source: S&P Global Market Intelligence

Precision medicine: It is an emerging way of disease prevention and management. It involves tailored approaches including predictive diagnostic, prevention and treatment strategies for an individual based on their genetic makeup and genetic modifications. Precision Medicine Market size exceeded US$ 52 billion in 2020 and is expected to grow at a CAGR of over 11.5% from 2021 to 2027. Advancements in cancer biologics will drive the growth of precision medicine. Development of newer therapeutics approaches including gene therapy for cancer treatment and increasing number of patients undergoing predictive diagnosis will push the market growth. On the other hand, high cost and potential threat to personal health data are some of the factors that may thwart the market expansion.

Source: Global Market Insights report, 2020

KEY GLOBAL MARKETS

USA

The US (world's largest pharmaceutical market) medicine spending (~4% CAGR growth from 2016-20) is expected to reach US$527.8 billion by 2025. Spending at net levels in the US is projected to grow in low single-digits as increase in off-invoice discounts and rebates are expected to slow spending growth over time. Additionally, ongoing market dynamics around the use of medicines, the adoption of advanced treatments, the impact of patent expiries and new generic or biosimilar penetration will limit growth in the US for the next five years.

US pharmaceutical spending and growth (US$ billion)

2020	2016-2020 CAGR	2025	2021-2025 CAGR
527.8	4.2%	605-635	2-5%

Source: IQVIA Market Prognosis, September 2020; IQVIA Institute, March 2021

Europe

The top five European Union (EU5) markets grew at a 4.4% CAGR from 2016-20 to reach US$180.4 billion. It is projected to grow at about 2-5% CAGR to US$215-245 million by 2025. Medicine spending in the top five European markets is expected to increase by US$35 billion over the next five years, registering the same increase as in the past five years, but with substantial shifts in growth drivers. Generics and biosimilars are likely to add over US$31 billion to the market size over the next five years, as a range of patent expiries and the maturation of biosimilars contribute to lower overall spending.

EU5 pharmaceutical spending and growth (US$ billion)

2020	2016-2020 CAGR	2025	2021-2025 CAGR
180.4	4.4%	215-245	2-5%

Source: IQVIA Market Prognosis, September 2020; IQVIA Institute, March 2021

PHARMERGING MARKETS

From 2016 to 2020, the spending on pharmaceuticals has increased at 7.4% CAGR, reaching US$290.8 billion by the end of 2020. A significant proportion of this spending and market growth has been driven by an enhanced access to chronic and specialty medications, leading to the ramp up of volumes and the adoption of more novel therapies.

Pharmerging markets – Pharmaceutical spending and growth (US$ billion)

Region/ Country	2020	2016-2020 CAGR	2025	2021-2025 CAGR
China	134.4	4.9%	170-200	4.5-7.5%
Brazil	28.7	10.7%	43-47	7.5-10.5%
India	22	9.5%	28-32	7.5-10.5%
Russia	17.5	10.8%	33-37	11-14%
Other Pharmerging	89.1	9.6%	120-150	8.5-11.5%
Pharmerging markets	**290.8**	**7.4%**	**415-445**	**7-10%**

Source: IQVIA Market Prognosis, September 2020; IQVIA Institute, March 2021

India

India's pharma sector has achieved significant growth in both domestic and global markets during the past five decades. During the same period, the country has established a leading position in the global generic pharmaceuticals landscape and is now known as the 'Pharmacy of the world'. The country's pharma sector contributes over 20% by volume of the global generics market and 62% of the worldwide vaccines demand.

The pharma sector has been contributing significantly to India's economic growth as one of the top 10 sectors in reducing trade deficit and attracting the Foreign Direct Investment (FDI). The drugs and pharmaceuticals sector attracted a cumulative FDI inflow worth US$16.54 billion between April 2000 and June 2020 (Source: EY analysis).

The Indian pharmaceutical market had recorded growth at ~9.5% CAGR between 2016 and 2020 to reach US$21 billion. It is expected to grow at 7.5-10.5% CAGR to US$28-32 billion by 2025.

India pharmaceutical spending and growth (US$ billion)

2020	2016-2020 CAGR	2025	2021-2025 CAGR
21	9.5%	28-32	7.5-10.5%

Indian pharma exports reached US$20.7 billion in FY20 with year-on-year growth of 8.4% (exports size was US$19.1 billion in 2019). They have grown at a CAGR of 6.2% between 2015 and 2020. This was largely driven by exports of generics drugs to >200 countries (including both developed and developing markets). India is the source of 60,000 generic brands across 60 therapeutic categories. The country accounts for 40% of the generics demand in the US and ~25% of all medicines in the UK. India also fulfils about 80% of global demand for antiretroviral drugs for Acquired Immune Deficiency Syndrome (AIDS), significantly contributing towards increasing accessibility of the AIDS treatments.

Further in the vaccine market, India exports vaccines to >150 countries. It contributes 40%-70% of the World Health Organisation's (WHO's) demand for Diphtheria, Pertussis and Tetanus (DPT) and Bacillus Calmette–Guérin (BCG) vaccines, and 90% of the WHO demand for the measles vaccine. In addition, with its strong vaccine manufacturing capability and capacity, India will play a critical role in meeting the demand of COVID-19 vaccines globally. Some of the top global companies have already tied up with Indian companies for manufacturing the vaccines.

India's pharma sector has been a key contributor in improving the country's healthcare and economic outcomes. The pandemic has opened up several opportunities and challenges for the industry. The country is also dependent on China for approximately two-thirds of its imports of bulk drugs or drug intermediaries and is looking at several policy initiatives to reduce dependence on imports.

The government has approved a total of 33 applications with a committed investment of ₹5,082.65 crore under the production linked incentive (PLI) scheme for Active Pharmaceutical Ingredients (APIs), Intermediates, Key Starting Materials and allied raw materials. The setting of these plants will make the country self-reliant with respect to these segments.

The disbursal of PLI by the government over six years will be up to a maximum sum of ₹5,440 crore. Under the Aatmanirbhar Bharat campaign and with the aim to reduce import dependence on critical bulk drugs, the Department of Pharmaceuticals had launched a PLI Scheme for the promotion of domestic manufacturing by setting up greenfield plants in four different target segments with a total outlay of ₹6,940 crore for 2020-21 to 2029-30. The PLI scheme for the pharmaceutical sector was approved on February 25, 2021 with an outlay of ₹15,000 crore.

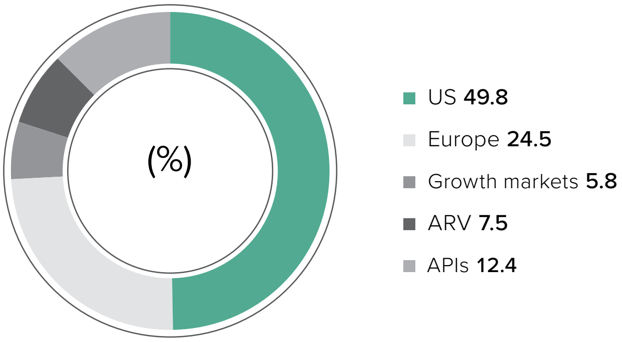
ABOUT AUROBINDO PHARMA

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

The Company is among the top 2 listed pharmaceutical companies in India by FY21 revenues. The Company has 27 manufacturing and packing facilities for its API and formulations business, which has the requisite approval from global regulatory authorities such as US FDA, EDQM, UK MHRA, Japan PMDA, WHO, Health Canada, MCC South Africa, ANVISA Brazil, etc. The Company's robust product portfolio spans major therapeutic areas encompassing Anti-Retrovirals, CVS, CNS, Gastroenterologicals, Anti-Allergies, Antibiotics and Anti-Diabetics. The Company markets its products in 155+ countries. With an expanding global footprint, Aurobindo employs over 24,000 people across 35 countries.

The Company's R&D team of 1,700+ scientists working in eight research facilities spread across the globe is focused on difficult-to-develop, niche oral, sterile, specialty injectable products, biosimilars, and peptide-based products, involving clinical and end-point studies. As on March 31, 2021, Aurobindo filed 639 ANDAs with the USFDA and over 3,900 dossiers (multiple registration) across Europe and other geographies. The Company also filed 252 DMFs with USFDA and 3,200+ DMFs (multiple filings) in Europe and other geographies.

Revenue distribution mix



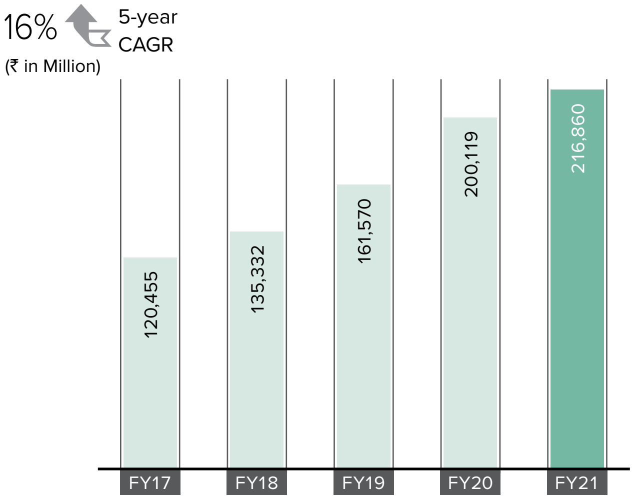
Achievements of 2020-21

- Recorded highest ever revenues of ₹247,746 million, registering a growth of 7% amid a tough operating environment
- Clocked an EBITDA of ₹53,334 million, with margins improving to 21.5%
- Deleveraged the balance sheet and turned into a net cash company
- Filed 55 ANDAs with USFDA, of which 16 are injectables
- Received final approval for 42 ANDAs, including 17 injectables
- Launched 53 products in USA including 21 injectables
- Divested our dietary supplements business (Natrol) at an Enterprise Value of US$550 million
- Filed first Meter Dose inhaler (MDI) ANDA with the USFDA
- Signed an exclusive agreement with Covaxx (now known as Vaxxinity), a US based Company to commercialise their COVID-19 vaccine candidate in India and UNICEF markets. Vaxxinity is developing the first ever Multitope Peptide-based Vaccine against COVID-19
- Completed Phase I trials for the lead molecule in biosimilar division and Phase III study activities have been initiated; Clinical trials for 3 more molecules were started in FY21
- Phase II trials for Pneumococcal Conjugate Vaccine (PCV) was completed and initiated the process for conducting Phase III trials in India
- Received first dossier approval in China from our Indian facility
- Completed the construction of injectable facility in USA.

FORMULATIONS BUSINESS

Over the years, the Company has strengthened its formulations business, which contributed to~88% of total revenues in FY21. The formulation business posted 8.4% y-o-y growth in revenues to ₹216,860 million. From a geographical standpoint, the US and Europe accounted for 74% of total revenue and are our key markets. During the year, the Company has manufactured 40+ billion units in various dosage forms such as tablets, capsules, injectables, and so on in its 15 state-of-art manufacturing facilities, which are located in India, USA, Portugal and Brazil.

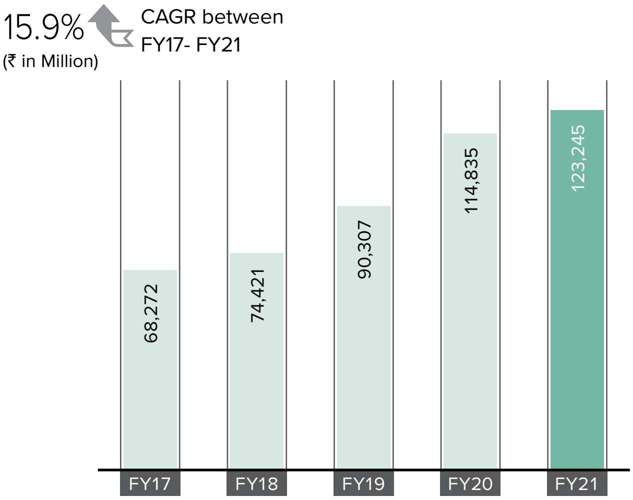
Formulations revenue trend



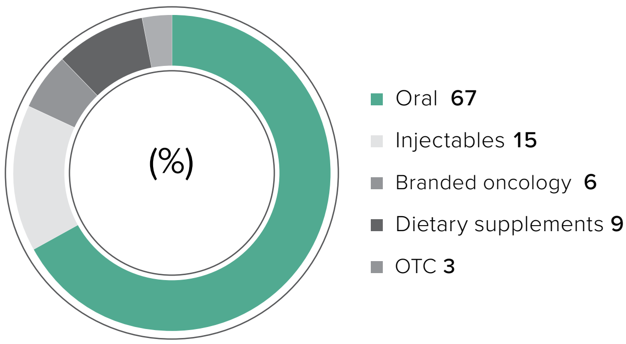
US formulations

The Company has maintained its dominant position in the US market and is ranked as the largest volume player as per IQVIA QTR March'21 data. The Company has a presence across segments such as generics (oral, injectable and OTC) and branded oncology (injectables and orals). The Company has divested Natrol, the dietary supplements business in the year under review. It continues to expand its product basket with new product launches. During the year, the Company launched 53 products across orals, injectables, OTC and branded divisions. Overall, the US Formulations business increased by 7.3% to ₹123,245 million, driven by strong growth in the orals business.

US formulations revenue trend



Revenue mix of the US formulations segment



Filings and approvals in the US

Filings

FY17	FY18	FY19	FY20	FY21
31	47	63	55	55

Approvals

FY17	FY18	FY19	FY20	FY21
61	49	48	22	42

Oral solids: Aurobindo's oral solids business in the US witnessed a healthy growth of 12% YoY on the back of improvement in market share of existing products and new product launches. This business segment accounted for ~67% of total US revenue. The Company has launched over 25 products during the year. Aurobindo actively markets (directly) around 230 oral solid products and it ranks amongst the top 3 in more than 62% of the products. The Company is awaiting final approval from the USFDA for 107 ANDAs as on March 31, 2021.

Injectables: This segment faced challenges owing to the COVID-19 pandemic as many of the elective surgeries were postponed and the hospitals witnessed lesser footfall in terms of patient visits. The Company however, maintained its volume market share during the year. It actively markets 54 products, of which 60% rank among the top 4 in the US market. The Company is awaiting approval for 54 ANDAs as on March 31, 2021. With the pandemic situation easing out, the Company expects an upsurge in the growth trajectory, and is focused on creating a diversified product portfolio of complex injectables.

Over-the-counter drugs (OTC): The OTC segment recorded 10% growth led by new product launches, and it contributed 3% to the US revenues in FY21. The business was initially impacted due to lockdown measures and reduction in footfalls in pharmacies. The foot traffic at pharmacies is beginning to show signs of recovery, which will improve the business outlook in the current fiscal.

Branded oncology: Aurobindo entered the branded oncology space through the acquisition of seven marketed branded oncology injectables. During the financial year, Acrotech Biopharma (Aurobindo Pharma's subsidiary) recorded 5% revenue growth on the back of improved performance of the product portfolio. It also launched Hemady (dexamethasone oral) for the treatment of multiple myeloma in the US. It is the first USFDA approved dexamethasone with an indication in combination with other anti-myeloma products for the treatment of adult patients with multiple myeloma.

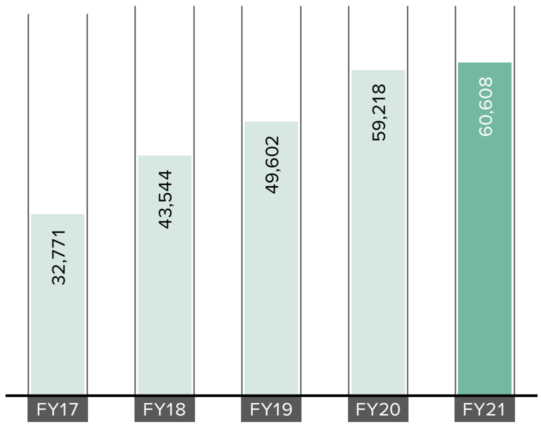
Dietary supplements: During the year, the Company divested the dietary supplements business (Natrol) for US$550 million. It created significant value for the Company and enabled the Company to become a net cash company.

Europe formulations

Europe formulations revenue trend

16.6% CAGR between FY17- FY21

(₹ in Million)



Aurobindo is ranked among the top 10 generics companies in 7 out of 11 countries in EU/UK where it operates with presence in full-fledged pharmacy, Hospital and Tender sales infrastructure with commercialised 550+ INNs (International Non-proprietary Names). The Europe formulations business witnessed a marginal growth of 2% to ₹60,608 million owing to pre-buying in most of the countries in Q4 FY20 and reduction in elective surgeries.

The major milestone achieved in the year was the successful turnaround of acquired Apotex business and increased volume sourcing to India (up by 36% compared to previous year), which resulted in improved profitability. We reduced the cost of production for these markets by optimising supply chain and procurement and enhancing operational efficiency. We also launched products from the Eugia facility (one injectable and one oral).

GROWTH MARKETS FORMULATIONS

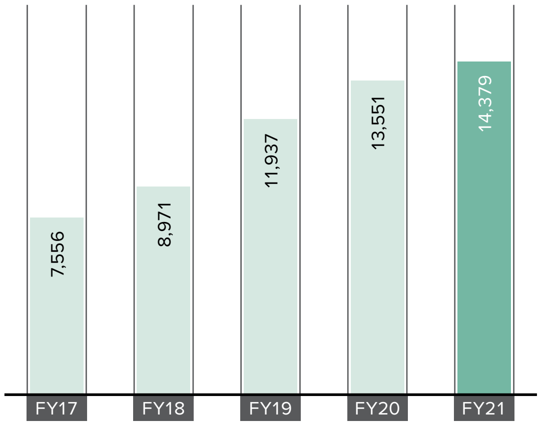
The growth markets formulations business grew by 6% to reach ₹14,379 million, contributing 6% to the total revenue. Canada continues to remain a key market within the Growth markets.

During the year, the Canadian business remained flat, despite 7 months lockdown in major provinces, which resulted in clinic closures, reduction in new prescription generation, delayed surgeries in hospitals and the reduction in prescription fills from 90 days to 30 days. Auro Pharma Inc, the Canadian subsidiary ranks as the 8th largest generic company as per revenues with a market share of ~3%. The Company launched 7 products during the year. The Company has filed 26 dossiers during the year taking the total dossier filed to 185. The Company received approval for 13 dossiers taking total approvals to 154 products. The Company is building a robust pipeline including oncology injectables, inhalers and biosimilars.

Growth markets formulations revenue trend

17.5% CAGR between FY17- FY21

(₹ in Million)



ARV formulations

The Company participates in global tenders floated by multilateral organisations like Global Fund, USAID, PEPFAR and country-specific Ministry of Health tenders. The segment posted a robust y-o-y growth of 49% to ₹18,628 million in the ARV segment, which was achieved through fostering excellent customer relationships with major ARV buyers such as Global Fund, PEPFAR and MOH, South Africa. The Company leveraged the rapid conversion from TLE (Tenofovir + Lamivudine + Efavirenz) to TLD (Tenofovir + Lamivudine + Dolutegravir) tablets. The Company witnessed transitioning to the new TLD combination at a faster pace in South Africa during the year. The Company aims to retain large portion of the market share achieved by it in the respective products in the ARV segment.

ARV formulations revenue trend

Revenue (₹ in Million)

FY17	FY18	FY19	FY20	FY21
11,854	8,396	9,725	12,515	18,628

API BUSINESS

Aurobindo's API business is one of the most important pillars for the business as it enables the Company to be vertically integrated and have supply reliability. The API business contributed 12% to the total revenues of the Company for FY21. The Company manufactures and markets Betalactam and Non-Betalactam products manufactured at its 11 API and intermediate facilities. There has been a focus on increasing the capacities and continuously improving its manufacturing processes to meet customer requirement as well as to remain cost-effective. With a view to further strengthen the business and reduce dependence on importation with cost efficiency the Company had participated in the Production Linked Incentive (PLI) scheme for KSMs and APIs and was awarded for 3 products by the Government of India.

API revenue trend

Revenue (₹ in Million)

FY17	FY18	FY19	FY20	FY21
30,421	29,622	34,030	30,834	30,859

FINANCIAL REVIEW – CONSOLIDATED

Key ratios

	As on March 31, 2021	As on March 31, 2020
Debtors turnover	6.6	5.1
Inventory turnover	3.1	3.1
Interest coverage ratio	61.2	24.9
Debt equity ratio	(0.04)	0.16
Operating profit margin (EBITDA Margin %)	21.5%	21.1%
Net profit margin (%)	21.5%*	12.3%
Return on net worth (%)	18.9%	18.2%

*Includes exceptional items – sale of Natrol

MANUFACTURING REVIEW

Aurobindo has created a robust manufacturing base with world-class formulation and API assets. The Company has 27 manufacturing and packaging units spanning the USA (3), India (22), Portugal (1), and Brazil (1). Its well-equipped production facilities have requisite approvals from international regulatory agencies. The Company is largely backward integrated and ensures seamless production schedules with on-time availability of raw materials and finished products. Going forward, the Company will continue to enhance capacities of its existing units and set up new facilities catering to new technologies for future growth.

During the year under review, the Company made significant progress at its China facility coming on-stream where the first validation batch will be taken soon. It also added capacities at Unit IV, Unit XVI, APL Healthcare Unit IV (formerly known as Unit X), Unit XI, APL Healthcare and AuroNext.

SCORE ANALYSIS

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

WORKFORCE

Aurobindo Pharma exists and prospers because of its committed, highly experienced and talented workforce who represent the organisation to the external world. Thus, people are the most vital assets and crucial stakeholders for the Company.

Aurobindo offers a healthy and safe work environment for its employees, with equal opportunity, flexibility, and empowers them through various learning and development programmes across all business functions.

Nurturing human potential

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

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

For Aurobindo, the growth and well-being of its people is critical. The Company has instituted various measures to ensure requisite protocols and promote covid-appropriate behaviour to ensure that the work environment is safe and healthy for its people in a post-COVID world.

SUSTAINABILITY AT AUROBINDO

Environment, health and safety are of paramount importance for the Company. It adheres to the safety and environmental standards across all its business processes and facilities. The Company continuously monitors and regulates its emissions and discharge of wastage to protect the environment by integrating new technologies and waste management processes.

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

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

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

A RESPONSIBLE ORGANISATION

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

With a dedicated team of 11 people, the Company has partnered with several charitable organisations for improving the quality of life in the society. Here are some citizenship efforts of the Aurobindo Pharma Foundation during FY21:

- Providing nutritious meals to the underprivileged.
- Funding for infrastructure development of various educational institutions.
- Skill development programmes.
- Financial support, distribution of groceries, tablets, face masks, sanitisers to underprivileged people during the COVID-19 pandemic.
- Providing pure oxygen and ventilators to needy patients during the pandemic.

Risk Management

OVERVIEW

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

Risk Governance Structure

The Risk Management Framework operates at various levels across the Company and the governance structure is as given below:

Risk categories

The Risk management framework covers the following broad categories of risks to business objectives:

Strategic risks: Management decisions with reference to markets, product, resources, business growth & revenue model, investment etc. which can impact business objectives. Ownership of these risks rests with the top management.

Operational risk: Business operations such as production capacities, quality assurance, customer demands, material availability, human safety etc. which can have impact on business. Ownership of these risks would be with the operations team.

Projects risks: Delays in commissioning the projects which could lead to cost & time overruns and loss of business. Ownership of these risks would be with the functional heads.

Compliance risks: Regulatory environment and non-compliance of statutory provisions that impact the Company's reputation and business. Ownership of these risks would be with the respective functional heads.

Financial risks: This includes uncertainties and untapped opportunities in effective and efficient utilisation of the financial resources as well as monitoring currency fluctuations, credit risks, liquidity risks, etc. These have a bearing on the financial performance metrics targets such as revenue, profitability, and liquidity etc. which could have an impact on Company's financial statements. Ownership of these risks would be with the CFO.

Information technology (IT) risks: Potential impact on information assets and processing systems arising from technology obsolescence, Cyber-attacks or breach of security which are becoming common. Ownership of these risks would be with the Chief Information Officer.

Risk Management Process

The risk management process encompasses:

1. **Risk identification –** Risks are identified through discussion with Business heads and risk registers are updated for all the risks thus identified.

2. **Risk assessment –** Evaluation of risk to determine likelihood of risk occurrence and impacts leading to risk prioritisation and mitigating them within defined tolerance limit.

3. **Risk mitigation –** The Company adopts meaningful mitigation strategies tailored for each identified risk. Risk mitigation procedures involve undertaking appropriate actions by the business heads/process owners who are accountable to mitigate risks in a time bound manner. Risk owners are identified, and progress of mitigation actions are monitored and reviewed periodically.

4. **Risk monitoring & reporting –** Risk reports are submitted to the RMC (Risk management Committee) on a periodic basis. The reports help in tracking each identified risk and its impact on business. The assessment of key risks, analysis of exposure and its potential impact is carried out periodically, presented and discussed with the RMC. Periodic updates are also provided to the Board highlighting key risks, their impact, and the required mitigation measures.

The Company has aligned risk management process with every part of the critical business processes to ensure that the processes are designed and operated effectively towards the achievement of business objectives. Risks are addressed across all key business functions in a holistic manner.

BUSINESS RISKS AT AUROBINDO

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

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

The Covid-19 pandemic has impacted the global supply chain due to disruption caused by lockdowns, which impacts normal functioning of markets and movement of people. For the pharmaceutical sector, the challenges relating to maintaining uninterrupted supplies of medicines for patients globally are even more pronounced.

Like many other pharmaceutical companies, the Company, with a presence in the domestic and international markets including USA, Europe and other markets is also exposed to risks emerging from the COVID-19 pandemic, which could have an adverse impact on operations.

The Company has been proactively managing the risks arising from second wave of COVID-19 situation and made concerted efforts to overcome these challenging times. Various measures have been taken to mitigate the impact of such disruptions which have been enumerated in different risks in detail to mitigate the risk.

Supply chain disruption risks

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

The Company's high dependency on China market for import of raw material may lead to risk of import disruptions, short supplies, and production bottlenecks. Out of the total raw-material requirement (APIs plus Excipients) of the Company, about 45% of the material is procured from China and balance from other countries, including domestic market.

Mitigation strategy

While China overcome the Covid-19 situation, during FY 2020-21, the Company did not face any issues related to supplies from China as they resumed their production capacity at a normalised level. The Company has already taken initiatives to mitigate the risk arising out of procuring materials from a single source. The Government of India has also framed policies to encourage and support the domestic manufacturers to start manufacturing some of the raw materials in India. To reduce reliance on imports of key pharmaceutical inputs, the Government has announced Production Linked Incentive (PLI) Scheme for some of the Key Starting Materials (KSM), Intermediates and raw materials. The Company will benefit significantly from the PLI Scheme as it will further strengthen the backward integration and help in improving operational efficiency. The Company is also working to procure material from domestic sources, and it has already started qualifying Indian sources. Both Supply Chain Management team and Logistics team collaborate to ensure effective planning of material, keeping adequate stock quantities, tracking movement and real-time follow ups with the vendors and logistic partners to get the required supplies on a timely basis and deploy alternative strategies, if needed.

Economic and Geopolitical risks

Political or social instability as well as economic or regulatory changes in India and other emerging markets can result in a wide variety of business disruptions. Further, situations like Brexit may also add to uncertainty in the business environment in developed region like Europe, where we have a significant presence.

Due to ongoing Covid-19 pandemic, global international trade has been disrupted severely, and these macro-economic uncertainties could affect supplies to partners in other countries and the Company's revenues coming from the international market. This would be compounded with problems of liquidity, cash flow, demand, and other issues.

Mitigation strategy

While our key geographies remain US and Europe, we have a growing presence in emerging markets as well. However, we keep a very close vigil on the macro developments in the key markets and adopt measures such as hedging to manage risks. We also keep the overall exposure to countries with higher geopolitical risks within a defined threshold.

In some countries like Africa, the Middle East and Russian countries, we manage business risk by participating in Government tenders and by appointing approved distributors to expand the sales in those markets.

Competition risks

The generic pharmaceutical markets remain dynamic and evolving due to stiff competition among generic drug makers. Tough competition from other players could lead to erosion of market share and impact revenues. Similarly markets which have high tender participation tends to get very competitive and requires ability to manufacture products with high level of backward integration to retain cost advantage.

Mitigation strategy

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

- The Company continues to focus on leveraging its backward integration capabilities to improve market share in all markets. It is developing products under the ideology of "one product for all markets". This strategy helps us leverage our R&D investments better and ensure we remain a cost-effective supplier
- Targeting the right customers in terms of pricing, sales volumes, and payment history.
- Expanding geographical reach to diversify revenue stream through business acquisitions in key markets
- Focus on strengthening our relationships with customers by demonstrating that we are a reliable partner demonstrating timely delivery of products
- Producing products at competitive costs by developing new processes, upgrading existing processes and ensuring backward integration wherever feasible.
- Timely launch of new products to build and increase market share with an early mover advantage
- Focus on complex and difficult to manufacture products which will limit new competition due to requirement of dedicated manufacturing facility, expensive clinical trial or other technical barriers

Regulatory, Statutory and Legal compliance risks

The pharmaceutical sector is subject to rigorous regulatory oversight and heightened stakeholder expectations relating to it. Loss of regulatory compliance certification for production facilities will result in delayed or denied approvals for new products or suspension of operations and affect our ability to generate business. Also, operating in diverse geographies also subjects us to the prevailing Statutory and Local compliance requirements, failing which the operations could be adversely affected. Non-compliance with applicable regulatory, statutory and legal requirement could thus pose threat to our reputation as well as have material financial implications. The Company's vulnerability to regulatory issues and compliance delays and oversights, including delays in filing products, registrations and approvals could be further affected due to the ongoing pandemic situation.

Mitigation strategy

The Company is committed for supplying highest quality medicines to customers for promoting healthier lives. Hence, the Company strives to conform to evolving regulatory and compliance standards to meet stringent requirements of regulators to ensure that our medicines are safe and effective with high quality standards. Robust quality systems & control measures are implemented to ensure that the quality is ensured by process design.

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

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

Environment, Health and Safety (EHS) risks

The Company requires certain statutory and regulatory permits and approvals to operate the business, including environmental clearances. Any failure to obtain, renew or maintain the required permits or approvals may result in the interruption of operations and may have a material adverse effect on the Company's operations. EHS incidents thus pose significant business continuity and reputational risks for the company, if not addressed with adequate attention.

In view of upgradation of Government regulations on the manufacturing industry from time to time, EHS has become extremely important and critical for the Company to comply with the prescribed rules and regulations. Government authorities have been focusing on environmental issues and making environmental laws stringent for the industry to conform with. Employee health and safety has emerged as one of the key priorities, even more so during the ongoing pandemic situation.

Mitigation strategy

Necessary EHS statutory permits are in place for the Company's manufacturing facilities and applications for renewal of approvals are being submitted in time. Compliance to permits and conditions is ensured through internal and external audits and surveillance by corporate structure. The Company is focusing on identification and strategies for mitigating EHS risks beyond permits and regulatory compliance. Over the years, EHS excellence has been promoted as an essential element of ensuring human health and safety and is embedded in our corporate policies.

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

The Company is continuing its efforts to address EHS concerns like Pharmaceuticals in Environment (PiE) and Antimicrobial Resistance (AMR) by collaborating with reputed international agencies like Access to Medicine Foundation, AMR Industry Alliance etc., while maintaining the manufacturing facilities with adequate engineering and administrative controls of operations to mitigate EHS risks.

Commitment to address issues like PiE and AMR requires additional/ significant resources and investment and the organisation is committed to invest the necessary resources for the cause. In addition to above, the Company is in the process of implementing necessary processes for deactivation of API residues in process wastewater.

Significant investments were also made in up-gradation and expansion of wastewater treatment projects for an improved and additional treatment of wastewater. The solid and liquid hazardous wastes are being disposed to Treatment, Storage and Disposal (TSD) facilities or cement units for processing as alternate fuel that mitigate the risk of PiE or AMR effectively.

The Company has leaped forward and adopted Sustainability / Environment Social Governance (ESG) framework with a commitment to build healthier ecosystem. This framework is a holistic approach to integrated ESG aspects across our value chain seamlessly. The Company have carried out materiality assessment as an important step to the development of Sustainability Framework and first Sustainability Report. The Company identified and prioritised the aspects that are of relevance and significance to our internal, external stakeholders and our business. The organisation engaged with over 1800+ across internal stakeholder groups, analysed their responses and opinions on various issues pertaining to Aurobindo's performance and plotted the importance of those issues on a matrix to represent issues of importance. Environmental aspects such as Integrated Water Management, Renewable Energy, Anti-Microbial Resistance and Waste & Sustainable Packaging are amongst the issues of highest importance as per our stakeholders' views and importance to business. Our Sustainability Framework acknowledges the need to act on these material issues. We are also looking forward to disclosing our performance on the identified material issues, goals and targets identified as part of our Sustainability Framework.

As part of our Sustainability Framework, we use a two-pronged approach towards Decarbonisation helping us achieve overall reduction in energy consumption and maximising use of renewable energy to reduce carbon footprint of our operations. The energy efficiency projects include upgradation of the technology to minimise consumption, Energy optimisation initiatives in existing equipment operations and savings achieved through change in equipment operation. In addition to the energy efficiency initiatives, we strive to replace non-renewable energy in our operations. In the FY 2020-21, we have generated ~40,000 MWh electricity from our solar power plant situated near Pydibhimavaram, Vizag.

To address global warming concerns, we have taken up massive plantation drives in and around our manufacturing facilities to increase the green belt and offset emissions caused by our operations. Also, various energy saving measures have been implemented at each operating facility and these initiatives helped us save approximately 81,000 GJ of energy including direct and indirect energy consumption savings and resulted in avoiding greenhouse gas emissions of about 18,000 tCO_2e. We also use biomass in some of our facilities which further helps us in reducing energy consumption from non-renewable fuels. In FY 2020-21, we generated 146,096 GJ of energy from biomass in our operations, which accounts to approximately 3% of our total energy consumption.

Intellectual Property risks

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

Mitigation strategy

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

As on March 31, 2021, the Company had filed 763 patent applications, of which 152 patents had been granted and 115 patent applications are pending with various authorities globally. The Company takes adequate care to protect its trade secrets, know-how and other proprietary information, and ensures that the employees, vendors, and suppliers associated directly or indirectly with the Company sign appropriate confidentiality agreements prior to disclosure of any such confidential information.

Financial risks

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

Mitigation strategy

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

The Company evaluates exchange rate exposure arising from foreign currency transactions and carefully monitoring the open exposure from the parity statement regularly. The foreign currency receivables and foreign currency obligations arises from imports & borrowings will provide natural hedge to the Company's foreign currency exposure. Further as per policy, company does not enter any complex forex derivatives, which are speculative in nature. The Company's interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs and the Company manages the same by having multiple currency loans linked to receivables and payables.

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

People risks

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

In the ongoing COVID-19 pandemic, the Company's operations at some locations could be disturbed to some extent due to shortage of labour resulting from curbing of activities and city / state-wide lockdown.

Mitigation strategy

The Company ensures that there is full adherence to code of business conduct and fair business practices are followed by employees. The Company has an experienced Human Resources team to acquire, retain and develop talent considering the competition for qualified and experienced people.

Leadership development – As part of the Company's strategic talent and succession management, the HR team at the Company has identified and developed people with potential to fill key business leadership positions. The Company has instituted NALANDA, online academy, to facilitate Leadership Talent Development and support management philosophy of second-line development and for promoting mentor-mentee relationships within the Company.

Capability building – A focused intervention called First Time Managers program, SANKRAMAN is initiated with focus on providing leadership and management insights to the supervisors who are promoted to the management level positions. This program aims at giving holistic perspectives on business and leadership acumen and augmenting people to help in improving communication, influencing, mentoring and coaching skills.

Continuous Professional Development – Continuous learning is a part of our core strategy and is recognised as the only sustainable competitive advantage. As a part of continuous learning, we

- Provide opportunities for our employees to grow & be future ready to navigate the complex changing landscape, through training and skill development programs like leadership in disruptive times, building collaborative relationships, managing change etc.

- Provide mentoring for senior leaders on leadership skills
- Have Leaders as Teachers & develop internal trainers which are unique practices that help us build a learning culture.
- Have customised learning platforms instilled for best practice sharing between the manufacturing units

Multi skilling & Quality programs – The Company has introduced a multi-skilling program which promotes job enrichment of talent at operational level. The Company has also introduced Quality Marshal Program which facilitates strengthening of Quality culture at shop- floor.

Statutory Compliance and Safety/Health Management- Social Audit process called AMFORI Business Social Compliance Initiative is rolled out at some of the Formulation units and same is being expanded to other units to mitigate the potential risk exposure associated with HR compliances and Safety management. Technical training to improve productivity and handling of sophisticated equipment is provided for operators and supervisors on the shop floor.

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

Information technology (IT) and Cyber security risks

IT Infrastructure forms the backbone of operating in the current environment and prevention of digital security breach is critical for business continuity. Moreover, in the pandemic scenario, business continuity demands working remotely, which requires additional focus and strengthening of the IT infra security and Cyber Security. The Company needs robust IT infrastructure which protects against cyber security threats which can impact data confidentiality, and integrity. A seamless IT platform is critical as more collaboration technologies (Web conferencing, Video Conferencing, File sharing and collaboration, mobile computing, cloud computing etc.) for internal and external virtual meetings are adopted. Any vulnerability in information security and regulatory compliance management may have an impact on business continuity and may lead to financial loss, business disruption and reputational consequences.

Mitigation strategy

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

The Company has taken steps to harden its IT infra security with systematic backup procedure, storage, Firewall rules, Network segmentation and system access including role-based and remote access through VPN (Virtual Private Network). For all critical IT applications and services, the Company has built highly stringent and secured infrastructure. For business continuity, the Company continues to maintain a disaster recovery site, which hosts backup ERP applications. For any business process automation and regulatory compliance-related solution, the IT team works very closely with business process owners for effective and timely implementation. Reporting of all critical IT projects at pre-defined intervals to the leadership team is done by the Chief Information Officer (CIO). The IT team conducts a periodic evaluation of IT processes and in case of any gaps and concerns, corrective measures are taken.

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

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

Business Responsibility Report

OVERVIEW

Aurobindo Pharma Limited is one of the top 10 global pharmaceutical companies with a presence in over 155 countries. It is the largest supplier by volume in US as per IQVIA's three months ended March 2021 data. It is amongst the top 10 Gx companies in 4 out of Top 5 European Countries as per IQVIA data.

The Company is on its path for the next leg of growth and to become one of the most valued partners in the pharmaceutical industry with a differentiated and complex product pipeline. The Company is continuously researching, developing and manufacturing a wide range of pharmaceutical products that comply with the highest regulatory standards. The Company has 27 manufacturing and packing facilities across India, US, Brazil, and Portugal. Most of these facilities are inspected by regulatory authorities like the USFDA, UK MHRA, Japan PMDA, WHO, Health Canada, MCC South Africa, ANVISA Brazil etc. In FY21, around 93% revenue was generated from international operations and the key markets for the Company are the US and Europe, which represent around 74% of the consolidated revenues.

The Company has been continuously working towards developing a diversified product portfolio spread across major therapeutic segments including Cardio-Vascular (CVS), Central Nervous System (CNS), Gastroenterology, Anti-Allergies, Anti-Diabetics, Anti-Retroviral and Antibiotics. Aurobindo is also in the process of developing a pipeline of large molecules in areas such as Biosimilars and Vaccines. Additionally, it is working on developing 5 NDA molecules. It is able to leverage the strong and world-class global R&D team across 8 state-of-the-art R&D centers. The Company is backed by well qualified and trained Regulatory and Intellectual Property teams.

Aurobindo being among the largest companies in the US as per prescription share (Rx) as per IQVIA data ended March 2021, it is cognisant of the needs of the community and strives to create healthy ecosystems. Social responsibility and community care are at the heart of Aurobindo. The Company is strongly devoted to its philosophy of 'Committed to Healthier Life'. Aurobindo believes that long term growth can be achieved by doing business by realising this ideology. The Company, through its global presence, is spreading care across communities and beyond by partnering with Government and Non-Government Organisations. As a responsible corporate citizen, Aurobindo is focused on providing affordable healthcare and supports public policies that promote economic and societal development.

This report illustrates the Company's approach towards social, environmental and economic aspects of the business. The Business Responsibility Report is aligned to the National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business, released by the Ministry of Corporate Affairs and is in compliance with Regulation 34 (2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the facts and figures reported in the Business Responsibility Report pertain to the parent company i.e. Aurobindo Pharma Limited.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company
L24239TG1986PLC015190

2. Name of the Company
Aurobindo Pharma Limited

3. Company Address
Registered Office: Plot No. 2, Maithrivihar, Ameerpet, Hyderabad - 500 038, Telangana, India

Corporate Office: Galaxy, Floors: 22-24, Plot No-1, Survey No.83/1, Hyderabad Knowledge City, Raidurg Panmaktha, Ranga Reddy District, Hyderabad - 500 032, Telangana, India.

4. Website
www.aurobindo.com

5. E-mail ID
info@aurobindo.com

6. Financial Year reported
April 1, 2020 to March 31, 2021

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

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

8. List three key products/services that the Company manufactures/provides (as in balance sheet)
Since its inception, the Aurobindo's strategy is to build a diversified product basket. The Company has a robust product portfolio, which is spread across various therapeutic segments such as anti-retroviral, CVS, CNS, gastroenterology, anti-allergies, antibiotics and anti-diabetics.

9. Total number of locations where business activity is undertaken by the Company:
The Company, along with its subsidiaries, has marketing and sales offices in 34 countries and markets its products globally in over 155 countries.

(a) Number of international locations (provide details of major 5):
The Company's subsidiaries have manufacturing facilities in New Jersey and Los Angeles in USA, one each in Brazil and Portugal and three R&D centres in USA. Apart from these, the Company has offices in various European, African and Asian countries.

(b) Number of national locations:

The parent company has 17 manufacturing units and two R&D centres. In addition to these, there is one manufacturing unit ready for commercialisation. The subsidiaries and joint ventures of the Company have five fully commissioned manufacturing units and one facility ready for commercialisation.

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

The Company markets its products globally in over 155 countries across six continents. The US and the EU are the key geographies for the Company. Around 78% of the Company's standalone sales are generated from the International markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up capital (₹):

₹585.9 million

2. Total turnover (₹):

Total Revenue from operations on standalone basis is ₹158,236.8 million on a standalone basis

3. Total profit after taxes (₹):

₹31,129.1 million on a standalone basis

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

The Company has spent ₹588.4 million during the FY 2020-21, which is 1.9% of the standalone Profit After Tax.

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

- Promotion of education
- Eradicating hunger, poverty and malnutrition
- Preventive health care and sanitation, and making available safe drinking water
- Road and public safety
- Promotion of rural sports
- Rural development projects, environmental sustainability, ecological balance and conservation of natural resources and animal welfare etc.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, Aurobindo has 74 subsidiary companies located in India and other countries as on March 31, 2021.

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

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

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

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

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

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

b) Details of the BR head

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	00050482
2	Name	Mr. N. Govindarajan
3	Designation	Managing Director
4	Telephone number	040-66725266
5	e-mail ID	secretarial@aurobindo.com

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

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

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

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

*Policy is in line with ISO 14001 international standards.

**The policies are available on our corporate website.

3. Governance related to BR

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

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

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

This is Aurobindo's sixth Business Responsibility Report and is part of the FY21 Annual Report.

Business Responsibility Report of previous year can be accessed from the following hyperlink: https://www.aurobindo.com/wp-content/uploads/2020/08/Aurobindo-Pharma-Limited-Annual-Report-2019-20.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Ethics

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

Yes, the policy relating to ethics, bribery and corruption extends beyond our employees, both Whole-time Directors & Independent Directors and covers all subsidiaries. The

Company's Code of Conduct affirms its commitment to the highest standards of integrity and ethics. The Code of Conduct guides all supervisory, executive and managerial employees of the Company including the Board members. The policy is communicated to the employees across all the locations. The policy documents are made available in the internal portal for ready reference.

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

In the year ended March 31, 2021, the Company has received and resolved 9 complaints from the investors. All the complaints were resolved to the satisfaction of the shareholders and there were no pending complaints at the year end.

PRINCIPLE 2 – PRODUCT LIFE CYCLE SUSTAINABILITY

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

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

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

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

- Improved the performance of chilling plants and running at close to design conditions for conservation of energy. This initiative accrued savings of 98.81 lakh kWh in Unit 1.
- Replacement of old & higher size motors with optimum size motor for pumps, fans, stopping of idle running motors, optimised the operations of vacuum pumps in Solvent Recovery & Production blocks, optimised the operation of Cooling Tower fan by installing auto cut off system and Installing VFDs (variable frequency drive) for Pumps in Unit 1 yielded energy savings of 9.93 lakh kWh annually against.
- Improved the performance of chilling plants and running at close to design conditions for conservation of energy. This initiative accrued savings of 1.5 lakh kWh in Unit 1 - Oncology.
- Installation of VFDs to Air Compressors, Pumps and Cooling Tower fans, Dedicated capacitor banks in electrical distribution systems and installation of lighting energy savers accrued energy savings of 2.83 lakh kWh units in Unit 1 - Oncology.
- Improved the performance of chilling plants and running at close to design conditions for conservation of energy. This initiative accrued savings of 2.24 lakh kWh in Unit 2.
- Optimisation of chilling plants efficiency by running at close to design conditions for conservation of energy. This initiative yielded savings of 22.12 lakh kWh annually in Unit 5.
- Operational efficiency improvement of Vapor Absorption Machines (VAM) by optimising the flow into the system and accrued energy savings of 554.2 Tons of Coal in Unit 5.
- Improved the performance of air compressors by arresting the leakages to conserve the energy and arranged interlocking system for Primary pump and RT pump for auto switch off Refrigeration Compressors for conservation of energy. The achieved energy savings are 5.02 lakh kWh in Unit 8.
- Installing VFD for both ID (induced draft) and FD (forced draft) fans of Boiler and improved the operational efficiency of Boiler yielded savings of 102 Tons of Coal in Unit 8.
- Improved the performance of chilling plants, efficiency and running at close to design conditions for conservation of energy. This initiative accrued savings of 18.23 lakh kWh in Unit 9.
- Operational efficiency improvement of Vapor Absorption Machines (VAM) by tubes replacement and optimising the flow into the system and accrued energy savings of 2,294 Tons of Coal in Unit 9.
- Installed new energy efficient pumps along with IE3 motors in utility systems and accrued energy savings of 0.47 lakh kWh savings in Unit 9.
- Installed VFD's for Block Module RT Pumps, replaced old motors with new energy efficient motors, installed lighting energy saver in lights distribution panel, avoided idle running of AHU during night hours by installing times, Optimised the operation of Cooling Tower fan by installing auto cut off system with temperature control, for conservation of energy saved 8.86 lakh kWh in Unit 9.
- Improved the performance of air compressors by arresting the leakages to conserve the energy at Unit 9. The achieved energy savings are 1.26 lakh kWh in Unit 9.
- Improved the performance of chilling plants, efficiency and running at close to design conditions for conservation of energy. This initiative accrued savings of 45.99 lakh kWh in Unit 11.
- Replaced the existing cooling tower with energy efficient Wooden Cooling Tower, the achieved energy savings are 2.10 lakh kWh annually in Unit 11.
- Arranged auto cut-off timers for CRT rooms & HVAC systems and times for ETP deaerators without affecting the temperature limits. The accrued energy savings are 5.92 lakh kWh in Unit 11.
- Installed VFD's for Pumps, installing auto cut off system for Cooling Tower Fan, installing interlocking systems in

refrigeration plants for avoiding idle running of pumps, replacing CT fan Aluminum blades with FRP Blades and Installation of energy efficient LED bulbs replacing conventional bulbs accumulated energy savings are 5.03 lakh kWh in Unit 11U.

- Installed new energy efficient pumps and replaced IE1 motors with IE3 energy efficient motors in utility systems and accrued energy savings of 0.19 lakh kWh savings in Unit 11U.
- Installed VFD's for Pumps and Air Compressors, installing auto cut off system for Cooling Tower Fan and reduction in consumption in AHUs yielded energy savings of 2.97 lakh kWh in Unit 14.

(ii) The steps taken by the company for utilising alternate sources of energy.

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

(iii) The capital investment on energy conservation equipment.

- Installation of Oil Free Refrigeration (OFR) system in Chilling plants for improving the efficiency. The accumulated energy savings are 7.05 lakh kWh annually in Unit 1
- Approved Capex ₹54.5 million of replacing aged refrigeration systems with Vapor Absorption Machines (VAM) for increasing the capacity utilisation of Cogeneration Power Plant in Unit 1. The installation of equipment under process.
- Approved Capex ₹49 million of replacing aged refrigeration systems with energy efficient Refrigeration systems for increasing the efficiency of operations in Unit 11. The procurement of equipment is under process.

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

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

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

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

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

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

- Along with the existing recycling solvents, in FY21, the Company has taken an initiative for recycling 2 solvents -MDC and toluene- in zolpidem tartrate, which reduced the MDC consumption coefficient from 7.5 kg to 2.5 kg and toluene from 25kg to 5kg. Further, recycling of four more high consumption solvents are under proposal.
- Recovered catalysts are sent back to the vendor for regeneration and reuse.
- All organic wastes generated from API Units (solids and liquids) along with the wastes generated from formulations units (with very few exceptions) are disposed of for use as auxiliary fuel at cement units, which is also called 'co-processing' of wastes; approximately 51% of the waste was recycled through co-processing.

PRINCIPLE 3 – EMPLOYEE WELL-BEING

1. Please indicate the total number of employees

The Company has 19,364 employees as on March 31, 2021.

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

The Company has over 11,361 contractual employees as on March 31, 2021.

3. Please indicate the number of permanent women employees.

The Company has 865 women employees as on March 31, 2021.

4. Please indicate the number of permanent employees with disabilities

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

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

Yes.

6. **What percentage of your permanent employees is a member of this recognised employee association?**
As the majority of the office bearers/active members of the Association have left the organisation, no activity has been observed during the last financial year. Harmonious industrial relations were maintained across all the manufacturing locations.

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

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on March 31, 2020
1	Child labour/ forced labour/ involuntary labour	Nil; Company does not hire child labour, forced labour, involuntary labour	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. **What percentage of your mentioned employees was given safety and skill up gradation training in the last year?**
   - Permanent Employees: Employee training is a continuous process in the Company, and all the employees are given mandatory safety training at the time of joining. Further, skill-based training is imparted to 100% of the Company's employees on a continuous basis.
   - As mentioned in the above point, over 90% of permanent women employees are given training.
   - Casual/Temporary/Contractual Employees: All the Company's contractual employees are imparted with training like safety, skill development and so on.

PRINCIPLE 4 – STAKEHOLDERS ENGAGEMENT

1. **Has the Company mapped its internal and external stakeholders? Yes/No**
Yes, the Company has mapped its internal as well as external stakeholders.

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

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**
The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations. This is one of the corporate values that emphasises on being responsive to stakeholders' needs, being proactive and transparent.

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

PRINCIPLE 5 – HUMAN RIGHTS

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**
The policy covers the employees of the Company and its suppliers, contractor and other stake holders.

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

PRINCIPLE 6 – ENVIRONMENT

1. **Does the policy related to Principle 6, cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?**
As a responsible corporate citizen, the Company has established 'Environmental Health and Safety Policy', applicable for all employees, Group companies, JVs and external contractors providing services in the Company's premises. The Company has updated the policy in FY21 to include sustainability as a part of EHS policy which communicates management's commitment to various aspects related to environment, health and safety of the stakeholders and sustainable development of the company.

The organisation maintains alignment with legal requirements and good engineering practices. Necessary capacity building workshops, trainings are provided to all the employees to engage and equip them with EHS concepts. We also take care of health and safety of our suppliers and vendors through vendor assessment checklist while vendor on-boarding. The policy also emphasises on the need to focus on continual improvement in environmental, health and safety performance of the organisation by setting appropriate objective, systems and periodic performance reviews. We commit to use innovative R&D practices and develop processes to minimise impacts of our operations on employees and our communities. The organisation also acknowledges Sustainable Development Goals in measurement of sustainability performance and the initiatives taken.

The policy can be accessed from our Corporate Website.

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

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

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

The 'Sustainability Framework' shall be communicated to our business ecosystem through our maiden sustainability report for FY 2020-21 which shall be made available on our corporate website. The company is also a member of various global and local industry forums including AMR Industry Alliance, International Federation of Pharmaceutical Manufacturers & Associations, in addressing global environmental concerns such as Pharmaceuticals in Environment, Anti-Microbial Resistance. In continuation to our journey like previous years, this year also we continued our active participation in '2021 AMR Benchmark' held by the Access to Medicine Foundation and also participated in recent 2021 AMRIA survey. Aurobindo is also part of the Bulk Drug Manufacturer's Association, India (BDMAI).

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

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

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

Along with these, we have carried out materiality assessment as an important step to the development of Sustainability Framework and our first Sustainability Report. We identified and prioritised the aspects that are of relevance and significance to our internal, external stakeholders and our business. The organisation engaged with over 1800+ across stakeholder groups, analysed their responses and opinions on various issues pertaining to Aurobindo's performance and plotted the importance of those issues on a matrix to represent issues of highest and lowest importance. Environmental aspects such as Integrated Water Management, Renewable Energy, Anti-Microbial Resistance and Waste & Sustainable Packaging are among the issues of highest importance as per our stakeholders' views and important to the business. Our Sustainability Framework acknowledges the need to act on these material issues. We are also looking forward to disclosing our performance on the identified material issues, goals and targets identified as part of our Sustainability Framework.

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

The projects related to Clean Development Mechanism are not applicable for the Company. However, various energy saving measures have been implemented at each operating facility. The initiatives helped us save approximately 81,000 GJ of energy including direct and indirect energy consumption savings. This resulted in avoiding greenhouse gas emissions of about 18,000 tCO_2e. We also use biomass in some of our facilities which further helps us in reducing energy consumption from non-renewable fuels. In FY20-21, we generated 146,096 GJ of energy from biomass in our operations, which accounts to approximately 3% of our total energy consumption.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, among others? Y/N. If yes, please give hyperlink for web page etc.**
As part of our Sustainability Framework, we use a two-pronged approach towards de-carbonisation helping us achieve overall reduction in energy consumption and maximising use of renewable energy to reduce carbon footprint of our operations.

To minimise energy consumption in our operations, we have implemented various energy efficiency initiatives. The efficiency initiatives contribute to reduction of 18,422 tCO2e in the FY 2020-21. The energy efficiency projects include upgradation of the technology to minimise consumption, Energy optimisation initiatives in existing equipment operations and savings achieved through change in equipment operation.

In addition to the energy efficiency initiatives, we strive to replace non-renewable energy in our operations. In the FY 2020-21, we have generated ~40,000 MWh electricity from our solar power plant situated near Pydibhimavaram, Vizag. Our aim is to generate more renewable energy from solar power plants at other locations, wherever possible. Along with renewable energy, we also procure biomass as a fuel in our captive power plants. The total energy consumption from biomass contributes to ~3% of our total energy consumption in the FY 2020-21. We understand the potential of biomass to replace non-renewable fuels and aspire to minimise non-renewable fuel consumption.

Our detailed performance on energy and emissions can be referred in our first Sustainability Report FY 2020-21.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
The Company follows all the statutory norms related to emissions, water discharge and waste generation. We maintain the quality of wastewater and solid waste as per stipulated norms.

7. **Number of show cause/legal notices received from CPCB/SPCB, which are pending (i.e. not resolved to satisfaction) as on end of financial year:**
No show cause/legal notices with specific reference to any of the Aurobindo facilities were pending at the end of financial year.

PRINCIPLE 7 – POLICY ADVOCACY

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**
The Company is a member of various trade bodies and chamber associations in India as follows:

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

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

PRINCIPLE 8 – COMMUNITY DEVELOPMENT (CSR)

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof**
Aurobindo Pharma implements all its Corporate Social Responsibility (CSR) activities through its philanthropic arm i.e. Aurobindo Pharma Foundation. The Foundation undertakes various activities for the sustainable development of communities around the areas of operations of the Company as well as non-core areas of the Company.

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

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

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

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

The Company reviews its projects from time-to-time and each project has specific deliverables that need to be met. The internal teams ensure project implementations are undertaken and that the necessary impact is created. Approximately 924,005 beneficiaries have been reached through its CSR activities. Of these, the Company's COVID-19 relief activities have benefitted ~663,463 people.

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

Aurobindo has spent ₹588.4 million on the CSR activities during the year 2020-21. The amount was spent on areas mentioned in point 1.

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

As mentioned in point 1, the core areas of developments are promotion of education, eradicating hunger, poverty & malnutrition, preventive health care & sanitation, making available safe drinking water, road & public safety, promotion of rural sports, rural development projects, environmental sustainability, ecological balance and conservation of natural resources, as well as animal welfare, measures for the benefit of armed forces veterans & their dependents, setting up of old age homes & hostels for orphans, disaster management, including relief, rehabilitation and reconstruction activities.

Malnutrition

To break the vicious cycle of malnutrition and related infection, Aurobindo Pharma Foundation (APF) has been continuing their efforts through Hare Krishna Movement Charitable Foundation to extend the mid-day meal program as part of its Corporate Social Responsibility (CSR) Initiative and further intensified their efforts during Covid pandemic. Till date, APF had built 2 centralised automated kitchens at Narsingi – Hyderabad & Srikakulam – Andhra Pradesh, and in the process of inaugurating one more at Mahbubnagar – Telangana. The total amount spent for setting up these three kitchens is over ₹20 crore. Total 7.85 crore meals were provided to underprivileged people, Government school children, Inpatient attendants at various Government hospitals and for farmers and hamalis in various market yards.

Free food was served in 307 schools, benefitting 23,529 students in Srikakulam district of Andhra Pradesh state and Food was served in 150 locations, 17 Government and Trust based hospitals, 8 municipalities and 4 market yards in and around Hyderabad.

Centralised automated kitchen at Mahbubnagar:

Inspired by two successful programs of kitchens, Aurobindo Pharma Foundation has further funded ₹6 crore to Hare Krishna Movement Charitable Foundation for constructing another full-fledged Kitchen at Mahbubnagar town on Raichur Road, Telangana state and this kitchen is ready for inauguration. This kitchen will cater mid-day meals to 25,000 government school children, Anganwadi's, underprivileged people and for In-Patient Attendants at various government hospitals in Mahbubnagar District.

Skill Building

As there is a shortage of skilled workforce in the far-flung Srikakulam district, Aurobindo Pharma Foundation took initiatives of setting up a Skill Development Center at Varisam village in 2018, to train the Pharma Graduates, local youth and creating employment opportunities for them for a period of 6 months. The Center equipped with state–of–the–art laboratory and equipment, acts as a catalyst in developing ideal skills among the youth, suiting the specific requirements of Pharma Industries. As of now 89 unemployed youth, holding M.Sc. (Chemistry), B. Pharma and B.Sc. graduates are enrolled in Skill Development Center and trained in the subjects of Pharma Industrial Quality Control and Quality Assurance. This facility continues to provide their quality services during 2020-21 also. Out of 89 trainees, 63 got employment in various industries. The current batch has 21 Trainees since February 2021.

Women Empowerment

Towards Women Empowerment, Aurobindo Pharma Foundation is providing training in tailoring courses in adopted villages of Peyyalapalem village, Kodavalur Mandal, Nellore District and in Borapatla & Reddykhanapur villages in Hatnoora mandal of Sangareddy District, Telangana State. About 194 women trained and enhanced their income levels during 2020-21. During COVID-19 pandemic, these trained women in Peyyalapalem village had converged with Indira Kranthi Pathakam scheme (IKP), Andhra Pradesh Government to make masks for controlling the spread of COVID virus in their village.

Education

Supported 15 Vidya Volunteers through monthly salaries who are teaching in various Government schools in Telangana state. Supplied drinking water in various government schools, constructed Toilets, provided dual desks and RO water plants to various Schools and College's besides mid-day meal through Hare Krishna Movement Charitable Foundation. Further, taken up many infrastructure related activities such as repairing & renovation of old class rooms, constructing additional Class rooms, new School buildings, cycle sheds and dais etc., done painting works in various Government schools,. Constructed a big Kitchen building and provided kitchen equipment at Dr. B R Ambedkar University, Andhra Pradesh. Provided Scholarships to 17 underprivileged students at Ashoka University, Haryana State and also paid education fee for 11 students who are studying in various institutions including NITs & IITs. To promote education for tribal children supported 50 tribal students in Auro Mira Vidya Mandir in Orissa state that provides a unique curriculum for holistic development of tribal children.

Digital education program and setting up of creative school libraries

Aurobindo Pharma Foundation has provided funds to "Room to Read" an NGO towards setting up of creative libraries in 10 Government schools in different villages of Sangareddy District, Telangana State. Also provided funds to American India Foundation towards providing digital learning and related tools in 10 Government Schools located in Srikakulam and Vizianagaram Districts of Andhra Pradesh state.

Overall, all these holistic efforts in schools created a better ambience for holistic development of children and thus improved quality of education and reduced school drop outs. Education related support facilitated to provide quality education for 18,000 Students from various Government Schools, Colleges, Universities and other Trust based Schools. During 2020-21, Aurobindo Pharma Foundation worked with 45 Schools in Andhra Pradesh and Telangana states and built 30 additional classrooms. This will benefit 1,767 students annually

Encouraging rural sportsmanship

Aurobindo Pharma Foundation is extending financial assistance to children who displayed sports skills and having required potential to win many more medals and rewards besides organising sports events. Aurobindo Pharma Foundation has financially supported for establishment of Jwala Gutta Sports academy that came into operation since 2020 and providing training to 1,200 sports persons and enabling them to participate in National and International tournaments.

Nearly 1,500 Sports men and women benefited

Healthcare and hygiene

- Construction of new cancer hospital with 218,475 square feet at MNJ institute of Oncology and regional cancer centre at Red hills, Hyderabad is under progress. This hospital will come in to operation from 2022 to benefit many cancer patients from poor communities of Telangana and neighbouring states.
- To know the growth and monitoring of the baby of pregnant women, Aurobindo Pharma Foundation has provided ultra sound machine with convex robe to Government Community Health Centre at Buchreddypalem village, Nellore District of Andhra Pradesh State. Also provided financial support to many patients who are suffering from cancer, heart patient, Lungs disease for various surgeries etc., across different locations in India. Nearly 2,119 patients were benefited directly.
- Provided financial support for eye care equipment's to Pushpagiri Vitreo Retina Institute super specialty eye care hospital, Kadapa, Andhra Pradesh State. This facility provides Tertiary eye care facility for rural communities and 1,000 to 1,500 super specialty services at no cost. This hospital's annual capacity is to provide 1 lakh OP services.
- To improve the health and nutrition related services among government institutions in Srikakulam, Vizianagaram and Nellore districts, collaborated with CARE NGO to design and execute a long-term handholding plan to strengthen deliverables of health and nutrition institutions. 8 Community Primary Health Centres (PHCs) and various Anganwadi centres will be covered under this project that may impact 2 lakh rural communities.
- These focused efforts of Aurobindo towards health has made many advanced health systems available for rural, poor and needy at no cost and thus protected their basic rights for health and well-being.

PRINCIPLE 9 – CUSTOMER VALUE

1. **What percentage of customer complaints/consumer cases are pending as on the end of the financial year?**
   Aurobindo has a well-defined mechanism to handle customer complaints. As on March 31, 2021, less than 1% of the complaints were pending beyond the acceptable timelines as per the Standard Operating Procedures (SOP).

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**
   The product label has to be approved by the regulatory authorities of the country where the product is to be sold. The Company mentions all the product information required by the concerned regulatory agencies.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**
   There are no pending cases as on March 31, 2021.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**
   The Company has a dedicated team that regularly conducts face-to-face review meetings with customers to understand their needs. These interactions help in getting useful feedback to improve upon the existing processes.

ANNEXURE-1

FORM AOC-I

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

Part "A": Subsidiaries

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

Sl. No.	Name of the subsidiary	The date since when subsidiary was acquired	Reporting currency	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments in Subsidiaries	Investments other than Subsidiaries	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of share-holding	Country
1	Helix Healthcare B.V.	Not Applicable	EUR	85.7500	23,143.0	(156.7)	19,348.3	6,360.5	9,265.9	732.6	-	96.7	(429.6)	526.3	-	100%	The Netherlands
2	Agile Pharma B.V.	Not Applicable	EUR	85.7500	4,747.5	3,725.7	8,715.4	19,046.7	18,804.5	-	56.6	407.6	19.8	387.8	-	100%	The Netherlands
3	Laboratorios Aurobindo S.L.	Not Applicable	EUR	85.7500	417.3	(236.7)	479.2	298.6	-	-	286.5	24.6	6.2	18.5	-	100%	Spain
4	Aurex B.V. (formerly known as Pharmacin B.V.)	December 29, 2006	EUR	85.7500	1.5	332.1	398.0	64.4	-	-	551.5	56.0	14.0	42.0	-	100%	The Netherlands
5	Milpharm Limited	February 9, 2006	GBP	100.7525	362.5	1,761.8	4,701.9	2,577.6	-	-	8,054.6	654.8	124.4	530.3	50.4	100%	U.K.
6	Aurobindo Pharma (Malta) Ltd	Not Applicable	EUR	85.7500	435.2	234.9	420.7	0.5	249.9	-	8.9	3.6	-	3.6	-	100%	Malta
7	APL Swift Services (Malta) Ltd	Not Applicable	EUR	85.7500	308.7	161.5	10,367.5	9,897.3	-	-	13,389.0	124.7	-	124.7	-	100%	Malta
8	Aurobindo Pharma Gmbh Germany	Not Applicable	EUR	85.7500	316.5	133.5	4,018.6	3,568.6	-	-	2,107.6	104.8	34.9	69.9	103.0	100%	Germany
9	Aurobindo Pharma (Romania) s.r.l	Not Applicable	RON	17.4308	354.7	(328.1)	799.2	772.6	-	-	712.9	16.6	5.9	10.7	-	100%	Romania

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10	Pharmacin B.V. (formerly known as Aurex B.V.)	Not Applicable	EUR	85.7500	7.7	32.0	126.0	86.3	-	-	260.3	13.7	2.3	11.4	-	100%	The Netherlands
11	Aurovitas Pharma Polska	Not Applicable	PLN	18.4645	169.0	405.3	3,881.9	3,307.6	-	-	3,498.2	107.7	24.7	83.0	-	100%	Poland
12	Aurovitas Pharma Ceska Republica s.r.o [1]	Not Applicable	CZK	3.2848	-	-	-	-	-	-	-	-	-	-	-	100%	Czech Republic
13	Generis Farmaceutica S.A.	May 1, 2017	EUR	85.7500	11,147.0	(3,956.7)	11,170.4	3,980.6	0.5	-	7,353.6	(199.6)	205.2	(404.7)	-	100%	Portugal
14	Generis Phar, Unipessoal Lda	May 1, 2017	EUR	85.7500	0.4	0.1	1.0	0.5	-	-	-	-	-	-	-	100%	Portugal
15	Aurobindo Pharma (Italia) S.r.l	Not Applicable	EUR	85.7500	2,366.7	(2,113.2)	2,865.7	2,612.2	-	-	2,662.7	74.4	3.3	71.1	-	100%	Italy
16	Arrow generiques SAS	April 1, 2014	EUR	85.7500	3,210.8	1,537.6	13,878.3	9,129.9	-	-	15,830.9	138.3	20.3	118.0	-	100%	France
17	1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Germany	April 1, 2014	EUR	85.7500	2.1	2.6	5.4	0.7	-	-	0.8	-	-	-	-	100%	Germany

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18	Puren Pharma GmbH & Co., KG (formerly Actavis Deutschland GmbH & Co., KG)	April 1, 2014	EUR	85.7500	2.2	858.7	5,074.5	4,213.6	-	-	3,974.9	86.9	20.2	66.6	363.2	100%	Germany
19	Aurovitas Spain SA (formerly Actavis Spain S.A)	April 1, 2014	EUR	85.7500	51.3	1,763.1	2,841.1	1,026.7	-	-	3,652.8	252.1	66.7	185.4	-	100%	Spain
20	Aurobindo Pharma B.V. (formerly known as Actavis B.V.)	April 1, 2014	EUR	85.7500	434.6	1,915.6	5,960.6	4,072.7	462.3	-	7,475.7	1,238.4	313.0	925.5	-	100%	The Netherlands
21	Apotex N.V.[2]	February 8, 2019	EUR	85.7500	-	-	-	-	-	-	-	-	-	-	-	100%	Belgium
22	Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o.)	February 8, 2019	CZK	3.2848	399.4	146.1	829.9	284.4	-	-	1,240.1	(137.3)	(2.8)	(134.5)	-	100%	Czech Republic
23	Apotex Europe B.V.	February 8, 2019	EUR	85.7500	-	546.7	691.7	145.0	-	-	116.3	401.7	100.4	301.3	-	100%	The Netherlands
24	Apotex Nederland B.V.	February 8, 2019	EUR	85.7500	-	(1,243.0)	538.6	1,781.6	-	-	4,328.0	(570.3)	-	(570.3)	-	100%	The Netherlands
25	Sameko Farma B.V. [3]	February 8, 2019	EUR	85.7500	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
26	Leidapharm B.V. [3]	February 8, 2019	EUR	85.7500	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
27	Marel B.V. [3]	February 8, 2019	EUR	85.7500	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands

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28	Pharma Dossier B.V.[3]	February 8, 2019	EUR	85.7500	-	-	-	-	-	-	-	-	-	-	-	100%	The Netherlands
29	Aurobindo NV/SA	Not Applicable	EUR	85.7500	394.6	(128.0)	1,152.6	886.0	-	-	961.5	(117.4)	0.5	(117.9)	-	100%	Belgium
30	CuraTeQ Biologics GmbH	Not Applicable	CHF	77.5550	77.6	(32.6)	48.0	3.0	-	-	-	(11.3)	-	(11.3)	-	100%	Switzerland
31	APL Pharma Thai Limited[13]	Not Applicable	THB	2.3400	234.0	(54.1)	187.4	7.5	-	-	44.2	0.5	-	0.5	-	97.92%	Thailand
32	Aurobindo Pharma Industria Farmaceutica Ltd[13]	Not Applicable	BRL	12.7979	129.6	847.7	1,247.4	270.1	-	-	1,898.9	763.7	263.7	500.0	-	99.97%	Brazil
33	Aurobindo Pharma Produtos Farmaceuticos Limitada[13]	Not Applicable	BRL	12.7979	1.3	173.7	179.9	4.9	-	-	29.0	8.4	2.9	5.5	-	100%	Brazil
34	All Pharma (Shanghai) Trading Co Ltd[13]	Not Applicable	RMB	11.1375	55.7	170.7	235.3	8.9	-	-	21.9	4.3	0.5	3.8	-	100%	China
35	Auro Pharma Inc.	Not Applicable	CAD	58.0250	251.1	1,097.3	3,598.6	2,250.2	-	-	4,266.3	247.6	59.5	188.1	-	100%	Canada
36	Aurobindo Pharma (Pty) Ltd	Not Applicable	ZAR	4.9350	206.8	96.8	2,528.2	2,224.6	-	-	2,725.0	238.4	71.0	167.4	-	100%	South Africa
37	Aurobindo Pharma Japan KK	Not Applicable	JPY	0.6612	98.4	16.3	315.9	201.2	-	-	625.3	40.2	12.5	27.8	52.9	100%	Japan
38	Aurovida Farmaceutica SA DE CV	Not Applicable	MXN	3.5694	541.7	(249.0)	1,049.3	756.6	-	-	545.4	183.8	-	183.8	-	100%	Mexico
39	Aurobindo Pharma Colombia S A S[13]	Not Applicable	Cpeso	0.0197	31.5	354.9	691.9	305.5	-	-	649.7	143.5	48.0	95.5	-	100%	Colombia

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40	Aurogen South Africa (PTY) Ltd	Not Applicable	ZAR	4.9350	206.8	1,213.6	1,257.8	126.5	206.8	82.3	704.8	82.3	21.9	60.4	-	100%	South Africa
41	Aurobindo Pharma Saudi Arabia Limited Company	Not Applicable	SAR	19.4925	194.9	(118.7)	83.5	7.3	-	-	-	(30.4)	-	(30.4)	-	100%	Saudi Arabia
42	Aurovitas Pharma (Taizhou) Ltd 13	Not Applicable	RMB	11.1375	2,692.1	(59.6)	4,394.3	1,761.8	-	-	-	(18.9)	-	(18.9)	-	100%	China
43	Aurobindo Pharma FZ-LLC	Not Applicable	AED	19.9050	65.4	(34.3)	49.2	18.1	-	-	14.4	(20.9)	-	(20.9)	-	100%	Dubai
44	Auroscience PTY Ltd, Australia	Not Applicable	US$	73.1100	880.2	(239.9)	702.0	61.7	-	-	45.0	(90.6)	45.3	(135.8)	-	100%	Australia
45	Aurobindo Pharma USA Inc.	Not Applicable	US$	73.1100	4,509.1	45,770.3	61,256.8	18,074.7	5,549.8	1,547.5	64,322.2	35,671.2	7,642.1	28,029.1	-	100%	USA
46	Aurolife Pharma LLC	Not Applicable	US$	73.1100	4,459.7	5,342.7	12,586.3	2,783.9	-	-	7,225.9	(1,452.5)	-	(1,452.5)	-	100%	USA
47	Auromedics Pharma LLC	Not Applicable	US$	73.1100	14.6	4,526.7	10,783.7	6,242.4	-	-	18,285.7	971.0	59.1	911.9	-	100%	USA
48	Auro Health LLC	Not Applicable	US$	73.1100	18.3	984.0	3,046.5	2,044.2	-	-	3,679.5	225.5	141.0	84.5	-	100%	USA
49	Natrol LLC[15]	December 4, 2014	US$	73.1100	-	-	-	-	-	-	10,803.9	2,938.7	476.2	2,462.5	-	100%	USA
50	Auro AR LLC	Not Applicable	US$	73.1100	7.3	-	108.9	101.6	-	-	-	-	-	-	-	100%	USA
51	Auro Vaccines LLC	Not Applicable	US$	73.1100	36.6	(983.3)	1,511.3	2,458.0	-	-	-	(906.3)	-	(906.3)	-	100%	USA
52	AuroLogistics LLC	Not Applicable	US$	73.1100	36.6	121.8	663.6	505.2	-	-	-	51.5	7.8	43.8	-	100%	USA

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53	Acrotech Biopharma LLC	Not Applicable	US$	73.1100	36.6	2,279.9	3,922.5	1,606.1	-	-	7,954.3	1,331.1	242.7	1,088.5	-	100%	USA
54	Auro Science LLC	Not Applicable	US$	73.1100	-	-	-	-	-	-	-	-	-	-	-	100%	USA
55	Auro Packaging LLC	Not Applicable	US$	73.1100	36.6	73.3	245.6	135.7	-	-	-	67.6	1.5	66.1	-	100%	USA
56	APL Research Centre Limited[14]	Not Applicable	INR	1.0000	-	-	-	-	-	-	-	-	-	-	-	100%	India
57	APL Healthcare Limited	Not Applicable	INR	1.0000	2,160.0	(670.1)	7,401.0	5,911.1	-	-	4,666.2	668.6	-	668.6	-	100%	India
58	Auronext Pharma Private Limited	Not Applicable	INR	1.0000	1,249.8	1,920.7	2,876.7	6.2	-	300.0	3,535.7	1,577.3	417.1	1,160.2	3,074.6	100%	India
59	Auro Peptides Ltd	Not Applicable	INR	1.0000	1.0	(1,037.6)	738.1	1,774.7	-	-	258.4	(303.2)	-	(303.2)	-	95%	India
60	Curepro parenterals Ltd[14]	Not Applicable	INR	1.0000	-	-	-	-	-	-	-	-	-	-	-	100%	India
61	Hyacinths Pharma Pvt. Ltd[14]	October 1, 2013	INR	1.0000	-	-	-	-	-	-	-	-	-	-	-	100%	India
62	Silicon Life Sciences Pvt.Ltd[14]	October 11, 2013	INR	1.0000	-	-	-	-	-	-	-	-	-	-	-	100%	India
63	AuroZymes Limited[14]	Not Applicable	INR	1.0000	-	-	-	-	-	-	-	-	-	-	-	100%	India
64	Auro Pharma India Private Limited	Not Applicable	INR	1.0000	1.0	(0.2)	0.8	-	-	-	-	-	-	-	-	100%	India

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65	Auroactive Pharma Private Limited	Not Applicable	INR	1.0000	1.0	(0.2)	0.8	-	-	-	-	(0.2)	-	(0.2)	-	100%	India
66	CuraTeQ Biologics Private Limited[4]	Not Applicable	INR	1.0000	1,000.0	(1,130.8)	6,057.2	6,188.0	-	-	510.8	(3,345.9)	-	(3,345.9)	-	100%	India
67	Auro Cure Private Limited[5]	Not Applicable	INR	1.0000	372.5	(4.5)	368.3	0.3	-	-	-	(4.6)	-	(4.6)	-	100%	India
68	AuroZest Private Limited[6]	Not Applicable	INR	1.0000	1.0	-	451.9	450.9	-	-	-	-	-	-	-	100%	India
69	Aurobindo Antibiotics Private Limited[7]	Not Applicable	INR	1.0000	0.1	-	0.1	-	-	-	-	-	-	-	-	100%	India
70	Eugia Pharma Specialities Ltd[8]	November 6, 2020	INR	1.0000	6,210.1	2,981.0	15,575.5	6,385.4	1.0	-	3,035.4	650.0	7.0	643.0	-	100%	India
71	Mviyes Pharma Ventures Private Limited[9]	November 6, 2020	INR	1.0000	1,502.5	349.6	43.2	0.1	1,809.0	-	-	0.3	-	0.3	-	100%	India
72	Lyfius Pharma Private Limited[10]	Not Applicable	INR	1.0000	1.0	(0.4)	10.7	10.1	-	-	-	(0.4)	-	(0.4)	-	100%	India
73	Qule Pharma Private Limited[11]	Not Applicable	INR	1.0000	1.0	(0.1)	0.9	-	-	-	-	(0.1)	-	(0.1)	-	100%	India

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74	Wytells Pharma Private Limited[12]	Not Applicable	INR	1.0000	1.0	-	1.0	-	-	-	-	-	-	-	-	100%	India

[1] Aurovitas Pharma Ceska Republica s.r.o. merged with Aurovitas Spol s.r.o w.e.f. April 1, 2020.

[2] Apotex N.V merged with Aurobindo NV/SA w.e.f. April 1, 2020.

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

[4] CuraTeQ Biologics Private Limited incorporated on April 25, 2020, results given are from the date of incorporation.

[5] Auro Cure Private Limited incorporated on July 5, 2020, results given are from the date of incorporation.

[6] AuroZest Private Limited incorporated on August 6, 2020, results given are from the date of incorporation.

[7] Aurobindo Antibiotics Private Limited incorporated on October 6, 2020, results given are from the date of incorporation.

[8] Eugia Pharma Specialities Ltd 100% Subsidiary w.e.f. November 6, 2020, results given are from the date of acquisition.

[9] Mviyes Pharma Ventures Private Limited acquired on November 6, 2020, results given are from the date of acquisition.

[10] Lyfius Pharma Private Limited incorporated on November 16, 2020, results given are from the date of incorporation.

[11] Qule Pharma Private Limited incorporated on November 16, 2020, results given are from the date of incorporation.

[12] Wytells Pharma Private Limited incorporated on February 20, 2021, results given are from the date of incorporation.

[13] The financial year of these companies end on December 31, However, the results given are as of March 31, 2021.

[14] Entities merged with Aurobindo Pharma Ltd, India w.e.f. April 1, 2019

[15] Natrol LLC disposed w.e.f. November 30, 2020, results given are upto the date of disposal.

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

N. Govindarajan
Managing Director
DIN: 00050482

Dr. M. Sivakumaran
Director
DIN: 01284320

Place: Hyderabad
Date: May 31, 2021

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No. 13709

Part "B": Associates and Joint Ventures

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

art "A": Subsidiaries

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

Name of Joint Venture	Novagen Pharma (Pty) Ltd	Purple BellFlower (Pty) Ltd	Eugia Pharma Specialities Limited (Joint Venture upto November 6, 2020)	Tergene Biotech Private Limited	Raidurgam Developers Ltd.	Luoxin Aurovitas Pharm (Chengdu) Co. Ltd	Longxiang Pharma Taizhou Co. Ltd*	Novagen BBBEE Invest Co (Pty) Ltd
1. Latest audited Balance Sheet Date	March 31, 2021	March 31, 2021	Not applicable	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
2. Shares of Joint Venture held by the company on the year end								
No.	927,236	480	Not applicable	9,040,000	4,000,000	Not applicable	Not applicable	245
Amount of Investment in Joint Venture	81.4	-	Not applicable	90.4	40.0	419.3	313.3	0.9
Extent of Holding %	50.00%	48.00%	67.82%	80.00%	40.00%	30.00%	57.00%	24.50%
3. Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
4. Reason why the associate/joint venture is not consolidated	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	(136.3)	(0.04)	Not applicable	(184.0)	48.0	568.9	286.7	0.3
6. Profit for the year	34.5	5.6	(647.9)	(62.8)	(200.9)	(1.3)	(22.5)	(0.6)
i. Considered in Consolidation	17.3	2.7	(439.4)	(50.2)	(80.4)	(0.4)	(12.8)	(0.1)
ii. Not Considered in Consolidation	17.3	2.9	(208.5)	(12.6)	(120.6)	(0.9)	(9.7)	(0.4)

*The financial year of these companies end on December 31, However, the results given are as of March 31, 2021

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

N. Govindarajan
Managing Director
DIN: 00050482

Dr. M. Sivakumaran
Director
DIN: 01284320

Place: Hyderabad
Date: May 31, 2021

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No. 13709

ANNEXURE-2

FORM NO. AOC-2

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

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

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

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

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

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

Sl. No.	Name of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the Contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount (₹ in Million)
1	Aurobindo Pharma USA Inc., USA	Wholly owned subsidiary	Sale of products	on going	Based on transfer pricing guidelines	45,486.1
			Reimbursement of expenses received	on going	Based on transfer pricing guidelines	36.8
			Purchase of samples	on going	Based on transfer pricing guidelines	50.3

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

For and on behalf of the Board

K. Ragunathan
Chairman
DIN: 00523576

Place: Hyderabad
Date: May 31, 2021

ANNEXURE-3

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

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

(A) CONSERVATION OF ENERGY

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

- Improved the performance of chilling plants and running at close to design conditions for conservation of energy. This initiative accrued savings of 98.81 lakh kWh in Unit 1, 2.25 lakh kWh in Unit 2, 22.12 lakh Kwh in Unit 5, 3.60 lakh kWh in Unit 8, 18.23 lakh kWh in Unit 9, 45.99 lakh kWh in Unit 11, 0.25 lakh kWh in Unit 11U.
- Replacement of old and higher capacity motors with optimum size motors for pumps and fans, stopping of idle running motors, optimised the operations of vacuum pumps in Solvent Recovery & Production blocks, optimised the operation of Cooling Tower fan by installing auto cut off system and installing VFDs for pumps in Unit 1 yielded energy savings of 9.93 lakh kWh annually.
- Installation of VFDs for Air Compressors, Pumps and Cooling Tower fans, dedicated capacitor banks in electrical distribution systems and installation of lighting energy savers accrued energy savings of 2.83 lakh kWh units in Unit 1 - Oncology.
- Improving the operational efficiency of Boiler by optimising the ID fan flow and optimising the line sizes in CT pump yielded savings of 71.01 Tons of Coal and 0.01 lakh kWh in Unit 2.
- Operational efficiency improvement of Vapor Absorption Machines (VAM) by optimising the flow into the system and accrued energy savings of 554.2 Tons of Coal in Unit 5, 2294 Tons of Coal in Unit 9.
- Auto cut off the running of Cooling Tower fan by installing temperature control sensor to avoid running during low load on cooling tower. This initiative accrued saving of 0.34 lakh kWh annually in Unit 8.
- Improved the performance of air compressors by arresting the leakages to conserve the energy and arranged interlocking system for Primary pump and RT pump for auto switch off Refrigeration Compressors for conservation of energy. The achieved energy savings are 5.02 lakh kWh in Unit 8.
- Installing FVD for both ID and FD fans of Boiler and improved the operational efficiency of Boiler yielded savings of 102 Tons of Coal in Unit 8.
- Installed new energy efficient pumps along with IE3 motors in utility systems and accrued energy savings of 0.47 lakh kWh savings in Unit 9, 0.85 lakh kWh savings in Unit 11
- Installed VFD's for Block Module RT Pumps, replaced old motors with new energy efficient motors, installed lighting energy saver in lights distribution panel, avoided idle running of AHU during night hours by installing times, optimised the operation of Cooling Tower fan by installing auto cut off system with temperature control, for conservation of energy saved 8.86 lakh kWh in Unit 9.
- Improved the performance of air compressors by arresting the leakages to conserve the energy at Unit 9. The achieved energy savings are 1.26 lakh kWh in Unit 9.
- Replaced the existing cooling tower with energy efficient Wooden Cooling Tower, the achieved energy savings are 2.10 lakh kWh annually in Unit 11.
- Optimised the operation of Cooling Tower fan by installing auto cut off system with temperature control to avoid running during low load on cooling tower. This initiative accrued savings of 0.34 lakh kWh for 9 months in Unit 11.
- Arranged auto cut-off timers for CRT rooms & HVAC systems and times for ETP deaerators without effect the temperature limits. The accrued energy savings are 5.92 lakh kWh in Unit 11.
- Replaced the old MH lights with energy efficient LED's for conservation of energy, the accrued energy savings are 0.65 kWh lakh annually in Unit 11U.
- Installed VFD's for Pumps, installing auto cut off system for Cooling Tower Fan, installing interlocking systems in refrigeration plants for avoiding idle running of pumps, replacing CT fan Aluminum blades with FRP Blades and Installation of energy efficient LED bulbs replacing conventional bulbs accumulated energy savings are 5.03 lakh kWh in Unit 11U.
- Installed new energy efficient pumps and replaced IE1 motors with IE3 energy efficient motors in utility systems and accrued energy savings of 0.19 lakh kWh savings in Unit 11U.
- Installed VFD's for Pumps and Air Compressors, installing auto cut off system for Cooling Tower Fan, and reduction in consumption in AHUs yielded energy savings of 2.97 lakh kWh in Unit 14.
- Saved 5.55 lakh kWh of energy by optimising descaling/ tubes cleaning activity at Unit 7
- 17,920 kWh saved from boiler fans at Unit 7 by reducing the cut off pressure of steam
- 5.4 lakh kWh saved by arranging the heat pump for hot water generation at Unit 7
- 3.2 lakh kWh saved by arranging the heat pump for hot water generation at Unit 15
- 6,500 units saved annually by replacing conventional lamps with LED lamps at Unit 6.
- 1,700 units saved annually by replacing conventional lamps with LED lamps at Unit 6.
- Temperature controllers are linked with VFDs at Unit 6 AHUs resulting in 68000 units of power saving annually.
- 51,200 kWh saved from air dryers by arranging the single dryer with optimised operation at Unit 7

- 39,500 kWh saved from air dryers by arranging the single dryer with optimised operation at Unit 3
- 2.23 lakh kWh saved by providing RH control in BMS in Unit 7
- 3.63 lakh kWh saved by optimising frequency setting of VFDs in Suite-1 of Block 2 of Unit 4
- 66,000 kWh saved by optimisation of AHU running at Unit 12
- 2.20 lakh kWh saved by arranging the auto tube cleaning at Unit 3
- 1603 MT of coal saved in the year 2020-21 at Unit 3 by optimising operational parameters and training operators.
- 9000 KL of water saved by improving steam condensate recovery from 75% to 80% and by optimising water utilisation in chillers approximately is saved annually at Unit 3.
- 2,400 KL water saved by arranging the push type taps in unit 10
- 4,500 KL of water saved by redirecting DLT Purified Water System reject and AHU condensate to cooling towers at Unit 10
- 5600 KL water saved by collecting the rainwater at Unit 7

(ii) the steps taken by the company for utilising alternate sources of energy.

- Purchasing/ Trading of Power through open access as per the requirement
- Through rainwater harvesting Unit 07 collected 3940KL of water in the financial year 2020-21

(iii) the capital investment on energy conservation equipment.

- Approved capex of ₹545 lakh of replacing aged refrigeration systems with Vapor Absorption Machines (VAM) for increasing the capacity utilisation of Cogeneration Power Plant in Unit 1. The installation of equipment under process.
- By installing HVLS fans at Unit 16, 436 units of power saved per day in Unit 16. Investment cost of the project is ₹9.72 lakh. Similar project at Unit 10 at a cost of ₹18 lakh resulted in savings of 360 units of power per day
- VFDs are installed hot water generation system at Unit 4 at a cost of 0.96 lakh. It resulted in savings of 476 units per day
- Redesigning/installing AHUs at Unit 04 for energy optimisation resulted in annual savings of 72000 units. The required investment was only ₹1.4 lakh.

(B) TECHNOLOGY ABSORPTION

Efforts made towards technology absorption:

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

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

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

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Not applicable.

Expenditure Incurred on Research and Development

₹ in Million

	2020-21	2019-20
Capital	284.5	199.8
Recurring	8,120.1	7,416.2
Total R&D Expenditure	8,404.6	7,616.0
As a % of total gross turnover	**5.31%**	**5.70%**

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO.

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Foreign Exchange Earned

₹ in Million

	2020-21	2019-20
Exports-FOB	133,247.8	107,125.9
Others	199.1	318.8
	133,446.9	**107,444.7**

Foreign Exchange Outgo

₹ in Million

	2020-21	2019-20
Imports-CIF	40,614.8	34,901.7
Others	4,330.8	4,089.3
	44,945.6	**38,991.0**

For and on behalf of the Board

K. Ragunathan
Chairman
DIN: 00523576

Place: Hyderabad
Date: May 31, 2021

ANNEXURE-4

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2021

To
The Members
Aurobindo Pharma Limited
(CIN: L24239TG1986PLC015190)
Plot No.2, Maithrivihar, Ameerpet,
Hyderabad - 500 038

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aurobindo Pharma Limited (hereinafter referred to as the “Company”) for the financial year ended March 31, 2021. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided and declarations made by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 (i.e. from April 1, 2020 to March 31, 2021) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1) The Companies Act, 2013 (the Act) and the rules made thereunder;

2) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

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

4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI ACT’):

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

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

    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time (Not applicable to the Company during the financial year);

    d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the financial year);

    e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

    f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the financial year);

    g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the financial year);

    h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the financial year).

6) Memorandum and Articles of Association of the Company.

I further report that having regard to compliance systems prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test check basis and also on reliance of the management representation letters issued by the respective department heads, the Company has complied with the following Laws as applicable to the Company:

1. Factories Act, 1948 and allied state Laws;

2. Telangana Shops and Establishment Act, 1988 and A.P. Shops and Establishment Act, 1988;

3. Employees’ State Insurance Act, 1948 and the Employees’ State Insurance (General) Regulations, 1950;

4. The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees’ Provident Funds Scheme, 1952;

5. The Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;

6. The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
7. The Payment of Gratuity Act, 1972;
8. The Maternity Benefits Act, 1961;
9. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
10. Drugs (Control) Act, 1950;
11. The Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 and other rules made thereunder;
12. The Narcotic Drugs and Psychotropic Substances Act, 1985;
13. The Food Safety and Standards Act, 2006;
14. The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950 and the Rules framed under the Act;
15. The Inflammable Substances Act, 1952;
16. The Poisons Act, 1919;
17. The Air (Prevention and control of pollution) Act, 1981 and Air (Prevention and control of pollution) Rules, 1982;
18. The Water (Prevention and control of pollution) Act, 1974 and Water (Prevention and control of pollution) Rules, 1975; and
19. Environment Protection Act, 1986 and the rules, notifications issued thereunder.

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India;
ii. The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited;
iii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the acts, rules, regulations, guidelines, and standards etc., mentioned above.

I further report that in the Secretarial Audit Report for the year ended March 31, 2020, it was reported that during 2008-09, the Company in the ordinary course of its business, entered into several Licensing and Supply Agreements with Pfizer Inc. ("Pfizer"). The Company has issued a Press Release consistent with the Pfizer Press Release on March 3, 2009 to avoid any conjecture in the market. When things stand as above, some trades in the shares of the Company were undertaken by some of the promoters to consolidate their shareholding in the Company as per the amendments brought in by SEBI to Takeover Code Regulations. However, the above act of promoters has been considered by SEBI as violation of Insider Trading Regulations of SEBI.

The contentions of the Company and its promoters were not accepted by the Adjudicating Officer (AO) and on September 23, 2019, an order was passed by the AO and levied a penalty of ₹10 million under Section 23 E of SCRA for violation of Clause 36 of the Equity Listing Agreement read with Section 21 of the SCRA and ₹10 million under Section 15HB for violation of Regulation 12 (1) read with Clause 3.2.1 of Schedule I of the PIT Regulations, 1992 read with regulation 12 (2) of the PIT Regulations, 2015 and Regulation 12 (2) read with Clause 2.1 of Schedule II of the PIT Regulations, 1992 read with Regulation 12 (2) of the PIT Regulations, 2015 on the Company and ₹132 million under Section 15G for violation of Regulations 3 and 4 of PIT Regulations on the promoters/promoter group of the Company.

Thereafter, the Company and the promoters have filed an Appeal before the Securities Appellate Tribunal in the above matter. Meanwhile, the Company and the promoters have made settlement application on October 25, 2019 before SEBI without admitting or denying any violation for settlement of the matter. Accordingly, a meeting with Internal Committee of SEBI was held on February 5, 2020. The SEBI on April 16, 2020 has communicated its acceptance to the settlement proposal of the Company and its promoters. Accordingly, on April 30, 2020 the Company has paid ₹22 million and the promoters cumulatively have paid ₹198.2 million to SEBI towards settlement amount for settlement of the above matter.

SEBI vide settlement order dated May 6, 2020 disposed of all the enforcement proceedings of SEBI in respect of the aforesaid allegations against the Company and the Promoters and the matter was closed.

However, during the period under review, it is observed that SEBI on October 23, 2020 has informed some of the Promoters that there are some calculation errors in the Settlement amounts and asked them to make good certain amounts for which the said promoters have filed a writ petition before Hon'ble High Court of Telangana, at Hyderabad. The Hon'ble High Court on November 18, 2020 has granted interim relief to the said promoters by way of suspension of the SEBI direction dated October 23, 2020, subject to depositing of around ₹17.5 million with SEBI. Accordingly, the said amount was deposited by the Promoters and presently the matter is pending for disposal before Hon'ble High Court of Telangana, at Hyderabad.

There were no proceedings pending in the above matter against the Company with SEBI.

I further report that:

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

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

(c) All the decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

(d) the compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed by me since the same have been subject to review by statutory auditors and other professionals.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that:

(a) During the previous year, a Scheme of Amalgamation for merger of its wholly owned subsidiaries viz. APL Healthcare Limited, APL Research Centre Limited, Aurozymes Limited, Curepro Parenterals Limited, Hyacinths Pharma Private Limited and Silicon Life Sciences Private Limited (a stepdown wholly owned subsidiary) with the Company was filed before the Hon'ble National Company Law Tribunal, Hyderabad (NCLT). Further during year, a modified Scheme Amalgamation was filed with The Hon'ble NCLT by way of filing Interlocutory Application for removal and complete exclusion of the APL Healthcare Limited as a party to the Scheme of Amalgamation. The Hon'ble NCLT vide order dated March 30, 2021 has approved the modified scheme of amalgamation. Accordingly, the subsidiaries viz. APL Research Centre Limited, Aurozymes Limited, Curepro Parenterals Limited, Hyacinths Pharma Private Limited and Silicon Life Sciences Private Limited (a stepdown wholly owned subsidiary) have now been merged with the Company.

(b) During the period under review, vide Business Transfer Agreement dated June 3, 2020, the Company has transferred its 'Biosimilar Business' viz., Biosimilar Research and Development facility in Biological R&D Centre and Pharmaceutical manufacturing unit, both located at Survey no. 77 & 78, Indrakaran Village, Kandi Mandal, Sanga Reddy District, Telangana (Business Undertaking) to Curateq Biologics Private Limited (a wholly owned subsidiary of the Company) on a going concern basis by way of slump sale.

(c) During the period under review, the Company proposed to transfer its oral formations manufacturing unit located in MP SEZ, Naidupet Mandal, SPSR Nellore District, AP (Unit 10) to APL Healthcare Limited (a wholly owned subsidiary of the Company) on a going concern basis by way of slump sale through a Business Transfer Agreement dated March 16, 2021.

(d) During the period under review, the Company acquired 100% holding in MviYes Pharma Ventures Private Limited, a joint venture partner in Eugia Pharma Specialities Limited and with this Eugia Pharma Specialities Limited has become a stepdown wholly owned subsidiary of the Company.

(e) During the period under review, the Company transferred its entire shares held in Lyfius Pharma Private Limited, a wholly owned subsidiary of the Company, to Aurobindo Antibiotics Private Limited, another wholly owned subsidiary of the Company.

(f) During the period under review, the Company transferred its entire shares held in Qule Pharma Private Limited, a wholly owned subsidiary of the Company, to Aurobindo Antibiotics Private Limited, another wholly owned subsidiary of the Company.

(g) During the period under review, the Company approved sale of Business Assets of Natrol LLC, a 100% step-down subsidiary of the Company (a wholly owned subsidiary of Aurobindo Pharma USA Inc.,) to New Mountain Capital LLC, NY and its affiliate Jarrow Formulas Inc., as a going concern basis with related assets, liabilities, products, brands and employees.

(h) During the period under review, the Company has approved transfer of 'Penem Formulation Business' of Auronext Pharma Private Limited (Business Undertaking), a wholly owned subsidiary of the Company to Eugia Pharma Specialities Limited, another stepdown wholly owned subsidiary of the Company as an inseparable whole, as a going concern on slump sale basis vide Business Transfer Agreement dated November 11, 2020.

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No: 2147 II COP No: 16660
UDIN: F002147C000396508

Place: Hyderabad
Date: May 31, 2021

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

ANNEXURE

To
The Members
M/s. Aurobindo Pharma Limited
(CIN: L24239TG1986PLC015190)
Plot No.2, Maithrivihar, Ameerpet,
Hyderabad- 500 038

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices followed by me provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No: 2147 II COP No: 16660
UDIN: F002147C000396508

Place: Hyderabad
Date: May 31, 2021

ANNEXURE-5

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

   The CSR policy has been placed on the Company's website at: https://www.aurobindo.com/wp-content/uploads/2018/10/Aurobindo-CSR-Policy.pdf

   The CSR policy, which encompasses the Company's philosophy for defining its social responsibility and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of the society as per approach and direction given by the board. This policy and the operational guidelines are subject to and pursuant to the provisions of the Companies Act, 2013 (Act) and the Schedules, rules and regulations made thereunder.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. K. Nithyananda Reddy	Chairman	5	5
2	Mr. K. Ragunathan	Member	5	5
3	Dr. M. Sivakumaran	Member	5	5
4	Mr. P. Sarath Chandra Reddy	Member	5	4
5	Mrs. Savitha Mahajan	Member	5	5
6	Dr. (Mrs). Avnit Bimal Singh (Appointed on 12-08-2020)	Member	5	3
7	Mr. Girish Paman Vanvari (Appointed on 10-02-2021)	Member	5	1

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 at:

   CSR Committee: https://www.aurobindo.com/about-us/corporate-governance/board-committees/#csr

   CSR Policy: https://www.aurobindo.com/wp-content/uploads/2018/10/Aurobindo-CSR-Policy.pdf

   CSR projects: https://www.aurobindo.com/sustainability/annual-action-plan/

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

   The Company takes cognisance of sub rule 3 of Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. There are no projects undertaken or completed after the effective date of aforesaid rules for the financial year ended March 31, 2021 and shall initiate steps to conduct impact assessment of CSR projects from the financial year 2021-22, for the applicable projects.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
	NIL		

6. Average net profit of the Company as per section 135 (5): ₹2,239.4 million

7. (a) Two percent of average net profit of the Company as per section 135 (5): ₹447.9 million

   (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.: Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c).: ₹447.9 million

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

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5).		
Amount in ₹ million	Amount in ₹ million	Date of transfer	Name of the Fund	Amount	Date of transfer
588.4*	392.2**	30-04-2021	Not Applicable	Not Applicable	Not Applicable

* Includes an amount of ₹174.56 million spent on on-going projects of earlier years.

** Includes an amount of ₹173.6 million unspent amount of on-going projects of earlier years

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

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year 2020-21 (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number*
1	Constructing Kitchen block, Dining Hall and providing kitchen Equipment at Vidya Bharati Vignana Kendra of Saraswathi Vidya Peetham	Item no (ii): Promoting education	Yes	Telangana	Rangareddy	2020-21 to 2021-22	15,064,000	11,298,000	3,766,000	No	Saraswathi Vidya Peetham	CSR00004233
2	Construction of additional classrooms, toilets and compound Wall at Government Primary School, Paniyal village, Hatnoora mandal	Item no (ii): Promoting education	Yes	Telangana	Sangareddy District	2020-21 to 2021-22	6,254,000	2,142,500	4,111,500	Yes	Aurobindo Pharma Foundation	NA
3	Construction of Gurukula Patasala, Jubilee Hills, Hyderabad	Item no (ii): Promoting education	Yes	Telangana	Hyderabad	2020-21 to 2021-22	7,784,136	0	5,028,877	Yes	Aurobindo Pharma Foundation	NA
4	Improving the School infrastructure by constructing toilets, classrooms, Painting, providing drinking water and supporting with digital education tools in various Government Schools	Item no (ii): Promoting education	Yes	Telangana	Rajanna Sircilla District	2020-21 to 2022-2023	22,500,000	7,500,000	15,000,000	No	GIVE Foundation	CSR00000535

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year 2020-21 (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number*
5	Providing digital learning tools and curriculum in 10 Government Primary Schools	Item no (ii): Promoting education	Yes	Andhra Pradesh	Srikakulam & Vizianagaram	2020-21 to 2022-2023	14,250,000	6,254,710	7,995,290	No	American India Foundation	CSR00001977
6	Inculcating innovative learning through a creative library setup in 10 Government Primary Schools	Item no (ii): Promoting education	Yes	Telangana	Sangareddy	2020-21 to 2022-23	3,500,000	1,491,360	2,008,640	No	Room to Read	CSR00000493
7	Constructing additional 4 classrooms (Ground + First Floor) at Geetha Bhoopal Reddy Government Junior College, Ramachandrapuram	Item no (ii): Promoting education	Yes	Telangana	Sangareddy	2020-21 to 2021-22	4,558,742	1,931,670	2,627,072	Yes	Aurobindo Pharma Foundation	NA
8	Constructing New Oncology block Building (with 218,475 sft with -1,-2, Ground floor +4 floors)along with Radiation Cancer Block at Mehdi Nawaz Jung (MNJ) Institute of Oncology & State Cancer Centre located at Red hills, Hyderabad	Item no (i): Promoting Preventive Health Care	Yes	Telangana	Hyderabad	2019-20 to 2021-22	441,011,586	133,287,943	177,062,056	Yes	Aurobindo Pharma Foundation	NA

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year 2020-21 (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of Implemen-tation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number*
9	Strengthening of Primary Health Centers and Anganwadi Centers in 8 Mandals	Item no (i): Promoting Preventive Health Care & poverty and malnutrition	Yes	Andhra Pradesh	Nellore, Srikakulam and Vizianagaram	2020-21 to 2022-23	100,000,000	6,609,800	93,390,200	No	CARE India	CSR00000786
10	Comprehensive development of Pileru to showcase as a sustainable and model village	Item no (x): Rural development projects	Yes	Andhra Pradesh	Chittoor	2020-21 to 2022-2023	30,000,000	8,059,211	21,940,789	No	APMAS	CSR00001583
11	Establishing Borapatla & Reddy Khanapur Farmer's Co-operative Society & Custom Hiring center to provide trainings and support with agriculture equipment at Borapatla Village of Hathnoor mandal	Item no (x): Rural development projects	Yes	Telan-gana	Sangareddy	2018-19 to 2021-22	40,000,000	3,852,251	14,531,223	No	APMAS	CSR00001583
12	Constructing model rural Police Station at Bachupally village, Hyderabad	Item no (x): Rural development projects (public safety)	Yes	Telan-gana	Medchal-Malkajgiri	2020-21 to 2021-22	35,000,000	0	35,000,000	Yes	Aurobindo Pharma Foundation	NA

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year 2020-21 (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number*
13	Setting up a Centralised Kitchen facility with modern equipment to provide nutritious meals to needy communities	Item no (i): Eradicating hunger, poverty and malnutrition	Yes	Telangana	Nirmal	2021-22	9,700,000	0	9,700,000	No	Hare Krishna Movement Charitable Foundation c/o Akshaya Patra Foundation	CSR00001738
	Total expenditure of (b) ongoing Projects						**729,622,464**	**182,427,445**	**392,161,647**			

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number*
1	Provided 15 Vidya volunteers to ensure quality education; Supported with various education related infrastructure such as coolers, Kitchen Equipment; Constructed additional class rooms, toilets, drinking water facilities, cycle sheds, compound wall, dining hall, residential school buildings for various schools and Government Colleges; Sponsored college and school fee for 50 poor and rural tribal Students of Auro Mira Vidya Mandir and other colleges; Constructed Public Library for urban communities; Provided Rehabilitation Services for quality Education and better Care of the Hearing - Impaired and differently abled Children	Item no (i) (ii) (v): "Promoting education" "eradicating hunger" "Making available safe drinking water" "setting up public libraries" "supporting differently abled children"	Both (Local and Non Local)	Telangana, Andhra Pradesh, Orissa, Tamilnadu and Haryana	Hyderabad, Medchal-Malkajgiri, Rangareddy, Sangareddy, Karimnagar and Siricilla Srikakulam and Vizianagaram, Krishna, Guntur and Chittoor Koraput, Nammakkal and Sonipet	57,489,414	Both (Direct and through Implementing agencies	Aurobindo Pharma Foundation & Kamalapur Educational Trust, Makineni Basavapunnaiah Vignana Kendram, APMAS LEKHADEEP, International Foundation for Research and Education (Ashoka University)	NA

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number*
2	Provided ultrasound machine with convex robe to Government Community Health Centre at Buchreddypalem village; Given financial support to many patients who are suffering from cancer, heart patient, lungs disease for various surgeries etc; Supported Pushpagiri Vitreo Retina super specialty eye care institute for procuring modern eye care equipment; During covid pandemic, distributed various types of nose masks, vitamin C and Zinc tablets to state government authorities, distributed food to stranded migrants during lockdown in Srikakulam and Vizianagaram Districts, provided Sanitisers to various Government officials and community, Sprayed Hypochlorite in various villages in AP State for sanitisation, distributed essential groceries to affected families in Nellore District, arranged transport for migrant labour in Srikakulam district, donated two ambulances to transport COVID-19 patients in Sangareddy and Nirmal District of Telangana State, hired 10 ambulances and provided to Government for the transport of COVID-19 patients in Vishakhapatnam District, financially supported for the treatment of COVID-19 infected patients who are from underprivileged family. Distributed essential commodities to the needy families during the floods in Hyderabad and provided groceries to Fire mishap families in AP state.	Item no (i): Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation	Yes	Telangana and Andhra Pradesh State	Sangareddy, Rangareddy, Hyderabad, Medchal – Malkajgiri and Nirmal districts Srikakulam, Vizianagaram, Visakhapatnam, Chittore, Krishna and Nellore Districts	47,820,030	Both (Direct and through Implementing agencies)	Aurobindo Pharma Foundation & Hare Krishna Movement Charitable Foundation, APMAS, Pushpagiri Vitreo Retina Institute, Gayathri Educational and Cultural Trust	NA

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implemen-tation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number*
3	Donated to - PMCARES fund to combat against COVID-19 in India, AP Disaster management fund for Covid relief, Telangana CM Relief/ Disaster management fund for relief/ rehabilitation activities for floods victims in Hyderabad.	Item no (xii): disaster Management, including relief rehabilitation, and reconstru ction activities	Local & Non local	Delhi, Telangana and Andhra Pradesh State	-	225,000,000	Yes	Aurobindo Pharma Foundation	NA
4	Towards making available Safe drinking water for the rural community, provided various capacities of RO water plants and constructed RO water Sheds; supplying safe drinking water through water tankers in rural villages besides digging bore wells	Item no (i) "making available safe drinking water"	Yes	Andhra Pradesh and Telangana State	Srikakulam, Vizianagaram, Visakhapatnam, Nellore, Guntur and Sangareddy	8,709,554	Yes	Aurobindo Pharma Foundation	NA
5	Towards green belt development, extended financial support to department of Industries through the District Collector of Sangareddy & Mahbubnagar for planting of one lakh saplings under Telangana Harithaharam program; planting and maintaining green belt developed areas in Andhra Pradesh and Telangana; supported to provide fodder for the welfare of cows and their maintenance in Telangana State; constructed shed and compound wall for cows in Goshalas in Andhra Pradesh State	Item no (iv): ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;	Yes	Telangana and Andhra Pradesh State	Mahbubnagar, Hyderabad, Sangareddy, Srikakulam, Vizianagaram, Nellore and Chittore	10,261,944	Both (Direct and Through Implementing Agencies)	Aurobindo Pharma Foundation, District Collectors, Bhageerathi Nagabhushana Deekshitulu Suhrudbhava Samstha (Goshala), Avadhana Saraswathi Peetham and Sri Rama Jeevaseva Sadan	NA

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number*
6	Taken up several initiatives in rural locations such as - Establishment of Farmer service center and Custom Hiring centers for farmers; constructed community halls in rural villages; laid roads and drains in villages; Provided street lights in villages; Provided tractor and water tanker to Gram panchayat; Provided Cultural activities training in Music, Dance & Drama for Underprivileged Rural Children; Financially supported to Industrial Fire Safety Associations in Telangana and Andhra Pradesh for monthly maintenance of fire tenders and manpower cost for attending any rural emergencies; Supported to set up an Orphanage home with a capacity of 24 orphans in Telangana State; Provided funds to promote rural arts; Installed CC cameras for Public Safety in rural locations.	Item No: (iii) (v) (X): "setting up homes and hostels for women and orphans; and measures for reducing inequalities faced by socially and economically backward groups" "protection of national heritage, alt and culture" "rural development projects."	Yes	Telangana and Andhra Pradesh State	Sangareddy, Bhadradri Kothagudem, Hyderabad Srikakulam, Chittoor, Vizianagaram and Nellore	34,905,348	Both (Direct and Through Implementing Agencies)	Kalasagaram, Sakura Art Society, Kahal Tribal Service Society, Industrial Fire Safety Association and APMAS	NA
7	Sponsored various sports women for gymnastics, badminton training; their fitness and diet support; necessary aid for attending various state level, national and international sports events.	Item no: (vii) "training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;"	Yes	Telangana and Andhra Pradesh State	Hyderabad and Chittoor	360,000	Yes	Aurobindo Pharma Foundation	NA
	Totals of (b) Other than Ongoing Projects					**384,546,290**			

* CSR Registration will be obtained within the prescribed time line, wherever applicable, as per the CSR Amendment Rules. The amendment is not applicable for CSR projects or programs approved prior to April 1, 2021

Note: Projects under each theme are grouped and presented here

(d) Amount spent in Administrative Overheads - ₹21,447,593

(e) Amount spent on Impact Assessment, if applicable - Not applicable

(f) Total amount spent for the Financial Year - (182,427,445 + 384,546,290 + 21,447,593 + 0) = ₹588,421,328 (8b+8c+8d+8e)

(g) Excess amount for set-off are as follows:

Sl. No.	Particulars	Amount (₹ in million)
(i)	Two percent of average net profit of the Company as per section 135 (5)	477.9
(ii)	Total amount spent for the Financial Year	588.4*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	N.A
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**Nil**

* Includes an amount of ₹174,555,858 spent on on-going projects of earlier years.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in million)	Amount spent in the reporting Financial Year (₹ in million)	Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any.			Amount remaining to be spent in succeeding financial years (₹ in million)
				Name of the Fund	Amount (₹ in million)	Date of transfer.	
1.	2018-19	NIL	467.7	N/A	NIL	N/A	583.0
2.	2019-20	NIL	486.0	N/A	NIL	N/A	532.7
3.	2020-21	392.2	588.4	N/A	NIL	N/A	392.2

TOTAL 392.2 million

N/A – Not Applicable

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

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed/ Ongoing
1.	NUTRI-2020-TS-VBVK-OG-01	Constructing Kitchen block, Dining Hall and providing kitchen equipment at Vidya Bharati Vignana Kendra of (Saraswathi Vidya Peetham) in Rangareddy, Telangana	2020-21	2 years	15,064,000	11,298,000	11,298,000	Ongoing
2.	EDU-2020-TS-DIRECT-OG-05	Construction of additional classrooms, Toilets and compound Wall at Government Primary School at Paniyal village, Hatnoora Mandal Sangareddy, Telangana	2020-21	2 years	6,254,000	2,142,500	2,142,500	Ongoing

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed/ Ongoing
3.	EDU-2020-TS-DIRECT-OG-08	Construction of Gurukula Patasala, Jubilee hills, Hyderabad, Telangana State	2020-21	2 years	7,784,136	0	2,755,259	Ongoing
4	EDU-2020-TS-GIVE-OG-06	Improving the School infrastructure by constructing toilets, classrooms, Painting, providing drinking water and supporting with digital education tools in various Government Schools	2020-21	3 Years	22,500,000	7,500,000	7,500,000	Ongoing
5	EDU-2020-AP-AIF-OG-04	Providing digital learning tools and curriculum in 10 Government Primary Schools in Srikakulam & Vizianagaram Districts, Andhra Pradesh State	2020-21	3 Years	14,250,000	6,254,710	6,254,710	Ongoing
6	EDU-2020-TS-RR-OG-11	Inculcating innovative learning through a creative library setup in 10 Government Primary Schools in Sangareddy District, Telangana	2020-21	3 years	3,500,000	1,491,360	1,491,360	Ongoing
7	EDU-2020-TS-DIRECT-OG-04	Constructing additional 4 classrooms (Ground + First Floor) at Geetha Bhoopal Reddy Government Junior College, Ramachandrapuram, Sangareddy, Telangana State	2020-21	2 years	4,558,742	1,931,670	1,931,670	Ongoing
8	HEALTH-2019-TS-DIRECT-OG-01	Constructing New Oncology block Building (of 218,475 Square feet area with -1,-2, Ground floor +4 floors) along with Radiation Cancer Block at Mehdi Nawaz Jung (MNJ) Institute of Oncology & State Cancer Centre located at Red hills, Hyderabad, Telangana State	2019-20	3 years	441,011,586	133,287,943	263,949,530	Ongoing

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed/ Ongoing
9	HEALTH-2020-AP-CARE-OG-04	Strengthening of Primary Health Centers and Anganwadi Centers in 8 Mandals in Nellore, Srikakulam and Vizianagaram Districts, Andhra Pradesh State	2020-21	3 years	100,000,000	6,609,800	6,609,800	Ongoing
10	AGRI-2020-AP-APMAS-OG-01	Comprehensive development of Pileru to showcase as sustainable and model village in Chittoor District, Andhra Pradesh State	2020-21	3 years	30,000,000	8,059,211	8,059,211	Ongoing
11	AGRI-2020-TS-APMAS-OG-01	Establishing Borapatla & Reddy Khanapur Farmer's Co-operative Society & Custom Hiring center, to provide trainings and support with agriculture equipment at Borapatla Village, Hatnoora Mandal, Sangareddy District.	2018-19	3 years	40,000,000	3,852,251	25,468,777	Ongoing
12	SAFETY-2020-TS-DIRECT-OG-02	Constructing model rural Police Station at Bachupally village, Medchal-Malkajgiri District, Telangana	2020-21	2 years	35,000,000	0	0	Ongoing
13	NUTRI-2020-TS-HKMCF –OG-02	Setting up a Centralised Kitchen facility with modern equipment to provide nutritious meals to needy communities at Nirmal District, Telangana State	2021-22	1 year	9,700,000	0	0	Ongoing
					729,622,464	**182,427,445**	**337,460,817**	

10. In case creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

    (a) Date of creation or acquisition of capital asset(s): N.A

    (b) Amount of CSR spent for creation or acquisition of capital asset: N.A

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A

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): Some of the CSR projects are of long term nature of 2-3 years, hence the funds allocated to such projects will be spent as per the time lines and such unspent amount as on March 31,2021 has been transferred to Unspent CSR Account on April 30, 2021 and to be spent towards the projects identified as ongoing projects as on date of transfer of funds.

	K. Nithyananda Reddy	**N. Govindarajan**
Place: Hyderabad	Chairman of the CSR Committee	Managing Director
Date: May 31, 2021	DIN: 01284195	DIN: 00050482

ANNEXURE-6

INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

	Preceding Financial Year	Ratio
a	Mr. K. Nithyananda Reddy, Vice Chairman & Whole-time Director	44 : 1
b	Mr. N. Govindarajan, Managing Director	317 : 1
c	Dr. M. Sivakumaran, Whole-time Director	44 : 1
d	Mr. M. Madan Mohan Reddy, Whole-time Director	98 : 1
e	Mr. P. Sarath Chandra Reddy, Whole-time Director	27 : 1

(ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager in the financial year

	Name & category	Increment Percentage
a	Mr. K. Nithyananda Reddy, Vice Chairman & Whole-time Director	53.61
b	Mr. N. Govindarajan, Managing Director	14.80*
c	Dr. M. Sivakumaran, Whole-time Director	53.68
d	Mr. M. Madan Mohan Reddy, Whole-time Director	28.53
e	Mr. P. Sarath Chandra Reddy, Whole-time Director	66.11
f	Mr. S. Subramanian, Chief Financial Officer	45.07
g	Mr. B. Adi Reddy, Company Secretary	20.06

* After considering the Commission for FY 2020-21

(iii) The percentage increase in the median remuneration of employees in the financial year was 7.88%

(iv) The number of permanent employees on the rolls of the Company as on March 31, 2021 was 19,364.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The percentage increase in the salaries of the employees other than managerial personnel in the last financial year is 11.14% as against 10.53% increase in the salaries of managerial persons. The increase in salary in case of managerial persons is mainly on account of revision in the salary.

(vi) The remuneration paid to Key Managerial Persons is as per the Remuneration Policy of the Company.

For and on behalf of the Board

K. Ragunathan
Chairman
DIN: 00523576

Place: Hyderabad
Date: May 31, 2021

Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations 2015").

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Aurobindo has always attached great importance to good and responsible corporate governance. The Company belongs to all the stakeholders and the corporate objective is to maximise shareholder value ethically and legally. Efforts are therefore made to raise the level of transparency, trust and confidence of stakeholders in the way the Company is run. The team at Aurobindo operates as a trustee on behalf of every shareholder - large or small.

The Company will continue to strive to be a wealth creator to meet stakeholders expectations and be a responsible citizen in its societal commitments. In the achievement of its goals, the Company utilises its resources with accountability and professionalism to meet the needs of customers and deliver on their expectations; meet the commitments with vendors, partners, employees, governments and the community.

BOARD OF DIRECTORS

The Board of Directors along with its Committees, guides, directs and oversees the management and protects long term interests of shareholders, employees and the society, at large. The Board also ensures compliance of the applicable provisions and code of ethical standards wherever the Company and its subsidiaries are present.

Size and Composition of the Board

As on March 31, 2021, the Board consists of Eleven Directors. Five of them are Executive and Six are Non-executive Directors, including five independent of which two are women directors. Your Company has taken all the necessary steps to strengthen the Board with the optimum combination of executive and non-executive/independent directors.

Composition of Board of Directors as on March 31, 2021

Name	Category	Number of Board Meetings attended	Attendance at the last AGM held on August 27, 2020	Number of Directorships in other companies*	Number of Committee positions held in other companies**		No. of shares of ₹1 each held in the Company
					Chairman	Member	
Mr. K. Ragunathan	Non-executive Independent Chairman	7	Yes	6	---	---	---
Mr. K. Nithyananda Reddy	Promoter and Executive	7	Yes	5	---	2	25,359,572
Mr. N. Govindarajan	Executive	7	Yes	---	---	---	---
Dr. M. Sivakumaran	Executive	7	Yes	7	---	---	14,491,360
Mr. M. Madan Mohan Reddy	Executive	7	Yes	9	---	---	2,010
Mr. P. V. Ramprasad Reddy	Promoter and Non-executive	7	Yes	2	---	---	18,000,000
Mr. P. Sarath Chandra Reddy	Executive	6	Yes	10	---	---	---
Mr. M. Sitarama Murty ***	Non-executive Independent	7	Yes	---	---	---	---
Dr. (Mrs.) Avnit Bimal Singh	Non-executive Independent	7	Yes	---	---	---	---
Mrs. Savita Mahajan	Non-executive Independent	7	Yes	4			---
Mr. Girish Paman Vanvari^	Non-executive Independent	3	NA	---	---	---	---

* The directorships are in the Companies incorporated under the Companies Act, 1956/2013.

** Includes only Audit, Nomination & Remuneration/Compensation and Stakeholders Relationship Committees (excluding private limited companies, foreign companies, and companies under section 8 of the Companies Act 2013 or section 25 of the Companies Act 1956).

*** Mr. M. Sitarama Murty ceased to be Director of the Company w.e.f. April 1, 2021 as his tenure as Independent Director of the company was completed on close of business hours of March 31, 2021.

^ Appointed with effect from November 5, 2020.

Note:

1) Leave of absence was granted on request to those Directors who could not attend the meeting(s) due to their pre-occupations.

2) None of the Directors of the Company is a director in other listed entity(ies).

3) None of the Non-independent Directors of the Company are Independent Directors of the company(ies) where the Independent Directors of the Company are Non-independent Directors or vice versa.

4) None of the Directors hold Directorships in more than 10 public companies.

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

During the financial year 2020-21, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Meeting of Independent Directors

During financial year 2020-21, one meeting of the Independent Directors was held on March 24, 2021. All the five Independent Directors attended the meeting. The Independent Directors, inter-alia, reviewed the performance of Non-independent Directors, Board as a whole and Chairman of the Company, taking into account the views of executive directors and non-executive directors.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

Number of Meetings of the Board

During the financial year 2020-21, seven Board meetings were held on the following dates and the maximum gap between any two consecutive meetings did not exceed one hundred and twenty days.

Date of Meeting	Board Strength	Number of Directors Present
June 3, 2020	10	10
August 12, 2020	10	9
October 16, 2020	10	10
October 24, 2020	10	10
November 11, 2020	11	11
February 10, 2021	11	11
February 27, 2021	11	11

Disclosure of relationships between directors inter-se

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

Details about familiarisation program

Senior management personnel of the Company make presentations to the Board Members on periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives etc., and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company and its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material subsidiaries, Whistle Blower Policy, Risk Management Policy, Corporate Social Responsibility Policy, etc.

The details of the familiarisation program are placed on the Company's website at: https://www.aurobindo.com/wp-content/uploads/2021/05/FamiliarisationProgramme-31032021.pdf

Details of skills / expertise / competence of the Board of Directors:

Name	Category	Skills/ Expertise/ Competence
Mr. K. Ragunathan	Non-executive Independent Chairman	He is a Chartered Accountant and has rich experience in accounting, management, strategy, etc.
Mr. K. Nithyananda Reddy	Promoter and Executive	He has expertise in manufacturing technology and he oversees the production planning and provides guidance in effective utilisation of capacities.
Mr. N. Govindarajan	Executive	He is an Engineer and has more than 28 years of experience across a variety of domains such as bulk drugs, CRAMS, finished dosages and biotechnology.
Dr. M. Sivakumaran	Executive	He has 46 years of experience in the pharmaceutical industry and is currently responsible for the technological evolution of the Company. He looks after research and development, new product development and total quality management.
Mr. M. Madan Mohan Reddy	Executive	Apart from general management, he has rich experience in regulatory affairs of the pharma industry.
Mr. P. V. Ramprasad Reddy	Promoter and Non-executive	Focus on strategy and future plans, identification of key areas for growth, acquisitions, consolidation, etc.

Name	Category	Skills/ Expertise/ Competence
Mr. P. Sarath Chandra Reddy	Executive	His core areas of expertise include procurement, logistics, clinical trials, trading and information technology.
Mr. M. Sitarama Murty	Non-executive Independent	He retired as Managing Director & CEO of State Bank of Mysore, Bangalore, in the year 2003. His specialised areas of interest are International Banking, Foreign Exchange, Money Markets, Funds Management, Credit Management, Rural Development, Computerisation, Commercial Law and Systems and Procedures and risk management.
Dr. (Mrs.) Avnit Bimal Singh	Non-executive Independent	She is a Medical Practitioner and a Senior Obstetrician / Gynaecologist based at Hyderabad and adds value by identifying new and current trends in medication and relevant areas.
Mrs. Savita Mahajan	Non-executive Independent	Mrs. Savita Mahajan, is the former Deputy Dean of the Indian School of Business. She was associated with the ISB for 14 years, since its inception in 2001, and was responsible for building its second campus at Mohali, Punjab, as its CEO. She has rich experience in overall management, organisation, etc
Mr. Girish Paman Vanvari	Non-executive Independent	He has over 27 years of consulting experience and he is the Founder of Transaction Square – a Tax, Regulatory and Business Advisory Firm. Prior to his entrepreneurial venture, Mr. Girish had a 13-year stint with KPMG wherein he was the National Leader for Tax at KPMG India. Prior to KPMG, Mr. Girish was at Arthur Andersen for over a decade

Statement on Declaration by Independent Directors

Mr. K. Ragunathan, Mr. M. Sitarama Murty, Dr.(Mrs) Avnit Bimal Singh, Mrs. Savita Mahajan and Mr. Girish Paman Vanvari are the Independent Directors on the Board of the Company as on March 31, 2021. Mr. M. Sitarama Murty ceased to be Director of the Company w.e.f April 1, 2021 as his tenure as Independent Director of the Company was completed on close of business hours of March 31, 2021. All the Independent Directors have given their respective declarations under Section 149 (6) and (7) of the Companies Act, 2013 and the Rules made thereunder. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfil the conditions of independence specified in the Listing Regulations and the Companies Act, 2013.

As required by SEBI (LODR) Regulations, 2015, a certificate from Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority, is attached to this Report as **Annexure-A**.

Further, Annual Secretarial Compliance Report issued by the Company Secretary in Practice pursuant to Circular dated February 8, 2019 issued by SEBI is also attached to this Report as **Annexure-B**.

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

Dr. M. Sivakumaran and Mr. P. Sarath Chandra Reddy will retire by rotation at this Annual General Meeting and being eligible, seek re-appointment.

Mr. Girish Paman Vanvari was appointed as an Additional Independent Director by the Board of Directors of the Company w.e.f. November 5, 2020. It is proposed to appoint him as an Independent Director of the Company for a period of 2 years w.e.f. November 5, 2020.

Mr. K. Nithyananda Reddy, Vice Chairman, Mr. N. Govindarajan, Managing Director, Dr. M. Sivakumaran, Whole-time Director and Mr. M. Madan Mohan Reddy, Whole-time Director are proposed to be re-appointed.

Details of aforesaid directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required pursuant to Regulation 36 of SEBI Listing Regulations, 2015 and Secretarial Standard on General Meetings are annexed to the Notice covering the Annual General Meeting and forming part of this Annual Report.

AUDIT COMMITTEE

The scope and function of the Audit Committee is to regularly review the internal control systems and procedures, accounting policies and other matters that protect the interest of the stakeholders, ensure compliance with the laws of the land that are applicable to the Company, and monitor with a view to provide effective supervision of the management's process, ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting. The composition, procedures, powers and role/functions of the Audit Committee constituted by the Company comply with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

Role of Audit Committee

The terms of reference of Audit Committee as approved by the Board and amended from time to time includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review, with the management, the annual financial statements and Auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report;
- Review, with the management, the quarterly financial statements before submission to the Board for approval;
- Review, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Review, with the management, performance of statutory and internal auditors, adequacy of the internal financial control systems;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Examine into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e. the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- Carry out any other function as is mentioned in the terms of reference of the Audit Committee under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations and Companies Act, 2013.
- To review:
  - Management discussion and analysis of financial condition and results of operations;
  - statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - management letters / letters of internal control weaknesses issued by the statutory auditors;
  - internal audit reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - statement of deviations:

    (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

- Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management, statutory and internal auditors;
- Reports of Internal Audit and discussion with internal auditors on any significant findings and follow-up thereon;
- System for storage, retrieval, security etc. of books of account maintained in the electronic form;
- The functioning of the Whistle Blower mechanism in the Company.
- Review the utilisation of loans and or advances from investment by the Company in its Subsidiary Companies.
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015

Composition and other details of Audit Committee

The Audit Committee comprises of four Non-executive Directors, all of them are independent directors. The heads of finance & accounts, internal auditors and the representatives of the statutory auditors are permanent invitees to the meetings of the Audit Committee where the financial results are considered, apart from other departmental heads for reviewing the compliance of applicable laws and provisions. The Company Secretary is the Secretary to the Committee. The minutes of Audit Committee meetings are placed at every Board meeting for its perusal and noting.

Mr. M. Sitarama Murty, Non-executive, Independent Director having expertise in accounting and financial management was Chairman of Audit Committee up to close of business hours of March 31, 2021. Mr. M. Sitarama Murty ceased to be member and Chairman of Audit Committee w.e.f. April 1, 2021 on his retirement as an Independent Director of the Company. Mr. K.Ragunathan, Mrs. Savita Mahajan and Mr. Girish Paman Vanvari are the other members of the Committee. Mr. Girish Paman Vanvari, having expertise in accounting and financial management, was appointed as a member of Audit Committee w.e.f. November 5, 2020 and Chairman of Audit Committee w.e.f. April 1, 2021.

During the financial year, the Audit Committee met seven times on June 3, 2020; July 22, 2020, August 12, 2020, November 11, 2020, February 10, 2021, February 27, 2021 and March 24, 2021.

The attendance at the Audit Committee meetings during the financial year 2020-21 is as under:

Name of the Committee Member	No. of Meetings held during his/her tenure	Attended
Mr. M. Sitarama Murty	7	7
Mr. K. Ragunathan	7	7
Mrs. Savita Mahajan	7	7
Mr. Girish Paman Vanvari	4	4

NOMINATION AND REMUNERATION / COMPENSATION COMMITTEE

Brief description of terms of reference of the Nomination and Remuneration/Compensation Committee

The terms of reference of Nomination and Remuneration / Compensation Committee as approved by the Board and amended from time to time includes the following:

- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Carry out evaluation of every Director's performance;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director;
- Recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- Formulation of the criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Grant of options to eligible employees and administering the employee stock option scheme of the Company;
- Recommend to the Board all remuneration, in whatever form payable to the Board and the senior management;
- Recommend to the Board whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Any other matter as the Board may decide from time to time.

Composition and other details of Nomination and Remuneration/ Compensation Committee

The composition of the Nomination and Remuneration/ Compensation Committee comprises of four Non-executive Directors, all of them are independent directors.

Dr. (Mrs) Avnit Bimal Singh is the Chairperson of the Committee and Mr. M. Sitarama Murty, Mr. K. Ragunathan and Mr. Girish Paman Vanvari are the other members of the Committee as on March 31, 2021. Mr. Girish Paman Vanvari was appointed as a member of the Committee w.e.f. February 10, 2021. Mr. M. Sitarama Murty ceased to be member of Nomination and Remuneration/Compensation Committee w.e.f April 1, 2021 on his retirement as an Independent Director of the Company. During the financial year, the Nomination and Remuneration/Compensation Committee met two times on June 3, 2020 and March 24, 2021.

Meetings and attendance during the financial year

The attendance at the Nomination and Remuneration/ Compensation Committee meetings during the financial year 2020-21 is as under:

Name of the Committee Member	No. of Meetings held during his/her tenure	Attended
Dr. (Mrs.) Avnit Bimal Singh	2	2
Mr. M. Sitarama Murty (upto March 31, 2021)	2	2
Mr. K.Ragunathan	2	2
Mr. Girish Paman Vanvari	1	1

Nomination/Remuneration Policy

The compensation of the Executive Directors comprises of fixed component, perquisites and commission. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the Executive Directors is periodically reviewed, and suitable revision is recommended to the Board by the Committee. The Non-executive Directors are paid sitting fees for attending meetings of Board/Committee.

The nomination and remuneration policy as adopted by the Board is placed on the Company's website at: https://www.aurobindo.com/wp-content/uploads/2018/10/Nomination-and-Remuneration-Policy.pdf

Performance evaluation criteria for independent directors

The performance evaluation shall be done on an annual basis. Each Director shall be provided an evaluation sheet in the form of a questionnaire. The ratings shall be provided by all the Directors except the Independent Director being evaluated.

Based on the report of performance evaluation, it shall be determined by the Nomination and Remuneration/Compensation Committee and Board whether to extend or continue the term of appointment of Independent Director subject to all other applicable provisions.

REMUNERATION OF DIRECTORS

Details of remuneration paid to the Directors during the financial year 2020-21 are as follows:

a. Executive Directors

₹

Name of the Director	Salary	Benefits/ Perquisites	Commission	Contribution to PF	Total
Mr. K. Nithyananda Reddy	19,999,992	3,281,056	---	21,600	23,302,648
Dr. M. Sivakumaran	19,999,992	3,289,403	---	21,600	23,310,995
Mr. M. Madan Mohan Reddy	45,000,000	7,317,262	---	21,600	52,338,862
Mr. P. Sarath Chandra Reddy	12,499,992	2,076,238	---	21,600	14,597,830
Mr. N. Govindarajan	54,795,216	10,203,824	125,000,000	3,945,177	193,944,217
Total	**152,295,192**	**26,167,783**	**125,000,000**	**4,031,577**	**307,494,552**

Mr. K. Nithyananda Reddy, Dr. M. Sivakumaran, Mr. M. Madan Mohan Reddy and Mr. N. Govindarajan were re-appointed as executive directors w.e.f June 1, 2018 for a period of 3 years and accordingly, their term as executive directors ceased on May 31, 2021. Their re-appointment as executive directors of the Company is proposed for the approval of the Members in the ensuing Annual General Meeting of the Company to be held for the financial year 2020-21. Mr. P. Sarath Chandra Reddy was re-appointed as an executive director w.e.f. June 1, 2019 for a period of 3 years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meetings. The Notice period is as per the rules of the Company. There was no severance fee payable to them for cessation of their executive directorship.

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

b. Non-executive Directors

There were no pecuniary transactions with any non-executive director of the Company.

Non-executive Directors are paid sitting fee for attending the Board and Committee meetings. Sitting fee of ₹100,000 is being paid to Non-executive Directors for attending each meeting of the Board of Directors and of Committees of Board of Directors. During the year, the sitting fees paid to non-executive directors was as follows:

Name	Sitting fee (₹)
Mr. K. Ragunathan	3,000,000
Mr. M. Sitarama Murty	2,400,000
Dr. (Mrs.) Avnit Bimal Singh	1,800,000
Mrs. Savita Mahajan	2,400,000
Mr. P.V. Ramprasad Reddy	700,000
Mr. Girish Paman Vanvari	1,100,000

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

Dr. (Mrs.) Avnit Bimal Singh, a Non-executive Independent Director is the Chairperson of the Committee and Mr. K. Nithyananda Reddy, Mr. M. Sitarama Murty (ceased to be a member of the Committee w.e.f. 31.03.2021), Mr. K. Ragunathan, Mrs. Savita Mahajan and Mr. Girish Paman Vanvari (appointed w.e.f. 10.02.2021) are the other members of the Committee.

Terms of reference

Stakeholders Relationship Committee considers and resolves all matters of the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual reports, non-receipt of declared dividends, issue of duplicate share certificates, general meetings etc.

Specifically look into various aspects of interest of shareholders, debenture holders and other security holders.

Review of measures taken for effective exercise of voting rights by shareholders.

Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Name and designation of Compliance Officer

Mr. B. Adi Reddy, Company Secretary

Email ID for investor grievances: ig@aurobindo.com

Investor Complaints

During the financial year ended March 31, 2021, the Company has received and resolved 9 complaints from investors. Number of complaints not resolved to the satisfaction of shareholders is nil and there were no pending complaints at the year end.

Risk Management Committee

The Company recognises that it faces various financial, market, technical and operational risks including regulatory and compliance risks and needs to take appropriate steps to minimise such risks. The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up. The Board has constituted a Risk Management Committee comprising of Mr. M. Sitarama Murty as the Chairman of the Committee and he ceased to be chairman w.e.f. April 1, 2021 due to retirement on March 31, 2021, and Mr. N. Govindarajan, Mr. P. Sarath Chandra Reddy, Mr. K. Ragunathan (appointed as member with effect from 10.02.2021) and Mr. Girish P Vanvari (appointed as member with effect from 10.02.2021 and as Chairman of Risk Management Committee w.e.f. April 1, 2021), as other members of the Committee.

The terms of reference of Risk Management Committee as approved by the Board and amended from time to time includes the following:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Meetings and attendance during the financial year

The attendance at the Risk Management Committee meetings during the financial year 2020-21 is as under:

Name of the Committee Member	No. of Meetings held during his/her tenure	Attended
Mr. M Sitarama Murty (upto March 31, 2021)	2	1
Mr. N. Govindarajan	2	2
Mr. P. Sarath Chandra Reddy	2	2
Mr. K. Ragunathan	1	1
Mr. Girish Paman Vanvari	1	1

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per the Companies Act, 2013, the Company is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, at least one of whom will be an independent director. The constitution of CSR Committee is as under:

1. Mr. K. Nithyananda Reddy, Chairman
2. Mr. K. Ragunathan, Member
3. Dr. M. Sivakumaran, Member
4. Mr. P. Sarath Chandra Reddy, Member
5. Mrs. Savita Mahajan, Member
6. Dr. (Mrs.) Avnit Bimal Singh, Member
7. Mr. Girish Paman Vanvari, Member

Dr. (Mrs.) Avnit Bimal Singh was appointed as a member of the Committee w.e.f. August 12, 2020 and Mr. Girish Paman Vanvari was appointed as a member of the Committee w.e.f. February 10, 2021.

The terms of reference of Corporate Social Responsibility as approved by the Board and amended from time to time includes the following:

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act,2013;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(d) Recommend to the board an Annual CSR Action Plan delineating the CSR projects or programmes to be undertaken during the financial year; and

(e) Appoint an independent agency/firm to carry out impact assessment study, if any

The CSR Policy has been placed on the Company's website at: https://www.aurobindo.com/wp-content/uploads/2021/07/CSR-policy-cleaned-May2021-Reviewed.pdf.

Annual report on the CSR activities of the Company during the financial year is also placed on the Company's website at: https://www.aurobindo.com/sustainability/annual-csr-report/.

The Company has formulated CSR annual action plan for the financial year 2021-22. The details of CSR projects approved by the Board of Directors of the Company for the financial year 2021-22 is placed on the Company's website at https://www.aurobindo.com/sustainability/annual-action-plan/

The Company has opened CSR Unspent Account for transfer of amounts remaining unspent and pertaining to Ongoing CSR projects as on March 31, 2021 and transferred ₹392,161,647 to to CSR Unspent Account on April 30, 2021.

GENERAL BODY MEETINGS

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

Year	Location	Date	Time	No. of Special Resolutions passed
2018	Hotel Trident, Hyderabad	August 30, 2018	3.00 p.m.	1
2019	Hotel Trident, Hyderabad	August 29, 2019	3.00 p.m.	3
2020	Held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	August 27, 2020	3.30 p.m	1

Details of resolutions passed through postal ballot in Financial Year 2020-21 and details of the voting pattern:

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

MEANS OF COMMUNICATION

The quarterly and half yearly financial results are not sent to the individual households of the Members, however, the same are placed on the Company's website for the information of Members and general public and also published in Financial Express newspaper in English and Andhra Prabha newspaper in Telugu (regional language). Further all material information which has some bearing on the operations of the Company is sent to the stock exchanges and also placed on the Company's website, www.aurobindo.com.

The presentations made to the investors, analysts and also the transcripts of earnings' calls are placed on the Company's website www.aurobindo.com.

The Management Discussion and Analysis forms part of this Report and is provided separately in the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

34th Annual General Meeting

As mentioned in the Notice, the 34th Annual General Meeting of the Company will be held on Thursday, the 26th day of August 2021 at 3.30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") pursuant to the MCA Circular dated May 5, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM. For more details, please refer to the Notice of this AGM.

Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by Kfintech at https://emeetings.kfintech.com/ by using their remote e-voting login credentials and selecting the EVENT for Company's AGM.

Financial Year

The financial year of the Company is April to March.

Financial calendar (tentative and subject to change) of the financial year 2021-22 is as follows:

Declaration of Financial results for	Declaration on or before
1st Quarter	August 14, 2021
2nd Quarter	November 14, 2021
3rd Quarter	February 14, 2022
4th Quarter	May 30, 2022

Payment of Dividend

The Company has paid first interim dividend of 125% (₹1.25 per equity share of ₹1 each) in the month of September 2020, Second interim dividend of 125% (₹1.25 per equity share of ₹1 each) in the month of December 2020 and Third interim dividend of 150% (₹1.50 per equity share of ₹1 each) in the month of March 2021, on the equity share capital of the Company for the financial year 2020-21. The total dividend, for the financial year ended March 31, 2021 was 400% (₹4.00 per equity share of ₹1 each) on the equity share capital of the Company. The Board of Directors did not recommend any further dividend for the financial year 2020-21.

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

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

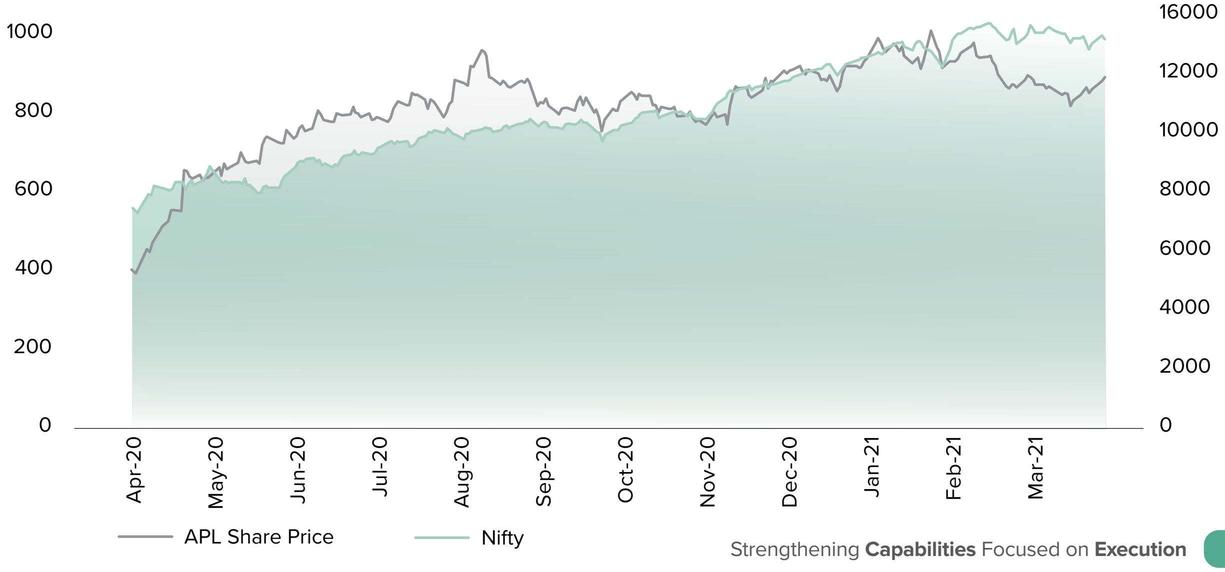
Name and address of the Stock Exchange(s)	Stock Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400 001	524804
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	AUROPHARMA

Listing fees for the financial year 2021-22 has been paid to the above stock exchanges ISIN: INE406A01037

Market Price data:

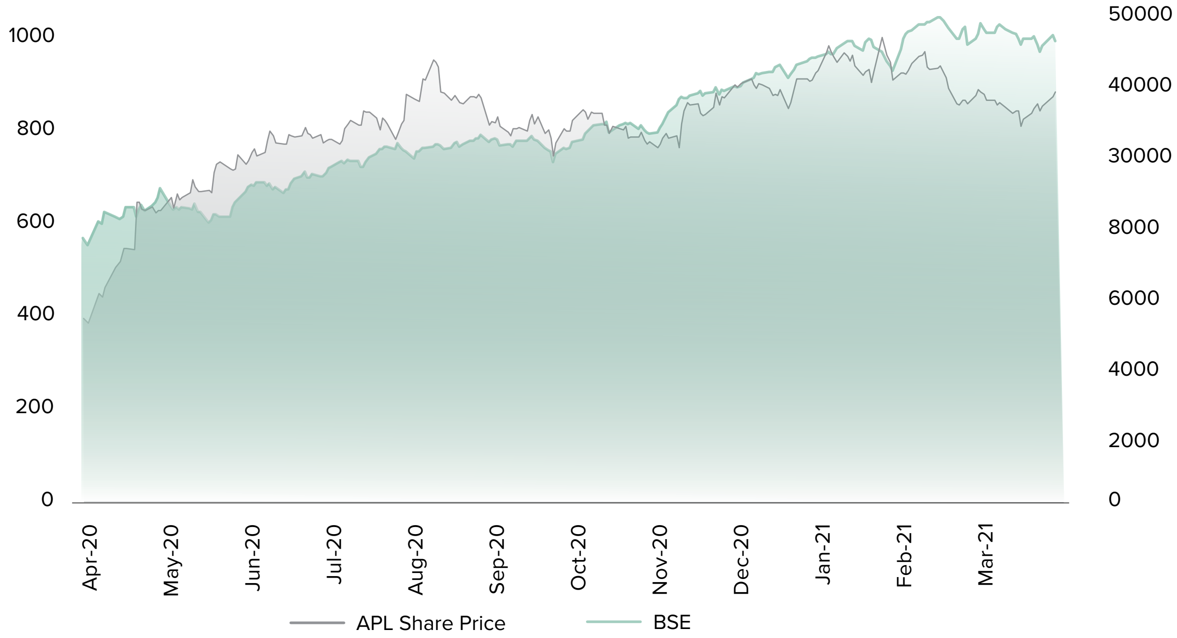
High, low during each month in last financial year and volume of shares traded on NSE

		NSE Share Price				S & P CNX Nifty	
	Month	High	Low	Close	Volume	High	Low
2020	April	684.05	333.50	625.85	227,850,033	9,889.05	8,055.8
	May	750.35	603.00	745.65	130,556,323	9,598.85	8,806.75
	June	819.75	722.00	771.70	117,044,468	10,553.15	9,544.35
	July	881.00	764.50	764.50	80,092,566	11,341.40	10,299.6
	August	967.50	800.75	808.90	101,895,824	11,794.25	10,882.25
	September	857.90	738.05	796.50	95,298,096	11,618.1	10,790.2
	October	851.40	749.20	772.65	70,999,588	12,025.45	11,347.05
	November	893.50	753.00	868.55	83,035,804	13,145.85	11,557.4
	December	943.50	801.10	921.30	62,820,932	14,024.85	12,962.8
2021	January	1,023.70	880.15	905.25	71,930,147	14,753.55	13,596.75
	February	980.00	837.00	855.20	60,510,083	15,431.75	13,661.75
	March	889.00	797.30	881.30	41,429,301	15,336.3	14,264.4



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

	Month	BSE share price (₹) High	BSE share price (₹) Low	BSE share price (₹) Close	BSE share price (₹) Volume	BSE Sensex High	BSE Sensex Low
2020	April	684.25	333.35	625.95	9,568,605	33,887.25	27,500.79
	May	750.50	605.05	745.05	5,534,621	32,845.48	29,968.45
	June	819.55	722.50	771.50	3,757,522	35,706.55	32,348.10
	July	880.70	764.60	874.55	4,125,240	38,617.03	34,927.20
	August	967.60	800.70	809.10	5,710,440	40,010.17	36,911.23
	September	857.00	737.90	796.60	3,829,913	39,359.51	36,495.98
	October	851.25	749.55	772.75	2,697,623	41,048.05	38,410.20
	November	893.35	753.00	868.05	3,525,642	44,825.37	39,334.92
	December	942.40	801.00	920.80	2,802,202	47,896.97	44,118.10
2021	January	1,023.10	880.55	905.70	3,291,843	50,184.01	46,160.46
	February	979.85	837.50	854.90	3,755,614	52,516.76	46,433.65
	March	889.30	797.65	881.55	2,559,355	51,821.84	48,236.35



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

Registrar and share transfer agents

M/s. KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) is the Registrar & Share Transfer Agent and Depository Transfer Agent of the Company. Any request pertaining to investor grievances may be forwarded to them at the following address:

KFin Technologies Private Limited
Unit: Aurobindo Pharma Limited
Selenium Tower B, Plot No.31&32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad - 500 032, Telangana
Email id - einward.ris@kfintech.com
Toll free number - 1- 800-309-4001

Contact Person: Ms. C Shobha Anand, Deputy General Manager

Share transfer system and dematerialisation of shares and liquidity

The Company's shares are covered under the compulsory dematerialisation list and are transferable through the depository system. The Company has appointed M/s. KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) as its Registrar and Share Transfer Agent and also Depository Transfer Agent. The Compliance Officer has been delegated the power to approve the share transfers and the information is placed to the Board in each meeting. Further, the Company has signed a tripartite agreement with NSDL/CDSL and M/s. KFin Technologies Private Limited to facilitate dematerialisation of shares. The Members may contact for the redressal of their grievances either KFin Technologies Private Limited or the Company Secretary, Aurobindo Pharma Limited. Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019 and accordingly, considering the benefits of dematerialisation, Members who are still holding the Company's shares in physical form are suggested to dematerialise their holdings in the Company.

Distribution of shareholding

Distribution Schedule – As on March 31, 2021

Sr. No.	Category	No. of Cases	% of Cases	Total Shares	Amount (₹)	% of Amount
1	1-5000	230943	99.27	26,977,434	26,977,434	4.60
2	5001- 10000	759	0.33	5,582,091	5,582,091	0.95
3	10001- 20000	292	0.13	4,289,166	4,289,166	0.73
4	20001- 30000	125	0.05	3,094,088	3,094,088	0.53
5	30001- 40000	70	0.03	2,464,035	2,464,035	0.42
6	40001- 50000	50	0.02	2,265,399	2,265,399	0.39
7	50001- 100000	119	0.05	8,608,973	8,608,973	1.47
8	100001& Above	276	0.12	532,657,423	532,657,423	90.91
	Total:	**232634**	**100.00**	**585,938,609**	**585,938,609**	**100.00**

226,950 Folios comprising of 584,703,246 equity shares forming 99.79% of the share capital of the Company are in demat form and 5,684 Folios comprising of 1,235,363 equity shares forming 0.21% of the share capital are in physical form.

Categories of shareholders as on March 31, 2021

Category	No. of Shares	%
Promoters & Directors	304,317,481	51.94
NRIs/FPIs/Foreign Nationals	144,805,566	24.71
FIs / Banks	420,224	0.07
Mutual Funds	49,630,082	8.47
Insurance companies	12,178,073	2.08
Body corporates	6,209,414	1.06
General public and others	68,377,769	11.67
Total	**585,938,609**	**100.00**

Liquidity

The Company's Equity Shares are among the most liquid and actively traded shares on the Stock Exchanges.

Outstanding GDR/ADR/warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDR/ADR and there are no outstanding warrants or any convertible instruments.

Commodity Price Risk or Foreign Exchange risk and hedging activities

Detailed information on commodity price risk and foreign exchange risk has been provided under Management of Risks which forms part of this annual report. The Company has not undertaken any hedging activities for commodity price risk and foreign exchange risk.

Plant locations of manufacturing and R&D facilities

Unit No	Address
Unit-I	Survey No.379, 385, 386, 388 to 396 & 269, Borpatla Village, Hatnoor Mandal, Sangareddy District - 502 296, Telangana.
Unit-II	Plot No.103/A & 104/A, SVCIE, Industrial Development Area, Bollaram, Jinnaram Mandal, Sangareddy District - 500 092, Telangana.
Unit-III	Survey No.313 & 314 Bachupally Village, Bachupally Mandal, Medchal Malkajgiri District - 500 090, Telangana.
Unit-IV	Plot No.4 in Sy. No.151 and Plot Nos.34 to 48 in Sy. Nos. part of 146, 150, 151, 152, 153 and 154 situated in Phase-III, TSIIC, EPIP, IDA, Pashamylaram, Patancheru Revenue Mandal, Sangareddy District - 502 307, Telangana.
Unit-V	Plot Nos.68 to 70, 73 to 91, 95, 96, 260 & 261, Industrial Development Area, Chemical Zone, Pashamylaram Village, Patancheru Mandal, Sangareddy District - 502 307, Telangana.
Unit-VI	Survey No. 329/39 & 329/47, Chitkul Village, Patancheru Mandal, Sangareddy District - 502 307, Telangana.
Unit-VII (SEZ)	Sy.Nos.411/P, 425/P, 434/P, 435/P & 458/P, Plot No.S1/A, Special Economic Zone (Pharma), TSIIC, Green Industrial Park, Polepally Village, Jedcherla Mandal, Mahbubnagar District - 509 302, Telangana.
Unit-VIII	Survey No.10 & 13, Gaddapothram, Industrial Development Area – Kazipally Industrial Area, Jinnaram Mandal, Sangareddy District - 502 319, Telangana.

Unit No	Address
Unit-IX	Survey No.305, 369, 370, 371, 372, 373, 374& 377, Gundlamachanoor Village, Hatnoora Mandal, Sangareddy District - 502 296, Telangana.
Unit-XI	Survey No. 52-78, of Pydibhimavaram Village, Survey No.2-11 & 29-32 of Chittivalasa Village Industrial Development Area, Pydibhimavaram, Ranasthalam Mandal, Srikakulam District - 532 409, Andhra Pradesh
Unit-XII	Survey No.314, Bachupally Village, Bachupally Mandal, Medchal Malkajgiri District - 500 090, Telangana.
Unit – XIV	JN Pharma City, Plot NO 17, Road No.10, 11 & 19, 20, E Bonangi Village, Parawada Mandal, Visakhapatnam District - 531 021, Andhra Pradesh.
Unit – XV	JN Pharma City, Plot NO 17A, Road No.10, 11 & 19, 20, E Bonangi Village, Parawada Mandal, Visakhapatnam District - 531 021, Andhra Pradesh.
Unit – XVI	Plot No.S-5/B, S-6&S-7, Sy No.408 to 412, 418 to 435, 437 to 445, 452 to 459, TSIIC, SEZ, Polepally Village, Jadcherla-Mandal, Mahbubnagar District - 509 302 Telangana.
Unit – XVII *	Survey No.77 & 78, Indrakaran Village, Kandi Mandal, Sangareddy District - 502 203, Telangana.
Unit – XVIII *	Survey No.69, 70, 71 & 72, Indrakaran Village, Kandi Mandal, Sangareddy District - 502 203, Telangana.
APLRC – I @	Survey No. 313 & 314, Bachupally Village, Bachupally Mandal, Medchal Malkajgiri District - 500 090, Telangana.
APLRC –II @	Survey No.71 & 72, Indrakaran Village, Kandi Mandal, Sangareddy District - 502 203, Telangana.
Bhiwadi Unit	1128, RIICO Phase–III, Bhiwadi – 301 019, Rajasthan (under sub-lease to Eugia Pharma Specialities Limited, a wholly owned subsidiary of the Company)

* Facilities under construction/ development
@ Research and Development Centers

Address for correspondence:

Registered Office	Corporate Office	Name & Designation of Compliance Officer
Aurobindo Pharma Limited (CIN - L24239TG1986PLC015190) Plot No.2, Maithrivihar, Ameerpet Hyderabad - 500 038, Telangana, India Phone: +91 40 2373 6370 Fax: +91 40 2374 7340 Email: info@aurobindo.com	Corp. Off: Galaxy, Floors: 22-24, Plot No. 1, Survey No. 83/1, Hyderabad Knowledge City, Raidurg Panmaktha Ranga Reddy District Hyderabad - 500 032, Telangana, India Phone: +91 40 6672 5000 Fax: +91 40 6707 4044 /4059 Email: info@aurobindo.com	Mr. B. Adi Reddy Company Secretary Aurobindo Pharma Limited, Corp. Off: Galaxy, Floors: 22-24, Plot No. 1, Survey No. 83/1, Hyderabad Knowledge City, Raidurg Panmaktha Ranga Reddy District Hyderabad - 500 032, Telangana, India Phone: +91 40 6672 5333 Fax: +91 40 6707 4044/4059 Email: cs@aurobindo.com

Contact address for investor grievances
Email: ig@aurobindo.com

List of all credit ratings obtained by the entity along with any revision thereto
The Company has obtained the following ratings from India Ratings & Research Private Limited on July 3, 2020.

Fund-based working capital limits: IND AA+/Stable/IND A1+
Non-fund-based working capital limits: IND A1+

OTHER DISCLOSURES

Related Party Transactions
No transaction of material nature has been entered into by the Company with its Directors/management and their relatives, etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

Transactions with related parties are disclosed in the Notes to Accounts in the Annual Report.

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee and Board of Directors of the Company have adopted a policy to determine Related Party Transactions. The policy is placed on the Company's website at: https://www.aurobindo.com/wp-content/uploads/2018/10/Related-Party-Transaction-Policy.pdf

Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:
There were no instances of non-compliance or penalties/strictures by the stock exchanges/SEBI/statutory authorities on any matter related to capital markets during the last three years except a settlement of a case under SEBI PIT Regulations. Brief facts of the settlement are as follows:

During 2008-09, the Company in the ordinary course of its business, entered into several Licensing and Supply Agreements with Pfizer Inc. ("Pfizer"). The Company has issued a Press Release consistent with the Pfizer Press Release on March 3, 2009 to avoid any conjecture in the market. When things stand as above, some trades in the shares of the Company were undertaken by some of the promoters to consolidate their shareholding in the Company as per the amendments brought in by SEBI to the Takeover Code Regulations.

However, the above act of promoters has been considered by SEBI as violation of Insider Trading Regulations of SEBI and issued a Show Cause Notice dated September 6, 2017 (WTM SCN) under Section 11B of the SEBI Act, 1992 alleging violation of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 (PIT Regulations). Further, another Show Cause Notice dated June 20, 2018 (AO SCN) was issued by the Adjudication Officer (AO) of SEBI against the promoters and to the Company under Section 15 of the SEBI Act, 1992. The Company and the promoters submitted their responses to the aforesaid Show Cause Notices.

The Adjudicating Officer (AO) vide order dated September 23, 2019, levied a penalty of ₹10 million under Section 23 E of SCRA for violation of Clause 36 of the Equity Listing Agreement read with Section 21 of the SCRA and ₹10 million under Section 15HB for violation of Regulation 12 (1) read with Clause 3.2.1 of Schedule I of the PIT Regulations, 1992 read with regulation 12 (2) of the PIT Regulations, 2015 and Regulation 12 (2) read with Clause 2.1 of Schedule II of the PIT Regulations, 1992 read with Regulation 12 (2) of the PIT Regulations, 2015 on the Company and ₹132 million under Section 15G for violation of Regulations 3 and 4 of PIT Regulations on the promoters / promoter group of the Company. Thereafter, the Company and the promoters have filed an Appeal before the Securities Appellate Tribunal on the above matter.

The Company and the promoters have in order to buy the peace, made settlement applications on October 25, 2019 before SEBI without admitting or denying any violation for settlement of the matter pending before SAT and also on WTM SCN. Accordingly, a meeting with Internal Committee of SEBI was held on February 5, 2020. The SEBI on April 16, 2020 has communicated its acceptance to the settlement proposal of the Company and its promoters. Accordingly, on April 30, 2020 the Company has paid ₹22 million and the promoters cumulatively have paid ₹198.2 million to SEBI towards settlement amount of the above matter.

SEBI vide settlement order dated May 6, 2020 disposed off all the enforcement proceedings of SEBI in respect of the aforesaid allegations against the Company and the Promoters and the matter was closed.

However, during the period under review, SEBI on October 23, 2020 informed some of the Promoters that there are some calculation errors in the settlement amounts and asked them to make good certain amounts for which the said promoters have filed a writ petition before Hon'ble High Court of Telangana, at Hyderabad. The Hon'ble High Court on November 18, 2020 granted interim relief to the said promoters by way of suspension of the SEBI direction dated October 23, 2020, subject to depositing of around ₹17.5 million with SEBI. Accordingly, the said amount was deposited by the Promoters and presently the matter is pending for disposal before Hon'ble High Court of Telangana, at Hyderabad.

There were no proceedings pending in the above matter against the Company with SEBI.

Details of establishment of Vigil Mechanism (Whistle Blower policy)
The Board of Directors of the Company had adopted the Whistle Blower policy. The Company has established a mechanism for employees to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. The employees have been appropriately communicated within the organisation about the mechanism and have been provided direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The mechanism also lays emphasis on making enquiry into whistle blower complaint received by the Company. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No employee has been denied access to the Audit Committee. The Whistle Blower Policy is hosted on the Company's website at https://www.aurobindo.com/wp-content/uploads/2021/07/Whistle-Blower-Policy-APL.pdf

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements
The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is in the process of implementation of non-mandatory requirements.

Policy on Material Subsidiaries
In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted a policy with regard to determination of

material subsidiaries. The policy is placed on the Company's website: https://www.aurobindo.com/wp-content/uploads/2019/04/Policy-Material-Subsidiary-March-2019.pdf

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
During the period under review, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

Recommendations of Committees of the Board
There were no instances during the financial year 2020-21 wherein the Board had not accepted the recommendations made by any Committee of the Board.

Total fee for all services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part.
During the year ended March 31, 2021 fees paid to the Statutory Auditors (B S R & Associates LLP) and its network firms are as follows:

₹ in Million

Fees (excluding taxes)	Aurobindo Pharma Limited to Statutory Auditors	Aurobindo Pharma Limited to network firms of Statutory Auditors	Subsidiaries of Aurobindo Pharma Limited to Statutory Auditors and its network firms
Statutory Audit	14.0	-	9.4
Certification & other attest services	1.0	-	-
Non-audit services	-	-	-
Outlays	1.3	-	0.3
Total	**16.3**	**-**	**9.7**

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, prohibition and redressal) Act, 2013:

a. Number of complaints filed during the financial year: Nil

b. Number of complaints disposed of during the financial year: Nil

c. Number of complaints pending as on end of the financial year: Nil

Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule-V
The Company has complied with the requirements of corporate governance report of sub-paras (2) to (10) of clause C of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Adoption of discretionary requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
With regard to discretionary requirements, the Company has adopted clauses relating to the following:

Separate persons were appointed for the post of Chairman and Managing Director and Internal Auditors report directly to the Audit Committee.

The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
24A	Secretarial Audit and Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b)to (i)	Website	Yes

Code of Conduct

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

The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. Pursuant to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, which is effective from April 1, 2019, the Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of un-published price sensitive information. The Code of Conduct is amended from time to time in line with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. The data management and monitoring of insider trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 is done through a dedicated application provided by Company's Registrar & Transfer Agent, KFin Technologies Private Limited.

Letter of appointment

Each independent director upon appointment is given a letter of appointment. The terms and conditions of the appointment of the independent directors is available on the Company's website at: https://www.aurobindo.com/about-us/corporate-governance/governance-policies/

CEO and CFO Certification:

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO & CFO certification is provided in this Annual report as **Annexure-C**.

Certificate on Corporate Governance

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Certificate on Corporate Governance issued by practising Company Secretary is annexed to the Board's report as **Annexure-D**.

Declaration

I, N. Govindarajan, Managing Director, hereby declare that as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2021.

For Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN:00050482

Place: Hyderabad
Date: May 31, 2021

ANNEXURE-A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Aurobindo Pharma Limited
Plot No.2, Maithrivihar, Ameerpet
Hyderabad – 500 038

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Aurobindo Pharma Limited having CIN – L24239TG1986PLC015190 and having registered office at Plot No.2, Maithrivihar, Ameerpet, Hyderabad – 500 038 (hereinafter referred to as the 'Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 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	Date of appointment in Company
1	Mr. Kannan Ragunathan	00523576	30.01.2008
2	Mr. Kambam Nityananda Reddy	01284195	26.12.1986
3	Mr. Narayanan Govindarajan	00050482	01.06.2012
4	Dr. Meenakshi Sunderam Sivakumaran	01284320	30.03.1992
5	Mr. Mettu Madan Mohan Reddy	01284266	18.09.2006
6	Mr. Penaka Sarath Chandra Reddy	01628013	27.09.2007
7	Mr. Penaka Venkata Ramprasad Reddy	01284132	26.12.1986
8	Mr. Mandavilli Sitarama Murty	01694236	27.09.2007
9	Dr. (Mrs.) Avnit Bimal Singh	01316166	25.03.2015
10	Mrs. Savita Mahajan	06492679	16.12.2017
11	Mr. Girish Paman Vanvari	07376482	05.11.2020

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

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No.2147 CP No.16660
UDIN: F002147C000396497

Place: Hyderabad
Date: May 31, 2021

ANNEXURE-B

ANNUAL SECRETARIAL COMPLIANCE REPORT OF AUROBINDO PHARMA LIMITED FOR THE YEAR ENDED 31.03.2021

(Pursuant to circular dated February 8, 2019 issued by SEBI)

I, A. Mohan Rami Reddy, Practicing Company Secretary has examined:

(a) all the documents and records made available to me and explanation provided by **Aurobindo Pharma Limited** [CIN: L24239TG1986PLC015190] having its Registered Office at Plot No.2, Maithrivihar, Ameerpet, Hyderabad - 500 038 ("the listed entity"),

(b) the filings / submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) other documents / filings, as are relevant, which have been relied upon to make this certification, for the year ended March 31, 2021 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, including:

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

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

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

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013;

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and the circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sl. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
-NIL-			

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) During the Review Period, no action has been taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereon except the following:

In the compliance report for the year ended March 31, 2020, it was reported that during 2008-09, the Company in the ordinary course of its business, entered into several Licensing and Supply Agreements with Pfizer Inc. ("Pfizer"). The Company has issued a Press Release consistent with the Pfizer Press Release on March 3, 2009 to avoid any conjecture in the market. When things stand as above, some trades in the shares of the Company were undertaken by some of the promoters to consolidate their shareholding in the Company as per the amendments brought in by SEBI to Takeover Code Regulations. However, the above act of promoters has been considered by SEBI as violation of Insider Trading Regulations of SEBI.

The contentions of the Company and its promoters were not accepted by the Adjudicating Officer (AO) and on September 23, 2019, an order was passed by the AO and levied a penalty of ₹10 million under Section 23 E of SCRA for violation of Clause 36 of the Equity Listing Agreement read with Section 21 of the SCRA and ₹10 million under Section 15HB for violation of Regulation 12 (1) read with Clause 3.2.1 of Schedule I of the PIT Regulations, 1992 read with regulation 12 (2) of the PIT Regulations, 2015 and Regulation 12 (2) read with Clause 2.1 of Schedule II of the PIT Regulations, 1992 read with Regulation 12 (2) of the PIT Regulations, 2015 on the Company and ₹132 million under Section 15G for violation of Regulations 3 and 4 of PIT Regulations on the promoters/promoter group of the Company

Thereafter, the Company and the promoters have filed an Appeal before the Securities Appellate Tribunal in the above matter. Meanwhile, the Company and the promoters have made settlement application on October 25, 2019 before SEBI without admitting or denying any violation for settlement of the matter. Accordingly, a meeting with Internal Committee of SEBI was held on February 5, 2020. The SEBI on April 16, 2020 has communicated its acceptance to the settlement proposal of the Company and its promoters. Accordingly, on April 30, 2020 the Company has paid ₹22 million and the promoters cumulatively have paid ₹198.2 million to SEBI towards settlement amount for settlement of the above matter.

SEBI vide settlement order dated May 6, 2020 disposed of all the enforcement proceedings of SEBI in respect of the aforesaid allegations against the Company and the Promoters and the matter was closed.

However, during the period under review, it is observed that SEBI on October 23, 2020 has informed some of the Promoters that there are some calculation errors in the Settlement amounts and asked them to make good certain amounts for which the said promoters have filed a writ petition before Hon'ble High Court of Telangana, at Hyderabad. The Hon'ble High Court on November 18, 2020 has granted interim relief to the said promoters by way of suspension of the SEBI direction dated October 23, 2020, subject to depositing of around ₹17.5 million with SEBI. Accordingly, the said amount was deposited by the Promoters and presently the matter is pending for disposal before Hon'ble High Court of Telangana, at Hyderabad.

There were no proceedings pending in the above matter against the Company with SEBI.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No	Observations made in the Secretarial Compliance Report for the year ended 31.03.2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Violation under PIT regulations of SEBI	The matter reported as above at para (c) is self-explanatory.	Nil

A. Mohan Rami Reddy
Practicing Company Secretary
FCS No.2147 CP No.16660
UDIN: F002147C000335084

Place: Hyderabad
Date: May 17, 2021

ANNEXURE-C

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We hereby certify that:

a. We have reviewed financial statement and cash flow statement for the financial year ended March 31, 2021 and that to the best our knowledge and belief:

   These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

c. We accept responsibility for establishing and maintaining internal controls for financials reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we 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 that there are no:

   Significant changes in internal control over financial reporting during the year.

   Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system financial reporting.

For Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN:00050482

S. Subramanian
Chief Financial Officer

Place: Hyderabad
Date: May 31, 2021

ANNEXURE-D

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members of
Aurobindo Pharma Limited
Plot No.2, Maithrivihar, Ameerpet
Hyderabad – 500 038

I have examined the compliance of conditions of corporate governance by Aurobindo Pharma Limited (The Company) for the financial year ended March 31, 2021, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to review the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as stipulated in the above Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

S. Chidambaram
Practicing Company Secretary
C.P. No.2286
UDIN: F003935C000389639

Place: Hyderabad
Date: May 31, 2021

CHIEF FINANCIAL OFFICER
Mr. Santhanam Subramanian

COMPANY SECRETARY
Mr. B. Adi Reddy

HEAD - INVESTOR RELATIONS & CORPORATE COMMUNICATIONS
Mr. Arvind Bothra

REGISTERED OFFICE
Plot No. 2, Maithrivihar,
Ameerpet,
Hyderabad - 500 038
Telangana, India

CORPORATE OFFICE
Galaxy, Floors: 22-24, Plot No. 1,
Survey No. 83/1,
Raidurg Panmaktha,
Hyderabad Knowledge City,
Ranga Reddy District,
Hyderabad – 500 032
Telangana, India

CORPORATE WEBSITE
www.aurobindo.com

CIN: L24239TG1986PLC015190

STATUTORY AUDITORS
M/s. BSR & Associates LLP
Chartered Accountants
Salarpuria Knowledge City,
Orwell, 6th Floor, Unit-3,
Sy. No. 83/1, Plot No. 2, Raidurg,
Hyderabad - 500 081
Telangana, India

REGISTRARS & TRANSFER AGENTS
KFin Technologies Private Limited
Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032
Telangana, India

Independent Auditors' Report

To the Members of Aurobindo Pharma Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Aurobindo Pharma Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, 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 March 31, 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 Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matters

Key audit matters	How the matter was addressed in our audit
Valuation of Investments in subsidiaries and joint venture [Refer note 2.1(d)(vi) of the summary of significant accounting Policies and note 4 to the standalone financial statements] The carrying value of investments in the Company's subsidiaries and joint venture entities as at March 31, 2021 is ₹48,657.31 million. The Company performs the annual assessment of investments to identify any indicators of impairment. Based on internal and external factors considered, where such evidence exists, impairment loss is determined and recognised in accordance with note 2.1(d)(vi) of accounting policies to the standalone financial statements. We identified the assessment of impairment indicators and resultant impairment losses in respect of investment in subsidiaries/joint venture as a key audit matter because of: • The significance of the amount of these investments in the Standalone Balance Sheet; and • The degree of management judgement involved in determining whether there was objective evidence of impairment of investments.	**Our audit procedures included the following:** • Testing design, implementation and operating effectiveness of key controls over the impairment assessment process and forecasts and valuation models used by the Company. • Assessing the valuation methodology used by the Company and testing the mathematical accuracy of the models. • Challenging the Company's key assumptions such as the discount rate and other business assumptions used by Company, such as sales growth, cost based on past performances where relevant. • Performing sensitivity analysis of key assumptions, future revenue growth rates, costs and the discount rates used in the valuation models. • Evaluating the adequacy disclosure made in the standalone financial statements.

Description of Key Audit Matters

Key audit matters	How the matter was addressed in our audit
Litigations, claims and contingencies Refer note 2.2(m) of the summary of significant accounting policies and note 30(C) to the standalone financial statements. The Company is involved in disputes, lawsuits, claims, governmental and / or regulatory inquiries, investigations and proceedings, including patent infringement cases, tax and commercial disputes arising from time to time in the ordinary course of business. Most of the claims involve complex issues. The Company, assisted by their external legal counsel assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation. The Company's conclusions may result in an incorrect disclosure or provision in the books of account considering the aforesaid assessment involves significant judgment to be exercised by the Company based on current developments. Further, unexpected adverse outcomes could also significantly impact the Company's reported results. This area is significant to our audit, since the accounting and disclosure for litigations, claims and contingencies is complex and judgmental.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidence: • Evaluating the design and testing the operating effectiveness of controls relating to identification and evaluation of litigation and claims and measurement of provisions, contingent liabilities and disclosures thereof. • Obtained a list of ongoing litigations from the Company's legal head. We selected a sample of significant litigations and evaluated the Company's assessment thereof by: i. making enquiries with the in-house legal counsel of the Company; ii. verifying correspondence, orders and appeals in respect of open litigation; and iii. obtained independent confirmations from external legal counsels where relevant and/ or evaluated legal opinions obtained by the Company. • Evaluating the adequacy of provision and disclosures given in Note 30(C) to standalone financial statements
Revenue Recognition Refer to Note 2.2(C) of the summary of significant accounting policies to the standalone financial statements. Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns and taxes. Revenue is one of the key performance indicators of the Company and there could be a risk of revenue is recognised in the incorrect period or before the control has been transferred to the customer.	Our audit procedures in respect of the recognition of revenue included the following: • Considering the Company's revenue recognition policies and assessed compliance with the applicable accounting standards. • Evaluating the design, tested the implementation and operating effectiveness of the Company's internal controls over recognition and measurement of revenue in accordance with underlying customer contracts. • Performing substantive testing (including cutoff testing procedures) by selecting samples of revenue transactions recorded during the year and for the selected samples, verifying the underlying documents such as sales invoices / contracts and dispatch/shipping documents. • Assessing manual journals posted to revenue to identify unusual items not already covered by our audit testing; • Evaluating adequacy of disclosures given in the standalone financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

The standalone financial statements of the company include the financial statements of 5 wholly owned subsidiaries whose standalone financial statements reflect total assets (before inter-company adjustments) of ₹6,985.5 million as at March 31, 2021 (March 31, 2020: ₹5,478.9 million) and the total revenue (before inter-company adjustments) of ₹1,462.7 million (March 31, 2020: ₹1,109.1 million) for the year ended on that date. These subsidiaries have been merged with the Company vide The Hon'ble National Company Law Tribunal, Hyderabad order dated March 30, 2021. These subsidiaries have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of such other auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;

   e) On the basis of the written representations received from the directors on various dates from March 31, 2021 till May 24, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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"; and

   g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements - Refer 30(C) to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

      iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2021.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16):

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

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 116231 W/W-100024

Sriram Mahalingam
Partner
Membership No: 049642
ICAI UDIN: 21049642AAAABV5245

Place: Palakkad
Date: June 3, 2021

Annexure A

to the Independent Auditor's Report on the standalone financial statements

With reference to "Annexure A" referred to in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Company on the audit of standalone financial statements for the year ended March 31, 2021, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the Programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, included in the property, plant and equipment except for the following, are held in the name of the Company. As explained to us, registration of title deeds is in progress in respect of these immovable properties:

Category	No. of instances	Freehold/leasehold	Gross Block as at March 31, 2021 (₹ in million)	Net Block as at March 31, 2021 (₹ in million)
Land	87	Freehold Land	362.5	362.5
Building	2	Freehold Building	249	194.6
Total			**611.5**	**557.1**

ii. The inventories, except goods-in-transit and stock lying with third parties, has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material. Inventories lying with third parties as at March 31, 2021 have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

iii. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the Provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the director is interested to which, the provisions of Section 185 of the Act apply and hence not commented upon. However, in respect of loans given, investments made and guarantees given, the Company is in compliance with the provisions of Section 186 of the Act.

v. As informed to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act related to the manufacture of Active Pharmaceutical Ingredients and Formulations and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services tax, Cess and any other material statutory dues were in arrears as at March 31, 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following dues of Income-tax, Goods and Service tax, Service tax, Duty of Customs, Duty of Excise have not been deposited by the Company on account of disputes:

Nature of the Statue	Nature of Dues	Disputed Amount (₹ in million) @	Paid under Protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944 and Customs Act, 1962	Central Excise	22.9	7.7	FY 2006-2013	CESTAT*
	Customs	82.9	7.6	FY 2002-2015	CESTAT*
	Central Excise	0.7	0.3	FY 2012-2013	Commissioner (Appeals)
	Central Excise	2.3	2.3	FY 2007-2010	Revisionary Authority
	Customs	4.7	3.7	FY 2011-2012	Commissioner (Appeals)
Finance Act, 1994	Service tax	52.1	3.7	FY 2011-2014	CESTAT*
	Service tax	17.9	1.4	FY 2014-2017	Principal Commissioner (Appeals)
Andhra Pradesh tax on Entry of Goods in Local Areas Act, 2001	Entry tax	13.5	3.4	FY 2014-2017	Assistant Commissioner (Stay granted by The Hon'ble High Court of Andhra Pradesh)
Telangana tax on Entry of Goods in Local Areas Act, 2001	Entry tax	15.8	5.5	FY 2011-2018	Deputy Commissioner (Stay granted by The Hon'ble High Court for the state of Telangana)
Central Goods & Service Tax Act 2017	Goods & Service Tax	5	0.5	FY 2019-2020	Assistant Commissioner
Income-tax Act, 1961	Income-tax	138.3	138.3	FY 2008-2009	Income Tax Appellate Tribunal Hyderabad
	Income-tax	488.2	488.2	FY 2010-2014	High Court Telangana
	Income-tax	242.5	242.5	FY 2014-2015	Income Tax Appellate Tribunal Hyderabad
	Income-tax	312.5	312.5	FY 2015-2016	Commissioner (Appeals) Hyderabad
	Income-tax	1,483.6	-	FY 2016-2017	Assistant Commissioner Hyderabad

*Customs, Excise and Service Tax Appellate Tribunals

@ as per assessment order

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank. The Company did not have any dues to any financial institution, government or debenture holder during the year.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the provisions of Clause (xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with related parties are in compliance with the provisions of Section 177 and Section 188 of the Act other than few transactions during the year where Audit Committee approval has been obtained subsequently. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standards.

xiv. Based on our examination of the records of the Company and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause (xv) of the Order are not applicable to the Company.

xvi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause (xvi) of the Order are not applicable to the Company.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 116231 W/W-100024

Sriram Mahalingam
Partner
Membership No: 049642
ICAI UDIN: 21049642AAAABV5245

Place: Palakkad
Date: June 3, 2021

Annexure B

to the Independent Auditors' report on the standalone financial statements of Aurobindo Pharma Limited for the period ended March 31, 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 CLAUSE (F) OF PARAGRAPH 2 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

Opinion

We have audited the internal financial controls with reference to financial statements of Aurobindo Pharma Limited ("the Company") as of March 31, 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 March 31, 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 financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

Auditors' Responsibility (continued)

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 116231 W/W-100024

Sriram Mahalingam
Partner
Membership No: 049642
ICAI UDIN: 21049642AAAABV5245

Place: Palakkad
Date: June 3, 2021

Standalone Balance Sheet

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	As at March 31, 2021	As at March 31, 2020
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(A)	44,573.2	44,079.2
(b) Capital work-in-progress	3(A)	7,190.2	8,148.5
(c) Good will		69.9	69.9
(d) Intangible assets	3(B)	77.6	28.9
(e) Intangible assets under development	3(B)	158.7	-
(f) Financial assets			
(i) Investments	4(A)	48,808.9	25,273.9
(ii) Loans	5(A)	4,015.2	2,407.5
(iii) Trade receivables	6(A)	-	-
(iv) Other financial assets	7(A)	1,164.4	1,289.4
(g) Non-current tax assets (net)	9(A)	1,220.7	845.3
(h) Other non-current assets	10(A)	832.5	610.5
Total non-current assets		**108,111.3**	**82,753.1**
Current assets			
(a) Inventories	11	48,413.8	43,595.7
(b) Financial assets			
(i) Investments	4(B)	1,290.4	0.2
(ii) Trade receivables	6(B)	59,280.1	57,850.0
(iii) Cash and cash equivalents	12(A)	3,835.8	836.3
(iv) Bank balances other than (iii) above	12(B)	26.0	25.3
(v) Loans	5(B)	120.3	122.0
(vi) Other financial assets	7(B)	677.5	177.4
(c) Other current assets	10(B)	10,134.7	10,276.1
Total current assets		**123,778.6**	**112,883.0**
TOTAL ASSETS		**231,889.9**	**195,636.1**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	585.9	585.9
(b) Other equity	14	158,660.2	129,939.1
Total equity		**159,246.1**	**130,525.0**
Liabilities			
Non-current liabilities			
(a) Financial liabilities - Lease liability	18(A)	744.2	111.4
(b) Provisions	16(A)	-	426.8
(c) Deferred tax liability (net)	8	4,333.8	850.4
Total non-current liabilities		5,078.0	1,388.6
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	39,531.0	37,303.2
(ii) Trade payables	17		
(A) total outstanding dues of micro enterprises and small enterprises and		157.1	415.7
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		20,452.4	18,824.3
(iii) Other financial liabilities	18(B)	3,960.3	4,979.3
(b) Other current liabilities	19	964.9	1,047.3
(c) Provisions	16(B)	1,110.0	1,152.7
(d) Current tax liability	9(B)	1,390.1	-
Total current liabilities		**67,565.8**	**63,722.5**
TOTAL EQUITY AND LIABILITIES		**231,889.9**	**195,636.1**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.
As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642

Place: Palakkad
Date: June 3, 2021

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

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: May 31, 2021

Standalone Statement of Profit and Loss

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

		Note	Year ended March 31, 2021	Year ended March 31, 2020
I	**INCOME**			
	Revenue from operations	20	158,236.8	133,707.7
	Other income	21	5,898.6	3,887.9
	TOTAL INCOME (I)		**164,135.4**	**137,595.6**
II	**EXPENSES**			
	Cost of materials consumed	22	72,157.4	68,143.4
	Purchases of stock-in-trade		260.9	55.1
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	29.9	(2,386.7)
	Employee benefits expense	24	17,354.2	15,771.4
	Finance costs	25	286.8	2,432.8
	Depreciation and amortisation expense	26	4,880.0	4,733.3
	Other expenses	27	27,236.1	25,145.8
	TOTAL EXPENSES (II)		**122,205.3**	**113,895.1**
III	**PROFIT BEFORE TAX (I-II)**		41,930.1	23,700.5
IV	**TAX EXPENSE :**			
	Current tax	28	10,433.4	4,922.8
	Tax credit - Minimum Alternate Tax (MAT)		-	-
	Deferred tax	8	367.6	8.9
	TOTAL TAX EXPENSE (IV)		**10,801.0**	**4,931.7**
V	**PROFIT FOR THE YEAR (III-IV)**		**31,129.1**	**18,768.8**
VI	**OTHER COMPREHENSIVE INCOME (OCI)**			
	Items that will not to be reclassified subsequently to profit or loss:			
	(a) Re-measurement of defined benefit liability		(98.6)	(195.2)
	(b) Income-tax relating to items that will not be reclassified to profit or loss		34.4	68.2
	TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (VI)		**(64.2)**	**(127.0)**
VII	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (V+VI)**		**31,064.9**	**18,641.8**
VIII	**EARNINGS PER EQUITY SHARE**	29		
	Basic (in ₹)		53.13	32.03
	Diluted (in ₹)		53.13	32.03
	Nominal value per equity share		1.00	1.00
	Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.
As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642

Place: Palakkad
Date: June 3, 2021

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

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: May 31, 2021

Standalone Statement of Changes in Equity

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(A) EQUITY SHARE CAPITAL (REFER NOTE 13)

	Number	Balance
As at March 31, 2019	585,915,609	585,915,609
Changes in equity share capital during the year	23,000	23,000
As at March 31, 2020	585,938,609	585,938,609
Changes in equity share capital during the year	-	-
As at March 31, 2021	**585,938,609**	**585,938,609**

(B) OTHER EQUITY

	Reserves and surplus						Total
	Capital reserve	Capital redemption reserve	Employee stock options outstanding account	Securities premium	General reserve	Retained earnings	
Balance at March 31, 2019	91.1	90.0	0.6	3,419.5	7,888.4	101,430.8	112,920.4
Acquired on business combination (refer note 46)	448.7	-	-	6.0	-	(225.2)	229.5
Profit for the year	-	-	-	-	-	18,768.8	18,768.8
Other comprehensive income (net of tax)	-	-	-	-	-	(127.0)	(127.0)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**18,641.8**	**18,641.8**
Issue of equity shares on exercise of employee stock options	-	-	-	1.8	-	-	1.8
Share based payment (refer note 31)	-	-		-	-	-	-
Exercise of share options	-	-			-		-
Dividend paid	-	-	-	-	-	(1,757.8)	(1,757.8)
Dividend distribution tax	-	-	-	-	-	(96.6)	(96.6)
Balance at March 31, 2020	**539.8**	**90.0**	**0.6**	**3,427.3**	**7,888.4**	**117,993.0**	**129,939.1**
Profit for the year	-	-	-	-	-	31,129.1	31,129.1
Other comprehensive income (net of tax)	-	-	-	-	-	(64.2)	(64.2)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**31,064.9**	**31,064.9**
Issue of equity shares on exercise of employee stock options	-	-	-		-	-	-
Share based payment (refer note 31)	-	-		-	-	-	-
Exercise of share options	-	-			-	-	-
Dividend paid	-	-	-	-	-	(2,343.8)	(2,343.8)
Dividend distribution tax	-	-	-	-	-	-	-
Balance at March 31, 2021	**539.8**	**90.0**	**0.6**	**3,427.3**	**7,888.4**	**146,714.1**	**158,660.2**

Refer note 14B for nature and purpose of reserves

As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642

Place: Palakkad
Date: June 3, 2021

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

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: May 31, 2021

Standalone Statement of Cash Flows

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

		Note	Year ended March 31, 2021	Year ended March 31, 2020
1	CASH FLOW FROM OPERATING ACTIVITIES			
	Net profit before tax		41,930.1	23,700.5
	Adjustments to reconcile profit before tax to net cash flow:			
	Depreciation and amortisation expense		4,880.0	4,733.3
	Allowances for doubtful receivables (net)		(315.4)	536.6
	Bad debts		2.3	11.6
	Provisions no longer required written back		(5.8)	(1.1)
	Unrealised foreign exchange gain (net)		(624.4)	(703.1)
	Mark-to-market (gain)/loss on derivative foreign currency forward contracts		(190.1)	22.3
	Loss on sale of property, plant and equipment (net)		1.7	24.0
	Dividend income		(3,074.6)	(1,259.2)
	Finance costs		259.7	936.2
	Interest income		(401.9)	(158.6)
	Operating profit before working capital changes		**42,461.6**	**27,842.5**
	Movements in working capital:			
	Increase in trade receivables		(345.9)	(2,695.8)
	Increase in inventories		(4,818.1)	(3,315.3)
	Increase in loans		(11.0)	(25.8)
	Increase in other financial assets		(121.8)	(197.5)
	(Increase)/decrease in other current/non-current assets		(33.1)	901.0
	(Decrease)/increase in trade payables		(246.3)	3,557.8
	(Decrease)/increase in provision for retirement benefits		(568.1)	191.2
	Decrease in other financial liabilities		(22.3)	(2.0)
	Decrease in other current liabilities		(82.4)	(455.4)
	Cash generated from operating activities		**36,212.6**	**25,800.7**
	Income-tax paid (net)		(6,268.5)	(3,786.9)
	Net cash flow generated from operating activities	**(A)**	**29,944.1**	**22,013.8**
2	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of property, plant and equipment including movement in capital work-in-progress, capital advances and capital creditors		(3,967.3)	(6,816.2)
	(Purchase)/sale of intangibles assets under development		(221.7)	319.5
	Proceeds from sale of property, plant and equipment		709.3	159.3
	Purchase of non-current investments (refer Note "c" below)		(23,297.5)	(3,402.7)
	Proceeds of current investments		(1,290.2)	-
	Dividend received from subsidiaries		3,074.6	1,289.9
	Loans made to subsidiaries/ joint venture		(1,595.0)	(1,619.5)
	Loans repaid by subsidiaries/ joint venture		-	435.0
	Interest received		100.5	117.9
	Net cash flow used in investing activities	**(B)**	**(26,487.3)**	**(9,516.8)**
3	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from issuance of equity share capital		-	1.9
	Proceeds from current borrowings (net)		2,431.6	(9,700.6)
	Repayment of lease liabilities (net)		(119.9)	(88.1)

Standalone Statement of Cash Flows

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Interest paid		(248.0)	(906.9)
Dividends paid on equity shares		(2,343.1)	(1,756.2)
Tax paid on equity dividend		-	(96.6)
Net cash flow generated from financing activities	**(C)**	**(279.4)**	**(12,546.5)**
Net decrease in cash and cash equivalents	**(A+B+C)**	**3,177.4**	**(49.5)**
Cash and cash equivalents at the beginning of the year		673.5	687.0
Effect of exchange differences on cash and cash equivalents		(15.1)	29.7
On amagamation		-	6.3
Cash and cash equivalents at the end of the year (refer note 12(C))		**3,835.8**	**673.5**

Note:

a) The above statement of cash flow has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows"

b) Cash and cash equivalents comprises of:

	As at March 31, 2021	As at March 31, 2020
Components of Cash and cash equivalents		
Cash and bank balances includes :		
Cash on hand	1.0	1.4
Balance with banks:		
Current accounts	2,950.8	822.8
Cash credit accounts	884.0	(150.7)
Total cash and cash equivalents (refer note 12(C))	**3,835.8**	**673.5**

c) Reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities are given below:

Particulars	As at March 31, 2020	Cash flows	Non-cash transactions Foreign exchange loss	As at March 31, 2021
Current maturities of non-current borrowings	-	-	-	-
Current borrowings	37,140.4	2,431.6	(41.0)	39,531.0

Summary of significant accounting policies 2.2
The accompanying notes are an integral part of the standalone financial statements.
As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642

Place: Palakkad
Date: June 3, 2021

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

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Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: May 31, 2021

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

1. CORPORATE INFORMATION

Aurobindo Pharma Limited (the "Company") is a public company domiciled in India and was incorporated under the provisions of the Companies Act, 1956 applicable in India. The Registered Office of the Company is located at Plot No.2, Maithrivihar, Ameerpet, Hyderabad - 500038, India and the Corporate Office is located at Galaxy, Floors: 22-24, Plot No-1, Survey No.83, Hyderabad Knowledge City, Raidurg Panmaktha, Ranga Reddy District, Hyderabad – 500032, Telangana, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

The Company is principally engaged in manufacturing and marketing of active pharmaceutical ingredients, generic pharmaceuticals and related services. The standalone financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on May 31, 2021.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These standalone financial statements comprise the Balance Sheets as at March 31, 2021 and March 31, 2020, the Statements of Profit and Loss, Statements of Changes in Equity and the Statements of Cash Flows for the year ended March 31, 2021 and for the year ended March 31, 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements")

These standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in these standalone financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The statement of cash flows have been prepared under indirect method.

b) Functional and presentation currency

These standalone financial statements are presented in Indian rupees (₹), which is also the functional currency of the Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. Transactions and balances with values below ₹1 lakh have been reflected as "0.0" in the standalone financial statements.

c) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following;

- certain financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost.
- employee defined benefit assets / liability recognised as the net total of the fair value of plan assets, and actuarial losses/gains, and the present value of defined benefit obligation.

d) Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 30(A) - leases: whether an arrangement contains a lease; lease classification.
- Note 30(C) - contingent liabilities: Measurement and likelihood of occurrence of provisions and contingencies.
- Note 2.2(q) and 43: Financial instruments

- Note 2.2(j), 8 and 28: Provision for income taxes, related tax contingencies and evaluation of recoverability of deferred tax assets.
- Note 2.2(d) and 2.2(e): Useful lives of property, plant and equipment and intangible assets.
- Note 31: Share based payments
- Note 32: Assets and obligations relating to employee benefits

Assumptions and estimation uncertainties
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) **Share-based payments**
The grant date fair value of employee stock options granted is recognised as an employee expense over the period that the employee becomes unconditionally entitled to the options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Black Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 31.

(ii) **Defined employee benefit plan (Gratuity)**
The cost of the defined benefit gratuity plan and other accumulated leave entitlement and the present value of the gratuity obligation and accumulated leave obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 32.

(iii) **Fair value measurement of financial instruments**
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 40 and 42 for further disclosures.

(iv) **Depreciation on property, plant and equipment and amortisation of intangible assets**
Depreciation on property, plant and equipment is calculated on a straight-line basis based on the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and intangible assets though these in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

(v) **Impairment of non-financial assets**
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices

Notes to Standalone Financial Statements

for the year ended March 31, 2021

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less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

(vi) Impairment of investments

The Company reviews its carrying value of investments annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(vii) Intangible assets under development

The Company capitalises acquired intangible asset under development for a project in accordance with the accounting policy. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The innovative nature of the product gives rise to some uncertainty as to whether the final approval for the products will be obtained.

(viii) Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

(ix) Recognition and measurement of other provisions:

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

2.2 Significant accounting policies

a. Foreign exchange transactions and translations

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Initial recognition: Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and foreign currency at the date of the transaction.

Conversion: Foreign currency monetary items are reported at functional currency spot rate of exchange at the reporting date. 'Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences: Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous standalone financial statements, are recognised as income or as expenses in the year in which they arise.

b. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Company's CFO determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

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

c. Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised:

Sale of goods: Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc., where applicable. Any additional amounts based on terms of agreement entered into with customers, is recognised in the period when the collectability becomes probable and a reliable measure of the same is available.

Rendering of services: Revenue from sale of dossiers/ licenses/services, includes in certain instances, certain performance obligations and based on evaluation of whether or not these obligations are in consequential or perfunctory, revenue is recognised in accordance with the terms of the contracts with the customers when the related performance obligation is completed at point in time or spread over a period of time, as applicable.

Interest income: Interest income is recognised with reference to the Effective Interest Rate (EIR) method.

Dividend income: Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export benefits, incentives and licenses: Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

d. Property, plant and equipment & Depreciation

Freehold land and buildings (property) held for use in the production or supply of goods or services, or administrative purposes are stated at cost less accumulated depreciation and accumulated impairment. Freehold land is not depreciated.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the Management.

The Company, based on technical assessment and management estimate, depreciates property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has estimated the following useful life to provide depreciation on its fixed assets:

Nature of the assets	Useful life as estimated by the management (in years)	Useful life as stated in the Companies Act, 2013 (in years)
Leasehold buildings	20	10 - 60
Freehold buildings	15- 60	10 - 60
Plant and equipment	5 - 20	3 - 40
Furniture and fixtures	10	10
Vehicles	4 - 8	8
Office equipment	5	5

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

e. Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Estimated useful lives by major class of finite life intangible assets are as follows:

Licences - 5 years

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

Research and development costs:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and use or sell the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Acquired research and development intangible assets that are under development are recognised as Intangible assets under development. These assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the statement of profit and loss.

Subsequent expenditure on in process research and development project acquired separately and recognised as an intangible asset is:

- recognised as an expense, if it is research expenditure.
- recognised as an expense, if its development expenditure that does not satisfy the criteria for recognition as an Intangible asset; and
- added to the carrying amount of acquired in process research and development project, if it is development expenditure that satisfies the recognition criteria.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets relating to products in development and other intangible assets not available for use is tested for impairment annually.

f. Government grants and subsidies

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is deducted from the related expense. When the grant relates to an asset, it is recognised as deferred income and amortised over the useful life of such assets.

g. Inventories

Inventories are valued at lower of cost, determined on “Weighted average” basis and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work-in-progress: cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excludes borrowing costs.

Trading goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

h. Retirement and other employee benefits

Provident fund

Retirement benefit in the form of provident fund is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit and loss in subsequent periods.

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Past service costs are recognised in profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

Short term compensated absences are provided for based on estimates. The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such accumulated leaves are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond twelve months after the reporting date.

i. Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in employee stock options reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market based performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest because of non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

j. Taxes

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Indian Income-tax Act, 1961. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate. The tax rate and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Taxes paid on acquisition of assets or on incurring expenses which are not subsequently recoverable :

Expenses and assets are recognised net of the taxes paid, except:

(i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

(ii) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

k. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the Company is lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability,

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the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Where the Company is lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

l. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events such as bonus issue that have changed the number of shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

m. Provision and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

n. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cheques, cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

o. Borrowing cost

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

p. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

q. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the standalone statement profit and loss. The losses arising from impairment are recognised in the standalone statement profit and loss. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement

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for the year ended March 31, 2021

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or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments:

All equity investments in subsidiaries are measured at cost less diminution other than temporary. All equity investments in scope of Ind AS 109 - Financial Instruments are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Company may make an irrevocable election to present in OCI subsequent changes in fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i) the rights to receive cash flows from the asset have expired, or

ii) the Company has transferred its rights to receive cash flows from the asset, and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109 - Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

(i) Financial assets that are debt instruments, and are measured at amortised cost, e.g. loans, deposits, debt securities, etc.

(ii) Trade receivables that result from transactions that are within the scope of Ind AS 115 - Revenue from contracts with customers.

The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

(i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head other expenses/other income in the statement of profit and loss. ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines the change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to the external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

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

r. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The forward contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

s. Cash dividend and non cash distribution to equity holders

The Company recognises a liability to make cash and non cash distribution to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Corporate laws in India, a final dividend distribution is authorised when it is approved by the shareholders whereas for interim dividend when authorised by board. A corresponding amount is recognised directly in equity. Non cash distribution are measured at fair value of the assets distributed with fair value re-measurement recognised directly in equity.

t. Recent accounting pronouncements

Standards issued but not yet effective & not early adopted by the Company:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

3(A). PROPERTY, PLANT AND EQUIPMENT

	Leasehold land	Right -of-use assets	Freehold land	Leasehold buildings	Freehold buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying value (at cost)										
As at March 31, 2019	147.0	-	773.6	12.0	11,126.5	40,589.6	1,228.5	250.7	285.3	54,413.2
Acquired on business combination (refer note 46)	-	-	232.0	-	132.8	207.2	9.5	1.6	1.6	584.7
Additions	-	503.4	31.5	-	1,524.7	4,932.6	98.6	63.3	23.7	7,177.8
Disposals	-	-	0.6	-	-	253.5	0.4	65.7	5.4	325.6
Reclassified to Right-of-use assets	147.0	-	-	12.0	-	-	-	-	-	159.0
As at March 31, 2020	**-**	**503.4**	**1,036.5**	**-**	**12,784.0**	**45,475.9**	**1,336.2**	**249.9**	**305.2**	**61,691.1**
Additions	-	811.1	91.1	-	633.8	4,269.5	101.9	117.7	45.7	6,070.8
Disposals	-	-	56.6	-	98.0	822.7	20.6	53.0	2.8	1,053.7
As at March 31, 2021	**-**	**1,314.5**	**1,071.0**	**-**	**13,319.8**	**48,922.7**	**1,417.5**	**314.6**	**348.1**	**66,708.2**
Accumulated depreciation										
As at March 31, 2019	17.2	-	-	5.1	1,254.4	11,003.7	363.0	153.0	158.3	12,954.7
Acquired on business combination (refer note 46)	-	-	-	-	19.6	72.8	4.8	1.6	0.9	99.7
Charge for the year	-	90.8	-	-	452.3	3,940.5	138.0	55.3	45.2	4,722.1
Disposals	-	-	-	-	-	80.9	-	56.0	5.4	142.3
Reclassified to Right-of-use assets	17.2	-	-	5.1	-	-	-	-	-	22.3
As at March 31, 2020	**-**	**90.8**	**-**	**-**	**1,726.3**	**14,936.1**	**505.8**	**153.9**	**199.0**	**17,611.9**
Charge for the year	-	114.9	-	-	485.9	4,016.1	138.4	60.9	49.6	4,865.8
Disposals	-	-	-	-	6.0	277.4	7.3	50.0	2.0	342.7
As at March 31, 2021	**-**	**205.7**	**-**	**-**	**2,206.2**	**18,674.8**	**636.9**	**164.8**	**246.6**	**22,135.0**
Net carrying value										
As at March 31, 2020	-	412.6	1,036.5	-	11,057.7	30,539.8	830.4	96.0	106.2	44,079.2
As at March 31, 2021	**-**	**1,108.8**	**1,071.0**	**-**	**11,113.6**	**30,247.9**	**780.6**	**149.8**	**101.5**	**44,573.2**

Capital work-in-progress ₹7,190.2(March 31, 2020: ₹8,148.5*) (including expenditure during construction period) (refer note 33)

* Includes of ₹882.3 acquired on business combination (refer note 46)

1. The title deeds of land and buildings aggregating gross value of ₹611.5 (March 31, 2020: ₹166.5) are pending transfer to the Company's name
2. Depreciation for the year include ₹0.01 (March 31, 2020: ₹(1.6)) taken as pre-operative capital expenditure on capital projects pending capitalisation.
3. Refer note 30 (A) for details of leases.
4. Refer note 36 for details of capital research and development expenditure.
5. Refer note 33 for details of expenditure during construction period transferred from capital work-in-progress to property, plant and equipment.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

3(B). INTANGIBLE ASSETS

	Licenses	Intangible assets under development
Gross carrying value (at cost)		
As at March 31, 2019	48.1	389.4
Additions	-	-
Disposals	-	389.4
As at March 31, 2020	**48.1**	**-**
Additions	62.9	158.7
Disposals	-	-
As at March 31, 2021	**111.0**	**158.7**
Accumulated amortisation		
As at March 31, 2019	9.6	
Charge for the year	9.6	
Disposals	-	
As at March 31, 2020	**19.2**	**-**
Charge for the year	14.2	-
Disposals	-	-
As at March 31, 2021	**33.4**	**-**
Net carrying value		
As at March 31, 2020	28.9	-
As at March 31, 2021	**77.6**	**158.7**

Intangible assets under development ₹158.7 (March 31, 2020 ₹ Nil). Under these intangible assets under development of ₹145.8 has been transferred from Company's wholly owned subsidiary during the year.

4. INVESTMENTS

(A) Non-current investments	Face value	As at March 31, 2021 Number of shares (% of interest)	As at March 31, 2021 Amount	As at March 31, 2020 Number of shares (% of interest)	As at March 31, 2020 Amount
Investments in unquoted equity shares (fully paid, carried at cost, unless stated otherwise)					
In subsidiaries					
Aurobindo Pharma USA Inc, USA *	-	100% of paid-in-capital	2,832.5	100% of paid-in-capital	2,832.5
APL Pharma Thai Limited, Thailand	Baht 100	979,200 (97.9%)	145.6	979,200 (97.9%)	145.6
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil	Real 1	10,124,795 (99.97%)	260.0	10,124,795 (99.97%)	260.0
Helix Healthcare B.V., The Netherlands	Euro 10	24,888,957 (100%)	20,380.9	20,802,957 (100%)	15,777.3
APL Health Care Limited, India	₹10	216,000,000 (100%)	2,160.0	216,000,000 (100%)	2,160.0
All Pharma (Shanghai) Trading Company Limited, China	-	100% of paid-in-capital	27.5	100% of paid-in-capital	27.5
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil	Real 1	99,000 (100%)	2.1	99,000 (100%)	2.1
Auronext Pharma Private Limited, India	₹10	124,984,028 (100%)	1,298.6	124,984,028 (100%)	1,298.6
Auro Peptides Limited, India	₹10	95,000 (95%)	1.0	95,000 (95%)	1.0
Auro Pharma India Private Limited, India	₹10	100,000 (100%)	1.0	100,000 (100%)	1.0

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for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(A) Non-current investments	Face value	As at March 31, 2021 Number of shares (% of interest)	As at March 31, 2021 Amount	As at March 31, 2020 Number of shares (% of interest)	As at March 31, 2020 Amount
Auro Active Pharma Private Limited, India	₹10	100,000 (100%)	1.0	100,000 (100%)	1.0
Curateq Biologics Private Limited, India	₹10	100,000,000 (100%)	1,000.0	-	
Auro Cure Private Limited, India	₹10	37,250,000 (100%)	372.5	-	
Aurozest Private limited, India	₹10	100,000 (100%)	1.0		
Aurobindo Pharma Foundation Pvt Ltd (Sec-8 Company), India	₹10	10,000 (100%)	0.1	-	
Eugia Pharma Specialties Limited, India	₹10	440,110,218 (100%)	4,401.1	323,556,747 (67.82%)	3,235.6
Mviyes Pharma Ventures Private Limited, India	₹10	150,249,382 (100%)	2,742.1	-	
Qule Pharma Private Limited, India	₹10	100,000 (100%)	1.0	-	
Lyfius Pharma Private Limited, India	₹10	100,000 (100%)	1.0	-	
Aurobindo Antibiotics Private Limited, India	₹10	10,000 (100%)	0.1	-	
In joint ventures					
Tergene Biotech Private Limited, India	₹10	9,040,000 (80%)	90.4	9,040,000 (80%)	90.4
Raidurgam Developers Limited, India (formerly Aurobindo Antibiotics Limited, India)	₹10	4,000,000 (40%)	40.0	4,000,000 (40%)	40.0
In others (At fair value through profit and loss)					
Jeedimetla Effluent Treatment Limited, India	₹100	753	0.1	753	0.1
Patancheru Envirotech Limited, India	₹10	103,709	1.0	103,709	1.0
Progressive Effluent Treatment Limited, India	₹100	1,000	0.1	1,000	0.1
Synergy Remedies Private Limited, India	₹10	10,489,500	150.0	10,489,500	150.0
			35,910.7		**26,023.8**
Less: Provision for impairment in value of investments			3,175.0		3,175.0
		A	**32,735.7**		**22,848.8**

(A) Non-current investments	Face value	As at March 31, 2021 Quantity	As at March 31, 2021 Amount	As at March 31, 2020 Quantity	As at March 31, 2020 Amount
Investments in unquoted preference shares (fully paid, carried at amortised cost, unless stated otherwise)					
In subsidiaries					
Auro Peptides Limited, India	₹100	10,220,000	1,142.0	10,220,000	1,022.0
(9.5% Cumulative Preference shares redeemable at par ranging from five years to twenty years from the date of issue)					
APL Health Care Limited, India	₹100	600,000	60.0	600,000	60.0
(9.5% Cumulative Preference shares redeemable at par within five years from the date of issue)					
In joint ventures					
Tergene Biotech Private Limited, India	₹100	2,110,000	211.0	1,675,000	167.5

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for the year ended March 31, 2021

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(A) Non-current investments	Face value	As at March 31, 2021		As at March 31, 2020	
		Quantity	Amount	Quantity	Amount
(10.5% Cumulative Preference shares redeemable at par within six years from the date of issue)					
		B	**1,413.0**		**1,249.5**
Investments in unquoted Compulsorily Convertible Debentures (CCDs) (fully paid, carried at cost, unless stated otherwise)					
In subsidiaries					
Eugia Pharma Specialties Limited, India	₹10	575,000,000	5,750.0	-	-
(0.001% Compulsorily Convertible Debentures (CCDs) of ₹10/- each)					
Curateq Biologics Private Limited, India	₹10	730,000,000	7,300.0	-	-
(0.1% Compulsorily Convertible Debentures (CCDs) of ₹10/- each)					
		C	**13,050.0**		**-**
Investments in unquoted optionally convertible debentures (fully paid, carried at cost, unless stated otherwise)					
In joint ventures					
Raidurgam Developers Limited, India	₹1,000	1,610,000	1,610.0	1,175,463	1,175.4
(Interest of 1.5% to 9.5% over a period of ten years redeemable at par within ten years from date of issue. These are optionally convertible into 100 equity shares per debenture at any time after one year.)					
		D	**1,610.0**		**1,175.4**
Unquoted investment in government securities					
(Carried at fair value through profit and loss)					
National Savings Certificate (includes held by Income tax authorities ₹0.1 (March 31, 2019: ₹0.1))			0.2		0.2
		E	**0.2**		**0.2**
		A+B+C+D+E	**48,808.9**		**25,273.9**
Aggregate value of unquoted investments			48,808.9		25,273.9
Aggregate amount of impairment in value of investments			3,175.0		3,175.0

* Includes employee stock options given to group employees considered as investment as per Ind AS-102 share based payments

(B) Current investments	Face value	As at March 31, 2021		As at March 31, 2020	
		Quantity	Amount	Quantity	Amount
Investment in unquoted fixed deposits with Corporate '(fully paid, carried at amortised cost, unless stated otherwise)					
Fixed deposit with LIC Housing Finance Limited	-	-	290.0	-	-

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for the year ended March 31, 2021

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(B) Current investments	Face value	As at March 31, 2021 Quantity	As at March 31, 2021 Amount	As at March 31, 2020 Quantity	As at March 31, 2020 Amount
Investment in quoted Bonds (fully paid, carried at amortised cost, unless stated otherwise)					
8.30% CANARA BANK Basel III Additional Tier I Bond 2020-21	₹1,000,000	1,000	1,000.2	-	-
Investments in unquoted equity shares (fully paid, carried at fair value through profit and loss)					
Citadel Aurobindo Biotech Limited, India (At cost less impairment of ₹7.0 (March 31, 2020: ₹7.0)	₹100	70,000	0.0	70,000	-
Investments in quoted equity shares (fully paid, carried at fair value through profit and loss)					
Union Bank of India (formerly known as Andhra Bank)	₹10	4,520	0.2	4,520	0.2
			1,290.4		**0.2**
Aggregate value of unquoted investments			-		-
Aggregate value of quoted investments			0		0.2
Market value of quoted investments			1,290		0.2
Aggregate amount of impairment in value of investments			7.0		7.0

5. LOANS

	As at March 31, 2021	As at March 31, 2020
(A) Non current		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured		
Loans to related parties (refer note 39)*	3,945.0	2,350.0
Loans to employees	70.2	57.5
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
	4,015.2	**2,407.5**
*Loan of ₹3,945.0 (March 31, 2020: ₹2,350) has been given to wholly owned subsidiaries towards project development cost, at interest rate of 9.5% p.a.		
(B) Current		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured		
Loans to employees	120.3	122.0
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
	120.3	**122.0**

No loans are due from directors or other officers of the Company either severally or jointly with any other person. Refer note 39 for dues from related parties.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

6. TRADE RECEIVABLES

	As at March 31, 2021	As at March 31, 2020
(A) Non current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	333.4	250.0
	333.4	**250.0**
Less: loss allowance for doubtful receivables	333.4	250.0
	-	**-**
(B) Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	59,280.1	57,850.0
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	440.2	909.9
	59,720.3	**58,759.9**
Less: loss allowance for doubtful receivables	440.2	909.9
	59,280.1	**57,850.0**

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Refer note 39 for dues from related parties.

Refer Note 43 for the Company's credit risk management process.

7. OTHER FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2021	As at March 31, 2020
(A) Non current		
Dividend accrued on investments in preference shares	119.1	119.1
Share application money with subsidiaries	-	237.4
Security deposits	-	-
Considered good *	1,045.3	932.9
Doubtful	0.4	0.4
	1,045.7	**933.3**
Provision for doubtful deposits	0.4	0.4
	1,045.3	**932.9**
	1,164.4	**1,289.4**
* Non-current deposits include restricted deposits pledged with Enforcement Directorate of ₹131.6 (March 31, 2020: ₹131.6)		
(B) Current		
Derivatives - foreign currency forward contracts	190.0	-
Interest accrued on deposits	45.0	36.3
Interest accrued on loans to subsidiaries and investments in OCDs	442.5	141.1
	677.5	**177.4**

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

8. DEFERRED TAX LIABILITY (NET)

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Receivables, financial assets at amortised cost	326.2	436.4
Employee benefits	359.9	532.6
Unused tax credits (MAT) *	-	3,150.2
Deferred tax liability		
Property plant and equipment including lease liability	5,019.9	4,969.6
	(4,333.8)	**(850.4)**

Movement in deferred tax liability (net)

	As at April 1, 2020	Recognised in statement of profit and loss	Recognised in OCI	As at March 31, 2021
Deferred tax asset				
Receivables, financial assets at amortised cost	436.4	(110.2)	-	326.2
Employee benefits	532.6	(207.1)	34.4	359.9
Unused tax credits	3,150.2	-	-	-
Deferred tax liability				
Property plant and equipment including lease liability	4,969.6	50.3	-	5,019.9
	(850.4)	**(367.6)**	**34.4**	**(4,333.8)**

* The Company based on its business plan along with supporting convincing evidence including future projections of profit believes that the Unused tax credits would be utilised within the stipulated time period as per the Income-tax Act, 1961.

9. NON - CURRENT TAX ASSETS (NET)

	As at March 31, 2021	As at March 31, 2020
(A) Advance income-tax (net of provision for taxation)	1,220.7	845.3
	1,220.7	**845.3**
(B) Current tax liability	1,390.1	-
	1,390.1	**-**

Refer note 28 for details of income tax expense

10. OTHER ASSETS

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2021	As at March 31, 2020
(A) Non current		
Export incentives receivable		
Considered good	138.8	58.4
Doubtful	88.2	19.6
	227.0	**78.0**
Provision for doubtful receivables	88.2	19.6
	138.8	**58.4**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Export rebate claims receivable	288.8	288.8
Balance in LIC gratuity Fund	43.8	-
Capital advances		
Considered good	315.9	197.8
Doubtful	1.1	0.8
	317.0	**198.6**
Provision for doubtful advances	1.1	0.8
	315.9	**197.8**
Advances other than capital advances		
Considered good	-	12.1
Doubtful	32.2	30.1
	32.2	**42.2**
Provision for doubtful advances	32.2	30.1
	-	**12.1**
Balance with government authorities		
Considered good	45.2	53.4
Doubtful	38.1	38.1
	83.3	**91.5**
Provision for doubtful receivables	38.1	38.1
	45.2	**53.4**
	832.5	**610.5**
(B) Current		
Export rebate claims receivable	2,721.0	1,876.5
Export incentives receivable	1,925.4	2,416.1
Advances other than capital advances	1,798.0	2,269.0
Balance with government authorities	3,690.3	3,714.5
	10,134.7	**10,276.1**

11. INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2021	As at March 31, 2020
Raw materials	25,969.5	21,308.6
Packing materials	2,550.4	2,412.5
Work-in-progress	11,725.0	11,161.6
Finished goods (including stock-in-trade)	6,492.6	7,085.9
Stores, spares and consumables	1,676.3	1,627.1
	48,413.8	**43,595.7**

Details of material in transit included in inventories above

Raw materials	858.0	1,324.9
Finished goods	3,715.9	4,703.3

During the year, the Company recorded inventory write-downs to net realisable value of ₹2,245.6 (March 31, 2020: ₹1,039.4). These adjustments were included in cost of material consumed and changes in inventories.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Inventories as at March 31, 2020 includes the following amounts acquired on business combination (refer note 46):

	As at March 31, 2020
Raw materials	264.8
Work-in-progress	144.9
Finished goods (including stock-in-trade)	5.9
Stores, spares and consumables	34.4
	450.0

12. CASH AND BANK BALANCES

	As at March 31, 2021	As at March 31, 2020
(A) Cash and cash equivalents		
Balance with banks:		
in current accounts	2,950.8	822.8
in cash credit accounts	884.0	12.1
Cash on hand	1.0	1.4
Cheques on hand	-	-
	3,835.8	**836.3**
(B) Bank balances other than cash and cash equivalents		
in unpaid dividend account	**26.0**	**25.3**
(C) For the purpose of statement of cash flows, cash and cash equivalents comprise of following:		
Cash and cash equivalents as above	3,835.8	836.3
Less: Cash credit (refer note 15(A))	-	(162.8)
	3,835.8	**673.5**

(D) The disclosure regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2021.

13. EQUITY SHARE CAPITAL

	As at March 31, 2021	As at March 31, 2020
a) Authorised		
660,000,000 (March 31, 2020: 660,000,000) equity shares of ₹1 each	660.0	660.0
1,000,000 (March 31, 2020: 1,000,000) preference shares of ₹100 each	100.0	100.0
	760.0	**760.0**

b) Issued, subscribed and fully paid-up equity shares

	Equity Shares	
	Numbers	Value
As at April 1, 2019	585,915,609	585.9
Issued during the year under Employees Stock Option Plan (ESOP) (refer note 31)	23,000	-
As at March 31, 2020	**585,938,609**	**585.9**
Issued during the year under Employees Stock Option Plan (ESOP) (refer note 31)		
As at March 31, 2021	**585,938,609**	**585.9**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

For the year ended March 31, 2021, the amount of interim dividend per share declared as distributions to equity shareholders was ₹4.0 (March 31, 2020: ₹3.0).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% total number of equity shares in the Company

	As at March 31, 2020	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.51%
HDFC Trustee Company Limited (through various mutual funds)	51,504,246	8.79%

	As at March 31, 2021	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.51%

*As per records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of shares and the beneficial ownership is with RPR Enterprises, a partnership firm.

e) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance sheet date.

f) For details of shares reserved for issue under Employee stock option plan (ESOP) of the Company, refer note 31.

14. OTHER EQUITY

	As at March 31, 2021	As at March 31, 2020
A. Summary of other equity balance		
Capital reserve	539.8	539.8
Capital redemption reserve	90.0	90.0
Employee stock options outstanding account	0.6	0.6
Securities premium account	3,427.3	3,427.3
General reserve	7,888.4	7,888.4
Retained earnings	146,714.1	117,993.0
	158,660.2	**129,939.1**

a) For details of employee share based payments refer note 31.

b) The disaggregation of changes in reserves and surplus and OCI are disclosed in statement of changes in equity.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

c) The details of distribution of dividend made are as under:

	As at March 31, 2021	As at March 31, 2020
Cash dividends on equity shares declared and paid during the year		
Interim dividend for the year ended March 31, 2021: ₹4.0 per share (March 31, 2020: ₹3.0 per share)	2,343.8	1,757.8
Dividend distribution tax on interim dividend	-	96.6
	2,343.8	**1,854.4**

B. Nature and purpose of reserves

(a)	**Capital reserve :**	Represents capital reserve balances of acquired entities which are transferred to the Company upon mergers.
(b)	**Capital redemption reserve :**	The Company has recognised capital redemption reserve on redemption of non-convertible preference shares. The amount in capital redemption reserve is equal to nominal amount of the non convertible preference shares redeemed. This reserve will be utilised in accordance with Section 69 of the Companies Act, 2013.
(c)	**Employee stock options outstanding account :**	The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding Account. This will be utilised for allotment of equity shares against outstanding employee stock options.
(d)	**Securities premium :**	The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.
(e)	**General reserve :**	The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
(f)	**Retained earnings:**	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to share holders.
(g)	**OCI represents Re-measurement on defined employee benefit plan :**	Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and subsequently not reclassified in to statement of profit and loss.

15. CURRENT BORROWINGS

	As at March 31, 2021	As at March 31, 2020
(A) Loans repayable on demand from Banks - working capital loans		
Cash credit facilities (unsecured)	-	162.8
Working capital demand loan (secured)	-	500.0
Working capital demand loan (unsecured)	-	1,000.0
Packing credit loans (secured)	8,415.0	12,643.6
Packing credit loans (unsecured)	24,580.1	21,702.7
Bill discounting (unsecured)	6,535.9	1,294.1
	39,531.0	**37,303.2**
(B) Details of secured and unsecured borrowings		
The aggregate amount of borrowing includes:		
Secured borrowings	8,415.0	13,306.4
Unsecured borrowings	31,116.0	23,996.8

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(C) Terms of borrowings

(i) All unsecured cash credit facilities carry interest rate in the range of MCLR + 30 bps (March 31, 2020: MCLR + 0 bps to 75 bps).

(ii) All secured working capital demand loans are secured by first pari passu charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) and carry interest rate in the range of Nil (March 31, 2020: interest of 6.25% to 8.75%).

(iii) All unsecured working capital demand loans carry interest rate in the range of Nil (March 31, 2020: 6% to 8.6%).

(iv) All secured packing credit foreign currency loans carry interest rate in the range of respective LIBOR plus 25 basis points. (March 31, 2020: respective LIBOR plus 45 to 60 basis points) with maturity within 6 months.

(v) All unsecured packing credit foreign currency loans carry interest rate in the range of respective LIBOR plus (5) to 20 basis points (March 31, 2020: respective LIBOR plus 12 to 60 basis points) with maturity within 6 months.

(vi) All unsecured bills discounted carry variable interest rate in the range of respective LIBOR plus -10 to 2 basis points and fixed interest rate 30 basis points (March 31, 2020: respective LIBOR plus 20 to 40 basis points).

16. PROVISIONS

	As at March 31, 2021	As at March 31, 2020
(A) Non current		
For employee benefits		
Gratuity [refer note 32(b)]	-	426.8
	-	**426.8**
(B) Current		
For employee benefits		
Gratuity [refer note 32(b)]	-	207.3
Compensated absences	1,110.0	945.4
	1,110.0	**1,152.7**

17. TRADE PAYABLES

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 34)	157.1	415.7
Total outstanding dues of creditors other than micro enterprises and small enterprises	20,452.4	18,824.3
	20,609.5	**19,240.0**

(Refer note 43 for the Company's liquidity risk management process)

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

18. OTHER FINANCIAL LIABILITIES

	As at March 31, 2021	As at March 31, 2020
(A) Non current		
Lease liability	744.2	111.4
(B) Current		
Interest accrued but not due on borrowings	3.3	17.1
Unclaimed dividend (refer note 35)	26.0	25.3
Capital creditors (refer note 34)	1,668.4	1,216.0
Acceptances *	2,118.8	3,638.7
Security deposits	1.5	1.5
Lease liability	142.3	58.4
Derivatives - foreign currency forward contracts	-	22.3
	3,960.3	**4,979.3**

* Acceptances includes credit availed by the Company from banks for payment to supplies for raw materials purchased by the Company. The arrangements are interest bearing ranging from 0.20% to 0.24% p.a above the respective LIBOR. These are largely repayable within 180 days. (March 31, 2020 : interest bearing ranging from 0.17% to 0.24% p.a)

19. OTHER CURRENT LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Advance from customers	71.8	169.3
Deferred income (EPCG)	2.8	10.1
Statutory liabilities	353.4	302.6
Employee payables	536.9	565.3
	964.9	**1,047.3**

20. REVENUE FROM OPERATIONS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products (net of GST)	156,107.3	130,219.4
Sale of services	114.5	168.8
Other operating revenues		
Scrap sales	136.1	148.3
Export incentives	1,878.9	3,171.2
	158,236.8	**133,707.7**

(a) Reconciliation of revenue from sale of products with the contracted price:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue as per contracted price	150,555.9	125,203.3
Adjusted for:		
Sales returns	(521.4)	(432.6)
Discounts and other sale price adjustments	6,072.8	5,448.7
Total revenue from contracts with customers	**156,107.3**	**130,219.4**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(b) Disaggregation of revenue:

Primary geographical markets	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Related parties	Non- related parties	Related parties	Non- related parties
India	1,918.3	16,912.1	1,610.5	18,437.7
USA	60,187.9	16,129.9	50,983.2	15,929.4
Europe	16,236.9	23,601.5	11,775.0	16,124.7
Rest of the world	10,529.8	10,590.9	5,196.6	10,162.3

(c) Revenue from sale of products is recognised at point in time as the goods are transferred. Revenues from sale of services recognised over time is insignificant.

21. OTHER INCOME

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on financials assets (carried at amortised cost)		
Other deposits and receivables	55.8	42.2
Loans to subsidiaries and investments in OCDs	401.9	158.6
Dividend income received from subsidiaries	3,074.6	1,259.2
Provision no longer required written back	321.2	1.1
Foreign exchange gain (net)	1,854.4	2,330.4
Miscellaneous income	190.7	96.4
	5,898.6	**3,887.9**

22. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw material consumed		
Opening stock	21,308.6	20,337.7
Add: Purchases	68,601.6	61,185.2
	89,910.2	**81,522.9**
Less: Closing stock	25,969.5	21,308.6
Cost of raw material consumed	**63,940.7**	**60,214.3**
Packing materials consumed	8,216.7	7,929.1
	72,157.4	**68,143.4**

23. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year		
Finished goods	6,492.6	7,085.9
Work-in-progress	11,725.0	11,161.6
	18,217.6	**18,247.5**
Inventories at the beginning of the year		
Finished goods	7,085.9	4,492.7
Work-in-progress	11,161.6	11,368.1
	18,247.5	**15,860.8**
	29.9	**(2,386.7)**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

24. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	15,876.0	14,484.0
Contribution to provident and other funds (refer note 32 a)	572.7	536.2
Gratuity expense (refer note 32 b)	279.4	211.6
Compensated absences expense	362.9	302.7
Staff welfare expenses	263.2	236.9
	17,354.2	**15,771.4**

25. FINANCE COSTS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on financial liabilities measured at amortised cost	259.6	936.2
Bank and other financial charges	27.2	42.9
Exchange differences regarded as an adjustment to borrowing costs	-	1,453.7
	286.8	**2,432.8**

26. DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment including Right-of-use assets	4,865.8	4,723.7
Amortisation on intangible assets	14.2	9.6
	4,880.0	**4,733.3**

27. OTHER EXPENSES

	For the year ended March 31, 2021	For the year ended March 31, 2020
Conversion charges	582.8	634.9
Consumption of stores and spares	1,807.4	1,707.2
Chemicals consumed	3,447.0	2,932.1
Power and fuel	5,123.4	5,263.1
Carriage inward	504.0	513.4
Factory maintenance	434.1	365.7
Effluent treatment expenses	822.9	290.4
Repairs and maintenance		
i) Plant and machinery	1,201.0	1,152.6
ii) Buildings	319.7	412.7
iii) Others	139.7	135.4
Rent (refer note 30(A))	30.3	8.8
Rates and taxes	240.8	220.3
Printing and stationery	233.0	246.9
Postage, telegram and telephones	77.8	68.7
Insurance	443.2	307.8
Legal and professional charges	1,939.0	1,824.2
Directors sitting fees	11.4	3.7
Remuneration to statutory auditors (refer note 37)	16.3	16.0

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sales commission	330.9	248.4
Carriage outwards	4,609.9	3,438.6
Selling expenses	97.0	198.7
Travelling and conveyance	220.4	243.3
Vehicle maintenance expenses	7.3	8.8
Analytical charges	1,408.9	1,425.4
Registration and filing charges	1,032.2	1,124.0
Loss on sale of property, plant and equipment (net)	1.7	24.0
Allowance for doubtful receivables (net)	-	536.6
Bad debts	2.3	11.6
Fair value changes to current investments	-	-
Corporate Social Responsibility expenditure (CSR) (refer note below)	835.7	601.1
Miscellaneous expenses	1,316.0	1,181.4
	27,236.1	**25,145.8**

Note: Details of CSR expenditure as per Section 135 of the Companies Act, 2013

	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	447.9	435.7

	in cash	Yet to be paid in cash	Total
b) Amount spent during the year ending on March 31, 2021:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	835.7	-	835.7
Amount spent during the year ending on March 31, 2020:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	601.1	-	601.1

28. INCOME TAX

The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Statement of profit and loss		
Current tax	10,433.4	4,922.8
Tax credit - Minimum Alternate Tax (MAT)	-	-
Deferred tax	367.6	8.9
	10,801.0	**4,931.7**
Other comprehensive income		
Deferred tax - net loss on remeasurements of defined benefit plan	34.4	68.2
	34.4	**68.2**
Reconciliation of effective tax rate for the year ended March 31, 2021 and March 31, 2020		
Profit before tax	41,930.1	23,700.5
Enacted tax rate in India	34.944%	34.944%
Tax at statutory tax rate	14,652.1	8,281.9

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Effect of :		
Tax holidays (refer note (a) below)	(3,037.6)	(2,546.4)
Weighted deduction allowed for research and development expenditure	-	(783.4)
Dividend received from foreign subsidiary charged at special rate of tax	-	(177.4)
Expenses not deductible for tax purposes	295.8	212.9
Dividend received from domestic subsidiary	(1,074.4)	(85.3)
Others (net)	(34.9)	29.3
Total	**(3,851.1)**	**(3,350.3)**
Income tax expense	10,801.0	4,931.7
Effective tax rate	25.76%	20.81%

Notes:

(a) The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfillment of certain conditions. From April 1, 2011 units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

(b) The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Ordinance inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates as per the provisions/conditions defined in the said section. The Company has evaluated the above Ordinance and based on its evaluation currently the management proposed to continue with the old tax rates.

(c) There are no unrecognised deferred tax assets and liabilities as at March 31, 2021 and March 31, 2020.

29 EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Earnings		
Profit after taxation considered for calculation of basic and diluted earnings per share	31,129.1	18,768.8
Shares		
Weighted average number of equity shares considered for calculation of basic and diluted earnings per share	585,938,609	585,938,609
Earnings per share of face value ₹1/-		
- Basic	53.13	32.03
- Diluted	53.13	32.03

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

30 COMMITMENTS AND CONTINGENCIES

A. Leases

Effective April 1, 2019, the Company adopted Ind-AS 116, on all lease contracts existing on April 1, 2019 using the modified retrospective method with Right-of-use assets recognised at an amount equal to the lease liabilities in the balance sheet. The Right-of-use assets as on March 31, 2020 and March 31, 2021 have been presented as part of Property, plant and equipment.

Changes in lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance as at April 1, 2020	169.8	-
On account of adoption of Ind AS 116	-	241.9
Additions	811.1	-
Finance cost	25.5	16.0
Payment of lease liabilities	(119.9)	(88.1)
Closing Balance	**886.5**	**169.8**
Non current lease liability	744.2	111.4
Current lease liability	142.3	58.4

Cash outflow on leases

Particulars	As at March 31, 2021	As at March 31, 2020
Payment of lease liabilities	94.4	72.1
Interest on lease liabilities	25.5	16.0
Total cash outflow on leases	**119.9**	**88.1**

Contractual maturities of lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	205.0	75.8
1 to 5 years	831.2	95.5
above 5 years	39.5	39.5
	1,075.7	**210.8**

The details of right-of-use asset held by the Company is as follows:

Particulars	Additions for the year ended March 31, 2021	Additions for the year ended March 31, 2020	Net carrying amount as at March 31, 2021	Net carrying amount as at March 31, 2020	Depreciation for the year ended March 31, 2021	Depreciation for the year ended March 31, 2020
Land and land rights	-	379.2	333.6	356.4	22.7	22.7
Buildings	811.1	124.2	775.2	56.2	92.2	68.1
Total	**811.1**	**503.4**	**1,108.8**	**412.6**	**114.9**	**90.8**

B. Capital and other commitments

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	4,497.0	1,678.0

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

C. Contingent liabilities

	As at March 31, 2021	As at March 31, 2020
(A) Claims against the Company not acknowledged as debt		
Claims arising from disputes not acknowledged as debts - indirect taxes (excise duty and service tax)*	198.0	212.0
Claims arising from disputes not acknowledged as debts - direct taxes*	413.6	262.1
Claims against the Company not acknowledged as debts - other duties/claims*^	150.3	150.3
(B) Guarantees		
Corporate guarantees for loans taken by wholly owned subsidiaries**	7,521.1	18,633.1
Outstanding bank guarantees	593.6	808.1

* in respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. The Company is contesting these demands and the Management, including its advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the stand alone financial statements for the demands raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

** Guarantees furnished towards business requirement in respective subsidiaries. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

^ The Company is involved in disputes, claims, Governmental and /or regulatory inspection, inquires, including patents and commercial maters that arise from time to time in the ordinary course of business. The same are subject to uncertain future events not wholly within the control of the Company. The management does not expect the same to have materially adverse effect on its financial position, as it believes the likely hood of any loss is not probable.

In addition to the above, the Company along with a subsidiary is a party to certain pending disputes with regulatory authorities relating to the certain allotment of lands that have taken place in earlier years. During the year 2018-19, pursuant to the order of the Honourable Appellate Tribunal, the lands belonging APL Research Centre Limited, subsidiary, which were attached earlier, were released after placing a fixed deposit of ₹131.6 as a security deposit with Enforcement Directorate. While the disposal of the cases are subject to final judgement from the CBI Special Court, in the assessment of the management and as legally advised, the allegations are unlikely to have a significant material impact on the financial statements of the Company.

31 SHARE BASED PAYMENTS

Employee Stock Option Plan "ESOP-2006"

The Company instituted an Employee Stock Option Plan "ESOP-2006" for issue of shares to eligible employees of the Company as per the special resolution passed in the 19th Annual General Meeting held on September 18, 2006. The compensation committee of the Board of Directors accordingly, granted 3,240,500 options under eight grants of 175,000, 25,000, 90,000, 1,205,000, 300,000, 500,000, 915,500 and 30,000 options to eligible employees on October 30, 2006, July 31, 2007, October 31, 2007, December 16, 2011, June 19, 2012, January 9, 2013, January 28, 2013 and August 9, 2013 respectively. The method of settlement under scheme is by issue of equity shares of the Company and there are no cash settlement alternatives for the employees. Each option comprises of one underlying Equity Share of ₹1/- each. The said options vest on an annual basis at 10%, 15%, 25% and 50% over a period of four years and can be exercised over a period of six years from the date of grant of options. The options have been granted at the then prevailing market price of ₹120.70, ₹132.35, ₹114.50, ₹91.60, ₹106.05, ₹200.70, ₹187.40 and ₹161.30 per share respectively. The fair value of share options grants is estimated at the date of grant using Black-Scholes model, taking into account the terms and conditions upon which the share options were granted.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The details of ESOP 2006 Scheme are summarised below:

Grant	Grant date	Number of options granted	Exercise price*	Weighted average fair value of option at grant date*
1st Grant	October 30, 2006	175,000	60.35	73.10
2nd Grant	July 31, 2007	25,000	66.18	78.82
3rd Grant	October 31, 2007	90,000	57.25	68.18
4th Grant	December 16, 2011	1,753,800	45.80	54.35
5th Grant	June 19, 2012	300,000	53.03	57.42
6th Grant	January 9, 2013	500,000	100.35	119.22
7th Grant	January 28, 2013	1,483,170	93.70	111.32
8th Grant	August 9, 2013	57,000	80.65	96.30

*Adjusted for bonus issue.

The details of activity under the Scheme ESOP 2006 are summarised below :	For the year ended March 31, 2021	For the year ended March 31, 2020
Options outstanding at the beginning of the year	-	23,000
Granted during the year	-	-
Vested / exercisable during the year		23,000
Exercised during the year		23,000
Options outstanding at end of the year	-	-
Weighted average exercise price for all the above options (₹)*		-
Weighted average fair value of options at the date of grant (₹)*		-

The details of share options outstanding are summarised below:

	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)
As at March 31, 2021	-	-	-
As at March 31, 2020	-	-	-

32 EMPLOYEE BENEFITS

	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Disclosures related to defined contribution plan		
Provident fund contribution *	555.3	514.6
Contribution to ESI**	19.8	27.5

* Includes ₹2.3 (March 31, 2020: ₹5.7) transferred to capital work in progress

** Includes ₹0.1 (March 31, 2020: ₹0.2) transferred to capital work in progress

b) Disclosures related to defined benefit plan

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity on departure at 15 days last drawn salary for each completed year of service or part thereof in excess of six months.

This defined benefit plan exposes the Company to actuarial risk, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The plan is funded with Life Insurance Corporation in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the fund status and amounts recognised in the balance sheet:

Net employee benefit expense (included under employee benefit expenses)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	246.4	192.1
Past service cost	-	-
Interest on defined benefit liability	34.6	23.3
Net employee benefit expenses*	**281.0**	**215.4**

* Includes ₹1.6 (March 31, 2020: ₹3.8) transferred to capital work in progress

Details of the employee benefits obligations and plan assets are as follows:

	As at March 31, 2021	As at March 31, 2020
Present value of funded obligation	2,095.7	1,703.1
Fair value of plan assets	2,139.4	1,071.4
Net defined benefit (asset)/liability	**(43.8)**	**631.7**

Details of changes in present value of defined benefit obligation are as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening defined benefit obligation	1,703.1	1,284.7
Current service cost	246.3	191.2
Past service cost	-	-
Interest on defined benefit obligation	104.8	92.0
Acquisition/Divestiture	(5.0)	
Benefits paid	(81.2)	(59.2)
Remeasurement due to:		
Actuarial loss arising from changes in experience	130.5	36.9
Actuarial loss arising from changes in demographic assumptions	-	0.1
Actuarial loss/(gain) arising from changes in financial assumptions	(3)	157.4
Closing defined benefit obligation	**2,095.7**	**1,703.1**

Details of changes in fair value of plan assets are as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening fair value of plan assets	1,071.4	900.9
Interest on plan assets	70.2	68.7
Employer Contribution	1,042.4	159.5
Acquisition/Divestiture	7.6	-
Benefits paid	(81.2)	(59.2)
Remeasurement due to - actual return on plan assets less interest on plan assets	29.1	1.5
Closing fair value of plan assets	**2,139.5**	**1,071.4**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Sensitivity analysis

The sensitivity of over all plan obligations to changes in key assumptions are as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation without effect of projected salary growth rate	1,352.0	1,119.5
Add: effect of salary growth rate	743.7	583.6
Defined benefit obligation with effect of projected salary growth	2,095.7	1,703.1
Defined benefit obligation, using discount rate plus 50 basis points	2,027.5	1,648.4
Defined benefit obligation, using discount rate minus 50 basis points	2,168.2	1,761.1
Defined benefit obligation, using salary growth rate plus 50 basis points	2,164.2	1,759.0
Defined benefit obligation, using salary growth rate minus 50 basis points	2,030.2	1,649.8

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Funds managed by Insurers	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

	For the year ended March 31, 2021	For the year ended March 31, 2020
Financial assumptions		
Discount rate (p.a.)	6.57%	6.55%
Expected salary increase (p.a)	10% for 2 Years and 7% thereafter	10% for 2 Years and 7% thereafter
Demographic assumptions		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

Attrition rate	As at March 31, 2021		As at March 31, 2020	
	Age (years)	Rates (p.a)	Age (years)	Rates (p.a)
	21 - 30	16%	21 - 30	16%
	31 - 40	12%	31 - 40	12%
	41 - 50	6%	41 - 50	6%
	51 - 57	23%	51 - 57	23%

Discount rate : The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Salary escalation rate : The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other related factors.

	As at March 31, 2021	As at March 31, 2020
Maturity profile of the defined benefit obligation		
Average expected future working life (Years)	8.1	8.1
Expected future cash flow of gratuity		
Within 12 months	249.3	207.3
Between 2 and 5 years	882.4	719.7
Beyond 5 years	2,444.0	2,052.0

Notes:

1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

2. The Company expects to contribute ₹249.3 (March 31, 2020: ₹207.3) during the year ended March 31, 2022 to the qualifying insurance policy.

3. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period by varying one actuarial assumption, keeping all other actuarial assumptions constant.

33 CAPITAL WORK-IN-PROGRESS INCLUDES EXPENDITURE DURING CONSTRUCTION PERIOD PENDING CAPITALISATION

	As at March 31, 2021	As at March 31, 2020
Balance brought forward	1,174.8	581.2
Add: Incurred during the year		
Salaries, wages and bonus	108.0	182.5
Consumption of material for testing	-	27.6
Consumption of stores and spares	7.6	88.0
Carriage inward	1.0	0.3
Power and fuel	124.7	219.5
Conversion charges	18.2	22.9
Rates and taxes	2.7	7.1
Printing and stationery	1.2	4.8
Postage, telegram and telephones	0.4	0.7
Insurance	3.3	3.1
Legal and professional charges	4.3	4.4
Travelling and conveyance	7.2	3.7
Depreciation	0.0	(1.6)
Factory maintenance	16.2	44.9
Miscellaneous expenses	5.3	27.9
	1,475.2	**1,216.9**
Less: Transferred to Subsidiary company on business transfer	1,051.7	-
Less: Capitalised to property, plant and equipment during the year	-	42.1
Balance carried forward	**423.4**	**1,174.8**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

34 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to any supplier as at the end of each accounting year (including ₹51.9 shown under capital creditors [March 31, 2020: ₹76.2])	209.0	491.9
The amount of interest accrued and remaining unpaid as at the end of the year.	Nil	Nil
Amount of interest paid by the Company in terms of Sec 16, of Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	Nil	Nil
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) without the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

35 In respect of the amounts mentioned under section 125 of the Companies Act, 2013 there are no dues that are to be credited to the Investor Education and Protection Fund as at March 31, 2021 (March 31, 2020: ₹Nil).

36 RESEARCH AND DEVELOPMENT EXPENSES

a. Details of Research and development expenses incurred during the year, debited under various heads of Statement of Profit and Loss is given below

	For the year ended March 31, 2021	For the year ended March 31, 2020
Material and stores and spares consumption	2,054.9	1,630.5
Power and fuel	136.2	157.2
Repairs and maintenance	75.6	84.8
Employee benefits expense	1,884.1	1,860.8
Analytical charges	1,308.0	1,279.5
Legal and Professional charges	1,340.4	1,096.0
Registration and filing fee	668.3	683.6
Depreciation expense	327.3	355.6
Others	325.3	268.2
Total	**8,120.1**	**7,416.2**

b. Details of capital expenditure incurred for Research and development are given below:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Buildings	1.9	2.3
Plant and equipment		
- Plant and equipment	59.0	23.3
- Lab equipment	206.6	157.3
- Pipes and valves	0.3	1.0
- Data processing equipment	9.7	5.9
- Electrical installations	2.0	0.4
Office equipment	2.2	3.6
Furniture and fixtures	2.9	6.0
Total	**284.5**	**199.8**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

37 REMUNERATION TO STATUTORY AUDITORS

	For the year ended March 31, 2021	For the year ended March 31, 2020
As Auditors :		
Statutory audit	6.5	5.7
Limited review - standalone	4.5	4.5
Limited review - consolidation	3.0	3.0
Certification	1.0	1.3
Reimbursement of expenses and taxes	1.3	1.5
	16.3	**16.0**

38 CONTRIBUTION TO POLITICAL PARTIES AS PER SECTION 182 OF COMPANIES ACT, 2013. (INCLUDED IN MISCELLANEOUS EXPENSES)

	For the year ended March 31, 2021	For the year ended March 31, 2020
To political parties	-	0.1
Purchase of Electoral Bonds in accordance with the Electoral Bond Scheme notified by the Government of India	-	210.0

39 RELATED PARTY DISCLOSURES

Names of related parties and description of relationship

Subsidiaries

1 APL Pharma Thai Limited, Thailand
2 All Pharma (Shanghai) Trading Company Limited, China
3 Aurobindo Pharma USA Inc., USA
4 Aurobindo Pharma Industria Farmaceutica Ltda, Brazil
5 Helix Healthcare B.V., The Netherlands
6 Aurobindo Pharma Produtos Farmaceuticos Limitada, Brazil
7 APL Healthcare Limited, India
8 Auronext Pharma Private Limited, India
9 Auro Pharma Inc., Canada
10 Aurobindo Pharma (Pty) Limited, South Africa
11 Agile Pharma B.V., The Netherlands
12 Aurobindo Pharma Japan K.K., Japan
13 Aurex B.V. (formerly Pharmacin B.V.), The Netherlands
14 Aurobindo Pharma GmbH, Germany
15 Laboratorios Aurobindo S.L., Spain
16 Aurobindo Pharma B.V., The Netherlands (formerly known as Actavis B.V.)
17 Aurobindo Pharma (Romania) S.r.l, Romania
18 Aurobindo Pharma (Italia) S.r.l, Italy
19 Aurobindo Pharma (Malta) Limited, Malta
20 APL Swift Services (Malta) Limited, Malta
21 Milpharm Limited, UK
22 Aurolife Pharma LLC, USA
23 Auro Peptides Limited, India
24 Auromedics Pharma LLC, USA
25 Aurovida Farmaceutica S.A. DE C.V., Mexico
26 Aurobindo Pharma Colombia S.A.S, Colombia
27 Arrow Generiques SAS, France
28 Auro Health LLC, USA

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

39 RELATED PARTY DISCLOSURES

Names of related parties and description of relationship

Subsidiaries

29 Pharmacin B.V. (formerly Aurex B.V.), The Netherlands
30 1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Germany
31 Puren Pharma GmbH & Co., KG (formerly Actavis Deutschland GmbH & Co., KG), Germany
32 Aurovitas Spain SA (formerly Actavis Spain SA), Spain
33 Natrol LLC, USA (upto November 30, 2020)
34 Aurovitas Pharma Polska, Sp. z o o, Poland
35 Aurogen South Africa (Pty) Ltd, South Africa
36 Auro AR LLC, USA
37 Auro Vaccines LLC, USA
38 Auro Logistics LLC, USA
39 Acrotech Biopharma LLC, USA
40 Generis Farmaceutica S.A, Portugal
41 Generis Phar Unipessoal Lda., Portugal
42 Aurobindo Pharma Saudi Arabia Limited Company, Saudi Arabia
43 Auro Pharma India Private Limited, India
44 Aurovitas Pharma Ceska Republica s.r.o, Czech Republic **
45 Aurovitas Pharma (Tazihou) Ltd, China
46 Aurovitas Spol s.r.o (w.e.f. February 8, 2019 Formerly Apotex (CR))
47 Apotex NV, Belgium (w.e.f. February 8, 2019)**
48 Apotex Europe B.V., The Netherlands (w.e.f. February 8, 2019)
49 Apotex Nederland B.V., The Netherlands (w.e.f. February 8, 2019)
50 Sameko Farma B.V, The Netherlands (w.e.f. February 8, 2019)
51 Leidapharm B.V, The Netherlands (w.e.f. February 8, 2019)
52 Marel B.V, The Netherlands (w.e.f. February 8, 2019)
53 Pharma Dossier B.V, The Netherlands (w.e.f. February 8, 2019)
54 Curateq Biologics GmbH, Switzerland (w.e.f. March 20, 2019)
55 Aurobindo Pharma FZ-LLC, Dubai (w.e.f. January 6, 2019)
56 Auro Science LLC, U.S.A (w.e.f.March 28, 2019)
57 Auro Science (Pty) Ltd, Australia
58 Auroactive Pharma Private Limited, India (w.e.f. January 9, 2020)
59 Auro Packaging LLC, USA (w.e.f April 1, 2019)
60 Aurobindo N.V. Belgium, (w.e.f December 17, 2019)
61 CuraTeq Biologics Private Limited, India (w.e.f. April 25, 2020)
62 Auro Cure Private Limited, India (w.e.f. July 5, 2020)
63 AuroZest Private Limited, India (w.e.f. August 6, 2020)
64 Mviyes Pharma Ventures Private Limited, India (w.e.f. November 6, 2020)
65 Qule Pharma Private Limited, India (w.e.f. November 16, 2020)
66 Lyfius Pharma Private Limited, India (w.e.f. November 16, 2020)
67 Aurobindo Antibiotics Private Limited, India (w.e.f. October 6, 2020)
68 Wytells Pharma Private Limited, India (w.e.f. February 20, 2021)
69 Eugia Pharma Specialities Limited, India (w.e.f 6. November 2020)
70 APL Research Centre Limited, India (merged with Aurobindo Pharma Limited w.e.f April 1, 2019)
71 Silicon Life Sciences Private Limited, India (merged with Aurobindo Pharma Limited w.e.f April 1, 2019)
72 Hyacinths Pharma Private Limited, India (merged with Aurobindo Pharma Limited w.e.f April 1, 2019)
73 AuroZymes Limited, India (merged with Aurobindo Pharma Limited w.e.f April 1, 2019)
74 Curepro Parenterals Limited, India (merged with Aurobindo Pharma Limited w.e.f April 1, 2019)

** Apotex NV, Belgium is Merged with Aurobindo NV/SA wef April 1, 2020, Aurovitas Pharma Ceska Republica s.r.o, Czech Republic merged with Aurovitas Spol s.r.o w.e.f April 1, 2020

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

39 RELATED PARTY DISCLOSURES

Names of related parties and description of relationship

Joint ventures

1 Novagen Pharma (Pty) Limited, South Africa (Joint Venture of a Subsidiary, Aurobindo Pharma (Pty) Limited, South Africa)
2 Eugia Pharma Specialities Limited, India (upto November 6, 2020)
3 Tergene Biotech Private Limited, India
4 Raidurgam Developers Limited, India (formerly known as Aurobindo Antibiotics limited, India)
5 Purple Bellflower (Pty) Ltd, South Africa
6 Luioxin Aurovitas Pharm (Chengdu) Co, Ltd, China
7 Longxiang Pharma Taizhou Co, Ltd, China (w.e.f. October 20, 2019)
8 Novagen BBBEE Invest Co, (Pty) Ltd, South Africa (w.e.f. November 7, 2019)

Enterprises over which key management personnel or their relatives exercise significant influence

1 Pravesha Industries Private Limited, India
2 Sri Sai Packaging, India (Partnership firm)
3 Trident Chemphar Limited, India
4 Auropro Soft Systems Private Limited, India
5 Axis Clinicals Limited, India
6 Pranit Packaging Private Limited, India
7 SGD Pharma India Limited (formerly Cogent Glass Limited), India
8 Orem Access Bio Inc, India
9 Veritaz Healthcare Limited, India
10 Alex Merchant PTE. LTD, Singapore
11 Axis Clinicals LLC, USA
12 Alex Merchant DMCC, Dubai
13 Crest Cellulose Private Limited, India
14 East Pharma Technologies, India (Partnership firm)
15 Axis Clinicals Latina SA DE CV, Mexico
16 Gelcaps Industries, India
17 Aurobindo Pharma Foundation (Trust), India
18 Alcedo Pharmachem Private Limited, India
19 Ambipack Industries, India
20 Giyaan Pharma Private Limited, India
21 Sathguru Management Consultants Pvt. Ltd, India
22 Transaction Square LLP, India
23 Shreas Industries Limited, India
24 Aurobindo Realty & Infrastructure Private Limited, India
25 Aurobindo Pharma Foundation (SEC 8 Company), India

Key managerial personnel

1 Mr. K. Nityananda Reddy, Whole-time Director
2 Dr. M. Sivakumaran, Whole-time Director
3 Mr. M. Madan Mohan Reddy, Whole-time Director
4 Mr. P. Sarath Chandra Reddy, Whole-time Director
5 Mr. N. Govindarajan, Managing Director
6 Mr. Santhanam Subramanian, Chief Financial Officer
7 Mr. B. Adi Reddy, Company Secretary
8 Mr. K. Ragunathan, Non-executive Chairman and Independent Director
9 Mr. M. Sitarama Murty, Independent Director (up to March 31, 2021)
10 Dr. (Mrs.) Avnit Bimal Singh, Independent Director
11 Mr. P. Venkata Ramprasad Reddy, Non-executive Promoter Director
12 Mrs. Savitha Mahajan, Independent Director
13 Mr. Girish Paman Vanvari, Independent Director (w.e.f. November 5, 2020)

Relatives to key managerial personnel

1 Mr. Vishnu M Sriram (Son in law of Dr. M. Sivakumaran, Whole-time Director)

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

39 RELATED PARTY DISCLOSURES

Transactions with related parties

a. Loans given and repayment thereof

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Transactions with subsidiaries		
Auronext Pharma Private Limited, India		
Receipt against loan and interest	-	135.5
Interest accrued	-	1.7
Balance receivable	-	-
APL Healthcare Limited, India		
Receipt against loan and interest	-	-
Interest accrued	281.6	110.6
Loan given	1,145.0	1,760.0
Balance receivable	3,903.3	2,476.7
AuroZest Private Limited, India		
Interest accrued	10	-
Loan given	440	-
Balance receivable	450	-
Lyfius Pharma Private Limited, India		
Interest accrued	0	-
Loan given	10	-
Balance receivable	10	-
CurateQ Biologics Private Limited, India		
Receipt against loan and interest	1,825	-
Interest accrued	25	-
Loan given	1,800	-
Balance receivable	-	-

b. Sale of products/ purchases, services and other transactions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Transactions with subsidiaries		
APL Pharma Thai Limited, Thailand		
Sale of products	34.9	15.4
All Pharma (Shanghai) Trading Company Limited, China		
Purchases	3.6	1.9
Reimbursement of expenses	10.5	15.1
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil		
Sale of products	3.2	96.5
Reimbursement of expenses	1.0	-
Sales Commission	26.9	21.4
APL Swift Services (Malta) Limited, Malta		
Sale of products	10,048.5	7,883.5
Sales Commission	2.1	0.1
Purchase of services	564.2	386.4
Reimbursement of expenses received	7.1	0.4

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

39 RELATED PARTY DISCLOSURES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Aurobindo Pharma USA Inc., USA		
Sale of products	45,486.1	39,829.4
Reimbursement of expenses received	36.8	23.7
Sale of property, plant and equipment	-	19.7
Corporate guarantee given	-	34,881.6
Reimbursement of expenses	-	1.1
Corporate guarantee fee received	-	5.4
Dividend received	-	338.2
Purchase of samples	50.3	-
Acrotech Biopharma LLC, USA		
Corporate guarantee fee received	8.1	7.5
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil		
Sale of products	665.8	590.0
Reimbursement of expenses received	-	0.5
Reimbursement of expenses	2.7	3.5
Dividend received	-	677.0
Auro Pharma Inc., Canada		
Sale of products	3,515.9	2,905.2
Reimbursement of expenses received	1.5	0.5
Reimbursement of expenses	1.1	4.0
Aurobindo Pharma (Pty) Limited, South Africa		
Sale of products	3,179.4	876.4
Reimbursement of expenses received	-	0.5
Sales Commission	-	(1.2)
Pharmacin B.V., The Netherlands (formerly Aurex B.V.)		
Sale of products	15.2	9.7
Sales Commission	0.4	0.7
Reimbursement of expenses received	-	0.3
Reimbursement of expenses	-	0.3
Aurex B.V., The Netherlands (formerly Pharmacin B.V.)		
Sale of products	0.4	-
Reimbursement of expenses received	0.9	0.1
Milpharm Limited, UK		
Sale of products	5,283.1	3,800.4
Reimbursement of expenses	0.1	20.5
Reimbursement of expenses received	0.5	1.6
Aurolife Pharma LLC, USA		
Sale of products	1,788.4	1,227.6
Purchases	48.5	5.5
Purchase of intangible	145.8	-
Aurobindo Pharma Japan K.K., Japan		
Sale of products	586.5	112.2
Sales Commission	58.4	37.4
Aurobindo Pharma (Malta) Limited, Malta		
Reimbursement of expenses	12.5	33.8

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39 RELATED PARTY DISCLOSURES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Auronext Pharma Private Limited, India		
Sale of products	610.8	11.1
Purchases	8.3	7.0
Purchases of Assets	0.1	4.1
Rent received	3.7	9.5
Sale of services	1.7	244.0
Dividend received	3,074.6	
Eugia Pharma Specialities Limited, India		
Sale of products	578.4	-
Purchases	15.3	-
Rent received	0.7	-
Sale of services	5.9	-
Investment in Compulsorily convertible debentures (CCDs)	5,750.0	-
Laboratorios Aurobindo S.L, Spain		
Sale of products	72.8	
Reimbursement of expenses	-	0.7
Reimbursement of expenses received	0.2	1.7
Auro Medics Pharma LLC, USA		
Sale of products	10,595.0	9,076.3
APL Healthcare Limited, India		
Sale of products	673.9	239.0
Sale of fixed assets	17.2	17.0
Purchases	89.5	95.1
Purchases-MEIS Scrips	9.3	-
Corporate guarantee given	500.0	250.0
Auro Peptides Limited, India		
Rent Received	11.9	11.3
Reimbursement of expenses received	55.3	54.4
Investment in 9.5% cumulative redeemable preference shares	120.0	110.0
Sale of products	0.9	0.8
Purchases	192.7	66.8
Aurovida Farmaceutica, SA DE CV, Mexico		
Sale of products	264.6	138.4
Reimbursement of expenses received	0.6	0.6
Reimbursement of expenses	8.5	102.5
Aurobindo Pharma Colombia S.A.S., Colombia		
Sale of products	382.5	312.9
Reimbursement of expenses received	-	0.6
Reimbursement of expenses	9.7	7.7
Arrow Generiques S.A.S., France		
Sale of products	53.4	2.3
Purchases	0.1	
Reimbursement of expenses received	-	4.8

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

39 RELATED PARTY DISCLOSURES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Aurobindo Pharma B.V. (formerly Actavis B.V.), The Netherlands		
Sale of products	533.9	-
Reimbursement of expenses received	0.2	5.0
Reimbursement of expenses	0.1	10.6
Aurovitas Spain SAS, Spain		
Sale of products	44.8	-
Reimbursement of expenses received	-	3.0
Reimbursement of expenses	0.1	2.2
Aurobindo Pharma GmbH, Germany		
Reimbursement of expenses received	-	0.9
Aurobindo Pharma (Italia) S.r.l, Italy		
Sale of products	34.1	-
Reimbursement of expenses	0.2	0.3
Reimbursement of expenses received	-	3.2
Auro Health LLC, USA		
Sale of products	2,318.4	849.9
Reimbursement of expenses received	0.6	-
Purchases	9.8	-
Puren Pharma GmbH & Co., KG, Germany		
Reimbursement of expenses	3.9	-
Reimbursement of expenses received	0.5	3.2
Aurovitas Pharma Polska, Poland		
Reimbursement of expenses	1.2	63.3
Reimbursement of expenses received	-	1.3
Generis Farmaceutica SA, Portugal		
Sale of products	84.0	79.1
Reimbursement of expenses	0.7	0.4
Reimbursement of expenses received	0.3	2.8
Purchases	11.6	-
Helix Healthcare B.V., The Netherlands		
Equity contribution	4,603.6	2,353.5
Corporate guarantee given	-	6,414.7
Corporate guarantee fee received	8.3	10.5
Agile Pharma BV, The Netherlands		
Corporate guarantee given	-	4,262.7
Corporate guarantee fee received	3.5	3.7
Curateq Biologics GmbH, Switzerland		
Sale of Intangible Asset	-	341.8
Sale of Intangible Service	-	123.1
Aurobindo Pharma (Romania) S.r.l, Romania		
Reimbursement of expenses	0.6	-
Reimbursement of expenses received	-	0.5
Aurovitas Pharma Ceska Republica s.r.o, Czech Republic		
Reimbursement of expenses received	-	0.2
Auro Active Pharma Private Limited		
Equity contribution	-	1.0

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for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

39 RELATED PARTY DISCLOSURES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Apotex Nederland B.V		
Sale of products	66.7	-
Auro Packaging LLC		
Sale of fixed assets	0.4	-
Aurobindo Pharma FZ LLC		
Sale of products	10.7	-
Aurovitas Pharma Taizhou Co., Ltd		
Sale of products	4.6	-
Curateq Biologics Private Limited		
Sale of products	0.4	-
Business Transfer under Slump Sales	4,256.2	-
Equity contribution	1,000.0	-
Investment in Compulsory convertible debentures	7,300.0	-
Corporate guarantee given	1,500.0	-
Auro Cure Private Limited		
Equity contribution	372.5	-
Aurozest Pvt Ltd		
Equity contribution	1.0	-
Mviyes Pharma Ventures Private Limited		
Equity contribution	2,742.1	-
Qule Pharma Private Limited		
Equity contribution	1.0	-
Lyfius Pharma Private Limited		
Equity contribution	1.0	-
Corporate guarantee given	100.0	-
Aurobindo Antibiotics Private Limited		
Equity contribution	0.1	-

c. Sale/purchase of goods, services and other transactions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Transactions with subsidiaries		
Novagen Pharma (Pty) Limited, South Africa		
Sale of products	188.2	149.6
Raidurgam Developers Limited, India		
Rent expenses including maintenance	59.5	-
Rent deposit	100.6	-
Investment in optionally convertible debentures	434.5	330.0
Interest accrued	54.2	30.4
Eugia Pharma Specialities Limited, India		
Sale of products	50.7	15.7
Sale of property, plant and equipment	-	0.2
Purchases	5.2	-
Tergene Biotech Private Limited, India		
Investment in 10.5% Cumulative Redeemable Preference shares	43.5	38.0

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

39 RELATED PARTY DISCLOSURES

d. Transactions with enterprises over which key management personnel or their relatives exercise significant influence

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Pravesha Industries Private Limited, India		
Sale of products	0.2	-
Sale of property, plant and equipment	-	0.4
Purchases	3,226.6	3,062.9
Sale of Service	0.5	-
Sri Sai Packaging, India		
Sale of products	0.4	0.4
Purchases	247.4	243.2
Axis Clinicals Limited, India		
Sale of products	0.3	-
Purchase of services	1,153.3	1,074.3
Axis Clinicals Latina SA DE CV, Mexico		
Purchase of services	5.1	26.1
Trident Chemphar Limited, India		
Sale of products	0.3	-
Purchases	1,023.2	1,405.5
Purchase of services	138.6	95.4
Pranit Packaging Private Limited, India		
Sale of products	0.0	-
Purchases	257.9	246.7
SGD Pharma India Limited (formerly Cogent Glass Limited)		
Purchases	1,105.1	1,118.4
Orem Access Bio Inc, India		
Sale of products	0.1	-
Purchases	345.1	305.9
Veritaz Healthcare Limited, India		
Sale of products	187.6	236.2
Rent received	0.4	0.3
Crest Cellulose Private limited, India		
Purchases	350.3	377.4
East Pharma Technologies, India		
Sale of products	0.1	-
Purchases	101.6	95.9
Gelcaps Industries, India		
Purchases	507.0	438.4
Aurobindo Foundation (Trust), India		
Contribution towards CSR activities	152.9	601.1
Corporate guarantee given	990.0	-
Aurobindo Pharma Foundation, India (Sec.8 Company)		
Contribution towards CSR activities	582.1	-
Equity contribution	0.1	-

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

39 RELATED PARTY DISCLOSURES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Alcedo Pharmachem Private Limited, India		
Purchases	260.3	217.5
Ambipack Industries, India		
Purchases	140.0	128.6
Giyaan Pharma Private Limited, India		
Sale of products	28.9	-
Purchases	-	13.6
Axis Clinicals LLC, USA		
Purchase of services	1.5	8.7
Aurobindo Realty & Infrastructure Private Limited		
Purchase of capital goods	349.9	-
Shreas Industries Limited		
Purchases	0.9	-
Sathguru Management Consultants Pvt. Ltd.		
Purchase of services	1.2	-

e. Remuneration to key managerial personnel

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and other benefits	219.5	175.3
Contributions to defined contribution plans	6.5	5.9
Director sitting fees	11.4	3.8
Commission	125.0	100.0

f. Transactions with key managerial personnel or their relatives

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. K Nityananda Reddy		
Rent expense	2.8	2.7

Note:

i) Managerial remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

ii) All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for trade receivable, trade payable and other payables are unsecured, interest free and settlement occurs in cash. The Company has not recorded any impairment of balances relating to amounts owed by related parties during the year ended March 31, 2021 (March 31, 2020), provision for bad and doubtful debts will be made on an aggregate basis i.e. not specific to party. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

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39 RELATED PARTY DISCLOSURES

g. Loans to subsidiaries - Maximum amount outstanding

Name of the Companies	Closing Balance as at March 31,		Maximum outstanding at any time during the year ended March 31,	
	2021 ₹	2020 ₹	2021 ₹	2020 ₹
APL Health Care Limited, India	3,495.0	2,350.0	3,495.0	2,350.0
Auro Zest Pvt Ltd, India	440.0	-	440.0	-
Lyfius Pharma Private Limited, India	10.0	-	10.0	-

* Excluding interest on loan

h. Balances with Subsidiaries at the year end

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
All Pharma (Shanghai) Trading Company Limited, China		
Balance payable	13.9	7.7
Helix Healthcare B.V., The Netherlands		
Corporate guarantee for loans outstanding	4,630.5	7,807.7
Balance receivable	1.9	2.5
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil		
Balance receivable	3.2	90.5
Balance payable	-	1.7
APL Swift Services (Malta) Limited, Malta		
Balance receivable	9,121.2	7,612.8
Balance payable	345.1	48.2
Aurobindo Pharma USA Inc., USA		
Balance receivable	16,431.1	20,835.0
Balance payable	18.3	-
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil		
Balance receivable	262.5	402.9
Balance payable	4.0	2.9
Auro Pharma Inc., Canada		
Balance receivable	2,240.2	1,984.5
Balance payable	4.2	4.0
Aurobindo Pharma (Pty) Limited, South Africa		
Balance receivable	1,957.5	418.0
Pharmacin B.V., The Netherlands (formerly Aurex B.V.)		
Balance receivable	6.9	8.8
Balance payable	-	0.3
Milpharm Limited, UK		
Balance receivable	2,144.6	1,897.1
Balance payable	0.6	0.3
Aurolife Pharma LLC, USA		
Balance receivable	456.1	797.9
Balance payable	195.1	7.4

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39 RELATED PARTY DISCLOSURES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Aurobindo Pharma Japan K.K., Japan		
Balance receivable	183.4	46.5
Balance payable	1.7	-
Aurobindo Pharma (Malta) Limited, Malta		
Balance payable	27.7	18.4
Auronext Pharma Private Limited, India		
Balance payable	-	3.4
Eugia Pharma Specialities Limited, India		
Balance receivable	236.2	-
Balance payable	8.8	-
Laboratorios Aurobindo S.L, Spain		
Balance receivable	-	0.1
Balance payable	-	0.7
Auromedics Pharma LLC, USA		
Balance receivable	3,515.6	2,698.9
Balance payable	25.1	26.0
APL Healthcare Limited, India		
Corporate guarantee for loans outstanding	218.8	304.4
Balance receivable	644.4	218.2
Balance payable	-	6.4
Auro Peptides Limited, India		
Balance receivable	135.1	82.7
Aurovida Farmaceutica, SA DE CV, Mexico		
Balance receivable	168.0	103.8
Aurobindo Pharma B.V., The Netherlands		
Balance receivable	398.2	11.0
Balance payable	-	10.9
Aurobindo Pharma Colombia S.A.S., Colombia		
Balance payable	0.4	-
Balance receivable	212.9	207.5
Arrow Generiques S.A.S., France		
Balance receivable	5.6	-
Agile Pharma B.V. The Netherlands		
Corporate guarantee for loans outstanding	1,715.0	3,269.4
Balance receivable	0.7	1.0
Aurobindo Pharma GmbH, Germany		
Balance receivable	-	0.1
Aurobindo Pharma (Italia) S.r.l, Italy		
Balance receivable	11.6	-
Balance payable	0.1	-
Puren Pharma GmbH & Co., KG, Germany		
Balance Receivable	-	1.2

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39 RELATED PARTY DISCLOSURES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Auro Health LLC, USA		
Balance receivable	1,697.7	540.9
Balance payable	9.8	
Generis Farmaceutica SA, Portugal		
Balance receivable	40.3	40.7
Aurovitas Pharma Polska, Poland		
Balance receivable	0.2	1.4
Acrotech Biopharma LLC, USA		
Corporate guarantee for loans outstanding	-	7,188
Balance receivable	-	2
Aurovitas Spain SAS, Spain		
Balance receivable	0.8	-
Balance payable	0.1	-
Aurex B.V		
Balance receivable	1.3	-
Aurobindo Pharma FZ LLC		
Balance receivable	10.8	-
Apotex Nederland B.V		
Balance receivable	1.6	-
Aurovitas Pharma Taizhou Co., Ltd		
Balance receivable	4.7	-
APL Pharma Thai Limited, Thailand		
Balance payable	5.1	-
Curateq Biologics Private Limited		
Balance receivable	0.3	-

Note: For closing balance of investments and provision for diminution in value of investments, refer note 4.

i. Balances with Joint venture at the year end

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Novagen Pharma (Pty) Limited, South Africa		
Balance receivable	89.6	43.6
Raidurgam Developers Limited, India		
Balance receivable	24.0	6.2
Rent deposit Receivable	100.6	-
Balance payable	22.9	-

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for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

39 RELATED PARTY DISCLOSURES

j. Balances with enterprises over which key management personnel or their relatives exercise significant influence at the year end.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Pravesha Industries Private Limited, India		
Balance payable	734.4	935.3
Sri Sai Packaging, India		
Balance payable	44.6	2.7
Axis Clinicals Limited, India		
Balance payable	422.6	205.9
Trident Chemphar Limited, India		
Balance receivable	-	738.8
Balance payable	12.4	-
Pranit Packaging Private Limited, India		
Balance payable	45.1	16.0
SGD Pharma India Limited (formerly Cogent Glass Limited), India		
Balance payable	250.3	375.6
Veritaz Healthcare Limited, India		
Balance receivable	93.2	120.7
Orem Access Bio Inc, India		
Balance payable	29.2	81.3
Crest Cellulose Private limited, India		
Balance payable	78.7	87.5
East Pharma Technologies, India		
Balance payable	19.3	15.7
Gelcaps Industries, India		
Balance payable	118.6	90.8
Alcedo Pharmachem Private Limited, India		
Balance payable	-	7.0
Ambipack Industries, India		
Balance payable	28.2	21.5
Giyaan Pharma Private Limited, India		
Balance receivable	27.3	8.3
Axis Clinicals Latina S.A. DE C.V		
Balance payable	-	23.4
Aurobindo Realty & Infrastructure Private Limited		
Balance receivable	73.3	-
Balances with key managerial personnel at the year end		
Mr. N Govindarajan		
Balance payable	125.0	100.0
Mr. K Nityananda Reddy		
Balance payable	0.2	0.2

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

40 HEDGING ACTIVITIES AND DERIVATIVES - DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one week to twelve months.

41 CAPITIAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

42 COVID-19 IMPACT ANALYSIS

The Company has considered the possible effects that may result from the pandemic relating to COVID-19. With a view to ensure minimal disruption with respect to operations including production and distribution activities, the Company has taken several business continuity measures. While the Company has not experienced any significant difficulties with respect to market demand, liquidity, financing capital expansion projects, collections so far, the Company has assessed the financial impact of the Covid 19 situation particularly on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets. The Company has, as at the date of approval of these standalone financial results, used internal and external sources of information, including economic forecasts and estimates from market sources. On the basis of evaluation and current indicators of future economic conditions, the Company believes that it will be in a position to recover the carrying amounts of these assets and does not anticipate any material impact due to impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

March 31, 2021

Particulars	Notes	Carrying amount			Fair value			
		FVTPL	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Non-current investments in others	4(A)	151.2	-	151.2	-	-	151.2	151.2
Non-current investments in government securities	4(A)	0.2	-	0.2	-	-	0.2	0.2
Current investments	4(B)	0.2	1,290.2	1,290.4	1,000.4	-	290.0	1,290.4
Derivatives - foreign currency forward contracts	7(B)	190.0	-	190.0	-	190.0	-	190.0
		341.6	**1,290.2**	**1,631.8**	**1,000.4**	**190.0**	**441.4**	**1,631.8**
Financial assets not measured at fair value								
Non-current investments in preference shares	4(A)	-	1,413.0	1,413.0				
Trade receivables	6(B)	-	59,280.1	59,280.1				
Loans	5(A) & 5(B)	-	4,135.5	4,135.5				
Cash and bank balances	12(A) & 12(B)	-	3,861.8	3,861.8				
Other financial assets	7(A) & 7(B)	-	1,651.9	1,651.9				
		-	**70,342.3**	**70,342.3**				

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	Notes	Carrying amount			Fair value			
		FVTPL	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value								
Derivatives - foreign currency forward contracts	18	-	-	-	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value								
Borrowings (including current maturities of non-current borrowings)	15(A), 15(B) & 18	-	39,531.0	39,531.0				
Trade payables	17	-	20,609.5	20,609.5				
Other current financial liabilities	18		4,704.5	4,704.5				
		-	**64,845.0**	**64,845.0**				

March 31, 2020

Particulars	Notes	Carrying amount			Fair value			
		FVTPL	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Non-current investments in others*	4(A)	151.2	-	151.2	-	-	151.2	151.2
Non-current investments in government securities*	4(A)	0.2	-	0.2	-	-	0.2	0.2
Current investments*	4(B)	0.2	-	0.2	0.2	-	-	0.2
Derivatives - foreign currency forward contracts	7(B)	-	-	-	-	-	-	-
		151.6	**-**	**151.6**	**0.2**	**-**	**151.4**	**151.6**
Financial assets not measured at fair value								
Non-current investments in preference shares	4(A)	-	-	1,900.5				
Trade receivables	6(B)	-	57,850.0	57,895.7				
Loans	5(A) & 5(B)	-	4,393.9	4,393.9				
Cash and bank balances	12(A) & 12(B)	-	861.6	782.5				
Other financial assets	7(A) & 7(B)	-	1,353.7	1,353.7				
			64,459.2	**66,326.3**				
Financial liabilities measured at fair value								
Derivatives - foreign currency forward contracts	18	22.3	-	22.3	-	22.3	-	22.3
		22.3		**22.3**		**22.3**		**22.3**
Financial liabilities not measured at fair value		-						
Borrowings (including current maturities of non-current borrowings)	15(A), 15(B) & 18	-	37,303.2	37,303.2				
Trade payables	17		19,240.0	19,145.3				
Other current financial liabilities	18	-	5,068.4	5,046.4				
			61,611.6	**61,494.9**				

*These are for operational purposes and the Company estimates that the fair value of these investments are not materially different as compared to their cost.

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2020-21 and no transfers in either direction in 2019-20.

C. Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management Framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks being faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the Audit Committee.

The Company is exposed primarily to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). The Company uses derivative financial instruments such as forwards to minimise any adverse effect on its financial performance.

i. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and credit worthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. The Company establishes an allowance for doubtful receivables and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Management also evaluates the factors that may influence the credit risk of its customer base, including the default risk and country in which the customers operate. The Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if available, financial statements, credit agency information, industry information and in some case bank references. Sales limits are established for each customer and reviewed quarterly.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The Company's receivables turnover is quick and historically, there was no significant default on account of trade and other receivables. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Other financial assets

The Company maintains exposure in cash and cash equivalents and derivative instruments with financial institutions. The Company has loan receivables outstanding from its wholly owned subsidiaries amounting to ₹3,945.0(March 31, 2020 : ₹2,350.0).

The Company's maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of each class of financial assets.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at reporting date:

As at March 31, 2021	Carrying amount	Contractual cash flows			
		< 12 months	1 to 5 years	> 5 years	Total
Non-derivative financial liabilities					
Non-current borrowings	-	-	-	-	-
Current borrowings	39,531.0	39,546.7	-	-	39,546.7
Trade payables	20,609.5	20,609.5	-	-	20,609.5
Other current financial liabilities	4,704.5	4,705.8	-	-	4,705.8
Derivative financial liabilities					
Foreign exchange forward contracts	-	-	-	-	-

As at March 31, 2020	Carrying amount	Contractual cash flows			
		< 12 months	1 to 5 years	> 5 years	Total
Non-derivative financial liabilities					
Current borrowings	37,303.2	37,439.9	-	-	37,439.9
Trade payables	19,145.3	19,145.3	-	-	19,145.3
Other current financial liabilities	5,046.4	5,130.3	95.5	39.5	5,265.3
Derivative financial liabilities					
Foreign exchange forward contracts	22.3	22.3	-	-	22.3

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

iii. **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

a) **Foreign Currency risk:**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company. The Company is subject to foreign exchange risk primarily due to its foreign currency revenues, expenses and borrowings. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro and GBP against the functional currency of the Company. The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Company has a treasury team which evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks and advises the Management of any material adverse effect on the Company. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on foreign exchange risk from derivative instruments and non derivative instruments is as follows:

The summary of quantitative data about the Company's exposure to currency risk as reported to the management is as follows:

As at March 31, 2021

Particulars	US$	Euro	GBP	Others	Total
Financial assets					
Trade receivables	35,869.6	10,511.1	2,144.7	2,831.8	51,357.2
Cash and bank balances	1,924.4	744.9	219.9	6.8	2,896.0
Total	**37,794.0**	**11,256.0**	**2,364.6**	**2,838.6**	**54,253.2**
Less:					
Derivatives - foreign currency forward contracts	(5,639.1)	(7,374.5)	(1,772.5)	(2,323.5)	(17,109.6)
Net exposure in financial assets	**32,154.9**	**3,881.5**	**592.1**	**515.1**	**37,143.6**
Financial liabilities					
Borrowings including current maturities of non-current borrowings	36,401.3	2,958.4	171.3	-	39,531.0
Interest accrued but not due on borrowings	3.3	-	0.0	-	3.3
Trade payables (including capital creditors)	9,157.7	630.2	12.9	87.3	9,888.2
	45,562.3	**3,588.6**	**184.2**	**87.3**	**49,422.4**
Less:					
Derivatives - foreign currency forward contracts		(428.8)		-	(428.8)
Net exposure in financial liabilities	**45,562.3**	**3,159.9**	**184.2**	**87.3**	**48,993.7**
Net exposure in respect of recognised assets/(liabilities)	**(13,407.4)**	**721.6**	**407.9**	**427.8**	**(11,850.1)**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

As at March 31, 2020

Particulars	US$	Euro	GBP	Others	Total
Financial assets					
Trade receivables	36,001.2	8,002.2	1,893.2	2,285.2	48,181.7
Cash and bank balances	334.6	150.8	158.9	5.7	649.9
Total	**36,335.8**	**8,152.9**	**2,052.1**	**2,290.8**	**48,831.7**
Less:					
Derivatives - foreign currency forward contracts	(6,166.7)	(4,014.3)	(383.4)	(939.1)	(11,503.5)
Net exposure in financial assets	**30,169.1**	**4,138.6**	**1,668.7**	**1,351.8**	**37,328.2**
Financial liabilities					
Borrowings including current maturities of non-current borrowings	32,540.5	2,618.4	481.5	-	35,640.4
Interest accrued but not due on borrowings	12.2			(0.0)	12.2
Trade payables (including capital creditors)	11,317.9	315.3	13.8	43.6	11,690.7
	43,870.6	**2,933.7**	**495.3**	**43.6**	**47,343.3**
Less:					
Derivatives - foreign currency forward contracts	(1,020.5)			-	(1,020.5)
Net exposure in financial liabilities	**42,850.1**	**2,933.7**	**495.3**	**43.6**	**46,322.8**
Net exposure in respect of recognised (liabilities) / assets	**(12,681.0)**	**1,204.9**	**1,173.4**	**1,308.1**	**(8,994.6)**

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars, GBP and Euro at March 31, would have affected the measurement of financial instruments denominated in US dollars, GBP and Euro and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2021				
US$ (5% movement)	(670.4)	670.4	(497.7)	497.7
Euro (5% movement)	36.1	(36.1)	26.8	(26.8)
GBP (5% movement)	20.4	(20.4)	15.1	(15.1)
Others (5% movement)	21.4	(21.4)	15.9	(15.9)
March 31, 2020				
US$ (5% movement)	634.0	(634.0)	499.4	(499.4)
Euro (5% movement)	(60.2)	60.2	(47.4)	47.4
GBP (5% movement)	(58.7)	58.7	(46.2)	46.2
Others (5% movement)	(65.4)	65.4	(51.5)	51.5

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

b) **Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to risk of change in market interest rates because it borrows funds at both fixed and floating interest rates. The Company manages its interest rate risk by having a balances portfolio of fixed and variable rate loans and borrowings. As the company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings including current maturities and lease liabilities	40,417.5	35,973.0
Fixed rate borrowings	-	1,500.0
Total borrowings	**40,417.5**	**37,473.0**

Sensitivity analysis:

Particulars	Impact on profit and loss			
	March 31, 2021		March 31, 2020	
	Strengthening	Weakening	Strengthening	Weakening
Variable rate instruments	170.5	(170.5)	185.2	(185.2)
Fixed rate instruments	0.6	(0.6)	0.8	(0.8)

c) **Commodity risk:**

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchase of active pharmaceutical ingredients and other raw material components for its products. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2020, the Company had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

44 TRANSFER OF BUSINESS OF UNIT-17 & R&D-3

The Board of Aurobindo Pharma Limited on June 3, 2020 had approved the transfer of Company's Biosimilar business and related R&D manufacturing facilities (Unit-17 and R&D-3) situated at survey No. 77 & 78, Indrakaran Village, Kandi Mandal, Sanga Reddy District, Telangana to its newly incorporated wholly owned subsidiary CuraTeQ Biologics Private Limited (CuraTeQ), through a slump sale. The above undertaking was transferred at book value amounting to ₹4,256.2.

45 TRANSFER OF BUSINESS OF UNIT-10

During the year, the Board of directors of the Company had approved to enter into a business transfer agreement with APL Healthcare Limited, a wholly owned subsidiary of the Company, to transfer, sell, assign, deliver or otherwise dispose of the oral formulations business comprised in Unit 10 located at Multiproduct Special Economic Zone, Naidupet, Mandal, SPSR Nellore District, Andhra Pradesh ("Business") on a slump sale basis as a going concern along with its assets and liabilities to APL Healthcare Limited as prescribed in such business transfer agreement effective April 1, 2021." The company made an application to the Development Commissioner, VSEZ authorities, approval for which was received on April 8, 2021.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

46 MERGER OF SUBSIDIARIES

During the financial year 2019-20, the Board of directors of the Company has approved for amalgamation of the five subsidiary Companies with Aurobindo Pharma Limited, the holding company with the appointed date of April 1, 2019. Accordingly, a Scheme of Amalgamation for merger of APL Healthcare Limited, APL Research Centre Limited, Aurozymes Limited, Curepro Parenterals Limited, Hyacinths Pharma Private Limited and Silicon Life Sciences Private Limited (a stepdown wholly owned subsidiary) with the Company was filed before the Hon'ble National Company Law Tribunal, Hyderabad (NCLT). Further, during the year, a modified Scheme Amalgamation was filed with the Hon'ble NCLT by way of filing an Interlocutory application for removal and complete exclusion of the APL Healthcare Limited as a party to the Scheme of Amalgamation. The Hon'ble NCLT vide order dated March 30, 2021 has approved the modified scheme of amalgamation and a certified copy has been filed by the Company with the Registrar of Companies, Telangana April 29, 2021. Accordingly, the subsidiaries viz. APL Research Centre Limited, Aurozymes Limited, Curepro Parenterals Limited, Hyacinths Pharma Private Limited and Silicon Life Sciences Private Limited (a stepdown wholly owned subsidiary) have now been merged with Aurobindo Pharma Limited. The appointed date as per the NCLT approved Scheme is April 1, 2019, which is the same as the beginning of the preceding period in the financial statements and hence, in line with the Scheme, the combination has been accounted for from that date as per the requirements of Appendix C to Ind AS 103 "Business Combination". Accordingly, the amounts relating to year ended March 31, 2021 include the impact of the business combination and the corresponding amounts for the year ended March 31, 2020 shown in the statement, have been restated after recognising the effect of the Scheme as above.

47 SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642

Place: Palakkad
Date: June 3, 2021

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

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: May 31, 2021

Independent Auditors' Report

To the Members of Aurobindo Pharma Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Aurobindo Pharma Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures which comprise the consolidated balance sheet as at March 31, 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 and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 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, and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

Description of Key Audit Matters

Key audit matters	How the matter was addressed in our audit
Carrying value of intangible assets and goodwill: [Refer note 2.2 and 2.3(e) of the statement of significant accounting Policies and note 4 and 5 to the consolidated financial statements] The carrying value of Goodwill and intangible assets aggregate to ₹24,875.3 million. These assets are evaluated for impairment when there is a trigger or at least annually for goodwill and non- amortisable intangible assets. The Group performs the annual assessment of the goodwill and intangible assets at each cash generating unit (CGU) level to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been derived using discounted cash flow models. These models use several key assumptions, including estimates of future sales volumes, prices, operational costs, terminal value growth rates and the weighted average cost of capital (discount rate). Considering the inherent uncertainty, complexity and judgment involved and the significance of the value of the assets, impairment assessment of intangible assets and goodwill has been considered as a key audit matter.	Our audit procedures and the audit procedures performed by the component auditors amongst others included the following • Testing design, implementation and operating effectiveness of key controls over the impairment assessment process and forecasts and valuation models used by the Group. • Assessing the valuation methodology used by the Group and testing the mathematical accuracy of the impairment models. • Assessing the Group's methodology applied in determining the CGUs to which goodwill is allocated. • Challenging the Group's key assumptions such as the discount rate by assessing and comparing the Group's discount range that we developed together with our valuation specialists. • Challenging the business assumptions used by the Group, such as sales growth and the probability of success of new products based on past performances where relevant. • Performing sensitivity analysis of key assumptions, future revenue growth rates, costs and the discount rates used in the valuation models. • Evaluating the adequacy of the disclosure made in the consolidated financial statements.

Description of Key Audit Matters

Key audit matters	How the matter was addressed in our audit
Revenue Recognition Refer note 2.3(c) of the statement of significant accounting policies and note 23 to the consolidated financial statements. Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding chargebacks, rebate, trade discounts, other price adjustments and taxes. Sales arrangements in certain jurisdictions lead to significant deductions to gross sales in arriving at revenue. We identified the recognition of revenue from sale of products as a key audit matter because: • Revenue is one of the key performance indicators of the Group. There could be a risk of revenue being recognised in the incorrect period or before the control has been transferred to the customer; and • Establishing an accrual towards rebate, chargebacks, expected sales return and other allowances requires significant estimation on the part of management and change in these estimates can have a significant financial impact.	Our audit procedures in respect of the recognition of revenue included the following: • Considering the Group's revenue recognition policies and assessed compliance with the applicable accounting standards. • Evaluating the design, tested the implementation and operating effectiveness of the Group's internal controls over recognition of revenue and measurement of accruals for rebates, chargebacks, Medicaid, expected sales return and other allowances. • Performing substantive testing (including cutoff testing procedures) by selecting samples of revenue transactions recorded during and after the year and verifying the underlying documents such as sales invoices/ contracts and dispatch/ shipping documents. • Assessing the adequacy of accruals made as at year end for rebates, chargebacks, expected sales return and other allowances. Assessed the overall rebate and chargebacks issued in the current year in comparison with previous year. • Assessing the Group's analysis of the historical pattern of charge back rates and the inventory information with wholesalers in order to test the Group's assumption for creation of such provisions. • Assessing manual journals posted to revenue to identify unusual items not already covered by our audit testing; • Evaluating adequacy of disclosures given in the consolidated financial statements.
Litigations, claim and contingencies Refer note 2.3(m) of the statement of significant accounting policies and note 33 to the consolidated financial statements. The Group is involved in disputes, lawsuits, claims, governmental and / or regulatory inquiries, investigations and proceedings, including patent infringement cases, tax and commercial disputes arising from time to time in the ordinary course of business. Most of the claims involve complex issues. The Group, assisted by their external legal counsel in certain situations assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation. The Group's conclusions may result in an incorrect disclosure or provision in the books of account considering the aforesaid assessment involves significant judgment to be exercised by the Group based on current developments. Further, unexpected adverse outcomes could also significantly impact the Group's reported results. This area is significant to our audit, since the accounting and disclosure for litigations, claims and contingencies is complex and judgmental.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidence: • Evaluating the design and testing the operating effectiveness of controls relating to identification and evaluation of litigation and claims and measurement of provisions, contingent liabilities and disclosures thereof. • Obtained a list of ongoing litigations from the Group's legal head. We selected a sample of significant litigations and evaluated the Group's assessment thereof by; i. making enquiries with the in-house legal counsel of the Group; ii. verifying correspondence, orders and appeals in respect of open litigation; and iii. obtained independent confirmations from external legal counsels where relevant and/ or evaluated legal opinions obtained by the Group. • Evaluating the adequacy of provision and disclosures given in Note 33 to consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon. The holding Company's annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

We did not audit the financial statements and other financial information of 59 subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of ₹182,961.3 million as at March 31, 2021, total revenues (before consolidation adjustments) of ₹100,272.7 million and net cash outflows (before consolidation adjustments) amounting to ₹1,093.4 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax (before consolidation adjustments) of ₹564.7 million for the year ended March 31, 2021, in respect of 8 joint ventures, whose financial statements and other financial information have not been audited by us. These financial statements and financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the audit reports of the other auditors.

Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Company.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

    e) On the basis of the written representations received from the directors of the Holding Company on various dates from March 31, 2021 till May 24, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies and joint ventures incorporated in India is disqualified as on March 31, 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 and its subsidiary companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

        i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021 on the consolidated financial position of the Group and its joint ventures. Refer Note 33 to the consolidated financial statements.

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

        iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint ventures during the year ended March 31, 2021.

        iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended March 31, 2021.

2. With respect to the matter to be included in the Auditor's report under Section 197(16):

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

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 116231 W/W-100024

Sriram Mahalingam
Partner
Membership No: 049642
ICAI UDIN: 21049642AAAABW2895

Place: Palakkad
Date: June 3, 2021

Annexure A

to the Independent Auditors' Report on the Consolidated Financial Statements of Aurobindo Pharma Limited for the year ended March 31, 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

OPINION:

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Aurobindo Pharma Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture companies (jointly controlled companies), as of that date.

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture companies (jointly controlled companies) in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

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

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

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 19 subsidiary companies and 2 joint venture companies (jointly controlled companies), which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 116231 W/W-100024

Sriram Mahalingam
Partner
Membership No: 049642
ICAI UDIN: 21049642AAAABW2895

Place: Palakkad
Date: June 3, 2021

Consolidated Balance Sheet

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	As at March 31, 2021	As at March 31, 2020
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	68,866.2	64,948.1
(b) Capital work-in-progress	3	24,288.9	16,218.0
(c) Goodwill	4	4,289.0	9,159.4
(d) Other intangible assets	5.1	20,580.6	19,857.2
(e) Intangible assets under development	5.2	6,326.4	3,641.2
(f) Investments accounted for using the equity method	6(A)	947.0	4,096.1
(g) Financial assets			
(i) Investments	6(B)	3,365.2	1,450.8
(ii) Loans	7(A)	72.6	58.4
(iii) Trade receivables	8(A)	-	-
(iv) Other financial assets	9(A)	1,433.0	1,170.3
(h) Deferred tax assets (net)	10(A)	4,526.8	1,632.0
(i) Non-current tax assets (net)	11(A)	1,282.6	845.3
(j) Other non-current assets	12(A)	4,326.5	2,075.5
Total non-current assets		**140,304.8**	**125,152.3**
Current assets			
(a) Inventories	13	90,265.7	76,998.7
(b) Financial assets			
(i) Investments	6(C)	1,597.9	0.2
(ii) Trade receivables	8(B)	35,032.8	43,151.6
(iii) Cash and cash equivalents	14(A)	53,734.7	27,637.1
(iv) Bank balances other than (iii) above	14(B)	1,008.1	784.4
(v) Loans	7(B)	143.2	136.8
(vi) Other financial assets	9(B)	338.7	400.8
(c) Current tax assets (net)	11(B)	789.8	157.6
(d) Other current assets	12(B)	14,488.1	14,857.9
(e) Assets held for sale	12(C)	836.1	-
Total current assets		198,235.1	164,125.1
TOTAL ASSETS		338,539.9	289,277.4
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	585.9	585.9
(b) Other equity	16	218,712.8	167,660.8
Equity attributable to owners of the Parent Company		219,298.7	168,246.7
(c) Non-controlling interest		(8.8)	1.4
Total equity		219,289.9	168,248.1

Consolidated Balance Sheet

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Note	As at March 31, 2021	As at March 31, 2020
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(A)	1,684.0	-
(ii) Others	20 (A)	3,202.9	2,644.1
(b) Provisions	18(A)	1,571.1	747.1
(c) Deferred tax liabilities (net)	10(B)	5,745.6	2,916.9
(d) Other non-current liabilities	21 (A)	394.9	874.8
Total non-current liabilities		**12,598.5**	**7,182.9**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(B)	48,027.1	54,223.0
(ii) Trade payables	19		
(A) total outstanding dues of micro enterprises and small enterprises and		176.9	427.8
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		27,769.9	25,332.8
(iii) Other financial liabilities	20 (B)	21,292.8	22,386.9
(b) Other current liabilities	21 (B)	5,561.9	6,358.7
(c) Provisions	18(B)	1,719.3	4,166.4
(d) Current tax liabilities (net)	22	2,103.6	950.8
Total current liabilities		**106,651.5**	**113,846.4**
TOTAL EQUITY AND LIABILITIES		**338,539.9**	**289,277.4**
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements.
As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

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

Sriram Mahalingam
Partner
Membership No.049642

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Palakkad
Date: June 3, 2021

Place: Hyderabad
Date: May 31, 2021

Consolidated Statement of Profit and Loss

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

		Note	Year ended March 31, 2021	Year ended March 31, 2020
I	**INCOME**			
	Revenue from operations	23	247,746.2	230,985.1
	Other income	24	3,808.5	1,918.7
	TOTAL INCOME (I)		**251,554.7**	**232,903.8**
II	**EXPENSES**			
	Cost of materials consumed	25	83,172.6	77,249.8
	Purchases of stock-in-trade		23,154.2	21,121.1
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(7,302.1)	(1,018.6)
	Employee benefits expense	27	35,350.2	32,191.8
	Finance costs	28	744.9	3,051.3
	Depreciation and amortisation expense	29	10,553.9	9,667.1
	Other expenses	30	60,037.3	52,797.9
	TOTAL EXPENSES (II)		**205,711.0**	**195,060.4**
III	**PROFIT BEFORE SHARE OF PROFIT OF JOINT VENTURES, EXCEPTIONAL ITEMS AND TAX (I-II)**		45,843.7	37,843.4
IV	Share of profit of joint ventures (net of tax)		(553.6)	(151.7)
V	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III+IV)**		45,290.1	37,691.7
VI	Exceptional items	49	(28,145.8)	261.3
VII	**PROFIT BEFORE TAX (V-VI)**		73,435.9	37,430.4
VIII	**TAX EXPENSE**	31		
	Current tax		23,218.2	9,433.8
	Deferred tax :			
	Tax credit - Minimum Alternate Tax (MAT)		-	-
	Other deferred tax		(3,120.5)	(440.3)
	TOTAL TAX EXPENSE (VIII)		**20,097.7**	**8,993.5**
IX	**PROFIT FOR THE YEAR (VII-VIII)**		53,338.2	28,436.9
X	**OTHER COMPREHENSIVE INCOME**			
	(A) Items that will not to be reclassified subsequently to profit or loss:			
	(i) Re-measurement of defined employee benefit liability		(98.0)	(195.8)
	(ii) Income-tax relating to items that will not be reclassified to profit or loss		37.0	68.4
	(iii) Equity investments through other comprehensive income – net change in fair value		(35.9)	-
	(B) Items that will be reclassified subsequently to profit or loss:			
	(i) Exchange differences on translating the financial statements of foreign operations		144.3	2,999.8
	(ii) Income-tax on items that will be reclassified subsequently to profit or loss		-	-
	TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (X)		**47.4**	**2,872.4**

Consolidated Statement of Profit and Loss

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

		Note	Year ended March 31, 2021	Year ended March 31, 2020
XI	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX) (IX+X)**		**53,385.6**	**31,309.3**
	Attributable to:			
	Owners of the Parent Company		53,395.8	31,323.8
	Non-controlling interest		(10.2)	(14.5)
	OUT OF THE TOTAL COMPREHENSIVE INCOME ABOVE,			
	Profit for the year attributable to:			
	Owners of the Parent Company		53,348.4	28,451.4
	Non-controlling interest		(10.2)	(14.5)
	Other comprehensive income attributable to:			
	Owners of the Parent Company		47.4	2,872.4
	Non-controlling interest		-	-
XII	**EARNINGS PER EQUITY SHARE:**	34		
	(i) Basic (in ₹)		91.05	48.56
	(ii) Diluted (in ₹)		91.05	48.56
	Nominal value per equity share		1.00	1.00
	Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements.
As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642

Place: Palakkad
Date: June 3, 2021

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

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: May 31, 2021

Consolidated Statement of Changes in Equity

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(A) EQUITY SHARE CAPITAL (REFER NOTE 15)

	Number	Balance
As at March 31, 2019	585,915,609	585.9
Changes in equity share capital during the year	23,000	-
As at March 31, 2020	585,938,609	585.9
Changes in equity share capital during the year	-	-
As at March 31, 2021	**585,938,609**	**585.9**

(B) OTHER EQUITY (REFER NOTE 16)

	Attributable to the owners of the group										
	Reserves and surplus						Items of other comprehensive income		Total attributable to owners of the Group	Attributable to non-controlling interest	Total
	Capital reserve	Capital redemption reserve	Employee stock options outstanding account	Securities premium	General reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Equity investments through other comprehensive income – net change in fair value			
Balance at March 31, 2019	920.0	90.0	0.6	4,176.4	8,131.6	123,985.7	1,017.6	-	138,321.9	15.9	138,337.8
Profit for the year	-	-	-	-	-	28,451.4	-	-	28,451.4	(14.5)	28,436.9
Other comprehensive income (net of tax)	-	-	-	-	-	(127.4)	2,999.8	-	2,872.4	-	2,872.4
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**28,324.0**	**2,999.8**	**-**	**31,323.8**	**(14.5)**	**31,309.3**
Issue of equity shares on exercise of employee stock options	-	-	-	1.9	-	-	-	-	1.9	-	1.9
On acquisition of subsidiary	(101.1)	-	-	-	-	-	-	-	(101.1)	-	(101.1)
Exercise of share options	-	-	(0.6)	0.6	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(1,757.8)	-	-	(1,757.8)	-	(1,757.8)
Dividend distribution tax	-	-	-	-	-	(127.9)	-	-	(127.9)	-	(127.9)
Balance at March 31, 2020	**818.9**	**90.0**	**-**	**4,178.9**	**8,131.6**	**150,424.0**	**4,017.4**	**-**	**167,660.8**	**1.4**	**167,662.2**
Profit for the year	-	-	-	-	-	53,348.4	-	-	53,348.4	(10.2)	53,338.2
Other comprehensive income (net of tax)	-	-	-	-	-	(61.0)	144.3	(35.9)	47.4	-	47.4
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**53,287.4**	**144.3**	**(35.9)**	**53,395.8**	**(10.2)**	**53,385.6**
Issue of equity shares on exercise of employee stock options	-	-	-	-	-	-	-	-	-	-	-
Share based payment (refer note 35)	-	-	-	-	-	-	-	-	-	-	-
On acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-
Exercise of share options	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(2,343.8)	-	-	(2,343.8)	-	(2,343.8)
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-
Balance at 31March 2021	**818.9**	**90.0**	**-**	**4,178.9**	**8,131.6**	**201,367.6**	**4,161.7**	**(35.9)**	**218,712.8**	**(8.8)**	**218,704.0**

Refer note 16B for nature and purpose of reserves

As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642

Place: Palakkad
Date: June 3, 2021

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

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: May 31, 2021

Consolidated Statement of Cash Flows

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

			Year ended March 31, 2021	Year ended March 31, 2020
1.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net profit before tax		73,435.9	37,430.4
	Adjustment to reconcile profit before tax to net cash flows:			
	Depreciation and amortisation expense		10,553.9	9,667.1
	Allowance for doubtful receivables, net		(291.2)	615.9
	Liabilities no longer required written back (net)		(534.0)	(263.2)
	Bad debts/advances written off		281.6	69.4
	Product destruction expenses / stock written off		205.2	98.1
	Mark-to-market loss/(gain) on derivative financial instruments		(198.2)	22.3
	Unrealised foreign exchange gain (net)		(1,089.5)	(745.6)
	Loss on sale / write-off of property, plant and equipment (net) and intangibles under development		1,411.2	370.4
	Share of loss / (profit) of joint ventures		553.6	151.7
	Exceptional items		(28,145.8)	-
	Finance costs		595.7	1,416.3
	Interest income		(223.7)	(209.1)
	Effect of exchange rate changes		254.8	(281.6)
	Operating profit before working capital changes		**56,809.5**	**48,342.1**
	Movements in working capital :			
	Increase in inventories		(15,935.8)	(5,269.8)
	Decrease/(Increase)in trade receivables		7,158.8	(6,561.2)
	(Increase)/Decrease in other financial assets		(86.0)	12,697.9
	Decrease/(Increase) in other current / non current assets		180.8	(1,277.8)
	Increase in loans		(39.0)	(28.0)
	Increase in trade payables		1,264.2	2,958.7
	(Decrease)/Increase in provision for retirement benefits		(1,736.1)	1,010.4
	Decrease in other current/non-current liabilities		(1,466.8)	(779.2)
	(Decrease)/Increase in other financial liabilities		(7.9)	328.1
	Cash generated from operating activities		**46,141.7**	**51,421.2**
	Direct taxes paid (net of refunds)		(12,852.5)	(7,608.4)
	Net cash generated from operating activities	**A**	**33,289.2**	**43,812.8**
2.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment, including movement in capital work- in- progress, capital advances and capital creditors		(14,379.4)	(13,827.5)
	Purchase of intangible assets and intangible assets under development		(4,358.7)	(483.4)
	Proceeds from sale of property, plant and equipment and intangible assets		481.7	190.0
	Business acquisitions (net of settlement of purchase consideration)		-	103.5
	Acquisition of subsidiaries, net of cash and cash equivalents acquired		(2,742.1)	-
	Proceeds from sale of subsidiary		31,739.1	-
	Purchase of non-current investments made in joint ventures		(3,076.3)	(1,791.0)
	Purchase of current investments		(1,597.8)	-
	Bank balances not considered as cash and cash equivalents (net)		(271.1)	(85.8)
	Interest received		191.5	193.4
	Dividend received from joint venture		-	24.4
	Net cash generated from (used) in investing activities	**B**	**5,986.9**	**(15,676.4)**
3.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from issuance of equity share capital		-	1.9
	Proceeds from non-current borrowings (refer Note "c" below)		1,768.9	-
	Repayment of non-current borrowings (refer Note "c" below)		(4,681.2)	(2,169.8)
	Repayment of current borrowings (net) (refer Note "c" below)		(6,688.9)	(13,129.7)
	Finance costs paid		(480.6)	(1,266.1)
	Repayment of lease liabilities (net)		(1,223.2)	(1,024.1)

Consolidated Statement of Cash Flows

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

		Year ended March 31, 2021	Year ended March 31, 2020
Dividends paid on equity shares		(2,343.1)	(1,756.1)
Tax paid on equity dividend		-	(127.9)
Net cash used in financing activities	**C**	**(13,648.1)**	**(19,471.8)**
Net increase in cash and cash equivalents (A + B + C)		**25,628.0**	**8,664.6**
Cash and cash equivalents at the beginning of the year		**27,468.2**	**18,755.8**
Add: Cash and cash equivalents on acquisition of subsidiaries /business		224.1	-
Effect of exchange differences on cash and cash equivalents		(21.2)	47.8
Cash and cash equivalents at the end of the year		**53,299.1**	**27,468.2**

Note:

a) The above statement of cash flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows".

b) Cash and cash equivalents comprise of:

	As at March 31, 2021	As at March 31, 2020
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	2.8	3.6
Balance with banks		
- on current account	52,841.4	26,349.5
- on cash credit account	448.4	(156.9)
- on deposit account	6.5	1,272.0
Cash and Cash equivalents considered for cash flows (refer note 14C)	**53,299.1**	**27,468.2**

c) Reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities are given below:

	As at March 31, 2020	Borrowings taken over upon business combination	Cash flows	Non-cash transactions Foreign exchange loss	As at March 31, 2021
Current maturities of non-current borrowings	1,396.7	4,663.1	(4,681.2)	305.4	1,684.0
Current borrowings	54,054.1	117.9	(6,688.9)	108.4	47,591.5

Summary of significant accounting policies (Refer note 2.3)
As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

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

Sriram Mahalingam
Partner
Membership No.049642

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Palakkad
Date: June 3, 2021

Place: Hyderabad
Date: May 31, 2021

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Aurobindo Pharma Limited ("APL" or "the Parent Company" or "Holding Company" or "the Company") together with its subsidiaries (collectively termed as "the Group") and joint ventures (collectively termed as "the Consolidated Entities") for the year ended March 31, 2021. Aurobindo Pharma Limited is a public company domiciled in India and was incorporated under the provisions of the Companies Act, 1956 applicable in India. The Registered Office of the Company is located at Plot No.2, Maithrivihar, Ameerpet, Hyderabad - 500038, India and the Corporate Office is located at Galaxy, Floors: 22-24, Plot No-1, Survey No.83, Hyderabad Knowledge City, Raidurg Panmaktha, Ranga Reddy District, Hyderabad – 500032, Telangana, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India Limited (NSE).

The Group is principally engaged in manufacturing and marketing of active pharmaceutical ingredients, generic pharmaceuticals and related services. The consolidated financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on May 31, 2021.

2.1. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These consolidated financial statements comprise the Consolidated Balance Sheets as at March 31, 2021 and March 31, 2020, the Consolidated Statements of Profit and Loss, Statements of Changes in Equity and the Consolidated Statements of Cash Flows for the year ended March 31, 2021 and for the year ended March 31, 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "Financial Statements").

These consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in these consolidated financial statements.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The consolidated statement of cash flows have been prepared under indirect method.

b) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (₹), which is also the functional currency of the Parent Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. Transactions and balances with values below ₹1 lakh have been reflected as "0.0" in the financial statements.

c) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following;

- certain financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost.
- employee defined benefit assets / liability recognised as the net total of the fair value of plan assets, and actuarial losses/gains, and the present value of defined benefit obligation.
- Investment in joint venture which are accounted for using the equity method.

d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 32 (A) - leases: whether an arrangement contains a lease; lease classification.

- Note 33 - contingent liabilities: Measurement and likelihood of occurrence of provisions and contingencies.
- Note 2.3(q) and 44: Financial instruments
- Note 2.3(j), 10, 11 and 31: Provision for income taxes, related tax contingencies and evaluation of recoverability of deferred tax assets.
- Note 2.3(d), 2.3(e): Useful lives of property, plant and equipment and intangible assets
- Note 35: Share based payments
- Note 36: Assets and obligations relating to employee benefits

Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) **Share-based payments**

The grant date fair value of employee stock options granted is recognised as an employee expense over the period that the employee becomes unconditionally entitled to the options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Black Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35.

(ii) **Defined employee benefit plans (Gratuity)**

The cost of the defined benefit gratuity plan and other accumulated leave entitlement and the present value of the gratuity obligation and accumulated leave obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 36.

(iii) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See notes 43 and 44 for further disclosures.

(iv) **Depreciation on property, plant and equipment**

Depreciation on property, plant and equipment is calculated on a straight-line basis based on the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

(v) **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

(vi) **Impairment of investments**

The Group reviews its carrying value of investments annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(vii) **Intangible assets under development**

The Group capitalises acquired intangible asset under development for a project in accordance with the accounting policy. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The innovative nature of the product gives rise to some uncertainty as to whether the final approval for the products will be obtained.

(viii) **Inventories**

The Group estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

(ix) **Recognition and measurement of other provisions:**

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

2.2. BASIS OF CONSOLIDATION

(i) Business combinations

Business combinations are accounted for using the Acquisition method. The acquisition date is the date on which control is transferred to the acquirer. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are at their acquisition date fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(ii) Subsidiaries

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Consolidation procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(iii) Investment in joint ventures (accounted under equity method)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the consolidated statement of profit and loss. The financial statements of the joint venture are prepared for the same reporting period as the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the consolidated statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of profit or loss.

Group information:

The Consolidated Financial Statements have been prepared on the basis of the financial statements of the following subsidiaries and joint ventures:

S. No.	Name of the Consolidated Entities	Country of Incorporation	Nature of Interest	% of Interest as at March 31, 2021	% of Interest as at March 31, 2020
1	Agile Pharma B.V.	The Netherlands	Subsidiary	100%	100%
2	All Pharma (Shanghai) Trading Company Limited	China	Subsidiary	100%	100%
3	APL Healthcare Limited	India	Subsidiary	100%	100%
4	APL Pharma Thai Limited	Thailand	Subsidiary	97.9%	97.9%
5	APL Research Centre Limited[1]	India	Subsidiary	-	-
6	Auroactive Pharma Private Limited (w.e.f. January 9, 2020)[2]	India	Subsidiary	100%	100%
7	APL Swift Services (Malta) Limited	Malta	Subsidiary	100%	100%
8	Arrow Generiques SAS	France	Subsidiary	100%	100%
9	Aurex B.V. (formerly Pharmacin B.V.)	The Netherlands	Subsidiary	100%	100%
10	Auro AR LLC	USA	Subsidiary	100%	100%
11	Auro Health LLC	USA	Subsidiary	100%	100%
12	Auromedics Pharma LLC	USA	Subsidiary	100%	100%
13	Auro Peptides Limited	India	Subsidiary	95%	95%
14	Auro Pharma Inc.	Canada	Subsidiary	100%	100%
15	Auro Vaccines LLC	USA	Subsidiary	100%	100%
16	Raidurgam Developers Limited (Formerly Aurobindo Antibiotics Ltd)	India	Joint Venture	40%	40%
17	Luoxin Aurovitas Pharma (Chengdu) Co., Ltd	China	Joint Venture	30%	30%
18	Longxiang Pharma Taizhou Co., Ltd (w.e.f. October 28, 2019)[2]	China	Joint Venture	57%	57%
19	Novagen BBBEE Invest Co (Pty) Ltd (w.e.f. November 7,, 2019)[2]	South Africa	Joint Venture	24.5%	24.5%
20	Aurobindo Pharma (Italia) S.r.l	Italy	Subsidiary	100%	100%
21	Aurobindo Pharma (Malta) Limited	Malta	Subsidiary	100%	100%
22	Aurobindo Pharma (Pty) Limited	South Africa	Subsidiary	100%	100%
23	Aurobindo Pharma (Romania) s.r.l	Romania	Subsidiary	100%	100%
24	Aurobindo Pharma B.V. (formerly Actavis B.V.)	The Netherlands	Subsidiary	100%	100%
25	Aurobindo Pharma Colombia S.A.S.	Colombia	Subsidiary	100%	100%
26	Aurobindo Pharma GmbH	Germany	Subsidiary	100%	100%
27	Aurobindo Pharma Industria Farmaceutica Ltda	Brazil	Subsidiary	99.97%	99.97%

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

S. No.	Name of the Consolidated Entities	Country of Incorporation	Nature of Interest	% of Interest as at	
				March 31, 2021	March 31, 2020
28	Aurobindo Pharma Japan K.K.	Japan	Subsidiary	100%	100%
29	Aurobindo Pharma Produtos Farmaceuticos Limitada	Brazil	Subsidiary	100%	100%
30	Aurobindo Pharma USA Inc.	USA	Subsidiary	100%	100%
31	Aurobindo Pharma USA LLC[3]	USA	Subsidiary	-	-
32	Aurogen South Africa (Pty) Ltd	South Africa	Subsidiary	100%	100%
33	Aurolife Pharma LLC	USA	Subsidiary	100%	100%
34	Auronext Pharma Private Limited	India	Subsidiary	100%	100%
35	Aurovida Farmaceutica SA DE CV	Mexico	Subsidiary	100%	100%
36	Aurovitas Pharma Polska	Poland	Subsidiary	100%	100%
37	Aurovitas Spain SA (formerly Actavis Spain S.A.)	Spain	Subsidiary	100%	100%
38	AuroZymes Limited[1]	India	Subsidiary	-	-
39	Curepro parenterals Limited[1]	India	Subsidiary	-	-
40	Eugia Pharma Specialities Limited[10]	India	Joint Venture	100%	67.82%
41	Helix Healthcare B.V.	The Netherlands	Subsidiary	100%	100%
42	Hyacinths Pharma Private Limited[1]	India	Subsidiary	-	-
43	Laboratorios Aurobindo, S.L.	Spain	Subsidiary	100%	100%
44	Milpharm Limited	UK	Subsidiary	100%	100%
45	Natrol LLC[4]	USA	Subsidiary	100%	100%
46	Novagen Pharma (Pty) Limited	South Africa	Joint Venture	50%	50%
47	Pharmacin B.V. (formerly Aurex B.V.)	The Netherlands	Subsidiary	100%	100%
48	Puren Pharma GmbH & Co., KG (formerly Actavis Deutschland GmbH & Co., KG)	Germany	Subsidiary	100%	100%
49	Silicon Life Sciences Private Limited[1]	India	Subsidiary	-	-
50	Tergene Biotech Private Limited	India	Joint Venture	80%	80%
51	1980 Puren Pharma GmbH (formerly Actavis Management GmbH)	Germany	Subsidiary	100%	100%
52	Aurovitas Pharma Ceska Republika s.r.o[5]	Czech Republic	Subsidiary	100%	100%
53	Generis Farmaceutica S.A.	Portugal	Subsidiary	100%	100%
54	Generis Phar, Unipessoal Lda.	Portugal	Subsidiary	100%	100%
55	Auro Packaging LLC (w.e.f. April 1, 2019)[2]	USA	Subsidiary	100%	100%
56	Aurobindo NV/SA (w.e.f. December 17, 2019)[2]	Belgium	Subsidiary	100%	100%
57	Aurobindo Pharma Saudi Arabia Limited Company	Saudi Arabia	Subsidiary	100%	100%
58	Aurovitas Pharma (Taizhou) Ltd	China	Subsidiary	100%	100%
59	Auro Logistics LLC	USA	Subsidiary	100%	100%
60	Acrotech Biopharma LLC	USA	Subsidiary	100%	100%
61	Auro Pharma India Private Limited	India	Subsidiary	100%	100%
62	Purple BellFlower (Pty) Ltd	South Africa	Joint Venture	48%	48%
63	Aurobindo Pharma FZ LLC	UAE	Subsidiary	100%	100%
64	CurateQ Biologics GmbH	Switzerland	Subsidiary	100%	100%
65	Auroscience (pty) Ltd	Australia	Subsidiary	100%	100%

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

S. No.	Name of the Consolidated Entities	Country of Incorporation	Nature of Interest	% of Interest as at March 31, 2021	% of Interest as at March 31, 2020
66	Auro Science LLC	USA	Subsidiary	100%	100%
67	Apotex Espana SL[6]	Spain	Subsidiary	-	-
68	Apotex Europe B.V.	The Netherlands	Subsidiary	100%	100%
69	Apotex Polska sp.z.o.o.[7]	Poland	Subsidiary	-	-
70	Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o.)	Czech Republic	Subsidiary	100%	100%
71	Apotex N.V.[8]	Belgium	Subsidiary	-	-
72	Apotex Nederland B.V.	The Netherlands	Subsidiary	100%	100%
73	Sameko Farma B.V.	The Netherlands	Subsidiary	100%	100%
74	Leidapharm B.V.	The Netherlands	Subsidiary	100%	100%
75	Marel B.V.	The Netherlands	Subsidiary	100%	100%
76	Pharma Dossier B.V.	The Netherlands	Subsidiary	100%	100%
77	CuraTeQ Biologics Private Limited (w.e.f. April 25, 2020)[9]	India	Subsidiary	100%	-
78	Auro Cure Private Limited (w.e.f. July 5, 2020)[9]	India	Subsidiary	100%	-
79	AuroZest Private Limited (w.e.f. August 6, 2020)[9]	India	Subsidiary	100%	-
80	Aurobindo Antibiotics Private Limited (w.e.f. October 6, 2020)[9]	India	Subsidiary	100%	-
81	Mviyes Pharma Ventures Private Limited (w.e.f. November 6, 2020)[9]	India	Subsidiary	100%	-
82	Lyfius Pharma Private Limited (w.e.f. November 16, 2020)[9]	India	Subsidiary	100%	-
83	Qule Pharma Private Limited (w.e.f. November 16, 2020)[9]	India	Subsidiary	100%	-
84	Wytells Pharma Private Limited (w.e.f.February 20, 2021)[9]	India	Subsidiary	100%	-

Notes:

1. Merged with Aurobindo Pharma Ltd w.e.f April 1, 2019.
2. Incorporated / Acquired during the financial year 2019-20.
3. Aurobindo Pharma USA LLC was closed w.e.f November 15, 2019.
4. Natrol LLC was disposed w.e.f November 30, 2020.
5. Merged with Aurovitas Spol s.r.o w.e.f. April 1, 2020.
6. Merged with Aurovitas Spain SA w.e.f April 1, 2019.
7. Merged with Aurovitas Pharma Polska w.e.f. April 1, 2019.
8. Merged with Aurobindo Pharma NV/SA w.e.f. April 1, 2020.
9. Incorporated during the financial year 2020-21.
10. Subsidiary w.e.f. November 6, 2020.

The figures for the subsidiaries have been considered from the date of acquisition/incorporation/and upto the date of disposal/liquidation as applicable.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

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2.3 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Foreign exchange transactions

The Group's consolidated financial statements are presented in Indian rupees, which is the functional currency of the Parent Company. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Initial recognition

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

Conversion

Foreign currency monetary items are reported at functional currency spot rate of exchange at reporting date. 'Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Group companies

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

Any goodwill / capital reserve arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill / capital reserve or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 1, 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., April 1, 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

b. Fair value measurement

The Group / Consolidated entities measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group / Consolidated entities.

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

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

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

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

- Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Group's CFO determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

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

c. Revenue recognition

Effective April 1, 2018, the Group has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Group is insignificant.

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised:

i) **Sale of goods:** Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns, chargeback, medicaid payments, rebates, shelf stock adjustments, penalties for short/non supplies where applicable and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc., where applicable. Any additional amounts based on the terms of agreements entered into with customers, is recognised in the period when the collectability becomes probable and reliable measure of the same is available.

ii) **Rendering of services:** Revenue from sale of dossiers/ licenses/services, includes in certain instances, certain performance obligations and based on evaluation of whether or not these obligations are inconsequential or perfunctory, revenue is recognised in accordance with the terms of the contracts with the customers when the related performance obligation is completed at point in time or spread over a period of time, as applicable.

iii) **Interest income:** Interest income is recognised with reference to the Effective Interest Rate (EIR) method.

iv) **Dividend income:** Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

v) **Export benefits, incentives and licenses:** Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

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for the year ended March 31, 2021

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d. Property, plant and equipment

Freehold land and buildings (property) held for use in the production or supply of goods or services, or administrative purposes are stated at cost less accumulated depreciation and accumulated impairment. Freehold land is not depreciated.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period upto commencement of commercial production are treated as part of the project costs and are capitalised.

Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the Management.

The Group / Consolidated entities, based on technical assessment and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Group has estimated the following useful lives to provide depreciation on its fixed assets.

Nature of the assets	Useful life as estimated by the management (in years)	Useful life as stated in the Companies Act, 2013 (in years)
Leasehold land	10	-
Leasehold buildings	20	10 - 60
Freehold land - development expenditure	25	-
Freehold buildings	5 - 60	10 - 60
Plant and equipment	3 - 20	3 - 40
Furniture and fixtures	5 - 10	10
Vehicles	4 - 8	8
Office equipment	3 - 10	5

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

e. Intangibles

Intangible assets consists of goodwill, licenses, patents, brands and product development costs.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Goodwill represents the excess of purchase consideration over the net book value of assets acquired of the subsidiary companies as on the date of investment. Goodwill on consolidation and acquisition is not amortised but is tested for impairment on a periodic basis and impairment losses are recognised where applicable.

The management has estimated following useful life to amortise intangible assets.

Nature of the assets	Useful life as estimated by the management (in years)
Product development cost	10
Licenses and patents	5 - 10
Brands	10

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

Research and development costs:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and use or sell the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the assets for its intended use. Other development expenditure are recognised as an expense in the consolidated statement of profit and loss.

Payments to third parties that generally take the form of upfront/milestone payments are capitalised as per the guidance in Ind AS 38.

Acquired research and development intangible assets that are under development are recognised as Intangible assets under development. These assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the consolidated statement of profit and loss.

Subsequent expenditure on in process research and development project acquired separately and recognised as an intangible asset is:

- recognised as an expense, if it is research expenditure.
- recognised as an expense, if its development expenditure that does not satisfy the criteria for recognition as an Intangible asset; and
- added to the carrying amount of acquired in process research and development project, if it is development expenditure that satisfies the recognition criteria.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the estimated useful lives of the assets or any other basis that reflect the period of expected future benefit. Amortisation expense is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation period and method are reviewed at each reporting date.

Intangible assets relating to products in development and other intangible assets not available for use is tested for impairment annually. The same are derecognised either on disposal or when no future economic benefits are expected. Losses on derecognition are recorded in the consolidated statement of profit and loss, and are measured as difference between the net disposal proceeds and the carrying amount of respective assets.

f. Government grants and subsidies

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is deducted from the related expense. When

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the grant relates to an asset, it is recognised as deferred income and amortised over the useful life of such assets.

g. Inventories

Inventories are valued at lower of cost, calculated on "Weighted average" basis and net realisable value. Cost incurred in bringing each product to its present location and condition are accounted as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work-in-progress: cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excludes borrowing costs.

Trading goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

h. Retirement and other employee benefits

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group / Consolidated entities has no obligation, other than the contribution payable to the provident fund. The Group / Consolidated entities recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group's / Consolidated Entities contribution towards defined contribution benefit plan is accrued in compliance with the requirements of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are due.

Gratuity

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to consolidated profit or loss in subsequent periods.

Short term compensated absences are provided for based on estimates. The Group / Consolidated entities treats accumulated leave, as a long-term employee benefit for measurement purposes. Such accumulated leaves are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. The Group / Consolidated entities presents the entire liability in respect of leave as a current liability in the consolidated balance sheet, since it does not have an unconditional right to defer its settlement beyond twelve months after the reporting date.

Past service costs are recognised in consolidated profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

Short term compensated absences are provided for based on estimates. The Group treats accumulated leave, as a long-term employee benefit for measurement purposes. Such accumulated leaves are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. The Group presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond twelve months after the reporting date.

i. Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in employee stock options reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market based performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Parent Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest because of non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

j. Taxes

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities is measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group / Consolidated entities operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate. The tax rate and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except :-

(i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:-

(i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has

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become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside Consolidated profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Taxes paid on acquisition of assets or on incurring expenses which are not subsequently recoverable :

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

(i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

(ii) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet.

k. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the Group/Consolidated entities are lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Where the Group/Consolidated entities are lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

l. Earnings Per Share

Basic earnings per share is calculated by dividing the net consolidated profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events such as bonus issue that have changed the number of shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net consolidated profit for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

m. Provision and contingent liabilities

Provisions are recognised when the Group/Consolidated entities has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group/Consolidated entities expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

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

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

n. Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cheques, cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Groups/consolidated entities cash management.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

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o. Borrowing cost

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

p. Impairment of non-financial assets

The Group/Consolidated entities assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group/Consolidated entities estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group/Consolidated entities bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group/Consolidated entities CGUs to which the individual assets are allocated. The budgets and forecast generally cover a period of five years. Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group/Consolidated entities estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

q. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through consolidated profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group/ Consolidated entities commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group/Consolidated entities. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated profit or loss. The losses arising from impairment are recognised in the consolidated profit or loss. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cashflows and selling the financial assets, and

(ii) The assets contractual cashflows represents SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method."

Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

Equity investments:
All equity investments in scope of Ind AS 109 are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Group/Consolidated entities may make an irrevocable election to present in OCI subsequent changes in fair value. The Group/Consolidated entities makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group/Consolidated entities decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of amounts from OCI to Consolidated Profit and loss, even on sale of investment. However, the Group/Consolidated entities may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated profit and loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group/Consolidated entities Consolidated balance sheet) when:

(i) the rights to receive cash flows from the asset have expired, or

(ii) the Group/Consolidated entities has transferred its rights to receive cash flows from the asset, and the Group/Consolidated entities has transferred substantially all the risks and rewards of the asset, or the Group/Consolidated entities has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
In accordance with Ind AS 109, the Group/Consolidated entities applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

(i) Financial assets that are debt instruments, and are measured at amortised cost, e.g. loans, deposits, debt securities, etc.

(ii) Trade receivables that result from transactions that are within the scope of Ind AS 115 - Revenue Recognition.

The Group/Consolidated entities follows 'simplified approach' for recognition of impairment loss allowance.

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for the year ended March 31, 2021

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The application of simplified approach does not require the Group/Consolidated entities to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group/Consolidated entities determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group/Consolidated entities in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

(i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group/Consolidated entities uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated statement of profit and loss. This amount is reflected under the head other expenses / other income in the consolidated statement of profit and loss. ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group/Consolidated entities does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group/Consolidated entities combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Group/Consolidated entities does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group/Consolidated entities financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated statement of profit or loss. The Group/Consolidated entities has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Group/Consolidated entities. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

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

Reclassification of financial assets

The Group/Consolidated entities determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group/Consolidated entities reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group/Consolidated entities does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in consolidated statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to consolidated statement of profit and loss at the reclassification date.

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

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for the year ended March 31, 2021

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r. Derivative financial instruments

The Group / Consolidated entities uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The forward contracts that meet the definition of a derivative under Ind AS 109 are recognised in the consolidated statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated profit or loss.

s. Cash dividend and non cash distribution to equity holders

The Group recognises a liability to make cash and non cash distribution to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Corporate laws in India, a final dividend distribution is authorised when it is approved by the shareholders whereas for interim dividend when authorised by board. A corresponding amount is recognised directly in equity. Non cash distribution are measured at fair value of the assets distributed with fair value re-measurement recognised directly in equity.

t. Non-current assets held for sale

The Group classifies non-current assets and disposal Groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal Group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal Groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale/ distribution of the asset or disposal Group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal Group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal Group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Assets held for sale are presented separately in the balance sheet. Property Plant and Equipment and Intangible Assets once classified as held for sale are not depreciated or amortised.

u. Recent accounting pronouncements

Standards issued but not yet effective & not early adopted by the Group:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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for the year ended March 31, 2021

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3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land	Freehold land	Leasehold buildings & Improvements	Freehold buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Right-of-use assets	Total
Gross Carrying value (at cost)										
As at April 1, 2019	169.3	2,374.7	402.4	18,563.3	49,927.1	1,633.5	502.3	710.7	-	**74,283.3**
Additions	-	31.5	294.0	2,898.1	6,627.2	188.7	68.3	160.6	5,092.9	**15,361.3**
Disposals / adjustments	-	0.6	-	-	297.9	39.8	68.6	20.6	72.0	**499.5**
Acquisition through business combination*	-	-	-	-	-	-	-	-	-	**-**
Other adjustments										
- Reclassified to Right-of-use assets	147.0	-	12.1	-	517.5	-	236.4	-	-	**913.0**
- Foreign currency translation adjustments	-	106.1	16.1	594.5	497.5	21.6	(0.5)	30.4	277.4	**1,543.1**
As at March 31, 2020	**22.3**	**2,511.7**	**700.4**	**22,055.9**	**56,236.4**	**1,804.0**	**265.1**	**881.1**	**5,298.3**	**89,775.2**
Additions	-	501.5	83.1	951.6	6,036.6	164.3	126.3	120.1	1,644.0	**9,627.5**
Disposals / adjustments	22.3	59.4	156.3	(179.3)	878.7	29.2	54.2	55.3	1,157.1	**2,233.2**
Reclassified to Assets held for sale	-	174.0	-	821.3	-	-	-	-		**995.3**
Acquisition through business combination (refer note 38 & 39) *	-	92.0	-	1,475.4	3,776.9	60.9	-	18.0		**5,423.2**
Disposal of Subsidiary (refer note 50)	-	-	90.4	-	680.4	134.8	2.4	62.7		**970.7**
Other adjustments										
- Foreign currency translation adjustments	-	(11.7)	15.6	(216.5)	(47.2)	(3.6)	0.2	1.1	(41.3)	**(303.4)**
As at March 31, 2021	**-**	**2,860.1**	**552.4**	**23,624.4**	**64,443.6**	**1,861.6**	**335.0**	**902.3**	**5,743.9**	**100,323.3**
Accumulated depreciation										
As at April 1, 2019	23.4	4.1	52.7	1,989.9	14,245.7	521.2	173.0	336.8	-	**17,346.8**
Charge for the year	0.7	1.2	23.1	783.1	5,071.6	189.8	57.3	164.6	1,015.6	**7,307.0**
Disposals / adjustments	-	-	-	0.9	49.4	6.9	59.0	3.2	-	**119.4**
Acquisition through business combination										
Other adjustments										**-**
- Reclassified to Right-of-use assets	17.1	-	5.1	-	82.7	-	10.1	-	-	**115.0**
- Foreign currency translation adjustments	-	0.4	3.0	71.6	251.6	11.9	(0.3)	19.3	50.2	**407.7**
As at March 31, 2020	**7.0**	**5.7**	**73.7**	**2,843.7**	**19,436.8**	**716.0**	**160.9**	**517.5**	**1,065.8**	**24,827.1**

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Leasehold land	Freehold land	Leasehold buildings & Improvements	Freehold buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Right-of-use assets	Total
Charge for the year	-	-	19.8	888.2	5,535.8	201.4	63.8	164.9	1,142.5	**8,016.4**
Disposals / adjustments	7.0	5.4	25.1	(20.9)	567.3	27.0	51.2	54.3	583.0	**1,299.4**
Reclassified to Assets held for sale	-	-	-	159.2	-	-	-	-	-	**159.2**
Acquisition through business combination (refer note 38 & 39)	-	-	-	71.4	490.5	9.1	-	5.8	-	**576.8**
Disposal of Subsidiary (refer note 50)	-	-	27.2	-	265.2	63.4	1.0	53.6	-	**410.4**
Other adjustments										
- Reclassified to Right-of-use assets	-	-	-	-	-	-	-	-	-	**-**
- Foreign currency translation adjustments	-	(0.2)	0.9	(26.7)	(50.5)	(2.9)	(0.1)	1.2	(15.9)	**(94.2)**
As at March 31, 2021	**-**	**0.1**	**42.1**	**3,638.3**	**24,580.1**	**833.2**	**172.4**	**581.5**	**1,609.4**	**31,457.1**
Net carrying value										
As at March 31, 2020	**15.3**	**2,506.0**	**626.7**	**19,212.2**	**36,799.6**	**1,088.0**	**104.2**	**363.6**	**4,232.5**	**64,948.1**
As at March 31, 2021	**-**	**2,860.0**	**510.3**	**19,986.1**	**39,863.5**	**1,028.4**	**162.6**	**320.8**	**4,134.5**	**68,866.2**

Capital work-in-progress ₹24,288.9 (March 31, 2020: ₹16,218.0)

1. The title deeds of land and buildings aggregating gross value of ₹611.5 (March 31, 2020: ₹166.5) are pending transfer to the Company's name.
2. Depreciation for the year include ₹0.3 (March 31, 2020: ₹0.1) taken as pre-operative capital expenditure on capital projects pending capitalisation.
3. Depreciation for the year excludes ₹Nil (March 31, 2020: ₹1.6) reversal of capital expenditure of earlier years.
4. Details of Right-of-use assets - refer note 32 (A).
5. Refer note 37 for details of expenditure during construction period transferred from capital work-in-progress to property, plant and equipment.
6. Refer note 41 for details of capital research and development expenditure.

* Excludes capital work in progress of ₹369.5 (March 31, 2020: ₹Nil) acquired through business combination.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

NOTE 4 : GOODWILL

	Amount
Gross Carrying value (at cost)	
As at April 1, 2019	8,325.1
Additions	-
Disposals / adjustments	-
Acquisition through business combination	574.9
Other adjustments	
- Foreign currency translation adjustments	259.4
As at March 31, 2020	**9,159.4**
Additions	-
Disposals / adjustments	35.5
Acquisition through business combination	2,496.6
Disposal of Subsidiary (refer note 50)	3,244.4
Other adjustments	
- Foreign currency translation adjustments	169.9
As at March 31, 2021	**8,546.0**
Impairment	
As at April 1, 2019	-
Impairment for the year	-
Other adjustments	
- Exchange differences	-
As at March 31, 2020	**-**
Impairment for the year (refer note 5.3 and 49)	4,349.2
Other adjustments	
- Exchange differences	(92.2)
As at March 31, 2021	**4,257.0**
Net carrying value	
As at March 31, 2020	9,159.4
As at March 31, 2021	**4,289.0**

For the purpose of impairment testing carrying amount of Goodwill has been allocated to the following Cash Generating Units (CGU) as follows :

	As at March 31, 2021	As at March 31, 2020
Natrol LLC	-	3,244.4
Auroscience (pty) Ltd	-	31.6
Acrotech Biopharma LLC	278.1	287.8
Auro Vaccines LLC	86.0	-
Generis Farmaceutica, Portugal	923.4	4,202.1
Milpharm Ltd, UK	232.4	232.4
Apotex Group	-	574.9
Aurex BV, Netherlands	75.9	303.6
Aurobindo Pharma Ltd	248.7	248.7
Auronext Pharma Private Limited	33.9	33.9
Eugia Pharma Specialities Ltd	2,410.6	-
Total	**4,289.0**	**9,159.4**

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

The recoverable amounts of the above cash generating units have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the company has based its determinations of value-in-use include :

a) Estimated cash flows based on internal budgets and industry outlook for a period of five years and a terminal growth rate thereafter.

b) A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate ranging from 0% to 4%. This long term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.

c) The after tax discount rates used reflect the current market assessment of the risks specific to a CGU are group of CGU's the discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGU's. After tax discount rate used range from 10% to 12.4%

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

NOTE 5.1 : INTANGIBLE ASSETS

	Brands	Product development cost	Licences and patents	Total
Gross Carrying value (at cost)				
As at April 1, 2019	16,033.8	127.5	6,206.5	**22,367.8**
Additions	9.0	77.2	299.3	**385.5**
Disposals / adjustments	12.0	2.2	102.5	**116.7**
Acquisition through business combination *	-	-	1,244.8	**1,244.8**
Other adjustments				
- Reclassified to Right-of-use assets	-	-	260.0	**260.0**
- Foreign currency translation adjustments	1,401.9	10.5	444.2	**1,856.6**
As at March 31, 2020	**17,432.7**	**213.0**	**7,832.3**	**25,478.0**
Additions	360.5	634.7	2,510.1	**3,505.3**
Disposals / adjustments	-	88.5	110.0	**198.5**
Acquisition through business combination (refer note 38 & 39)*	-	909.6	69.1	**978.7**
Disposal of Subsidiary (refer note 50)	2,349.8	83.3	-	**2,433.1**
Other adjustments				
- Reclassified to Right-of-use assets	-	-	-	**-**
- Foreign currency translation adjustments	(283.8)	0.3	217.1	**(66.4)**
As at March 31, 2021	**15,159.6**	**1,585.8**	**10,518.6**	**27,264.0**
Accumulated amortisation				
As at April 1, 2019	982.1	89.9	1,808.9	**2,880.9**
Charge for the year	1,684.1	35.0	639.5	**2,358.6**
Disposals / adjustments	4.0	-	(30.9)	**(26.9)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Brands	Product development cost	Licences and patents	Total
Acquisition through business combination	-	-	-	**-**
Other adjustments				
- Reclassified to Right-of-use assets	-	-	3.0	**3.0**
- Foreign currency translation adjustments	207.5	9.9	140.0	**357.4**
As at March 31, 2020	**2,869.7**	**134.8**	**2,616.3**	**5,620.8**
Charge for the year	1,696.1	144.5	718.3	**2,558.9**
Disposals / adjustments	-	31.2	44.5	**75.7**
Acquisition through business combination (refer note 38 & 39)	-	60.3	-	**60.3**
Disposal of Subsidiary (refer note 50)	1,402.1	83.3	-	**1,485.4**
Other adjustments				
- Reclassified to Right-of-use assets	-	-	-	**-**
- Foreign currency translation adjustments	(98.2)	(0.3)	103.0	**4.5**
As at March 31, 2021	**3,065.5**	**224.8**	**3,393.1**	**6,683.4**
Net carrying value				
As at March 31, 2020	**14,563.0**	**78.2**	**5,216.0**	**19,857.2**
As at March 31, 2021	**12,094.1**	**1,361.0**	**7,125.5**	**20,580.6**

1. Refer note 41 for details of capital research and development expenditure.

2. Amortisation for the year include ₹21.1 (March 31, 2020: ₹Nil) taken as pre-operative capital expenditure on capital projects pending capitalisation.

* Excludes intangibles under development of ₹3,249.7 (March 31, 2020: ₹Nil) acquired through business combination.

NOTE 5.2 : INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	3,641.2	3,137.5
Additions during the year	1,467.1	1,386.6
Acquisition through business combination (refer note 38)	3,249.7	-
Capitalisations	(807.4)	(1,022.0)
Written off	(1,300.5)	-
Foreign currency translation adjustments	76.3	139.1
	6,326.4	**3,641.2**

5.3. Considering the increased risk on account of the continued impact on account of COVID, specific challenges due to slowdown in certain lines of business and overall decrease in actions, net discounted cash flows have been reassessed. Also, due to the volatile market conditions, the market growth rate as well as the discounting factors have been reassessed in the COVID environment and the resultant impact of carrying value of the intangibles, including the goodwill and Intangibles under development, have been provided in a prudent manner.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

6. INVESTMENTS

	Face value	As at March 31, 2021		As at March 31, 2020	
		Number of shares (% of interest)	Amount	Number of shares (% of interest)	Amount
(A) Investments accounted for using the equity method					
Investments in unquoted equity shares (fully paid, carried at cost, unless stated otherwise)					
In joint ventures					
Novagen Pharma (Pty) Limited, South Africa	87.82	927,236 (50%)	268.8	927,236	250.6
Novagen BBBEE Invest Co (Pty) Ltd, South Africa	3,735.45	245 (24.5%)	0.8	-	-
Eugia Pharma Specialities Limited, India (refer note 38)	₹10	-	-	225,221,538	3,261.2
Luoxin Aurovitas Pharma Chengdu) Co., Ltd, China	-	30%	401.1	-	267.9
Longxiang Pharma Taizhou Co., Ltd, China	-	57%	276.2	-	288.8
Purple BellFlower (Pty) Ltd, South Africa	23.69	480 (48%)	0.1	-	0.3
Tergene Biotech Private Limited, India	₹10	9,040,000 (80%)	-	9,040,000	-
Raidurgam Developers Limited, India (formerly Aurobindo Antibiotics Limited, India)	₹10	4,000,000 (40%)	-	4,000,000	27.3
			947.0		**4,096.1**
(B) Non-current investments					
Investments in unquoted equity shares (fully paid, carried at cost, unless stated otherwise)					
In others (carried at fair value through profit and loss)					
Jeedimetla Effluent Treatment Limited, India	₹100	753	0.1	753	0.1
Patancheru Envirotech Limited, India	₹10	103,709	1.0	103,709	1.0
Progressive Effluent Treatment Limited, India	₹100	1,000	0.1	1,000	0.1
Aurobindo Pharma Foundation Pvt Ltd (Sec-8 Company)	₹10	10,000(100%)	0.1	-	-
Synergy Remedies Private Limited	₹10	10,489,500	150.0	10,489,500	150.0
Investments in unquoted preference shares (fully paid, carried at amortised cost, unless stated otherwise)		**A**	151.3		151.2
In joint ventures					
Tergene Biotech Private Limited, India	₹100	2,110,000	116.8	1,675,000	123.9
(10.5% Cumulative Preference shares redeemable at par within six years from the date of issue)					
Investments in unquoted optionally convertible debentures (fully paid, carried at cost, unless stated otherwise)		**B**	116.8		123.9
In joint ventures					
Raidurgam Developers Limited, India (formerly Aurobindo Antibiotics Limited, India)	₹1,000	1,609,999	1,556.9	1,175,463	1,175.5
(Interest of 1.5% to 9.5% over a period of ten years redeemable at par within ten years from date of issue. These are optionally convertible into 100 equity shares per debenture at any time after one year.)					
Unquoted investment in government securities		**C**	1,556.9		1,175.5

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Face value	As at March 31, 2021		As at March 31, 2020	
		Number of shares (% of interest)	Amount	Number of shares (% of interest)	Amount
(Carried at fair value through profit and loss)					
National Savings Certificate (includes held by Income tax authorities ₹0.1 (March 31, 2020: ₹0.1))			0.2		0.2
Investments in quoted equity shares (fully paid, carried at fair value through other comprehensive income)		**D**	0.2		0.2
Non current Investments in Stocks and shares (refer note 6(1))			1,472.2		-
Investments in quoted bonds (fully paid, carried at amortised cost)					
Non current Investments in quoted bonds (refer note 6(1))			67.8		-
		E	**1,540.0**		**-**
		A+B+C+D+E	**3,365.2**		**1,450.8**
Aggregate value of quoted investments			1,540.0		-
Aggregate value of unquoted investments			1,825.2		1,450.8
(C) Current investments					
Investments in unquoted equity shares (fully paid, carried at fair value through profit and loss)					
Citadel Aurobindo Biotech Limited, India	₹100	70,000	7.0	70,000	7.0
(At cost less impairment of ₹7.0 (March 31, 2020: ₹7.0))					
Investments in quoted equity shares (fully paid, carried at fair value through profit and loss)					
Union Bank of India (formerly known as Andhra Bank)	₹10	4,520	0.2	4,520	0.2
Investments in quoted bonds (fully paid, carried at amortised cost)					
Enstar Group Limited Note Call Make Whole	US$ 100	1,000	7.5		-
Investment in unquoted fixed deposits with Corporate (fully paid, carried at amortised cost, unless stated otherwise)					
Fixed deposit with LIC Housing Finance Limited	-	-	490.0		-
Fixed deposit with - Bajaj Finance Limited	-	-	100.0		-
Investment in quoted Bonds (fully paid, carried at amortised cost, unless stated otherwise)					
8.30% CANARA BANK Basel III Additional Tier I Bond 2020-21	₹1,000,000	1,000	1,000.2		-
Less: Provision for impairment in value of investments			(7.0)		(7.0)
			1,597.9		**0.2**
Aggregate value of unquoted investments			1,597.2		7.0
Aggregate value of quoted investments			7.7		0.2
Market value of quoted investments			7.7		0.2
Aggregate amount of impairment in value of investments			7.0		7.0

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

6 (1). INVESTMENTS

	Face value (US$)	As at March 31, 2021	
		Quantity	Amount
Investments in quoted equity shares (fully paid, carried at fair value through other comprehensive income) *			
At&T Inc Com US$1 (T)	1.000	102,600	227.1
Merck &Co. Inc Com (Mrk)	0.500	12,600	71.0
Pfizer Inc (Pfe)	0.010	55,000	145.7
Linde Plc Com Eur0.001 (Lin)	0.001	242	5.0
Medtronic Plc (Mdt)	0.000	594	5.1
Te Connectivity Ltd (Tel)	0.570	318	3.0
Abbott Laboratories (Abt)	-	742	6.5
Adobe Systems Incorporated Com (Adbe)	0.000	176	6.1
Alphabet Inc Cap Stk Cl C (Goog)	0.001	81	12.3
Alphabet Inc Cap Stk Cl A (Googl)	0.001	60	9.0
Amazon.Com Inc (Amzn)	0.010	98	22.2
American Elec Pwr Co Inc Com (Aep)	6.500	610	3.8
American Water Works Company Inc Com US$0.01 (Awk)	0.010	328	3.6
Analog Devices Inc Com US$0.16 2/3 (Adi)	0.16 2/3 Par Value	453	5.1
Apple Inc (Aapl)	0.000	1,212	10.8
Astrazeneca Adr Rep 0.5 Ord (Azn)	-	1,510	5.5
Automatic Data Processing Inc Com US$0.10 (Adp)	0.100	281	3.9
Blackrock Inc Com US$0.01(Blk)	0.010	37	2.0
Blackstone Group Inc Com (Bx)	0.000	1,273	6.9
Booking Holdings Inc Com (Bkng)	0.008	17	2.9
Cigna Corp New Com (Ci)	0.250	244	4.3
Cme Group Inc Com (Cme)	0.010	126	1.9
Chevron Corp New Com (Cvx)	0.750	388	3.0
Cisco Systems Inc (Csco)	-	2,034	7.7
Comcast Corp (Cmcsa)	0.010	633	2.5
Costco Wholesale Corp Com US$0.01 (Cost)	0.010	170	4.4
Danaher Corporation Com (Dhr)	0.010	182	3.0
Disney Walt Co Com (Dis)	0.010	222	3.0
Dollar Gen Corp New Com (Dg)	0.875	210	3.1
Ecolab Inc (Ecl)	0.010	125	2.0
Fidelity Natl Information Services Com US$0.01 (Fis)	0.010	648	6.7
Fiserv Inc (Fisv)	0.010	727	6.3
Home Depot Inc (Hd)	0.050	413	9.2
Honeywell International Inc Com US$1 (Hon)	1.000	529	8.4
Intercontinental Exchange Inc Com US$0.01 (Ice)	0.010	701	5.7
Jpmorgan Chase & Co (Jpm)	1.000	765	8.5
Johnson &Johnson Com US$1.00 (Jnj)	1.000	196	2.4
Microsoft Corp (Msft)	0.000	1,356	23.4
Mondelez Intl Inc Com Npv (Mdlz)	-	437	1.9

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

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	Face value (US$)	As at March 31, 2021	
		Quantity	Amount
Nextera Energy Inc Com US$0.01 (Nee)	0.010	920	5.1
Otis Worldwide Corp Com (Otis)	0.010	909	4.5
Pnc Financial Services Group Com US$5 (Pnc)	5.000	374	4.8
Pepsico Inc (Pep)	-	382	4.0
Pioneer Natural Resources Co Com US$0.01 (Pxd)	0.010	374	4.3
Qualcomm Inc (Qcom)	0.000	256	2.5
Raytheon Technologies Corp Com (Rtx)	1.000	1,228	6.9
Roper Technologies Inc (Rop)	0.010	144	4.2
S&P Global Inc Com (Spgi)	1.000	225	5.8
Salesforce.Com Inc Com US$0.001 (Crm)	0.001	330	5.1
Schwab Charles Corp Com (Schw)	0.010	1,537	7.3
Stanley Black & Decker Inc (Swk)	2.500	337	4.9
Stryker Corporation Com (Syk)	0.100	269	4.8
Tjx Companies Inc (Tjx)	1.000	619	3.0
T-Mobile Us Inc Com (Tmus)	0.000	774	7.1
Texas Instruments Inc Com US$1.00 (Txn)	1.000	320	4.4
Thermo Fisher Scientific Inc (Tmo)	1.000	80	2.7
U.S. Bancorp (Usb)	0.010	1,774	7.2
Union Pac Corp Com (Unp)	2.500	358	5.8
Unitedhealth Group Inc (Unh)	0.010	351	9.5
Visa Inc (V)	0.000	788	12.2
Zoetis Inc (Zts)	0.010	444	5.1
American Tower Corp Com US$0.01 (Amt)	0.010	188	3.3
Linde Plc Com Eur0.001 (Lin)	0.001	2,035	41.7
Activision Blizzard Inc Com (Atvi)	0.000	4,963	33.7
Adobe Systems Incorporated Com (Adbe)	0.000	1,033	35.9
Alarm Com Hldgs Inc Com (Alrm)	0.001	1,456	9.2
Amazon.Com Inc (Amzn)	0.010	157	35.5
Apple Inc (Aapl)	0.000	3,807	34.0
Caesars Entertainment Inc New Com (Czr)	0.001	1,251	8.0
Charles River Laboratories International Inc (Crl)	0.010	511	10.8
Chipotle Mexican Grill Inc (Cmg)	0.010	335	34.8
Darling Ingredients Inc (Dar)	0.010	2,173	11.7
Docusign Inc Com (Docu)	0.000	1,963	29.1
Epam Sys Inc Com US$0.001 (Epam)	0.001	376	10.9
Etsy Inc Com (Etsy)	0.001	429	6.3
Intuitive Surgical Inc (Isrg)	0.001	186	10.0
Invitae Corp Com (Nvta)	0.000	2,909	8.1
Lululemon Athletica Inc Com US$0.005 (Lulu)	0.005	1,488	33.4
Marketaxess Holdings Inc (Mktx)	0.001	272	9.9
Mastercard Incorporated Cl A (Ma)	0.000	1,502	39.1
Microsoft Corp (Msft)	0.000	2,100	36.2
Nike Inc Class B Com Npv (Nke)	-	3,621	35.2

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for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	Face value (US$)	As at March 31, 2021	
		Quantity	Amount
Paypal Hldgs Inc Com (Pypl)	0.000	1,720	30.5
Penn National Gaming Inc (Penn)	0.010	847	6.5
Plug Power Inc (Plug)	0.010	1,583	4.1
Proofpoint Inc Com US$0.0001 (Pfpt)	0.000	1,123	10.3
Qualcomm Inc (Qcom)	0.000	3,474	33.7
Redfin Corp Com (Rdfn)	0.001	1,085	5.3
S&P Global Inc Com (Spgi)	1.000	1,514	39.1
Teradyne Inc Com US$0.125 (Ter)	0.125	740	6.6
Visa Inc (V)	0.000	2,440	37.8
Zoetis Inc (Zts)	0.010	3,074	35.4
			1,472.2
Investments in quoted bonds (fully paid, carried at fair value at amortised cost) *			
Fs Kkr Cap Corp Note Call Make Whole	100.00	2,500	18.9
Pacific Gas &Elec Co Bond Call Make Whole	100.00	1,000	7.3
International Lease Fin Corp Note	100.00	1,000	7.8
Regency Energy Partners Lp	100.00	1,500	11.5
Marriott Intl Inc New Ser Dd Note	100.00	2,000	14.8
Sl Green Oper Partnership L P Note	100.00	1,000	7.5
			67.8

* There were no investments in quoted equity shares and bonds as at March 31, 2020, and hence corresponding amounts have not been presented.

7. LOANS

	As at March 31, 2021	As at March 31, 2020
(A) Non current		
Loans receivables considered good - unsecured		
Loans and advances to joint ventures		
Loans to employees	72.6	58.4
	72.6	**58.4**
(B) Current		
Loans receivables considered good - unsecured		
Loans to employees	143.2	136.8
	143.2	**136.8**

No loans are due from directors or other officers of the Parent Company either severally or jointly with any other person.

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

8. TRADE RECEIVABLES

	As at March 31, 2021	As at March 31, 2020
(A) Non current		
Trade receivables considered good - secured		
Trade receivables considered good - unsecured	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	333.4	250.1
	333.4	**250.1**
Less: loss allowance for doubtful receivables	333.4	250.1
	-	**-**
(B) Current		
Trade receivables considered good - secured (refer note 9(B))	-	-
Trade receivables considered good - unsecured	35,032.8	43,151.6
Trade receivables which have significant increase in credit risk	-	209.8
Trade receivables - credit impaired	949.9	1,243.3
	35,982.7	**44,604.7**
Less: loss allowance for doubtful receivables	949.9	1,453.1
	35,032.8	**43,151.6**

The details of changes in allowance for credit loss during the year ended March 31, 2021 and March 31, 2020 are as follows:

Balance at the beginning of the year	1,703.2	988.6
Provision made during the year, net of reversals	(291.2)	615.9
Effect of changes in the foreign exchange rates	(128.7)	98.7
Balance at the end of the year	1,283.3	1,703.2

No trade receivable are due from directors or other officers of the Parent Company either severally or jointly with any other person.

Refer Note 44 (c)(i) for the Group's credit risk management process.

Refer Note 40 for dues from related parties.

9. OTHER FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2021	As at March 31, 2020
(A) Non current		
Security deposits		
Considered good *	1,330.3	1,115.1
Doubtful	0.4	0.4
	1,330.7	**1,115.5**
Provision for doubtful deposits	0.4	0.4
	1,330.3	**1,115.1**
Other non-current bank balances (Refer note 14(B)) **	102.7	55.2
	1,433.0	**1,170.3**

* Non-current deposits include restricted deposits pledged with Enforcement Directorate of ₹131.6 (March 31, 2020: ₹131.6) (refer note 33)

** Margin money deposits given against bank guarantees or performance guarantees (refer note 33)

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	As at March 31, 2021	As at March 31, 2020
(B) Current		
Security deposits	46.5	44.8
Derivatives - foreign currency forward contracts	198.2	-
Interest accrued on deposits	70.0	47.4
Interest accrued on investments in OCDs	24.0	14.4
Other Receivables	-	294.2
	338.7	**400.8**

10. DEFERRED TAX ASSETS AND LIABILITIES (NET)

	As at March 31, 2021	As at March 31, 2020
(A) Deferred tax assets (net)		
Business loss and unabsorbed depreciation carried forward	10.0	0.3
Provisions	24.8	(6.7)
Unused tax credits (MAT)	35.4	-
Receivables, financial assets at amortised cost	1.3	(0.1)
Property plant and equipment	(693.2)	(0.1)
Inventories	4,624.6	1,565.2
Others	523.9	73.4
	4,526.8	**1,632.0**
(B) Deferred tax liabilities (net)		
Property plant and equipment	6,252.1	6,907.1
Business loss and unabsorbed depreciation carried forward	(205.5)	-
Receivables, financial assets at amortised cost	(272.1)	(375.0)
Provisions	(291.4)	(462.0)
Unused tax credits (MAT)	-	(3,150.2)
Inventories	(20.1)	(91.7)
Others	282.6	88.7
	5,745.6	**2,916.9**

Movement in deferred tax liability (net)

	As at April 1, 2020	Recognised in statement of profit and loss	Recognised in OCI	Business Combination	Foreign Currency Translation	As at March 31, 2021
Deferred tax assets						
Business loss and unabsorbed depreciation carried forward	0.3	9.7	-	-	-	10.0
Provisions	(6.7)	30.0	2.6	-	(1.1)	24.8
Unused tax credits (MAT)	-	35.4	-	-	-	35.4
Receivables, financial assets at amortised cost	(0.1)	1.4	-	-	-	1.3
Property plant and equipment	(0.1)	(701.7)	-	-	8.6	(693.2)
Inventories	1,565.2	3,082.1	-	-	(22.7)	4,624.6
Others	73.4	448.1	-	-	2.4	523.9
	1,632.0	**2,905.0**	**2.6**	**-**	**(12.8)**	**4,526.8**

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	As at April 1, 2020	Recognised in statement of profit and loss	Recognised in OCI	Business Combination	Foreign Currency Translation	As at March 31, 2021
Deferred tax liabilities						
Property plant and equipment	6,907.1	(889.3)	-	219.1	15.2	6,252.1
Business loss and unabsorbed depreciation carried forward	-	89.9	-	(299.3)	3.9	(205.5)
Receivables, financial assets at amortised cost	(375.0)	102.9	-	-	-	(272.1)
Provisions	(462.0)	204.7	(34.4)	(2.4)	2.7	(291.4)
Unused tax credits (MAT)	(3,150.2)	-	-	-	-	-
Inventories	(91.7)	70.7	-	-	0.9	(20.1)
Others	88.7	170.2	-	-	23.7	282.6
	2,916.9	**(250.9)**	**(34.4)**	**(82.6)**	**46.4**	**5,745.6**

	As at April 1, 2019	Recognised in statement of profit and loss	Recognised in OCI	Business Combination	Foreign Currency Translation	As at March 31, 2020
Deferred tax assets						
Business loss and unabsorbed depreciation carried forward	95.6	(94.4)	-	-	(0.9)	0.3
Provisions	3.7	(10.6)	-	-	0.2	(6.7)
Unused tax credits (MAT)	30.1	(30.1)	-	-	-	-
Receivables, financial assets at amortised cost	2.3	(2.3)	-	-	(0.1)	(0.1)
Property plant and equipment	(25.5)	25.4	-	-	-	(0.1)
Inventories	1,722.4	(157.2)	-	-	-	1,565.2
Others	4.3	67.5	-	-	1.6	73.4
	1,832.9	**(201.7)**	**-**	**-**	**0.8**	**1,632.0**
Deferred tax liabilities						
Property plant and equipment	6,853.4	(93.4)	-	-	147.1	6,907.1
Business loss and unabsorbed depreciation carried forward	(1.3)	1.3	-	-	-	-
Receivables, financial assets at amortised cost	(160.5)	(214.5)	-	-	-	(375.0)
Provisions	(329.3)	(69.7)	(67.6)	-	4.6	(462.0)
Unused tax credits (MAT)	(3,779.5)	629.3	-	-	-	(3,150.2)
Inventories	309.6	(403.1)	-	-	1.8	(91.7)
Others	(79.3)	162.6	-	-	5.4	88.7
	2,813.1	**12.5**	**(67.6)**	**-**	**158.9**	**2,916.9**

(i) The Parent Company has unused tax credits (Minimum Alternate Tax (MAT)) credit of ₹Nil as on March 31, 2021 (March 31, 2020: ₹3,150.2).

(ii) The Group's tax jurisdictions are in various countries, primarily in India, USA and Europe. Significant judgements are involved in determining the provision for current tax, including amounts expected to be paid / recovered for uncertain tax positions.

(iii) Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with the future tax planning strategies.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

11. TAX ASSETS (NET)

	As at March 31, 2021	As at March 31, 2020
(A) Non current		
Advance income-tax (net of provision for taxation)	1,282.6	845.3
	1,282.6	**845.3**
(B) Current		
Advance income-tax (net of provision for taxation)	789.8	157.6
	789.8	**157.6**

Refer note 31 for details of income tax expense

12. OTHER ASSETS

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2021	As at March 31, 2020
(A) Non-current		
Export incentives receivable		
Considered good	138.8	22.1
Doubtful	88.2	19.6
	227.0	**41.7**
Provision for doubtful receivables	88.2	19.6
	138.8	**22.1**
Export rebate claims receivable	288.8	288.8
Capital advances		
Considered good	2,932.9	1,659.2
Doubtful	1.1	0.8
	2,934.0	**1,660.0**
Provision for doubtful advances	1.1	0.8
	2,932.9	**1,659.2**
Advances other than capital advances		
Considered good	14.4	38.6
Doubtful	32.2	30.1
	46.6	**68.7**
Provision for doubtful advances	32.2	30.1
	14.4	**38.6**
Balances with government authorities		
Considered good	951.6	66.8
Doubtful	38.1	38.1
	989.7	**104.9**
Provision for doubtful receivables	38.1	38.1
	951.6	**66.8**
	4,326.5	**2,075.5**

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for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	As at March 31, 2021	As at March 31, 2020
(B) Current		
Advances other than capital advances		
Considered good	3,331.5	5,758.6
Doubtful	-	2.8
	3,331.5	**5,761.4**
Provision for doubtful advances	-	2.8
	3,331.5	**5,758.6**
Export rebate claims receivable	2,906.6	1,883.4
Export incentives receivable :		
Considered good	1,978.0	2,654.1
Doubtful	-	-
	1,978.0	**2,654.1**
Provision for doubtful receivables	-	-
	1,978.0	**2,654.1**
Balances with government authorities	6,272.0	4,561.8
	14,488.1	**14,857.9**
(C) Assets held for sale		
Assets held for sale-Land and Buildings	836.1	-
	836.1	**-**

During the current year, the Group management intended to sell land at Lawrenceville and building at Omaha. The Group Management started the efforts to sell and basis the outcome of this exercise, final disposal plan will be initiated. Efforts to sell the above land and building have started and sale is expected by next financial year.

13. INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2021	As at March 31, 2020
Raw materials	30,129.7	25,130.8
Packing materials	3,549.8	3,492.7
Work-in-progress	13,024.8	13,151.7
Finished goods	28,739.7	25,359.2
Stock-in-trade	12,446.6	8,126.7
Stores, spares and consumables	2,375.1	1,737.6
	90,265.7	**76,998.7**

Details of material in transit included in inventories above

Raw materials	858.0	1,324.9
Finished goods	3,715.9	4,703.3

During the year, the Company recorded inventory write-downs to net realisable value of ₹2,742.7 (March 31, 2020: ₹1,125.6). These adjustments were included in cost of material consumed and changes in inventories.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

14. CASH AND BANK BALANCES

	As at March 31, 2021	As at March 31, 2020
(A) Cash and cash equivalents		
Balances with banks:		
in current accounts	52,841.4	26,349.5
in cash credit accounts	884.0	12.1
in deposit accounts - with original maturity of less than 3 months	6.5	1,272.0
Cash on hand	2.8	3.5
	53,734.7	**27,637.1**
(B) Bank balances other than cash and cash equivalents		
Balances with banks - deposits with maturity less than 12 months	982.1	759.1
Earmarked balances with banks:		
in unpaid dividend account	26.0	25.3
Margin money deposits - given against bank guarantees/performance guarantees	102.7	55.2
	1,110.8	**839.6**
Amount disclosed under non-current financial assets (refer note 9(A))	(102.7)	(55.2)
	1,008.1	**784.4**
(C) For the purpose of statement of cash flows, cash and cash equivalents comprise of following:		
Cash and cash equivalents as above	53,734.7	27,637.2
Less: Cash credit (refer note 17(B))	(435.6)	(168.9)
	53,299.1	**27,468.3**

(D) The disclosure regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2021.

15. EQUITY SHARE CAPITAL

	As at March 31, 2021	As at March 31, 2020
a) Authorised		
660,000,000 (March 31, 2020: 660,000,000) equity shares of ₹1 each	660.0	660.0
1,000,000 (March 31, 2020: 1,000,000) preference shares of ₹100 each	100.0	100.0
	760.0	**760.0**

b) Issued, subscribed and fully paid-up equity shares

	Equity Shares	
	Numbers	Value
As at April 1, 2019	585,915,609	585.9
Issued during the year under Employees Stock Option Plan (ESOP)	23,000	-
As at March 31, 2020	**585,938,609**	**585.9**
Issued during the year under Employees Stock Option Plan (ESOP)		
As at March 31, 2021	**585,938,609**	**585.9**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

c) Terms/rights attached to equity shares

The Parent Company has only one class of equity shares having a par values of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

The Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. For the year ended March 31, 2021, the amount of dividend per share declared as distribution to equity shareholders was ₹4.0 (March 31, 2020: ₹3.0). Refer note 16(c) for details of dividend declared/recognised in the consolidated financial statements.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% of total number of equity shares in the Parent Company

	As at March 31, 2020	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.51%
HDFC Trustee Company Limited (through various mutual funds)	51,504,246	8.79%

	As at March 31, 2021	
	Numbers	% holding
RPR Sons Advisors Private Limited and Mrs. P. Suneela Rani (Joint Holders)*	196,376,250	33.51%

* As per records of the Parent Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of shares and the beneficial ownership is with RPR Enterprises, a partnership firm.

e) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance sheet date.

f) For details of shares reserved for issue under Employee stock option plan (ESOP) of the Company, refer note 35

16. OTHER EQUITY

	As at March 31, 2021	As at March 31, 2020
A. Summary of other equity balance		
Capital reserve	818.9	818.9
Capital redemption reserve	90.0	90.0
Securities premium account	4,178.9	4,178.9
General reserve	8,131.6	8,131.6
Retained earnings	201,367.6	150,424.0
Other Comprehensive Income (OCI)	4,125.8	4,017.4
	218,712.8	**167,660.8**

a) For details of employee share based payments refer note 35

b) The disaggregation of changes in reserves and surplus and OCI are disclosed in statement of changes in equity.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

c) The details of distribution of dividend made are as under:

	As at March 31, 2021	As at March 31, 2020
Cash dividends on equity shares declared and paid during the year		
Interim dividend for the year ended March 31, 2021: ₹4.0 per share (March 31, 2020: ₹3.0 per share)	2,343.8	1,757.8
Dividend distribution tax on interim dividend	-	96.6
	2,343.8	**1,854.4**

B. Nature and purpose of reserves

(a)	**Capital Reserve :**	Represents capital reserve balances of the acquired entities which are transferred to the Group upon mergers in the earlier years and those arising on acquisition.
(b)	**Capital redemption reserve :**	The Parent Company has recognised capital redemption reserve on redemption of non-convertible preference shares. The amount in Capital Redemption Reserve is equal to nominal amount of the non-convertible preference shares redeemed. This reserve will be utilised in accordance with Section 69 of the Companies Act, 2013.
(c)	**Employee stock options outstanding account :**	The fair value of the equity-settled share based payment transactions with employees is recognised in consolidated statement of profit and loss with corresponding credit to Employee Stock Options Outstanding account. This will be utilised for allotment of equity shares against outstanding employee stock options.
(d)	**Securities premium account :**	The amount received in excess of face value of the equity shares is recognised in securities premium reserve. In case of equity-settled share based payment transactions, the difference between fair value on the grant date and nominal value of share is accounted as securities premium reserve. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.
(e)	**General reserve :**	The Parent Company has transferred a portion of its net profit before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. This reserve also includes transferred cumulative translation differences arising from foreign operations forming part of foreign currency translation reserve which were deemed to be zero upon transition to Ind AS as at April 1, 2015.
(f)	**Retained Earnings :**	Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distribution to share holders.
(g)	**Other Comprehensive Income (OCI):**	Other comprehensive income comprises of: **(i) Re-measurement of defined employee benefit plans:** Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments with in the plans, are recognised in other comprehensive income and subsequently not reclassified in to consolidated statement of profit and loss. **(ii) Exchange differences on translation of financial statements of foreign operations:** Represents exchange differences arising on account of conversion of foreign operations to Group's functional currency.
(h)	**Non-controlling interest**	Net profit/(loss) attributable to minority shareholders.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

17. BORROWINGS

	As at March 31, 2021	As at March 31, 2020
(A) Non - Current borrowings		
Term loans from Banks		
Foreign currency term loans - Secured (refer note (i) below)	1,684.0	-
	1,684.0	**-**
(B) Current borrowings		
Term loans from Banks		
Current maturities of foreign currency term loans (unsecured) (refer note (ii) below)	-	1,396.7
Foreign currency term loans (unsecured) (refer note (vi) below)	8,060.5	16,913.7
- Cash credit facilities (secured) (refer note (iii) below)	435.6	6.1
- Cash credit facilities (Unsecured) (refer note (vii) below)	-	162.8
- Working capital demand loan (secured) (refer note (iii) below)	-	500.0
- Working capital demand loan (Unsecured) (refer note (viii) below)	-	1,000.0
- Packing credit loans (secured) (refer note (iv) below)	8,415.0	12,643.6
- Packing credit loans (unsecured) (refer note (iv) below)	24,580.1	21,702.7
- Bill discounting facility (Unsecured) (refer note (iv) below)	6,535.9	1,294.1
	48,027.1	**55,619.7**
Amount disclosed under the head "Other financial liabilities" (refer note 20)	-	(1,396.7)
	48,027.1	**54,223.0**
(C) Details of secured and unsecured borrowings		
Secured borrowings	10,534.6	13,149.7
Unsecured borrowings	39,176.5	42,470.0
	49,711.1	**55,619.7**

(i) Secured foreign currency term loan amounting to ₹1,065.9 (March 31, 2020: ₹Nil) carrying interest rate of 0.80% (March 31, 2020: Nil) is secured by buildings and is payable in equal quarterly installments and the last installment is payable in 2023 and secured foreign currency term loan amounting to ₹618.1 (March 31, 2020: ₹Nil) is secured by capital work in progress, carrying interest rate of 4.90% (March 31, 2020: Nil) and is payable in halfyearly installments and the last installment is payable in June 2026.

(ii) Unsecured foreign currency term loan amounting to ₹Nil (March 31, 2020: ₹1,396.7) carrying interest rate of Nil (March 31, 2020: 0.91%).

(iii) All secured working capital demand loans are secured by first pari passu charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) and carry interest rate in the range of Nil (March 31, 2020: interest of 6.25% to 8.75%).

(iv) All secured packing credit foreign currency loans carry interest rate in the range of respective LIBOR plus 25 basis points (March 31, 2020: respective LIBOR plus 45 to 60 basis points) with maturity within 6 months. All unsecured packing credit foreign currency loans carry interest rate in the range of respective LIBOR plus -5 to 20 basis points (March 31, 2020: respective LIBOR plus 12 to 60 basis points) with maturity within 6 months.

(v) All unsecured bills discounted carry variable interest rate in the range of respective LIBOR plus -10 to 2 basis points and fixed interest rate 30 basis points (March 31, 2020: respective LIBOR plus 20 to 40 basis points).

(vi) Unsecured short-term foreign currency loans amounting to ₹8,060.5 (March 31, 2020: ₹9,725.5) carry interest in the range of 0.592% to 1% (March 31, 2020: 0.765% to 1%). Unsecured short term foreign currency loans amounting to ₹Nil (March 31, 2020: ₹7,188.2) carry interest in the range of Nil (March 31, 2020: 1 month Libor plus 75 basis point).

(vii) All unsecured cash credit facilities carry interest rate in the range of MCLR + 30 bps (March 31, 2020: MCLR + 0 bps to 75 bps).

(viii) All unsecured working capital demand loans carry interest rate in the range of Nil (March 31, 2020: 6% to 8.6%).

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

18. PROVISIONS

	As at March 31, 2021	As at March 31, 2020
(A) Non-current		
For employee benefits		
Gratuity and other retirement benefits (refer note 36(b))	299.7	721.9
Compensated absences	1,115.7	25.2
Other employee benefit obligations	155.7	-
	1,571.1	**747.1**
(B) Current		
For employee benefits		
Gratuity and other retirement benefits (refer note 36(b))	88.8	384.9
Compensated absences	51.0	1,118.0
Provisions for sales returns, cash discount, accrued medical taxes and others	1,579.5	2,663.5
	1,719.3	**4,166.4**

19. TRADE PAYABLES

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	176.9	427.8
Total outstanding dues of creditors other than micro enterprises and small enterprises	27,769.9	25,332.8
	27,946.8	**25,760.6**

(Refer note 44 (c) (ii) for the Group's liquidity risk management process)

20. OTHER FINANCIAL LIABILITIES

	As at March 31, 2021	As at March 31, 2020
(A) Non-current		
Lease liabilities	2,661.9	2,644.1
Others	541.0	-
	3,202.9	**2,644.1**
(B) Current		
Current maturities of non-current borrowings (Refer note 17(B))	-	1,396.7
Capital creditors	4,186.8	1,686.5
Acceptances *	2,118.8	3,638.7
Security deposits	1.5	1.5
Unclaimed dividend	26.0	25.3
Interest accrued but not due on borrowings	12.8	41.2
Lease liabilities	1,006.2	1,109.7
Derivatives - foreign currency forward contracts	-	22.3
Rebates	12,771.9	13,388.1
Others	1,168.8	1,076.9
	21,292.8	**22,386.9**

* Acceptances includes credit availed by the Company from banks for payment to supplies for raw materials purchased by the Company. The arrangements are interest bearing ranging from 0.20% to 0.24% p.a above the respective LIBOR. These are largely repayable within 180 days. (March 31, 2020 : interest bearing ranging from 0.17% to 0.24% p.a)

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

21. OTHER LIABILITIES

	As at March 31, 2021	As at March 31, 2020
(A) Non-current		
Other payables	394.9	874.8
	394.9	**874.8**
(B) Current		
Advances from customers	106.8	212.1
Deferred income	3.5	10.1
Statutory liabilities	1,116.2	1,149.3
Employee payables	890.2	862.4
Other payables	3,445.2	4,124.8
	5,561.9	**6,358.7**

22. CURRENT TAX LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Provision for income tax (net of advance tax)	2,103.6	950.8

23. REVENUE FROM OPERATIONS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products (including excise duty)	244,228.0	226,490.7
Sale of services	1,351.4	888.9
Other operating revenue		
Scrap sales	134.5	149.0
Export incentives	2,032.3	3,456.5
	247,746.2	**230,985.1**
Details of sale of services		
Dossier income	27.5	32.0
Service income	1,323.9	856.9
	1,351.4	**888.9**

(a) Reconciliation of revenue from sale of products with the contracted price:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue as per contracted price	487,383.5	478,174.9
Adjusted for:		
Sales returns	(3,334.6)	(3,857.8)
Chargebacks, rebates and discounts	(234,816.9)	(237,722.6)
Others adjustments	(5,004.0)	(10,103.9)
Total revenue from contracts with customers	**244,228.0**	**226,490.6**

(b) For information on disaggregation of revenue by primary geographical markets, refer note 52.

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

24. OTHER INCOME

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on financial assets		
Bank deposits	107.6	132.0
Other deposits and receivables	57.4	43.3
Investments in Optionally Convertible Debentures	58.7	33.8
Allowance for doubtful receivables written back	291.2	-
Liabilities no longer required written back (net)	534.0	263.2
Foreign exchange gain (net)	1,035.8	1,056.7
Commission income	53.2	54.5
Miscellaneous income	1,670.6	335.2
	3,808.5	**1,918.7**

25. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw material consumed		
Opening stock*	24,344.2	23,967.1
Add: Purchases	78,265.1	68,020.1
	102,609.3	**91,987.2**
Less: Closing stock	30,129.7	25,130.8
Cost of raw material consumed	**72,479.6**	**66,856.4**
Adjustment for fluctuation in exchange rates	(54.6)	248.5
Packing materials consumed **	10,747.6	10,144.9
	83,172.6	**77,249.8**

*Includes inventories on acquisition of a subsidiary ₹420.6 (March 31, 2020 ₹Nil)
Excludes inventories on disposal of a subsidiary ₹1,207.2 (March 31, 2020 ₹Nil)
**Includes inventories on acquisition of a subsidiary ₹109.9 (March 31, 2020 ₹Nil)

26. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year		
Stock-in-trade	8,126.7	10,861.5
Work-in-progress*	13,202.6	13,549.9
Finished goods**	25,388.5	19,037.5
	46,717.8	**43,448.9**
Inventories at the end of the year		
Stock-in-trade	12,446.6	8,126.7
Work-in-progress	13,024.8	13,151.7
Finished goods	28,739.7	25,359.2
	54,211.1	**46,637.6**
	(7,493.3)	**(3,188.7)**
Transferred from capital work-in-progress	-	-
On account of stock write off	205.2	98.1
Adjustment for fluctuation in exchange rates	(396.4)	(2,268.2)
	(7,302.1)	**(1,018.6)**

*Includes inventories on acquisition of a subsidiary ₹50.9 (March 31, 2020 ₹Nil)
**Includes inventories on acquisition of a subsidiary ₹29.3 (March 31, 2020 ₹Nil)

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

27. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	30,695.2	28,068.1
Contribution to provident and other funds (refer note 36(a))	1,436.9	1,328.5
Gratuity expense (refer note 36(b))	310.7	221.1
Compensated absences expense	384.5	316.1
Staff welfare expenses	2,436.7	2,258.0
Share based payments	86.2	-
	35,350.2	**32,191.8**

28. FINANCE COSTS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on financial liabilities measured at amortised cost	452.3	113.0
Interest expenses on lease liabilities	143.4	1,303.3
Bank and other finance charges	149.2	181.3
Exchange differences regarded as an adjustment to borrowing costs	-	1,453.7
	744.9	**3,051.3**

29. DEPRECIATION AND AMMORTISATION EXPENSE

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 3)	6,873.6	6,292.9
Depreciation on Right to use Assets	1,142.5	1,015.6
Amortisation of intangible assets (refer note 5)	2,537.8	2,358.6
	10,553.9	**9,667.1**

30. OTHER EXPENSES

	For the year ended March 31, 2021	For the year ended March 31, 2020
Conversion charges	651.2	689.1
Consumption of stores and spares	2,024.8	1,871.3
Chemicals consumed	4,270.3	3,193.8
Power and fuel	5,892.8	5,876.8
Carriage inward	791.0	707.1
Factory maintenance	690.0	488.3
Effluent treatment expenses	903.8	356.5
Repairs and maintenance		
i) Plant and machinery	1,691.0	1,673.2
ii) Buildings	437.7	538.2
iii) Others	539.9	484.1
Rent (Refer note 32(A)(a))	1,225.4	1,141.1
Rates and taxes	890.7	1,025.9
Printing and stationery	339.8	362.2
Postage, telegrams and telephones	384.5	281.1
Insurance	891.0	665.8
Legal and professional charges	7,354.2	5,829.5

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Directors sitting fees	11.4	3.7
Remuneration to auditors	25.8	20.6
Sales commission	2,447.5	2,166.7
Carriage outwards	8,383.2	6,833.2
Selling expenses	4,811.0	6,247.6
Travelling and conveyance	473.8	865.6
Vehicle maintenance expenses	204.4	238.0
Analytical charges	5,114.1	1,711.7
Bad debts/advances written off	281.6	69.4
Allowance for doubtful receivables (net)	-	615.9
Registration, license and filing charges	2,819.8	2,699.8
Product development expenses	688.1	1,217.9
Software license and implementation expenses	319.5	311.6
Loss on sale/write-off of property, plant and equipment (net) and intangible assets written off (refer note 3 and 5.2)	1,411.2	370.4
Corporate Social Responsibility (CSR) expenditure (refer note below)	894.3	601.1
Miscellaneous expenses	3,173.5	3,640.7
	60,037.3	**52,797.9**

Details of CSR expenditure

	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Gross amount required to be spent by the Parent Company during the year	447.9	435.7

	in cash	Yet to be paid in cash	Total
b) Amount spent during the year ending on March 31, 2021:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	835.7	-	835.7
c) Amount spent during the year ending on March 31, 2020:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	601.1	-	601.1

31. INCOME TAX

The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Statement of profit and loss		
Current tax	23,218.2	9,433.8
Deferred tax	(3,120.5)	(440.3)
	20,097.7	**8,993.5**
Other comprehensive income		
Deferred tax - net loss on remeasurements of defined benefit plan	37.0	68.4
	37.0	**68.4**

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

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Reconciliation of effective tax rate for the year ended March 31, 2021 and March 31, 2020		
Profit before tax	73,435.8	37,430.2
Enacted tax rate in India	34.94%	34.94%
Tax at statutory tax rate	25,661.4	13,080.0
Other than temporary differences		
Tax holidays (Refer Note "a" below)	(3,037.6)	(2,546.4)
Weighted deduction allowed for research and development expenditure	(58.8)	(839.6)
Dividend received from foreign subsidiary charged at special rate of tax	-	177.4
Differences in tax rates	(4,986.6)	(1,517.4)
Expenses not deductible for tax purposes *	1,955.0	259.3
Others	564.3	380.6
Total	**(5,563.7)**	**(4,086.5)**
Income tax expense	20,097.7	8,993.5
Temporary differences		
Deferred tax movement		
Effective tax rate	27.37%	24.03%

* Includes impairment of Goodwill not deductible for tax purposes

Notes:

(a) The Parent Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfillment of certain conditions. From April 1, 2011 units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

(b) The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Ordinance inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates as per the provisions/conditions defined in the said section. The Company has evaluated the above Ordinance and based on its evaluation currently the management proposed to continue with the old tax rates.

(c) During the year ended March 31, 2021 and March 31, 2020, the Parent Company has paid dividend to shareholders, this has resulted in payment of dividend distribution tax to the taxation authorities. The Parent Company believes that dividend distribution tax represents additional payment to tax authorities on behalf of shareholders. Hence, dividend distribution tax paid is charged to equity.

d) Deferred taxes have not been recognised on undistributed earnings of subsidiaries and joint ventures, where it is expected that the profits of its subsidiaries and joint ventures will not be distributed in the foreseeable future. The Group reinvests the profits of its subsidiaries and joint ventures, and accordingly, has not recorded any deferred taxes for the same. Significant judgements are involved in determining provision for current tax and deferred tax on deductible temporary differences. Deferred tax is not recognised on deductible temporary differences, where the Group believes that availability of taxable profits against which such temporary differences can be utilised, is not probable.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

32 COMMITMENTS

A. Leases

a. Operating lease commitments - Group as lessee

Effective April 1, 2019, the Group adopted Ind-AS 116, on all lease contracts existing on April 1, 2019 using the modified retrospective method with Right-of-use assets recognised at an amount equal to the lease liabilities in the balance sheet. On transition, the adoption of the standard resulted in recognition of Right-of-use assets (ROU) of ₹4,013.9 (includes reclassification of finance lease assets of ₹1,054.9 as at March 31, 2019) and lease liabilities of ₹3,599.0 (includes reclassification of finance lease obligations of ₹640.0 as at March 31, 2019). The Right-of-use assets as on March 31, 2021 and March 31, 2020 have been presented as part of Property, plant and equipment.

Changes in lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	3,753.8	3,599.0
Additions	1,629.4	954.4
Deletions	(597.7)	(72.0)
Finance cost	143.6	112.9
Payment of lease liabilities	1,223.1	1,024.1
Forex gain/(loss)	37.9	(183.6)
Closing Balance	**3,668.1**	**3,753.8**
Non current lease liability	2,661.9	2,644.1
Current lease liability	1,006.2	1,109.7

Cash outflow on leases

Particulars	As at March 31, 2021	As at March 31, 2020
Payment of lease liabilities	1,079.5	911.2
Interest on lease liabilities	143.6	112.9
Total cash outflow on leases	**1,223.1**	**1,024.1**

Contractual maturities of lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	1,097.9	1,175.3
1 to 5 years	2,346.2	2,623.7
above 5 years	273.5	274.5
	3,717.6	**4,073.5**

The details of the right-of-use asset held by the Group is as follows:

Particulars	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021	Additions for the year ended March 31, 2020	Net carrying amount as at March 31, 2020
Right-of-use Assets				
Land and land rights	1.5	601.0	124.6	594.3
Buildings	133.5	2,019.2	537.2	1,591.8
Equipment	-	926.6	-	1,425.2
Vehicles	29.4	587.7	417.2	621.2
Total	**164.4**	**4,134.5**	**1,079.0**	**4,232.5**

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Depreciation on right-of-use asset is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Right-of-use Assets		
Land	17.9	16.6
Buildings	446.5	387.7
Equipment	417.3	385.8
Vehicles	260.9	225.5
Total	**1,142.6**	**1,015.6**

The Group's exposure to leases not yet commenced to which the Group is committed is ₹Nil (March 31, 2020 : ₹912.6).

The Group incurred ₹302.7 for the year ended March 31, 2021 (March 31, 2020: ₹137.6) towards expenses relating to short-term leases and leases of low-value assets.

B. Capital and other commitments

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	9,423.4	5,134.1

33 CONTINGENT LIABILITIES AND LITIGATIONS

	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Claims against the Group not acknowledged as debt		
Claims arising from disputes not acknowledged as debts - indirect taxes (excise duty and service tax)*	198.0	220.3
Claims arising from disputes not acknowledged as debts - direct taxes *	415.2	263.6
Claims against the Group not acknowledged as debts - other duties/ claims ^	187.7	150.3
(B) Guarantees		
Outstanding bank guarantees	607.4	825.6

* in respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group. The Group is contesting these demands and the Management, including its advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the demands raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

^ The Group is involved in disputes, claims, Governmental and/or regulatory inspection, inquires, including patents and commercial maters that arise from time to time in the ordinary course of business. The same are subject to uncertain future events not wholly within the control of the Group. The management does not expect the same to have materially adverse effect on its financial position, as it believes the likely hood of any loss is not probable.

In addition to the above, the Parent Company along with a subsidiary is a party to certain pending disputes with regulatory authorities relating to the certain allotment of lands that have taken place in earlier years. During the year 2018-19, pursuant to the order of the Honourable Appellate Tribunal, the lands belonging APL Research Centre Limited (merged with Parent company w.e.f April 1, 2019), subsidiary, which were attached earlier, were released after placing a fixed deposit of ₹131.6 as a security deposit with Enforcement Directorate. While the disposal of the cases are subject to final judgement from the CBI Special Court, in the assessment of the management and as legally advised, the allegations are unlikely to have a significant material impact on the financial statements of the Parent Company.

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

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(C) Litigation

Regulatory and Governmental matters

As part of the ongoing industry-wide investigation by Antitrust Division of the United States Department of Justice ("DOJ") pertaining to price fixing and price-collusion allegations the DOJ served a grand jury subpoena on Aurobindo Pharma USA, Inc. requesting certain information and documentation including the pricing of Company products. The scope of the subpoena is from January 1, 2012 through March of 2016. The civil division of the DOJ also subsequently served a Civil Investigation Demand requesting similar information and documentation. The scope of the CID is from January 1, 2009 through May 11, 2018. The subpoena and the CID itself do not asset any claims, actions or allegations of wrongdoing against the Company. Management and counsel continue to cooperate with the DOJ's subpoena and to respond with information requested pursuant to the subpoena. The Company continues to review the issue internally and believes that is has not engaged in any unlawful conduct that would lead to civil or criminal liability.

34 EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Earnings		
Consolidated profit after tax attributable to the owners of the Parent Company considered for calculation of basic and diluted earnings per share	53,348.3	28,451.3
Shares		
Weighted average number of Equity Shares considered for calculation of basic earnings per share	585,938,609	585,938,609
Earnings per share of face value ₹1/-		
- Basic	91.05	48.56
- Diluted	91.05	48.56

35 SHARE BASED PAYMENTS

Employee Stock Option Plan "ESOP-2006"

The Parent Company instituted an Employee Stock Option Plan "ESOP-2006" for issue of shares to eligible employees of the Group as per the special resolution passed in the 19th Annual General Meeting held on September 18, 2006. The compensation committee of the Board of directors accordingly, granted 3,240,500 options under eight grants of 175,000, 25,000, 90,000, 1,205,000, 300,000, 500,000, 915,500 and 30,000 options to eligible employees on October 30, 2006, July 31, 2007, October 31, 2007, December 16, 2011, June 19, 2012, January 9, 2013, January 28, 2013 and August 9, 2013 respectively. The method of settlement under scheme is by issue of equity shares of the Parent Company and there are no cash settlement alternatives for the employees. Each option comprises of one underlying Equity Share of ₹1/- each. The said options vest on an annual basis at 10%, 15%, 25% and 50% over a period of four years and can be exercised over a period of six years from the date of grant of options. The options have been granted at the then prevailing market price of ₹120.70, ₹132.35, ₹114.50, ₹91.60, ₹106.05, ₹200.70, ₹187.40 and ₹161.30 per share respectively. The fair value of share options grants is estimated at the date of grant using Black-Scholes model, taking into account the terms and conditions upon which the share options were granted.

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The details of ESOP 2006 Scheme are summarised below:

Grant	Grant date	Number of options granted	Exercise price*	Weighted average fair value of option at grant date*
1st Grant	October 30, 2006	175,000	60.35	73.10
2nd Grant	July 31, 2007	25,000	66.18	78.82
3rd Grant	October 31, 2007	90,000	57.25	68.18
4th Grant	December 16, 2011	1,753,800	45.80	54.35
5th Grant	June 19, 2012	300,000	53.03	57.42
6th Grant	January 9, 2013	500,000	100.35	119.22
7th Grant	January 28, 2013	1,483,170	93.70	111.32
8th Grant	August 9, 2013	57,000	80.65	96.30

*Adjusted for bonus issue.

The details of activity under the Scheme ESOP 2006 are summarised below :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Options outstanding at the beginning of the year	-	23,000
Granted during the year	-	-
Vested / exercisable during the year		23,000
Exercised during the year		23,000
Forfeited during the year subject to reissue		
Options outstanding at end of the year	-	-
Exercisable at the end of the year	-	-
Weighted average exercise price for all the above options (₹)		
Weighted average fair value of options at the date of grant (₹)		

The details of share options outstanding are summarised below:

	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)
As at March 31, 2021	-	-	-
As at March 31, 2020	-	-	-

The following table lists the assumptions used for the plan:

	As at March 31, 2021			
	Dividend yield	Expected volatility	Risk-free interest rate	Expected life of options granted in years
8th Grant	NA			

	As at March 31, 2020			
	Dividend yield	Expected volatility	Risk-free interest rate	Expected life of options granted in years
8th Grant	NA			

Notes to Consolidated Financial Statements

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36 EMPLOYEE BENEFITS

a) Disclosures related to defined contribution plan

In accordance with Indian law, all eligible employees of APL and its subsidiaries are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. APL and its subsidiaries in India contribute as specified under the law to the Provident Fund:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident fund contribution recognised as expense in the consolidated statement of profit and loss *	602.5	537.6

* Includes ₹6.5 (March 31, 2020: ₹10.8) transferred to capital work in progress

b) Disclosures related to defined benefit plan

The Parent Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity on departure at 15 days last drawn salary for each completed year of service or part thereof in excess of six months.

This defined benefit plan exposes the Parent Company to actuarial risk, such as longevity risk, interest rate risk and market (investment) risk.

The plan is funded with Life Insurance Corporation in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit and loss, the fund status and amounts recognised in the consolidated balance sheet:

Net employee benefit expense (included under employee benefit expenses)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	246.3	191.2
Past service cost	-	-
Interest on defined benefit liability	34.6	23.3
Net employee benefit expenses *	**280.9**	**214.5**

* Includes ₹1.6 (March 31, 2020: ₹3.8) transferred to capital work in progress

Details of the employee benefits obligations and plan assets are as follows:

	As at March 31, 2021	As at March 31, 2020
Present value of funded obligation	2,095.7	1,703.1
Fair value of plan assets	2,139.4	1,071.3
Net defined benefit liability	**(43.8)**	**631.8**

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for the year ended March 31, 2021

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Details of changes in present value of defined benefit obligation are as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening defined benefit obligation	1,703.1	1,284.7
Current service cost	246.3	191.2
Past service cost	-	-
Interest on defined benefit obligation	104.8	92.0
Acquisition/Divesture	(5.0)	-
Benefits paid	(81.2)	(59.2)
Remeasurement due to:		
Actuarial loss arising from changes in experience	130.5	36.9
Actuarial loss arising from changes in demographic assumptions	-	0.1
Actuarial (gain)/loss arising from changes in financial assumptions	(2.8)	157.4
Closing defined benefit obligation	**2,095.7**	**1,703.1**

Details of changes in fair value of plan assets are as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening fair value of plan assets	1,071.4	900.9
Interest on plan assets	70.2	68.7
Employer Contribution	1,042.4	159.5
Acquisition/Divesture	7.6	-
Benefits paid	(81.2)	(59.2)
Remeasurement due to - actual return on plan assets less interest on plan assets	29.1	1.5
Closing fair value of plan assets	**2,139.5**	**1,071.4**

Sensitivity analysis

The sensitivity of over all plan obligations to changes in key assumptions are as follows:

	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation without effect of projected salary growth rate	1,352.0	1,119.5
Add: effect of salary growth rate	743.7	583.6
Defined benefit obligation with effect of projected salary growth	2,095.7	1,703.1
Defined benefit obligation, using discount rate plus 50 basis points	2,027.5	1,648.4
Defined benefit obligation, using discount rate minus 50 basis points	2,168.2	1,761.1
Defined benefit obligation, using salary growth rate plus 50 basis points	2,164.2	1,759.0
Defined benefit obligation, using salary growth rate minus 50 basis points	2,030.2	1,649.8

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Funds managed by Insurers	100%	100%

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

	As at March 31, 2021	As at March 31, 2020
Financial assumptions		
Discount rate (p.a.)	6.57%	6.55%
Expected salary increase (p.a)	10% for 2 Years and 7% thereafter	10% for 2 Years and 7% thereafter
Demographic assumptions		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

Attrition rate	As at March 31, 2021		As at March 31, 2020	
	Age (years)	Rates (p.a)	Age (years)	Rates (p.a)
	21 - 30	16%	21 - 30	16%
	31 - 40	12%	31 - 40	12%
	41 - 50	6%	41 - 50	6%
	51 - 57	23%	51 - 57	23%

Discount rate : The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.

Salary escalation rate : The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other related factors.

	As at March 31, 2021	As at March 31, 2020
Maturity profile of the defined benefit obligation		
Average expected future working life (Years)	8.1	8.1
Expected future cash flow of gratuity		
Within 12 months	249.3	207.3
Between 2 and 5 years	882.4	719.7
Beyond 5 years	2,444.0	2,052.0

Notes:

1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

2. The Parent Company expects to contribute ₹249.3 (March 31, 2020: ₹207.3) during the year ending March 31, 2022 to the qualifying insurance policy.

3. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period by varying one actuarial assumption, keeping all other actuarial assumptions constant.

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

37 CAPITAL WORK-IN-PROGRESS INCLUDES EXPENDITURE DURING CONSTRUCTION PERIOD PENDING CAPITALISATION

	As at March 31, 2021	As at March 31, 2020
Balance brought forward	1,488.7	581.2
Add: Incurred during the year		
Salaries, wages and bonus	444.4	252.6
Contribution to provident and other funds	2.4	0.6
Staff welfare expenses	27.4	3.7
Cost of materials consumed	96.4	64.2
Consumption of material for testing	-	27.6
Consumption of stores and spares	8.8	89.1
Chemicals consumed	83.2	16.7
Power and fuel	214.8	220.4
Carriage inward	1.0	0.3
Conversion charges	18.2	22.9
Rates and taxes	14.8	7.8
Printing and stationery	2.7	5.0
Postage, telegram and telephones	0.7	0.7
Insurance	3.3	3.1
Legal and professional charges	65.1	61.1
Travelling and conveyance	8.0	4.6
Analytical charges	32.8	31.8
Depreciation	0.3	(1.6)
Factory maintenance	54.2	54.8
Software license and implementation expenses	1.2	1.1
Product development expenses	0.1	0.1
Miscellaneous expenses	160.9	104.0
	2,729.4	**1,551.8**
Less: Capitalised to property, plant and equipment during the year	-	63.1
Balance carried forward	**2,729.4**	**1,488.7**

38 ACQUISITION OF SUBSIDIARY

Effective November 6, 2020, the Parent Company Aurobindo Pharma Ltd acquired 100% equity in Mviyes Pharma Ventures Private Limited. Mviyes Pharma Ventures Private Limited was holding 29.13% shareholding in Eugia Pharma Specialities Limited, a joint venture company in which the Parent Company, through its wholly owned subsidiary company was holding 70.87%. By this acquisition both Eugia Pharma Specialities Limited and Mviyes Pharma Ventures Private Limited have become wholly owned subsidiaries.

Eugia Pharma Specialities Limited, is engaged in the business of development and manufacturing of oncology and harmonal generic formulations. Eugia Pharma Specialities Limited has its R&D and manufacturing facilities located at Hyderabad. It supplies its products in regulated markets i.e. United States, Europe and Canada along with some other key emerging market countries.

The purchase price of the acquired entity on November 6, 2020 had been allocated based on estimated fair values at the acquisition date, for various assets and liabilities acquired/ assumed under a Sale and Purchase Agreement. The Company determined fair values based on its then estimates and third party technical evaluation for various tangible and intangible assets acquired.

As at March 31, 2021, the consolidated balance sheet reflects the purchase price allocated to the assets acquired and liabilities assumed based on estimated fair values. The final purchase price allocation carried out during the year resulted in goodwill of ₹2,410.7. The following table summarises the allocation of purchase price consideration, for the fair values of the assets acquired and liabilities assumed and the determination of Goodwill.

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Particulars	Amount as on November 6, 2020
Amount paid for acquisition of controlling interest	2,742.1
Group share of fair value on the date of acquisition	5,286.0
Add: Net debts taken over	5,104.2
Total [A]	**13,132.3**
Liabilities assumed:	
Non current	
Non current Provisions	10.7
Current	
Trade payables	429.2
Other financial liabilities	11.3
Other current liabilities	34.9
Provisions	4.2
Total liabilities assumed [B]	**490.3**
Fair value of assets acquired:	
Non current	
Property plant and equipment	4,846.4
Capital work-in-progress	369.5
Other intangible assets	849.3
Intangible assets under development	3,249.7
Financial assets	61.3
Deferred Tax Assets	82.6
Non-current tax assets	5.7
Other non-current assets	752.8
Current	
Inventories	564.3
Trade receivables	153.0
Other assets	277.4
Total fair value of assets acquired [C]	**11,212.0**
Goodwill [A+B-C]	**(2,410.6)**

The valuation techniques used for measuring the fair value of assets acquired were as follows:

Assets acquired	Valuation technique
Intangible assets and intangible assets under development	The valuation was carried out as per Multi-period Excess Earning Method

a. Summary of post acquisition revenue and gain of the acquired entities included in the consolidated statement of profit and loss for the year ended March 31, 2021

Particulars	For the year ended March 31, 2021
Revenue	858.1
Net loss considered in the consolidated statement of profit and loss	(532.5)

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

b. The consolidated revenue and consolidated net profit of the Group for the current reporting period had the acquisition taken place at the beginning of the accounting period.

Particulars	For the year ended March 31, 2021
Consolidated revenue from operations	248,733.6
Consolidated profit for the year	52,639.5

c. For acquired receivables:

Particulars	As at March 31, 2021
The gross contractual amounts receivable	153.0
The best estimate at the acquisition date of the contractual cash flows not expected to be collected (provision)	-
Net value	**153.0**

39 ACQUISITION OF BUSINESS

(i) Effective February 7, 2020, Auro Vaccines, LLC a subsidiary of Aurobindo Pharma USA Inc., acquired certain rights, title and interest in all of the assets owned, leases used or licensed by Profectus BioSciences Inc., US for an upfront cash consideration of ₹1,008.8. The acquisition provides access to proprietary and innovative technology platforms for prophylactic use and therapeutic use.

Particulars	Amount as on March 31, 2021
Purchase consideration [A]	1,008.8
Liabilities assumed:	
Other non-current liabilities *	541.0
Other financial liabilities *	24.1
Trade payable *	7.5
Total fair value of liabilities assumed [B]	**572.6**
Fair value of assets acquired	
Intangible assets *	1,345.2
Accounts Receivable *	150.2
Total fair value of assets acquired [C]	**1,495.4**
Goodwill [A-B-C]	**(86.0)**

The valuation techniques used for measuring the fair value of assets acquired were as follows:

Assets acquired	Valuation technique
Intangible assets	The valuation was carried out as per Multi-period Excess Earning Method

* The fair value of assets and liabilities on the date of acquisition had been determined on a provisional basis by the management on the basis of its assessment of the nature of business and the underlying assets acquired. During the year, finalisation of purchase price allocation has not resulted in material change in accounting of assets acquired and liabilities assumed.

a. Summary of post acquisition revenue and profit of the acquired business included in the consolidated statement of profit and loss for the year ended March 31, 2020

	For the year ended March 31, 2020
Revenue	47.1
Net loss considered in the consolidated statement of profit and loss	(35.0)

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for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

b. The consolidated revenue and consolidated net profit of the Group for the current reporting period had the acquisition taken place at the beginning of the accounting period.

	For the year ended March 31, 2020
Consolidated revenue from operations	231,836.5
Consolidated profit for the year	28,026.1

40 RELATED PARTY DISCLOSURES

i) Names of related parties and description of relationship

a) Joint ventures

Novagen Pharma (Pty) Limited, South Africa (Joint Venture of a step-down subsidiary, Aurogen South Africa (Pty) Ltd, South Africa)
Eugia Pharma Specialities Limited, India (Joint venture of a subsidiary, Curepro Parenterals Limited, India) upto November 6, 2020
Tergene Biotech Private Limited, India
Raidurgam Developers Limited, India (formerly known as Aurobindo Antibiotics limited, India)
Purple Bellflower (Pty)Ltd, South Africa (Joint Venture of a step-down subsidiary, Aurogen South Africa (Pty) Ltd, South Africa)
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd. (Joint Venture of a subsidiary, Helix Healthcare B.V., The Netherlands)
Longxiang Pharma Taizhou Co. Ltd. (w.e.f. October 20, 2019) (Joint Venture of a subsidiary, Helix Healthcare B.V., The Netherlands)
Novagen BBBEE Invest Co (Pty) Ltd (w.e.f. November 7,, 2019) (Joint Venture of a step-down subsidiary, Aurogen South Africa (Pty) Ltd, South Africa)

b) Enterprises over which key management personnel or their relatives exercise significant influence

Pravesha Industries Private Limited, India
Sri Sai Packaging, India (Partnership firm)
Trident Chemphar Limited, India
Auropro Soft Systems Private Limited, India
Axis Clinicals Limited, India
Pranit Packaging Private Limited, India
SGD Pharma India Limited (formerly Cogent Glass Limited), India
Orem Access Bio Inc, India
Veritaz Healthcare Limited, India
Alex Merchant PTE. LTD, Singapore
Axis Clinicals LLC, USA
Alex Merchant DMCC, Dubai
Crest Cellulose Private Limited, India
East Pharma Technologies, India (Partnership firm)
Axis Clinicals Latina SA DE CV, Mexico
Gelcaps Industries, India
Aurobindo Pharma Foundation (Trust), India
Alcedo Pharmachem Private Limited, India
Ambipack Industries, India
Giyaan Pharma Private Limited, India
Sathguru Management Consultants Pvt. Ltd, India
Transaction Square LLP, India
Shreas Industries Limited, India
Aurobindo Realty & Infrastructure Private Limited, India
Aurobindo Pharma Foundation (SEC 8 Company), India

Notes to Consolidated Financial Statements

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

c) Key managerial personnel

Mr. K. Nityananda Reddy, Whole-time Director
Dr. M. Sivakumaran, Whole-time Director
Mr. M. Madan Mohan Reddy, Whole-time Director
Mr. P. Sarath Chandra Reddy, Whole-time Director
Mr. N. Govindarajan, Managing Director
Mr. Santhanam Subramanian, Chief Financial Officer
Mr. B. Adi Reddy, Company Secretary
Mr. K. Ragunathan, Non-executive Chairman and Independent Director
Mr. M. Sitarama Murty, Independent Director (up to March 31, 2021)
Dr. (Mrs.) Avnit Bimal Singh, Independent Director
Mr. P. Venkata Ramprasad Reddy, Non-executive Promoter Director
Mrs. Savitha Mahajan, Independent Director
Mr. Girish Paman Vanvari, Independent Director (w.e.f. November 5, 2020)

d) Relatives to key managerial personnel

Mr. Vishnu M Sriram (Son in law of Dr. M. Sivakumaran, Whole-time Director)

ii) Transactions with related parties

a. Transactions with joint ventures

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raidurgam Developers Limited		
Rent expenses including maintenance	59.5	-
Rent Deposit	100.6	-
Investment in optionally convertible debentures	434.5	330.0
Interest accrued	54.2	30.4
Novagen Pharma (Pty) Limited, South Africa		
Sale of products	188.2	149.6
Dividend received	1.7	24.4
Sale of services	32.6	34.2
Purple Bell Flower (Pty) Limited, South Africa		
Dividend received	2.5	2.7
Dividends Paid	5.2	5.5
Loans and Advances given	0.1	5.5
Eugia Pharma Specialities Ltd, India		
Sale of products	54.7	66.5
Purchases	1,061.6	1,549.4
Purchase of property, plant and equipment	-	0.2
Tergene Biotech Pvt. Ltd, India		
Investment in 10.5% Cumulative Redeemable Preference shares	43.5	38.0
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd.		
Equity contribution	128.9	-
Novagen BBBEE Invest Co (Pty) Ltd		
Equity contribution	0.8	-
Options granted	0.3	-

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for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

b. Transactions with enterprises over which key management personnel or their relatives exercise significant influence

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Pravesha Industries Private Limited, India		
Sale of products	0.2	0.0
Sale of property, plant and equipment	-	0.4
Purchases	3,443.1	3,278.9
Sale of Services	0.5	-
Sri Sai Packaging, India		
Sale of products	0.4	0.4
Purchases	248.1	246.8
Axis Clinicals Limited, India		
Sale of products	0.3	-
Purchase of services	2,720.8	1,444.7
Purchases	12.1	-
Reimbursement of expenses	0.5	-
Purchase of Fixed assets	-	71.8
Axis Clinicals LLC, USA		
Purchase of services	891.8	292.7
Axis Clinicals Latina SA DE CV, Mexico		
Purchase of services	5.1	26.1
Trident Chemphar Limited, India		
Purchases	1,023.9	1,416.0
Purchase of services	138.6	95.4
Sale of products	0.3	-
Pranit Packaging Private Limited, India		
Purchases	265.8	246.8
Sale of products	0.0	-
SGD Pharma India Limited (formerly Cogent Glass Limited), India		
Purchases	1,244.1	1,254.4
Purchase of services	-	4.2
Orem Access Bio Inc, India		
Purchases	363.3	342.5
Sale of products	0.1	-
Veritaz Healthcare Limited, India		
Sale of products	187.6	236.2
Rent received	0.4	0.3
Purchases	119.6	-
Crest Cellulose Private limited, India		
Purchases	354.6	391.6
Sale of Services	-	0.0
East Pharma Technologies, India		
Purchases	112.5	105.5
Sale of products	0.1	-

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for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gelcaps Industries, India		
Purchases	507.0	445.2
Sale of products	3.2	-
Aurobindo Foundation(Trust), India		
Contribution towards CSR activities	152.9	601.1
Corporate guarantee given	990.0	-
Aurobindo Pharma Foundation, India (Sec.8 Company)		
Contribution towards CSR activities	582.1	-
Equity contribution	0.1	-
Alcedo Pharmachem Private Limited, India		
Purchases	260.3	217.5
Ambipack Industries, India		
Purchases	140.0	128.6
Giyaan Pharma Private Limited, India		
Sale of products	28.9	13.6
Aurobindo Realty & Infrastructure Private Limited		
Purchase of capital goods	349.9	-
Shreas Industries Limited		
Purchases	0.9	-
Sathguru Management Consultants Pvt. Ltd.		
Purchase of services	1.2	-

c. Remuneration to key managerial personnel and their relatives

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and other benefits	245.7	200.6
Contributions to defined contribution plans	6.5	5.9
Director sitting fees	11.4	3.8
Commission	125.0	100.0

d. Transactions with key managerial personnel or their relatives

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. K Nityananda Reddy		
Rent expense	2.8	2.7

Note:

i) Managerial remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

ii) All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for trade receivable, trade payable and other payables are unsecured, interest free and settlement occurs in cash. The Group has not recorded any impairment of balances relating to amounts owed by related parties during the year ended March 31, 2021 and March 31, 2020. Provisions for bad and doubtful debts will be made on an aggregate basis i.e, not specific to party. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

iii) Closing balances of related parties

a. Balances with Joint ventures at the year end

Particulars	As at March 31, 2021	As at March 31, 2020
Novagen Pharma (Pty) Limited, South Africa		
Balance receivable	100.0	52.2
Dividend receivable	337.1	-
Purple Bell Flower (Pty) Limited, South Africa		
Balance payable	-	4.9
Balance receivable	0.1	-
Dividend receivable	2.7	-
Raidurgam Developers Limited, India		
Balance receivable	24.0	14.4
Balance payable	22.9	-
Rent Deposit Receivable	100.6	-
Eugia Pharma Specialities Limited, India (upto November 6, 2020)		
Balance payable	-	85.2

b. Balances with enterprises over which key management personnel or their relatives exercise significant influence at the year end

Particulars	As at March 31, 2021	As at March 31, 2020
Pravesha Industries Private Limited, India		
Balance payable	835.3	994.9
Sri Sai Packaging, India		
Balance payable	46.8	3.7
Axis Clinicals Limited, India		
Balance payable	696.6	209.4
Trident Chemphar Limited, India		
Balance receivable	-	738.8
Balance payable	12.4	1.9
Pranit Packaging Private Limited, India		
Balance receivable	0.3	0.9
Balance payable	48.4	16.1
SGD Pharma India Limited (formerly Cogent Glass Limited), India		
Balance payable	316.2	402.9
Veritaz Healthcare Limited, India		
Balance receivable	93.2	120.7
Balance payable	25.0	-
Orem Access Bio Inc, India		
Balance payable	30.5	86.3
Crest Cellulose Private Limited, India		
Balance payable	79.6	88.0
East Pharma Technologies, India		
Balance payable	22.3	17.4
Gelcaps Industries, India		
Balance receivable	0.3	-
Balance payable	118.6	91.3

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Axis Clinicals LLC, USA		
Balance receivable	28.4	12.8
Balance payable	293.3	3.3
Axis Clinicals Latina SA DE CV, Mexico		
Balance payable	-	23.4
Alcedo Pharmachem Private Limited, India		
Balance payable	-	7.0
Ambipack Industries, India		
Balance payable	28.2	21.5
Giyaan Pharma Private Limited, India		
Balance receivable	27.3	8.3
Aurobindo Realty & Infrastructure Private Limited		
Balance receivable	73.3	-

c. Balances with key managerial personnel at the year end

Particulars	As at March 31, 2021	As at March 31, 2020
Mr. N Govindarajan		
Balance payable	125.0	100.0
Mr. K Nityananda Reddy		
Balance payable	0.2	0.2

iv) Details of advances due from private companies in which Parent Company's director is a director.

Particulars	As at March 31, 2021	As at March 31, 2020
Pranit Packaging Private Limited, India	0.3	0.9

Note: Amounts below ₹0.1 has been disclosed as ₹0.0.

41 The amount of research and development expenditure charged to consolidated statement of profit and loss is ₹15,095.5 (March 31, 2020: ₹9,580.2). Further, the amount of capital expenditure incurred towards research and development during the year amounted to ₹897.8 (March 31, 2020: ₹315.6)

42 INTEREST IN JOINT VENTURES

The Group has investment in two entities, Eugia Pharma Specialities Limited upto November 6, 2020 and Tergene Biotech Private Limited with a voting share of 67.82% and 80.00% respectively. As a result of a contractual arrangement with the third party partner, the Group has a majority representation on the entity's board of directors. However, the approval of directors represented by the third party partner is required for all major decisions with regard to operating and financing activities. As the Group does not control these entities and the other partners have significant participating rights, the Group's interest in these entities has been accounted under the equity method of accounting under Ind AS 111 - Joint Arrangements (refer note 38).

During the year 2019-20 the Group has invested in an entity, Longxiang Pharma Taizhou Co., Ltd with a voting share of 57%. As a result of contractual arrangement with third party partners, the Group does not have majority/equal representation on the entity's Board of Directors. However, the approval of directors represented by both the Group and the third party partners is required for all major decisions with regard to operating and financing activities. As the Group jointly controls the entity with the third party partners, the Group's interest in this entity has been accounted under the equity method of accounting under Ind AS 111 - Joint Arrangements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

The Group has invested in one entity, Raidurgam Developers Limited (Formerly Aurobindo Antibiotics Ltd) with a voting share of 40%. As a result of a contractual arrangement with the third party partner, the Group does not have majority/equal representation on the entity's Board of Directors. However, the approval of directors represented by both the Group and the third party partner is required for all major decisions with regard to operating and financing activities. As the Group jointly controls the entity with the third party partner, the Group's interest in this entity has been accounted under the equity method of accounting under Ind AS 111 - Joint Arrangements.

The Group has interest in the following joint ventures;

Particulars	As at March 31, 2021	As at March 31, 2020
Novagen Pharma Pty Ltd, South Africa	50.00%	50.00%
Eugia Pharma Specialities Limited, India (Subsidiary w.e.f. November 6, 2020) (refer note 38)	-	67.82%
Tergene Biotech Private Limited, India	80.00%	80.00%
"Raidurgam Developers Limited (formerly Aurobindo Antibiotics Limited), India"	40.00%	40.00%
Purple BellFlower (Pty) Ltd, South Africa	48.00%	48.00%
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd	30.00%	30.00%
Longxiang Pharma Taizhou Co., Ltd (w.e.f. October 28, 2019)	57.00%	57.00%
Novagen BBBEE Invest Co (Pty) Ltd (w.e.f. November 7,, 2019)	24.50%	24.50%

These joint ventures are engaged in manufacture and distribution of pharmaceuticals products except, Raidurgam Developers Limited, which is engaged in construction and infrastructure development. The Group's interest in these joint ventures is accounted using the equity method in the consolidated financial statements. Summarised financial information of the joint ventures, based on its their financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(a) Novagen Pharma Pty Ltd, South Africa

(i) Summarised balance sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets	363.2	308.4
Non-current Assets	202.7	180.7
	565.9	**489.1**
Current liabilities	118.9	119.5
Non-Current liabilities	719.6	625.0
Equity	(272.6)	(255.4)
	565.9	**489.1**

(ii) Details of other financial information

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	84.5	19.4
Current financial liabilities	7.5	-

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(iii) Summarised statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue	627.1	853.9
Interest income	2.1	0.7
Interest expenses	3.0	6.0
Depreciation	15.2	8.9
Profit before tax	47.7	98.9
Income tax expense	(13.8)	(27.9)
Profit for the year	33.9	71.0
Total comprehensive income for the year	33.9	71.0
The Group's Share of Dividend received	1.7	24.4

The Group's share of profits for the year ended March 31, 2021 and March 31, 2020 was ₹19.91 and ₹46.4 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2021 and March 31, 2020 was ₹268.8 and ₹250.6 respectively.

(b) Eugia Pharma Specialities Limited, India

(i) Summarised statement of profit and loss

Particulars	For the period April 1, 2020 to November 6, 2020	As at March 31, 2020
Revenue	987.4	1,422
Interest income	1.5	11.7
Loss before tax	(647.9)	(328.1)
Income tax expense	-	82.6
Loss for the year	(647.9)	(245.5)
Total comprehensive income for the year	(647.9)	(244.3)

The Group's share of loss for the period ended November 6, 2020 and for the year ended March 31, 2020 was ₹431.9 and ₹158.6 respectively.

(c) Tergene Biotech Pvt. Ltd, India

(i) Summarised balance sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets	89.4	25.3
Non-current Assets	75.2	90.1
	164.6	**115.4**
Current liabilities	139.2	61.6
Non-current liabilities	255.3	220.4
Equity	(229.9)	(166.6)
	164.6	**115.4**

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

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(ii) Details of other financial information

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	69.9	8.3
Non-current financial liabilities	211.0	167.5
Current financial liabilities	60.7	42.0

(iii) Summarised statement of profit and loss

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue	0.1	0.3
Other Income	6.7	19.9
Interest income	-	-
Interest expenses	24.3	20.5
Depreciation	14.0	15.3
Loss before tax	(62.8)	(54.4)
Loss for the year	(62.8)	(54.4)
Total comprehensive income for the year	(63.3)	(54.4)

The Group's share of loss for the year ended March 31, 2021 and March 31, 2020 was ₹50.7 and ₹43.6 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2021 and March 31, 2020 was ₹Nil and ₹Nil respectively and investment in Preference shares in the joint venture as at March 31, 2021 and March 31, 2020 was ₹116.8 and ₹123.9 respectively.

(d) Raidurgam Developers Limited (formerly Aurobindo Antibiotics Limited), India

(i) Summarised balance sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets	127.8	744.3
Non-current Assets	10,173.4	6,719.3
	10,301.2	**7,463.6**
Current liabilities	617.1	73.6
Non-current liabilities	9,804.2	7,309.1
Equity	(120.1)	80.9
	10,301.2	**7,463.6**

(ii) Details of other financial information

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	86.9	72.3
Non-current financial liabilities	9,804.2	7,309.1
Current financial liabilities	586.7	-
Capital Commitments (Groups Share)	-	1,362.6

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(iii) Summarised statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue	63.7	-
Interest expenses	167.9	-
Depreciation	50.8	0.5
Loss before tax	(205.6)	(5.1)
Income tax expense	4.7	-
Total comprehensive income for the period	(200.9)	(5.1)

The Group's share of loss for the year ended March 31, 2021 and March 31, 2020 is ₹80.4 and ₹2.0 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2021 and March 31, 2020 is ₹Nil and ₹27.3 respectively and investment in optionally convertible debentures in the joint venture as at March 31, 2021 and March 31, 2020 is ₹1,610.0 and ₹1,175.5 respectively.

(e) Purple BellFlower (Pty) Ltd, South Africa

(i) Summarised balance sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets	5.7	4.9
	5.7	**4.9**
Current liabilities	5.8	4.9
Equity	(0.1)	-
	5.7	**4.9**

(ii) Details of other financial information

Particulars	As at March 31, 2021	As at March 31, 2020
Current financial liabilities	-	4.9

(iii) Summarised statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue	5.2	5.5
Profit for the year	5.2	5.5
Total comprehensive income for the period	5.2	5.5

The Group's Share of Dividend received	2.5	2.7

The Group's share of profit for the year ended March 31, 2021 and March 31, 2020 is ₹2.5 and ₹2.7 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2021 and March 31, 2020 is ₹0.1 and ₹0.3 respectively.

Notes to Consolidated Financial Statements
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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(f) Luoxin Aurovitas Pharm (Chengdu) Co. Ltd, China

(i) Summarised balance sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets	386.9	930.2
Non-current Assets	1,929.4	417.2
	2,316.3	**1,347.4**
Current liabilities	272.2	91.0
Non-current liabilities	147.8	-
Equity	1,896.3	1,256.4
	2,316.3	**1,347.4**

(ii) Details of other financial information

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	149.2	625.1
Non-current financial liabilities	-	-
Current financial liabilities	218.2	71.6

(iii) Summarised statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue	24.4	11.5
Depreciation	0.5	0.2
Profit before tax	0.1	3.8
Tax Expenses	1.4	0.8
Profit after tax	(1.3)	3.0
Total comprehensive income for the period	(1.3)	3.0

The Group's share of loss (March 31, 2020 profit) for the year ended March 31, 2021 and March 31, 2020 is ₹0.4 and ₹0.9 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2021 and March 31, 2020 is ₹401.1 and ₹267.9 respectively.

(g) Longxiang Pharma Taizhou Co. Ltd, China

(i) Summarised balance sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets	501.5	503.3
Non-current Assets	2.3	0.1
	503.8	**503.4**
Current liabilities	0.8	1.2
Equity	503.0	502.2
	503.8	**503.4**

(ii) Details of other financial information

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	457.8	461.6

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for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

(iii) Summarised statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue	5.9	6.9
Other income	0.1	0.2
Interest income	3.2	0.2
Depreciation	0.2	-
Interest expenses	-	-
(Loss) / Profit for the year	(22.2)	4.2
Total comprehensive income for the period	(22.2)	4.2

The Group's share of loss (March 31, 2020 profit) for the year ended March 31, 2021 and March 31, 2020 is ₹12.6 and ₹2.5 respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2021 and March 31, 2020 is ₹276.2 and ₹288.8 respectively.

(h) Novagen BBBEE Invest Co (Pty) Ltd, South Africa

(i) Summarised balance sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets	0.9	-
Non-current Assets	0.9	-
	1.8	**-**
Current liabilities	0.4	-
Non-current liabilities	-	-
Equity	1.4	-
	1.8	**-**

(ii) Details of other financial information

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	0.9	-
Current Financial Liabilities	0.4	-

(iii) Summarised statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Other income	0.1	-
Interest expenses	-	-
Loss for the year	(0.5)	-
Total comprehensive income for the period	(0.5)	-

The Group's share of loss for the year ended March 31, 2021 and March 31, 2020 is ₹0.1 and ₹Nil respectively. The carrying value of the Group's investment in equity shares in the joint venture as at March 31, 2021 and March 31, 2020 is ₹0.8 and ₹Nil respectively.

43 HEDGING ACTIVITIES AND DERIVATIVES - DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

The Group uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one week to twelve months.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

44 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

March 31, 2021

Particulars	Notes	Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments in others*	6(B)	151.3	-	-	151.3	-	-	151.3	151.3
Non current Investments in Stocks and shares (refer note 6(1))	6(B)	-	1,472.2	-	1,472.2	1,472.2	-	-	1,472.2
Non current Investments in quoted bonds (refer note 6(1))	6(B)	-	67.8	-	67.8	67.8	-	-	67.8
Non-current investments in government securities*	6(B)	0.2	-	-	0.2	-	-	0.2	0.2
Current investments in quoted equity shares*	6(C)	0.2	-		0.2	0.2	-	-	0.2
Non current Investments in quoted bonds	6(C)	-	-	7.5	7.5	7.5	-	-	7.5
Current Investments in quoted bonds	6(C)	-	-	1,000.2	1,000.2	1,000.2	-	-	1,000.2
Investment in unquoted fixed deposits with Corporate	6(C)	-	-	590.0	590.0	-	-	590.0	590.0
		151.7	**1,540.0**	**1,597.7**	**3,289.4**	**2,547.9**	**-**	**741.5**	**3,289.4**
Financial assets not measured at fair value									
Non-current investments in preference shares	6(B)	-	-	116.8	116.8				
Trade receivables	8(A) & 8(B)	-	-	35,032.8	35,032.8				
Loans	7(A) & 7(B)	-	-	215.8	215.8				
Cash and cash equivalents	14(A) & 14(B)	-	-	54,742.8	54,742.8				
Other financial assets	9(A) & 9(B)	-	-	1,573.5	1,573.5				
		-	**-**	**91,681.7**	**91,681.7**				
Financial assets measured at fair value									
Derivatives - foreign currency forward contracts	9(B)	198.2	-	-	198.2	-	198.2	-	198.2
		198.2	**-**	**-**	**198.2**	**-**	**198.2**	**-**	**198.2**
Financial liabilities not measured at fair value									
Borrowings (including current maturities of non-current borrowings)	17(A), 17(B) & 20	-	-	49,711.1	49,711.1				
Trade payables	19	-	-	27,946.8	27,946.8				
Other financial liabilities	20(A) & 20(B)	-	-	24,495.7	24,495.7				
		-	**-**	**102,153.6**	**102,153.6**				

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

March 31, 2020

Particulars	Notes	Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments in others*	6(B)	151.2	-	-	151.2	-	-	151.2	151.2
Non-current investments in government securities*	6(B)	0.2	-	-	0.2	-	-	0.2	0.2
Current investments*	6(C)	0.2	-	-	0.2	0.2	-	-	0.2
		151.6	**-**	**-**	**151.6**	**0.2**	**-**	**151.4**	**151.6**
Financial assets not measured at fair value									
Non-current investments in preference shares	6(B)	-	-	123.9	123.9				
Trade receivables	8(A) & 8(B)	-	-	43,151.5	43,151.5				
Loans	7(A) & 7(B)	-	-	195.2	195.2				
Cash and cash equivalents	14(A) & 14(B)	-	-	28,421.5	28,421.5				
Other financial assets	9(A) & 9(B)	-	-	1,571.1	1,571.1				
		-	**-**	**73,463.2**	**73,463.2**				
Financial liabilities measured at fair value									
Derivative liabilities	20	22.3	-	-	22.3	-	22.3	-	22.3
		22.3	**-**	**-**	**22.3**	**-**	**22.3**	**-**	**22.3**
Financial liabilities not measured at fair value									
Borrowings (including current maturities of non-current borrowings)	17(A), 17(B) & 20	-	-	55,619.7	55,619.7				
Trade payables	19	-	-	25,760.6	25,760.6				
Other current financial liabilities	20(A) & 20(B)	-	-	23,611.9	23,611.9				
		-	**-**	**104,992.2**	**104,992.2**				

*These are for operational purposes and the Group estimates that the fair value of these investments are not materially different as compared to their cost.

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the consolidated balance sheet, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2020-21 and no transfers in either direction in 2019-20.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

C. Risk Management Framework

The Parent Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's Risk Management Framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks being faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the parent company's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Parent Company's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the Audit Committee.

The Group is exposed primarily to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). The Group uses derivative financial instruments such as forwards to minimise any adverse effect on its financial performance.

i. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial assets. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Management also evaluates the factors that may influence the credit risk of its customer base, including the default risk and country in which the customers operate. The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if available, financial statements, credit agency information, industry information and in some case bank references. Sales limits are established for each customer and reviewed quarterly.

The Group's receivables turnover is quick and historically, there was no significant default on account of trade and other receivables. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Group assesses at each reporting date whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Other financial assets

The Group maintains exposure in cash and cash equivalents, other receivables from bank and derivative instruments with financial institutions.

The Group's maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of each class of financial assets.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at reporting date:

As at March 31, 2021	Carrying amount	Contractual cash flows			
		< 12 months	1 to 5 years	> 5 years	Total
Non-derivative financial liabilities					
Non-current borrowings	1,684.0	8.3	1,727.4	-	1,735.7
Current borrowings	48,027.1	48,106.0	-	-	48,106.0
Lease liabilities	3,668.1	1,097.9	2,346.2	273.5	3,717.6
Trade payables	27,946.8	27,946.8	-	-	27,946.8
Other non-current financials liabilities	541.0	-	541.0	-	541.0
Other current financial liabilities	20,286.7	20,288.0	-	-	20,288.0

As at March 31, 2020	Carrying amount	Contractual cash flows			
		< 12 months	1 to 5 years	> 5 years	Total
Non-derivative financial liabilities					
Non-current borrowings	1,396.7	1,402.4	-	-	1,402.4
Current borrowings	54,223.0	54,468.0	-	-	54,468.0
Lease liabilities	3,753.8	1,175.3	2,623.7	274.5	4,073.5
Trade payables	25,760.6	25,760.6	-	-	25,760.6
Other financial liabilities	19,858.1	19,858.1	-	-	19,858.1
Derivative financial liabilities					
Foreign exchange forward contracts	22.3	22.3	-	-	22.3

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity, commodity rates and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

a) **Foreign Currency risk:**

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit or loss, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the respective functional currency of each entity. The Group is subject to foreign exchange risk primarily due to its foreign currency revenues, expenses and borrowings. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro and GBP against the functional currency of the Company. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Group has a treasury team which evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks and advises the Management of any material adverse effect on the Group. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on foreign exchange risk from derivative instruments and non derivative instruments is as follows:

The summary of quantitative data about the Group's exposure to currency risk (based on the notional amounts) as reported to the management is as follows:

As at March 31, 2021

Particulars	US$	Euro	GBP	Others	Total
Financial assets					
Trade receivables	10,746.0	1,068.3	-	338.0	12,152.3
Cash and cash equivalents	2,037.8	762.3	272.3	201.4	3,273.8
Loans	26.8	443.9	3.4	432.3	906.4
Total	**12,810.6**	**2,274.5**	**275.7**	**971.7**	**16,332.5**
Less:					
Foreign exchange forward contracts	(5,854.8)	(7,374.5)	(1,772.5)	(2,323.5)	(17,325.3)
Net exposure in financial assets	**6,955.8**	**(5,100.0)**	**(1,496.8)**	**(1,351.8)**	**(992.8)**
Financial liabilities					
Borrowings	36,401.3	2,958.4	171.3	-	39,531.0
Interest accrued but not due	3.3	-	-	-	3.3
Trade payables (including capital creditors)	10,155.9	759.5	90.0	112.7	11,118.1
Total	**46,560.5**	**3,717.9**	**261.3**	**112.7**	**50,652.4**
Less:					
Foreign exchange forward contracts	-	(428.8)	-	-	(428.8)
Net exposure in financial liabilities	**46,560.5**	**3,289.1**	**261.3**	**112.7**	**50,223.6**
Net exposure in respect of recognised assets/(liabilities)	**(39,604.7)**	**(8,389.1)**	**(1,758.1)**	**(1,464.5)**	**(51,216.4)**

As at March 31, 2020

Particulars	US$	Euro	GBP	Others	Total
Financial assets					
Trade receivables	9,832.6	439.1	47.3	213.2	10,532.2
Cash and cash equivalents	645.4	215.4	160.2	14.5	1,035.5
Loans	12.5	13.1	-	0.2	25.8
Other financial assets	-	-	-	2.0	2.0
Total	**10,490.5**	**667.6**	**207.5**	**229.9**	**11,595.5**
Less:					
Foreign exchange forward contracts	(6,166.7)	(4,014.3)	(383.4)	(939.1)	(11,503.5)
Net exposure in financial assets	**4,323.8**	**(3,346.7)**	**(175.9)**	**(709.2)**	**92.0**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

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Particulars	US$	Euro	GBP	Others	Total
Financial liabilities					
Borrowings	32,540.5	2,618.4	481.5	-	35,640.4
Interest accrued but not due	12.2	-	-	-	12.2
Trade payables (including capital creditors)	11,474.4	275.4	23.5	41.7	11,815.0
Provisions	-	-	-	19.0	19.0
Total	**44,027.1**	**2,893.8**	**505.0**	**60.7**	**47,486.6**
Less:					
Foreign exchange forward contracts	(1,020.5)	-	-	-	(1,020.5)
Net exposure in financial liabilities	**43,006.6**	**2,893.8**	**505.0**	**60.7**	**46,466.1**
Net exposure in respect of recognised assets/(liabilities)	**(38,682.8)**	**(6,240.5)**	**(680.9)**	**(769.9)**	**(46,374.1)**

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or (loss)			
	March 31, 2021		March 31, 2020	
	Strengthening	Weakening	Strengthening	Weakening
US$ (5% movement)	1,980.2	(1,980.2)	1,934.1	(1,934.1)
Euro (5% movement)	419.5	(419.5)	312.0	(312.0)
GBP (5% movement)	87.9	(87.9)	34.0	(34.0)
Others (5% movement)	73.2	(73.2)	38.5	(38.5)

(b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to risk of change in market interest rates because it borrows funds at both fixed and floating interest rates. The Group manages its interest rate risk by having a balances portfolio of fixed and variable rate loans and borrowings. As the Group has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Particulars	March 31, 2021	March 31, 2020
Variable rate borrowings including current maturities and lease liabilities	53,379.2	59,373.5
Fixed rate borrowings	-	1,500.0
Total borrowings	**53,379.2**	**60,873.5**

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(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Sensitivity analysis:

Particulars	Impact of Profit / (Loss) on consolidated Statement of profit and loss			
	March 31, 2021		March 31, 2020	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Variable rate instruments	(245.0)	245.0	(287.1)	287.1
Fixed rate instruments	(0.6)	0.6	(0.8)	0.8

(c) **Commodity risk:**

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchase of active pharmaceutical ingredients and other raw material components for its products. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Group's business are generally more volatile. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2021, the Group had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

45 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity' and 'gearing ratio'. For this purpose, adjusted net debt is defined as total borrowings, less cash and cash equivalents and other bank balances.

The Groups adjusted net debt to total equity was as follows :

Particulars	As at March 31, 2021	As at March 31, 2020
Total borrowings	49,711.1	55,619.7
Less : Cash and cash equivalents	53,734.7	27,637.1
Less : Other Bank balances *	1,110.7	839.6
Adjusted net debt	(5,134.3)	27,143.0
Total Equity	219,298.6	168,246.6
Adjusted net debt to total equity ratio	(0.02)	0.16

* includes bank deposits against bank guarantees of ₹102.7 (March 31, 2020 : ₹55.2) classified as Other Non-current financial assets.

The Group's capital gearing ratio, which is total debt divided by total equity plus adjusted net debt was -2.4% (March 31, 2020 : 13.9%).

46 COVID - 19 IMPACT ANALYSIS

The Group has considered the possible effects that may result from the pandemic relating to COVID-19. With a view to ensure minimal disruption with respect to operations including production and distribution activities, the Group has taken several business continuity measures. While the Group has not experienced any significant difficulties with respect to market demand, liquidity, financing capital expansion projects, collections so far, the Group has assessed the financial impact of the Covid 19 situation particularly on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets. The Group has, as at the date of approval of these consolidated financial results, used internal and external sources of information, including economic forecasts and estimates from market sources. On the basis of evaluation and current indicators of future economic conditions, the Group believes that it will be in a position to recover the carrying amounts of these assets and does not anticipate any material impact due to impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions.

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

47 ADDITIONAL STATUTORY INFORMATION IN RESPECT OF THE COMPONENTS OF APL AND ITS CONSOLIDATED ENTITIES

Name of the entity	As at and for the year ended March 31, 2021								As at and for the year ended March 31, 2020							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income		Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount
Parent - Aurobindo Pharma Limited	72.62 %	159,246.2	58.36 %	31,129.1	(135.23)%	(64.1)	58.19 %	31,065.0	77.58 %	130,524.9	66.00 %	18,768.8	(4.42)%	(127.0)	59.54 %	18,641.8
Subsidiaries - Indian																
APL Health Care Limited	0.68 %	1,489.9	1.24 %	662.7	12.46 %	5.9	1.25 %	668.6	0.49 %	821.3	(1.15)%	(327.6)	0.02 %	0.2	(1.05)%	(327.4)
Auronext Pharma Private Limited	1.45 %	3,170.4	2.18 %	1,161.4	(2.53)%	(1.2)	2.17 %	1,160.2	3.19 %	5,372.0	10.97 %	3,119.3	(0.02)%	(0.5)	9.96 %	3,118.8
Auro Peptides Limited	(0.47)%	(1,036.6)	(0.57)%	(305.9)	5.70 %	2.7	(0.57)%	(303.2)	(0.44)%	(733.4)	(1.29)%	(368.1)	(0.01)%	(0.2)	(1.18)%	(368.3)
Auro Pharma India Private Limited	0.00 %	0.8	0.00 %	-	-	-	0.00 %	-	0.00 %	0.8	0.00 %	(0.1)	-	-	0.00 %	(0.1)
Auroactive Pharma Private Limited	0.00 %	0.8	-	(0.2)	-	-	-	(0.2)	-	1.00	-	-	-	-	-	-
Curateq Biologics Private Limited	(0.06)%	(130.8)	(0.06)	(3,348.1)	0.05	2.2	(0.06)	(3,345.9)	-	-	-	-	-	-	-	-
Auro Cure Private Limited	0.17 %	367.9	(0.00)	(4.6)	-	-	(0.00)	(4.6)	-	-	-	-	-	-	-	-
Aurozest Private Limited	0.00 %	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aurobindo Antibiotics Private Limited	0.00 %	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eugia Pharma Specialities Limited	4.19 %	9,191.1	0.01	649.5	(0.14)	(6.5)	0.01	643.0	-	-	-	-	-	-	-	-
Mvyies Pharma Ventures Private Limited	0.84 %	1,852.1	-	0.3	-	-	-	0.3	-	-	-	-	-	-	-	-
Lyfius Pharma Private Limited	0.00 %	0.6	-	(0.4)	-	-	-	(0.4)	-	-	-	-	-	-	-	-
Qule Pharma Private Limited	0.00 %	0.9	-	(0.1)	-	-	-	(0.1)	-	-	-	-	-	-	-	-
Wytells Pharma Private Limited	0.00 %	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiaries - Foreign																
APL Pharma Thai Limited	0.08 %	179.9	0.00 %	0.5	-	-	0.00 %	0.5	0.11 %	176.7	(0.01)%	(1.8)	-	-	(0.01)%	(1.8)
Aurobindo Pharma Industria Farmaceutica Ltda	0.45 %	977.3	1.00 %	535.5	-	-	1.00 %	535.5	0.32 %	536.3	1.05 %	297.2	-	-	0.95 %	297.2
Aurobindo Pharma Produtos Farmaceuticos Ltda	0.08 %	175.0	0.01 %	5.9	-	-	0.01 %	5.9	0.11 %	184.4	(0.01)%	(3.2)	-	-	(0.01)%	(3.2)
All Pharma (Shanghai) Trading Company Limited	0.10 %	226.4	0.01 %	3.7	-	-	0.01 %	3.7	0.13 %	212.7	0.05 %	15.2	-	-	0.05 %	15.2
Helix Healthcare B.V.	10.48 %	22,986.4	0.99 %	529.9	-	-	0.99 %	529.9	10.29 %	17,320.8	1.48 %	422.2	-	-	1.35 %	422.2
Agile Pharma B.V.	3.86 %	8,473.2	0.73 %	390.5	-	-	0.73 %	390.5	4.64 %	7,804.4	1.90 %	539.5	-	-	1.72 %	539.5
Auro Pharma Inc.	0.61 %	1,342.3	0.33 %	175.6	-	-	0.33 %	175.6	0.63 %	1,061.6	0.88 %	250.8	-	-	0.80 %	250.8
Aurobindo Pharma (Pty) Limited	0.14 %	303.6	0.29 %	154.0	-	-	0.29 %	154.0	0.07 %	121.7	(0.18)%	(52.1)	-	-	(0.17)%	(52.1)
Aurobindo Pharma Japan K.K.	0.05 %	114.7	0.05 %	29.3	-	-	0.05 %	29.3	0.09 %	147.3	0.01 %	4.1	-	-	0.01 %	4.1

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Name of the entity	As at and for the year ended March 31, 2021								As at and for the year ended March 31, 2020							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income		Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount
Laboratorios Aurobindo, S.L.	0.08 %	180.6	0.03 %	18.6	-	-	0.03 %	18.6	0.09 %	156.5	0.03 %	8.8	-	-	0.03 %	8.8
Aurobindo Pharma (Italia) S.r.l	0.12 %	253.5	0.13 %	71.6	-	-	0.13 %	71.6	0.10 %	176.0	0.21 %	60.2	-	-	0.19 %	60.2
Aurobindo Pharma GmbH	0.21 %	450.0	0.13 %	70.4	-	-	0.13 %	70.4	0.28 %	466.3	0.33 %	94.5	-	-	0.30 %	94.5
Aurobindo Pharma (Romania) s.r.l	0.01 %	26.6	0.02 %	10.9	-	-	0.02 %	10.9	0.01 %	15.5	(0.19)%	(54.8)	-	-	(0.18)%	(54.8)
Aurovida Farmaceutica S.A. de C.V.	0.13 %	292.7	0.33 %	177.1	-	-	0.33 %	177.1	0.06 %	95.8	(0.66)%	(188.5)	-	-	(0.60)%	(188.5)
Aurobindo Pharma Colombia S.A.S.	0.18 %	386.4	0.18 %	97.0	-	-	0.18 %	97.0	0.16 %	271.7	0.29 %	81.6	-	-	0.26 %	81.6
Pharmacin B.V. (formerly Aurex B.V.)	0.02 %	39.8	0.02 %	11.5	-	-	0.02 %	11.5	0.02 %	27.4	0.03 %	8.5	-	-	0.03 %	8.5
Aurobindo Pharma USA Inc.	22.93 %	50,279.4	53.27 %	28,415.5	(0.77)	(36.4)	53.16 %	28,379.1	9.16 %	15,407.8	12.41 %	3,530.0	-	-	11.27 %	3,530.0
Aurolife Pharma LLC	4.47 %	9,802.4	(2.76)%	(1,470.7)	-	-	(2.75)%	(1,470.7)	6.92 %	11,648.3	(3.55)%	(1,008.2)	-	-	(3.22)%	(1,008.2)
Auromedics Pharma LLC	2.07 %	4,541.3	1.73 %	923.3	-	-	1.73 %	923.3	2.27 %	3,817.2	3.36 %	954.8	-	-	3.05 %	954.8
Auro Health LLC	0.46 %	1,002.3	0.16 %	85.5	-	-	0.16 %	85.5	0.64 %	1,082.3	3.05 %	868.0	-	-	2.77 %	868.0
Natrol LLC	0.00 %	-	4.67 %	2,493.2	-	-	4.67 %	2,493.2	3.71 %	6,235.9	6.34 %	1,802.2	-	-	5.76 %	1,802.2
Auro AR LLC	0.00 %	7.3	-	-	-	-	-	-	0.00 %	7.6	-	-	-	-	-	-
Aurobindo Pharma USA LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Auro Vaccines LLC	(0.43)%	(946.7)	(1.72)%	(917.6)	-	-	(1.72)%	(917.6)	(0.02)%	(41.9)	(0.21)%	(59.3)	-	-	(0.19)%	(59.3)
AuroLogistics LLC	0.07 %	158.4	0.08 %	44.3	-	-	0.08 %	44.3	0.07 %	125.0	0.17 %	49.0	-	-	0.16 %	49.0
Acrotech Biopharma LLC	1.06 %	2,316.5	2.07 %	1,102.1	-	-	2.06 %	1,102.1	0.86 %	1,453.6	4.82 %	1,369.9	-	-	4.38 %	1,369.9
Auro Science LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Auroscience PTY Ltd, Australia	0.29 %	640.3	(0.58)%	(309.1)	3.62	171.5	(0.26)%	(137.6)	0.48 %	808.2	0.04 %	12.0	-	-	0.04%	12.0
Auro Packaging LLC	0.05 %	109.9	0.13 %	66.9	-	-	0.13 %	66.9	0.03 %	47.1	0.03 %	8.6	-	-	0.03%	8.6
Aurex B.V. (formerly Pharmacin B.V.)	0.15 %	333.6	0.08 %	42.3	-	-	0.08 %	42.3	0.17 %	281.5	0.21 %	59.0	-	-	0.19 %	59.0
Milpharm Limited	0.97 %	2,124.2	0.95 %	509.2	-	-	0.95 %	509.2	0.91 %	1,526.0	1.16 %	328.9	-	-	1.05 %	328.9
Aurobindo Pharma (Malta) Limited	0.31 %	670.1	0.01 %	3.6	-	-	0.01 %	3.6	0.38 %	643.4	0.04 %	11.8	-	-	0.04 %	11.8
APL Swift Services (Malta) Limited	0.21 %	470.1	0.24 %	125.5	-	-	0.24 %	125.5	0.20 %	333.5	(0.14)%	(39.2)	-	-	(0.13)%	(39.2)
Arrow Generiques SAS	2.17 %	4,748.4	0.22 %	118.8	-	-	0.22 %	118.8	2.66 %	4,469.5	1.56 %	443.5	-	-	1.42 %	443.5
1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Germany	0.00 %	4.7	-	-	-	-	-	-	0.00 %	4.5	0.00 %	-	-	-	0.00 %	-
Puren Pharma GmbH (formerly Actavis Deutschland GmbH & Co., KG, Germany)	0.39 %	860.9	0.13 %	67.1	-	-	0.13 %	67.1	0.66 %	1,117.3	1.17 %	333.1	-	-	1.06 %	333.1

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Name of the entity	As at and for the year ended March 31, 2021								As at and for the year ended March 31, 2020							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income		Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount
Aurovitas Spain SA	0.83 %	1,814.4	0.35 %	186.7	-	-	0.35 %	186.7	0.93 %	1,568.0	1.73 %	491.4	-	-	1.57 %	491.4
Aurovitas Pharma Polska	0.26 %	574.3	0.16 %	86.2	-	-	0.16 %	86.2	0.28 %	467.0	0.29 %	83.2	-	-	0.27 %	83.2
Aurobindo Pharma B.V. (formerly Actavis B.V.)	1.07 %	2,350.1	1.75 %	931.8	-	-	1.75 %	931.8	0.82 %	1,375.1	1.93 %	548.5	-	-	1.75 %	548.5
Generis Farmaceutica S.A.	3.28 %	7,190.2	(0.76)%	(407.5)	-	-	(0.76)%	(407.5)	4.36 %	7,331.0	(1.40)%	(398.7)	-	-	(1.27)%	(398.7)
Generis Phar, Unipessoal Lda	0.00 %	0.5	-	-	-	-	-	-	0.00 %	0.5	0.00 %	-	-	-	0.00 %	-
Aurovitas Pharma Ceska Republica s.r.o	0.00 %	-	0.00 %	-	-	-	0.00 %	-	(0.01)%	(15.0)	(0.90)%	(256.1)	-	-	(0.82)%	(256.1)
Aurogen South Africa (PTY) Ltd	0.65 %	1,420.4	0.10 %	55.6	-	-	0.10 %	55.6	0.69 %	1,166.1	1.49 %	424.1	-	-	1.35%	424.1
Aurobindo Pharma Saudi Arabia Limited Company	0.03 %	76.2	(0.06)%	(30.7)	-	-	(0.06)%	(30.7)	0.07 %	110.2	(0.11)%	(30.0)	-	-	(0.10)%	(30.0)
Aurovitas Pharma (Taizhou) Ltd	1.20 %	2,632.5	(0.03)%	(18.5)	-	-	(0.03)%	(18.5)	0.92 %	1,551.1	(0.03)%	(8.7)	-	-	(0.03)%	(8.7)
Aurobindo Pharma FZ-LLC	0.01 %	31.1	(0.04)%	(21.1)	-	-	(0.04)%	(21.1)	0.00 %	5.8	(0.05)%	(13.0)	-	-	(0.04)%	(13.0)
Apotex N.V.	0.00 %	-	0.00 %	-	-	-	0.00 %	-	0.22 %	375.8	(0.15)%	(42.8)	-	-	(0.14)%	(42.8)
Aurovitas Spol s.r.o (Formerly Apotex (CR) Spol s.r.o.)	0.25 %	545.5	(0.25)%	(133.0)	-	-	(0.25)%	(133.0)	0.38 %	637.0	(0.47)%	(132.5)	-	-	(0.42)%	(132.5)
Apotex Europe B.V.	0.25 %	546.7	0.57 %	303.3	-	-	0.57 %	303.3	0.14 %	236.9	0.00 %	(0.8)	-	-	0.00 %	(0.8)
Apotex Nederland B.V.	(0.57)%	(1,243.0)	(1.08)%	(574.1)	-	-	(1.08)%	(574.1)	(0.39)%	(649.4)	(9.71)%	(2,761.6)	-	-	(8.82)%	(2,761.6)
Sameko Farma B.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leidapharm B.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marel B.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharma Dossier B.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CuraTeQ Biologics GmbH	0.02 %	45.0	(0.02)%	(11.7)	-	-	(0.02)%	(11.7)	0.03 %	56.8	(0.06)%	(15.7)	-	-	(0.05)%	(15.7)
Aurobindo NV/SA	0.12 %	266.6	(0.22)%	(118.7)	-	-	(0.22)%	(118.7)	0.00 %	(4.7)	(0.03)%	(9.3)	-	-	(0.03)%	(9.3)
Joint Ventures (accounted under equity method)																
Joint Ventures - Foreign																
Novagen Pharma (Pty) Ltd	N.A*	N.A*	0.04 %	19.9	N.A*	N.A*	0.04 %	19.9	N.A*	N.A*	0.16 %	46.4	N.A*	N.A*	0.15 %	46.4
Purple BellFlower (Pty) Ltd	N.A*	N.A*	0.00 %	2.5	N.A*	N.A*	0.00 %	2.5	N.A*	N.A*	-	2.7	N.A*	N.A*	0.01 %	2.7
Luoxin Aurovitas Pharm (Chengdu) Co. Ltd.	N.A*	N.A*	0.00 %	(0.4)	N.A*	N.A*	0.00 %	(0.4)	N.A*	N.A*	-	0.9	N.A*	N.A*	-	0.9
Longxiang Pharma Taizhou Co. Ltd	N.A*	N.A*	0.00 %	(12.6)	N.A*	N.A*	(0.02)%	(12.6)	N.A*	N.A*	-	2.5	N.A*	N.A*	0.01 %	2.5
Novagen BBBEE Invest Co (Pty) Ltd	N.A*	N.A*	-	(0.1)	N.A*	N.A*	-	(0.1)	N.A*	N.A*	-	-	N.A*	N.A*	-	-

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for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Name of the entity	As at and for the year ended March 31, 2021								As at and for the year ended March 31, 2020							
	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income		Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount
Joint Ventures - Indian																
Eugia Pharma Specialities Limited	N.A*	N.A*	(0.81)%	(431.9)	N.A*	N.A*	(0.81)%	(431.9)	N.A*	N.A*	(0.56)%	(158.6)	N.A*	N.A*	(0.51)%	(158.6)
Tergene Biotech Private Limited	N.A*	N.A*	(0.10)%	(50.7)	N.A*	N.A*	(0.09)%	(50.7)	N.A*	N.A*	(0.15)%	(43.6)	N.A*	N.A*	(0.14)%	(43.6)
Raidurgam Developers Limited (formerly Aurobindo Antibiotics Limited)	N.A*	N.A*	(0.15)%	(80.4)	N.A*	N.A*	(0.15)%	(80.4)	N.A*	N.A*	(0.01)%	(2.0)	N.A*	N.A*	(0.01)%	(2.0)
Minority Interests in all subsidiaries	0.00 %	(8.9)	(0.02)%	(10.2)	-	-	(0.02)%	(10.2)	0.00 %	1.4	(0.05)%	(14.5)	-	-	(0.05)%	(14.5)
Total	138.59%	303,946.3	118.54 %	63,230.4	156.35 %	74.1	118.56%	63,304.5	135.47%	227,939.3	102.22 %	29,079.4	(4.43)%	(127.5)	92.45%	28,951.9
Consolidation adjustments	(38.59)%	(84,656.4)	(18.54)%	(9,892.2)	(56.35)%	(26.7)	(18.56)%	(9,918.9)	(35.47)%	(59,691.2)	(2.22)%	(642.5)	104.43 %	2,999.9	7.55 %	2,357.4
Net amount	100.00%	219,289.9	100.00%	53,338.2	100.00%	47.4	100.00%	53,385.6	100.00%	168,248.1	100.00 %	28,436.9	100.00 %	2,872.4	100.00%	31,309.3

* Not Applicable

Note :

1. The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter company transactions / profits / Consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.

2. Percentages below 0.01% have been disclosed as 0.00%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

48 CONTRIBUTION TO POLITICAL PARTIES AS PER SECTION 182 OF COMPANIES ACT, 2013. (INCLUDED IN MISCELLANEOUS EXPENSES)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
To political parties	-	0.1
Purchase of Electoral Bonds in accordance with the Electoral Bond Scheme notified by the Government of India	-	210.0

49 EXCEPTIONAL ITEMS

Exceptional items for the current year represent the following items which have been credited/(debited) to consolidated statement of profit and loss.

Particulars	For the year ended March 31, 2021
Gain on disposal of subsidiary including foreign currency translation adjustments (refer note 50)	30,966.5
Gain on fair value of assets on acquisition of controlling interest in a joint venture (refer note 38)	1,528.5
Impairment of goodwill (refer note 4)	(4,349.2)
	28,145.8

50 DISPOSAL OF SUBSIDIARY

On November 30, 2020 the Group entered into a definitive agreement to dispose of business assets of Natrol LLC United States of America a wholly-owned step down subsidiary as a going concern with related assets, liabilities, products, brands and employees for a cash consideration of US$ 550 million.

The following table summarises the sale proceeds and tax thereon:

Particulars	For the year ended March 31, 2021
Consideration received	40,640.4
Less: Expenses incurred	1,798.5
Net Sale proceeds	**38,841.9**
Net worth	8,395.9
	30,446.0
Exchange fluctuation	54.0
Net gain	**30,500.0**
Tax	7,102.8

51 BUSINESS TRANSFER

Pursuant to the terms of the Business Transfer Agreement between Eugia Pharma Specialities Ltd (Eugia) and Auronext Pharma Private Limited (Auronext) dated November 10, 2020, the entire business of Auronext has been transferred to Eugia on a slump sale basis. The Group has accounted for this transaction in accordance with the provisions of Appendix C of Ind AS 103 - Business Combinations, governing the accounting principles to be followed in the event of business combination under common control. Accordingly, all the assets and liabilities which have been transferred to Eugia have been recognised at their carrying values as appearing in the financial statements of Auronext as at November 10, 2020 in accordance with the aforesaid accounting principles.

52 SEGMENT INFORMATION

a) Identification of Reportable Segments:

Segments are identified in line with Indian Accounting Standard (Ind AS) 108 "Operating Segments", taking into consideration the internal organisation and management structure as well as the differential risk and returns of each of the segments.

Operating segments are components of the Group whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete information is available.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees in million, except for share data and where otherwise stated)

Based on the Group's / Consolidated entities' business model of vertical integration, pharmaceuticals have been considered as a single business segment for the purpose of making decisions on allocation of resources and assessing its performance. Hence, no separate financial disclosures provided in respect of its single business segment.

Operations of the Group / Consolidated entities are managed from independent locations, which are located in different geographical locations. However each of these operating locations are further aggregated based on the following factors: (a) similarity of economic and political conditions; (b) relationships between operations in different geographical areas; (c) proximity of operations; (d) special risks associated with operations in a particular area; (e) exchange control regulations; and (f) the underlying currency risk. Accordingly, the following have been identified as operating and reportable segments: (a) "India", (b) "USA" (c) "Europe" and (d) "Rest of the World".

The geographic information analyses the Group's revenues and non-current assets by the components' country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of assets.

a) Revenue from external customers

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	20,138.1	22,415.1
USA	121,174.9	116,782.6
Europe	81,221.6	72,767.6
Rest of the world	25,211.6	19,019.8
	247,746.2	**230,985.1**

b) Non-current assets (other than financial instruments and deferred tax assets)

Particulars	As at March 31, 2021	As at March 31, 2020
India	77,573.1	61,053.8
USA	31,912.0	38,220.2
Europe	15,803.9	18,728.1
Rest of the world	5,618.2	2,838.7
	130,907.2	**120,840.8**

c) The Group has no external customer which accounts for more than 10% of the Group's total revenue for the year ended March 31, 2021 and March 31, 2020.

As per our Report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership No.049642

Place: Palakkad
Date: June 3, 2021

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

N. Govindarajan
Managing Director
DIN-00050482

Dr. M. Sivakumaran
Director
DIN-01284320

Santhanam Subramanian
Chief Financial Officer

B. Adi Reddy
Company Secretary
Membership No.13709

Place: Hyderabad
Date: May 31, 2021

Notes

AUROBINDO
Committed to healthier life!

REGISTERED OFFICE

Plot No. 2, Maithrivihar, Ameerpet
Hyderabad - 500 038
Telangana, India

CORPORATE OFFICE

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Ranga Reddy District, Hyderabad - 500 032
Telangana, India

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